

ASEAN and the Disputes in the South China Sea

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Abstract

The escalating tensions over territorial disputes in the South China Sea (SCS) in the last few years has been a major regional security concern in the Asia-Pacific. Against this backdrop, ASEAN, named one of the most successful regional organisations in the world, has not played a significant role in diffusing the heated quarrel among disputants. Efforts of ASEAN have brought about an eventful ARF in Hanoi in July 2010, and a set of vaguely worded guidelines for the implementation of the DOC in Bali in July 2011. However, as ASEAN is heading towards a Community, these results are far below what is expected from this group when dealing with a major regional security concern. ASEAN's weakness in these disputes, apart from the divergent interests of ASEAN members and the limitation of ASEAN's Way, is attributed to China's efforts to maintain the disputes within bilateral negotiations. For many years, Beijing has objected to collective acts managing these already multilateral conflicts, claiming that China does not have territorial disputes with ASEAN and that any intention to 'internationalise' the issue will only make it more complicated. This paper argues that ASEAN has interests, responsibilities, and the ability to actively engage in the issue and contribute to the settlement of the dispute.

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Introduction

The signing between ASEAN and China of the Declaration on the Conduct of Parties in the South China Sea (DOC) in 2002 ironically only kept the disputes in the region relatively quiet for five years. Since 2007, tensions between claimant states in the South China Sea (SCS) began to re-emerge and intensify in every aspect, with China being at the centre of almost all incidents. Since 2007, China's territorial claim over the SCS has been decidedly enforced. An increasing number of Chinese modern patrol vessels has been despatched to the SCS. More Southeast Asian fishermen have been seized in their traditional fishing areas by Chinese authorities. In 2009, for the first time, Beijing officially claimed over 80% of the SCS by sending a letter to the UN Secretary General with a nine-dash line map. This move was followed by even more aggressive actions, among which was China calling the SCS its 'core interest' in 2010 and harassing and damaging regional petroleum research ships in their respective exclusive economic zones in 2011. China's systematic assertive moves in the SCS have been furiously protested against by other countries, most notably the Philippines and Vietnam.

Amid the escalating tension and agitation, ASEAN has been actively engaging itself in managing the dispute. In roughly five years, from the Chair Person's statement of the 12nd ASEAN Summit in January 2007 to the Joint Communiqué between ASEAN and China in July 2011, the association has issued more than 20 documents at various levels noting the need to manage the disputes in the SCS.¹ These include the Chairman's statements of two ASEAN-China Summits in 2007 and all ASEAN Regional Forum (ARF) meetings from 2007 to 2011. ASEAN leaders are committed to introducing a binding Code of Conduct in the SCS (COC).

While Southeast Asian claimants favour an active role of ASEAN and other stakeholders in the SCS, China always attempts to limit the role of non-claimant parties and prefer bilateral talks with other claimants whose Beijing has very much higher leverage. This was illustrated in the speech of China's Ambassador to ASEAN, Xue Hanqin, in 2009 in Singapore that '[t]he whole issue of South China Sea is not a matter between ASEAN as an organization and China, but among the relevant countries'.² Beijing's position was again reiterated by Chinese Foreign Minister, Yang Jiechi, at the 17th ARF in Hanoi in July 2010 when he asserted that the dispute in the SCS was not between China and ASEAN, and any attempt to 'internationalise' the issue would 'only make matters worse and the resolution more difficult'.³

This study will focus on the role of ASEAN as a key stakeholder in the peace and security of the SCS. The paper will first review the history of ASEAN's position and practical involvement in the SCS dispute, followed by an examination of ASEAN's interests, responsibilities, and the mechanisms it has to engage in promoting stability and security in the SCS. It is concluded by a recommendation for ASEAN to play a greater role in the SCS disputes.

¹ Documents mentioned include Joint communiqués, Chairman Statements, Press Releases, and other types of official documents by ASEAN.

² Xue Hanqin, 'China-ASEAN Cooperation: A model of Good Neighbourliness and Friendly Cooperation', Singapore, November 19, 2009. Available online at Singaporean Institute for Southeast Asian Studies: <http://www.iseas.edu.sg/aseanstudiescentre/Speech-Xue-Hanqin-19-9-09.pdf> (accessed August 10, 2011) p.25.

³ Chinese Ministry of Foreign Affairs: 'Foreign Minister Yang Jiechi Refutes Fallacies On the South China Sea Issue'. Available online at: <http://www.mfa.gov.cn/eng/zxxx/t719460.htm> (accessed August 16, 2011).

A brief review of ASEAN involvement in the SCS dispute

ASEAN was not involved in the SCS before the end of the Cold War mainly because the SCS was not an immediate security concern of its members (at that time ASEAN had six members, with Brunei being included as the sixth in 1984). No interest in antagonising Beijing, ASEAN kept silent on two incidents in 1974 and 1988 in which China used force to seize parts of the Paracel and Spratly archipelagos respectively from Vietnam. While ASEAN did not condemn China for these incidents, Beijing's use of force to assert its first presence in the Spratly archipelago in 1988 may have sent the organisations' members a message of a potential security threat in the SCS. Adding to that, the U.S. withdrawal from its naval base in Subic and its air base, Clark, in the Philippines in the early 1990s left that country highly vulnerable. Manila, therefore, pushed the association to take concrete steps to prevent possible incidents similar to that which Vietnam endured in 1988.

At the 25th ASEAN Ministerial Meeting in Manila in July 1992, under Philippines' chairmanship, ASEAN Foreign Ministers adopted the 'ASEAN Declaration on the South China Sea'. The first ASEAN document on the SCS noted that 'any adverse developments in the South China Sea directly affect peace and stability in the region' and stressed 'the necessity to resolve all sovereignty and jurisdictional issues pertaining to the South China Sea by peaceful means, without resort to force.'⁴ Both the 1992 Declaration and the 1993 Joint Communiqué of the 26th ASEAN Ministerial Meeting invited 'all parties directly concerned to subscribe to the principles' of the Declaration.⁵

The pre-emptive efforts by the Philippines and ASEAN, together with the Informal Workshop Series in Indonesia on Managing Potential Conflicts in the SCS in early 1990s, however, could not forestall China's *fait accompli* tactics in 1995 when Manila discovered a Chinese structure on Mischief Reef. In various subsequent multilateral meetings, ASEAN reacted furiously. The statement issued on March 18th of ASEAN foreign ministers that year stated:

We, the ASEAN Foreign Ministers, express our serious concern over recent developments which affect peace and stability in the South China Sea... We call upon all parties to refrain from taking actions that destabilize the region and further threaten the peace and security of the South China Sea. We specifically call for the early resolution of the problems caused by recent developments in Mischief Reef.⁶

That spirit was repeated three months later in the Joint Communiqué of the 28th ASEAN Ministerial Meeting in July in Brunei. Later that year, in December, the Bangkok Summit Declaration stated that 'ASEAN shall seek an early, peaceful resolution of the South China Sea dispute and shall continue to explore ways and means to *prevent conflict* and enhance cooperation in the South China Sea...'⁷

The Mischief Reef incident was also brought to ASEAN-Chinese first senior foreign officials meeting in April of the same year. Under ASEAN pressure, China, for the first time, agreed to bring the SCS issue into a multilateral dialogue at the second ASEAN Regional Forum (ARF) in Brunei in 1995.

⁴ 1992 ASEAN Declaration on the South China Sea

⁵ 1993 Joint Communiqué of 26th ASEAN Ministerial Meeting

⁶ 1995 Joint Communiqué of ASEAN Foreign Ministers Meeting.

⁷ 1995 Bangkok Summit Declaration, available online at ASEAN Secretariat Website. Italics added.

ASEAN's unity and collective efforts towards the SCS issue in 1995 continued in the following years. At the 29th ASEAN Ministerial Meeting in Jakarta in July 1996, ASEAN Foreign Ministers 'endorsed the idea of concluding a regional code of conduct in the South China Sea which will lay the foundation for long term stability in the area and foster understanding among claimant countries.'⁸ This initiative was reiterated in the 1998 Hanoi Plan of Action and the process to create a regional code of conduct was initiated from 1999.

After three years of various consultations and negotiations among ASEAN members and between ASEAN and China, the Declaration on the Conduct of Parties in the South China Sea was adopted in November 2002 in Phnom Penh by Foreign Ministers of ASEAN and China. Although a legal-binding COC was not achieved, the signing of the political DOC signified ASEAN's active engagement and efforts to promote security and stability in the SCS and was hailed by ASEAN leaders as 'a milestone document between ASEAN and China, embodying their collective commitment to ensure the peaceful resolution of disputes in the area.'⁹ In late 2004, a document on the terms of reference of the ASEAN-China Joint Working Group on the Implementation of the DOC was adopted. Since its signing in 2002, the DOC has often been considered an important step towards the adoption of a code of conduct.

For several years after the embracement of the DOC, the situation in the SCS was relatively calm. However, the negative effect of this encouraging situation is that ASEAN and China, to a certain degree, lost their momentum to head to a COC. Since 2007, however, when the tension in the SCS reheated, ASEAN leaders have realised the need to move ahead. The 2008 Joint Communiqué of the 41st ASEAN Ministerial Meeting in Singapore in June 'underscored the need to intensify efforts to move forward the implementation of the Declaration, including the early finalisation of the Guidelines on the Implementation of the DOC.'¹⁰ As tension continues to escalate, the problem of not having a set of guidelines was forcefully reiterated by ASEAN Foreign Ministers in January 2011. They stated that '[after] the 9 years of negotiation at the working group level ..., significant progress of the Guidelines has yet to be achieved.'¹¹

The new wave of China's 'aggressive assertiveness' in early 2011,¹² particularly its harassment of Vietnamese and Philippine oil exploration ships in the two countries' respective exclusive economic zones, lead to a strongly worded and more determined 2011 Joint Communiqué of ASEAN Foreign Minister in July:

We discussed in depth the recent developments in the South China Sea and expressed serious concern over the recent incidents. ... We look forward to intensive discussion in ASEAN on a regional Code of Conduct in South China Sea

⁸ <http://www.asean.org/1824.htm>

⁹ 2008 Chairman's Statement of the 15th ASEAN Regional Forum

¹⁰ 2008 Joint Communiqué of the 41st ASEAN Ministerial Meeting

¹¹ 2011 Press Release ASEAN Foreign Ministers' Retreat, Lombok, 16-17 January 2011

¹² The term aggressive assertiveness employed by Carlyle Thayer in his analysis in June 2011. See: Carlyle Thayer. 'China's New Wave of Aggressive Assertiveness in the South China Sea'. Paper presented at Conference on Maritime Security in the South China Sea. Center for Strategic and International Studies, Washington, June 20-21, 2011. Available online at: http://csis.org/files/publication/110629_Thayer_South_China_Sea.pdf

(COC). In this regard, we tasked the ASEAN SOM to work on the development of the COC and submit a progress report to the 19th ASEAN Summit.¹³

At this same gathering in Bali, ASEAN and China also agreed upon the Guidelines for the implementation of the DOC. The set of eight guidelines in one page is noted by some diplomats and researchers as short and vaguely worded document which carries no new advancement to the settlement in the SCS. However, it represents a solid diplomatic effort, initiated by ASEAN to reduce high tension in the region.

ASEAN interests and responsibilities in the SCS

ASEAN has strategic reasons to engage in a long-term commitment, at a high level, to manage tensions in the SCS. First, the SCS falls well within ASEAN's political sphere and directly affects its members' national security. The sea, home of one of the world's busiest commercial sea lanes, on which Northeast Asian countries are increasingly dependent for importing energy and commodities, is largely bordered by Southeast Asian states. Adding to that, the potential rich natural resources in the SCS makes it more significant both strategically and economically. Maintaining security and stability in this region, therefore, is critical not only for ASEAN countries, but also for the whole region.

In ASEAN's very first document, the founding Bangkok Declaration on August 8, 1967, the desire to 'establish a firm foundation for common action to promote regional cooperation in Southeast Asia' was clearly worded.¹⁴ This aspiration has always remained at the centre of ASEAN's path of development. The ASEAN Charter, giving the organisation a legal status, notes one of the group's purposes is to 'ensure that the peoples and Member States of ASEAN live in peace'.¹⁵ In order to do so, ASEAN has been committed to 'maintain[ing] the centrality and proactive role ... as the primary driving force in its relations and cooperation with its external partners'.¹⁶ This spirit apparently requires the group to be proactive in the SCS issue, automatically engaging itself to promote a peaceful and cooperative solution for the dispute. It is, again, a real test for ASEAN's centrality and its role as the backbone of existing regional multilateral mechanisms in the Asia-Pacific, including the ARF and the East Asian Summit (EAS).

Second, all Southeast Asian claimants want ASEAN to play greater role in the settlement of disputes in the SCS. Since the end of the Cold War, the Philippines has always considered diplomatic negotiations as the best measure to protect its sovereignty, and ASEAN is at the centre of its diplomacy. This is manifested in its efforts to create the 1992 ASEAN Declaration on the SCS and the 2002 DOC. Similarly, Vietnam opts for a more active engagement of ASEAN in managing the conflict. ASEAN members are in no position to compete with China in the SCS, so they naturally seek support from ASEAN as a group. It is now common wisdom that when a country participates in an international treaty or enters an organisation, it voluntarily renounces a certain level

¹³ Joint Communiqué of the 44th ASEAN Foreign Ministers Meeting, Bali, Indonesia, July 19, 2011. Available at ASEAN official Website: <http://www.asean.org/documents/JC44thAMM19JUL2011.pdf>

¹⁴ ASEAN Declaration (Bangkok Declaration), August 8, 1967. Available online at ASEAN Secretariat Website: <http://www.asean.org/1212.htm> (accessed August 18, 2011).

¹⁵ ASEAN Charter, article 1 (4). Available online at ASEAN Secretariat Website: <http://www.asean.org/publications/ASEAN-Charter.pdf> (accessed August 18, 2011).

¹⁶ ASEAN Charter, Article 1 (15). The centrality and proactive role of ASEAN is also reaffirmed in ASEAN Political and Security Community Blue Print (p.2). available online at: <http://www.asean.org/5187-18.pdf> (accessed August 18, 2011)

of its sovereignty and, in return, expects a degree of protection. Southeast Asian countries, including those who have territorial claims in the SCS, have joined to create ASEAN and committed themselves to strengthening the organisation by adopting the ASEAN Charter in 2008, thus giving the organisation an independent legal status. ASEAN, in turn, must actively respond to its members' calls on the SCS issue.

Third, the situation in the SCS has significant impacts on ASEAN's unity. As Ernest Bower states, 'the South China Sea physically connects a majority of the nations in East Asia and at the same time divides them.'¹⁷ This stems from the difference of policy preferences and choices among Southeast Asian countries, due to their divergent national interests in the issue. The areas of divergence include preference for the role of China and the US, the scope of cooperation on the SCS issue, and the role of ASEAN itself in the dispute.¹⁸ On the one side of the spectrum, ASEAN non-claimant states do not have a direct interest in the territorial disputes in the SCS and clearly do not want to alienate China, an important economic and strategic partner. In the last decade, the influence of Beijing in Southeast Asia has been rising and many countries have benefited from Chinese economic growth. Michael Mazza and Gary Schmitt argue that 'many of the continental Southeast Asian states ... believ[e] (that) their ASEAN membership is now less a priority than keeping ties with China in good order'.¹⁹ These countries, therefore, neither take a strong position protesting China's assertiveness in the SCS nor are determined to promote the role of ASEAN. On the other side are Vietnam and the Philippines, who have vital interests in maintaining peace and sovereignty in the SCS. As discussed, both Hanoi and Manila see ASEAN as an effective multilateral mechanism to deflate tensions in the SCS and give them higher leverage in dealing with the dispute.

ASEAN's guiding principles and conflict management in the SCS

ASEAN's involvement in managing the dispute in the SCS is grounded on its principles and mechanisms for conflict management set in ASEAN's key documents. These texts include the founding ASEAN Declaration in 1967, the 1976 Treaty of Amity and Cooperation (TAC), the 2003 Declaration of ASEAN Concord II (Bali Concord II), the Blue Print of the ASEAN Political and Security Community, and the ASEAN Charter. Referring specifically to the SCS, two important documents are the 1992 Declaration on the South China Sea and the 2002 Declaration on the Conduct of Parties in the South China Sea.

An examination of these documents and ASEAN's practice underscores several key principles guiding ASEAN's intra and extra relations and conflict management. To begin with, the principal purpose of ASEAN is to promote regional cooperation for peace and stability. This principle has been reiterated in every key document of ASEAN, contrasting the organisation with the former groupings in the region, such as the Southeast Asia Treaty Organisation (SEATO) which was established in 1954 as a defence alliance. Article 1 of the ASEAN Charter pointed out that the purposes of ASEAN, *inter alia*, are 'to maintain and enhance peace'

¹⁷ Ernest Ebower. 'The Quintessential Test of ASEAN Centrality: Changing the Paradigm in the South China Sea'. *Southeast Asia from the Corner of 18th & K Streets*. vol.II(10).June 22, 2010.

¹⁸ Liselotte Odgaard. 'The South China Sea: ASEAN's Security Concerns About China. *Security Dialogue*. vol. 34(1). 2003. p.14.

¹⁹ Michael Mazza and Gary Schmitt. 'Weakness of the ASEAN Way'. *The Diplomat*. June 21, 2011. (available online at: <http://the-diplomat.com/flashpoints-blog/2011/06/21/weakness-of-the-asean-way/> (accessed August 19, 2011))

and promote 'greater political, security, economic, and socio-cultural cooperation'. To realise this end, the peaceful settlement of disputes without resorting to force or the threat of force is fundamental for ASEAN.

In addition, self-determination, sovereignty, equality, and non-interference are embraced by the group. ASEAN comprises members from highly diversified backgrounds in terms of socio-economic development, culture and beliefs, legal and political institutions, and geographic size, who, for a long history, have had to struggle against extra-regional powers for independence. These principles, thus, are adopted not only to ensure a better security environment for all states but also to express regional political desire. In this regard, it is unusual for a country to consider itself big and another small.

In intra-ASEAN relations, an informal approach, consultation and consensus are famous as the pillars of the 'ASEAN Way'. This is highlighted in the TAC in 1976, which emphasises that members 'maintain regular contacts and consultations with one another on international and regional matters with a view to coordinating their views actions and policies.'²⁰ Bali Concord II 'reaffirm[s] the fundamental importance of adhering to the principle of ... consensus in ASEAN cooperation.'²¹

The ASEAN Way also influences ASEAN leaders' approach to the region's relations with external partners, with whom ASEAN pursues an open strategy with no security alignment. Since the organisation's establishment in 1967, when tension in Southeast Asia was high, ASEAN founders have envisioned an association of all 10 Southeast Asian countries. Countries outside Southeast Asia are also welcome to cooperate with ASEAN to foster regional peace and stability. The TAC is open for all countries to accede to and so far has been signed by many external powers, including China (2003), Japan (2004), the EU (2009) and the US (2010).

In practice, the creation of the ARF in 1994 and its strategy may be a model for ASEAN to exercise its central role as the primary and proactive driver in regional issues. The concept paper of the ARF stresses the pivotal role of ASEAN in the ARF three-stage process of conflict management to enhance peace and security in the region. Currently, confidence building measures and building preventive diplomacy mechanisms are practical ways to promote regional understanding and reduce tension in disputes.

With regard to ASEAN's engagement in managing the SCS disputes, until recently, ASEAN's role in SCS disputes was limited to its political and diplomatic efforts, complying with the ASEAN Way. Although these efforts have been continuously maintained throughout the years, manifesting in the fact that the SCS issue is mentioned in all important documents of ASEAN, no significant move has addressed the root cause of the dispute. Despite the fact that ASEAN is not involved in the territorial disputes among claimants in the SCS, it often plays the role of an effective channel for concerned parties to ease tensions once the dispute has escalated to a dangerous point.

China and ASEAN's role in SCS dispute management

²⁰ TAC. Article 9.

²¹ Bali Concord II.

Among all stakeholders in the SCS, China is the only country, which downplays the role of ASEAN, and multilateral mechanisms in general, in managing the disputes. Chinese position probably stems from Beijing's perception that it is much more difficult to resolve the problem by relying on multilateral basis instead of through bilateral negotiations. This account has always been employed by Chinese officials when talking about the SCS issue. In addition, for some thousand years of history, China's external relations have been mainly in the form of bilateral relations and China has never been well-known for its multilateral diplomacy.

China's reluctance to accept the role of ASEAN in managing the disputes in the SCS should be reversed, given that actively joining with ASEAN to promote a deeper regional cooperation will bring strategic benefits for China. First, China's support for ASEAN's role will contribute to regional peace, and security, which is critical for China's growth. This is because ASEAN has always been working to promote regional cooperation, including in dealing with the SCS issue. China has been supportive to ASEAN's role, cooperating with ASEAN through various mechanisms such as ASEAN+1, ASEAN+3, ARF, and EAS. In fact, the country was among the first external countries to accede to the TAC in 2003, effectively recognising ASEAN's role in regional security cooperation. In the case of the SCS issue, the signing of the DOC between China and ASEAN has always been hailed by all respective governments as a major achievement in Sino-ASEAN cooperation in the SCS. The positive historical experience of Sino - ASEAN cooperation in the SCS suggests that a more active contribution of ASEAN in managing the disputes in the SCS will not make the situation more difficult as Chinese leaders concern.

Moreover, Sino - ASEAN cooperation in the SCS issue will contribute to building regional truth and shared norms. ASEAN and China are working with one another within ARF framework to further regional confidence and mutual understanding. Multilateral discussions over the SCS issue within ASEAN-led frameworks will open another effective channel for China to explain about its position towards the settlement of the SCS issues. In this regards, the world so far sees what China does more often than hears what it talks. Beijing's SCS approach could be called 'proactive action with responsive declaration'. Chinese proverb *jīn yī yè xíng* (wearing precious clothes at night) describes those who have valuable asset but dare not show to the public because the asset is not legitimate. As China believes that it has legitimate rights over the SCS, Beijing should take every opportunities, including those created by ASEAN, to show their rights to the world. By doing so, China's wish to promote its image as a responsible rising power will also be benefited.

In a more realist approach, China's support to ASEAN's role in the SCS will pre-empt possible Southeast Asian tacit alliance to counter China and sheer away the perception that Beijing is employing the 'divide and rule', or 'divide and conquer' strategy in the SCS. Chinese scholars at times express their concerns of an alliance in Asia to counter China.²² In order to address that threat, they suggest a policy to separate and isolate smaller claimants and ASEAN as a whole by giving certain offers to some countries while taking punish actions against hard-line states.²³ This is frequently mentioned by international observers as 'divide and rule' or 'divide and conquer'

²² For example, see: Greg Torode. 'Closing Ranks'. *South China Morning Post*. June 7, 2011.

²³ Liu Rui. 'Time to teach those around South China Sea a lesson'. *Global Times*. September 29, 2011. Available online at: <http://www.globaltimes.cn/NEWS/tabid/99/ID/677717/Time-to-teach-those-around-South-China-Sea-a-lesson.aspx> (accessed October 25, 2011).

strategies when they discuss China's policy towards other claimants.²⁴ It is remarkable, given that this notion has very negative meaning in Southeast Asia, because it reminds of the colonial period, in which most regional countries were conquered, divided, and ruled by external powers. Should this idea not be removed, Beijing will find it very difficult to win the hearts of Southeast Asian people. And the best way for China to prevent smaller disputants to become natural allies is to work closely with all of them in both bilateral and multilateral levels.

Promoting a greater role for ASEAN in managing conflicts in the SCS

A lingering question is: what role should and could ASEAN play in the dispute in the SCS. Chinese Ambassador to ASEAN, Xue Hanqin, contended that 'ASEAN could serve as a valuable facilitator to promote mutual trust among the Parties, but not turn itself into a party to the dispute.'²⁵ ASEAN's former Secretary General, Rodolfo Severino, rightly responded that 'ASEAN has no wish to 'turn itself into a party to the dispute'.²⁶ But placing ASEAN outside the situation in the SCS is illogical. As the study so far has shown, ASEAN engagement in the SCS dispute has a long tradition and it serves the interests of all parties, including China. The organisation's primary purpose is to prevent the worsening of the situation, thus maintaining and fostering regional peace and stability. Empirical evidence of ASEAN's twenty years of practical engagement in the dispute confirms this argument. Promoting ASEAN's participation in the conflict management in the SCS does not undermine the legal interests of any party, including those of the claiming states. Instead, what ASEAN is trying to do will 'deliver value to all, including even to those who are not claimants to land features or maritime jurisdictions in the South China Sea, but have an interest in peace and stability in the area and in freedom of navigation in it.'²⁷

Any effort to advocate a greater role of ASEAN in the SCS dispute, however, must first be placed in the broader context of ASEAN's centrality in regional multilateral cooperation. Right after the Cold War, ASEAN was considered successful in its course of expansion to include all ten Southeast Asian countries and in maintaining its status as the primary driving force for regional cooperation in the Asia-Pacific. As the 21st century unfolds, the regional and global context has dramatically changed. The 'vacuum of power' in Southeast Asia no longer exists. Rapid economic and military development, allowing Beijing to broaden its influence in all Southeast Asia states, and Washington's decisive return make Southeast Asia a narrow place to fit both powers. Maintaining ASEAN's centrality in this regional environment requires the greater collective efforts of all ASEAN member states.

In addition, the practical reality in the SCS must also be taken into account. The territorial dispute in the SCS is highly complex, involving six claimants and many other stakeholders and engaging different historical, political,

²⁴ For example, see: Frank Ching. 'Divide-and-conquer tactics'. *The Korea Times*. August 11, 2010; David Brown. 'ASEAN adrift in South China Sea'. *Asia Time Online*. July 2, 2011 (available at: http://www.atimes.com/atimes/Southeast_Asia/MG02Ae02.html accessed: October 05, 2011).

²⁵ Xue Hanqin. 'China-ASEAN Cooperation: A model of Good Neighbourliness and Friendly Cooperation', Singapore, November 19, 2009. Available online at Singaporean Institute for Southeast Asian Studies: <http://www.iseas.edu.sg/aseanstudiescentre/Speech-Xue-Hanqin-19-9-09.pdf> (accessed August 10, 2011), p.25.

²⁶ Rodolfo C. Severino. 'ASEAN and the South China Sea'. *Security Challenges*. Vol.6(2). Winter 2010. p.46.

²⁷ Ibid.

economic, and legal issues. There is, therefore, little hope for a breakthrough in dealing with the SCS issue in the foreseeable future. Continual little steps contributing to a long term solution would be a more pragmatic an expectation. This argument, however, does not mean that discussions for a major change are worthless.

For these reasons, this paper proposes three major directions to enhance ASEAN's role in the SCS.

First, it is necessary to strengthen ASEAN integration through enhancing ASEAN institutions and economic connections as a way to further ASEAN's centrality in overall regional issues. The ASEAN Way of consultation and consensus on the one hand ties Southeast Asian countries together in the group. On the other hand, it undermines the possibility of deepening regional political and security cooperation, particularly on difficult issues. In economic terms, ASEAN integration is also at low level with intra-ASEAN trade in 2008 representing only 26.8% of the region's total trade. Intra-ASEAN investment in 2008 was 18.3%.²⁸ The idea of ASEAN integration may well be presented among ASEAN diplomats and elites but is relatively alien to ordinary people. The low level of ASEAN integration makes the organisation less economically and strategically important for its members than external powers. Southeast Asian countries, therefore, may be willing to trade off its ASEAN membership interests and responsibilities for a better relationship or assistance from outsiders.

In order to maintain the organisation as the primary driving force in regional affairs, ASEAN integration must be accelerated and further deepened. In this regard, the member countries may need to broaden their boundaries for ASEAN integration in relation to its sovereignty. Economically, governments could foster regional linkage through the standardisation and harmonisation of macro-economic tools, including rules, regulations, and administrative procedures. The raising of the ASEAN flag at member countries' embassies around the world on the ASEAN Day this year is encouraging and this practice could be applied at a domestic level. All these efforts will enhance and sustain ASEAN's central role in regional issues, not least the dispute in the SCS.

Second, there should be a revolutionary improvement in Track II discussions on the SCS issue. Holding more scholarly international conferences on the SCS issue does not mean attempting to 'internationalise' the issue (of which the international nature is already obvious) to attack a single state. It is a good way to foster mutual understanding of the issue, create institutional linkages, exchange experience and insights, and make states' policy options more transparent and predictable. Indonesia organised a series of informal workshops on the SCS issue in 1990s and these workshops were hailed in various ASEAN official documents. Recently, various conferences and workshops have been organised in Southeast Asia, the US, and Europe, marking a new wave in the study of the SCS issue. The influence of these conferences on government policies are, however, protracted and indirect.

The Council for Security Cooperation in the Asia Pacific (CSCAP) meeting model may shed the light on how the SCS issue should be discussed at the Track II (or Track 1.5) level. Scholars, in their personal capacity, could gather to thoroughly discuss the SCS issues, including the most sensitive, the territorial disputes. Policy recommendations would be submitted to various official meetings, such as AMM, ASEAN Summit, and East

²⁸ ASEAN. *ASEAN Community in Figure 2009*. ASEAN Secretariat. Jakarta. January 2010. p.9; 35. Available online at: <http://www.asean.org/publications/ACIF2009.pdf> (accessed August 24, 2011). (ASEAN's latest official figures are for 2008.) To have a comparative view, in the same year, intra-EU trade was 67.5%. The statistics is compiled from: European Union. *External and intra-EU trade: Statistical yearbook data 1958 – 2009 (2010 edition)*.

Asian Summit for discussion. A new ASEAN Eminent Persons Group for the SCS issue could be set up and tasked with writing policy advice to the governments.

Third, as a follow-up to the previous point, in order for Track II dialogues on the SCS to be held and their recommendations heard, ASEAN must be proactively engaged in the SCS, one of the toughest issues for ASEAN. ASEAN's position on the SCS issue so far is somewhat ambiguous, passive, and responsive. While security and stability in the SCS is critical for Southeast Asia and for ASEAN as an entity, the organisation does not take the lead as an independent identity in dealing with the tensions. More determined actions are only taken through pressure from the two most affected members, namely Vietnam and the Philippines when the situation reaches critical level. This position will never serve ASEAN's purpose as the driver of regional political and security cooperation. The organisation must set a sufficient agenda for regional discussions of the issue including talks with external countries in multilateral mechanisms, such as the ASEAN Defence Ministers Meeting Plus (ADMM+) and the ARF. As James Cordova noted, ASEAN 'has a chance here to prove its mettle, if not its worth.'²⁹

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