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The Controversy in the Spratlys: Exploring the Limits to ASEAN's Engagement Policy

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In order to manage its conflict with the People's Republic of China (PRC) over the Spratly Islands, the Association of Southeast Asian Nations (ASEAN) has adopted a policy of engagement in hopes of modifying Beijing's behavior. This article provides a critical analysis of this policy and argues that any such attempts to link the PRC to ASEAN's consultative process is unlikely to succeed due to China's aversion to becoming deeply engaged in the process. Furthermore, as a means of constraining the PRC, ASEAN's policy of engagement does not directly address the shifting terms of the regional security equation with China's emergence as a regional military power or possible regional hegemon. The article concludes that unless a state or a group of states in East Asia develop the capability and willingness to prevent China from becoming the regional hegemon, ASEAN countries will have to make concessions to China and appease its regional ambition. This means that they have to transform the goal of constrainment by engagement with the PRC to a policy of adjustment or appeasement by engagement.

Keywords: ASEAN; PRC; the Spratly Islands; engagement; arms build-up

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> [T]he defense of the status quo is not a policy which can be lastingly successful. It will end in war as surely as rigid conservatism will end in revolution. . . . To establish methods of peaceful change is therefore the fundamental problem . . . of international politics.[1]

The 1990s are marked by the emergence of the People's Republic of China (PRC) as a "confident but relatively dissatisfied" power bent on exerting its hegemony in East Asia.[2] This is because for the first time in its modern history China has the opportunity to become the preponderant geopolitical power in the region. The collapse of the Soviet Union and the possibility of U.S. military retrenchment in the Asia-Pacific region in the early 1990s enabled the PRC to move away from its involvement in superpower politics and concentrate on pursuing its regional agenda. Thus China has begun to build up its naval and air power, and since 1992, has undertaken a more assertive persecution of its territorial claims against the other states in the region.[3] Beijing's changing strategic outlook, continuing naval and air build-up, and growing outspokenness in its territorial disputes with its neighboring states have made some Southeast Asian countries wary of China's long-range intentions. Although no Southeast Asian state considers its homeland under any imminent threat of an invasion from China, it has become apparent that for the first time since the late 1970s the notion of China as a threat is gaining currency in the region.[4]

This paper looks at how the Association of Southeast Asian Nations (ASEAN) as a regional organization is responding to the emergence of

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[1] E.H. Carr, *The Twenty Years' Crisis, 1919-1939* (New York: St. Martin's Press, 1964), 222.

[2] See Denny Roy, "Hegemon on the Horizon? China's Threat to East Asian Security," in *East Asian Security*, ed. Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller (Cambridge, Mass.: MIT Press, 1996), 113-32.

[3] International Institute for Strategic Studies, *The Strategic Survey 1992-1993* (London: Brassey's, 1993), 134.

[4] Richard I. Grant, "China's Domestic and Foreign Policies: An Overview," in *China and Southeast Asia: Into the Twenty-First Century*, ed. Richard I. Grant (Honolulu and Washington, D.C.: Center for Strategic and International Studies, 1993), 7; Wayne Bert, "Chinese Policies and U.S. Interests in Southeast Asia," *Asian Survey* 33, no. 3 (March 1993): 327. For an updated and comprehensive discussion of the different national perspectives on the PRC's military modernization, see Jonathan D. Pollack and Richard Young, *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development* (Santa Monica, Calif.: Rand Corporation, 1998).

China as a regional power. The paper also discusses the historical development of China-ASEAN political relations, and the changes occurring in China's military capability which have an important implication for its current political relations with ASEAN member states. Finally, the article discusses the problems and limitations to ASEAN's strategies in dealing with an increasingly powerful and assertive China.

ASEAN-China Politico-Security Relations in Retrospect, 1968-91

The current concerns that ASEAN member states have about China's capabilities began even before the formation of the regional organization in 1967. This apprehension was a result of a long succession of extensive political developments which began in 1949. The protracted armed conflicts between China and its immediate neighbors together with the upsurge of Maoist armed insurgencies in most parts of Southeast Asia convinced the noncommunist Southeast Asian states that China was a militant state pursuing aggressive external policies. This threat perception of the PRC was colored by its revolutionary Maoist regime and by its initial close alliance with the Soviet Union in the 1950s. This made China not only a menacing and destabilizing element in the region, but also an ideologically and politically incongruous neighbor that should be quarantined, contained, or isolated.[5]

This threat perception intensified in the mid-1960s when Beijing renewed its interest and linkages with the communist parties in those states. Given the tactical usefulness of these communist parties in countering Western moves in Southeast Asia, the PRC provided open encouragement and in many cases, material support to the communist insurgents all over the Southeast Asian region.[6] In fact, the intensification of the Chinese

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[5]Chang Pao-min, "China and Southeast Asia: The Problem of a Perceptional Gap," *Contemporary Southeast Asia* 9, no. 3 (December 1987): 185.

[6]Jay Taylor, *China and Southeast Asia: Peking's Relations with Revolutionary Movements* (New York: Praeger, 1976), 332.

threat perception was one major factor that motivated the five Southeast Asian states of Indonesia, Malaysia, the Philippines, Singapore, and Thailand to form ASEAN. This collective body was formed to reinforce, or even serve as substitute for, support from the West in the fight against communism in general and the PRC in particular.[7] Threatened by the aggressive policy of the PRC, the five original members of this regional organization committed themselves to "accelerate the economic growth, social progress, and cultural development in the region."

These stated goals were not the end goals of ASEAN, however. The organization was formed to promote and institutionalize a region-wide conflict management regime in order to enable each member state to execute "a single-minded allocation of national resources and attention to domestic economic development."[8] This was seen as necessary because economic development was considered to be the panacea to the threat poised by internal revolutionary movements then supported by the PRC. ASEAN member states hoped that economic development and domestic political stability would deprive the PRC-backed insurgents of "water" in the region where they could "swim." This, in turn, would keep China isolated and contained by denying Beijing its goal of fostering "wars of national liberation," and preempting the formation of any "people's republic" in the region. However, ASEAN member states could not execute these domestic economic developments if they were distracted by their own intrastate disputes. From 1965 to 1967, the Southeast Asian states were involved in interstate disputes and conflicts, facing in some cases the prospects of actual military confrontations: Malaysia and Indonesia were still trying to resolve their confrontation, the Philippines and Malaysia were locked in their territorial dispute over Sabah, and Malaysia and Singapore were still nursing a grudge over their untimely and abrupt separation. What was needed then was a system of conflict management that could stimulate regional engagement or reconciliation. Thus, ASEAN emerged as a mode

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[7]Likhit Dhiravegin, "ASEAN and the Major Powers in the 1980s," in *The ASEAN Reader*, comp. K.S. Sandhu et al. (Singapore: Institute of Southeast Asian Studies, 1992), 455.

[8]Michael Leifer, *ASEAN and the Security of Southeast Asia* (London and New York: Routledge, Chapman, and Hall, 1989), 29-30.

of regional conflict management.

The ASEAN mode of conflict management does not involve any complex mechanism nor any binding legal obligations. It is rather, as Michael Antolik noted, "a consultative process."[9] Through multiple channels of consultation, ASEAN member states can discuss their common problems, air their grievances, and exchange views regarding their common interests. These consultations are then utilized to restrain each member state's behavior toward each other and have been in the long term instrumental in fostering a sense of interdependence among ASEAN member states.[10] The rationale of this collective process was the promotion of regional engagement or entente, allowing member states to devote their attention and resources to the causes of internal economic development and political stability. ASEAN member states hoped that by fostering domestic stability external powers would be prevented from exploiting internal instability in the region.[11] ASEAN's conflict management system was conceived primarily to prevent any revival of serious contention between member states. Hence, despite a lack of any military alliance, ASEAN at that point was a security organization directed against China's effort to use its support of the various insurgent movements to gain influence in the region.

The end of China's Cultural Revolution, the improvement of Sino-American relations, and the intensification of the Sino-Soviet dispute, however, paved way for the slow but sure process of normalization of diplomatic relations between the PRC and ASEAN member states. This normalization was manifested by Chinese support to the organization's proposal for the neutralization of the region. This was first demonstrated by the late Premier Zhou Enlai's approval of ASEAN's neutralization proposal during the visit of then-Malaysian Prime Minister Tun Abdul Razak to Beijing in 1974. This was followed by favorable comments in the Chinese media in supporting ASEAN's neutrality proposal and economic cooper-

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[9]Michael Antolik, *ASEAN and the Diplomacy of Accommodation* (Armonk, N.Y.: M.E. Sharpe, 1990), 10.

[10]Ibid., 3-17.

[11]Michael Leifer, "Is ASEAN a Security Organization," in Sandhu et al., *The ASEAN Reader*, 381.

ation. The largest endorsement of ASEAN's proposal for regional neutralization, however, came from then-Premier Hua Guofeng during the visit of then-Singapore Prime Minister Lee Kuan Yew in May 1976: "The First ASEAN Summit Conference held not long ago reaffirmed its positive proposal for the establishment of a zone of peace and neutrality in Southeast Asia and achieved significant results in strengthening regional economic cooperation."[12]

This improvement of relations occurred against the wider backdrop of the Sino-Soviet dispute in East Asia, Beijing's emerging rapprochement with the United States, and Vietnam's growing closeness to Beijing's then main enemy, the Soviet Union. During this period, China apparently wanted to form an anti-Soviet/Vietnamese united front, or at least to persuade ASEAN member states to remain neutral in the Sino-Soviet dispute. In addition, Beijing looked at ASEAN countries as a source of raw materials and potential markets for China's products. Thus, in the late 1970s, the PRC decided to scale down its ideological and material support to the insurgency movements in Southeast Asia.[13]

Despite Beijing's efforts to improve its political relations with ASEAN, the member states were not fully convinced of China's benevolent intentions toward its Southeast Asian neighbors. Indonesia had, for example, consistently rejected the PRC's request for normalization of relations citing the need for both countries to reach "a good understanding with each other."[14] Although the Philippines, Thailand, and Malaysia had exchanged ambassadors with Beijing by August 1975, these three states were still wary of the PRC's long-term ambitions in the region. Specifically, they were concerned about the future of Beijing's relations with the insurgent groups in ASEAN countries. These concerns were not without basis. Despite the emphasis on the normalization of state-to-state relations between

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[12]*Beijing Review* 19, no. 20 (May 14, 1976): 7, cited in C.Y. Chang, "ASEAN's Proposed Neutrality: China's Response," *Contemporary Southeast Asia* 1, no. 3 (December 1979): 251.

[13]Dhiravegin, "ASEAN and the Major Powers," 456.

[14]Justus M. Van Der Kroef, "Normalizing Relations with the People's Republic of China: Indonesia's Ritual of Ambiguity," *Contemporary Southeast Asia* 3, no. 3 (December 1981): 187-218.

the PRC and most of the ASEAN member states during the mid-1970s, Beijing continued its public support of communist revolutionary movements in the region up to the late 1970s.[15] What triggered a closer ASEAN-PRC entente, however, was the Vietnamese occupation of Cambodia in late 1978 and the subsequent Sino-Vietnamese conflict.[16]

Throughout the 1980s, the PRC repeatedly emphasized its support of ASEAN as a regional organization, and cooperated with ASEAN on the issue of the Vietnamese occupation of Cambodia. Beijing also pledged to support Thailand if the latter was attacked by Vietnam.[17] Eventually, the PRC's anti-Soviet foreign policy and its significant regional presence allowed ASEAN to offset Vietnam's enhanced regional weight and prevented the expansion of Soviet presence in Southeast Asia. To show its desire to maintain entente with ASEAN, the late Deng Xiaoping promised that China would continue its efforts to develop relations with the Southeast Asian states "on a long-term basis."[18]

Despite Beijing's rhetoric, ASEAN member states in the 1980s were still apprehensive about China's long-term intentions in the region. They were aware that their entente with the PRC was made possible because of the latter's united front strategy against the expansionist behaviors of both the Soviet Union and Vietnam. However, once the Soviet and Vietnamese threats subsided, they feared that China would eventually actively pursue its long-term objective of expanding its influence in the region. Observing the underlying concern that ASEAN member states had about China in the 1980s, Robert Tilman wrote:

> For most leaders in the ASEAN countries, the PRC is both an ally and an adversary.... Political leaders throughout ASEAN, with varying degrees of emo-

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[15]Edwin W. Martin, *Southeast Asia and China: The End of Containment* (Boulder, Colo.: Westview Press, 1977), 81.

[16]For more discussion on the de facto China-ASEAN alliance against Vietnam, see Sheldon W. Simon, *The ASEAN States and Regional Security* (Stanford, Calif.: Hoover Institution Press, 1982), 66; Robert S. Ross, "China and the Stability of East Asia," in *East Asia in Transition*, ed. Robert S. Ross (Armonk, N.Y.: M.E. Sharpe, 1995), 90.

[17]Dhiravegin, "ASEAN and the Major Powers," 456.

[18]*The Nation* (Sydney), December 1, 1982, quoted in Lam Lai Sing, "A Short Note on ASEAN-Great Power Interaction," *Contemporary Southeast Asia* 15, no. 4 (March 1994): 456.

> tion and conviction, fear the China of the future. There is little agreement on what China of the future may look like, but in the minds of most it will still be China, and this is ground enough for concern. Although said in various ways, one can frequently hear the argument that if China succeeds in its ambitious modernization plans it will be just as threatening to Southeast Asia as if it fails. There is, however, a little agreement on when China will become a serious threat to the ASEAN region.... It is not a question of "if" it will happen; rather, it is a question of "when."[19]

The PRC's "Strategic Initiative" and Its Impact on ASEAN

The beginning of the 1990s appeared to mark the culminating point of the PRC-ASEAN entente. After having been frozen for twenty-five years, Sino-Indonesian diplomatic relations were normalized in August 1990. This was followed by the resumption of Sino-Singapore diplomatic relations two months later. These events made it appear that China's Southeast Asian policy was geared toward emphasizing "good neighborliness"—a regional policy with the objective of winning over as many "friends" as possible. However, all six ASEAN members have begun to consider China as an expansionist and aggressive power. Thus, in July 1992 ASEAN member states, for the first time, openly called on the United States to maintain a military balance in the Asia-Pacific region.[20]

ASEAN's newly increased apprehension began in the mid-1980s, when the Chinese political leadership called for the replacement of the old 1949 defense doctrine of a "people's war" by one geared for fighting military threats from local and regional powers. Adjustments to this new strategic doctrine required the People's Liberation Army (PLA) to restructure its huge continental-type armed force "to a lean, mean, flexible, and a technologically-oriented armed force."[21] This has involved the restructur-

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[19] Robert O. Tilman, *Southeast Asia and the Enemy Beyond: ASEAN Perceptions of External Threats* (Boulder, Colo.: Westview Press, 1984), 97.

[20] Lam, "A Short Note on ASEAN-Great Power Interaction," 453.

[21] For a comprehensive discussion of the difference between the old "people's war" doctrine and the post-1985 doctrine of rapid response, see Paul H. Godwin, "Force Projection and China's National Military Strategy," in *Chinese Military Modernization*, ed. C. Dennison Lane, Mark Weisenbloom, and Dimon Liu (Washington, D.C.: The AEI Press, 1996), 70-

ing of the PLA into an armed force capable of "fighting partial wars under high technology conditions." Consequently, years of reforms and billions of dollars worth of arms acquisition and development have transformed the PLA from a land-bound, large, and technologically deficient armed force of the pre-Deng era to what the Washington-based Institute for National Strategic Studies described as a military that can:

> . . . now inflict great damage in limited campaigns against any of its immediate neighbors, is slowly developing doctrinal concepts required for high technology warfare and has been giving priority in the development of ship borne-air defense, sustained naval operations, amphibious warfare capabilities, strategic air lift and ground force mobility.[22]

The PLA's current arms development, arms acquisitions, and military exercises mark the PRC's efforts to make its armed forces into a powerful regional armed force with the following capabilities: the capability to deploy its military units and conduct military exercises in areas way beyond China's immediate boundaries (i.e., the South China Sea); a strategy of forward defense intended to deter any possible opponent away from China's vulnerable industrial centers along the coast; and the capability to achieve local military superiority over the small neighboring states with which the PRC has territorial disputes.[23]

The PRC's modernization of its naval and air capabilities can be seen as part of its overall plan to develop a "strategic initiative" in the region. This means that Beijing would possess the capability to take active steps to force its will on potential adversaries and destroy their capability to put up resistance.[24] In operational terms this means the development of China's capability to affect current and future developments in the region through military means. The PRC's attempt to develop this regional military capa-

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71; Alexander Chieh-cheng Huang, "The Chinese Navy's Offshore Active Defense Strategy: Conceptualization and Implications," *Naval War College Review* 47, no. 3 (Summer 1994): 7-32.

[22]Institute for National Strategic Studies, *1997 Strategic Assessment: Flashpoints and Force Structure* (Washington, D.C.: U.S. Government Printing Office, 1997), 50.

[23]You Ji, "A Blue Water Navy: Does It Matter?" in *China Rising: Nationalism and Interdependence*, ed. David S.G. Goodman and Gerald Segal (London: Routledge, 1997), 72-73.

[24]Chang Ya-chun, "Beijing's Asia-Pacific Strategy in the 1990s," *Issues & Studies* 29, no. 1, (January 1993): 87.

bility stems in part from its claim to the role of being the leading if not the dominant power in East Asia and a respected player in regional affairs.

This self-image stems from both China's historical experience and geopolitical reality. China's humiliating experience during the nineteenth century demonstrates that a weak China invites foreign aggression and leads to internal division and underdevelopment. To prevent this from happening again, the PRC must be a strong and powerful state independent of any entanglements and having comprehensive defense capabilities.[25] Along with economic development, national cohesion, and an independent foreign policy, the PRC believes that it must have a modern and powerful navy and air force as instruments of its national policy.

Along with economic, political, and military development, China has experienced a corresponding growth in national pride and in its desire to be respected and acknowledged as the leading power in the region. This, in turn, has fueled longstanding irredentist claims to the South China Sea islands. This includes the Spratly Islands, for example, which are currently claimed and occupied by the four ASEAN members of the Philippines, Malaysia, Brunei, and Vietnam. The PRC views these islands as a part of China detached from the mainland by the Western countries and Japan during a time that the country was weak. Strengthened by growing military capabilities, the PRC is now vigorously defending its Spratlys claim.[26]

Although China has avoided any open military conflict in the Spratlys, it shows no intention of allowing other states "to violate its sovereign territory." Its naval build-up enables the PRC to use the threat of force as a deterrent, as a means to evict militarily "trespassers" from the occupied territories, and as a lever to force other claimants to join China for joint exploration and exploitation of the Spratly Islands. As the PRC develops its naval and air capabilities, the temptation to use force increases. In 1989, a PLA Navy admiral suggested that the PRC was most likely to "encounter economic and political conflict with other states in the seas bordering

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[25] David Shambaugh, "Growing Strong: China's Challenge to Asian Security," *Survival* 36, no. 2 (Summer 1994): 44-46.

[26] Chen Jie, "China's Spratly Policy: With Special Reference to the Philippines and Malaysia," *Asian Survey* 34, no. 10 (October 1994): 898.

China or what he defined as those countries located inside the 'first island chain' around the PRC."[27] Those countries are Japan, Taiwan, and the Philippines.

The key question, however, is whether the PRC will use the PLA to enforce its claim. Professor Samuel S. Kim provides a probable answer:

> The picture that emerges from recent Chinese internal military writings is that war is still considered preferable to the appearance of surrendering sovereign claims in the South China Sea to a group of small Southeast Asian states. Violent conflict over the resources of the South China Sea is considered a real possibility in the next ten years. Chinese strategic analysts have rejected the notion that these seabed resources should be jointly developed while shelving the issue of sovereignty, precisely because the symbolic (sovereignty) and substantive (resource) stakes are so high.[28]

It should be emphasized, however, that there is still no consensus among the PRC's political and military elites on whether force should be applied in resolving the South China Sea dispute. They are still roughly divided into competing factions. The so-called "internationalists" believe that economic development for the PRC necessitates a peaceful and interdependent relations with its neighbors. This is in contrast to the so-called "nationalists" who feel that peace and development can only be won through struggle and competition.[29] The debate between the proponents of the "yellow" and the "blue" cultures, on the other hand, represents the contention between those officials who advocate an inward-looking autarkic and rural-oriented policies vis-à-vis those who champion outward-oriented, industrial, and trade-based policies.[30]

Whether the PRC will use force against the other claimants in the Spratlys will depend, to a certain degree, on the correlation of forces be-

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[27] E.D. Smith, Jr., "The Dragon Goes to Sea," *Naval War College Review* 44, no. 3 (Summer 1991): 39.

[28] Samuel S. Kim, *China In and Out of the Changing World Order* (Princeton, N.J.: Center of International Studies, Princeton University, 1991), 83. For a more updated and detailed study on whether the PRC will use force or not in settling the Spratlys dispute, see Michael Studeman, "Calculating China's Advances in the South China Sea: Identifying Triggers of Expansionism," *Naval War College Review* 51, no. 2 (Spring 1998): 68-90.

[29] For details about the debate between the nationalists and the internationalists, see Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military* (Boulder, Colo.: Lynne Rienner, 1998), 264.

[30] For details of this debate, see You, "A Blue Water Navy," 84-85.

tween these four contending factions. Recent developments, however, indicate that none of these factional views is emerging as the dominant sentiment within the PRC government. What is occurring is the emergence and popularization of a synthesis of the nationalist and the blue-water view in what has been called a form of Chinese "Mahanian ideology."[31] The recent success of the PRC's economic reforms, phenomenal economic growth in the mid-1990s, an increase in public interest in the South China Sea, and the PRC leadership's search for a new national ideology have contributed to the articulation and mass propagation of this national ideology. It is characterized by a popular desire to become economically wealthy and militarily secure, is interwoven with popular irredentist sentiments, and is infused with a sense of national patriotism oriented toward the development of Chinese sea power.[32]

The growing popularity of this national ideology can be partly attributed to the fact that it serves to a number of interests within the Chinese polity. Appeals to patriotic sentiments evoked by the Spratlys claims have provided the regime with a convenient means of enhancing its legitimacy. Increased demand for petroleum brought about by rapid industrial growth and Hainan Province's needs for government investments and taxes levied on foreign oil companies have created the perceived necessity for the South China Sea expansion.[33]

More significantly, the Mahanian ideology has been used by some bureaucratic interests within the Chinese government to advance their interests. For example, the PLA used the PRC's claim to the whole Spratlys to criticize the internationalist Foreign Ministry that was apprehensive about the effects of the PRC's claim to the several South China Sea islands on Beijing's relations with Tokyo.[34] Support for this ideology has also

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[31] Ibid., 85.

[32] Ibid.

[33] William J. Dobson and M. Taylor Fravel, "Red Herring Hegemon: China in the South China Sea," *Current History* 96, no. 611 (September 1997): 258-63. Also see Studeman, "Calculating China's Advances in the South China Sea," 70-74.

[34] "Foreign Ministry Opposes Law," Kyodo News Agency, February 26, 1992, in Foreign Broadcast Information Service, *Daily Report: China* [hereafter *FBIS-CHI*]-92-039 (February 27, 1992): 16.

made the PLA the symbol and champion of the "national cause" when it comes to such issues as the PRC's disputes with Taiwan, ASEAN member states, and the United States. Furthermore, the PLA's operations in the South China Sea have bolstered its interest in expanding the PLA Navy's mission and budget. This in return has enabled it to acquire improved power projection capabilities. Consequently, the PLA and the PLA Navy were able to direct the nation's attention and agenda to the alleged huge oil and gas reserves supposedly under the South China Sea when the National People's Congress (NPC) passed a law claiming the whole Spratlys and the Diaoyutai archipelago in February 1992.[35] Then in July 1992, units of the PLA Navy seized the Da Lac Coral Reef claimed by Vietnam. In September of that same year, the PRC positioned an oil rig in Vietnamese waters after having sent in a seismic survey team a month before.[36] In February 1996, the PRC's Central Military Commission set the requirement that the PLA "would comprehensively advance preparations for military struggle." In the context of China's disputes with the Philippines and Vietnam over the Spratlys, this meant that "the PLA should set eyes on local warfare under modern technology and consider that such conflict will happen sooner or later and is unavoidable."[37] Driven by internal forces within the Chinese polity, these actions indicate a more assertive stance toward the other claimant states in the South China Sea dispute and seem to be directing the PRC on a possible collision course with ASEAN.

The Reemergence of the "China Threat"

The modernization of China's naval and air forces along with its assertive policy regarding its claim to the Spratly Islands has revived ASEAN's anxiety over Beijing. This anxiety was exacerbated by the fact

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[35]"New Law Claims Sovereignty over the Spratly Islands," Kyodo News Agency, February 26, 1992, in *FBIS-CHI*-92-039 (February 27, 1992): 15.

[36]See note 3 above.

[37]"PRC Military Said to Feel Spratly Conflict Unavoidable," *Sing Tao Jih Pao*, January 12, 1996, in *FBIS-CHI*-96-014 (January 22, 1996): 29-30.

that among the major powers, only the PRC has been increasing its defense budget and enhancing its defense capabilities and military reach while also articulating a highly nationalistic rationalization of such activities. ASEAN is also cognizant of the fact that China has used force twice before when dealing with Vietnam, and thus such developments as the several recent Chinese expeditions to the South China Sea are seen as destabilizing. The signing of an oil exploration agreement with a Denver-based oil company and the dispatch of soldiers to occupy another rock formation in the Spratlys in July 1992 accentuated this apprehension.[38] Finally, ASEAN was unsettled by the February 26, 1992 approval by the PRC's highest legislative body of a territorial waters law embracing the Spratlys that gave the PRC the right to use military force to prevent any violations of its waters by foreign naval warships or research vessels.[39] The passage of this law raised the question of whether the PRC, by reserving itself the right to use force to assert its claim to these islands, has reversed its earlier position of seeking a peaceful solution to the Spratlys dispute through negotiation.[40]

The first ASEAN member to voice its concern about the alleged threat from the PRC was the Philippines. A few days after Philippine Navy (PN) Commander Mariano Dumancas announced the arrest of PRC fishermen off a Philippine-occupied island in the Spratlys in early March 1992,

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[38]Lee Lai To, "ASEAN-PRC Political and Security Cooperation: Problems, Proposals, and Prospects," *Asian Survey* 33, no. 11 (November 1993): 1097-98.

[39]"Law Passed Claiming Spratly Islands," Agence France Presse, February 26, 1992, in *FBIS-CHI*-92-038 (February 26, 1992): 2.

[40]"Article Discusses PRC Claim over Spratlys," *The Straits Times*, March 11, 1992, in FBIS, *Daily Report: East Asia* [hereafter *FBIS-EA*]-92-050 (March 13, 1992): 38. In reaction to the PRC's passage of such law, a top Malaysian military leader declared that the Malaysian armed forces will defend parts of the Spratly Islands that the country claims. Commenting on the reports that the PRC enacted a law proclaiming its sovereignty over the disputed islands, then-Army Commander General Yacob Zaim was quoted saying "Even though we do not have the capability to go to war with China in view of its military strength and equipment, we will try to defend our rights as far as we are able to." This was followed by Philippine Foreign Secretary Manglapus' statement that Manila "is prepared to engage in talks for the settlement of the conflicting claims in the area by peaceful means" while the Philippine military officials declared that they were ready to defend the Philippine-occupied island in the Spratlys. "Army Chief Vows to Defend Parts of Spratlys," Bernama News Agency, March 4, 1992, in *FBIS-EA*-92-043 (March 4, 1992): 31. "Foreign Minister Reiterates Claim to Spratlys," Agence France Presse, March 6, 1992, in *FBIS-EA*-92-045 (March 6, 1992): 28.

a PN officer reported the presence of a Chinese missile destroyer and a battalion of marines in the vicinity.[41] Philippine concern about the PRC took a more official tone in July 1992 when then-Foreign Secretary Raul Manglapus raised the subject with the PRC Foreign Minister Qian Qichen prior to the ASEAN Ministerial Meeting.[42] This was followed by a call from then-Philippine President Fidel Ramos for ASEAN involvement in the Spratlys dispute. In his speech on the Philippine Armed Forces Day, Ramos called on "the ASEAN to play an active role in regional security by addressing the worsening dispute over the Spratly Islands by providing the forum and the structure within which regional security concerns can be addressed."[43] The strongest statement, however, came from Manglapus when he accused the PRC of "flexing its muscles with the departure of U.S. forces from Southeast Asia."[44]

Philippine expression of its concern over the alleged threat from the PRC was followed by Malaysian Foreign Minister Datuk Abaullan Ahmad Badawi's call for China "to exercise caution in its claim over the Spratly Islands as armed conflicts will result in serious repercussions on the stability of Southeast Asia."[45] This was later followed by a stronger diplomatic statement that "Malaysia views with grave concern certain developments arising from sovereignty and jurisdictional disputes over islands and reefs as well as maintaining space in the South China Sea." Accordingly, "these adverse developments could risk extra-regional involvement and put back years of painstaking efforts at nurturing relations based on mutual trust and confidence."[46]

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[41] "General Views Conflict with the PRC," Manila Broadcasting Company, March 24, 1992, in *FBIS-EA*-92-058 (March 25, 1992): 26.

[42] "Japan Urged to Intervene in Spratlys Issue," *The Chronicle*, July 10, 1992, in *FBIS-EA*-92-133 (July 10, 1992): 23.

[43] "Ramos Seeks ASEAN Role in Spratlys Dispute," Agence France Presse, July 9, 1992, in *FBIS-EA*-92-133 (July 10, 1992): 23.

[44] "PRC Seen Flexing its Muscle," *The Philippine Daily Inquirer*, July 14, 1992, in *FBIS-EA*-92-136 (July 15, 1992): 27.

[45] "China Told to Exercise Caution in Spratlys Issues," *The New Straits Times*, July 13, 1992, in *FBIS-EA*-92-136 (July 15, 1992): 18.

[46] "Malaysia Reacts to Spratlys Declaration," Bernama News Agency, July 23, 1992, in *FBIS-EA*-92-142 (July 23, 1992): 3.

This was followed by Indonesian Foreign Minister Ali Alatas' statement that his country "expects all countries involved in the Spratlys issue not to change the status quo."[47] A stronger and direct statement, however, came from Indonesian Defense and Security Minister L.B. Murdani when he declared that the PRC's "naval build-up could lead to problems between China and Southeast Asia which still had doubts as to the long-term intentions of Beijing over the region."[48] Indonesia's concern over China's intention in the Spratlys became more pronounced in 1995 when the Indonesian government sought clarification over the PRC's maritime maps that showed Indonesia's marine areas in the South China Sea as Chinese territory.[49] A few days after this inquiry, the Indonesian Air Force declared its intention to intensify its air surveillance over the Natuna Island in the South China Sea.[50] Ironically, the most vocal and direct expression of concern about the alleged threat from the PRC was expressed publicly by Singapore, China's closest friend in ASEAN. In January 1994, Singapore's Defense Minister Yeo-Ning Hong warned that Beijing's assertiveness "has aroused distrust and suspicion, especially among the Spratlys claimants, and that countries in the region may still be uncertain about how an economically stronger China will behave in the longer term."[51]

ASEAN's collective concern about China was formalized and made public when it came out with the Spratlys Declaration in the July 1992

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[47]"Spratlys Claimants Urged to Act with Restraint," Antara News Agency, July 29, 1992, in *FBIS-EA*-92-147 (July 30, 1992): 30. Although not a party in the Spratlys dispute, Indonesia is concerned that the PRC's emergence as a regional power would worsen the overlapping territorial claims in the South China Sea and this would prompt Southeast Asian states to build up their respective armed forces, because a possible Chinese threat has generally become a source of anxiety to its neighbors in Asia. Accordingly, if such situation is allowed to persist, regional peace and stability will be gradually undermined. See "Editorial Says U.S. Could Check PRC's Military Adventures," *Kompas*, April 25, 1995, in *FBIS-EA*-96-082 (April 26, 1996): 51-52.

[48]"Minister Calls on the PRC to Explain Arms Build-Up," Jakarta Radio, Indonesia, November 13, 1992, in *FBIS-EA*-92-220 (November 13, 1992): 25-26.

[49]"Clarification of PRC Maritime Maps Sought," Agence France Presse, April 7, 1995, in *FBIS-EA*-95-067 (April 7, 1995): 59-60.

[50]"Air Surveillance in South China Sea Intensified," *Suara Karya*, April 11, 1995, in *FBIS-EA*-95-071 (April 13, 1995): 49. Also see "PRC's Expansion in South China Sea Decried," *Merdeka*, April 13, 1995, in *FBIS-EA*-95-072 (April 14, 1995): 60-61.

[51]Quoted in Ralph A. Cossa, "The PRC's National Security Objectives in the Post-Cold War Era and the Role of the PLA," *Issues & Studies* 30, no. 9 (September 1994): 15.

ASEAN Ministerial Meeting. Beijing's unilateral assertiveness concerning its South China Sea claim created another basis for ASEAN solidarity just at the time when the UN-brokered peace settlement in Cambodia had removed the common thread that held the organization together in the 1980s. Although the declaration is merely a statement of principles emphasizing restraint and joint development in the Spratly Islands, it nevertheless was obviously directed against Beijing and more importantly, was a rallying point for the organization to construct at least a semblance of a common security front.

Constrainment through Engagement: The Case of the South China Sea Dispute

In face of what they perceived as a looming Chinese threat, ASEAN member states have used their proven method of conflict management: engaging the PRC as part of ASEAN's regional entente.[52] Engagement entails involving China into the ASEAN consultative process and developing linkages with their giant neighbor in the hope of using these linkages as levers to restrain the PRC's behavior in the South China Sea. ASEAN is using engagement as a sort of insurance policy to prevent any long-term erosion in the PRC's linkage with the organization, while giving it an op-

[52]The term "constrainment" refers to a concerted pressure applied by ASEAN members to moderate the PRC's behavior with regard to the South China Sea dispute. Constrainment involves impressing upon the PRC that ASEAN has interests that will be enhanced or defended by means of incentives for good behavior, a unified diplomatic front as a deterrence for bad behavior, and diplomatic isolation if deterrence fails. Constrainment involves the development of linkages that will foster economic interdependence as well as concerted politico-diplomatic efforts by ASEAN members to either punish or reward the PRC as necessary. Constrainment involves both the use of engagement and the balance of power. This concept of constrainment is derived from Gerald Segal, "East Asia and the 'Constrainment' of China," in Brown, Lynn-Jones, and Miller, *East Asian Security*, 159-87. The term "engagement," on the other hand, pertains to involvement in the ASEAN diplomatic community, which basically entails invitation and participation in a number of bureaucratic and ministerial consultations and meetings among the member states. Involvement within this diplomatic community has enabled ASEAN members to coordinate their national policies with relative order, mitigate their intramural differences and establish a forum for regional consultations or entente among them. The term was derived from Leifer, *ASEAN and the Security of Southeast Asia*, 1-87.

portunity to explore and develop other venues for keeping China tied to the member states. As part of this strategy, ASEAN began inviting China to attend its annual post-ministerial meetings in 1991 and in July 1993, asked China to join an ASEAN-sponsored regional security forum that was to be held in Bangkok in 1994.

The ASEAN Regional Forum (ARF) was established to create a cooperative security arrangement in the region through the creation of confidence-building measures (CBMs) and preventive diplomacy. The ARF's primary objective has been to prevent tension and potential conflicts from becoming militarized. It is also envisioned as a possible mechanism for eventual conflict resolution in the region. Through this forum, ASEAN hopes that China will agree to CBMs through technical and scientific co-operation which should make the PRC more transparent in its defense build-up and immerse it into a regime of mutual trust and confidence.[53] In a way, the ARF regime is a form of "constrainment through engagement": ARF seeks to stop the PRC from exercising its primacy in East Asia and from using force in resolving the Spratlys dispute through a process of consultation that hopefully would tie China into a web of interdependence. The immediate aim is to involve the PRC into the multiplicity of regional and functional groups so as to forge norms of restraint, transparency, and dialogue. The long-term objective is to reproduce the ASEAN pattern of informal processes by which conflicts among member states have been avoided or diffused rather than fully resolved.

The hopes for the ARF regime are limited by China's reluctance to become deeply engaged in the process. The PRC has a basic distrust of relationships based on interdependence.[54] This distrust stems from: China's historical experience of being victimized by the West, its Middle Kingdom mentality, and by the geopolitical fact that it is a big power in the region. The PRC's reluctance to become fully involved in the ASEAN process first became apparent when it assailed the ASEAN July 1992 Declaration on the

[53]Jusuf Wanandi, "ASEAN's China Strategy: Towards Deeper Engagement," *Survival* 38, no. 3 (Autumn 1996): 121-23.

[54]Shambaugh, "Growing Strong," 45.

Peaceful Settlement of the Dispute on the Spratlys by stating that China "does not want to negotiate with claimant countries because this contradicts with its claim over the whole Spratlys."[55] Instead of fully endorsing the ASEAN Declaration on the Spratlys, the PRC reiterated its position that Beijing's intention is to shelve the sovereignty issue over the disputed islands and that ASEAN member states should go along with China in its joint development of the disputed areas.[56]

This position also became apparent in the various Indonesian forums on the South China Sea and in the ARF meetings. For example, in the Fifth Indonesian Workshop on the South China Sea in October 1994, participants from the PRC blocked the discussion of the nonexpansion of military presence in the South China Sea and demanded the discussion of CBMs be dropped from the workshop agenda.[57] In the next workshop in October 1995, a Singapore newspaper observed that "the PRC considers this multilateral forum as a sideshow by arguing that territorial disputes in the Spratlys should be taken off the workshop agenda and for the participants to exchange views and explore areas for cooperation in the noncontentious subjects of meteorology and the safety of navigation."[58] Despite Indonesia's workshop initiative to promote CBMs among claimant states, the PRC has shown contempt for these measures by conducting military maneuvers in the area.[59] Furthermore, Beijing has continued to deploy air and naval units in the Spratlys and has bluntly asserted its extensive territorial claims in the South China Sea. Hence, while participating in various ASEAN forums, Beijing often douses cold water on the various ASEAN initiatives to resolve the South China Sea dispute within a multi-

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[55]"PRC Disappointed with Spratlys Declaration," Manila Broadcasting Company, July 23, 1992, in *FBIS-EA*-92-142 (July 23, 1992): 23-24.

[56]"The PRC Suggests Consultative Mechanism," *The Nation*, July 22, 1992, in *FBIS-EA*-92-142 (July 23, 1992): 1.

[57]"Participants Make Little Headway," *The Straits Times*, October 29, 1994, in *FBIS-EA*-94-210 (October 31, 1994): 3.

[58]"Article Views Spratlys Workshop Problems," *The Straits Times*, October 16, 1995, in *FBIS-EA*-95-203 (October 20, 1995): 46.

[59]International Institute for Strategic Studies, *Strategic Survey 1993-1994* (London: Brassey's, 1994), 175.

lateral framework.[60]

ASEAN's policy of engagement suffered a major blow in 1995 with the discovery of Chinese military structures over Mischief Reef, a location only about 130 miles from the Philippines. Despite ASEAN's efforts since 1991 to develop a rapprochement with China, the discovery of Chinese forces south of the Spratly Islands signaled Beijing's determination to enforce its claim throughout the contested area. It has also shown ASEAN's inability to respond collectively and effectively against Chinese encroachment in the region. Describing the ASEAN member states' collective response to the incident, an American analyst wrote: "Like a deer caught in the headlights of an oncoming truck, the ASEAN countries seem frozen by their own fears and inertia in face of China's initiatives."[61]

Despite initial Philippine protest against this Chinese encroachment, ASEAN found itself paralyzed by the Chinese occupation of Mischief Reef. Some observers believed the incident was designed to test the organization's reaction to the PRC's step-by-step approach toward de facto control over much of the South China Sea.[62] When ASEAN member states recovered their composure and tried to bring the Mischief Reef incident to the ARF meeting in July 1995, the PRC thwarted this move by saying that "it does not want ARF to be a venue for conflict resolution."[63] Earlier in June the PRC was able to block an effort to bring up the South China Sea dispute in the ARF's Senior Officials Meeting in Brunei. Prior to the meeting, fourteen ARF participating countries tentatively agreed to raise the Spratlys issue in the forum's ministerial conference. The ASEAN officials became apprehensive that the PRC would block their effort to internationalize the Spratlys issue, or even worse, the PRC might simply decide to boycott the forum if the South China Sea question was raised. Eventually,

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[60] Samuel S. Kim, "Mainland China in a Changing Asia-Pacific Regional Order," *Issues & Studies* 30, no. 10 (October 1994): 36-38; Wanandi, "ASEAN's China Strategy," 121-24.

[61] Dona R. Dillon, "Contemporary Security Challenges in Southeast Asia," *Parameters* 17, no. 11 (Spring 1997): 128.

[62] Mark J. Valencia, "China and the South China Sea Dispute," *Adelphi Paper*, no. 298 (1995): 55.

[63] "ARF to Discuss Spratlys Dispute Despite PRC Objection," *The Nation*, June 3, 1995, in *FBIS-EA*-95-109 (June 7, 1995): 4.

ASEAN found it expedient not to multilateralize the South China Sea dispute at the ARF discussion table.[64] As a result, the Philippines were forced to resort to bilateral negotiation in dealing with the Mischief Reef affair, as Manila decided to downplay the said incident during the second ARF meeting in Brunei.[65]

The PRC's intention to prevent the inclusion of the South China Sea problem as a multilateral agenda became apparent again during the May 1996 ARF Senior Officials Meeting in Jakarta when the Chinese delegation was able to forestall a discussion of security concerns in the South China Sea. As a result, the meeting ended a day ahead of schedule.[66] Jakarta's leading newspaper, *Kompas*, criticized the lack of results at the meeting, urging that the ARF Ministerial Meeting be held in "an atmosphere of openness."[67] Furthermore, the paper lamented the fact that the three-year-old ARF ministerial forum has not succeeded in its primary goal of effecting CBMs in the South China Sea.[68]

In April 1997, however, during the Third Senior Officials Meeting in Bangkok, Beijing agreed for the first time to talk about the claims of the ASEAN member states in the South China Sea and offered to frame a code of conduct covering its ties with ASEAN.[69] Analysts, however, viewed this move as part of China's overall effort to use ASEAN as a counterbalance in its bilateral problems with the United States. Furthermore, Beijing's concern over the possibility of an anti-PRC coalition may have prompted the post-Deng leadership to lower its military posture and rely more on diplomacy in an effort to prevent ASEAN member states from coming out with a more effective and consistent strategy to cope with Beijing's growing as-

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[64]"ASEAN May Raise Issue," *Business World*, June 12, 1995, in *FBIS-EA*-95-117 (June 19, 1995): 87-88.

[65]"Concerted Bilateralism Policy," *The Manila Standard*, June 18, 1995, in *FBIS-EA*-95-117 (June 19, 1995): 89.

[66]"ARF Senior Officials Agree on India, Burma Membership," *The Straits Times*, May 11, 1996, in *FBIS-EA*-96-094 (May 14, 1996): 1.

[67]"Indonesia: Editorial Reviews ARF Senior Officials Meeting," *Kompas*, May 14, 1996, in *FBIS-EA*-96-095 (May 15, 1996): 74.

[68]Ibid.

[69]Michale Vatikiotis, "Friends and Fears: ASEAN Grows Closer to China, But Remains Wary," *Far Eastern Economic Review*, May 8, 1997, 14-15.

sertiveness with regard to the Spratlys.[70]

Despite their initial optimism regarding the ARF's ability to constrain the PRC, ASEAN member states found it difficult to bring the issue to the discussion table since they were apprehensive that the issue would only be met with resentment and rejection from Beijing. In effect, ASEAN member states found out too late that by "welcoming the fox into the chicken coop, they may find the ARF unable to deal with any contentious security issues in which the PRC is involved."[71] Assessing ASEAN's effort to constrain the PRC through engagement, a Singapore security analyst concluded that:

> One of the key aims of the ARF has been to bring China into a security structure with the hope that it would then operate within that framework, taking cognizance of the interests and sensitivities of other ARF members; in other words, to lock China into a constraining multilateral arrangement. While this scheme appeared initially to be sound, subsequent events suggested that the Chinese were not prepared to be "constrained" or "engaged" on terms set down by ASEAN.[72]

In the final analysis, the ARF regime is problematic since it is a classic case of a diplomatic strategy designed by diplomats who used past diplomatic crises as models. As a mode of cooperative security, the ARF is actually an enlarged ASEAN model of conflict containment that succeeded in Southeast Asia but is untried elsewhere. This model evolved to improve the interstate relations among weak states who found it crucial to develop a means to prevent conflicts from escalating among themselves. The ASEAN conflict containment method involves the fostering of regional reconciliation and the creation of a common agenda of concern over internal security problems via the construction of a regional collective security network. This network links ASEAN members together and is intended to facilitate in the judicious management of intraregional disputes

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[70] Allen S. Whiting, "ASEAN Eyes China: The Security Dimension," *Asian Survey* 37, no. 4 (April 1997): 321.

[71] International Institute for Strategic Studies, *Strategic Survey 1996/97* (Glasgow, UK: Bell and Bain, 1997), 168.

[72] Derek D. Cunha, "Southeast Asian Perceptions of China's Future Security Role in Its 'Backyard'," in Pollack and Yang, *In China's Shadow*, 122-23.

and tension.[73]

Currently, the ARF's effectiveness has been put to test by the PRC's realist approach to international relations. This approach has been characterized by (1) a heavy emphasis on bilateral rather than multilateral approach in conflict management;[74] (2) conditional acceptance of regional mechanisms in conflict management while at the same time viewing national interest as the primary value in the international system; (3) the assumption that special responsibilities and privileges of the big powers take precedence in dealing with the smaller powers; (4) a great reluctance in entrusting its national security to any multilateral arrangement as this might dilute China's influence and expose its internal weakness to international scrutiny; and (5) the pragmatic acceptance of regional and global cooperation as long as they promote the national interest. As an emerging regional power, the PRC has demonstrated to ASEAN member states that although willing to join such multilateral forums, Beijing would not be burdened by the formal or informal obligations that would limit its exercise of autonomy and primacy in regional affairs. Hence, the ARF does not address directly the acute problem of a change in the regional security equation—the emergence of China as a regional military power or possible regional hegemon. The PRC's realist response to ASEAN's policy of engagement is not incidental but is rather an indication of the PRC's exercise of its "primacy" in regional affairs. Given its size, huge population, increasing wealth, and emerging military capability, the PRC already possesses powerful bargaining levers in resolving the Spratlys dispute and it will not allow ASEAN member states to use multilateralism or interde-

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[73]Leifer, *ASEAN and the Security of Southeast Asia*, 30.

[74]The PRC's preference for managing disputes at the bilateral rather than multilateral level was again manifested in the way it handled its chronic territorial conflicts with Vietnam and the Philippines in 1997. The first dispute rose with Vietnam over the oil drilling rights in the South China Sea. The second dispute occurred with the Philippines when the Philippine Navy turned away two PRC vessels from the Scarborough Shoal and the PRC retaliated by sending two PLA Navy warships off the Philippine-occupied islets in the Spratlys. These confrontations with the PRC provoked again an expression of solidarity among the ASEAN states, which were alarmed by China's assertiveness. However, like the 1995 Mischief Reef incident, the PRC was able to resolve these two crises through bilateral diplomacy. See Avery Goldstein, "China in 1997: A Year of Transitions," *Asian Survey* 38, no. 1 (January 1998): 44.

pendence to weaken these levers.

China in the late 1990s is a rising power similar to Germany after the Franco-Prussian War in the 1870s and Japan after the Russo-Japanese War in the early 1900s. The removal of the Soviet threat in the early 1990s and the success of its economic reforms have given the PRC the resources to develop a modern armed force and the motivation for an expansionist and trade-oriented policy, and have intensified nationalistic sentiment that has become a convenient replacement of communism as a credible national ideology. With an expanding economy, growing foreign exchange reserves, perceived market potential, modernizing industries, and increasing international prestige, the PRC can now benefit from the international economic system while at the same time being able to minimize its sensitivity to the vagaries of economic interdependence.

With Japan and most of the other East Asian economies in the doldrums, the PRC was able to show its potential to become a regional hegemon: China offered Thailand US$1 billion as part of a rescue package by the International Monetary Fund, invested US$1.5 billion in Malaysia, and joined Malaysian Prime Minister Mahathir Mohamad in denouncing currency speculators in particular, and the West in general, for the current East Asian financial crisis.[75] Hence, the economic turmoil in the region assists the PRC's ambition to become the leading regional power in East Asia. This is because by not devaluing its currency and proclaiming that it will refrain from doing so as its contribution to regional security, the PRC is providing leadership in a way that Japan has failed to do.[76]

With the development of its power projection capabilities and its build-up of "a small high-tech force" for use in regional contingencies, the PRC will have the "means to bring about important political changes in the region."[77] From its perspective as a rising regional power, Beijing may see

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[75] Michael Vatikiotis, Murray Hiebert, and S. Jayasankara, "Imperial Intrigue: China Takes Advantages of Southeast Asia's Economic Woes to Foster Closer Ties and Head off American-Led Containment," *Far Eastern Economic Review*, September 11, 1997, 14-15.

[76] Paul Dibb, David D. Hale, and Peter Prince, "The Strategic Implications of Asia's Economic Crisis," *Survival* 40, no. 2 (Summer 1998): 19.

[77] Nigel Holloway, "Revolutionary Defense: Many See the PLA as a Slow Dinosaur, But Is

the perceived cost of changing the regional system has declined relative to the potential benefits to be derived from acquiescence to the current norms and rules. This can be accomplished by changing the rules governing the system, the division of spheres of influence, and most important of all, the regional distribution of territory.[78]

Hence, in the long term, the ARF regime may become detrimental to ASEAN's goal of constraining the PRC with regard to the South China Sea dispute because ARF may tie ASEAN more to China than the other way around. ASEAN's traditional methods of regulating interstate disputes—diplomatic measures, informal dialogues, and efforts to build a consensus—fit well into Beijing's long-term strategy in the South China Sea. ARF's incrementalism or the "muddling through process" is useful to a state that needs time to quietly build up its economic and military power—waiting for the opportune time to settle issues unilaterally on its own terms. Specifically, this favors the PRC, given its expanding economic and military capabilities and step-by-step and protracted approach toward a de facto control of the South China Sea.

Playing the Balance-of-Power Game

Given the fragility of its engagement policy, the ASEAN strategy is to rely on the United States as a balancer against China. The member states all look to the U.S. military presence in East Asia as a crucial component in maintaining "strategic equilibrium" or for ensuring that a balance of power is maintained between China and Japan, and to prevent any one power from gaining regional hegemony.[79] Thus, as mentioned above, in July 1992 all six ASEAN member states openly called on the United States

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New Thinking in Positive Digital Era," *Far Eastern Economic Review*, July 24, 1994, 24-28.

[78]Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1982), 187.

[79]Leszek Buszynski, "ASEAN National Security in the Post-Cold War Era," in *Asia in the 21st Century: Evolving Strategic Priorities*, ed. Michael D. Bellows (Washington, D.C.: National Defense University Press, 1994), 101.

to maintain a military balance in the Asia-Pacific region. This ASEAN position was reiterated during the second ARF meeting in Brunei when the ASEAN foreign ministers collectively agreed that U.S. military presence in the region is consistent with the "Southeast Asian way of interacting with the big northern powers within the framework of ensuring greater peace and mutually advantageous cooperation."[80]

With these public statements, the six Southeast Asian states made an unprecedented move to ask the United States to balance China. Being the most powerful naval power in the region, the United States is seen as the only state that can balance a growing Chinese power. These statements indicate not only the ASEAN member states' psychological acceptance of American military presence in the region, but more importantly, they also signify their acceptance of the idea that the United States should play the role as balancer to thwart any of the three other major powers' (China, Russia, and Japan) political ambitions toward Southeast Asia.[81]

There are certain complications to this strategy, however. First, ASEAN putting its hope on the United States to serve as a regional balance begs the question of whether Washington is interested in becoming involved in a regional conflict in which it has no direct interest. If territorial and resource disputes in the South China Sea do not escalate into actual hostilities, the U.S. balancing role made possible through its implied general military deterrence posture in the region will not be tested.[82] Second, official U.S. policy regarding the Spratlys dispute has been vague and the Clinton administration has consistently distanced itself from the dispute.[83] Third, the current U.S. Navy's strategy of concentrating on the world's littoral zones has changed its focus from blue-water operations to offshore operations. This may affect the U.S. Navy's ability to respond to any con-

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[80]"ASEAN Views U.S. Bases in Southeast Asia," *Suara Pembaruan*, August 4, 1995, in *FBIS-EA*-95-151 (August 7, 1995): 1.

[81]"Editorial on U.S. Military Presence in ASEAN," *Kompas*, August 5, 1995, in *FBIS-EA*-95-153 (August 9, 1995): 60.

[82]Sheldon W. Simon, "U.S. Strategy and Southeast Asian Security: Issues of Compatibility," *Contemporary Southeast Asia* 14, no. 3 (March 1993): 306.

[83]See note 62 above.

tingency in the South China Sea.[84] Fourth, while ASEAN member states are unanimous in their position that the U.S. military presence should be maintained, ASEAN does not have the appropriate institutional framework to maintain an extra-regional arrangement with the United States to maintain a "balance of power." Finally, there is still the uncertainty on how long the American public and Congress would support the U.S. rôle as the balancer in East Asia.

Currently, ASEAN has no recourse but to rely on the balance of power. However, this strategy is precarious, given both the muddled U.S policy toward the PRC and the East Asian economic crisis. The United States is pursuing a policy of "constructive engagement" toward the PRC, in recognition of the importance of China's rapidly modernizing economy and increasing international status. The PRC has cooperated with the United States in pushing North Korea away from its nuclear weapons program and has been constructive in managing the India-Pakistan nuclear arms race. More significantly, the United States now sees the PRC as a positive factor in maintaining global economic stability. By keeping the *Renminbi* firm, the PRC has helped to stem the East Asian financial crisis and as a result the U.S. government now sees China not only as a market but "as an island of stability."[85] Observing the current trends in Sino-American bilateral relations, the *Far Eastern Economic Review* has noted: "The fast growth of the Chinese economy, and a commensurate growth in Chinese influence in the region and the world, have made cooperation with China look more and more in the U.S. interest."[86] However, from the vantage point of interests of the ASEAN member states, these emerging and growing networks of interdependent linkages between the two big powers might adversely affect the U.S. role in balancing the PRC in the near future.

This situation is complicated by the lack of consensus and purpose

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[84] Ulysses O. Zalamea, "Eagles and Dragon at Sea: The Inevitable Strategic Collision between the U.S. and China," *Naval War College Review* 49, no. 3 (Autumn 1996): 71.

[85] Deborah Lutterbeck, Bruce Gilley, and Andrew Sherry, "Riders on the Storm," *Far Eastern Economic Review*, June 25, 1998, 10-12; Johanna McGeary, "How Bad is China?" *Time*, June 29, 1998, 26-30; Goldstein, "China in 1997," 45-48.

[86] Susan Lawrence, "Sparring Partners," *Far Eastern Economic Review*, July 9, 1998, 12.

within ASEAN to institutionalize an extra-regional arrangement with the United States. This lack of purpose and consensus regarding the U.S. military presence in the region was demonstrated in 1994, when Thailand denied an American request to preposition military equipment on U.S. ships off the Thai coast and again, in 1995, when ASEAN signed a regional nuclear weapons-free zone treaty which contained provisions that might hamper American naval deployment in Southeast Asia.[87] Furthermore, there seems to be a collective inability on the part of ASEAN member states to make any definite statement on the desired type of American military presence in the region.[88] Moreover, there is much ambiguity in Indonesian Foreign Minister Ali Alatas' statement that "U.S. presence need not necessarily be in the form of U.S. bases in Southeast Asia."[89]

ASEAN's inability to come out with a more appropriate policy to keep the United States engaged in regional security affairs in particular, and inadequate responses toward an emerging and irredentist China in general, stem from two factors. The first is ASEAN's lack of a common strategic vision that is needed to effect a collective counterbalance as a basis for regional security. Second is the member states' uncertain attitude toward the necessity for an external power to play a constructive role in an evolving and fluid regional system. These uncertainties may become exacerbated in the coming years: ASEAN's 1997 expansion with the entry of Burma, Laos, and eventually Cambodia—all of which are friendly to the PRC and have no South China Sea claim—will make it harder for ASEAN to forge a unified stand against the PRC regarding the Spratlys dispute in the future.[90]

There indeed seems to be a breakdown in ASEAN's de facto and fragile consensus regarding American military presence in Southeast Asia.

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[87] Hearings Before the Subcommittees on International Economic Policy and Trade and Asia and the Pacific, Committee on International Relations, U.S. House of Representatives, 104th Congress, *Southeast Asia Security: Dragons, Dominoes, and Dynamos, May 30 and June 19, 1996* (Washington, D.C.: U.S. Government Printing Office, 1997), 1.

[88] "Editorial on U.S. Military Presence in ASEAN," *Kompas*, August 5, 1995, in *FBIS-EA-95-153* (August 9, 1995): 60.

[89] See note 80 above.

[90] Andrew Sherry and Murray Hiebert, "All in the Family: Expansion-Minded ASEAN Won't Confront Cambodia," *Far Eastern Economic Review*, July 31, 1997, 26.

During the fourth ARF meeting in July 1997, Malaysian Prime Minister Mahathir told ASEAN members that they should not "depend on any foreign power by making reference to U.S. experience in Vietnam."[91] This position has been opposed by the Philippines, who desire a continued U.S. presence in the region in view of the PRC's incursions into the disputed areas of the South China Sea. However, the official Philippine position is afflicted by its indecisiveness as to just what form the American military presence should take and what role the Philippines should play.[92]

Conclusion: From Constrainment to Appeasement?

Unless a state or a group of states in East Asia develop the capability and willingness to prevent China from becoming the regional hegemon, ASEAN member states will have to make concessions to China in order to appease Beijing's regional ambition. As such ASEAN has to look at the ARF's future not as a means of constraining the PRC but as an instrument to facilitate what E. H. Carr called "the adjustment to the changed relations of power" which takes the form of "rewarding the state which is able to bring more power to bear in the operations of peaceful change."[93] This means that they have to transform the policy of constrainment by engagement with the PRC to a policy of adjustment or appeasement by engagement. In policy terms, ASEAN member states must incorporate the following agenda in future ARF meetings: the joint development of the Spratlys with the PRC and, in a worse-case scenario, the relinquishment of their claims on those disputed South China Sea islands.

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[91]James Chin, "Malaysia in 1997: Mahathir's Annus Horriblis," *Asian Survey* 38, no. 2 (February 1998): 189.

[92]Segundo Romero, "The Philippines in 1997: Weathering Political and Economic Turmoil," ibid., 202.

[93]See note 1 above.