

THE SOUTH CHINA SEA ISSUE: FUTURE TRENDS AND RUSSIA'S POLICY OPTIONS

The set of problems relating to the South China Sea – a vast maritime area forming the strategic heartland of Southeast Asia – has traditionally loomed large in foreign policy priorities of the key powers shaping the regional geopolitical landscape. Currently, there are strong reasons for arguing that the South China Sea issue is very likely to increase its rank in the key priorities of the US, China and ASEAN.

This scenario bears direct relevance to the Russian Federation which is presently stepping up efforts to raise its international profile in Southeast Asia. Against this backdrop, to formulate a rational and balanced approach towards one of the key regional problems becomes an important task for Russia's foreign policy.

THE SOUTH CHINA SEA ISSUE IN THE PRIORITIES OF THE KEY SOUTHEAST ASIAN POWERS: A SHORT-TERM OUTLOOK

Since the new American administration came to power, the conflict potential of the South China Sea issue has been steadily growing. The first manifestation of this trend was exemplified by the incident over the American surveillance ship “the Impeccable” in early March 2009. A year later the issue came to the forefront of Southeast Asian geopolitics after the American Secretary of State at the Hanoi session of the ASEAN Regional Forum stressed the American “national interest” in maintaining freedom of navigation via the South China Sea¹, which was followed by joint maneuvers between the US' and Vietnam's navies. And although currently the situation seems to have stabilized, recent remarks made by C.Cambell that Southeast

¹ Remarks at Press Availability. Hillary Rodham Clinton. Secretary of State. National Convention Center. Hanoi, Vietnam. July 23, 2010. // <http://www.state.gov/secretary/rm/2010/07/145095.htm>

Asia will become the primary focus of the America's Asian policy² adds more complexity to the problem.

All these developments amply suggest that in the short-term perspective the set of problems relating to the South China Sea will be increasingly high in the key international priorities of Washington, Beijing and the ASEAN. This assessment can be substantiated by the following arguments.

Speaking about the *United States*, the following factors can be outlined. First, the Obama administration will have to add more substance to its key foreign policy purpose of maintaining American leadership in Asia-Pacific. Second, Washington has to reassure its Northeast Asian allies that the US is and will remain the indispensable guarantor of maintaining security in East Asian seas, which is especially important after Japan-China and South Korea-China maritime contradictions in 2010. Last but not least, Washington will have to allay the fears of American corporations that drill for oil and gas in the South China Sea given the regularly occurring frictions between the top energy multinational companies and the Chinese government³.

Regarding *China*, the following points bear particular relevance. First, Beijing's growing self-confidence derived from successful economic development and military modernization is accompanied by a growth of nationalistic sentiments. In this context, the 18th National Congress of the Communist Party of China, which is to take place in 2012, is likely to place nationalism high on the agenda of country's leadership. Second, the same year will mark the 20th anniversary of the Law on the Territorial Sea and the Contiguous Zone of the People's Republic of China and the 10th anniversary of Declaration on the Conduct of Parties in the South

² Campbell C. US Engagement in Southeast Asia. Washington, Center for Strategic and International Studies, May 31, 2011. // <http://www6.lexisnexis.com/publisher/EndUser?Action=UserDisplayFullDocument&orgId=574&topicId=25104&docId=l:1430373218&start=8>

³ For a recent example, see: BP Prefers to Manage Chinese Pressure over South China Sea in Commercial Channels. The Telegraph. 04 February 2011. // <http://www.telegraph.co.uk/news/wikileaks-files/london-wikileaks/8305028/C-BP-PREFERS-TO-MANAGE-CHINESE-PRESSURE-OVER-SOUTH-CHINA-SEA-IN-COMMERCIAL-CHANNELS.html>

China Sea, which will further motivate Beijing's to strengthen this direction of its foreign policy. Last but not least, present upward trends in relations between China and Taiwan under the administration of Ma Ying-jeou will almost certainly solidify Beijing determination to pursue the policy of recovering "the lost territories".

Finally, *ASEAN's* priorities should be taken into account. For the Association, the South China Sea issue will serve as a litmus test of its abilities to solve the problems of Southeast Asian geographic domain in the context of its most important project – to establish an ASEAN Community, which is to be realized by 2015. But currently ASEAN is facing a continuing inability of its members to work out a unified position on the issue. The problem should be seen in a broader context. If the present situation remains unchanged, ASEAN's status as the "driving force" of multilateral dialogue platforms, first of all – the recently expanded East Asian Summit, will be lowered. No less important for the Association will be growing difficulties in raising its global profile, which was outlined as the top priority at the 18th ASEAN Summit⁴.

The most immediate scenario this situation entails is likely to be increasing contradictions between China, the US and the ASEAN states with regard to "the limits of the permissible" in foreign Exclusive Economic Zones. The core of the problem is to what extent the US military activities in the South China Sea will be tolerated by China and the ASEAN claimants. As things are, the US is and will remain to keep an unrestricted access to this vast maritime area as a precondition of preserving its leadership role in maintaining East Asian security – along with Washington's perceptions that combating international terrorism and proliferation of weapons of mass destruction, both including maritime realm, falls within America's global responsibility⁵. Given the overlapping territorial claims in the South China

⁴ ASEAN Leaders' Joint Statement on the ASEAN Community in a Global Community of Nations. 8 May 2011. // http://www.asean.org/Joint_Statement_ASEAN_Community.pdf

⁵ See, for instance: World at Risk. The Report of the Commission on the Prevention of WMD Proliferation and Terrorism. – New York, Toronto, 2008. // <http://www.absa.org/leg/WorldAtRisk.pdf>

Sea, China and the ASEAN states tend to see this activity as violating its sovereignty.

In sum, it seems correct to conclude that the importance of the set of problems relating to the South China Sea is bound to increase its role in shaping the geopolitical landscape of Southeast Asia and the key international priorities of its major powers.

RUSSIA'S POLICY OPTIONS

Given the upward trends in relations between Russia and the countries of Southeast Asia, Moscow cannot remain indifferent to the set of problems related to the South China Sea. The reasons are quite clear. First, Russia and Vietnam jointly develop oil reserves in a contested area of the South China Sea. Second, Russia realizes that it has to increase its international profile in Southeast Asia. Third, in case a confrontation arises Russia will be dragged into the overall instability. With those factors in view, what kind of policy will it be best for Moscow to follow?

It seems that Russia's most effective option must be twofold. First, Moscow should dissociate itself from any developments that can provoke tensions, including all kinds of interferences in the dispute with demonstrably positive intentions. Second, Moscow should do its best to increase the overall cooperative potential of the region and to contribute to the search for its new security architecture.

At this point it needs to be stressed that Russia's potential contribution in mitigating tensions over the South China Sea issue shouldn't be underestimated. This argument can be substantiated by the following examples.

Energy. In not too distant future, Russia's role in ensuring East Asian energy security will be sufficiently bigger – especially if the pipeline from Eastern Siberia

to Pacific Ocean becomes operational, as was recently stated, in 2012 (in other words, two years ahead of the schedule)⁶.

Along this line, two additional factors are noteworthy. First, systematic outbreaks of instability in Arab countries lead to uncertainty concerning energy resources supplies from Middle East to East Asian oil-dependent economies. Second, the development of nuclear energy sector in the region as an alternative to oil and gas will presumably slow down after the Fukushima nuclear accident.

The aforementioned factors will stimulate interests of the South China Sea claimants to increase Russia's energy supplies. In this case, the contradictions relating to oil and gas reserves of the South China Sea are likely to become less sharp.

Sea lanes of communication. Currently, Russia is making efforts aimed at developing Northern Sea Route, which is outlined as a strategic priority in "The Foundations of The Russian Federation's State Policy in the Arctic until 2020 and Beyond"⁷. Although many problems still remain and their solution are sure to be difficult and time-consuming, these efforts will nevertheless make the cargo traffic via the South China Sea and particularly – the overloaded Strait of Malacca – less intensive.

Along with those factors, there are sound reasons for arguing that Russia's participation in the East Asia Summit will produce a stabilizing effect on the overall strategic situation in the area given Moscow's global status. All the more so since Russia realizes, at least at the expert level, the necessity to occupy the niche of a "great non-allied power of the region"⁸.

But here a fundamental question arises – how do Russian transfers of arms to several countries involved in the dispute fit this scenario? In fact, these transfers

⁶ Kudryashov: VSTO-2 May Launch in December 2012. Oil and Gas Eurasia. 22.03.2011. // <http://www.oilandgaseurasia.com/news/p/0/news/10863/>

⁷ The Foundations of the Russian Federation's State Policy in the Arctic until 2020 and Beyond. 18.09.2008. // <http://www.arcticprogress.com/2010/11/russias-arctic-policy/>

⁸ See, for instance: 2010 г. Россия смотрит на Восток? // *Международная жизнь*. – М., 2011. – № 1. (The Year 2011. Is Russia Looking East? // *International Affairs*. – М., 2011. – № 1.)

do not contradict it. The argument that Russian arms may be used as “bargaining chips” in negotiations between the claimants to the disputed archipelagoes is hardly plausible. In the regional situation as we know it today the possibility of armed clashes for the islands is quite low.

While nothing like the genuine solution to the South China Sea issue is in sight, keeping these contradictions within peacefully manageable bounds looks like the maximum of what can be done. Whatever Russia may do to achieve this will be surely welcome. Currently, the evidence that Russia currently has some opportunities to successfully cope with this task seems to be convincing.