

POLITICAL AND ECONOMIC REPERCUSSIONS OF THE SPRATLY ISLANDS TERRITORIAL DISPUTE

East and Southeast Asia has many trouble hotspots, security speaking, but none is as more disturbing, long-standing and complicated than the South China Sea Question. Without deference to other internal problem areas, such as Aceh and Irian Jaya for Indonesia or the Pattani secessionist movement in southern Thailand, or two-party territorial contest, such as Sabah between the Philippines and Malaysia, the Spratlys conflict is by far the most glaring, engulfing not only two or three states, but five littoral claimants and one regional (and also global) power.

The South China Sea lanes: Asia's economic lifeline

The problem posed by the South China Sea dispute is aggravated by its vital strategic location. Although miniscule in terms of land area, the reefs, atolls and islands dotting this arm of the Pacific Ocean, command the sea lanes which serve as the primary passageway for raw materials coming from Borneo (e.g. tin, oil, rubber, lumber, minerals) or Mindanao (e.g. fish and fish products) or any major island in the East Indies going to Japan, Russia, China and the rest of Northeast Asia and vice-versa for the case of finished products or semi-processed goods. Anyone who controls the area could prevent this free transit of commodities and could contribute to the death of the prosperous Strait of Malacca, economic hubs Singapore and Hong Kong and Southeast Asia's booming export processing zones (Zha, 2001; Snyder, n.d.). In times of war, this could mean a halt in the business clock in the world's economic juggernauts and fast-becoming tigers. The Japanese Imperial Forces considered the control of the South China Sea a paramount concern for its war machinery (Zha, 2001).

Resources on troubled waters

The islands are also believed to be sitting on a bountiful supply of oil and natural gas, as well as from teeming fish and other marine life (Storey, 1999; Odgaard, 2001; Snyder, n.d.). It also has superb ecotourism potentials. Accordingly, China, Vietnam, Malaysia and the Philippines had started granting concessions, many of which overlap or contested by another claimant country, to foreign multinational companies for exploration and initial drilling in the area (Odgaard, 2001; Phuong, 1997). The islands' proximity to Taiwan, which is at loggerheads with Mainland China over its perceived "pro-independence tune", as well as the volatile Korean Peninsula, produces additional headaches to security and economic planners of all Parties concerned. These, and its pivotal geographical position, make the Spratlys a serious regional security flashpoint, unless efforts, and rapid efforts at that, could be made.

Of claims and counter-claims

Brunei, Malaysia, Philippines, Vietnam, Taiwan and China are partly or wholly claiming the tiny archipelago as part of their national territories (Storey, 1999). Some claimants, notably China and Vietnam, have already started building, what seems to others as, military structures¹. Claims to the islands and its surrounding waters are basically on account of historical "discovery" or "sighting", settlement and geographical proximity (Storey, 1999). In the case of the Philippines, the Spratlys is the Kalayaan Group of Islands which were discovered and claimed for the Philippines by Retired Admiral Tomas Cloma Sr., founder of the Philippine Maritime Institute (Storey, 1999).

¹ Manila charged Beijing of occupying Panganiban Reef (Mischief Reef), part of the Palawan town of Kalayaan Islands. Malacanang further allaged that the Chinese are building military structures in the island, an allegation that was refuted by China, maintaining that the structures are for Chinese fishermen plying the area. The Philippines filed a diplomatic protest for what it considers as intrusion into her territory.

Kalayaan is included in the map of the country and is considered as the smallest town not only in terms of land area, but also in terms of permanent population. The Kalayaan Group is closest to the island of Palawan, Manila's major westerly island, than any of the other claimant countries. China has also shown early maps showing Chinese suzerainty over the islands, considered as trading stepping-stones and fishing grounds. Other claimants complemented their claim with anthropological studies and ancient historical accounts. Differences over the interpretation of French colonial-era treaties delimitating the land and sea boundaries also play a key role in the case of the Sino-Vietnamese dispute (Hyer, 1995). Recently, the computation of the shoreline and the continental shelf essential for serving as the basis for determining the 200 mile Exclusive Economic Zone (EEZ) provided for and agreed on the United Nations Convention on the Law of the Sea (UNCLOS) has also sparked controversies among archipelagic and coastal states (Storey, 1999).

Islands testing the waters

The dispute poses a challenge to the solidarity of ASEAN and the flowering ASEAN-China trade relations (Baviera, 1999). With four ASEAN² members on the claimants' list, the South China Sea could prove to be a major cleavage in the otherwise strong regional bloc. It could create additional tension between the Philippines and Malaysia, which had already exchanged harsh remarks over the long-standing issue of Sabah (North Borneo) and past allegations by the former of the latter's interference in its

² Association of Southeast Asian Nations, founded originally by Singapore, Indonesia, Malaysia and the Philippines. Vietnam, Cambodia and Burma (officially Myanmar) are the latest members of the organization.

domestic affairs³. China and Vietnam, on the other hand, had already resorted to arms in 1988 over the islands⁴. Above all, the People's Republic of China and Taiwan (Republic of China), which the former sees as a renegade province, have already pushed the world to the brink of another major war in several occasions. The conflict is also feared for its potential to escalate a spiraling arms race in the region which could cause internal destabilization and unrest, particularly over heavy military spending (Zha, 2001) at the expense of social services, and the cultivation of a high level of uncertainty and risk arising from mutual fear and suspicion.

The South China Sea Question was given fresh impetus by the UNCLOS (Dewitt, 1995) which created overlapping 200-mile EEZs in the already contentious area. This is a clear example of an international legal instrument which did not serve its intended goal of reducing friction or of providing clear mechanisms to address them, but, instead, had painstakingly created the obverse. At present, the status quo is one wherein claimant countries, with the exception of Brunei, had carved their own turf in the area based on proximity and had stationed military personnel in them to preserve to mark their claim. However, this does not constitute a waiver over the claim to the whole area itself.

The politics of US involvement

³ The Philippines protested over what it considers as human rights violations committed by Malaysian immigration and police officials against Filipino nationals illegally working in Sabah. During the Marcos regime, Kuala Lumpur was also charged by Manila of supporting the rebel Moro National Liberation Front by providing arms and safe havens in her confines. Malaysia is quick to disprove this protestation.

⁴ This is different from the brief border war fought by these two sides earlier. China is also helping Thailand and Cambodia which are allegedly targets of Vietnamese hegemony. During the late Cold War years. Beijing also considered Hanoi as part of Soviet encirclement of her ideological rival. Vietnam, for its part, considered China, its former colonizer for centuries, as apt to expand in her expense.

The entry of outside powers to the area is another alarming development. The Mutual Defense Treaty signed by the Philippines and the United States (US) is being seen by many Filipinos as a guarantee of Philippine territorial integrity in case of a Chinese intrusion (Storey, 1999). In the early 2000s, Americans are in Manila for military exercises, allegedly directed against Muslim fundamentalist groups and communist insurgents⁵, but many in the defense department believed that they would come to the aid when circumstances obliged them to. The US also made a similar understanding with Taiwan, saying that they would protect its sanctity in case of an external invasion, a warning directed against China. Nevertheless, the US government had not taken any sides in the conflict. Because of commercial interests in the huge Chinese market, military support to the Philippines was not underway and the White House chooses to remain silent over the in dispute. The only reservation made by Washington as a basis for its direct involvement was the free navigation of the sea lanes (Odgaard, 2001; Zha, 2001). But if future circumstances required them to do so, US action can allay fears by most claimants over the charges of Beijing converting the area into a Sino lake (Hyer, 1995; Storey, 1999). Aside from the US, Japan, Russia, Indonesia, and, to lesser extent, Australia and the European Union had also expressed deep concerns over the territorial and maritime dispute.

The “Reef Wars”

So far, several skirmishes directly related the area where fought between warring sides. An exchange of navy gunfire between China and Vietnam allowed the former to wrest control over the Paracels from Saigon in the 1978. Manila had also evicted Chinese

(Taiwan) Nationalist troops from Itu Aba (Taiping) and had commenced sending troops in several of the islands during the martial law years (Odgaard, 2001). The Philippines and China had also fought a brief navy skirmish in the 1990s over the Kalayaan. Nevertheless, the effects of such sea encounters were contained and did not erupt into a full-scale conflict (Zha, 2001). Cool heads still prevailed in the dispute, and it is the fervent hope of all Parties and the world, who have already witnessed two major man-made cataclysms, that this condition would be a sufficient working ground to start talks for the complete resolution of this long-standing irritant. A “No First Use” Policy was already gaining support among almost all claimant countries, which means the preservation of the status quo and the commitment for a peaceful conflict resolution. China, which had by far been the most aggressive in erecting garrisons in the area, had shown indications that she is willing to sit on the table (Hyer, 1995). While it is tenuous, the current situation wherein islands that already harbor existing military structures or are closest to a country claimant are “recognize” as such, a de facto arrangement referred to as “no resolution/no confrontation” by Hyer (1995), proves to mitigate the situation.

The making of a Chinese lagoon?

The growing consensus among claimants is that China is the most poised to resort to arms in settling the problem (Baviera, 1995). Many have cried foul over the dual strategy being pushed by Beijing in that it demonstrates eagerness to participate into talks, while at the same time extending its military facilities in the area. A much-publicized case was her adventure on Philippine-claimed Mischief Reef in 1995 which was widely denounced by ASEAN members (Storey, 1999; Zha, 2001). Without the

⁵ The Abu Sayyaf Group and the regional terrorist network *Jemaah Islamiyah*, to whom the former had

counterweight formerly exercised by the Russian and American presence in the area, China is more likely to fill in the power void (Storey, 1999; Odgaard, 2001). Canada, the US, Indonesia and Australia seconded the proposal for a just and fair settlement made under conditions of tranquility and cooperation. However, Beijing's consideration of the issue as a regional one makes any settlement brokered by a non-Party unacceptable.

Calm before the storm?

Meanwhile in the course of bilateral and multilateral conferences and sessions on the dispute, several reverberating themes are frequently looked upon. Joint management and exploitation of the area is being seen as an avenue that would divert all Parties from resorting to arms and benefiting in the process rather than the alternative of no one reaping any benefit because it might provoke violent reaction from a neighbor (Hyer, 1995). High level proposals for the discussion of issues, such as containment of piracy, prevention of the use of harmful fishing practices and poaching of endangered species and the ban on toxic waste dumping are already being explored by all Parties (Dewitt, 1995). Bilateral and multilateral fishery agreements and a common conduct on resource use and development, scientific research and exploration, environmental protection and safe passage are also being drafted (Odgaard, 2001). A major welcome breakthrough in this regard was the 2002 ASEAN-China declaration on the norms and conduct on the South China Sea (Buszynski, 2003). The US, Canada, Indonesia (Hyer, 1995) and other countries had already expressed their willingness to sponsor such momentous event. There were also talks of the ban on construction of military structures on the disputed

islands so as to prevent miscommunication that could ignite a tense atmosphere, although it did not elicit much applause as the others did.

Burying hatchets and empty rhetoric for the realistic compromise

It would be in the interest of everyone to have the situation handled in a smooth way. Ultranationalist press releases would not do any good, and would even mislead people to pressure their government to take a more active stance- a move no one would pray for. In the 1970s and 1980s, efforts to come at a peaceful settlement of the issue were prevented by the Cold War spread of communism in Indochina that eventually led to the Vietnam War (Hyer, 1995). Thus, despite the existence of differences between and among claimant countries, this is perhaps the most opportune time to peaceably discuss the matter. Moreover, all stakeholders in the islands row should realize that no one could benefit commercially from the area without the establishment of a climate conducive for such. Up until now, complaints from small fishermen to big deep sea trawler operators arising from capture, detention and spoilage of their catch are commonplace. Even foreign oil and minerals companies are hesitant to enter the area knowing that their investment might get entangled in the ensuing political drama. If claimant countries would not be swift to act, they may even loose the resources of the area to pollution and illegal and unrestricted fishing practices, which would most likely be the scenario where well-defined regulation and enforcement is lacking (Snyder, n.d.). The South China Sea may, hence, suffer the so-called tragedy of the commons-- only slightly the inverse in this instance.

Due to a recent spate of Post 9/11 bombings⁶ and heavy civilian casualties, terrorism had been getting the centerfold of security attention among East and Southeast Asia. Straddling vital sea lanes, a common and unified ground on combating piracy in the area and the prevention of them being use as a jump-off point of attack or exit for cross-border criminals and terrorists are salient agendas that can precipitate the door for settling the issue amicably. Although the Spratlys is oftentimes being sidelined when bigger regional and national issues emerge, the Spratlys behavior may be comparable to a dormant volcano, which may become unpredictable given particular stimuli. Odgaard (2001) insisted on the “explosive” aspect of the dispute in the significant China-ASEAN relations. Unless the issue of sovereignty and rights to the islands are satisfactorily settled, no one could clearly gain without risking political backlashes.

The search for the elusive conclusion

In sum, the Spratlys has all the trappings of a potential security crisis, affecting not only politico-diplomacy but, most importantly, the economy of East and Southeast Asia. To a great extent, the problem can be seen as a favorable experiment for effective conflict resolution. A recent study by Huang (2004) commented that international institutions, like the United Nations, is indispensable in such resolution, despite of the fact mentioned earlier that China would not tolerate such meddling. It was revealed that the absence of such check-and-balance mechanisms could lead to Beijing flexing its muscle over other claimants which fares little to it, militarily speaking.

Nevertheless, factors are also at hand for a favorable and peaceful conclusion. Although the community of nations and concerned national governments will play key

roles in the process, the media and the citizens of the claimant-countries will also figure a lot in the consummation of this chapter of international relations.

⁶ i.e. Bali and Jakarta bombings in Indonesia, Davao and Manila bombings in the Philippines, disturbances in Narathiwat and nearby provinces in southern Thailand

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