



VIETNAM: UPPING THE STAKES IN THE SOUTH CHINA SEA

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Recent controversies between Hanoi and Beijing in relation to the South China Sea suggest that tensions in the region are rising. Vietnam is displaying a new resolve in relation to Beijing. This indicates that China's growing economic power is a concern for the Southeast Asian capitals, and that Hanoi is attempting to take the lead among ASEAN states in challenging Beijing in relation to the South China Sea. Development of the dispute is partly linked to the position of the U.S., who promises to remain a regional power but is unlikely to want to clash with China over the South China Sea.

The recent confrontation started on May 26, when Hanoi accused three Chinese patrol ships of violating Vietnam's sovereign waters and halting the activities of an oil surveillance ship in the disputed Spratly archipelago. According to the Vietnamese authorities, the incident took place only 120 kilometers off the coast of Vietnam's Phu Yen province – 600 kilometers south of China's Hainan Island – thus deep into Vietnam's Exclusive Economic Zone and Continental Shelf. Since the May incident, Hanoi has also stepped up its accusation against China of continuous harassment of Vietnamese fishing ships operating in Vietnamese-claimed waters.

The current quarrel in the region is part of a more long-standing dispute between China and Vietnam that also includes Indonesia, Malaysia, Brunei and the Philippines, over the sovereignty of the Spratly and Paracel Islands in the South China Sea; both rich in oil and gas resources. Beijing has specified its territorial claims through a U-shaped "nine-dotted line," encompassing more than 80% of the South China Sea. The line has been widely disputed by the Southeast Asian capitals, who have overlapping territorial claims to the waters. China dismisses such objections, arguing that the nine-dotted line is based on historic rights by China and, as such, has support in customary international law. Beijing, which only a decade ago pursued a soft-power approach vis-à-vis the region, has over the last years defined sovereignty over the South China Sea as a national priority, and taken a visibly more assertive stance in relation to these disputes.

The South China Sea constitutes a hub of vital strategic and economic interests. The sea is home to some of the busiest sea lanes in the world and is rich in natural resources, including fish, oil and gas. The waters are a major concern for

the Southeast Asian governments, with more than 60% of the South Asian population estimated to depend economically on the maritime zones. The sea transports more than half of the world's merchant fleet, and, as such, is vital also for regional powers who depend on sea trade, predominantly China and Japan, but also Australia and India. The U.S. too has both economic and strategic stakes in the region. On a visit to Hanoi in July 2010, U.S. Secretary of State Hillary Rodham Clinton expressed that conflict resolution in the region was a U.S. "national interest." Much to Beijing's irritation, the U.S. has also supported ASEAN's plea for a multilateral dispute settlement in the region, and hinted at an active role by Washington in such a format.

The oil surveillance ship incident is not the first serious clash in the region this year. In March, the Philippine government accused Beijing of harassing a seismic survey vessel in the Philippine-claimed Reed Bank. Manila responded by lodging a formal protest against China's nine-dotted line with the UN, the only Southeast Asian country to have done so, and by increasing its naval presence in the Spratly waters.

While the maritime disputes in the region are no novelties, what is new is the tone coming out of Hanoi. Since the May events unfolded, Vietnamese authorities and media have been unusually explicit in condemning what it refers to as bullying by China. Notably also, over the last weeks, hundreds of Vietnamese have taken part in anti-Chinese demonstrations in Hanoi and Ho Chi Minh City. As allowing for public protesting is a rare occurrence in Vietnam, it is clear the Vietnamese authorities are showing that it is not going to remain silent.

Vietnam has also beefed up its defense in recent years. In 2009, Hanoi announced the purchase of six diesel-electric



Kilo-class submarines (worth US\$2bn) and eight Sukhoi Su-30MK2 fighter jets from Russia. This suggests that Vietnam no longer wants to be seen as a passive security actor in the region but is seeking a more favorable position in negotiations over the maritime territories. Vietnam has also been increasingly using legal rhetoric to challenge China's territorial claims. This indicates that Hanoi may follow Manila's suit and attempt to take the dispute to the UN. Vietnam continues to advocate a new declaration of conduct by the ASEAN states and China, replacing the 2002-document that has so far failed to serve as a dispute-settlement tool.

Beijing, for its part, maintains that it has jurisdictional rights over the waters in question and thus blames Hanoi for threatening Chinese jurisdictional rights. A Chinese Foreign Ministry's spokeswoman recently urged Vietnam to "restrain to not create new incidents" in the region. This has been coupled with increasing Chinese naval activities, including the establishment of a submarine base on Hainan island, and more recently, construction of an aircraft carrier.

Thus, when the parties met in Singapore on June 5 for the annual IISS-organized Shangri-La security forum, the South China Sea tensions were high on the agenda. Minister of Defense Liang Guanglie of China reaffirmed Beijing's intention of maintaining peace in the region, denying any involvement by the People's Liberation Army in the recent incident. The U.S. took a careful stance on the matter, urging the parties to resolve the differences in accordance with international law. Retiring U.S. Defense Minister Robert Gates promised, however, a continued strong role for the U.S. throughout the Pacific region, which, he stated, will not be affected by war weariness or budget constraints. Whether this will ultimately mean a greater involvement in the South China Sea remains to be seen.

However unlikely the South China Sea conflicts are to develop into armed conflict, Hanoi's position indicates that China's increasing economic power and perceived military might is a real concern for the region's capitals and that the current

status quo is unsustainable. Beijing has displayed that it will not let go as the dominating maritime power in the region. Equally, Vietnam is not likely to back off that easily. As expressed by Le Van Cuong, a major-general of the Vietnamese army and the former Chief of the Ministry of Public Security Institute: "if we are firm, they will retreat. If we retreat, they will march forward." At the same time, Vietnam remains dependent on its traditional friendship and strategic partnership with China. In a recent address, Vietnamese Prime Minister Nguyen Tan Dung stressed the importance of maintaining peace and stability in the region, and warned against "reactionary forces taking advantage of incidents to attack and sabotage the leadership of the Party and the State, to distort and sow division in relations between Vietnam and related countries." In this light, the conflict is likely to remain a war of words, at least in the medium term.

The recent events prove nonetheless that there is a strong need for conflict prevention mechanisms and dialogue in the region. However, the current impasses in the China-ASEAN dialogue is showing no signs of easing, and Beijing's reluctance to deal with the disputes at the multilateral level is likely to remain. In this light, Hanoi's plea for renewed codes of conduct in the region appears far-fetched.

Developments in the region are somewhat dependent on the extent to which the U.S. is prepared to step up its pressure on China for multilateral diplomacy in the region. Given the slight warming of China-U.S. relations in the last year, and in light of Washington's continuous preoccupation elsewhere, it is doubtful whether it is prepared to do so at this point.

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