

The South China Sea: A Challenging Test of the International Order

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A central task of the rules-based international order is to address disputes equitably between states without resorting to force or coercion. This task is especially important when disputes involve states with stark power imbalances. In these cases the temptation to pressure and coerce may be especially alluring, as the example of Thucydides' unfortunate Melians demonstrates. Though with notable exceptions, the age-old dynamics of the strong doing what they wish and the weak accepting what they must appear to be in long-term decline. Outright violent conquest is increasingly rare – and when it does happen – say, Saddam Hussein's invasion of Kuwait or, arguably, Vladimir Putin's annexation of Crimea – the international community is shocked and frequently driven to action. Though the effectiveness of that action can vary widely, from counter-invasion to sanctions to strongly-worded demurrals, norms against might-making-right have made great strides towards broad acceptance and inculcation.

The Enduring and Evolving Nature of Power in the Asia-Pacific

Of course, those age-old dynamics of strength and weakness require an international system to check them because they are so alluring. Our post-World War II order of rules, norms, protocols, and courts create an interlocking lattice of vigilance against coercive power dynamics. Yet power and the exercise of coercion have become far more nuanced since Thucydides diagnosed the central dilemma of international relations. While Athenian triremes are easy to tell apart from the Athenian Coast Guard, it is a distinction that is becoming increasingly blurry for the contemporary maritime realm. Indeed, though economics has always been a crucial part of international relations, the sheer breadth of interconnectedness of the modern global marketplace further complicates the exercise of diplomacy, muddying otherwise purely political or security priorities while also making the exercise of coercive power easier to disguise or dissemble. Modern dilemmas around security and economics – as well as demographics and other variables – are transforming the practice of statecraft. Foreign policy analysis and the continued health of our international system require more than ever a nuanced appreciation of modern power and its development.

The Asia-Pacific is a paradigmatic example of how the foundations of power can change relatively rapidly and carry with them profound geopolitical effects. At the start of World War II, Japan was the economic and military centre of gravity in Asia. Powered by its regionally early industrialisation, the Japanese state made a strong bid to exert its power over much of the continent and Pacific region. Its economy and military were without peer, even though it faced competition in population by regional demographic

heavyweights China and Indonesia. By sheer force of numbers China was able to mount significant resistance against Japanese occupation, but it was not until the United States' entry into the Pacific theatre that Japanese forces were rolled back to their home isles. It took years, millions of lives, and a broad international alliance to repel the aggression of a small island nation with a strong military and economic advantage.

Today military and economic strength persists as the conventional source of power, although demography and globalisation have driven significant reformulation of that power for our modern age. It is true that China's military modernisation program, pursued now for multiple decades with considerable resources and speed, has improved its ability to leverage force as a source of influence. More importantly, however, China has marshalled a source of power arguably more potent to our contemporary world: its economic demography. It is true that China is still a developing country, with economic challenges and many millions of the world's poor. But Beijing's economic liberalisation has resulted in a marketplace so massive that it is very nearly regionally monopolistic. By moving the largest number of people out of poverty in a single generation, China, through economic policy, has established its comprehensive national power. Though few would argue that China could prevail over the United States in a direct conflict in the present day, Beijing is beginning to prevail against Washington in today's non-military arenas of competition. Particularly in Southeast Asia, China's comprehensive national might towers disproportionately over its neighbours.

Coercion of Different Stripes in the South China Sea

The South China Sea, consequently, is an extreme example of how these power imbalances are weakening the international order designed to remedy them. The South China Sea is a vitally important waterway and, as a result, the definition of a global public good. One-third of all the world's commercial shipping flows through its waters, worth five trillion US dollars. It is resource-rich, holding proven reserves of at least seven billion barrels of oil and 900 trillion cubic feet of natural gas. It is also thoroughly contested, with Vietnam, the Philippines, Taiwan, Malaysia, and Brunei holding competing claims to the area's various reefs, rocks, islands, and reclaimed land.¹ Yet, though there are at least six different claimants jockeying for territory and resources in the South China Sea, the narrative of the area's tensions has largely been defined by each country's claim *in contrast to China*. This is for good reason, as China's conduct in the region has been to aggressively flout the aforementioned lattice of international norms and laws – most notably that of the United Nations Convention on the Law of the Sea.

This aggressive and norms-damaging behaviour has taken many forms. Most visibly, perhaps, have been Chinese island building and maritime confrontations. Citing historic rights to vast swaths of the South China Sea within its so-called Nine-Dash Line, Beijing has acted in ways to make those legally absurd claims a fait accompli.² Prior to an UNCLOS-chartered Permanent Court of Arbitration decision clarifying the definition of legal islands, China has engaged in extraordinary dredging operations to build islands in

¹ Van Jackson, Mira Rapp-Hooper, Paul Scharre, Harry Krejsa, and Jeff Chism, "Networked Transparency: Constructing a Common Operational Picture of the South China Sea," Center for a New American Security, March 2016.

² Mira Rapp-Hooper and Harry Krejsa, "Reefs, Rocks, and the Rule of Law: After the Arbitration in the South China Sea," Center for a New American Security, April 2016.

strategic locations throughout the South China Sea, especially inside the Paracel and Spratley islands. These artificial mid-ocean outposts ostensibly served two purposes. First, they could buttress Chinese claims inside the Nine-Dash Line by way of the maritime entitlements – such as a 200-nautical mile exclusive economic zone (EEZ) Beijing could assert surrounds each of their artificial islands. Second, the various reef-made-islands could serve as strategic staging grounds, serving as host to weapons and sensors that would enhance conventional force projection in the region. The first use has been all but nullified in the eyes of the world by the arbitral court's ruling that China's islands, being artificial, are not entitled to exclusive economic zones. The second, more outwardly coercive use, however, remains intact precisely because it does not depend on the consent of other nations to be as such. Indeed, if anything the preparation of these islands for military use has only accelerated, most notably by the construction of bomber-grade airfields, hardened aircraft hangers, and sites suspected to be undergoing preparations for missile launcher installation.³

But while these islands serve as conspicuous, stationary testaments to Chinese expansionism, Beijing's more mobile maritime confrontations have been similarly provocative and weakening to global rules and norms. Chinese Coast Guard vessels have routinely harassed and intimidated civilian vessels from various countries, particularly fishing boats operating in areas China considers its own.⁴ When Chinese oil rig HD-981 crossed into Vietnam-claimed waters in 2014 and conducted weeks of extraction operations, it was accompanied by eighty vessels, many belonging to the Chinese Coast Guard, to foil Vietnamese efforts to interdict those operations.⁵ Beijing has doubled down on the use of an aggressive Coast Guard – which already employs multiple retired PLA naval vessels that have been simply painted white, and engages in aggressive ramming maneuvers.⁶ In late 2015 and early 2016 China began building massive new ships, collisions with which would be catastrophic, to add to its supposedly civilian Coast Guard fleet.⁷

At the same time that China has been weaponising the raw tonnage of its Coast Guard, it has also begun to assert its economic weight. By virtue of its size, China's market access has become indispensable to economies across the region. Beijing's 2010 decision to suspend rare earth mineral shipments to Japan over disputes in the East China Sea has not gone unnoticed. In addition to the aforementioned resource extraction in disputed waters, China has deprived private fishing vessels of access to traditional fisheries, not only causing economic headaches for dependent communities, but also raising the spectre of food insecurity.

Indeed, China's hard power and its economic power have both provided sufficient coercion to deter a coordinated diplomatic response by competing claimants, but have

³"Photos Suggest China Built Reinforced Hangars on Disputed Islands: CSIS," Reuters, August 11, 2016, <http://www.reuters.com/article/us-southchinasea-china-images-idUSKCN10K08P>.

⁴Greg Torode, "China Coast Guard Involved in Most South China Sea Clashes: Research," Reuters, September 7, 2016, <http://www.reuters.com/article/us-southchinasea-china-coastguard-idUSKCN11C2LA>.

⁵Ankit Panda, "Why Did China Set Up an Oil Rig Within Vietnamese Waters?," The Diplomat, May 13, 2014, <http://thediplomat.com/2014/05/why-did-china-set-up-an-oil-rig-within-vietnamese-waters>.

⁶Colin Daileda, "Chinese Ships Ram Vietnam's Vessel in Tussle at Sea," Mashable, May 8, 2014, <http://mashable.com/2014/05/08/chinese-ram-vietnam-ships-oil/#7jfrJJ3vHSqJ>.

⁷David Tweed, "China's New Coast Guard Ship to Carry Machine Guns, Shells," Bloomberg Technology, January 12, 2016, <http://www.bloomberg.com/news/articles/2016-01-12/china-s-giant-new-coast-guard-ship-to-carry-machine-guns-shells>.

also remained just below the threshold of provocation necessary to merit a more forceful international response.

Undermining Regional – and American – Credibility

As China continues its successful, sub-threshold coercion tactics, it has also engaged in more insidious statecraft meant to fracture the existing relationships and nascent coalitions that could conceivably oppose its interests. In 2013, as American relations with Brunei soured, China provided the small nation a timely joint energy exploitation deal, followed in recent years by a set of infrastructure investment incentives.⁸ In Malaysia in 2015 a Chinese state-owned enterprise bailed out the troubled state investment vehicle 1MDB just as major corruption allegations swirled over the head of Prime Minister Najib Razak.⁹ In the last year Vietnam and the Philippines, following political transitions, have become less firm in their stand against Chinese aggression than expected, and despite a resounding defeat for China before the Permanent Court of Arbitration, no joint statements have emerged to recognise it.¹⁰ China's soft-power strategies have been successful at luring many regional actors away from collective action.

Yet while China has weakened the ties binding the community of Asia-Pacific states, it is also working to weaken the ties connecting each country to the United States. As long as the United States can credibly guarantee general security in the region, or more robustly for its treaty allies, countries will have a place from which to push back against Chinese influence or coercion. For precisely that reason, China has sought to introduce doubt into that security guarantee, both regionally and among American treaty allies. In pursuing anti-access/area-denial (A2/AD) technologies, Beijing hopes to create no-go zones inside which the United States will assess the potential costs as too high to operate. These technologies are most frequently associated with anti-ship missiles, but are broadly buttressed by the proliferation of precision-guided munitions more generally. If regional actors or even treaty allies believe that the foundation of US force projection, the aircraft carrier, is virtually guaranteed to be sunk in the event of a conflict, they will question whether the United States is willing to accept such a cost on their behalf. Arising from this uncertainty is the desire to bandwagon.

For this reason, the United States is pursuing credible ways to counter the A2/AD challenge. This ranges from the basket of technologies under the umbrella of the Pentagon's Third Offset to novel force postures and operational concepts that could obviate the need to fear A2/AD quite so much. Nonetheless, reassurance will be an important concern for the United States and its partners in the region for years to come.

Towards a Sustainable Solution – A Networked Security Architecture

⁸ Chen Zhi, "China, Brunei Agree to Seek Closer Maritime Energy Cooperation," Xinhuanet, October 11, 2013, http://news.xinhuanet.com/english/china/2013-10/11/c_132788933.htm.

⁹ Yantoultra Ngui, "1MDB Unit Bought by China Nuclear Firm Was Distressed, Auditor Says," May 26, 2016, <http://www.wsj.com/articles/1mdb-unit-bought-by-china-nuclear-firm-was-distressed-auditor-says-1464251503>.

¹⁰ Patrick Cronin and Harry Krejsa, "How Will China React to the Gavel Coming Down in the South China Sea?," War on the Rocks, June 26, 2016, <http://warontherocks.com/2016/06/how-will-china-react-to-the-gavel-coming-down-in-the-south-china-sea>.

Such reassurance will eventually need to become more broadly shared and more distributed than American ship and soldier rotations. Australia and Japan have played early roles in building embryonic networked security architecture in the Asia-Pacific, a system that could prove durable, politically palatable, and nimble in the face of complex modern international challenges. The two countries have helped to boost maritime domain awareness, equipment stocks, and patrol boat fleets.¹¹ The United States seeks to build on this by boosting security cooperation and fundamental capabilities via its ambitious Maritime Security Initiative (MSI). It is likely that the future of security in the South China Sea will not be defined by alliances or the balancing of the United States and China, but by a network of interlinking and interdependent stakeholders.

Recent literature supports the notion that such a distributed network is precisely what will be required by a modern world where the definition of comprehensive national power is becoming increasingly complex, and the fates of countries are increasingly interconnected. The aforementioned military, economic, and demographic sources of power are being buttressed and bounded by the power derived from the web of actors inside which any one state is connected. Information and influence in the modern economy can be as scarce and valuable as minerals and energy, and similarly travel along intangible international networks. The more densely connected a state is to several or multiple networks, the more power it might derive from the information and influence that passes through its network neighborhood.¹² But while these networks can empower, they can also impair.

Despite its aggressive and coercive behavior, China is densely connected to regional networks. Its cultural, political, and economic ties throughout the region give it access to significant network-enabled influence – and consequently helped to motivate its opening up in the 1980s and 1990s. In contrast, North Korea is barely connected to any global networks – and to the extent that it is, those connections flow almost entirely through China.¹³ The isolated nation consequently pulls China into tensions and conflicts at the provocation of North Korea, while at the same time eschewing any additional connections to networks that could influence and eventually change the nature of its regime.

The size and diversity of the Asia-Pacific region suggests that any durable regional security architecture will likely require a networked structure instead of a traditional bilateral alliance structure. Overlapping and interlocking networks, relationships, and institutions have emerged to organise the region; so long as the United States and China avoid unduly pressuring states to adopt partisan positions, the resulting flexibility and stability could provide the security needed for a region with such variegated interests.¹⁴

¹¹ Shahryar Pasandideh, "Australia Launches New Pacific Patrol Boat Program," *The Diplomat*, July 1, 2014, <http://thediplomat.com/2014/07/australia-launches-new-pacific-patrol-boat-program/>, Australian Government, Department of Defence, *2016 Defence White Paper*, 126, and Nobuhiro Kubo, Randy Fabi, "Japan to expand SE Asia security ties with Indonesia pact," *Reuters*, March 19, 2015, <http://www.reuters.com/article/us-japan-indonesia-defence-idUSKBN0MF0UP20150319>

¹² Emilie M. Hafner-Burton, Miles Kahler, Alexander H. Montgomery, "[Network Analysis for International Relations](#)," *International Organization*, 68 no. 3 (July 2009), 570

¹³ *Ibid*, 572

¹⁴ Victor D. Cha, "[Complex Patchworks: U.S. Alliances as Part of Asia's Regional Architecture](#)," *Asia Policy*, no. 11 (January 2011), and Anne-Marie Slaughter, "A Grand Strategy of Network Centrality," in Robert J. Art, Richard

But such a network will still need to be credibly proportioned. Merely because countries band together in support of a rules-based order does not mean they will automatically be able to outweigh the influence of the fewer countries that oppose this goal. Though high-capability US partners like Australia and Japan would be central nodes of any networked architecture, US participation would still likely be required for the foreseeable future. Japan, widely seen as the most capable of American maritime partners, maintains fewer than half the number of destroyers the PLA Navy does, one-fifth the frigates, and nearly half the support and replenishment vessels.¹⁵ Though Japan does boast a comparable number of attack submarines, China's nuclear capabilities are unmatched. Australia, also a high-end peer, has fielded impressive and successful special operations units,¹⁶ but faces an even wider disparity with China in maritime might.¹⁷

Indeed, although Australia is empowered by its dense political connections to stronger militaries in Japan and the United States, it may face a long-term liability in its dense economic connections to China. China buys a third of all Australian exports, including more than half of the country's exported iron ore, and is the largest buyer of Australian debt. Investment from Beijing is proliferating quickly and Australian regulators have had to begin rejecting those investments that are too close to national security interests. 50,000 Chinese students enrolled in Australian schools and universities last year, and a million Chinese tourists brought disposable income into the Australian economy. The United States has unequivocally stated that it has no intention to push Australia towards making a choice between Washington and Beijing, though such a prospect haunts Australian strategic planning. No such dramatic choice is likely, but as Australia simultaneously becomes more economically and strategically active in the Pacific region and the South China Sea, a series of miniature China choices and constant balancing of trade-offs will be inevitable.¹⁸

Flexibility Still Requires Force

For these reasons, the strategic and economic environment in the Asia-Pacific, and in the South China Sea in particular, is likely to only grow more fraught and complex in the coming years. While major conflict remains unlikely, damage to the international norms that do the most work to restrain conflict will not be without consequence. The stark power imbalances among actors in and around the South China Sea and brazen Chinese coercion may be breaking the relatively rigid framework of such norms – and demonstrating the requirement of a more nimble and flexible framework – perhaps a more networked one – to supplement if not succeed it. However, any such additional security architecture will depend on a minimally credible defence among its participants, and so capacity building will need to be a crucial part of that design. Japan

K. Betts, Peter Feaver, Richard Fontaine, Kristin M. Lord and Anne-Marie Slaughter, "[America's Path, Grand Strategy for the Next Administration](#)," (Center for a New American Security, May 2012), 43-56

¹⁵ Michael McDevitt, "Becoming a Great 'Maritime Power': A Chinese Dream," CNA, June 2016
https://www.cna.org/CNA_files/PDF/IRM-2016-U-013646.pdf.

¹⁶ Tim Mcowan, "Australian Special Operations Task Group in Afghanistan," *Military Technology*, Special Issue 2009, http://www.ifpa.org/confrencNworkshp/confrencNworkshpPages/nscm_march2010/PDF4.pdf.

¹⁷ Royal Australian Navy, "Current Navy Ships," accessed September 13 2016,
<http://www.navy.gov.au/fleet/ships-boats-craft/current-ships>.

¹⁸ Richard Fontaine, "An Australian 'China Choice?' No. But Multiple China Choices, Yes," *The National Interest*, September 11, 2016, <http://nationalinterest.org/feature/australian-china-choice-no-multiple-china-choices-yes-17653>.

and Australia will be critical partners to the United States in building regional capacity, but – despite being high-end peers themselves – Tokyo and Canberra will likely need to continue to bolster their own defences. Power imbalances in the South China Sea are simply too stark to ignore, and the process of narrowing those imbalances – however modestly – must begin.