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ASEAN and Soft Balancing: South China Sea As Zone of Peace?

By T.V. Paul

Synopsis

The soft balancing toward China by regional states, in particular by ASEAN, has produced mixed results. Is it time to declare the South China Sea a zone of peace under UN auspices? Despite limitations, this may be the next logical step to combine different efforts at institutional soft balancing and great power restraint in the region.

Commentary

ASEAN MEMBER states have been pursuing a strategy based largely on soft balancing and diplomatic engagement towards China for over three decades. The soft balancing makes use of institutional mechanisms such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus). These platforms as well as negotiations to craft a Code of Conduct all play a part in efforts to restrain Chinese expansionism in the South China Sea. Soft balancing refers to the restraint of a threatening power using institutions, limited ententes and economic sanctions to delegitimise its policies. Hard balancing is based on military power and formal alliances to deal with such a state.

In recent years, however, fears have been expressed about the inability of such soft balancing efforts to produce concrete results, especially at a time when ASEAN members are increasingly divided, with some even possibly pursuing soft bandwagoning (i.e. not actively opposing expansionism while reaping economic benefits) vis-a-vis China. Critics rarely come up with alternative proposals, other than that the United States and its allies step up their military presence and challenge China, which may produce an outcome unpleasant to all parties, especially ASEAN members.

Time for Zone of Peace?

The question then is what the future of soft balancing is when pursued by using institutional mechanisms and limited ententes or informal alliances in restraining China and, to some extent, the US from generating aggressive policies in the region. Is it time to make a bold move to declare the South China Sea a zone of peace under United Nations auspices and encouraging China and the US to respect peace and tranquility in this theatre, with binding confidence-building measures and arms control commitments?

A zone of peace may be unpalatable to the great powers, but it may be in the interests of all, especially if the danger of war lurks behind attempts to carve out geographical spaces, weaponise the Ocean and limit navigation rights of states.

The challenges ASEAN faces in its soft balancing efforts are many.

First, the structural constraints: The international system is currently going through a re-configuration. The end of the Cold War produced a brief period of near-unipolarity in which the US emerged as an uncontested military and economic leader. But the 2008-09 financial crisis undermined that dominance. As the US-led order continues to fray, China's economic power and influence have grown.

In terms of military might, China still lags the US. Instead, Beijing is adroitly using asymmetric strategies including island building and base acquisitions and more importantly, the Belt and Road Initiative (BRI), and these are difficult to match. ASEAN members that were reasonably comfortable with the US-led order are suddenly forced to think of a world where China is emerging as a genuine contender to the American-led order, especially in the Indo-Pacific.

Institutional Constraints

The second challenge is institutional. The golden years of international institutions are the first 20-30 years of their founding. Usually, institutions emerge out of war or some major crises to enter either an international or regional order. The original sense of unity of purpose will begin to dissipate as the institutions come of age. The threat environment begins to change and fatigue tends to develop among member-states.

Institutions that are well-designed to deal with changes tend to do better, but most often they do not have built-in mechanisms for learning and adaptation. In this regard ASEAN has been fairly successful, but today it faces a multitude of challenges making the old rules based on consensus insufficient to deal with them.

The third set of constraints come from the changing strategies of China. Unlike previous rising powers, Germany and Japan in particular, China has resorted to an indirect strategy. Although called 'peaceful rise' and later 'peaceful development,' the strategies of building small islets in the South China Sea and limited naval expansion into the Indian Ocean have not been felt as threatening to state security as direct massive expansion by previous rising powers.

The slow expansion helps China avoid the hazards of a sudden power surge. At the

same time, its emergence as the leading economic partner of ASEAN member-states and others such as India and Japan have limited their manoeuvring room.

BRI: China's Version of East India Company?

The BRI is an indirect strategy for expansion. This interlocking of smaller states into a trading and investment system offers China hegemony without obtaining military dominance. This is China's version of the East India Company of the colonial era, adapted to the times.

The lack of alternative sources of investment, especially for infrastructure projects, has made many Asian and African states turn to China. All ASEAN states are members of the BRI, even though some are benefiting more than others. This means that they have little interest to rock the boat. A failure of the BRI may turn states against China, but this is far from certain at this point. Active hard balancing, relying on formal alliances and military buildups, seems improbable as the economic conditions remain in favour of China in the foreseeable future.

So, what is left by way of strategy? Despite its limitations, soft balancing through existing ASEAN institutions and limited alignments seems a better option than doing nothing or resorting to hard balancing. However, adding a new approach, that is, declaring the South China Sea as a zone of peace, under UN auspices, and encouraging the great powers to sign protocols respecting such a zone may have long-term value.

This will be a broadening of the aspirational declaration signed in November 1971 by ASEAN foreign ministers which called on all powers to respect Southeast Asia as a Zone of Peace, Freedom and Neutrality (ZOPAN). In this case, the main focus will be the South China Sea where great power competition has become intense in recent years.

A code of conduct for the South China Sea is important but it could be part of a larger zone of peace idea so that other parameters can be developed to restrain great power competition. These may include agreements on preventing accidents, heavy militarisation, and freedom of navigation, which can all form part of a UN-sanctioned zone of peace. Such a zone of peace is of vital importance to all trading nations, including China, as the success of BRI will rest on peace and order in the region.

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