

# CHAPTER 1

## INTRODUCTION

The first chapter briefly elaborates the problem background which is started by the beginning of South China Sea dispute then followed by the initiative to establish the Declaration on the Conduct of Parties in the South China Sea in 2002. After that, there will be research question and theoretical framework relies on analyzing the Code of Conduct which then will limit this thesis. Hypothesis, method of research and the system of writing will be the next part that will be mentioned in this chapter.

### A. Problem Background

South China Sea is located on the west of the Asian mainland, on the south is water area between Sumatra and Borneo, and on the east is Borneo, the Philippine and Taiwan<sup>1</sup>. South China Sea is a part of Pacific Ocean which is surrounded by the coasts of some countries such as Vietnam, China, Philippines, Malaysia, Thailand, Brunei Darussalam and Cambodia. The border is also expanding to Singapore on Southwest and China on Northwest. Beside that, also cited from the same sources, the South China Sea has 3.6 million km<sup>2</sup> of the surface area whereas the volume is about more than 4.32 million km<sup>3</sup>. Beside that, there is an approximate number of rivers that pass through this sea. There are about 120 rivers which come up from the seven countries around that.

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<sup>1</sup> China Sea, Sea, Pacific Ocean, accessed in November 1<sup>st</sup>, 2014, from <http://www.britannica.com/EBchecked/topic/112224/China-Sea>

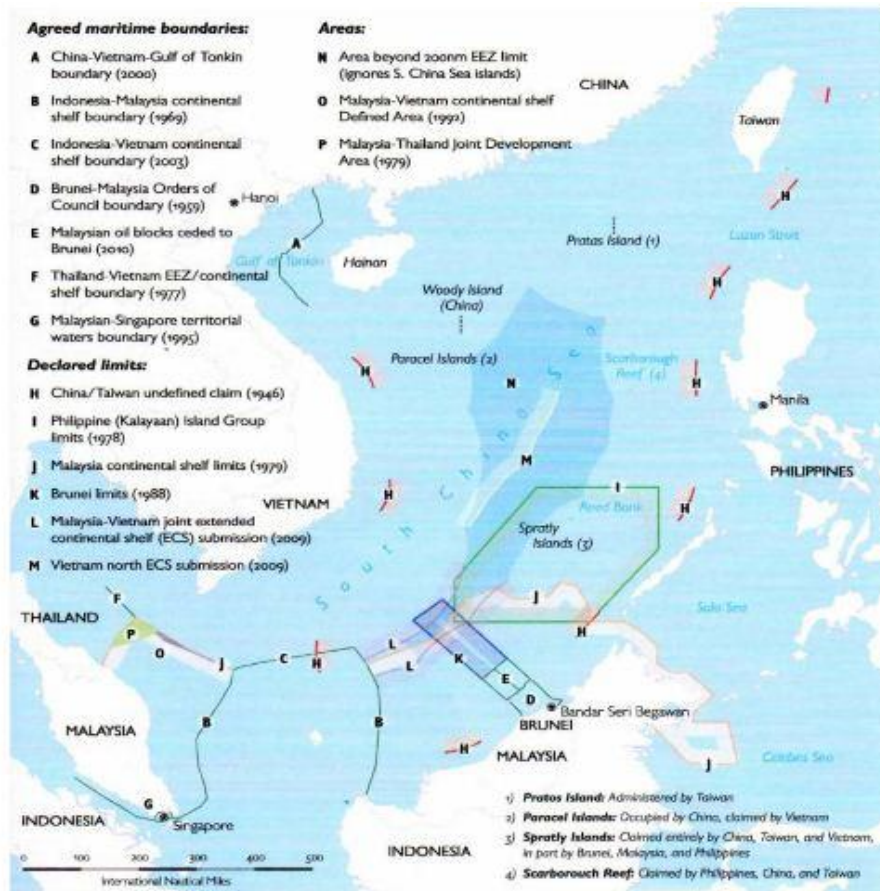
Referring to the patent fact or the legal fact, this kind of location, South China Sea can be called as a semi – enclosed sea. As stated in the United Nations Convention on the Law of the Sea (UNCLOS), in the Article 122 that,

For the purposes of this Convention, ‘Enclosed or Semi – Enclosed Sea’ means a gulf, basin or sea surrounded by two or more States and connected to another sea or the ocean by a narrow outlet or consisting entirely or primarily of the territorial seas and exclusive economic zones of two or more coastal States<sup>2</sup>.

So, it can be seen that South China Sea is located in the centre of several countries such as China, Vietnam, Malaysia, Brunei Darussalam, Philippine and Taiwan. The map is given below.

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<sup>2</sup> UNCLOS, 1982. Montego Bay, Jamaica, *page 67*



**Figure 1.1 Map of South China Sea**

Source : <http://www.npr.org/sections/thetwo-way/2014/05/07/310488736/china-vietnam-spar-over-oil-rig-in-south-china-sea>

By looking at the location, South China Sea is placed in the strategic location. It is good for building harbors, ports or docks because it is a route passed by other countries from the Southeast Asian countries to the Eastern Asian countries or vice versa. Therefore, the owner of the sea will be benefited especially those whom its 200 nautical miles is being visited by the visitor's ships.

Not only about the location, South China Sea has another factor that can make it so special in the eye of the world. South China Sea has abundant natural resources<sup>3</sup>. The sea contained of oil and gas, also fish stocks. These two potential resources intentionally or not will trigger interest so that the competition in getting the interest arises.

Beside that, the other factor of why the area is disputable is caused by inadequate information<sup>4</sup>. It can be seen from the map of each country which is based on their perspective. It is disputable because of an unclear territorial border. There is no legal border which is accepted among the claimants. China and some other claimants had their own map with no detailed explanation and no clear data, so that the legality of the proposed border is questionable.

By seeing to the fact, some countries, especially neighboring countries such as China, Vietnam, Malaysia, Brunei Darussalam, Philippine and Taiwan, are struggling to claim themselves as the owner of South China Sea. The background of their claims is different. China and Taiwan are claiming the sea because the historical background said so. Despite its claim for the sea, Taiwan is seen by China as their part which separates themselves. In 1947, China released its version of the map of South China Sea and followed by Vietnam. Historical background is their reason in claiming the sea. Beside that, Philippine, Malaysia and Brunei Darussalam are claiming the sea based on the exclusive economic

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<sup>3</sup> Leszek Buszynski, *The Development of the South China Sea Maritime Dispute*. page 4

<sup>4</sup> Laura Schwartz, 2014, *Competing Claims in the South China Sea*. Washington D.C, The National Bureau of Asian Research

zones<sup>5</sup>. However, despite having different reason, their claims are actually based on the United Nation Convention of the Sea in 2002. Somehow, the problem of this dispute lies in the way of each claiming countries elaborates or declares the border. Those countries do not show the best way, especially China leading to the refusal by other countries to accept the declaration. China claims almost all parts of South China Sea which then arises the protest from the neighboring island.

According to the book of Asnani Usman and Rizal Sukma<sup>6</sup> that the conflict mostly happens to China and some ASEAN member countries although not all take big roles in this case. As a community, ASEAN should wisely end this conflict and try to find the solution for each party of the conflictual countries. Actually, because of the variety interests in the ASEAN member, the challenge is that not all ASEAN member countries agree on the solution of this South China Sea issue. They are greedy in reaching the interest that they wish for. ASEAN member countries who are the claimants of the South China Sea ownership, including Vietnam, Philippine, Malaysia and Brunei Darussalam do not share a common voice<sup>7</sup>. It means that they have different perspective on how the problem is viewed. It is supported by the view of each side in seeing the problem.

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<sup>5</sup> BBC News Indonesia, accessed in September 14<sup>th</sup>, 2014, from [http://www.bbc.com/indonesia/laporan\\_khusus/2011/07/110719\\_spratlyconflict](http://www.bbc.com/indonesia/laporan_khusus/2011/07/110719_spratlyconflict)

<sup>6</sup> Asnani Usman & Rizal Sukma, 1997, *Konflik Laut Cina Selatan : Tantangan Bagi ASEAN*. Jakarta, Centre for Strategic and International Studies (CSIS), *page 9*

<sup>7</sup> Tran Truong Thuy, 2013, *The South China Sea : Interest, Policies, and Dynamics of Recent Development*. *page 3*

Still cited from the book of Asnani and Rizal<sup>8</sup>, it is not wise if the conflict solution is done bilaterally. Even though a conflict had more tendentious to the sovereignty and jurisdictional issue which can be done bilaterally, the same case cannot be applied for this conflict since it involves more than two countries, so the solution should be done multilaterally<sup>9</sup>. Although China initially preferred to solve the problem bilaterally, later, China changes its mind to solve the problem multilaterally by signing Declaration of Conducts (DOC) in the context of South China Sea problem which was declared during the 8<sup>th</sup> ASEAN Summit in Phnom Penh, Cambodia in November 4<sup>th</sup>, 2002. It was then adopted by the representative of Indonesia and the People of Republic of China<sup>10</sup>.

Actually, since 1990 the involved countries try to find the best solution to end the dispute and to stabilize the situation<sup>11</sup>. It is seen by the establishment of the Declaration which is firstly done only within ASEAN in 1992 and its adoption within ASEAN – China in 2002. During the 25<sup>th</sup> ASEAN Ministerial Meeting in Manila, Philippine, July 22<sup>nd</sup>, 1992, Foreign Ministers from Brunei Darussalam, Indonesia, Malaysia, Philippine, Singapore and Thailand signed the Declaration on the South China Sea. This declaration tends to be focus more on how to make greater economic cooperation through peaceful way, concerning maritime navigation and to against pollution of the marine environment. The next

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<sup>8</sup> Asnani Usman & Rizal Sukma, 1997, *Konflik Laut Cina Selatan : Tantangan Bagi ASEAN*. Jakarta, Centre for Strategic and International Studies (CSIS), *page 9*

<sup>9</sup> Rodolfo Severino, 2012, *A Code of Conduct for the South China Sea*. Honolulu

<sup>10</sup> Chih – Ji Hsiu, *Why 'Code of Conduct' failed? China and ASEAN in South China Sea Dispute*. *page 5*

<sup>11</sup> Asnani Usman & Rizal Sukma, 1997, *Konflik Laut Cina Selatan : Tantangan Bagi ASEAN*. Jakarta, Centre for Strategic and International Studies (CSIS), *page 15*

Declaration is in the year of 2002 as the Declaration on the South China Sea, during the 8<sup>th</sup> ASEAN Summit in Phnom Penh, Cambodia, November, 4<sup>th</sup>. Unlike the first declaration, this declaration is followed or signed by some more countries. They are the 10<sup>th</sup> member of ASEAN and China. At this time, the contents of the Declaration is not only majoring about the economic cooperation, but is also majoring about the commitment to the purposes of some treaties to be implemented such as in the Chapter of the United Nations, the 1982 UNCLOS, and the Treaty of Amity and Cooperation in Southeast Asia.

The existence of the both Declaration, especially the last one in 2002 didn't applicative. It means when the Declaration has been made, it goes so slow which means there was only a little progress of it<sup>12</sup>. The weakness is shown since not every ASEAN member countries involved in this issue. It is also mentioned that among the four conflicting ASEAN member countries, such as Vietnam, Philippine, Malaysia and Brunei Darussalam, there are only two countries which actively involved in solving the territorial dispute. Those countries are Vietnam and Philippine. Meanwhile, Malaysia and Brunei tend to be calmer and take lower actions<sup>13</sup>

As the important point of the declaration, the aim of the declaration is for maintaining stability, enhancing mutual trust and promoting cooperation in the South China Sea area and creating peaceful conditions and a good circumstance

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<sup>12</sup> The Diplomat – “Why China isn't Interested in a South China Sea Code of Conduct, accessed in September 14<sup>th</sup>, 2014, from <http://thediplomat.com/2014/02/why-china-isnt-interested-in-a-south-china-sea-code-of-conduct/>

<sup>13</sup> *Ibid*

for concerned countries to resolve dispute peacefully<sup>14</sup>. As what is stated in the Declaration that all parties of the conflicting countries agreed to “refrain from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays and other features and to handle their differences in a constructive manner”<sup>15</sup>. Overall, the declaration contains of four trust and confidence building measures and five voluntary cooperative activities<sup>16</sup>.

During the realization of the Declaration of Conduct, there still some problems happen within South China Sea and its claimants. As what is explained by Foreign Minister of ASEAN that the strict and legal binding of the code of the conduct should be created in order to prevent the increase of mistrust and to decrease the risk of unintended conflict in conflicting area<sup>17</sup>. It means that the code will be negotiated by China and some other ASEAN member countries which are the claimants of the South China Sea territories with the help of the rests ASEAN member countries as one community. This is why the Code of Conduct exists, that is to maintain and to continue the ideal running of the declaration in 1982 so it will wisely solve the problem among claimant countries. But still the realization of the code is not effectively done.

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<sup>14</sup> Chih – Ji Hsiu, *Why ‘Code of Conduct’ failed? China and ASEAN in South China Sea Dispute*. page 5

<sup>15</sup> “Declaration on the Conduct of Parties in the South China Sea”, accessed in September 14<sup>th</sup>, 2014, from <http://www.asean.org/asean/external-relations/china/item/declaration-on-the-conduct-of-parties-in-the-south-china-sea>

<sup>16</sup> “ASEAN’s Code of Conduct in the South China Sea: A Litmus Test for Community Building?”, accessed in September 14<sup>th</sup>, 2014, from [http://www.japanfocus.org/-carlyle\\_A\\_-Thayer/3813](http://www.japanfocus.org/-carlyle_A_-Thayer/3813)

<sup>17</sup> “ASEAN Ministers Want Legally Binding Code for South China Sea”, accessed in September 14<sup>th</sup>, 2014, from <http://www.scmp.com/news/asia/article/1569456/asean-ministers-want-legally-binding-code-conduct-south-china-sea>



The undergraduate thesis, entitled: The Case of South China Sea: The Ratification of the Code of Conduct within 2002 – 2011, focuses on finding the reasons why the Code of Conduct has not ratified yet by analyzing aspects that cause some of the involving countries especially China to disagree with the implementation of the Declaration on the Conduct in 2002 through realizing the Code of Conduct. The research emphasizes on the year of 2002 as the starting point, and 2011 as the ending for certain reason. 2002 is the year when the Declaration on the Conduct of Parties in South China Sea was issued, whilst 2011 is the declaration's renewal to be a Code of Conduct. This first step was initiated by Indonesia in 2011 during the 19<sup>th</sup> of ASEAN Summit in Bali, 9<sup>th</sup> – 19<sup>th</sup> November 2011.

The declaration was initiated because of the determination of the conflicting countries of the South China Sea Dispute such as Vietnam, Philippine, Malaysia, Brunei Darussalam and China in consolidating and developing the friendship and cooperation among them in governmental aspects in order to promote the good neighborliness and mutual trust<sup>18</sup>. It suggests that the dispute should be solved by peaceful means such as consultation or negotiation without using any kind of violence or threat. Further, still cited from the same source, the most important point of this declaration is about the commitment of the conflicting countries to establish the purposes of the Charter of United Nations, the 1982 United Nations Convention of the Law of the Sea, the Treaty of Amity

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<sup>18</sup> "2002 Declaration on the Conduct of Parties in the South China Sea", accessed in October 9<sup>th</sup>, 2014, from <http://www.aseansec.org/13163.htm>

and Cooperation in Southeast Asia, the Five Principles of Peaceful Coexistence, and other universally recognized principles of the International Law. The analysis will emphasize on the primary declaration of the Charter of the United Nation especially about the 1982 United Nations Convention of the Law of the Sea. It includes the freedom of the navigation in and over flight above the South China Sea. Besides that, cooperative activities such as marine environmental protection, marine scientific research, safety of navigation and communication at sea, search and rescue operation and combating transnational crime are included.

As not all involved countries agreed on the declaration, its existence is debatable. The critics rose over its effectiveness and later its renewal is proposed to revise it into Code of Conduct. So, the initiation of declaration implementation through Code of Conduct rose<sup>19</sup>. However, the Code of Conduct will not be effectively done if the declaration itself is not really implemented well. First, the agreement should be more bounded by the code. It suggests that the declaration should not only be written literally but it should also be well implemented. Second, by the absence of countries which are not involved in the dispute, there is no additional party to control or to support the solution since the dispute is very sensitive issue.

Since the conflict between the conflicting countries is continuously from time to time, showing the ineffectiveness of the context of the declaration, ASEAN is concerned about this case. It urges to legally bind the code by

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<sup>19</sup> "A Code of Conduct for the South China Sea", accessed in October 9<sup>th</sup>, 2014, from <http://www.nationmultimedia.com/opinion/A-Code-of-Conduct-for-the-South-China-Sea-30171581.html>

elaborating Code of Conduct which then be the continuation of Declaration on the Conduct in 2002. Considered significant, the dispute issue is discussed in ASEAN Regional Forum. As stated by the Foreign Minister of Indonesia, Marty Natalegawa, the case should be explored in the forum to realize implementation of Declaration on the Conduct<sup>20</sup>. The ASEAN Regional Forum itself is done in Bali, 16 – 23 of July, 2011. Thus, by elaborating this case in the forum, as the beginning, it will help the conflicting countries in the dispute of South China Sea solve the problem in peaceful ways and find good result for the sake of all parties well being. As the result, the effectiveness of the Declaration on the Conduct will no longer be debatable.

Some difficulties hinder the implementation of the Code of Conduct. The Director of Politics and Security in the Directorate of Cooperation of ASEAN, Ade Padmo Sarwono, stated that the establishment of Code of Conduct will be not be successful since the previous declarations are not really engaging all involving countries. It is needed to be contributed by all the countries involved. Besides that, the declaration actually should be running in line or parallel with Code of Conduct<sup>21</sup>.

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<sup>20</sup> Igor Dirgantara, *Sikap China di Laut Cina Selatan*, accessed in June, 2015, available from : <https://oseafas.wordpress.com/2013/06/11/sikap-china-di-laut-china-selatan/>

<sup>21</sup> Kompas.com. "ASEAN Garap Kode Etik Berperilaku", accessed in Juni, 2015, from <http://bisniskeuangan.kompas.com/read/2011/11/14/05524650/ASEAN.Garap.Kode.Etik.Berperilaku>

## **B. Research Question**

Based on the explanation, the research question based on the problem background is:

*“Why haven’t China ratified the code of conduct yet?”*

## **C. Theoretical Framework**

To answer the research question, this thesis will use National Interest Concept and Foreign Policy Decision Making Theory

### **1. National Interest Concept**

The main point of the problem being discussed in this thesis is about the interest behind the actor of claiming dispute, national interest is the best way to overview the problem. National interest can be used in the two related ways. First, it may seem that something behind which can be the reason of an actor in maintaining or struggling for it. The actor of this case refers to a country. Second, from this concept, foreign policy will be made which related to the economy, politics and security system.

National interest of a state firstly emerged because of the relations with the other countries both bilaterally and multilaterally, and both in regional and global scope. A state will struggle to get the national interest while having relations with other countries. Ideally, the friendship with the other countries should not disturb the need of one state in fulfilling the national interest. Meanwhile, actually this

friendship should help the state in reaching the national interest. So, national interest of a state can be reached through this friendship as the basic value and the reaching point of a state<sup>22</sup>

National interest can be used in the two related way. From the interest, it may see that something behind which can be the reason of an actor in maintaining or struggling for it. The actor in this case refers to a country. The other meaning of interest here can be seen through the foreign policy related to the principle of political system.

Nowadays in the modern era, it is common thing to hear about the national interest since the competition is becoming higher from time to time. As being regarded as a competition, there will be some characteristics, especially when the actor tries to achieve the interest. To simplify, the more interest there is, the higher the tension will be in the struggle to achieve the interest. It is such a common method since any actor will do anything legally to get their goals, which occasionally seem to be anarchy.

In this particular issue, the main point of national interest is how to think like anarchy in order to get the basic interest of the state.<sup>23</sup> Based on the same sources, further, it is also mentioned that basically this concept has the similar point to the realist scholar that the national interest in terms is showing about the

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<sup>22</sup> Final Report of the Team of Analyst/Writer on the Analytical and Development of Foreign Policy by Agency of Analyst and Development of Foreign Ministry with Centre of Analysis Pacific Hasanuddin University (1991/1991), page 14

<sup>23</sup> Griffiths, Martin and Terry O' Callaghan, 2003, *International Relations Key Concepts*. New York, Routledge, page 204

main nature of international relations which here is a state in do whatever to goal the interests.

However, the concept of national interest is somehow still confusing since it has two meanings<sup>24</sup>. First meaning, is when the national interest is explained in the terms of political system of the state in the view of international society, is defined as about the method in which the state is struggling in getting the position and recognition from international society about their existence. To simplify, the interest here means the willingness of the state in having recognition from international society. It is about the struggle of the country in getting the interest from the global world.

Meanwhile for the second meaning, is national interest here means about the highest level of domestic politics in order to show their personality towards the others<sup>25</sup>. In this matter, national interest comes from the aspiration of the people of the state which then becomes the interest of the state. Further, the national interest in the later term is the strength of the country in receiving the aspiration from the society. Before competing its power with the others, the state itself should have the basic power through strengthening the national interest. For analyzing the problem of this undergraduate thesis, the second meaning may show the general point of the root problem by seeing why the declaration has not ratified that is because by the countries involved in the South China Sea has an underlying interest.

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<sup>24</sup> *Selected Works of Mao Zedong*, vol.5, People's Press, 1977, p.274

<sup>25</sup> *Ibid*

In deciding the national interest, the country should be very careful in creating the policy and its strategy to minimize the loss and maximize the profit. Every involved actor in the policy making and strategy making should think and decide wisely. As it is very important for the process of decision making, there are four types of alerts in being the policy taker and strategy maker that have to be considered. They are the accuracy in estimating the available power, accuracy in estimating the available lack, accuracy in predict the empirical opportunities can be used, and accuracy in anticipate the possible threat from the outside<sup>26</sup>

## **2. Foreign Policy Decision Making Theory**

Foreign policy is a plan of a country in regard for its diplomatic dealing with other countries. Foreign policy is made systematically to deal with issues that may arise with other countries<sup>27</sup>. Foreign policy is about how a country positions itself in international context. The more straight the policies, the more capable and higher the level of the country will be. Thus, foreign policy is one of the important things of the country that have to be maintained and strengthened.

By looking at the importance of the foreign policy, the country will focus more on considering the best interest for the country. Foreign policy will be based on the national interest of the country itself. Thus, a wise consideration will always be the primary in deciding one decision about foreign policy. Before

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<sup>26</sup> Final Report of the Team of Analyst/Writer on the Analytical and Development of Foreign Policy by Agency of Analyst and Development of Foreign Ministry with Centre of Analysis Pacific Hasanuddin University (1991/1991), op.cit. page 16

<sup>27</sup> Bussiness Dictionary, *Foreign Policy Definition* (accessed in June 27<sup>th</sup>, 2015), available from : <http://www.businessdictionary.com/definition/foreign-policy.html>

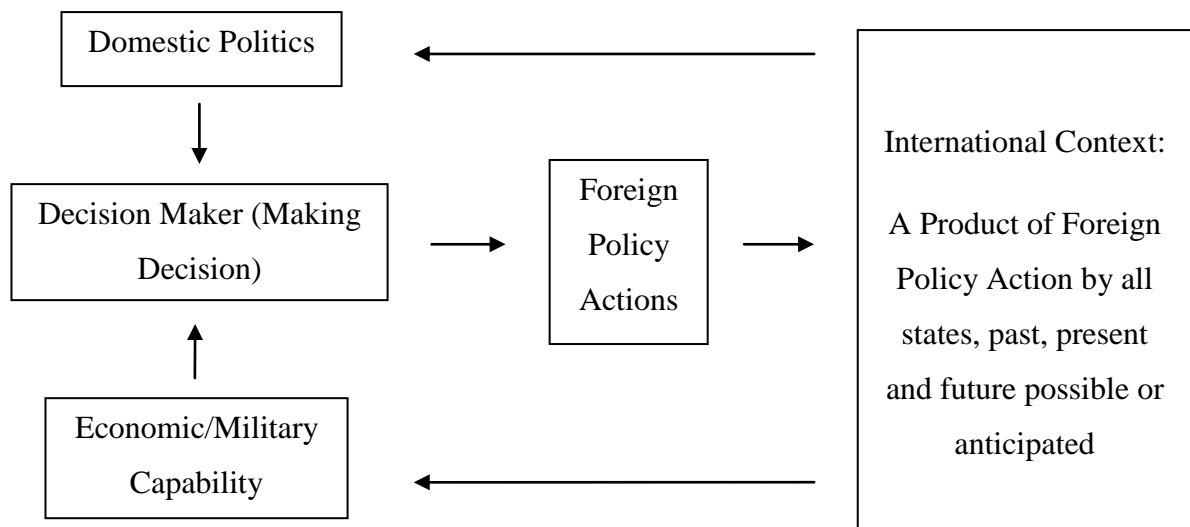
knowing the process of decision making of the country in facing with one issue, there will be some aspects that should be understood before it goes so far. William. D. Coplin uses rational approach analysis in his book, Introduction to International Politics.

From the book, the rational approach tends to be focus more on understanding that the actor behind the national interest making process is the country. In achieving the national interest, the country will rationally calculate the political aspect in the field of global politics. The country will take one foreign policy based on the feedback of the rest of the countries. This rational approach will analyze each response of the other countries about the issue as a form of rational result. This approach is rational because there will be good consideration for the state to take the action to decide which alternatives will be valuable or not in dealing the international issue<sup>28</sup>.

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<sup>28</sup> William D. Coplin, *Pengantar Politik Internasional : Suatu Telaah Teoritis*, (Bandung, Sinar Baru : 1992) page





**Figure 1.1 Model of Foreign Policy Making Process According to William. D. Coplin<sup>29</sup>**

Based on the figure above, the foreign policy of a country is established from the three considerations which influence the decision making process. These considerations are the condition of the Domestic Politics, capability of the economy and military, and International Context.

Based on the perspective of William D. Coplin, the theory of foreign policy decision making<sup>30</sup>, is :

.. if we will analyze the Foreign Policy of a State, then we have to ask for a question to a National Leader as a decision maker in making a foreign policy. It will be a big mistake if the foreign policy decision maker makes the policy without any consideration. But as a reciprocal, the foreign policy action will be seen as the result of the three consideration which influences the foreign policy decision maker..

<sup>29</sup> William D. Coplin, *Pengantar Politik Internasional : Suatu Telaah Teoritis*, (Bandung, Sinar Baru : 1992)

<sup>30</sup> *Ibid*

**a. Domestic Politics**

According to Coplin, the decision of foreign policy of the state will be seen from the real situation of the state itself. It should be based on the condition of the state to create good national interest. Beside, the actor involved in the decision making should wisely chose a policy because the policy will determine the future of the country. There will be an interaction between the politics and the actor. The interaction of both aspects intentionally or not will influence the making of the decision. Coplin calls it as policy influencer<sup>31</sup>. The interaction itself is the main process of the decision in the making process.

Moreover, Coplin sees that there will be the beneficial cooperation between the decision maker and influencing parties. These two actors will always influence each other since the policy is not decided yet. Not only that, this relation will give a benefit to one regime to get the strength from the follower or influencer. When the appropriate option is found, this regime will stay longer because of the support from the influencer. It will become weaker if it does not receive the support from the supporter or the influencer.

**b. Economic and Military Capability**

The thought of Coplin in terms of economic and military capability is taken from the era of King of Europe in the middle ages. Coplin thinks that these

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<sup>31</sup> William D. Coplin, *Pengantar Politik Internasional : Suatu Telaah Teoritis*, (Bandung, Sinar Baru : 1992) page 30

two variables, economic and military, have close relations which can't be separated from one another. It is stated that the more capable the military strengthen the position or the level in the eye of government of a state, the more stable the economical field of the King will be<sup>32</sup>. Therefore, Coplin sees that these variables are being the factors of Europe countries in colonizing the Asian countries. From this colonization, there will be two main points to be taken, strengthening the military troops and increasing the economical fields.

Due to the importance of the economical and military capability, a state will be benefited such as getting an ease to get the bargaining position in the eyes of other countries. Therefore, economy and military capability are taken to be the cause of foreign policy decision making process. Further, the more stable economy and military in one state, the more capability the state in balancing the national interest<sup>33</sup>

### **c. International Context**

According to Coplin, the basic element what means by International Context here is about geography of a state, economic and politics<sup>34</sup>. The international environment of a state can be seen from its neighboring countries. This relation will create several fields such as economical and political field. As an example can be seen from the relations among states in one region such as

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<sup>32</sup> William. D. Coplin, page 112

<sup>33</sup> Leticia Pinheiro, *Foreign Policy Decision Making – Under the Geisel Government*, (Brazil : Alexandre de Gusmao Foundation), page 30

<sup>34</sup> William. D. Coplin Page 167

ASEAN, NATO, European Union, etc. From these relations, those countries will automatically create relations in any field such as economical and political terms. So, actually, the ideal leader of the decision maker should see this kind of thought as a consideration before taking the decision of certain case.

#### **D. Hypothesis**

Based on the concept of national interest and the theory of foreign policy decision making , it could be hypnotized that,

China is not ratifying the Code of Conduct because of its interest in the three aspects :

1. In the economical terms, China is dependent to South China Sea because of the abundant of its natural resources
2. In the terms of security, China claims South China Sea because of its interest of having the strong navy by having of practice on the islands
3. In the political terms, China has the interest on how to implement its foreign policy

#### **E. Method of Research**

In method of research, this undergraduate thesis is using common methods to complete the data and analysis and to arrange it. Library research method was used to explain and to verify the problem background and hypothesis based on the fact and empirical data. Also, qualitative research was used to get the secondary data. The sources of the information were books, articles, and online resources. Those sources are used in systematically during the research process.

## **F. System of Writing**

The first chapter will explain about the problem background, research question, theoretical framework, hypothesis, method of research, and system of writing.

The second chapter will discuss about the history of South China Sea which includes the explanation about the object of claiming such as location and natural resources related to the interest of each claimant countries.

The third chapter will explain about the existence of the dispute and the progress of declarations from time to time and will also briefly explain about the dispute by claimant countries and the solution by elaborating the declaration in 2002 as the first emergence of the Code of Conduct informally.

The fourth chapter will discuss about the answer of the research question, such as the explanation the beginning of the Declaration on the Conduct of Parties which was done in Cambodia, November 4<sup>th</sup>, 2002, then about the initiation to declare it as the Code of Conduct to make it effective. After that, the analysis about the reason of the China's rejection will be clearly written.

The fifth chapter will provide the conclusion of all chapters and suggestions.