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EYES ON THE PRIZE: REGIONAL AND GLOBAL POWER COMPETITION IN THE INDO-PACIFIC REGION

Cdr Dale Thomas

JCSP 43 DL

Exercise Solo Flight

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EXERCISE *SOLO FLIGHT* – EXERCICE *SOLO FLIGHT*

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COMPETITION IN THE INDO-PACIFIC REGION**

Cdr Dale Thomas

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EYES ON THE PRIZE: REGIONAL AND GLOBAL POWER COMPETITION IN THE INDO-PACIFIC REGION

[China's] efforts to build and militarize outposts in the South China Sea endanger the free flow of trade, threaten the sovereignty of other nations, and undermine regional stability.

— National Security Strategy of the United States of America (2017).

In recent years, there has been increased competition among regional and global powers in the Indo-Pacific region. Extending from the Indian Ocean to the Pacific Ocean, the Indo-Pacific region spans the world's largest and most rapidly-growing economies and its busiest trade routes. The region includes the three largest national economies in the world – the United States, China and Japan – and five of the world's ten fastest-growing economies, including India and four states in South-East Asia.¹

Centrally positioned in the Indo-Pacific region, the South China Sea (SCS) has become increasingly contested. Littoral state members of the Association of South-East Asian Nations (ASEAN) have asserted maritime sovereignty claims that overlap with each other, while Beijing and Taipei have each claimed most of the SCS as Chinese territory. Six rival states have asserted claims over the same portion of the SCS off the coast of Borneo.

The significance of the SCS has multiple layers. Across its surface, the SCS bears a huge volume of international maritime trade that underpins the prosperity and economic growth of states in the Indo-Pacific region. The sea itself is an environmental resource containing a diversity of marine species and fisheries that sustain the populations of the Indo-Pacific region, which includes the world's two most populous countries. The sea floor supports telecommunications cables that are increasingly important in a digitally-enabled world. Beneath

¹ Alex Gray, "These are the world's fastest-growing economies in 2017," last modified 09 June 2017, <https://www.weforum.org/agenda/2017/06/these-are-the-world-s-fastest-growing-economies-in-2017-2/>

the sea floor, there are significant oil and gas reserves that may be exploited to provide energy for the region's future economic growth and prosperity.



Figure 1 – The Indo-Pacific Region centred upon the South China Sea

Source: <https://www.quora.com/What-area-is-considered-Asia-Pacific>

Just as there are multiple layers underpinning the significance of the SCS, there are many eyes on the prize. By virtue of its location, the SCS is important not only to the six rival claimants contesting maritime rights within these waters, but also to other ASEAN member

states, regional powers, and global powers – including the Permanent Five members of the United Nations (UN) Security Council. Beyond concerns about state security, there are concerns about the loss of biodiversity and fisheries resulting from the widespread destruction of habitat.² With such breadth of concerns about state, environmental and human security, there are many eyes on the prize that is the SCS.

RIVAL CLAIMANTS IN THE SOUTH CHINA SEA

China

China has long claimed the SCS as part of its territory. Despite giving an undertaking to ASEAN states in 2002 that it would not change geographic features in the SCS, China has embarked on a series of massive engineering feats to build man-made islands on subtidal reefs and rocky outcrops in the SCS.³ Having dredged and reclaimed over 3200 acres in the SCS in the past four years, China has turned its efforts towards building infrastructure to support projection of its power.

Recent imagery of China's seven installations in the SCS shows the development of extensive wharves, runways, hangars, radars and weapon systems.⁴ Reports have emerged of China's installation of electronic-jamming equipment⁵ and missile systems on Chinese facilities

² Dune Lawrence and Wenxin Fan, "Islands of mass destruction: How China killed essential reefs and built military bases on top," last modified 22 December 2016, <https://www.bloomberg.com/news/features/2016-12-22/coverup-in-the-south-china-sea>

³ Tuan N. Pham, "A sign of the times: China's recent actions and the undermining of global rules," last modified 06 March 2018, <http://cimsec.org/a-sign-of-the-times-chinas-recent-actions-and-the-undermining-of-global-rules/35603>

⁴ Frances Mangosing, "New photos show China is nearly done with its militarization of the South China Sea," last modified 05 February 2018, <http://www.inquirer.net/specials/exclusive-china-militarization-south-china-sea>

⁵ Ankit Panda, "South China Sea: China deploys jamming equipment," *The Diplomat*, last modified 10 April 2018, <https://thediplomat.com/2018/04/south-china-sea-deploys-jamiing-equipment/>

in the SCS.⁶ In May 2018, Chinese state media released footage of a bomber landing on Woody Island in the Paracels, raising concerns of future military aircraft deployments to the Spratlys.⁷

China's militarisation of the SCS and its lack of transparency has generated security concerns not only for its rival claimants, but also for other regional powers and global powers that are engaged in the region.



Figure 2 – Disputed claims in the South China Sea

Source: Agence France Presse and Jake Koh.⁸

⁶ Steven Stashwick, “China deploys long-range anti-ship and anti-air missiles to Spratly Islands for first time,” *The Diplomat*, last modified 05 May 2018, <https://thediplomat.com/2018/05/china-deploys-long-range-anti-ship-and-anti-air-missiles-to-spratly-islands-for-first-time/>

⁷ Ankit Panda, “South China Sea: What China’s first strategic bomber landing on Woody Island means,” *The Diplomat*, last modified 22 May 2018, <https://thediplomat.com/2018/05/south-china-sea-what-chinas-first-strategic-bomber-landing-on-woody-island-means/>

⁸ Agence France Presse and Jake Koh, “Why we should be proud of the stance our leaders are taking on the South China Sea,” last modified 10 October 2016, <http://www.unscrambled.sg/2016/10/10/why-we-should-be-proud-of-the-stance-our-leaders-are-taking-on-the-south-china-sea-issue/>

The Philippines

Following Beijing's seizure of Scarborough Shoal from the Philippines in 2012, the Philippines was successful in seeking arbitration of its dispute with China under the United Nations Convention on the Law of the Sea (UNCLOS) in 2016. Despite diplomatic pressure from several countries for both parties to abide by the arbitral tribunal ruling in favour of the Philippines, China has not accepted the outcome.⁹ Since 2016, the Philippines has turned away from public assertions of its exclusive maritime rights, preferring to solicit Chinese financial investment and infrastructure assistance.¹⁰ More recently, the Philippines and China announced talks to jointly explore for offshore oil and gas reserves in waters claimed by both countries, without addressing the contested issue of sovereignty.¹¹

Vietnam

By contrast with the Philippines' recent silence, Vietnam has become the most vocal of China's rival claimants in the SCS. Following reports in May 2018 of Chinese deployment of missile systems to its outposts in the SCS, Vietnam's foreign ministry expressed extreme concern, stating that all militarisation of the Spratly Islands is a serious violation of Vietnam's sovereignty.¹² In recent months, Vietnam has been thwarted in its efforts to explore oil and gas

⁹ Sam Bateman, "The South China Sea arbitration ruling – two months on," *The Strategist*, last modified 21 September 2016, <https://www.aspistrategist.org.au/south-china-sea-arbitration-ruling-two-months/>

¹⁰ Jay Batongbacal, "South China Sea: the Philippine fissure," *The Interpreter*, last modified 27 March 2018, <https://www.lowyinstitute.org/the-interpreter/south-china-sea-philippine-fissure>

¹¹ Reuters and Neil Jerome Morales, "Philippines eyes joint exploration in South China Sea within months," last modified 09 April 2018, https://www.rigzone.com/news/wire/philippines_eyes_joint_exploration_deal_in_s_china_sea_within_months-09-apr-2018-154170-article/

¹² Ministry of Foreign Affairs, "Remarks by MOFA spokesperson Le Thi Thu Hang on foreign media reports about China's installation of missiles on structures illegally constructed on Viet Nam's Truong Sa (Spratly) Archipelagos," last modified 08 May 2018, http://www.mofa.gov.vn/en/tt_baochi/pbnfn/ns180511161602

reserves in disputed waters, suspending exploration work following Chinese threats of attacking Vietnamese installations in the SCS.¹³

Malaysia

Malaysia has stated it does not recognise China's "nine-dash line" expansive claim over maritime territory in the SCS. However, Malaysia has been reluctant to press too forcefully against China, which is its largest trading partner and foreign investor.¹⁴ While concerned by Chinese military activities off the Malaysian coast of Borneo, Malaysia has limited capability to employ force to assert its sovereignty.¹⁵ Following the May 2018 election and change of government in Malaysia, it remains to be seen whether the new government will adopt a more assertive posture.¹⁶

Brunei

Brunei has been labelled the "silent claimant" in the SCS. Unlike the Philippines and Vietnam that have actively pursued their respective maritime sovereignty claims, Brunei appears to have opted to remain silent on its SCS claims in return for securing Chinese investment and increased trade with China.¹⁷ China has used its economic leverage over Brunei and other

¹³ Bill Heyton, "South China Sea: Vietnam 'scraps new oil project'," last modified 23 March 2018, <http://www.bbc.com/news/world-asia-43507448>

¹⁴ David Hutt, "Malaysia speaks softly in the South China Sea," *Asia Times*, last modified 23 March 2017, <http://www.atimes.com/article/malaysia-speaks-softly-south-china-sea/>

¹⁵ Alex Vuving, "Tracking Malaysia's force build-up in the South China Sea," last modified 20 October 2017, <https://amti.csis.org/tracking-malaysias-force-build-up/>

¹⁶ Ankit Panda and Prashanth Parameswaran, "The geopolitical implications of Malaysia's election earthquake," *The Diplomat*, last modified 18 May 2018, <https://thediplomat.com/2018/05/the-geopolitical-implications-of-malaysias-election-earthquake/>

¹⁷ Michael Hart, "Brunei abandons South China Sea claim for Chinese finance," last modified 04 April 2018, <https://www.geopoliticalmonitor.com/brunei-abandons-south-china-sea-claim-for-chinese-finance/>

ASEAN member states to prevent a unified ASEAN approach towards sovereignty disputes in the SCS.

Taiwan

Taiwan is the final claimant in the SCS. Its claims in the SCS are sometimes overlooked, because it is not an ASEAN member, and it is not a party to the UNCLOS. Unlike Beijing, the current Taipei government has not maintained its claim to historic Chinese rights within the nine-dash line, but asserts its rights under international law and customary law of the sea.¹⁸ Taiwan's claim includes the Paracel and Spratly groups, while it has occupied the island of Itu Aba (Taiping) in the Spratlys. Anti-aircraft defences were reportedly installed on the island in 2016.¹⁹ In order to avoid provocation, Taipei has sought to maintain the *status quo* of its relationship with Beijing and with other claimants.

OTHER ASEAN MEMBER STATES

Indonesia

Successive Indonesian governments have sought to protect fisheries and energy reserves within its Exclusive Economic Zone (EEZ), while attracting Chinese investment in infrastructure. Indonesia has not asserted a maritime claim in the SCS beyond its EEZ; however, the southern reach of China's claimed nine-dash line intersects Indonesia's EEZ north of the

¹⁸ Chi-Ting Tsai, "Taiwan's South China Sea policy evolution," last modified 12 April 2018, <https://amti.csis.org/taiwan-scs-policy-evolution/>

¹⁹ Elizabeth Shim, "Taiwan to increase military presence on South China Sea island," last modified 18 April 2017, <https://www.upi.com/Taiwan-to-increase-military-presence-on-South-China-Sea-island/2531492562283/>

Natuna Islands.²⁰ This area includes substantial oil and gas reserves.²¹ Indonesia has intercepted Chinese vessels fishing within its EEZ, leading to several confrontations with Chinese coast guard vessels in this vicinity.²² In 2017, Indonesia renamed these waters the North Natuna Sea, prompting China to lodge a formal protest with the Indonesian embassy in Beijing.²³

Thailand

Like the Philippines, Thailand has had a long-standing alliance with the United States (US). Following a Thai military coup in 2014, the US has downgraded its level of engagement, while China has increased its level of influence in Thailand.²⁴ China has since replaced the US as Thailand's largest trading partner, while Chinese foreign direct investment in Thailand has grown to exceed that of the US.²⁵

Cambodia, Laos and Myanmar

Cambodia, Laos and Myanmar are the three ASEAN member states whose economies have been heavily dependent upon their relationship with China. Cambodia, in particular, has blocked ASEAN leaders from issuing communiqués critical of China's actions in the SCS.²⁶

²⁰ Aaron L. Connelly, "Indonesia's new North Natuna Sea: What's in a name?" *The Interpreter*, last modified 19 July 2017, <https://www.lowyinstitute.org/the-interpreter/indonesia-s-new-north-natuna-sea-what-s-name>

²¹ Evan Laksmana, "Why Indonesia's new map is not (all) about the South China Sea," *The Strategist*, last modified 01 August 2017, <https://www.aspistrategist.org.au/indonesias-new-map-not-south-china-sea/>

²² Gatra Priyandita, "Will Indonesia 'descend' into dispute in the South China Sea?," last modified 17 November 2017, <http://asaa.asn.au/will-indonesia-descend-dispute-south-china-sea/>

²³ *Ibid.*

²⁴ Patrick Jory, "Enter the dragon: Thailand gets closer to China," *The Interpreter*, last modified 07 July 2017, <https://www.lowyinstitute.org/the-interpreter/enter-dragon-thailand-gets-closer-china>

²⁵ Benjamin Zawacki, "America's biggest Southeast Asian ally is drifting towards China," last modified 29 September 2017, <http://foreignpolicy.com/2017/09/29/its-on-trump-to-stop-bangkoks-drift-to-beijing/>

²⁶ Manuel Mogato, Michael Martina and Ben Blanchard, "ASEAN deadlocked on South China Sea, Cambodia blocks statement," last modified 25 July 2016, <https://www.reuters.com/article/us-southchinasea-ruling-asean-idUSKCN1050F6>

ASEAN remains an organisation that operates by consensus, and values the principle of non-interference in the affairs of its member states.

Singapore

Singapore has assumed the chairmanship of ASEAN for 2018, in addition to acting as the country coordinator for ASEAN-China relations.²⁷ While not a claimant in the SCS, Singapore's economy is heavy dependent on trade, and is highly sensitive to any hindrance to the freedom of navigation on the global commons. Singapore has a wide range of security relationships with neighbouring states, regional and global powers including India, France, the US, the United Kingdom (UK), Australia and New Zealand.²⁸

REGIONAL POWERS

Japan

Japan is the world's third-largest national economy and is dependent on imported oil, approximately 80 percent of which comes from the Middle East and passes through the SCS.²⁹ Japan is an alliance partner of the US, which underpins the security of Japan's sea lines of communication. Japan has strengthened its diplomatic and defence ties to several ASEAN states, including the provision of coastguard and maritime patrol assets to Vietnam, Malaysia and the Philippines.³⁰ Japan has been a vocal supporter of freedom of navigation operations conducted

²⁷ Thuc D. Pham, "Can Singapore foster ASEAN-China cooperation on the South China Sea?" *The Diplomat*, last modified 22 December 2017, <https://thediplomat.com/2017/12/can-singapore-foster-asean-china-cooperation-on-the-south-china-sea/>

²⁸ Jonathan Frances, "Honest broker? Singapore in the driver's seat", last modified 25 January 2018, <https://www.foreignbrief.com/asia-pacific/south-east-asia/singapore-code-conduct-south-china-sea/>

²⁹ Kei Koga, "Japan's strategic interests in the South China Sea: beyond the horizon?" *Australian Journal of International Affairs* 72 no. 1 (2018): 18.

³⁰ *Ibid.*, 22.

by the US in the SCS, and was one of only a handful of states that called upon China to accept the Arbitral Tribunal decision in 2016.³¹

South Korea

Like Japan, South Korea is a developed nation whose economy relies upon access to sea lines of communication through the SCS. South Korea is the only state in East Asia to have signed free trade agreements with both the US and China.³² Seoul's security concerns are dominated by North Korea and its close security ties with the US. While dependent on oil imports, South Korea has placed a lower priority on security concerns in the SCS, and has remained silent on the issue.³³

India

In 2014, India announced its "Act East" policy, which aims to strengthen its engagement with neighbours in the Asia-Pacific region.³⁴ India is one of six states with free trade agreements with ASEAN, and has been engaged in negotiations to form the Regional Comprehensive Economic Partnership (RCEP) that proposes a free trade bloc including ASEAN, China, South Korea, Japan, India, Australia and New Zealand.³⁵

³¹ *Ibid.*, 24.

³² Taehwa Hong, "South Korea: Standing on the shoulders of giants," *Asia Times*, last modified 21 February 2018, <http://www.atimes.com/south-korea-standing-shoulders-giants/>

³³ Robert E. Kelly, "South China Sea: Why Korea is silent, and why that's a good thing," *The Interpreter*, last modified 07 July 2015, <https://www.lowyinstitute.org/the-interpreter/south-china-sea-why-korea-silent-and-why-thats-good-thing/>

³⁴ Michael Kugelman, "India acts East," last modified 17 May 2016, <http://foreignpolicy.com/2016/05/17/india-acts-east/>

³⁵ Nikkei Asian Review, "With TPP agreed, RCEP members look to catch up," last modified 02 February 2018, <https://asia.nikkei.com/Politics/International-Relations/With-TPP-agreed-RCEP-members-look-to-catch-up>

Around 97% of India's international trade is sea-borne, with half travelling east through the Straits of Malacca.³⁶ India is the world's third-largest oil importer; it has been engaged in energy exploration in the SCS, while forging closer ties with ASEAN energy exporters.³⁷

India has had an awkward relationship with China, despite sharing substantial bilateral trade. Although India has generally avoided formal security alliances, it has engaged informally with regional powers including France, Japan, Australia and the US.

Australia

Australia is an island nation that is dependent on the sea for the bulk of its international trade. The Australian economy is dependent on imported oil and refined fuels, most of which is sourced from the Indo-Pacific region.³⁸ Two thirds of Australia's exports pass through the SCS en route to its largest markets in China, Japan and South Korea.³⁹

Australia's principal security alliance partner is the US. In its *2017 Foreign Policy White Paper*, Australia lists the Indo-Pacific democracies of Japan, Indonesia, India and South Korea as partners of first order importance in influencing regional order.⁴⁰ In March 2018, Australia hosted a special summit of ASEAN leaders, affirming Australia and ASEAN's commitment to stability, prosperity and security in the region.⁴¹

Aligned with its economic and security interests, Australia supports the rules-based global order that underpins the freedom of navigation within the region. In April 2018, China

³⁶ Bryon Chong, "India and the South China Sea," last modified 21 February 2018, <http://cimsec.org/india-south-china-sea/35520>

³⁷ *Ibid.*

³⁸ Greg Colton, "Fuel security: Why the RAN should prioritise the Indo-Pacific," *The Interpreter*, last modified 06 October 2017, <https://www.lowyinstitute.org/the-interpreter/fuel-security-ran-indo-pacific>

³⁹ Department of Defence, *2016 Defence White Paper* (Canberra: Department of Defence, 2016), 57.

⁴⁰ Department of Foreign Affairs and Trade, *2017 Foreign Policy White Paper: Opportunity, Security, Strength* (Canberra: Department of Foreign Affairs and Trade, 2017), 40.

⁴¹ Graeme Dobell, "ASEAN and Australia go to the summit," *Australian Journal of International Affairs* (2018), last modified 03 May 2018, <https://doi.org/10.1080/10357718.2018.1462762>

reportedly challenged Australian warships traversing the SCS.⁴² Like many of its neighbours in the region, Australia must balance its economic links with China and its security ties to the US.

GLOBAL POWERS

Russia

Russia has historically shown limited interest in the SCS, particularly since its navy withdrew from Vietnam's Cam Ranh Bay in the early 2000s.⁴³ By contrast with regional powers, little of Russia's energy resources travel through the SCS. Russian interests in the region have historically been limited to North-East Asian states and Vietnam. Despite closer political engagement between Russian and Chinese leaders in recent years, based on converging interests in opposing US hegemony and interference in the region, Russia has preferred to maintain its neutrality in sovereignty disputes in the SCS.⁴⁴

United Kingdom

Like Russia, the United Kingdom has demonstrated a decline in its engagement in the SCS; in the UK's case, since returning Hong Kong to Chinese rule in 1997. Britain's area of strategic interest has centred on NATO, Europe, the Middle East and Afghanistan. Following the UK's decision to exit the European Union, there has been renewed debate about Britain's evolving role in the Indo-Pacific region.⁴⁵ The Royal Navy (RN) has developed new support

⁴² Euan Graham, "Australian warships challenged in South China Sea," *The Interpreter*, last modified 20 April 2018, <https://www.lowyinstitute.org/the-interpreter/australian-navy-challenged-south-china-sea>

⁴³ Anton Tsvetov, "Russia's tactics and strategy in the South China Sea," last modified 01 November 2016, <https://amti.csis.org/russias-tactics-strategy-south-china-sea/>

⁴⁴ Ian Storey, "Moscow, Beijing and the South China Sea Dispute: Convergence and Divergence," last modified 19 October 2017, <https://www.chinausfocus.com/peace-security/moscow-beijing-and-the-south-china-sea-dispute-convergence-and-divergence>

⁴⁵ Admiral Sir Phillip Jones, "DSEI maritime conference 2017," last modified 11 September 2017, <https://www.gov.uk/government/speeches/dsei-maritime-conference-2017>

facilities in Bahrain and Oman that may be used to support deployments across the Indian Ocean, and beyond.⁴⁶

In 2018, the UK Defence Secretary announced that a warship visiting Australia and the Western Pacific would return via the SCS in order to exercise the RN's freedom of navigation.⁴⁷ For the first time in several years, Britain has deployed two warships to East Asia for exercises with the US, Japan and South Korea, and to enforce UN sanctions against North Korea.⁴⁸ A third RN warship will deploy to the SCS as part of its commitment to the Five Power Defence Agreement – joining forces from Australia, New Zealand, Malaysia and Singapore – before also travelling to North-East Asia.⁴⁹

These deployments have been welcomed by Britain's security partners in the region, while drawing criticism that such actions may damage its relations with China.⁵⁰ The British Foreign Secretary has fuelled speculation of possible future deployments of its aircraft carriers to the region in future years.⁵¹

France

Of all European powers, France has the most enduring record of engagement in the Indo-Pacific region. As an historic colonial power, France had asserted claims in the SCS associated

⁴⁶ *Ibid.*

⁴⁷ Shashank Joshi and Euan Graham, "'Global Britain' on the line in South China Sea," *The Interpreter*, last modified 22 February 2018, <https://www.lowyinstitute.org/the-interpreter/global-britain-line-south-china-sea>

⁴⁸ Ministry of Defence, "Royal Navy ships fulfil international duty in Asia Pacific," last modified 11 April 2018, <https://www.gov.uk/government/news/royal-navy-ships-fulfil-international-duty-in-asia-pacific>

⁴⁹ *Ibid.*

⁵⁰ Emanuele Scimia, "Britain's naval expansion in the Indo-Pacific will anger China, and achieve little else," *South China Morning Post*, last modified 13 April 2018, <http://www.scmp.com/comment/insight-opinion/article/2141283/britains-naval-expansion-indo-pacific-will-anger-china-and>

⁵¹ Prashanth Parameswaran, "A more muscular Britain in the South China Sea?" *The Diplomat*, last modified 01 August 2017, <https://thediplomat.com/2017/08/a-more-muscular-britain-in-the-south-china-sea/>

with its former colonies of Vietnam, Laos and Cambodia.⁵² Today, France maintains possession of the world's second-largest EEZ by virtue of its extensive territories in both the Indian and Pacific Oceans.⁵³ France maintains military forces within the Indo-Pacific region, and conducts freedom of navigation deployments in the SCS at least annually.⁵⁴ France has close defence relationships with several countries in the Indo-Pacific region, including India, Singapore, Japan, Australia and the US.⁵⁵

United States

Since the end of the Cold War, the US has remained the world's sole, truly-global superpower. In its 2017 *National Security Strategy*, the US has recognised the importance of geopolitical competition in the Indo-Pacific region.⁵⁶ The US contends that China's efforts to build and militarise outposts in the South China Sea endanger the free flow of trade, threaten the sovereignty of other nations, and undermine regional stability.⁵⁷

In recent months, US forces have conducted a series of widely-publicised freedom of navigation operations (FONOPs) in the SCS.⁵⁸ While US forces have repeatedly approached within 12 nautical miles of Chinese installations in the SCS, drawing sharp criticism from Beijing, such displays of US resolve have not deterred Chinese militarisation of the region –

⁵² Yo-Jung Chen, "South China Sea: The French are coming," *The Diplomat*, last modified 14 July 2016, <https://thediplomat.com/2016/07/south-china-sea-the-french-are-coming/>

⁵³ Ministry of Defence, *France and Security in the Asia-Pacific* (Paris: Ministry of Defence, 2017), 6.

⁵⁴ Chen.

⁵⁵ Ministry of Defence, 14.

⁵⁶ United States, *National Security Strategy of the United States of America* (Washington, DC: The White House, 2017), 45.

⁵⁷ *Ibid.*, 46.

⁵⁸ Tuan N. Pham, "A sign of the times: China's recent actions and the undermining of global rules, pt. 2," last modified 24 April 2018, <http://cimsec.org/sign-times-chinas-recent-actions-undermining-global-rules-pt-2/36168>

rather, some observers have suggested the passive and symbolic nature of the US response may have emboldened China's military expansion.⁵⁹

Notwithstanding its ongoing FONOPs in the SCS, US attention in the Indo-Pacific region has been dominated by security concerns arising from North Korean cyber, nuclear and ballistic missile threats. The US security strategy lists its key partners within the region as South Korea, Japan, Australia, New Zealand and India, while acknowledging its alliances with the Philippines and Thailand, and growing security partnerships with Vietnam, Indonesia, Malaysia and Singapore.⁶⁰

SECURITY IMPLICATIONS FOR THE REGION

China's actions in building and militarising outposts in the SCS have far-reaching security implications for the Indo-Pacific region. China has recently asserted its intent to "take all necessary measures to defend its national sovereignty and security and safeguard peace and stability in the SCS," and stated its conviction that "not one single inch of our land will be or can be seceded from China."⁶¹ There appears little prospect of rival claimants, their ASEAN neighbours or regional powers countering China's military might.

Some observers have suggested a shift in US policy focus from a liberal rules-based order to an "America First" deals-based order of international relations.⁶² Deals are by definition narrow, bilateral and transactional, and may be contrasted with rules that are generally broad,

⁵⁹ Jansen Tham, "Beijing winning the great South China Sea game," *Japan Times*, last modified 11 May 2018, <https://www.japantimes.co.jp/opinion/2018/05/11/commentary/world-commentary/beijing-winning-great-south-china-sea-game/#.Wv9jNkiFPIV>

⁶⁰ United States, 46.

⁶¹ Tuan N. Pham, "A sign of the times: China's recent actions and the undermining of global rules, pt. 2," last modified 24 April 2018, <http://cimsec.org/sign-times-chinas-recent-actions-undermining-global-rules-pt-2/36168>

⁶² Quentin Peel, "Threats to a rules-based international order," last modified 27 May 2018, <https://navalinstitute.com.au/threats-to-a-rules-based-international-order/>

multilateral and based on shared values. A shift from rule-based towards deal-based foreign policy would threaten regional alliances that have been underwritten by the US. Faced with uncertainty over the commitment of the US to security in the SCS, and growing assertiveness by China, it is not surprising that some claimants and neighbouring states have sought to bolster their networks of bilateral security arrangements.

The threats to environmental and food security in the SCS are significant. The SCS supplies around 12 percent of the world's total fish catch. Up to 70 square kilometres of coral reefs have been destroyed by China's activities in the SCS, which have already reduced fish stocks in the region.⁶³ Ultimately, these impacts on environmental and food security may prove more damaging than the construction of military installations in the SCS.

CONCLUSION

The Indo-Pacific region faces substantial security challenges – relating to state, environmental and food security – arising in the context of rival claimants in the SCS, and renewed interest from regional and global powers. The SCS is significant because of its pivotal location between the Indian and Pacific oceans, the large volume of maritime trade crossing its surface, its diversity of marine species and fisheries, and the oil and gas resources beneath the sea floor.

China has exercised its economic power to deter most of its rival claimants and their ASEAN neighbours from pursuing maritime claims in disputed waters. While rival claimants and some neighbouring states have expanded their security ties with regional powers, and in some case global powers, such alliances and other security arrangements have not deterred China from militarising structures to stake its claim on the prized SCS.

⁶³ Lawrence and Fan.

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