THE POLITICAL ECONOMY OF THE SPRATLY ARCHIPELAGO CONTESTANTS AND ITS INFLUENCE ON THEIR APPROACH TOWARDS THE CONFLICTING CLAIMS

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DECLARATION

I hereby declare that this writing is my own work except for the quotations and summaries of which I have described its resources and duly acknowledged.

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ABSTRACT

The Spratly Archipelago is the largest group of islands in the South China Sea. The Archipelago embraces a group of about 230 islands, cays, reefs, atolls, rocks, shoals and sandbanks. The islands in themselves are too small and barren to support permanent human settlement. Nevertheless, the Archipelago's underwater resources are judged to be substantial especially hydro-carbon, mineral resources and marine life. Specifically because of its vast span and uninhabitable nature, no coastal state has been able to effect permanent settlement or exercise effective control over more than a small portion of the islets and the surrounding sea area. Besides, the Archipelago is also important for political economy, strategic and sovereignty reasons because ownership claims to these islands are used to bolster claims to the surrounding sea and its resources.

Contemporary Southeast Asia and China are interdependent nation-states, especially in economic activities. Given the complexity of China's political economy and rapidly changing nature of Southeast Asian economies strategic chessboard, crisis and conflict prevention have become urgent requirements for the region. Since all the claimants strive for economic growth, the significance of the Spratlys will be determined by the economic benefits that will derive from the Spratlys or from the cordial bilateral relations amongst the claimants.

China seems no more revisionists or adventurous now than it was before the end of the Cold War and other Southeast Asian countries appears not balancing against China. This explains China's active participation in the ASEAN, the ASEAN+3 and the ASEAN Regional Forum (ARF). Both the ASEAN's export to China and China's export to the ASEAN have grown at increasing rates. In China's outlook, individually and collectively, the ASEAN member states help China to realise its vision of a multi-polar world order. On the other hand, these ASEAN countries accept China's interests in the region although they are also generally apprehensive of the effect of China's increasing military and economic power in the region.

Cheap and readily available energy sources will be critical to China's economic expansion. China's economic expansion is being accompanied by a strong increase in demand for oil. China's rising energy requirements might not disrupt balance of military power in Southeast Asia against China. China's air and naval capabilities outstands compared to that of other claimants in the ASEAN countries.

As trade between the ASEAN and China has increased, accompanied with globalisation, China has made incremental changes in its political and economic systems. It is unlikely that China's expanding trade network will provide the justification for military intervention or the development of an expeditionary military force. A vital aim of Chinese foreign policy in recent years has been to increase political dialogues and expanding economic contacts with the claimants' which China regard could erupt into military conflict due to the disputes in SCS if not managed well. In the final analysis, economic necessity has appeared as the central reason in the underlying principle for China's expanded relations with the ASEAN. It is essential that the cooperative framework of ASEAN+3 will triumph by increasing the mutual economic interdependence between the ASEAN and China, thus, avoiding conflicts in the SCS.
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