

QUAD-PLUS Dialogue



South China Sea Ruling: Implications for Quad Interests

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Executive Summary

- While the South China Sea (SCS) tensions have abated following the Permanent Court of Arbitration's ruling in July 2016, the Indo-Pacific region writ large remains fraught with uncertainty because of China's buildup of its forces in and around the disputed waters as well as questions regarding U.S. President Donald Trump's commitment to the region's security.
- The SCS disputes constitute a key facet of what Beijing perceives to be a U.S.-led containment effort involving other extra-regional partners including Australia, India, and Japan. Thus, the ensuing strategic ramifications spill over into the broader geopolitical rivalry between China and the U.S., straddling across the Indo-Pacific expanse.
- An armed conflict between China and the Quad countries—Australia, India, Japan, and the U.S.—is unthinkable due to the existing economic stakes and the global implications they entail. However, while engaging China in a pragmatic manner, it remains imperative for the Quad to help promote a peaceful and stable rules-based order in the Indo-Pacific region, not least in the SCS.
- Beyond the SCS disputes, Southeast Asia typically faces a myriad of maritime challenges. Hence, regional governments continue to hedge against uncertainties through maintaining economic and improving security links with China on the one hand, while engaging other extra-regional powers such as the Quad countries on the other.
- Besides intra-Quad defense and security cooperation, Australia, India, Japan, and the U.S. needs a coordinated strategy to harmonize national policies on extending maritime security capacity-building assistance to regional governments. Instead of creating new ones, the Quad could tap on existing regional institutions such as the Association of Southeast Asian Nations (ASEAN) to promote those regional maritime security initiatives.

Introduction

What happened after the Permanent Court of Arbitration (PCA) announced on July 12, 2016, the tribunal ruling on Manila's lawsuit against Beijing over the South China Sea (SCS) dispute had come across as a somewhat assuring. Despite being bruised by a legal defeat, Beijing did not resort to drastic measures—such as island-building on Scarborough Shoal as some had feared—beyond diplomatic representations. The United States did not immediately conduct freedom of navigation operations (FONOPS). New Philippine President Rodrigo Duterte did not leverage on this legal victory but instead struck rapprochement with Beijing. In return, for the first time since the April 2012 shoal standoff, Beijing's coastguards did not harass Filipino fishermen operating in the area. Overall, the SCS tensions could be said to have abated with this Sino-Philippine *modus vivendi*.

While this *modus vivendi* would possibly hold so long as Duterte continues to toe the line carefully, Beijing could once again sever shoal access to Filipino fishermen, and possibly roll back those generous amounts of aid and investments to Manila if it perceives the latter's future policies as detrimental to its interests.¹ Besides, much would depend also on Washington's policies—not just towards the SCS but the region writ large. While SCS tensions have abated, the Chinese military and coastguard build-up in and around the disputed waters has not. If anything, the recent seizure by the People's Liberation Army Navy (PLAN) of a U.S. Navy underwater drone near the Philippine coast and the show of force by Chinese aircraft carrier *Liaoning* in the SCS demonstrate Beijing's continued willingness to flex its muscles as politically expedient. These episodes also illustrate the very reality that the SCS is merely one of the facets of the Sino-U.S. geopolitical rivalry which also involves other extra-regional parties.

Compounding the murky picture have been questions surrounding newly incumbent President Donald Trump's security commitment towards the Indo-Pacific region, especially those worrying signals he sent after pulling the U.S. out of the Trans-Pacific Partnership. While Defense Secretary James Mattis made his first overseas working trip to Japan and South Korea as a demonstration of the Trump Administration's priority towards the region, during which he expressed strong backing for the alliances and made clear that the Japanese-administered Senkaku/Diaoyu Islands—also disputed by China and Taiwan—are well covered by the mutual defense treaty, he appeared less committal where it comes to the SCS, calling “dramatic” military moves in the disputed waters unnecessary.² This may indicate Washington's desire to keep the SCS situation under control – a move that has been welcomed by Beijing which was earlier miffed by Secretary of State nominee Rex Tillerson's remark about denying it access to those SCS artificial islands.³

From the prudent standpoint of any concerned government in the region, it would not pay to be complacent about the present state of affairs. If anything, the SCS situation and its broader ramifications for Indo-Pacific security remain characterized by persistent uncertainties. This raises the pertinent question about the foreseeable roles of the U.S. and its like-minded allies and partners, in this case Australia, India, and Japan—all four powers here referred to collectively as the Quad—in the maintenance of a peaceful and stable regional order buttressed by the rule of law as well as universal values pertaining to safe and secure access to the global maritime commons. The way forward for the Quad must be grounded upon post-SCS arbitration realities to be effective towards attaining those strategic goals.

Reality 1: Beijing's Fait Accompli in the SCS

Unsurprisingly, Beijing has consistently maintained its official stance against the arbitration process and the ruling,⁴ even though it is observed to have made moves some thought were in line with adhering to the award (for example, the lifting of the ban on Philippine fishermen's access to the Scarborough Shoal).⁵ It also introduced marine environmental protection measures in the SCS, possibly in response to criticisms levelled against China's island-building activities and their serious impact on the marine ecosystem.⁶ That said, however, the fact is that save for Scarborough Shoal, China has already dealt its fait accompli against other contenders—claimants and non-claimants alike—in the SCS.

Thanks to its incessant efforts over such a short span of time, Beijing has successfully built those artificial islands on the features it occupied, resplendent with the essential facilities—airstrips that measure up to 3,000 meters long, sufficient to support heavy strategic bombers and airlifters besides fighter jets (which would come in handy if an air defense identification zone or ADIZ is to be promulgated in due time), as well as port berthing spaces for civilian and military vessels. These facilities are protected by an array of defenses ranging from anti-aircraft weapons, radars, and close-in weapon systems for countering enemy frogmen or saboteurs. The PLA also could deploy mobile, heavier systems such as surface-to-air and anti-ship missile batteries where necessary.

Hence, the arbitral ruling has come too late notwithstanding its strong words against China's moves in the SCS. The reality is that it has become impossible to roll back Beijing's build-up in the disputed waters; there is no way of neutralizing this threat other than through direct military action—either a concerted air and missile strike to destroy those installations, or a plausibly costly amphibious or airborne assault to capture these islands intact. This option would be unpalatable to any of the Southeast Asian SCS claimants, even if U.S. military assistance is forthcoming. Hence, the artificial islands have constituted a new norm in the SCS that all concerned parties must live with. Unless there is a full-scale war, Beijing would be certain to keep those possessions to further its SCS interests.

This fait accompli, if not overturned, can only be mitigated through preventing further militarization moves by Beijing—again a far-from-certain prospect. While it may not have proceeded to build more islands, the Chinese Government continues to enhance those installations on the artificial islands, including improving their connectivity to the mainland coasts and to Woody Island, part of the Chinese-occupied Paracel Islands group that has been serving alongside Hainan Island as Beijing's key military and coastguard operations hub throughout the SCS.⁷ Furthermore, China continues to justify these moves as “defensive preparations”—often using U.S. military activities as the reason. The reality everyone needs to confront is that this fait accompli achieved by the masterstroke of island-building and militarization of the SCS has significantly enhanced China's ability to strengthen its physical control in and over the waters.

The arbitral ruling may have dealt a heavy legal defeat to China, but basically it could change nothing of this fait accompli. Enhanced Chinese force projection in the SCS has presented a long-term military-strategic problem that this arbitral ruling may have little answer for especially if Beijing chooses to undertake further drastic militarized actions—again in the name of “defensive preparations” against perceived threats to its SCS interests. Notably, despite warmer ties with Beijing, Manila recently warned about further Chinese militarization in the SCS, including the possibility of building an outpost on the Scarborough Shoal.

Reality 2: Sino-U.S. Rivalry Overshadows and Subsumes the SCS Issues

While the arbitral ruling may have set the pace for subsequent legal-political resolution of the SCS disputes, it may have little utility towards addressing the broader, overshadowing problem of the persistent Sino-U.S. rivalry. It is probably not wrong to conclude that the SCS constitutes one of the facets, and in fact a key litmus test, of this Great Power dynamic. Beijing has long perceived the SCS tensions as being fomented by Washington as part of its grand strategy to contain its rise—regardless of the repeated pronouncements by the U.S. and other Quad countries evincing those universal values regarding a rules-based order in the SCS and broader regional maritime commons.⁸ Furthermore, much of the rhetorical exchanges between Beijing and Washington have raised the specter of war in the SCS.⁹

Even though both countries have clearly evinced disinterest in an armed conflict, which would entail massive repercussions to not just regional but also global economic well-being considering that some of the world's key sea lines of communications ply through the SCS, one could not disregard the likelihood of inadvertent or accidental war if one recalls past examples of aerial and maritime incidents between American and Chinese forces. The EP-3 episode in April 2001, USNS *Impeccable* incident off Hainan Island in March 2009, and more recent near-misses between Chinese interceptors and U.S. surveillance planes over the SCS highlight those dangers. One would have hoped that the arbitral ruling would tamp down the Sino-U.S. rivalry, but this prospect is not forthcoming.

If anything, the arbitral ruling would do little to ameliorate the Sino-U.S. rivalry, but instead potentially sharpen it due to persistent divergences over how they view their rights and duties in the SCS and for that matter, even the broader, the Indo-Pacific maritime commons. In the first place, the U.S. and its like-minded allies and partners—Australia, India, and Japan—emphasized the primacy of rule of law as well as freedom of navigation and overflight in the SCS. While Beijing is not foolhardy as to imperil these universal values for international civilian shipping, it has long-maintained strong opposition to foreign military activities perceived to undermine its national security interests. Its long-standing abhorrence towards especially American close-in military surveillance activities—perceived as part of the U.S. containment of China—has been a key bone of contention before and after the arbitral ruling, and it looks set to persist.

With the intensifying bilateral and multilateral defense and security cooperation between the Quad countries, this situation does not look set to abate but would continue to feed into the Chinese strategic narrative. India especially has also found itself in Beijing's crosshairs over the recent years, especially as it struck up enhanced defense and security links with Vietnam—China's archrival in the SCS—including intensified port visitations by Indian naval and coastguard vessels, provision of military-technical and training aid to Vietnam, and perhaps most controversial of all being Indian activities in offshore energy blocks granted by Hanoi, in waters also claimed by Beijing, who criticized such moves as Indian interference in the SCS disputes.

This sets the stage for the SCS problems extending into the wider Indo-Pacific, not least the Indian Ocean where India has been recently concerned about not just Beijing's port and infrastructure investment deals with its smaller neighboring states, but most pertinent of all, China's growing naval footprints in the area. Invariably, given China's perception of a U.S.-led containment effort involving India spanning the SCS and Indian Ocean, growing Indo-U.S. defense and security links come under the spotlight. Close to the PCA's arbitral award

being announced, U.S. Under Secretary of State for Political Affairs Thomas Shannon labelled Beijing's SCS buildup "madness," adding that "as China works to secure the South China Sea, it does so with the idea of broadening its presence in the Indian Ocean. We see India as a natural strategic power in the Indian Ocean."¹⁰ Even after July 2016, Beijing remains fixated on this containment effort; this time Japan came into the picture alongside India. Months after the award, nationalistic Chinese tabloid *Global Times*, which reportedly has links to the ruling Communist Party of China, accused New Delhi of canvassing for Tokyo's support to issue a joint statement over the SCS issues as retaliation against Beijing's blocking of New Delhi's Nuclear Suppliers Group membership.¹¹

In fact, China has been long wary of the growing Indo-Japanese defense and security nexus that is simply a working cog within the U.S.-led containment scheme, which is not confined to just the SCS but also in the Indian Ocean. For example, in March 2015 India and Japan agreed to information exchanges in the maritime domain—New Delhi would provide Tokyo with data on "white shipping" in the Indian Ocean whereas the latter would provide information about the SCS.¹² Soon after, the Indian Cabinet Committee on Security approved a plan to monitor "white shipping" in the Indian Ocean and SCS.¹³ Later that year, India, Japan, and the U.S. elevated their trilateral engagement from senior officials to the ministerial level.¹⁴ Beijing could not have missed these developments.

In fact, there is more for China to worry about: in particular, the expanded version of Exercise Malabar.¹⁵ After Exercise Malabar involving India, Japan, and the U.S. was held in the Bay of Bengal in October 2015, *Global Times* cautioned India against taking sides.¹⁶ In December the same year, not long after India formally announced that Japan would become a regular participant in Exercise Malabar,¹⁷ Chinese Ambassador to India Le Yucheng remarked: "India should ensure that initiatives like the trilateral maritime arrangement or defence ties with other countries are conducive for peaceful and stable Asia-Pacific region," while adding for good effect regarding the SCS issues in an apparent message to India, Japan, and the U.S., "countries who are from outside or have nothing to do with the region should not meddle into these issues. This will make it worse."¹⁸

Near the close of 2016, the Indo-Japan-U.S. naval nexus emerged to the fore again. During his visit to New Delhi, U.S. Navy Seventh Fleet Commander Vice Admiral Joseph P. Aucoin said that the wargame slated for 2017 would focus on anti-submarine warfare.¹⁹ And *Global Times* picked this up and implied that the exercise is aimed at countering PLAN submarines.²⁰ China's perception of this containment in the maritime sphere would invariably be heightened after Admiral Harry B. Harris, chief of U.S. Pacific Command, warned in the new year against Beijing's growing Indian Ocean influence and called PLAN submarines "clearly an issue."²¹ Considering the extent of interoperability between the Quad navies and recent agreements concerning information sharing in the maritime domain, this focus on the underwater dimension would straddle into the SCS as well.

Reality 3: Nobody Seriously Wants to be (Seen as) a Spoiler of Peace

Despite the ongoing spate of defense and security interactions as well as force build-ups, however, there is no incentive for anyone to be regarded as spoiling the current, post-arbitration atmosphere of tranquil in the SCS. Moreover, the uncertainties—not least Trump's policies pending further clarity—might have served as a form of deterrent. Another way of interpreting this current SCS tranquil is that China, and possibly other claimants, has decided to bide for time as they observe the situation before deliberating the next step. But for now, it

is safe to say that nobody—claimant or non-claimant alike—involved in the SCS wishes to be seen as a spoiler of peace.

Therefore, it would be in the greatest interest for all countries—including the Quad—to be regarded as contributing to this present tranquil, no matter how temporary it is. In fact, Japan just recently reiterated that it would not partake in FONOPS alongside the U.S. Navy in the SCS, ostensibly to prevent unpleasant Sino-Japanese maritime encounters in the disputed waters.²² So was the case for Australia.²³ Even though the Indian navy and coastguard have routinely deployed to the SCS for port calls and joint-training exercises, conducting FONOPS in or near the disputed waters would place New Delhi squarely into the crosshairs of Beijing’s wrath. Prior to the arbitral ruling, Indian defence authorities denied reports about plans to conduct joint naval patrols in the SCS with the U.S.²⁴ And in June 2016, India and the U.S. reportedly dropped specific mention of the SCS from a joint statement issued following a summit between Prime Minister Narendra Modi and then-President Barack Obama.²⁵ In fact, New Delhi has repeatedly sought to assure Beijing that it is not seeking to counter-balance it.²⁶

Beyond the Quad, other regional stakeholders are similarly trying to avoid controversy that could spiral out of control and destabilize the SCS. Indonesia being one example. Despite having taken a harder stance against China following a fishery incident in March 2016, during which Chinese coastguards forcefully retrieved a Chinese fishing vessel detained by Indonesian patrols in waters off the Natuna Islands, Jakarta is also eager to avoid coming head-on with Beijing. Following earlier reports about Indonesia planning to conduct joint patrols with Australia in the SCS, it clarified that there is no agreement yet and no further details were available.²⁷

But most importantly of all, Beijing found a way to assuage its wounded pride following the announcement of the ruling; Duterte’s olive branch is most likely helpful in offering China a graceful step down from ramping up tensions, yet also at the same time giving it an opportunity to demonstrate goodwill and wrestle back the “moral high ground.” Using Duterte as the poster boy for its eagerness to contribute to SCS peace and stability, Beijing has lambasted Japan for instance for trying to undermine such “regional will.”²⁸ It has literally become China’s new post-arbitration strategic narrative of “you’re with us or against us” in the pursuit of regional peace—“us” referring to countries which Beijing deems as like-minded, for example, Duterte’s Philippines. Moreover, taking advantage of the regional uncertainties surrounding the Trump Administration, Beijing sought to project the image of an advocate of globalization and put forth its vision for regional security through a new white paper.²⁹ Meanwhile, it not only evinced its interest to work with the new American leadership, but also tried to downplay the prospect of war with the U.S.³⁰

Reality 4: ASEAN Countries Continue to Hedge

All countries—claimants and non-claimants alike—in the SCS evidently wanted to maintain the post-July 12, 2016, status quo, even if it remains fraught with uncertainty. ASEAN, now under Philippine chairmanship, has sought to wrestle back its central leading role by pushing for the conclusion of a framework for the proposed Code of Conduct (CoC) with China in the SCS by mid-2017.³¹ If materialized, this would in some way help restore to some extent the regional bloc’s credibility which since 2012 has been beset by intramural fissures over the SCS disputes. With many eyes on how the CoC would transpire by mid-2017 as publicly remarked, it would be imperative for ASEAN member states to avoid “rocking the boat” so

as to facilitate the smooth conclusion of the said framework. The same expectations would also be placed on extra-regional powers. However, this does not mean individual ASEAN countries are taking chances with mere diplomacy over the SCS problems.

As Duterte woos Chinese aid and investments he also openly expressed wariness towards facilitating U.S. military presence in the region,³² thus raising questions about the future of the Philippine-U.S. alliance. But evidently, for all his warmth towards Beijing, Duterte remains keen to keep the U.S. card in his pocket as a hedge, especially given the myriad of security challenges he must tackle—the drug problem; renewed hostilities with the communist rebels, not least the worsening militant threat posed by the notorious Abu Sayyaf Group, especially, which is also a major perpetrator of those “kidnap-for-ransom” attacks against shipping; and the Islamic State challenge in the restive southern Philippines.

Interestingly, Duterte backtracked from his earlier, definitive call to scrap some of the key military training exercises with the U.S.—the Cooperation Afloat Readiness and Training (CARAT) and Amphibious Landing Exercise (PHIBLEX) series—but later, Philippine government officials said that such plans were under review and it becomes likely that these exercises would not be scrapped after all, but merely relocated from the SCS to Mindanao Sea.³³ And following Duterte’s earlier suggestions for China to help conduct patrols in the Sulu Sea international waters against those “kidnap-for-ransom” attacks,³⁴ Manila raised the prospect of asking both China and the U.S. to consider conducting such tasks. In any case, Duterte is unable to call all the shots without passing through the roadblocks put up by vocal, pro-U.S. Philippine senators, lawmakers, and those from within the military.

Following the last major maritime standoff with China over the latter’s oil rig in disputed waters off the Paracel Islands in May–July 2014, Hanoi undertook steps to improve ties with Beijing. But this cordiality did not mean Vietnam has abandoned its desire to hedge, even if such actions would infuriate China. For example, not long after the tribunal ruling, Hanoi affirmed that India could conduct energy exploration work in the SCS,³⁵ despite successive failures to discover hydrocarbons in those offshore blocks. Amongst several agreements signed the following month, India and Vietnam also agreed to strengthen defence cooperation, especially in maritime security which includes the sale of patrol vessels to Vietnam and inter-navy exchange of information on “white shipping.”³⁶ Defense ties with India are set to enhance further as both countries are already in the process of negotiating Vietnam’s purchase of even more high-powered armaments such missiles.³⁷ Likewise, parallel defense and security links, with a prominent maritime dimension, had been forged with Japan and the U.S.

Finally, Malaysia has also shown its desire to hedge, even as it woos Chinese investments to help reinvigorate its sluggish economy. In late 2016, Malaysian Prime Minister Datuk Seri Najib Razak visited Beijing, obtaining generous amounts of Chinese aid and investments.³⁸ Notably, in a sign of enhanced bilateral defense and security ties, a deal was made to purchase four Littoral Mission Ships from China for the Royal Malaysian Navy. This move had been interpreted as Kuala Lumpur’s shift towards Beijing. However, Malaysia clearly remains wary of China, given the outstanding dispute in the SCS—especially the Chinese coastguard presence off South Luconia Shoals close to Sarawak,³⁹ and large-scale presence of Chinese fishing vessels in the vicinity.⁴⁰ Soon after his Beijing visit, Najib called on Tokyo where a deal for the transfer of a pair of second-hand offshore patrol vessels from the Japan Coast Guard to Malaysian Maritime Enforcement Agency was signed—which Japanese diplomats said would assist the latter in contributing to SCS stability.⁴¹

A Pragmatic Yet Principled Way Forward

Given those realities discussed above, it becomes necessary for the Quad countries to find a pragmatic yet principled way forward that can best safeguard a rules-based Indo-Pacific order, including security in the regional maritime commons—not just the SCS. Much has been done between the Quad countries—not just intensified bilateral and multilateral political tie-ups and dialogues to discuss regional security issues of common concern, but also significant traction in the defense and security realm, especially of maritime nature. Invariably, such intra-Quad cooperation would still be eyed warily by Beijing as part of the containment effort. However, scaling back on these intra-Quad political and security initiatives on the pretext of not desiring to destabilize the region would, on the contrary, possibly send the wrong signal to not just China, but also other governments in the Indo-Pacific. If anything, Southeast Asian strategic hedging behavior amply demonstrates the continued importance of bringing in all stakeholders of regional security onto a common platform. So, what can the Quad do in the foreseeable future?

At the first, on the politico-strategic level, the Quad should not just maintain and enhance their current intramural defense and security interactions while assuring the regional community of its benign intentions towards maintaining peace and stability and a rules-based maritime order. At the same time, it should also strive to support existing regional institutions, and refrain from creating new ones for the following reasons. First, existing institutions such as ASEAN and those further west, such as the Indian Ocean Rim Association, already have established varying levels of interstate cooperation extending into the maritime realm. Except that, these institutions from time to time could be afflicted by intramural divisions over sensitive political issues—like the case of ASEAN over the SCS problems and how individual member states perceive and balance national interests with China and with the region writ large. Second, creating new institutions may be misperceived by some as creating countervailing bodies against certain countries—such as China—and such proposals would possibly find few takers keen not to “rock the boat” or undermine their interests with Beijing.

What the Quad could do is to render more traction to several of those initiatives that are already set in motion. For example, the Expanded ASEAN Maritime Forum (EAMF) could be an ideal avenue for dialogue on promoting coastguard cooperation and confidence-building measures (CBMs), as well as fishery management, which has been a common problem in the SCS and even westward into the Bay of Bengal. The EAMF, comprising all ten ASEAN member states and the eight dialogue partners—Australia, China, India, Japan, New Zealand, Russia, South Korea, and the U.S.—has not made many inroads into practical security cooperation since its inaugural meeting in 2012. It would be an opportune time, considering the myriad of maritime challenges faced by the Indo-Pacific, for the Quad to spearhead the reinvigoration of this body. There is no need to focus an inordinate amount of attention on the SCS—lest anyone harbor the illusion that the Quad is attempting to use the EAMF to further an anti-China agenda—but broadly on several issues of common concerns. In this regard, the Quad can possibly propose the creation of the EAMF sectoral working groups, each dealing with specific areas of concern. For example: (1) Indo-Pacific coastguard cooperation; (2) expansion of the code of unplanned encounters at sea from navies to civilian maritime law enforcement agencies and irregular forces; (3) sustainable fishery management; (4) counter-terrorism at sea; and (5) capacity-building for the creation of national and possibly regional or sub-regional maritime/oceans policies.

Through these working groups, it becomes possible for the Quad to focus on broader maritime issues of concern to the Indo-Pacific, yet allowing for the engagement of not just China but also other smaller countries and middle powers in the region. This inclusive arrangement ties in with the normative working habits of the region, especially ASEAN and its relatively well-entrenched array of associated, overlapping institutions that make up what is the “regional security architecture.” More practically, using the EAMF as the primary vehicle of interactions with Indo-Pacific partners allows the Quad to coordinate and harmonize initiatives aimed at building regional maritime security capacities. The sectoral working groups within the EAMF could allow each Quad country to focus on niche areas where it can provide the most optimal assistance based on its capabilities. In addition, Quad involvement within the EAMF would allow better identification of the needs of each EAMF member state—particularly the ASEAN members—and direct resources and expertise while minimizing, if not totally avoiding, duplication of efforts.

Notes

¹ For instance, see Koh Swee Lean Collin, “Scarborough Shoal: A Chinese Noose around the Philippines’ Neck,” *The National Interest*, November 7, 2016.

² “M Mattis Says No Need for Dramatic U.S. Military Moves in South China Sea,” *Reuters News*, February 4, 2017.

³ David Brunnstrom and Matt Spetalnick, “Tillerson Says China Should Be Barred from South China Sea Islands,” *Reuters News*, January 12, 2017.

⁴ *Statement of the Ministry of Foreign Affairs of the People’s Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines*, Ministry of Foreign Affairs, People’s Republic of China, July 12, 2016, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1379492.shtml (accessed October 13, 2017).

⁵ Philippine ambassador to China, Jose Santiago Santa Romana, referred to this move as an example of Beijing complying with the arbitral ruling without acknowledging it. “New Philippine ambassador says China is complying with arbitration ruling,” *Reuters News*, November 8, 2016.

⁶ One of such moves had been the creation of a marine environmental protection fund for the SCS in July 2016, soon after the arbitral award was released, which also criticized the impact caused by China’s island-building activities in the disputed waters. “China Sets up South China Sea Environment Protection Fund,” *Reuters News*, July 25, 2016. Note the section on “Harm to Marine Environment” in the award rendered by the tribunal. News Release: *The South China Sea Arbitration (The Republic of The Philippines V. The People’s Republic of China)*, Permanent Court of Arbitration, The Hague, 12 July 2016.

⁷ Recent satellite images also reveal that the Chinese are upgrading their military facilities on the Paracel Islands. “The Paracels: Beijing’s Other South China Sea Buildup,” *Asia Maritime Transparency Initiative*, February 8, 2017, <https://amti.csis.org/paracels-beijings-other-buildup/> (accessed October 13, 2017).

⁸ See, for example, the official stances of Australia, India, and Japan regarding the SCS and the broader regional maritime commons. *Statement on Award of Arbitral Tribunal on South China Sea Under Annexure VII of UNCLOS*, Ministry of External Affairs, Government of India, July 12, 2016, <http://www.mea.gov.in/press-releases.htm?dtl/27019/Statement+on+Award+of+Arbitral+Tribunal+on+South+China+Sea+Under+Annexure+>

[VII+of+UNCLOS \(accessed October 13, 2017\)](#); “Abe, Turnbull Agree on Need to Respect International Law,” *Jiji Press English News Service*, September 7, 2016; and *Foreign Policy Speech by Foreign Minister Kishida to the 193rd Session of the Diet*, Ministry of Foreign Affairs of Japan, January 20, 2017, http://www.mofa.go.jp/fp/pp/page22e_000800.html (accessed October 13, 2017).

⁹ For instance, on the same day Trump was being inaugurated as president, Liu Guoshun, a member of the Central Military Commission, writing about “someone”—quite obviously referring to the US—who had been “promoting the pivot to Asia-Pacific, causing disturbances in the SCS and hastening THAAD deployment,” exhorted the PLA to prepare for war. Liu Guoshun, “The Primary Mission and Responsibility of a Soldier is to Prepare for War and Fight, There is No Room for Relaxation” (军人主业主责是备战打仗，一丝一毫懈怠都不能有), *Chinamil.com*, January 20, 2017, http://www.81.cn/theory/2017-01/20/content_7459886.htm (accessed October 13, 2017). Earlier, in response to Tillerson’s remark about denying China’s access to the SCS artificial islands, the nationalistic tabloid *Global Times*, which is affiliated with the ruling Chinese Communist Party, wrote that “Tillerson's statements regarding the islands in the South China Sea are far from professional,” warning that “[i]f Trump's diplomatic team shapes future Sino-US ties as it is doing now, the two sides had better prepare for a military clash.” “Is Tillerson’s Bluster Just a Bluff for Senate?” *Global Times*, January 13, 2017, <http://www.globaltimes.cn/content/1028568.shtml> (accessed October 13, 2017).

¹⁰ Dipanjan Roy Chaudhury, “China’s South China Sea Activities Madness: US Diplomat Thomas Shannon,” *The Economic Times*, July 1, 2016.

¹¹ Liu Zhun, “India overestimates its South China Sea leverage,” *Global Times*, November 9, 2016. While there was no direct reference to the tribunal award, the joint statement did emphasise the importance of resolving the disputes based on international law, including UNCLOS. See item 51, in *India-Japan Joint Statement during the visit of Prime Minister to Japan*, Prime Minister’s Office, Government of India, November 11, 2016, <http://mea.gov.in/bilateral-documents.htm?dtl/27599/IndiaJapan+Joint+Statement+during+the+visit+of+Prime+Minister+to+Japan> (accessed October 13, 2017).

¹² Rajat Pandit, “India, Japan Likely to Share Shipping Data in Indian Ocean, South China Sea,” *The Times of India*, April 1, 2015.

¹³ The plan calls for collating “white shipping” information from 24 countries located around the African eastern seaboard of the Indian Ocean, spanning further to the SCS. Ajay Banerjee, “Govt to Monitor Shipping in South China Sea,” *The Tribune*, May 11, 2015.

¹⁴ This rode on an Indo-US joint statement in September 2014, which pledged more cooperation with other regional countries, including dialogues and joint military exercises. *U.S.-India Joint Statement*, The White House Office of the Press Secretary, September 30, 2014, <https://www.whitehouse.gov/the-press-office/2014/09/30/us-india-joint-statement> (accessed October 13, 2017). This joint statement in turn came not long after India and Japan issued the Tokyo Declaration that envisaged regularizing bilateral maritime exercises and the Maritime Self-Defense Force participation in Exercise Malabar. *Tokyo Declaration for Japan-India Special Strategic and Global Partnership*, Ministry of Foreign Affairs, Government of Japan, September 1, 2014, www.mofa.go.jp/files/000025064.pdf (accessed October 13, 2017).

¹⁵ Malabar first began as an Indo-US bilateral training exercise, but in 2007 expanded into a multilateral one involving Australia, Japan, and Singapore as additional players, conducted in the Bay of Bengal. This expanded

Malabar also came right after the first trilateral naval exercise involving India, Japan, and the U.S. in waters east of Tokyo. “Japan, U.S., India Conduct 1st Joint Military Drill,” *Jiji Press English News Service*, April 16, 2007; and “India to Host Five-Nation Exercise in Bay of Bengal; China Apprehensive,” *BBC Monitoring South Asia*, July 14, 2007.

¹⁶ Yu Jincui, “Concurrent India Drills Spark Unnecessary Speculation,” *Global Times*, October 14, 2015.

¹⁷ “Rebuff to China: India Makes Japan Regular Participant in Malabar,” *United News of India*, December 12, 2015.

¹⁸ Kallol Bhattacharjee, “‘Malabar’ Exercise Should Not Upset Peace: China,” *The Hindu*, December 20, 2015; and “Outsiders Should Not Meddle in South China Sea Issue: China,” *Press Trust of India*, December 19, 2015.

¹⁹ “Malabar: India, Japan, US to Focus on ‘Anti-Submarine’ Warfare,” *Press Trust of India*, December 16, 2016.

²⁰ Li Chen, “Malabar Exercise More Bluster than Real Deterrence in East China Sea,” *Global Times*, December 27, 2016.

²¹ “China’s Forays in Indian Ocean Matter of Concern: US Commander,” *Press Trust of India*, January 18, 2017.

²² “SDF Not to Join U.S. Operations in South China Sea: Inada,” *Jiji Press English News Service*, February 5, 2017. Earlier, it was learned that Tokyo had offered to participate in such an exercise alongside the U.S. Navy, but Washington was concerned that any circumstance that brings Chinese and Japanese vessels into potential unfriendly contact is best avoided. “EXCLUSIVE; Turnbull Weighs China Sea Exercises,” *The Australian – Online*, January 25, 2016.

²³ When questioned on whether ADF would conduct FONOPS within 12 nautical miles of the Chinese-held SCS artificial islands, Australian Foreign Minister Julie Bishop said that Australia was calling on “other countries, particularly the claimants, to de-escalate tensions, so we would not wish to add to tensions in the region.” Laura Tingle, “Australia Skirts China’s Zone,” *The Australian Financial Review*, June 22, 2016. Shortly after the PCA announced the ruling, Bishop also shot down suggestions by Labor’s defence spokesperson Stephen Conroy’s call to conduct FONOPS in the SCS. Primrose Riordan, “Bishop Warns on Navy Exercises,” *The Australian Financial Review*, July 14, 2016.

²⁴ “No Indo-US Naval Patrol in South China Sea, Defence Ministry Says,” *The Times of India*, February 12, 2016.

²⁵ Sachin Parashar, “India and US Dropped Specific Mention of South China Sea from Their Joint Statement,” *The Economic Times*, June 10, 2016. See also *JOINT STATEMENT: The United States and India: Enduring Global Partners in the 21st Century*, The White House Office of the Press Secretary, June 7, 2016, <https://www.whitehouse.gov/the-press-office/2016/06/07/joint-statement-united-states-and-india-enduring-global-partners-21st> (accessed October 13, 2017).

²⁶ Vice President M. Hamid Ansari said India is not engaged in the business of counter-balancing the influence of any country, let alone China in the SCS, which is under dispute. Interacting with media on board Air India One, Ansari, when asked whether India was looking for ways to counter-balance Beijing or any other country’s influence in the area, said, “We are not in the business of counter-balancing with anyone, China or any other country. The world of the 21st century works on the principle of commonality of interests.” “South China Sea: India Not to Counter-balance Influence of China or Any Other Nation, Says Ansari,” *Asian News International*, November 1, 2015.

²⁷ “ASIA: Discussion of Joint South China Sea Patrol,” *Australian Associated Press General News*, October 31, 2016. See also Fedina S. Sundaryani, “RI Proposes Joint Patrols with Australia,” *The Jakarta Post*, October 29, 2016.

²⁸ For instance, Chinese Premier Li Keqiang called on Australia to support China’s effort to expand consensus with ASEAN over the SCS. “Chinese Premier Hopes for Australia's Support for Beijing's Drive to Expand Consensus with ASEAN,” *Xinhua News Agency*, September 8, 2016.

²⁹ *China's Policies on Asia-Pacific Security Cooperation*, Ministry of Foreign Affairs of the People’s Republic of China, January 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1429771.shtml (accessed October 13, 2017).

³⁰ *Foreign Ministry Spokesperson Lu Kang's Regular Press Conference on February 9, 2017*, Ministry of Foreign Affairs of the People’s Republic of China, February 9, 2017, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1437227.shtml (accessed October 13, 2017).

³¹ Genalyn D. Kabling, “PH Pushing for Completion of SCS Code of Conduct at ASEAN Summit,” *Manila Bulletin*, January 6, 2017.

³² Kimberly Jane Tan, “Duterte to US: Forget EDCA 'If I Stay Longer,’” *ABS-CBN News*, October 25, 2016.

³³ Such plans were made in order to “not offend our neighbors” as stated by the Philippine Defense Secretary Delfin Lorenzana. Chiara Zambrano, “Duterte to US: Forget EDCA 'If I Stay Longer,’” *ABS-CBN News*, November 23, 2016; and Christina Mendez, “No More Phl-US Military Exercises in SCS,” *The Philippine Star*, December 31, 2016.

³⁴ “Rody Eyes Chinese Patrols,” *Manila Standard*, February 1, 2017.

³⁵ “Despite China, Vietnam Okays India’s Plan to Drill SCS for Oil,” *New Indian Express*, August 11, 2016. In December, during her visit to New Delhi, Chairwoman of the Vietnam National Assembly Nguyen Thi Kim Ngan expressed support for India’s continued hydrocarbon work in the SCS. “Politics: Vietnam Encourages India to Tap Oil, Gas in Its Waters in East Sea: Top Legislator,” *Vietnam News Brief Service*, December 12, 2016.

³⁶ “India, Vietnam Sign 12 Agreements,” *Press Trust of India*, September 3, 2016.

³⁷ “India, Vietnam Hold Talks on Sale of Akash, Brahmos Missiles,” *Press Trust of India*, February 3, 2017.

³⁸ Ho Wah Foon, “Najib: Many Benefits from China Ties,” *The Star*, November 5, 2016.

³⁹ Revelations of the Chinese coastguard presence since late 2014 off the Malaysia-claimed shoals were made in 2015, and this persisted into 2016 with apparently no solution in sight. “M'sia Lodges Diplomatic Protest Against Intrusion at Beting Patinggi Ali,” *Bernama Daily Malaysian News*, August 15, 2015; and “Adenan to Meet Chinese Envoy on China’s Ships in S’wak Waters,” *Free Malaysia Today*, February 15, 2016.

⁴⁰ “100 China-Registered Boats, Ships Encroaching into Malaysian Waters,” *Bernama Daily Malaysian News*, March 24, 2016.

⁴¹ One of the vessels would be based in Kota Kinabalu, which would help in some way rectify the MMEA’s lack of offshore patrol and surveillance capacity in the SCS against the persistent Chinese coastguard challenge. “Najib: Japan's Twin Gifts to Malaysia Reflect Strong Ties,” *New Straits Times*, November 17, 2016.