



China-ASEAN: Some Progress, along with Disagreement and Disarray

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Chinese relations with the ASEAN nations have remained cordial during the quarter, with the notable exception of Sino-Philippine relations, which have steadily deteriorated and, to some extent, have taken Philippine bilateral ties with the rest of its ASEAN colleagues down with them. Disagreements over Chinese actions on Mischief Reef caused Philippine President Estrada to cancel a scheduled May visit to Beijing, while a senior Philippines foreign ministry official complained about the Philippines becoming “an orphan” in ASEAN on this issue. Meanwhile, China continued to improve relations with most of the remaining ASEAN states, negotiating a framework for future relations with Malaysia and Thailand and developing a new mechanism to govern Sino-Vietnamese relations.

ASEAN-China Consultations

The second quarter of the year opened with the Fifth ASEAN-China Senior Officials Political Consultations held in Kunming from 5-8 April. The first ASEAN-China political consultations were held in Hangzhou, China in April 1995, and have taken place annually ever since. The meetings alternate between China and an ASEAN country.

China was represented by Vice Foreign Minister Yang Wenchang and Assistant Minister Wang Yi. ASEAN countries were represented by their counterparts, and were led by Datuk Abdul Kadir Mohamad, Secretary General of the Malaysian foreign ministry and ASEAN coordinator for the ASEAN-China dialogue. In addition, ASEAN’s Secretary General, Rodolfo Severino, was present.

According to Xinhua News Agency, the participants exchanged views on the latest developments in their respective countries, China-ASEAN relations (trade and investment promotion, information exchanges, and science and technology), the regional economic and financial situation, as well as “regional and global issues of common concern”. The meeting also looked at what steps could be taken to improve ASEAN-China relations in the 21st century.

South China Sea Tensions

The April consultations were held under the shadow of a growing territorial dispute in the South China Sea between China and the Philippines. The dispute first erupted in early 1995 when Chinese-built structures were discovered on Mischief Reef, a feature within the 200 nautical mile Exclusive Economic Zone (EEZ) claimed by the Philippines. In October-November 1998 Philippine reconnaissance planes confirmed that China had resumed construction on Mischief Reef. The Philippines claimed that the new structures were military fortifications, while China countered that they were merely renovated shelters for fishermen.

The Philippines was supported by fellow ASEAN members in 1995; but attempts to build ASEAN consensus in 1998-99 failed. ASEAN members resisted attempts by the Philippines to multilateralize and internationalize this issue. In January 1999, President Estrada convened his first meeting of the National Security Council to consider this matter. The NSC resolved to take the Mischief Reef question to regional and international fora while at the same time upgrading and modernizing the Armed Forces of the Philippines. In March the Philippines confirmed that further Chinese construction was underway.

Differences between Manila and Beijing were aired at the First Sino-Philippines Expert Group Meeting on Confidence Building Measures in the South China Sea from 22-23 March in Manila. While the two sides agreed to exercise self-restraint, China once again rebuffed Philippine demands to dismantle the structures, halt further construction and allow access. The Philippines then proceeded to raise the issue in international fora such as the Second Asia-Europe Meeting (ASEM) in Berlin and the Inter-Parliamentary Union meeting in Brussels. In late March it was revealed that the Philippines was making active preparations to raise its dispute with China before the International Tribunal on the Law of the Sea. At the same time it was announced that President Estrada had cancelled a scheduled visit to China in May.

This was the diplomatic context of the April ASEAN-China political consultations held in Kunming. At this meeting Philippine Foreign Affairs Undersecretary Lauro Baja proposed the adoption of a new regional code of conduct among both claimants and non-claimants. China successfully opposed this proposal. After this meeting, in a 15 April address before the Rotary Club of Manila, Baja revealed that “On Mischief Reef, we were left alone. The other countries said that while they sympathize and understand our situation, the issue is only a [bilateral] Philippines-China problem”.

Baja further stated, “Even some of our ASEAN friends are either mute, timid, or cannot go beyond espousal of general principles of peaceful settlement of disputes and polite words of understanding given in the corridors of meeting rooms. Understandably, they may have their own agenda to pursue”. The Philippines was, in Baja’s words, “an orphan.” These remarks clearly indicated disarray in ASEAN ranks about how to respond

to Chinese assertiveness. Reportedly the embassies of Malaysia, Singapore, Thailand, and Vietnam requested the Philippine Department of Foreign Affairs clarify Baja's remarks.

Sino-Philippine Relations Worsen

Sino-Philippine relations were further strained by other incidents. On 9 May the Philippine naval ship *BRP Sierra Madre* (LT 57) ran aground on a reef near Second Thomas Shoal. Six days later it was reportedly approached by two Chinese frigates that offered no assistance but allegedly trained their guns on the *Sierra Madre* before departing. This incident incensed Filipino naval officials who termed the Chinese behavior a "hostile act."

On 23 May, a Filipino navy ship spotted three Chinese fishing vessels poaching in the Philippines' EEZ in the vicinity of Scarborough Shoal. What occurred next is a matter of dispute. The Philippines claims that one of the Chinese vessels was thrown by high seas into the side of its ship. The damage caused by this impact sank the Chinese vessel. China claims the Filipino navy ship deliberately rammed its fishing vessel and caused it to sink. Irrespective of how the incident occurred, the Filipino navy rescued three Chinese fishermen. They were later permitted to return to China. China loudly criticized what it termed illegal action by the Philippines in its historic waters.

Implications for Philippines-U.S. Relations

China's assertiveness over Mischief Reef was instrumental in changing elite opinion in the Philippines about the efficacy of its alliance with the United States and the necessity of ratifying a new Visiting Forces Agreement (VFA). The United States has consistently argued that its 1951 Mutual Defense Treaty with the Philippines does not cover features in the South China Sea that the Philippines claimed later. The U.S. argues it is mainly concerned with safety and freedom of navigation on the high seas and that it will not take sides in territorial disputes of this nature.

According to Kyodo New Agency (June 4,1999), Thomas Hubbard, the United States Ambassador in Manila, sent a letter to the Philippines clarifying that the 1951 Mutual Defense Treaty has both "territorial and situational applications." This letter was sent a week before the Philippines Senate passed the VFA on 27 May. Philippines spokesperson Fernando Barican was quoted by Kyodo as stating that the Hubbard letter references 1977 official statements by then-U.S. Secretary of State Cyrus Vance that the 1951 treaty covers Philippine armed forces, vessels, planes, and supply ships "that may be attacked, no matter where, by a hostile force."

Some analysts feel that the excessively legalistic interpretation adopted by the United States provided China with an opportunity to occupy and fortify Mischief Reef. In other words, China skillfully advanced its territorial claims by playing on legal ambiguities created by U.S. policy. China may also have been motivated by the weakness

of the Philippines' armed forces and disarray in ASEAN caused by the impact of the Asian financial crisis and ASEAN enlargement (the inclusion of Laos and Myanmar in July 1997).

Other Bilateral Ties Remain Cordial

The tensions in Sino-Philippine relations are not mirrored elsewhere in Southeast Asia between China and other ASEAN members. China has been able to capitalize on the good will it built up in the aftermath of the Asian financial crisis in mid-1997. China not only supported international assistance to the afflicted countries, but also vowed, at some proclaimed sacrifice to itself, not to devalue its currency. This theme of gratitude toward China featured in speeches during the course of Premier Li Peng's visit to Bangkok in April and Malaysian Foreign Minister Syed Hamid Albar's visit to Beijing in late May/early June.

It is notable that China successfully negotiated the framework for its long-term relations with Thailand and Malaysia. The former took the form of a 15-point Sino-Thai Plan of Action for the 21st Century agreed to in Bangkok on 5 February 1999. The latter took the form of a twelve-point Sino-Malaysian Framework of Future Bilateral Cooperation announced in Beijing on 3 June.

Similarly, China and Vietnam worked out a new mechanism to govern their bilateral relationship in the next century. Agreement was reached during the February-March 1999 visit to China by Le Kha Phieu, Secretary General of the Vietnam Communist Party. China and Vietnam have reiterated their commitment to settling land border and maritime disputes in the Gulf of Tonkin before the end of the year 2000. They have also mapped out an extensive program of reciprocal visits and areas of cooperation.

Sino-Vietnamese ties were reinforced in May when Deputy Prime Minister and Politburo member Nguyen Tan Dung journeyed to China to study the applicability of its reform process. Both countries are one-party states embarked on developing a market economy. Vietnam is keen to learn any useful lessons concerning how China is reforming its state owned enterprises and divesting its military of commercial interests.

Policy Implications

Chinese assertiveness in the South China Sea and tensions in Sino-Philippine relations raise policy issues that Washington needs to address. China has repeatedly denounced alliances as relics of the Cold War. No doubt Chinese hard liners will see a revival of U.S.-Philippine military relations as another step toward the encirclement of China. The Visiting Forces Agreement strengthens, to a certain extent, Manila's hand in its dealings with Beijing.

In order to avoid misunderstanding and possible miscalculation, the 1951 Mutual Defense Treaty between the Philippines and the United States needs to be modernized to suit the needs of the late 20th and early 21st centuries just as U.S.-Japan and U.S.-Australian relations were updated. Manila must accept responsibility for upgrading and modernizing its armed forces and provide funding for this purpose. Washington and Manila should identify areas where the U.S. can assist this process. The two treaty partners need to work out a clear understanding of the various contingencies where the U.S. military would come to the aid of the Philippines. China should be made clear on this point. China also needs to be persuaded that it is in its interests to halt unilateral occupation and further military construction on features in the South China Sea.

Chronology of China-ASEAN Relations

April-June 1999

April 5-8: Fifth ASEAN-China Senior Officials Political Consultations meets in Kunming.

April 13-18: Li Peng, Chairman of China's National People's Congress Standing Committee, leads delegation to Thailand.

April 27-May 3: Thailand's Prime Minister Chuan Likphai makes an official visit to China.

April 30: ASEAN admits Cambodia as its tenth member.

May 18-19: Nguyen Tan Dung, member of the Politburo of the Vietnam Communist Party and Deputy Prime Minister, visits China for discussions with Wu Bangguo, a member of the Politburo of the Chinese Communist Party and Vice Premier.

May 19: Chinese Chief of the General Staff of the People's Liberation Army, Fu Quanyou holds discussions in Beijing with Thai Army Commander-in-Chief Surayut Chulanont.

May 30-June 3: Malaysian Foreign Minister Syed Hamid Albar pays official visit to China to hold discussions with his counterpart Tang Jiaxuan. The two states issue a Twelve-point Framework of Future Bilateral Cooperation.

June 7-11: Khin Nyunt, Secretary of Myanmar's State Peace and Development Council makes official visit to China.

June 8-13: Lao Deputy Prime Minister and Minister of Defence Choummali Sai-gnason makes official goodwill visit to China.

June 17-24: Cambodian National Assembly President Prince Norodom Ranariddh visits China.

June 29-July 3: Cambodian Foreign Minister Hor Namhong pays official visit to China.