

ISAS Brief

No. 330 – 04 June 2014

Institute of South Asian Studies
National University of Singapore
29 Heng Mui Keng Terrace
#08-06 (Block B)
Singapore 119620
Tel: (65) 6516 4239
Fax: (65) 6776 7505
www.isas.nus.edu.sg
<http://southasiandiaspora.org>



Deciphering China's Oil-Rig Move in South China Sea

Rajeev Ranjan Chaturvedy¹

China's recent move to station one of its oil rigs in the disputed territory in the South China Sea has flared up tensions once again in the Asia-Pacific. More importantly, it has ruptured relationships, and cast doubts among some of the ASEAN countries about Beijing's recent announcements of friendship and good neighbourliness. The deployment of the rig has further fuelled the 'China threat' discourse in Asia.

This episode is a reminder of the importance of territory in international affairs. Territory is perhaps one of the most common sources of conflict, if not the oldest source. Militarised territorial and maritime disputes between neighbours lead to 'centralisation' of public opinion. Territorial threats increase insecurity among citizens over their lives and livelihoods. Such individuals are more likely to support policies that promote security, and this makes the state more likely to aggressively defend against rivals, with a strengthened military. For example, Douglas M Gibler suggests that territorial threats help the executive to consolidate

¹ Mr Rajeev Ranjan Chaturvedy is Research Associate at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be contacted at isasrc@nus.edu.sg. Opinions expressed in this paper, based on research by the author, do not necessarily reflect the views of ISAS.

power in a centralised government during crisis. These issues are a likely source of national pride; and the recent escalations of territorial and maritime dispute with neighbours, after the political transition in Beijing, could be part of a calculated Chinese strategy to attract attention away from the numerous internal challenges in China.

More importantly, the Chinese strategy of constantly building up leverage in small incremental steps needs to be understood carefully. For instance, the Chinese kept saying that there is no dispute about Natuna Islands with Indonesia, but Chinese intentions in the Natuna Sea, which has one of the world's largest gas fields and falls partly within the boundaries of China's so-called nine-dash line in the South China Sea, has created anxieties in Indonesia. Although Indonesia was not a party to these territorial disputes, Jakarta soon began to pay attention to the Natuna Islands due to Beijing's ambiguous position. This was especially so after China was reported to have included the oil-rich area in a map detailing its claims in the South China Sea. In November 2012, Indonesia also expressed concern when China issued new passports which included a map of the South China Sea. At stake for Indonesia is not only the Natuna Islands and surrounding waters, but also the sanctity of UNCLOS. Indonesia is the world's largest archipelagic state and it lacks the naval capacity to defend its far-flung archipelago, which spans 3,000 miles from east to west. It has therefore always been a strong advocate of UNCLOS. In fact, due to Chinese recent efforts to unilaterally change the status quo in the disputed water, Indonesian officials announced in March this year that China's nine-dash line, as outlined in its claims in the South China Sea, overlaps with Indonesia's Riau province, which includes the Natuna Island chain. This is a significant policy shift which makes Indonesia a party to the South China Sea dispute.²

Smaller neighbours in the region are nervous of China which, with its military and economic might, shows a tendency to flex its muscles. At the same time they are economically dependent on China's growth. Further, concern over conflict in the South China Sea worries non-claimant and extra-regional countries, because the South China Sea is an important junction for navigation between the Pacific and Indian Oceans. It connects with the Indian

² See Arun Shourie, *Self-Deception: India's China Policies Origins, Premises, Lessons*, New Delhi: Harper Collins Publishers India, 2013, pp.341-358. Ann Marie Murphy, "Jakarta rejects China's 'nine-dash line'", 3 April 2014 at http://www.atimes.com/atimes/Southeast_Asia/SEA-01-030414.html. Also see, Leo Suryadinata, "South China Sea: Is Jakarta no longer neutral?" *The Straits Times*, 24 April 2014, available at: <http://www.straitstimes.com/news/opinion/eye-the-world/story/south-china-sea-jakarta-no-longer-neutral-20140424#sthash.BLFULBc8.dpuf>.

Ocean through the Malacca Strait to the southwest, and commands access to the East China Sea to the northeast. The sea lane running between the Paracel and Spratly Islands is used by oil tankers moving from the Persian Gulf to Japan as well as by warships en route from the Indian Ocean to the Pacific. Any conflict in the South China Sea will pose a threat to regional and international security.

The South China Sea has been the scene of protracted territorial and maritime disputes for several decades. The centrality of China's role as a claimant state, and the linkages between its interests in the South China Sea and the development of Chinese maritime power and its overall ambitions for regional supremacy, amplify the strategic significance of the disputes.

China's strategic ambitions and its assertiveness in the South China Sea involve the extension of its defensive perimeter, countering the presence of other major powers, countering threats to its territorial and maritime interests by other claimants, and ultimately, seeking some measure of maritime command over the area to enforce its authority. Beijing pursues its policy to claim and go on repeating the claim.³

There are some apprehensions in New Delhi about Beijing's ambitions in the South China Sea. China's assertiveness and its tendency to 'unilaterally' seek to change the status quo have the potential to impinge upon India's commercial and strategic interests in the South China Sea. India has commercial interests in South China Sea, off Vietnam, and could become an 'interested' party if tensions worsen. Moreover, India is deeply concerned over China's incremental moves regarding territorial claims in South China Sea. The ASEAN, despite calling for a code of conduct, is disunited yet and unable to present a united front to China's 'expansionism'.

There are compelling reasons for India to protect the sea lanes in the South China Sea. First, it considers the right to unimpeded passage to be essential for peace and prosperity in the Asia-Pacific region. Second, India favours peaceful resolution of the dispute, in accordance with international law, including the UNCLOS, as opposed to the use of threat in resolving competing claims. Access to resources such as oil, natural gas, food and minerals is now high on the agenda of global issues. India's increasing involvement in the South China Sea region

³ Chris Rahman & Martin Tsamenyi, "A Strategic Perspective on Security and Naval Issues in the South China Sea", *Ocean Development & International Law*, Vol.41, No. 4, 2010, pp. 319-320.

illustrates the relationship between its strategy and its need for resources and for the routes and logistical systems necessary for their transportation.

The overwhelming victory of the BJP in India's general elections raises the question of how Prime Minister Narendra Damodardas Modi will deal with India's long-time geopolitical rival China. There is growing interest in how Modi's government will bridge India's 'delivery deficit' on the foreign policy front. The world is hoping for a more robust Indian engagement with the world. While much has been made of Modi's willingness to engage China, he has underlined in his speeches during the recent election campaign that there should not be any compromise on India's interests. Addressing an election rally, Modi had said, "The present world does not accept an expansionist attitude. Times have changed; China should give up its expansionist attitude and adopt a developmental mindset". While Modi's top priorities could be domestic, i.e. reviving growth, implementing reforms, and delivering quickly on his promises, his twin objectives of national security and deeper commercial links with the world are also noticeable in his statements. In fact, he has taken the first foreign policy step by inviting South Asian neighbours to his inauguration as Prime Minister. With such a pragmatic beginning, the next step could be engaging the extended neighbourhood.

Last year, border problems between India and China drew global attention. A three-week border stand-off between the two countries, after an estimated 30 Chinese troops reportedly slipped across the disputed Himalayan border and moved 19km into Indian territory, created much apprehension in India, despite the fact that China is its largest trading partner. The Chinese have built strategic roads, set up a network of communications, and have stationed large garrisons along India's borders. Delhi did announce major road construction all along the China border. But the previous United Progressive Alliance (UPA) government could not follow through.

The picture below, which was taken by author in July 2009, illustrates the poor condition of strategic roads in India's state of Arunachal Pradesh.⁴ It clearly shows a lack of commitment to follow through on promises made. Examples such as these result in the people in the border region feeling neglected. Also, the Border Road Organisation, the agency responsible

⁴ In November-December 2013, author had spoken to some officials based in Tawang, and learned that situation of strategic roads had not improved much.

for building strategic roads in border regions, lacks sufficient manpower and technological capability, and thus fails to deliver projects in a timely fashion.

A Glimpse of a Road in Tawang, Arunachal Pradesh



Photo by Author

Proclaiming a ‘Look East Policy’, and signing agreements for strategic partnership with Asia-Pacific countries is of little consequence unless the new government follows these agreements up with concrete measures. Perhaps, by taking small incremental steps, the new Indian government would be able to address the perception of ‘delivery deficit’ and would be able to strengthen its strategic space. A long-term strategic view of the relationship with China would be helpful.

.

