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The US rebalancing strategy: Impact on the South China Sea

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Introduction

The United States is the predominant economic and military power in the world; it refers to itself as a 'resident Pacific power'. In recent years the Obama administration has reinvigorated its strategic influence in the region through a pivot or rebalancing strategy towards the Asia-Pacific. In 2010, Secretary of State Hillary Clinton declared in a speech at the East-West Centre in Hawaii that 'America's future is linked to the Asia-Pacific and the future of the region depends on America'.¹ The new policy announcements emanating from the Obama administration are meant to sustain a long-term strategic presence in the Asia-Pacific, especially through a strong maritime focus.

Since the terrorist attacks on 11 September 2001 the United States has been focused on fighting terrorism and the wars in Iraq and Afghanistan. Nonetheless, the Obama administration has refocused its diplomacy and military forces towards the Asia-Pacific. At the East Asia Summit (EAS) in 2011, Obama declared that the United States would not merely maintain but also increase its military presence in the region. Besides deepening its military ties with the Philippines, the United States announced in late 2011 the rotational deployment of 2,500 US Marines in Darwin, Australia, and the deployment of up to four of its littoral combat ships (LCS) in Singapore. In June 2012, US Secretary of Defence Leon Panetta also stated that the United States would commit 60 per cent of its naval capabilities to the Pacific Ocean by 2020.

Traditional American position on the South China Sea

It is important to stress that the United States has never entirely left Asia, either strategically or economically. The Obama administration has nonetheless paid increased attention to the geographical area expected to generate most economic growth in the next twenty years, which is also where the greatest geopolitical challenge to US global predominance is to be found. In an influential *Foreign Policy* article, Hillary Clinton explained that a 'strategic turn to the region fits

logically into our overall global effort to secure and sustain America's global leadership.'² The American decision to pivot its diplomacy and military forces towards the Asia-Pacific has therefore been viewed, especially in Beijing, as a response to China's growing regional ambitions. It is too soon to say, however, whether the United States will be able to afford its long-term ambitions in Asia and whether Washington and Beijing will be persuaded that their interests lie in cooperation rather than competition. This paper assesses specifically how – and the extent to which – the US rebalancing strategy has impacted the South China Sea disputes. The United States is not a party to the sovereignty disputes, but it has declared a vital interest in the freedom of navigation in the South China Sea and repeated its commitment to peaceful resolution of the disputes in accordance with the principles of international law.³

The only power capable of countering rising Chinese naval capabilities in the South China Sea has been the United States, particularly through use of its Seventh Fleet.⁴ Yet, Washington has traditionally been unwilling to become involved in territorial disputes over the semi-enclosed sea. The absence of an external source of countervailing power in the disputed waters has not resulted from an American strategic retreat from the area. Instead, it has arisen from unwillingness on the part of the United States to involve itself in the question of sovereign jurisdiction.

Though following closely the developments in the South China Sea, the United States has consistently limited its interest to the preservation of the freedom of navigation and the mobility of its Seventh Fleet. The United Nations Law of the Sea Convention (UNCLOS) ensures the freedom of navigation, the right of innocent passage, and passage through straits. It is important to note that in the context of the South China Sea the freedom of navigation principle is mostly associated with the freedoms of navigation and flight of military ships and aircraft, as no restriction to commercial shipping is feared

2 Hillary Clinton, 'America's Pacific Century', *Foreign Policy*, November 2011, 58.

3 Clinton, 'America's Pacific Century', 58.

4 Lee Lai To (2003) 'China, the USA and the South China Sea conflicts', *Security Dialogue*, vol. 34, no. 1, 27.

1 Secretary of State of the United States, Hillary Clinton, East-West Center, Honolulu, Hawaii, 14 January 2010.

in the disputed waters.⁵ Due to its own economic interests, the People's Republic of China (PRC) is not expected to interrupt the shipping lanes that cross the South China Sea.

Should conflict occur in the South China Sea, the extent to which the United States will support either Taiwan or the Philippines remains unclear. It should be noted that one area of tentative agreement between Beijing and Taipei exists regarding the issue of the Paracel and Spratly Islands. Both parties acknowledge that the islands are in Chinese territory, putting them in contention with claimants in Southeast Asia. Washington has repeatedly stated that the Philippine-claimed territories in the South China Sea are not covered by the Mutual Defence Treaty of 30 August 1951, which ties the Philippines to the United States. For instance, on 8 February 1995, the Philippines discovered Chinese nationals occupying Mischief Reef, located in Philippine-claimed waters. The Mischief Reef incident did not lead to a strong US diplomatic reaction, however, except for a statement concerning the freedom of navigation. Joseph Nye, at the time US Assistant Secretary of Defence for international security, declared on 16 June 1995 that the United States would ensure the free passage of ships in the case of a conflict in the Spratlys that would affect the freedom of navigation. Likewise, Vietnam has not reached a formal or tacit alliance with the United States over the South China Sea despite significant improvement in bilateral ties since the establishment of diplomatic relations between the two countries on 11 July 1995.

Shift in recent years?

In recent years the US position has not fundamentally changed. Washington still refuses to take a position on the sovereignty dispute and continues to limit its core interest to freedom of navigation in the disputed waters. Regardless of this, the United States has become increasingly concerned over the build-up of China's southern fleet, even though it is gradual, and is uncertain as to China's commitment to the freedom of navigation principle in disputed waters. The People's Liberation Army Navy (PLAN) is also constructing an

underground nuclear submarine base near Sanya on Hainan Island. The base will significantly expand China's strategic presence in the South China Sea by enabling increased Chinese submarine activity in the disputed waters.

A major development occurred in 2009 that deepened American concern over rising Chinese assertiveness. The incident, involving the harassment of the ocean surveillance vessel USNS *Impeccable* by Chinese navy and civilian patrol vessels south of Hainan Island in March 2009, caused alarm in Washington and most Southeast Asian capitals. While Beijing claimed that the *Impeccable* was involved in marine scientific research in its exclusive economic zone, which requires Chinese consent, Washington argued that the activities of the surveillance vessel were legitimate under the freedom of navigation principle. Washington and the Southeast Asian claimants perceived the *Impeccable* incident as an example of rising Chinese assertiveness in the South China Sea.

Another significant escalation occurred in April 2012 with Chinese and Philippine vessels involved in a stand-off at Scarborough Shoal in the South China Sea. Significantly, these events coincided with the Philippines and the United States holding their annual military exercises on Palawan Island.⁶ Philippine naval authorities had discovered several Chinese fishing vessels anchored at the Shoal disputed by both China and the Philippines. A Philippine navy ship attempted to arrest the Chinese fishermen allegedly accused of poaching and illegal fishing. Two Chinese maritime surveillance ships intervened, however, and prevented the arrest from occurring. This resulted in a tense stand-off between the Philippine navy ship and the Chinese maritime vessels, and eventually caused severe tension between Beijing and Manila that lasted for several weeks.⁷ In the instance of a clash of arms involving the Philippine Navy and Chinese vessels, the United States would have been obliged to consult with Manila as a treaty ally and possibly involve itself in the dispute. The risks involved with such a scenario were carefully considered in Washington.

6 *The Economist* (28 April 2012) 'Shoal mates: America's navy riles China in its backyard'.

7 Matikas Santos (11 April 2012) 'Poaching triggers Scarborough stand-off', *Philippine Daily Inquirer*, (available HTTP < [http://globalnation.inquirer.net/32493/illegal-poaching-activities-of-chinese-vessels-cause-standoff->](http://globalnation.inquirer.net/32493/illegal-poaching-activities-of-chinese-vessels-cause-standoff-)); M. Valencia (14 May 2012) 'Current spat may be a sign of future tensions', *Straits Times*.

5 S. Bateman (16 August 2010) 'The South China Sea: when the elephants dance', *RSIS Commentaries* (Singapore: S. Rajaratnam School of International Studies).

US rebalancing and multilateral diplomacy

At the 2010 Shangri-La Dialogue, US Secretary of Defence Robert Gates declared that while the United States would not take sides in the sovereignty disputes, it would oppose any action that could threaten freedom of navigation in the South China Sea. A statement made by US Secretary of State Hilary Clinton at the ASEAN Regional Forum (ARF) in July 2010 declaring that the United States has a national interest in freedom of navigation in the South China Sea further angered China. Her comments were perceived by Beijing as a form of external interference. Discussing her intervention at the 2010 ARF meeting, Clinton later wrote in her *Foreign Policy* article that 'the United States helped shape a region-wide effort to protect unfettered access to and passage through the South China Sea, and to uphold the key international rules for defining territorial claims in the South China Sea's waters.'⁸

Besides the United States, 11 other ARF participants, including all the Southeast Asian claimant states, mentioned the disputes in their statements. China had managed until 2010 to keep the South China Sea off the ARF agenda.⁹ Yet, as the acting Chair of the Association of Southeast Asian Nations (ASEAN) and host of the ARF, Vietnam sought in 2010 to internationalise the discussion on the South China Sea. The latter was again mentioned by Clinton at the ARF meeting held in Bali in July 2011.

US President Barack Obama himself raised the South China Sea question at the East Asian Summit (EAS) in Bali in November 2011. He restated that the United States takes no sides in the disputes but that its interests include freedom of navigation and unimpeded international commerce in the region. Sixteen of the 18 leaders present at the summit mentioned maritime security in their remarks.¹⁰ Chinese Premier Wen Jiabao responded by reaffirming the freedom of navigation principle and calling for peaceful resolution of the disputes.

However, after the Vietnamese and Indonesian chairmanships of ASEAN, it was expected that the next three annual chairs, Cambodia, Brunei and Myanmar, would seek to appease Beijing by minimising international exposure of the South China Sea issue. This had already occurred under the Cambodian chairmanship in 2012. At the ASEAN Ministerial Meeting held in Phnom Penh in July 2012, the Southeast Asian states failed to issue a joint communique due to differences over the South China Sea question. The Philippines had insisted on a reference to the stand-off between Manila and Beijing at Scarborough Shoal earlier in 2012 but Cambodia, acting as the ASEAN Chair and a close economic partner of Beijing, refused on the grounds that the territorial disputes with China are bilateral. While present at the ARF meeting that followed, Hilary Clinton did not interfere in this intra-ASEAN issue. The ASEAN states and China also failed to commence negotiations for a code of conduct at the ASEAN Summit in November 2012 as Beijing declined to support the action.

Overall, the South China Sea issue continues to divide ASEAN. This is due partly to lack of consensus among the member states on how to address the sovereignty disputes, but also more generally to the rise of China. ASEAN's disunity arguably undermines the regional impact of the US rebalancing strategy. The strategic benefits provided by US involvement are reduced by the absence of cohesion among the Southeast Asian states.

Regional responses to the US rebalancing

The distribution of power in the South China Sea is still in a state of flux, which contributes to the fragility and potential volatility of the situation in the region. Since 2010, there has been a significant increase in the number of incidents all over the South China Sea involving harassment of survey vessels, cutting of cables and repeated arrest of fishermen. In response, the Philippines and Vietnam have sought to strengthen their own naval capabilities as well as the military structures on the reefs and islands they occupy. For instance, in April 2009 Hanoi announced the purchase of six Russian Kilo-class submarines.

Vietnam has upgraded its defence relations with the United States and welcomed the rebalancing

8 Clinton, 'America's Pacific Century', 58.

9 I. Storey (27 July 2010) 'Power play in S. China Sea stirs up tension', *The Straits Times*.

10 C. A. Thayer (25 November 2011) 'South China Sea two-step', *The Wall Street Journal*.

strategy. Both countries have conducted joint naval activities and Hanoi has opened its commercial repair facilities at Cam Ranh Bay to all navies. Panetta visited Cam Ranh Bay in June 2012 and the US navy has already sent Military Sealift Command ships for minor repairs. Likewise, Manila has publicly supported the US rebalancing strategy.¹¹ Manila has reinforced its defence arrangement with the United States, holding an increased number of joint naval exercises, and asking the United States to deploy spy planes in the South China Sea area. The Philippines has also offered greater access to its military facilities in exchange for increased US military assistance.

Hanoi and Manila have responded positively to the US rebalancing strategy due to their growing concerns over China's renewed assertiveness in the South China Sea. The United States is keen to preserve the freedom of navigation principle in the disputed waters in light of China's rising naval capabilities. This has provided the Philippines and Vietnam with additional diplomatic leverage in their respective sovereignty disputes with the PRC, boosting their own activities in confrontation with Beijing in the South China Sea.¹² Nonetheless, questions remain in the Philippines and Vietnam over whether the United States can sustain its strategy in light of budget cuts at the Pentagon. Moreover, while welcoming the US rebalancing strategy, the two Southeast Asian countries do not want to be forced to choose between Washington and Beijing.

How has Beijing reacted to the US rebalancing strategy? The latest US initiatives have generally caused concern in Beijing. In particular, there is a strong perception in the PRC that the United States is enhancing its involvement in the South China Sea and that Washington is thus interfering in what it considers to be a bilateral issue with the four Southeast Asian claimant states. As Beijing and Washington compete for regional influence, there is 'little doubt that the two are engaged in a struggle for the "hearts and minds" of Southeast Asia.'¹³ Overall, increased Sino-US competition in East Asia has affected the South China Sea disputes. Rising

great power rivalry and competition in the South China Sea should be expected further to complicate conflict management in the disputed waters.

The PRC perceives the US rebalancing strategy and its focus on the South China Sea as an attempt by the United States to contain its peaceful rise in Asia. From a Chinese point of view the United States is containing the PRC by strengthening its bilateral alliances and allocating more troops and means to the region. Beijing also considers recent Philippine activities in the disputed waters – for example, in Scarborough Shoal – to have been orchestrated by Washington. For China, the United States has created an issue over the freedom of navigation to justify an enhanced military presence in the region to contain China. However, Beijing also realises that the rebalancing strategy, with its limited military troop deployments, does not significantly affect the distribution of power in Asia.

At the diplomatic level, China and the United States still adopt a non-confrontational approach towards the South China Sea and seek therefore to prevent the over-militarisation of the disputes. Beijing and Washington view the South China Sea as an issue that requires diplomatic rather than military resolution, and they are content for the present to relinquish leadership of the conflict management process to ASEAN.

Washington and Beijing do disagree, however, over where the South China Sea disputes should be discussed and how they should be resolved. While the United States wants the question to be highlighted at the ARF, the ASEAN Defence Ministerial Meeting Plus and the EAS, and ultimately to be resolved through international law, all this remains highly problematic for the PRC.¹⁴ Beijing remains concerned over any attempt to internationalise the South China Sea disputes, preferring instead to discuss these matters bilaterally with the smaller Southeast Asian claimants. In that sense, China undeniably considers the US rebalancing strategy to have had a negative impact on the South China Sea disputes.

11 M. Valencia (Fall 2012) 'High-Stakes Drama: The South China Sea Disputes', *Global Asia*, vol. 7, no. 3, 62.

12 M. Valencia (Fall 2012) 'High-Stakes Drama: The South China Sea Disputes', 59–60.

13 M. Valencia (24 July 2012) 'Is ASEAN becoming a big-power battleground?', *The Straits Times*.

14 M. Valencia (Fall 2012) 'High-Stakes Drama: The South China Sea Disputes', 62.