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The South China Sea Precedent: Rising Instability Amidst Revisionist Tendencies

By Christopher B. Roberts

Synopsis

Declining US leadership and a weakening rules-based order are interdependent with Beijing's rising revisionism and assertiveness. How this has played out in the South China Sea is a dangerous precedent for other military flashpoints across the Indo-Pacific. What can the region do in response?

Commentary

ACROSS THE Indo-Pacific, rising economic dependence has enabled Beijing to revise the nature of international relations and a rules-based order underpinned by adherence to international treaty-based law. The rapidity of the associated shift in the balance of political and military power was also enabled by America's neglect of the region following its War on Terror and then the 2007-08 Global Financial Crisis.

Despite the implicit acknowledgement of this through the United States' 'Pivot' and later 'Rebalance', this 're-engagement' was undermined by the Obama administration's pacifism with China and then President Trump's election. The results include the consolidation of revisionist policies in breach of international law, unchecked coercion against other regional states, and reduced confidence in the US security umbrella. To this end, the rules-based order has gradually eroded, and a more anarchical and militaristic environment is filling the void.

Beijing's Rising Assertiveness

The collapsing regional order might start with the War on Terror but contending Asian perspectives regarding China and the US have become increasingly polarised since the 2007-2008 financial crisis. Beijing's early 'Charm Offensive' has since been

supplanted by more coercive actions and the most divisive issue, at least for East Asia, has been the territorial disputes in the South China Sea.

Despite ASEAN's engagement since 1992, China has most significantly breached the norms of the 2002 ASEAN Declaration on the Conduct of Parties in the South China Sea (DOC) and then it also breached the United Nations Convention on the Law of the Sea (UNCLOS) through activities like the creation and militarisation of large-scale artificial islands.

Regionally, China's 2012 seizure of Scarborough Shoal from Manila was a 'watershed event'. The Obama administration's attempt to negotiate a withdrawal by Beijing and Manila from the Shoal failed. However, the ultimate pivot point was Beijing's rapid construction of nearly 1,300 hectares of artificial islands from early 2013.

Despite the first reference to possible land reclamation by a Philippine news article on 31 July 2013, comprehensive imagery of the artificial islands was not publicly available until February 2015. By this time, the US and its allies had, intentionally or not, bypassed international pressure to prevent the island construction – e.g. a naval blockade – as the substance of the island construction was by then a *fait accompli*.

Containment or Enablement?

The Chinese government and its state-owned media claim that Beijing is a victim of unjustified containment policies by the US and its allies. They point to developments like the stationing of marines in Darwin and then US Freedom of Navigation Operations (FONOPs) in the South China Sea. However, there has been very little tangible 'containment' of Beijing's behaviour.

For some Asian nations, the failure of the *international community* to take decisive action to deter Beijing's flagrant breaches of international law and the 'rules-based order' was even more noteworthy than Beijing's actual breach of UNCLOS.

Consequently, in March 2018 Vietnam abandoned its 'Red Emperor' oil site when Beijing threatened to attack Vietnam's Spratly outposts. Vietnam had initially postponed drilling there but, despite a US Navy Carrier port visit a week earlier, Hanoi felt that it had to capitulate to Beijing's demands. The possible loss of the South China Sea – 'in all scenarios short of war' – for all relevant stakeholders has been reflected in public statements from past and present senior US and Australian military officers.

Consolidating Resistance or Capitulation?

Earlier in 2017, China's provocations forced a toughening of the Australian and Indian positions. For example, at the June 2017 Shangri-La Dialogue (SLD), Australian Prime Minister Malcolm Turnbull stated that the region must preserve the 'rules-based structure' and '[t]his means cooperation, not... winning through corruption, interference or coercion'. In India's case, the author was resident in New Delhi a week later and during the unfolding of the Doklam standoff where India's stance on China toughened weekly.

Consequently, in late 2017 India, Australia, Japan, and the US agreed to resurrect the

former Quadrilateral Security Dialogue ('Quad 2.0'); the first iteration of this dialogue collapsed in 2008 when Australia withdrew from the associated Malabar Exercises following Chinese pressure. The first Quad 2.0 Senior Officials Meeting was held in November 2017 and discussions included the maintenance of the 'rules-based order', 'maritime security', and 'freedom of navigation and overflight'. However, there was insufficient agreement on key issues for a joint communiqué.

Problematically, in 2018, mixed signals emerged about the level of commitment to the Quad and resistance to Beijing's transgressions. In April 2018, Prime Minister Modi held a Summit with President Xi Jinping followed by, two weeks later, a trilateral Summit between the leaders of Japan and South Korea and China's Premier Li Keqiang. Both Summits invoked noticeably warmer language and the Chinese state media declared the latter to have '...brought the estranged relations between China and Japan back onto the right track'.

In the absence of Washington's economic leadership by abandoning its Trans-Pacific Partnership (a free trade area covering 40% of global GDP) China, Japan, and South Korea sped up negotiations for another major FTA that excludes the US – the Regional Comprehensive Economic Partnership (RCEP).

Currently, there is much debate over the utility and future of the Quad, but absent significant US leadership and/or an international 'shock' to fuse the four countries together, the Quad will not tangibly affect the costs/benefits analysis of Beijing. For example, during the week of the India-China Summit, New Delhi again rejected Canberra's request to re-join the Malabar Exercises as an observer.

Meanwhile, regional confidence in the US has been further undermined by the Obama administration's reduction of the Southeast Asian security assistance budget by 19% (2010-2015) and President Trump's stated 2018 intention to reduce the overall budget by a further 24.4%.

Post-World War II Order Collapsing?

China has demonstrated a profound capacity to reinvent itself domestically and internationally and the achievements of the past few decades, for such a populous country, are unprecedented. So too is Beijing's challenge to the regional order including US leadership, norms, and international law. Based on the current trajectory, Asia's Post-World War II order is on the verge of a terminal decline.

Aside from missing US leadership, the broader hesitance of the region to respond to regional threats is profoundly destabilising; this will not change unless a far more harmonised view emerges about the key threats confronting a stable rules-based order. Meanwhile, a potential trade war will undermine the liberal-economic order and destabilise the region further.

Assessments that the South China Sea *is in fact lost to Beijing* are debatable; they assume no significant shift in regional approaches on the issue. However, if the region fiercely worked together to change Beijing's costs/benefits analysis, then positive change can happen. To this end, the South China Sea needs a meaningful Code of Conduct but ASEAN's capacity to negotiate this is questionable.

What Can Be Done?

A sub-group of willing ASEAN states may need to negotiate the Code or key ASEAN claimants could alternatively forge a Code of Conduct with key non-ASEAN stakeholder countries and present it as a *fait accompli* to Beijing. Much more is needed including multinational FONOPs and Coastguard patrols. The multinational Coastguard patrols could *police* and *protect* resources in the 'legally' undisputed areas of a willing state's EEZ.

These activities can also apply across the Indo-Pacific. For this purpose, a strategic dialogue between supporters of the rules-based order is needed. Whether led by governments or by regional think tanks at a Track 1.5 level (as a first step), such a dialogue could help coordinate multilateral activities and be a platform for more robust signalling to Beijing.

Further, a mutual defence pact will ultimately be needed to guarantee collective responses to military attempts to change the status quo in the East China Sea, Taiwan, the North Natuna Sea, and India's border.

The South China Sea (and Crimean) precedent will further embolden revisionist states to undertake additional coercive actions when diplomacy fails. The region cannot expect the US to defend Asia on its own; should the rules-based states of the Indo-Pacific act together then that may also entice the US to more substantially and constructively reengage the region. A failure on either front will signal to Beijing that it will benefit from future coercive and/or military actions in other regional arenas.

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