

## The South China Sea Dispute: Understanding the On-Going Maritime Rivalry and its Implications for India

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### Abstract

*The territorial dispute in the South China Sea has attracted global attention and has the potential to inflict a larger regional instability. The claimant states engage in strategic conflict over the control of the islands in the South China Sea and its waters which is known to contain huge reserves of oil and gas. The situation got worsened by the involvement of outside powers in the dispute which can cause larger conflict. The recent aggressive stand taken by China and its activities in the South China Sea has complicated the situation as other claimants protested strongly against these moves. In this situation, India is expanding its reach in the South China Sea and its larger involvement is becoming a crucial factor in Indian foreign policy. India has become more vocal in expressing its interest in the freedom of navigation and peaceful resolution of disputes in the region. This paper examines the on-going maritime rivalry of the South China Sea in general and India's interest and strategy in particular and highlights India's policy initiative in the region.*

**Keywords:** South China Sea, Maritime security, Conflict, China, India, Territorial disputes

### Introduction

The South China Sea territorial disputes have become a major flashpoint in Southeast Asia. Several littoral countries including China, Taiwan, Vietnam, Malaysia, Indonesia, Philippines and Brunei have made competing territorial claims over this region. Such disputes have been regarded as one of the world's most potentially dangerous points of conflict. The territorial claims over this region are not subjected to easy legal resolution and with the increasing importance of the region, things have become more and more

complicated. China has claimed almost the entire region of South China Sea through the so-called *ninedash line* map which was submitted to the United Nations on May 7, 2009. The recent Chinese activities like dredging and creating artificial islands particularly in the hotly contested Spratly Islands and its deployment of surface to air missile on Woody Islands in the Paracels began to flare up the issue to a much larger extent. These recent Chinese actions and behaviours have led leading more regional and global players to engage directly in the issue.

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As the South China Sea is a major shipping route, almost all countries of the world have a stake in it and any measure which can disturb the freedom of navigation in the region will have a huge implication in world's seaborne trade and commerce. Many claimants believe that the sea hides bountiful oil reserves in addition to the plentiful fish resources. The dispute is also marked by nationalist propaganda whereby the claimants attach symbolic value to the South China Sea and its islands which often exceeds their objective material wealth. This region is also tinged with great power politics whereby China and the United States begin to jostle each other for control of the region. The recent announcement by the United States of its '*Asia Pivot*' policy is to a great extent influenced by its desire to make a more prominent role in the South China Sea. In this intricate situation, Indian policy makers are also dealing with the issue with utmost care by considering all its implications for the country's own national interest.

### **Why the South China Sea Matters**

The South China Sea is a marginal sea that is part of the Pacific Ocean surrounded by several countries. It extends from the Strait of Malacca in the Southwest, to the Strait of Taiwan in the Northeast. It is estimated that over 500 million people in China, Taiwan, the Philippines, Malaysia, Brunei, Indonesia, Singapore, Cambodia, Thailand and Vietnam live within 100 miles of its coastline. There are four island groups in

the South China Sea: the Pratas Islands in the northeast, the Paracels to the north, the Spratlys to the South, and Scarborough Shoal in the central east. All of these islands are claimed by both China and Taiwan, while Vietnam claims the Paracels and Spratlys, and the Philippines claims many features of the Spratlys and Scarborough Shoal.

Although the area is largely uninhabited it is rich in marine resource and is believed to have huge potential of oil and natural gas. The Ministry of Geological Resources and Mining of the People's Republic of China estimate that South China Sea may contain 17.7 billion tons of crude oil. According to the US Energy Information Administration (EIA)'s profile of the South China Sea region, a US Geological Survey estimates puts the region's discovered and undiscovered oil reserves at 28 billion barrels, as opposed to the Chinese figure of 213 billion barrels. The same EIA report also points to the wide variety of natural gas resource estimations, ranging from 900 trillion cubic feet (25.5 trillion cubic meters) to 2 quadrillion cubic feet (56.6 trillion cubic meters) The sea is also a major shipping route where more than half of the world's commerce that travels by sea and about half of the world's oil tanker shipments pass through its waters. Freedom of navigation through the South China Sea is thus essential in order to link North East Asia's seaborne trade with the rest of the world. The importance of the region lies ascertained by the fact that it furnishes living and mineral resources to

the littoral states. Almost 50 percent of the protein requirement of the population bordering the South China Sea is met by the abundant fishing activity in the region.

### **Background of the South China Sea Dispute**

The region during the first half of the twentieth century was largely quiet as its littoral states focused their attention to other issues and problems. Till the end of the Second World War, no claimant state occupied a single island in the entire South China Sea. However, in the year 1946 and 1947, China established itself on several parts of the Spratlys and Woody Island (which is a part of Paracel island chain) respectively. China captured Woody Island two weeks before the French and Vietnamese intended to send troops to capture it. However, even at this stage, the South China Sea was not considered as a priority area by the claimants because they were engaging in some other issues and conflicts which they considered more important.

The next half century, however, saw accelerating interest in the South China Sea. In the year 1955, China and Taiwan established themselves on several key islands. However, these efforts cooled down till 1970. By early 1970s, interest of the claimants in the South China Sea began to flare up which was primarily spurred by several indications that the South China Sea contained significant amount of oil and gas reserves. The Philippines moved first and shortly followed by China which launched

seaborne attacks on several islands. China seized several features of the Paracel islands from the control of South Vietnam during a brief war known as *The Battle of the Paracel Islands* which took place on January 19, 1974 where several Vietnamese soldiers were killed. South and North Vietnam responded to this by reinforcing their remaining garrisons and seized several other unoccupied features. Violence flared up once again in 1988 when China moved into the Spratly Islands and occupied the Johnson Reef whereby they killed several Vietnamese sailors in the process.

In 2002, ASEAN and China signed the Declaration on the Conduct of Parties in the South China Sea. Under this declaration, the parties promised “to exercise self restraint in the conduct of activities that would complicate or escalate disputes and effect peace and stability including among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner”. This declaration had for some period put the conflict at bay. However, this calm situation was put to an end in 2009 with the submission of a map by China containing the “*Nine-Dash Line*” to the United Nations. By this map, China claimed all the land features in the South China Sea and vast majority of its waters. Since the publication of this nine-dash line, tensions are flaring up once again. China is becoming more assertive in dealing with the issue in the South China

Sea and the other claimant countries particularly Vietnam and the Philippines view the recent Chinese activities in the region with unease and with suspicion.

### **Recent Developments**

The 2002 Declaration on the Conduct of Parties in the South China Sea was signed with a hope that it would provide long term stability in the area and create mutual understanding between the claimant countries. However, the Declaration does not define what kind of activities could be considered to complicate or escalate a dispute. As a result, claimant countries continued to construct structures in the disputed features of the South China Sea.

Being the most powerful claimant country, China's behaviour and attitude towards the South China Sea determines the nature of the dispute. Since the publication of the *nine-dash line* map, China became more and more aggressive in dealing with the issue. In July 2012, China established the city of Sansha, an administrative body with its headquarters in the Paracels which oversees Chinese territory in the South China Sea. This move triggered strong protest from Vietnam and the Philippines. In January 2013, Philippines announced that it was taking China to a UN tribunal under the auspices of the UN Convention on the Laws of the Sea, so as to challenge its claims. On July 12, 2016, the Permanent Court of Arbitration in The Hague issued a ruling on this claim by the Philippines, ruling in favour of the Philippines.

However, China had boycotted the proceedings, and called the ruling "ill-founded" and it says that it will not be bound by the ruling. Chinese foreign ministry spokesman Lu Kang had spoken out on this issue threatening "decisive response" if anyone took "any provocative action against China's security interests based on the award".

In recent years, satellite imagery has shown China's increasing efforts in reclaiming land and constructing artificial islands on the South China Sea. In addition to this, China has constructed military installations, ports and airstrips in the region which created rising fear of militarization of the South China Sea. In response to the Chinese military build-up in the region, the United States in October 2015 sailed a guided-missile missile destroyer within 12 nautical miles of the artificial islands – an act by which the United States planned to assert freedom of navigation in the region. China responded this action by giving a warning to the US that it should "not act blindly or make trouble out of nothing". US Defence Secretary Ashton Carter said on 29<sup>th</sup> September 2016 that the US will "sharpen our military edge" in Asia and the Pacific in order to remain a dominant power in the region. The Pentagon Chief also described what he called the next phase of a US Pivot to Asia, which stands for a rebalancing of American security commitments in Asia after years of heavy focus on the Middle East. This clearly highlights the grave danger of superpower rivalry and competition in the South China

Sea region which could ultimately lead to armed conflict and large scale confrontation.

China and Russia in September 2016 conducted war games in the South China Sea. The eight-day joint exercises include a focus on “seizing and controlling” islands and shoals and is intended to expose the military capabilities of both the countries.

### **What’s at Stake for India at the South China Sea?**

Although India is a non-claimant country of the South China Sea Islands, it is concerned with the development in the South China Sea. The South China Sea is strategically important for India both in terms of trade and other economic perspectives. It is estimated that nearly 55 per cent (and growing) of the sea bound trade of India passes through the South China Sea. Due to this reason, freedom of navigation in the South China Sea is of utmost importance for the sustenance of the growing Indian economy. India is worried that if the situation arises whereby China controls this region, it will dictate maritime traffic both civilian and military. Former India’s External Affairs Minister SM Krishna argued in 2012 that the South China Sea is the property of the world and thus nobody has a unilateral control over it. He also stressed that India is capable enough of safeguarding its interests

India considered its relation with ASEAN as an important factor which could spur her economic growth. For this reason, it launched the *Look East Policy*

in 1990s which was reinvigorated in 2014 by Prime Minister Narendra Modi as *Act East Policy* and seeks for India’s larger engagement in South East Asia. ASEAN has become India’s fourth largest trading partner and the India-ASEAN trade stood at approximately US \$ 76.53 billion in 2014-15. Stability of the Southeast Asia is therefore vital for India because any major conflict in the South China Sea region is bound to impact India’s economic interests. India is of the view that the South China Sea region is a key to its energy security, and that the conflict must be resolved peacefully as per international laws.

India’s has been actively engaging with Vietnam in the exploration of oil and gas in the South China Sea region. Indian state-owned company ONGC Videsh Limited (OVL) had in 2006 signed a contract with Petro Vietnam to jointly explore sector 127 and 128 in the Phu Khanh Basin. Later in September 2011, it signed three deals to jointly explore oil and natural gas in these blocks. Vietnam accounted for nearly a quarter of OVL’s total hydrocarbon output of 5.4 million tonnes (mt) and 3.3 billion cu. m. (BCM) of gases in 2014-15. However, this oil exploration projects off the Vietnam coast has been objected by China asserting that the blocks are under their sovereign control and are within the *nine dash line* area claimed by China. Although this was the case, OVL decided to restart the oil exploration after a brief gap claiming that the area was under the sovereign control of Vietnam and contend that the blocks

lie within Vietnam's Exclusive Economic Zone and Continental Shelf. It is unfortunate that China viewed India's growing bilateral relationship with countries like Vietnam, Indonesia and its strategic cooperation with Japan as an attempt by India to consolidate and assert its power in China's own backyard.

It can be seen that India is not interested in seeking any confrontation with China, however, just as China has increased its presence in India's neighbouring countries, India too is attempting to build a strong trade and economic partnership with ASEAN and East Asian countries so as to secure its markets and transportation linkages through the security of the sea lanes. The security and stability of the South China Sea region is also vital from the Indian naval perspective because of the strategic location of the South China Sea between the Indian Ocean and the Western Pacific. India is now operating closely with United States and Japan and therefore its secure access to the Western Pacific through the South China Sea is truly vital. David Scott (2013) had argued that China is not yet an Indian Ocean power but is investing a lot in building up infrastructure in and around the Indian Ocean which some Indian analysts termed as "*String of Pearls*" Policy aimed at encircling India particularly in the South Asian region. In retaliation to this, India, which is not a power in the South China Sea, is attempting to project itself as one; and this power projection is the crux of the Sino-Indian strategic rivalries. In this way, while

China is maintaining that Indian Ocean does not belong to India alone, India can equally contend that the South China Sea too does not belong to China alone. Even though India could not prevent China's entry into the Indian Ocean, it can exert counter pressure on China by engaging herself in the South China Sea.

India has an active naval presence in the South China Sea since its first deployment there in 2000. These deployments also include bilateral naval exercise, friendly port calls and transit through these waters. Indian Navy had conducted bilateral SIMBEX naval exercises with the Singapore Navy since 1993 and often attends friendly port calls to littoral countries such as Brunei, Malaysia, Indonesia, the Philippines and Vietnam which bring Indian Navy to the disputed water. An important policy undertaken by India to strengthen its linkages with the littoral countries of the South China Sea is the MILAN naval exercises which were held since 1995. In this naval exercise, a number of littoral countries including Thailand, Malaysia, Singapore, Indonesia, Brunei, Vietnam, and the Philippines were participating. This forged greater engagement and friendship between India and these countries which is vital for India's larger role in the South China Sea.

The Malabar Joint Naval Exercise conducted annually by India and US since 1992 was joined by Japan in the year 2014. It acted as an instrument of assertion of India's growing engagement with the

United States and Japan and was viewed by China with suspicion. The 2016 version of this exercise was held near Okinawa Island in Japan which is about 400 kilometres from the contested Senkaku Islands. Besides anti-submarine warfare, the three navies will be enacting scenarios of anti-surface warfare and air defence which amounts to recreating a scenario where a belligerent Chinese military needs to be countered.

The increasing naval exercises has been complemented by the expansion of the Andaman and Nicobar (Southern) Command with the establishment of the 'Naval Air Station' called INS Baaz in Campbell Bay on 31 July 2012, which is located closely from the Malacca Strait (which connect Indian Ocean with the South China Sea) and is considered as India's 'window to East and Southeast Asia'. This move is a strong signal of India's concerns over the current state of affairs in the Indian Ocean Region and South China Sea.

India being a non-claimant country on any part of the South China Sea is not a party to the dispute. However, given the importance of the South China Sea for India, India does not turn a blind eye on the dispute. India's stand on the South China Sea dispute can be clarified with six main points. *First*, the South China Sea dispute being a 'sovereignty' issue must be resolved by the claimant countries that are party to the dispute. *Second*, India favours peaceful resolution of disputes, and opposes the use of threat of use of

force to resolve competing claims. *Third*, India considers freedom of navigation in the region as vital and therefore this freedom should be maintained. *Fourth*, India insists on peaceful resolution of disputes in accordance with international law, including the United Nations Convention on the Law of the Sea (UNCLOS). *Fifth*, India's interest in the South China Sea is purely commercial and *sixth*, freedom and safety of the sea lanes of communication (SLOCs) should be maintained as per the international law.

India's stand on the South China Sea dispute is also highlighted in the Joint Statement between India and United States during Prime Minister Narendra Modi's visit to the US in September 2014. This statement was of great significance for the reason that it for the first time India made a direct comment regarding the dispute resolution in the South China Sea. The Statement read that "The leaders expressed concern about rising tension over maritime territorial disputes, and affirmed the importance of safeguarding maritime security and ensuring freedom of navigation and overt-flight throughout the region, especially in the South China Sea". This draws heavy criticism from the Chinese side.

## **Conclusions**

The South China Sea dispute unless solved in a meaningful manner can bring about larger rivalry and tension which can harm not only regional but also global affairs. The involvement of powerful countries like the United States and China

in the dispute create a dangerous atmosphere whereby the security of the whole region can be disturbed. The Chinese power posture in the region and its aggressive actions resulted not only in tensions, mistrust and conflict but also resulted in increasing militarization in countries such as Vietnam and the Philippines. These countries felt insecure with the rising aggressive Chinese behaviour and were under pressure to modernize and upgrade their military capabilities. In order to ameliorate the rising tension China must stop its activities like militarization of the islands, land reclamation policy etc., and disputes must be solved through peaceful dialogue which is in consonance with the UN Charter in general and the United Nations

Convention on the Laws of the Sea (UNCLOS) in particular.

With the strategic importance of the South China Sea for India still growing, India must increase and extend its partnership with the Southeast Asian countries. Expansion and modernization of naval infrastructure is also necessary to secure India's interest in the South China Sea. However, as India's interest in the South China Sea is purely commercial, it is necessary that it refrains from direct confrontation and conflict with the claimant state especially China. The present India's stand of freedom of navigation in the region, peaceful resolution of disputes and strict adherence to the international law must be upheld and maintained for India's best interest in the region.

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