

China's Power Grab in the South China Sea

How to Build a Coalition to Confront Beijing

By **Bonnie S. Glaser and Gregory Poling**

The United States faces a conundrum in the South China Sea: China is radically changing the status quo in the sea in its favor. But since 2016, the Southeast Asian states whose legal rights are being trampled have been reluctant to push back firmly against Beijing.

The United States and like-minded countries cannot alter China's behavior at sea without the active participation of these regional claimants. Yet in much of Southeast Asia, particularly the Philippines and Vietnam, elites and the broader public judge Washington's commitment to the region based in part on whether it defends their maritime rights.

U.S. President Joe Biden and his team have largely continued the Trump administration's policies in the South China Sea. The current U.S. administration has endorsed the Trump-era position that all Chinese maritime claims inconsistent with the 2016 ruling by a special arbitration tribunal are illegal. Furthermore, the Biden administration has affirmed that its treaty obligations require the United States to respond in the case of an attack on Philippine forces in the South China Sea and has continued the accelerated pace of U.S. naval operations in the region that was set under President Donald Trump.

Secretary of Defense Lloyd Austin's recent visit to Manila has opened an opportunity to revitalize U.S. policy in the South China Sea. The Philippines has long been the most forward-leaning of the Southeast Asian claimants but under President Rodrigo Duterte has pursued closer ties with Beijing and downgraded its relationship with Washington. Duterte had pledged to scrap the Visiting Forces Agreement (VFA), which facilitates the entry of U.S. military personnel into the country, but during Austin's visit he announced that he was canceling the abrogation process. This breakthrough has bought the U.S.-Philippine alliance some breathing space—and placed Washington in a stronger position to push back against Chinese bad behavior.

The Biden administration should seize upon this breakthrough to lay the foundations for an international coalition that supports a rules-based maritime order. By planning for increased support for Philippine military modernization and the rotational deployment of U.S. military assets, including missile platforms, in the Philippines, it can strengthen short-term deterrence. And by increasing long-term diplomatic and economic pressure on Beijing, it can help pave the way for a peaceful, equitable resolution of maritime disputes before the window for compromise disappears altogether.

FOR LACK OF WILLING PARTNERS

Duterte's recent announcement in Manila is particularly important because there are no viable alternatives to Philippine leadership on the South China Sea. The other Southeast Asian claimants have proved unwilling to step into the vacuum left by the Duterte government on this issue.

Among all the claimants, Vietnam has in some ways taken the staunchest position on the South China Sea over the last five years. It regularly denounces new Chinese assertions of

sovereignty via diplomatic notes and occasional press statements and has quietly upgraded its defensive capabilities in the Spratly Islands, an expanse of contested reefs and islets claimed in whole or in part by China, Vietnam, Malaysia, the Philippines, Taiwan, and Brunei. Hanoi has slowly deepened security relations with the United States and continues to insist on its offshore oil and gas rights despite increasingly effective Chinese operations to block exploration.

But Vietnam has not been willing to take the lead in drumming up global support for the Southeast Asian cause in the South China Sea. Vietnamese leaders prefer to let others, especially the Philippines, pay the price for such public opposition to Beijing. Hanoi is more comfortable with quiet diplomacy, using links between the Vietnamese and Chinese communist parties to keep a lid on tensions, and is unlikely to file its own arbitration case against Beijing.

Malaysia remains the meekest of the major claimants. For most of the Obama and Trump administrations, Kuala Lumpur did its best to stifle public discussion of maritime disputes and sweep tensions with China under the rug. While that began to change in 2018, the Malaysian government remained unwilling to actively push back against Beijing despite rapidly increasing Chinese pressure on Malaysian oil and gas exploration. Amid the COVID-19 pandemic and domestic political instability, Kuala Lumpur remains unwilling to pick diplomatic fights in the South China Sea. Malaysia's political turmoil is only going to get worse with the recent resignation of Prime Minister Muhyiddin Yassin, making it unlikely that it will play an active role in standing up to China for the time being.

When Duterte took office in June 2016, he signaled that the Philippines would abandon its efforts to pressure China on the South China Sea. He famously “set aside” his country's victory in the 2016 arbitration, which occurred less than two weeks after his government took office, squandering an opportunity to rally an international coalition that might have pushed Beijing toward compromise. Despite Chinese vessels' increasing presence in Philippine waters and frequent outcries from the media, Congress, and members of his own administration, Duterte mostly held firm. He refused to take any stances on the South China Sea that might jeopardize a promised windfall of aid and investment from Beijing—which never materialized. He endorsed the arbitration ruling only in late 2020, during a speech before the UN General Assembly, though his spokesperson was quick to insist that the statement changed nothing about his policies.

In the meantime, the U.S.-Philippine alliance seemed to be hanging by its fingernails. Duterte's announcement in February 2020 that he was abrogating the VFA, effective in six months, promised to have dire consequences for the two countries' security partnership. Ending the agreement would not only harm U.S.-Philippine cooperation on counterterrorism, disaster relief, and training exercises—it would effectively kill the Enhanced Defense Cooperation Agreement (EDCA), under which U.S. forces gain access to and help fund upgrades of Philippine military bases for, among other things, a strengthened deterrent against Chinese aggression. These steps threatened to undermine the credibility of the Mutual Defense Treaty between the two countries.

AN OPENING IN MANILA

After months of closed-door diplomacy over the course of 2020, Duterte was twice convinced to “suspend” his decision to abrogate the VFA. The Biden administration took up this effort after assuming office, quietly working with the Philippine defense establishment on a deal that Duterte might accept. Ahead of Austin's visit to Manila, his counterpart said that an “addendum” to the VFA, the contents of which are unclear, was ready for Duterte's signature.

Then Austin and Duterte met and the president announced that he was canceling the abrogation process entirely. The VFA, and the credibility of the U.S.-Philippine alliance, is now seemingly safe.

Why the turnaround? The immediate political triggers were probably the U.S. delivery of Moderna vaccines to the Philippines and the ego boost Duterte received from Austin's visit. But the underlying conditions that led Duterte to reverse his prior position included pressure from both the Philippine defense establishment and the country's political elites, which are increasingly concerned by China's coercive behavior at sea.

In February, the Philippines discovered more than 200 Chinese maritime militia vessels clustered at Whitsun Reef, a disputed feature in the Spratly Islands. In response, Manila substantially increased the frequency and length of its patrols out to the Spratly Islands and Scarborough Shoal. Its vessels also have become more assertive in these patrols, forcefully demanding that Chinese ships leave Philippine-claimed reefs and waters. In at least two instances, these assertions have convinced Chinese militia and coast guard vessels to move on to other areas.

The Philippines also launched a brief public relations campaign against Chinese actions. For two months following the discovery of the Chinese militia boats at Whitsun, Philippine coast guard vessels made regular trips out to the reef to document the Chinese flotilla. In an overdue act of transparency, they photographed the hull numbers of individual militia vessels, and a government body housed within the president's office released those images to the press. This allowed researchers at the Asia Maritime Transparency Initiative and the U.S. Naval War College to identify the vessels, their ports of origin, and in some cases their owners and connection to Chinese state networks.

This effort was so successful that Vietnam got in on the action. Its vessels also took photos of hull numbers of Chinese ships gathered at Whitsun and published them in state-owned media—an unprecedented act of public naming and shaming by Hanoi.

OPPORTUNITIES FOR ACTION

Now that the VFA isn't living on borrowed time, the U.S. and Philippine defense establishments can undertake long-term planning for security cooperation and contingency response. With Duterte scheduled to leave office next summer, they should focus on how to lay the groundwork to rapidly implement the EDCA under his successor. For instance, they should step up visits and joint exercises by U.S. patrol and combat aircraft at bases in Luzon and Palawan. This could help strengthen deterrence and prepare the political ground for the next stage of the discussion on force posture—convincing a future Philippine administration to support the rotational deployment of intermediate-range U.S. missile platforms to deter Chinese aggression at sea.

Duterte's reversal also provides some much-needed momentum to diplomatic efforts to constrain Chinese behavior in the South China Sea. Like-minded states around the world should now have more confidence that the Philippines is unlikely to sever its alliance with the United States or sacrifice its territorial claims in the name of closer relations with China. And even if Duterte's government does not fully embrace the 2016 arbitral ruling or work to assemble an international coalition in support of its rights, its successor probably will.

In this vein, the Biden team is continuing efforts that began in the Trump administration to convince other states to oppose China's claims and support the arbitral ruling. This work initially met with limited success, as European countries worried about calling on China to comply with the ruling when the regional claimants themselves, including the Philippines, were reluctant to do so. But the recent shifts in tone and tactics from Manila and Hanoi, along with closer U.S.-Philippine cooperation following the VFA decision, could change that. France, Germany, and the United Kingdom clarified many of their legal positions on the South China Sea last year, rejecting several aspects of China's maritime claims. And last month, Germany's defense minister for the first time called on her Chinese counterpart to abide by the 2016 ruling—the first member of the European Union to do so. Others in Europe will hopefully follow suit.

These steps coincide with a growing European focus on maritime security in the region. That focus was highlighted by recent French naval deployments and the passage of the British aircraft carrier group, supported by Dutch and U.S. vessels, through the South China Sea.

The Biden administration should seize this opportunity to build a coalition dedicated to raising the costs on Beijing for its aggressive actions in the South China Sea. It should push for stronger language on the issue in international forums, as occurred at this year's G-7 meeting, which resulted in a communiqué stating that all members “strongly oppose any unilateral attempts to change the status quo and increase tensions” in the East China and South China Seas. The first in-person summit planned for this fall of the leaders of the Quadrilateral Security Dialogue—comprising the United States, Japan, India, and Australia—provides another important opportunity. The Quad's maritime security working group can play an important role on this issue, and a leader-level statement of support for Southeast Asian claimants would represent a powerful signal.

The United States should also build on the public naming and shaming campaign against China's maritime militia begun by the Philippines and Vietnam at Whitsun Reef. Washington should enlist the support of other regional and extraregional actors, assembling an international surveillance effort designed to identify and categorize Chinese maritime militia boats that are attempting to coerce other countries' vessels. This effort could emulate the coordinated patrols by regional and European actors in the East China Sea and Yellow Sea to identify illegal shipments of sanctioned goods to North Korea. The information gathered in the South China Sea should be shared with U.S. allies and partners to garner support for imposing sanctions on Chinese fishing companies and their onshore support networks involved in this coercive behavior.

At the same time, the United States and other outside actors must recognize that there are limits to how aggressive Southeast Asian states can be. They are too economically exposed to China and lack the geopolitical heft to impose serious costs on Beijing by themselves. These countries' foreign partners must be prepared to play the bad cops, allowing the Philippines and Vietnam to present China with offers of compromise. As Beijing faces rising costs for its territorial infringements in the South China Sea, the prospect of a negotiated resolution to this conflict will grow more attractive.

But time is running out. China's control over disputed waters is steadily growing, and the path to a resolution that all sides can live with is narrowing. By acting now, the United States and its regional partners can work together to bolster the rules-based order in the South China Sea.

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