

**May 13, 2015**

**Testimony before the U.S.-China Economic and Security Review Commission  
"China's Relations with Southeast Asia"**

*Prepared Statement of Dr. Patrick Cronin  
Senior Advisor and Senior Director,  
Asia-Pacific Security Program  
Center for a New American Security*

Co-Chairs Bartholomew and Slane, and other distinguished members of the Commission, thank you for the opportunity to participate in today's hearing. It is a high honor to testify here on matters that are important to the United States and the future stability and prosperity of the Asia-Pacific region. I will address China's strategy in and around the South China Sea, including with respect to its controversial land reclamation activities. Then I will briefly examine perspectives and reactions of Southeast Asian countries. Finally, I will offer policy recommendations about some of the steps that might be considered to counter China's increasing pressure on Southeast Asia.

**Introduction**

We are in the midst of an intensifying competition in Asia. The main driver of this competition is an ever-more powerful China determined to set the rules of engagement around its vast periphery. The South China Sea is the locus of rivalry. In seeking to expand its influence in Southeast Asia, China may well believe it is simply reclaiming its historic position as the dominant regional power. It may also think that its actions are defensive, designed to protect its security, access to resources, and vital sea lines of communication. But it realizes that the post-World War II order largely built by the United States still obstructs this objective. Thus, many Chinese hope to displace the United States while gradually dominating its neighbors in a manner unlikely to trigger any decisive or timely response. This is effectively Chinese regional hegemony in slow motion. In Washington, too often the urgent crowds out the important. If we wait for the important changes presently underway in Southeast Asia to develop on their current trajectory, the United States and its allies and partners will soon not only lose substantial leverage over the rules and norms of behavior in this region but also may well face larger security risks in the future.

I do not arrive at these judgments suddenly. For the past several years at the bipartisan Center for a New American Security (CNAS), I have directed a series of projects that have analyzed evolving regional trends, particularly in maritime Asia. The [first project](#) dissected China's more

aggressive posture in the South China Sea.<sup>1</sup> Far from responding to U.S. policy, China's behavior and the concern it evoked among its neighbors catalyzed the U.S. policy of enhanced comprehensive engagement known as the pivot or rebalance to Asia. The rising clamor for the United States to step up its presence and participation created new obstacles for a China eager to test its newfound power. The proving grounds became expansive claims to the lion's share of the South China Sea based on antiquated and vague historical rights, but in reality these trends are driven by deeper forces at work in Beijing and Chinese society.

Our [second related research project](#) highlighted the organic development of intra-Asian security ties that were rapidly developing as a consequence of China's assertiveness and America's uncertain staying power.<sup>2</sup> China has consistently disparaged and opposed the development of minimally effective defenses among its neighbors while unapologetically accelerating the modernization of its defense and security forces. This report called attention to the fact that China is not the only rising Asian power and others will adjust their policies as necessary to hedge against an uncertain future security environment.

A [third project](#) critical to my current understanding of China's strategy identified a pattern of behavior I labeled "tailored coercion."<sup>3</sup> To circumvent the latent power embedded in America's rebalance policy and the maturation of intra-Asian security cooperation, China has resorted to an amalgam of stratagems rooted in classical Chinese thought. By intermingling soft and hard power instruments of policy, and dialing them up or down depending on the circumstances, China hopes to expand control over these "gray zone" situations beneath a threshold of action that might trigger a direct military response. While China has met a robust and strengthened U.S.-Japan alliance in the East China Sea, it has found relatively open running room in the South China Sea.

A fourth major project, the full compilation of which will appear shortly as a single volume, addresses how the United States, together with allies and partners, can impose costs on tailored coercion and other bad behavior in the East and South China Seas. To quote from the [concluding capstone paper](#) in this series of essays on cost-imposition strategy:

---

<sup>1</sup> Patrick M. Cronin, ed., "Cooperation from Strength: The United States, China and the South China Sea," (Center for a New American Security, January 2012).

<sup>2</sup> Patrick M. Cronin, Richard Fontaine, Zachary M. Hosford, Oriana Skylar Mastro, Ely Ratner and Alexander Sullivan, "The Emerging Asia Power Web: The Rise of Bilateral Intra-Asian Security Ties," (Center for a New American Security, June 2013).

<sup>3</sup> Patrick M. Cronin, Ely Ratner, Elbridge Colby, Zachary M. Hosford and Alexander Sullivan, "Tailored Coercion: Competition and Risk in Maritime Asia," (Center for a New American Security, March 2014).

...between war and peace there is an ever-widening no man's land of assertiveness, coercion, and distrust. Especially within the gray zones of maritime Asia there is increasing competition over the rules, rule-making, and rule enforcement. The United States ... appears to be experiencing a slow erosion of credibility. A re-emerged China is recasting itself as a maritime power, calling at times for an exclusionary "Asia for Asians" architecture, and using its comprehensive instruments of power to unilaterally change facts on the ground, in the sea, and in the air. Left unchecked, rising maritime tensions will further undermine American influence, jeopardize the sovereignty of neighboring states, and sink the general postwar regional order.<sup>4</sup>

This cumulative body of research activity, supplemented by regular travel throughout the region and to scores of international conferences and workshops on related issues, as well as innumerable discussions with U.S. and regional officials, is the solid foundation on which I base my judgments. It is this same corpus of works from which I now distill some insights about China's current strategy and tactics in the South China Sea.

### **China's Strategy**

While China wishes to assert greater control over its periphery, it is not an adversary of the United States. It seeks not to invite war but rather to set the conditions of and exert influence over a contested peace. Its first objectives are rooted in economic-political stability: the preservation of economic growth and of the ruling Communist Party of China. Both of those pillars of China are increasingly under stress, the former as the rate of economic growth declines and the latter as a rising middle class seeks to alter the social compact with Beijing. In President Xi Jinping's tenure Chinese power and confidence have risen to the point that China's desire for a larger de facto sphere of influence is undermining the preexisting regional order. Propelled by the irrational forces of nationalism and the rational forces of sober security calculation, China has accelerated an effort that effectively displaces, blocks, and denies U.S. power. China seeks to neutralize America's still considerable conventional military capability, while it preempts attempts to coalesce Southeast Asia against Chinese power.

So while China is not an enemy, it is very clearly a fierce competitor. Tapping into global trends, China is able to make common cause with Russia and others to foster the natural forces of multipolarity that in turn promise to give China greater latitude over how to deal with its

---

<sup>4</sup> Patrick M. Cronin and Alexander Sullivan, "Preserving the Rules: Countering Coercion in Maritime Asia," (Center for a New American Security, March 2015).

neighbors.<sup>5</sup> Leveraging its growing position as the number one economic partner with virtually all countries in Southeast Asia, China is able to portray America's military power as a potential liability and source of confrontation. Relying on a full complement of policy tools, China is able to promote initiatives—often no more than slogans thrown out at rapid speed to find out what if anything sticks—to advance its ascending power at the expense of others. China is, simply put, out-maneuvering the United States. In recent months, Beijing has sought to alter the dominant perception that China is being exclusionary and seeking its own set of rules; and it has partially succeeded in portraying the United States and its allies in that unfavorable light. Thus, Chinese interlocutors currently have among their talking points the notion that the Asian Infrastructure Investment Bank is inclusive and good, while the Trans-Pacific Partnership trade pact is exclusionary and bad. This is nonsensical, but the United States is partly to blame for allowing such a false narrative to develop.

Chinese strategy is not simply to win without fighting but to put itself into the more favorable position to control its destiny and shape its environment. This is largely a strategy built on direct assault through information, legal, and psychological campaigns (the so-called “three warfares”), but decidedly an indirect approach when it comes to military defenses. Its military modernization is sufficiently public and robust as to alter the perceptions of its smaller neighbors, especially when they harbor doubts about the future strength and political will of the United States to come to their defense or maintain a regional balance of power. The development of the People's Liberation Army is also sufficiently rapid and advanced to severely complicate America's future ability to project power forward into East Asia to protect U.S. and allied interests. But it is not so advanced as to spoil for a fair fight. Indeed, the revitalized U.S.-Japan alliance, including both a more proactive Japanese leadership determined to defend its Southwest Island Chain and a far more integrated alliance capability as articulated in new defense guidelines, have deflected some of China's assertiveness toward the South China Sea, where there is no clear Article V commitment and a multitude of actors and disputed claims to keep the region out of balance.

A thread running through the approaches of all Chinese leaders from Mao to Xi is China's remarkable literature on classical strategic thought. At the heart of this literature, including Sun Tzu's famous *The Art of War*, is the wisdom of an indirect approach to produce a favorable balance rather than direct force to achieve a decisive outcome. The idea is not to defeat your foe in head-to-head combat, but rather to out-position him; not to produce a decisive battle but to

---

<sup>5</sup> See, for instance, Mathew Burrows, *The Future, Declassified: Megatrends That Will Undo the World Unless We Take Action* (New York: Palgrave Macmillan, 2014), especially Chapter 2, “A Splintered World,” pages 43-63. Significantly, regarding the general trend toward the diffusion of global power, Burrows identifies individual empowerment, manifested in such developments as a mushrooming middle class in Asia, as more salient than shifts in power among states.

ensure that your position is more favorable than that of your opponent.<sup>6</sup> Yet American strategic thinking, as well as the American approach to war and conflict, leads us to want to resolve forces in tension rather than to balance them. But President Xi knows that when one meets an immovable object, it is preferable to use an indirect approach. As Sun Tzu wrote, even the soft substance of water eventually can wear down the hardest stone. Minus an immovable object, of course, one can become far more willing to probe opportunities until there are obstacles or costs.

An indirect approach puts a premium on what we like to call “smart power.” For the Chinese this involves building a diverse arsenal of soft and hard power policy tools, and intermingling them at varying levels of intensity to achieve a favorable balance, both at the moment and in the future. Thus, even benign moves, such as a sudden embrace of confidence-building measures and infrastructure development in the form of “one belt, one road,” can both deflect momentary pushback and, if brought to fruition, deny a competitor the ability to implement future moves. This constant calibration and recalibration among a variety of policy instruments is captured by the phrase “two steps forward, one back.” China is on a constant vigil over how to advance its regional power, brazenly accelerating when opportunities arise and shifting messages and course as necessary to adapt to rising costs and obstacles. This is not to say that the Chinese perfectly execute classical Chinese strategy. I have attended many conferences where the same Chinese official or expert simultaneously declares that no one can stop China’s actions and that China is being bullied by one of its smaller neighbors. Victimhood alternates with brazen claims amounting to spheres of influence appropriate to nineteenth-century realpolitik in which big powers are meant to dictate to small powers. The mixed messaging is not always received as intended, although often China’s goal is not the intellectual purity of an argument. It is sometimes more convenient to deploy a multitude of arguments, however contradictory.

Chinese strategy is also attentive to the time factor in political developments. Broadly speaking, China seeks to engender certainty of its future power, with the corollary that crossing China now would be an imprudent course of action. In the short term, it is sometimes simply a matter of playing out the clock on various political milestones such as elections or rotating regional chairs within institutions such as the Association of Southeast Asian Nations (ASEAN). Other times, China’s intent is to delay collective action by shifting the blame for potential instability onto the perceived weakest link within the context of regional politics. That is, if the Philippines or Vietnam is pushing back too hard on China’s assertiveness, then China seeks to convince other ASEAN members that a single country is upsetting the entire regional order.

---

<sup>6</sup> The best recent book on Chinese strategy to help bridge the gap between Chinese and Western thought is that written by Derek M. C. Yuen, *Deciphering Sun Tzu: How to Read The Art of War* (Oxford and New York: Oxford University Press, 2014).



Another tactic is for China to play the history card, or, in the case of the South China Sea, the historical rights card. Offering up an artificial island for regional cooperation—an island that under international law is not clearly China's and which would also not engender even a territorial claim if it were originally a submerged land feature—is a way for China to take one more wild stab at buying acceptance of its vague claims of historical rights. But as Bill Hayton has shown in his exemplary volume on the history of the South China Sea, the concept of sovereignty is relatively new, historical contact is not the same thing as modern sovereignty, and contemporary international law under the United Nations Convention on the Law of the Sea established a different basis for determining sovereignty.<sup>7</sup>

To recap my general insights regarding Chinese strategy, it is, classically speaking, more a game of position than of brute force, more a constant campaign rather than a series of decisive battles. I have little doubt that classical strategic thought has had a heavy influence on Xi Jinping, as well as his predecessors. But added to this predisposition is the exigency of preserving one-party rule in the face of mounting tensions as the rate of economic growth slows. China thus far is substituting more ideology and nationalism to compensate for the likely falloff in delivering economic goods as part of an unwritten social compact. Nationalism has been a sleeping dragon that, once awakened may come back to haunt China and the region.

Despite the foregoing characterization of Chinese strategy, we should not assume that the current leadership in Beijing has a detailed blueprint for action. If that were true, then hoary phrases such as the “Great Rejuvenation” and the “China Dream” would be accompanied by far more detailed objectives. Indeed, there have been important research efforts to demonstrate the challenges Xi faces in governing a modern, diverse, and ultimately fragile China. Bearing in mind China's sources of insecurity and its vulnerabilities will be critical in fashioning an effective posture to dissuade China from a course that relies more on unilateral coercion in favor of a course more rooted in multilateral cooperation.

### **China's Land Reclamation**

Because the United States and others throughout the region seek to maximize cooperation with a reemerging China while minimizing conflict, we are caught between a rock and hard place as to how to handle brash acts of forcefulness such as the creation of artificial islands in the South China Sea. China is well on its way to doubling the preexisting land mass in that sea, seeking to make its ambiguous nine-dash-line claim to most of the South China Sea—which, in its most

---

<sup>7</sup> Bill Hayton, *The South China Sea: The Struggle for Power in Asia* (New Haven, CT: Yale University Press, 2014).

expansive forms, the U.S. government has stated has no basis in international law<sup>8</sup>—a de facto reality. It also refuses to participate in the current case lodged by the Philippines before the International Tribunal on the Law of the Sea, thereby calling into question China's interest in abiding by international law. Australian academic Alan Dupont describes what China is trying to do as terraforming its way to control over the South China Sea.<sup>9</sup> China's strategic intent may be as simple as a desire to exercise greater capability over its near seas, consistent with its growing power, capability, and confidence and infused by a sense of historical injustice, nationalism, and political exigency.

It is interesting to listen to Chinese officials struggle to explain their assertive actions. One line of argument is that China is building up submerged land features to sustain ports and runways as a global public good; indeed, said Admiral Wu Shengli, China would be happy to open up the artificial islands for international cooperation, such as for humanitarian assistance and search and rescue, "when the conditions are right."<sup>10</sup> Yet another line of argument is that the previous actions undertaken by Vietnam and the Philippines requires China to build up their own facilities, even though the scale of what China has done is an order of magnitude beyond what other neighbors have done. Moreover, in keeping with China's desire to issue ambiguous and plausibly denial threats, at least one Chinese official has said that the facilities on these submerged features and rocks were essential to help maintain "the quality of life for soldiers"—i.e., hinting to U.S. officials that they intend to build up radars, runways, docking facilities and military garrisons on these outposts.<sup>11</sup>

One does not have to gain access to classified PLA plans to understand the potential purpose of such island fortifications: they extend Chinese power projection capability and they erode American power projection capability. In the event of Mainland attempts to coerce Taiwan, for instance, the United States will have a far more difficult time demonstrating support for Taiwan than it did when it was able to dispatch two aircraft carriers through the Taiwan Strait during the 1995-1996 crisis. Moreover, the potential runways and other facilities in the Spratlys and Paracels create the infrastructure that will give China a genuine ability to try to impose air and sea control, not to mention an Air Defense Identification Zone (ADIZ). When China suddenly declared an ADIZ in the East China Sea in November 2013, it was not long before it was obvious

---

<sup>8</sup> United States Department of State Bureau of Oceans and International Environmental and Scientific Affairs, *China: Maritime Claims in the South China Sea*, Limits in the Seas No. 143 (December 5, 2014), <http://www.state.gov/documents/organization/234936.pdf>.

<sup>9</sup> Peter Harcher, "World Reluctant to Point Finger at China's Encroachment on Strategic Islands," *The Sydney Morning Herald*, May 5, 2015.

<sup>10</sup> Jeremy Page, "China Puts Conciliatory Slant on Land Reclamation," *Wall Street Journal*, May 1, 2015.

<sup>11</sup> These are the words of Major General Luo Yuan with respect to Fiery Cross Reef. See "China Builds Island in the South China Sea," (The U.S.-China Policy Foundation, Washington, D.C., November 26, 2014).

China could not enforce such a declared area.<sup>12</sup> Through land reclamation, the PLA will be more able to create vital control over who can go where in the South China Sea, thereby raising future costs on U.S. attempts to patrol in international waters within China's Exclusive Economic Zone (EEZ). Significantly, China will be better poised to create a ballistic missile submarine (SSBN) sanctuary, something it may wish to establish as part of an enhanced nuclear posture. An SSBN bastion strategy would provide a more survivable, mobile nuclear deterrent force capable of threatening the United States with an assured second-strike capability. Although the aim is not to use nuclear weapons, the main effect could be to undermine America's nuclear umbrella over regional allies, thereby hastening the pace of Chinese dominance over the region. Here in Asia, as elsewhere, perceptions often matter as much or more than reality.

A few former U.S. officials and noted experts contend that the United States must not let the South China Sea hijack our relations with China. I agree. The question is not whether or not to accommodate a rising China but whether and how to draw the line on certain types of bad behavior.<sup>13</sup> But the risk of a catastrophic fissure is small, not least because China does not want that to happen. Instead, my esteemed colleagues should instead consider the consequences of not standing up for allies and partners. If misdeeds and bad behavior incur no penalties, if actions have no consequences, then there is very little incentive for any power to bother with standards, codes of conduct, and international law. In short, the challenge is not the risk of war (as opposed to inadvertent incidents, which remain all too real a problem), but instead how to embrace the contradiction of mostly supporting U.S.-China cooperation but sometimes lowering the boom when it comes to clarifying what constitutes violations of regional norms. The real risk is that an unchecked China will realize domination of its near seas for all the irrational and rational reasons suggested above. After all, China managed to exercise what some consider a case of textbook extended coercion on the United States during the 2012 crisis over Scarborough Shoal. In that crisis, Washington walked its ally in Manila down and convinced it to de-escalate but did nothing to prevent China from moving in to exercise permanent control over the disputed shoal, which lies well within the EEZ of the Philippines. From this vantage point, we appear ready to let China hijack the South China Sea out of the untested fear that Beijing will forfeit its interest in cooperation with the United States and other regional states.

---

<sup>12</sup> Craig Whitlock, "U.S. Flies Two Warplanes over East China Sea, Ignoring New Chinese Air Defense Zone," *The Washington Post*, November 27, 2013.

<sup>13</sup> As my distinguished colleague Robert D. Kaplan has written, U.S. officials "must be prepared to allow, *in some measure (italics added)*, for a rising Chinese navy to assume its rightful position as the representative of the region's largest indigenous power. True, America must safeguard a maritime system of international norms, buttressed by a favorable balance of power regimen. But the age of simple American dominance, as it existed through all of the Cold War decades and immediately beyond, will likely have to pass." See Robert D. Kaplan, *Asia's Cauldron: The South China Sea and the End of a Stable Pacific* (New York: Random House, 2014), 182-183.



## Southeast Asia's Response

As China has re-emerged in the world, Southeast Asia has risen, too. Anxieties of rising Southeast Asian countries were largely what prompted a more active U.S. policy known as the pivot or rebalance. The further idea of a “rebalance to the rebalance” acknowledges the need for greater engagement with traditional and new partners in Southeast Asia, given our longstanding presence in Northeast Asia. There are both opportunities and risks for the United States to further engage Southeast Asia, but first let me touch upon China's relations with the region. Three salient aspects of Southeast Asia's response to China's assertiveness in the South China Sea, including land reclamation activities, are risk aversion, unity in the face of major power meddling, and accelerated hedging.

ASEAN is a successful political body, providing important and myriad venues for diplomacy. But ASEAN is notoriously risk-averse when it comes to confronting serious challenges. It is a consensus-driven body and not likely to become an action-oriented institution anytime soon. China relies on this risk-averse nature, and resorts to divide-and-conquer tactics anytime the 10 Southeast Asian countries appear to be uniting on anything, even a broad statement, that might be construed as antithetical to China's interests. Because Southeast Asian countries have such diverse interests from one another, not least between claimant and non-claimant countries in the South China Sea, China is able to find numerous seams to pull apart. In addition, because all of China's neighbors in the region enjoy major trading relations with China, Beijing is able to offer incentives (or to threaten to withhold incentives) in exchange for cooperation. This helps to explain why in 2012, for the first time in the body's 45-year history, ASEAN foreign ministers failed to issue a joint communiqué when Cambodia chaired the meeting in Phnom Penh due to disagreements over whether to include the South China Sea as a security issue of concern.<sup>14</sup>

Yet even ultra-cautious Malaysia, which enjoys the largest trading relationship with China among any ASEAN member state, managed a show of unity in April of this year, declaring that reclamations in disputed waters in the South China Sea had “eroded trust and confidence and may undermine peace, security and stability.”<sup>15</sup> This recent declaration is a reminder what unites ASEAN members: namely, the fear of meddling by outside powers. For the past several years, China has been the main concern. The Philippines and Vietnam have been on the frontiers of China's assertiveness in the South China Sea. Even so, attempts by the United States to provide

<sup>14</sup> Ernest Z. Bower, “China Reveals Its Hand on ASEAN in Phnom Penh,” *East Asia Forum*, July 28, 2012.

<sup>15</sup> Manuel Mogato and Praveen Menon, “China Maritime Tensions Dominate Southeast Asia Summit,” Reuters, April 27, 2015, <http://www.reuters.com/article/2015/04/27/us-asean-summit-southchinasea-idUSKBN0NI0BH20150427>.

military reassurance and presence, or to offer assurances to particular members such as the Philippines, incur a predictable backlash out of fear that America's stabilization efforts may also roil the region. That is why it is incumbent on U.S. officials to calibrate efforts to strengthen our access and security cooperation in Southeast Asia with a sharp understanding of how far the region will go based on the balance of political forces. In 2010, Southeast Asian states turned to the United States to provide a clear counterweight to Chinese assertiveness; but most of those official entreaties were behind closed doors and seldom to their own publics.

The third element of ASEAN's response is a general trend toward accelerated security hedging. Partly this involves seeking closer relations with the United States. But in large measure it is also seeking stronger intra-Asian relations, including with other Indo-Asia-Pacific military partners, including Japan, Australia, the Republic of Korea, and Australia, as well as Britain and France. What this latter network development suggests is the potential for forging wider ties with maritime countries and strengthening more inclusive regional institutions such as the East Asia Summit process and the ASEAN Defense Ministers' Meeting Plus process, each of which includes 18 members.<sup>16</sup>

In short, Southeast Asian responses to China's activities have been to double down on their own variations of engage-and-hedge strategies to bind and balance a more powerful China. The flip side of China's divide-and-conquer tactics vis-à-vis ASEAN is Beijing's efforts to deploy protracted trust-building diplomacy not aimed at concluding agreements, especially binding ones, but rather to forestall doing so. Engaging in talks for the sake of talks buys China more valuable time and softens transaction costs while it simultaneously asserts its growing influence in other ways. Such tactics are not lost on most ASEAN member states, some of whom advise the United States to do what most regional diplomats practice without being told: *viz.*, to use a bit of guile, to demonstrate an ability to stake out seemingly contradictory arguments, knowing that expressing the whole truth in public all the time is not necessarily the most advantageous course of action in the competitive arena of international affairs.

The majority of ASEAN members, particularly its maritime members, are at least quietly advocating that the United States remains firmly footed in the region, while simultaneously building out a wider network of security partners. On the other side, almost all ASEAN

---

<sup>16</sup> The East Asia Summit and ADMM-Plus countries each include the ten ASEAN member states (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), and eight non-Southeast Asian countries (Australia, China, India, Japan, New Zealand, the Republic of Korea, Russia, and the United States).

countries prefer non-confrontational ways to deal with China. United in both is the consensus fear that larger outside powers will run roughshod over Southeast Asian interests. China's flirtation with tailored coercion over the past several years has yielded a number of united front statements, including the April response to the Great Wall of Sand reclamation efforts of China. But ASEAN unity can also be aimed at the United States, should we allow China to maneuver us into over-reacting or losing the battle of narratives over the best approach for defining and address the problems.

### U.S. Policy Recommendations

My main policy recommendation is to help the United States work with allies and partners to achieve our desired strategic outcomes and not simply short-term tactical responses. Ultimately this needs to be orchestrated at senior levels of the executive branch of government, but there are many ways the legislative branch of government can support a multi-faceted, nuanced mixture of cost-imposition, capacity building, and comprehensive engagement.

When China exercises bad judgment and violates expected norms of behavior, the United States should find ways to impose appropriate costs. There are consequences to our inaction, and failing to act now to establish what constitutes good neighborly relations may raise the risks of trying to oppose coercion in the future. There will be a predictable chorus of opinion agonizing over America's own shortcomings with respect to international behavior; we need to be humble yet resolute, determined to work with others for fair-minded, rules-based order.

The least painful way to impose costs will remain mostly indirect approaches, especially diplomatic and legal. Information should also be harnessed as a policy instrument, given that transparency and information technology are both areas that play to America's strengths. Here are several ways we could do a better job at imposing indirect costs, while accruing other benefits as well:

- *Require the executive branch to keep persistent, precise, and public details of China's military, diplomatic, legal, informational, and other relevant activities in the South China Sea.* It is the administration's job to keep these activities in the forefront of regional diplomats at forums such as the East Asia Summit, the ASEAN Regional Forum, and the ADMM-Plus. But Congress can assist, not only by passing timely "Sense of Congress" bills enumerating U.S. interests and concerns, but also by ensuring a more public and empirical approach is widely available. Congress should direct the Department of Defense, in cooperation with the Department of State, to establish an authoritative information source not unlike a blog. It could also be supplemented by or made part of

an annual report of activities in maritime Asia. This would not require a new institution but instead could be delegated to an existing research institution, either the Center for Maritime Studies Institute at the U.S. Naval War College or the Center for Naval Analyses. The key here would be to ensure these analyses are more authoritative than those that can be produced by completely non-governmental institutions.

- *Support the creation of a region-wide information-sharing center.* There are various opportunities for integrating and improving upon existing embryonic attempts at this notion. For instance, perhaps it could be centered at Singapore's existing Information Fusion Centre, which was established at the Changi Command and Control Centre in 2009 to provide maritime domain awareness to deal with pervasive problems such as piracy, maritime safety, border disputes, and disaster relief. Ideally, this center might be ASEAN-based or U.S.-led, but regardless should be open to providing information for all international actors transiting international waters, including obviously the 18 members of the ADMM-Plus and East Asia Summit processes.
- Today's unprecedented degree of imagery and data should be more readily available as a regional public good. Indeed, the U.S. Pacific Command is already working with ASEAN members on improving a common operating picture to deal with universal challenges such as humanitarian assistance and disaster relief and search and rescue operations. Furthermore, a general information exchange would complement higher-end cooperation between the United States and key allies and partners.
- *Encourage the United States to forge a coalition of maritime countries willing to voluntarily promote a binding code of conduct like the one we hope China will one day accept.* This may help reinforce those within ASEAN to keep pushing ahead on a binding Code of Conduct, exact a price on China for foot-dragging and refusing to accept binding rules, and create a wider network of cooperation among maritime powers. While this coalition would not have enforcement authority, it could well provide a wellspring for enforcement-type activity, such as the conduct of periodic patrols to maintain freedom of the seas and an open global commons. But this would not and should not be an alliance. Interests are too diverse to support an alliance in Asia and it would only create the kind of polarization of Asia we seek to avoid.
- *Strengthen America's capacity for understanding, analyzing, interpreting, disseminating, and discussing international law and diplomacy regarding maritime security, especially in the South China Sea.* Not only should the State Department continue regularly publishing authoritative documents on international maritime law, but Congress should

support adding international legal experts to key regional policy offices at the State Department, the Department of Defense, and U.S. Pacific Command. This will be critical as we seek to support the Philippines in its efforts to address disputes through legal means and international law rather than coercion. The forthcoming judgment from the arbitral panel will only be important if we make the case that international law matters and remains a far better way to deal with disputes in the South China Sea than China's forthcoming fortifications.

- *Ratify the United Nations Law of the Sea Treaty.* Administrations abide by it. The failure of Congress to ratify it only undermines our diplomatic efforts to mobilize support for a rules-based approach, while abetting disinformation campaigns aimed at undermining our credibility. As we inevitably accommodate shifts in global power, it is increasingly to our advantage to shape a common rule set in which they occur.

In addition to these indirect ways to impose costs on bad behavior, the United States should create a more propitious environment for occasional, more direct responses to tailored coercion or other unilateral changes to the status quo. Timely and geographically meaningful exercises, not unlike the recent U.S.-Philippines amphibious exercise near Scarborough Shoal, should be conducted periodically so as to convey both concerns and capability. Likewise, the United States should give careful consideration to the right time to conduct freedom of navigation operations (FONOPs), including one perhaps to illustrate that submerged land features—even when they have been built up into artificial islands—earn no claim to territorial waters or airspace. This type of activity—a punch in the nose against aggression—must be emplaced in a careful diplomatic framework in which the United States is poised to emphasize both its engagement and hedging dimensions of policy.

The second way to counter China's provocative moves in the South China Sea is to deny China the benefits of salami slicing tactics and coercion. The principal and easiest way to do this is by building greater capacity, both a minimal coastal defense and defense capacity, among the region's maritime powers. A putative common operating picture for the region as a whole can be augmented by advancing bilateral cooperation on maritime domain awareness. Most of this cooperation will happen on a bilateral basis, although in some cases countries can derive benefit by working with U.S. allies (e.g., on coast guard capacity) or through mini-lateral exercises among three or more countries. Some specific steps that Congress might take to foster capacity building and otherwise help deny China political gains from maritime coercion are as follows:

*Congress should request from the Department of Defense a clear long-term capacity-building plan for Southeast Asian maritime countries.* This should encompass plans for building capacity,



bilaterally and multilaterally, including ways to leverage the natural development of an Asian power web—a loose network of intra-Asian relations. Among the highlights of any bilateral plans ought to be a clear blueprint for how to move forward with the Enhanced Cooperation Defense Agreement with the Philippines. Here we should consider not just rotational forces but human capacity building, literally supporting the Philippines as it seeks to develop future strategic concepts. We undertook a similar program in the early 1990s with Japan, and today Japan's Ministry of Defense is awash with strategic depth. Similar plans of action with Vietnam should be spelled out, particularly as the United States builds on a strong foundation of strategic dialogue. Indonesia remains a looming opportunity, and President Joko "Jokowi" Widodo's maritime fulcrum should be seized as an open door for expanded maritime cooperation. In all these cases, as well as with others, we must be mindful to approach cooperation in ways that can be absorbed and sustained. Bear in mind there will be political pressure on these capitals to dilute cooperation with the United States in order to balance national interests with China.

The final leg of the policy response should focus on engagement and, more broadly, doubling down on serious implementation of a comprehensive policy of rebalancing to Asia. This must begin with economic and diplomatic approaches and be undergirded by a quiet and sustained strength. Economically, this means the completion of the Trans-Pacific Partnership and Trade Promotion Authority, which are essential for our future prosperity and security. But it also means going back to the drawing board to think through a long-term development initiative that gives the United States a more effective and positive approach to development rather than being portrayed as an obstacle to development. Any objective analyst standing back and looking at recent U.S. development initiatives—such as the Lower Mekong Initiative and the attempt at building energy plants in Pakistan—and comparing them with the major promises of China and the Asian Infrastructure Investment Bank, would be forced to conclude that China is the rising power and America is in steep decline. But our failure of imagination, our failure of bipartisanship, and our failure of execution should now give way to a creative, serious, long-term way to demonstrate anew why the United States and its allies and partners have so much to contribute to problem-solving, human development, and regional integration. It takes nothing away from China but rather emphasizes our soft power offense.

Diplomatically, doubling down on the rebalance means not only showing up, but taking up selective yet meaningful roles in the most important regional institutions, including ADMM-Plus and the East Asia Summit. It means working with allies and partners to keep China's actions in the South China Sea in the limelight of other diplomatic arenas, too. It means letting our officials participate in selected but important Track Two events, where the Chinese never fail to send delegations to make their points; rather than simply respond to these points, we can make use of such meetings to remind the region that the United States has a positive vision for an inclusive, rules-based architecture. It remains determined to preserve the global commons, uphold

freedom of the seas, and protect allies and partners from aggression and coercion; but it intends to do so by taking the high road and insisting on fair-minded rules while imposing appropriate costs on misdeeds.

Rebalancing on the military and security front requires preserving the United States military capability to retain sufficient and credible forces forward deployed, prepared to undertake a wide array of missions, not least in situations short of war. The presence in Singapore is extremely helpful and must be closely nurtured. The presence in Australia is crucial and should expand over time. The presence in the Philippines should also grow, once the Supreme Court of the Philippines validates the legality of rotational presence. But another significant aspect of a serious presence as a permanent Pacific power means following through on U.S. territory in the Marianas, including the build up of Marine presence and exercise ranges to engage regional allies and partners. For the longer-term, we need to embrace the kind of thinking started by Deputy Secretary Robert Work, as he analyzes how to invest in a “third offset” strategy to compensate for growing anti-access and area denial capabilities in the region.<sup>17</sup>

Meanwhile, our engagement with China, including military-to-military engagement, should be institutionalized, continuous, regardless of friction—especially because such friction is likely to persist for some time. But this does not mean just pursuing any and all engagement. Congress is right to want to inventory the bilateral defense relationship to ensure it is balanced. Engagement of China, including pushing for effective confidence-building measures (CBMs), should be an essential part of this comprehensive policy. While some want to rush to exclude China from military-to-military activities, I favor focusing on the quality of the military-to-military engagements we have. The biennial Rim of the Pacific (RIMPAC) exercise, for instance, seems to me an appropriate way for the United States to showcase how its military presence and capability is oriented toward a region-wide public good of stability and effective responses to common challenges, from HA/DR to search and rescue and illicit trafficking. But CBMs should be meaningful, pragmatic, and not excuses for helping China to offset its more belligerent behavior in the eyes of Washington and the region. Previously I have suggested other CBMs as well.<sup>18</sup>

### **Concluding Thoughts**

Our aim should be not to over-militarize the problem but to seek to win the peace through a concerted, long-term strategy of cost-imposition, capacity building, and engagement. Partly this

---

<sup>17</sup> Robert O. Work, “The Third U.S. Offset Strategy and its Implications for Partners and Allies,” (Willard Hotel, Washington, D.C., January 28, 2015), <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1909>.

<sup>18</sup> Patrick M. Cronin, “The United States, China, and Cooperation in the South China Sea,” in *Territorial Disputes in the South China Sea: Navigating Rough Waters*, eds. Jing Huang and Andrew Billo (New York: Palgrave Macmillan, 2015), 149-163.

means resisting our national proclivity for rushing to resolution and instead seeking to manage disputes through a careful policy that balances ends and means not just for the United States but also within the context of Southeast Asia. Living with some level of tension, and even some contradiction between our vision and today's reality, is for the foreseeable future the best we can do. We can neither afford to discard nor to go beyond a strategy in which engagement and hedging are the yin and yang of our regional strategy. But we can improve upon the dimensions of this dialectical approach, beginning by doubling down on a policy of comprehensive rebalance to Asia.

Countering bad behavior is not the same thing as containment; neither is using a mixture of hard and soft power instruments to impose costs on bad behavior going to prompt the South China Sea to hijack U.S.-China relations. Only China can contain China and only China can derail U.S.-China relations by underestimating our resolve to ensure that stability and prosperity are not undermined by unilateral changes to the status quo through coercion or force. Some highly respected colleagues have called to halt activities that perpetuate the continued emergence of China; I would modify that call to more narrowly circumscribe what is within our power: namely, to preserve our interests by seeking cooperation through strength, putting forth a positive vision that continues to appeal to and mobilize most of the region, and yet, in seeming contradiction, being willing to impose costs on behavior that falls outside of rules, norms and standards.

Living with contradiction requires a constant recalibration to retain the proper balance depending on the circumstances. It means continuing to seek to grow positive engagement with China even when this seems unlikely to make a major difference. First, it may achieve practical ways to avoid unintended consequences. Second, it messages to the rest of the region our positive, inclusive, rules-based vision for the region. Some will be uncomfortable with that, but I would suggest that their alternatives are imprudent—either too bellicose or too accommodating. The dynamic tension between engagement and hedging will not always yield least confrontational way to pursue our goals; but it remains the most realistic means of protecting regional order and our interests, and is far preferable to tilting so far toward one-sided accommodation that the order we are purported to be upholding is hollowed out from the inside.

But cost-imposition and bigger muscle moves must be emplaced within a larger diplomatic framework of comprehensive policy in which each move is designed to support a larger political objective. That objective relates to America's long-term interest in being integrated into the most dynamic region in the world. The Indo-Asia-Pacific region will be the locus of economic and military power in this century. We can ride with this trend or put our heads in the sand. We can build on our historic post-World War II role in erecting a system by which most, including China have thrived or we can accept to the gradual diminution of our considerable influence and

position and accommodate ourselves to a reduced role and stature in the world, ceding at the same time our ability to respond to external events.

The main reason we can cooperate through strength is because the pursuit of an open, rules-based system does not genuinely threaten China but in fact continues to support it. We have convergent and divergent interests. We should never stop trying to maximize convergent interests. But when we have divergent interests, we should not pretend that they do not exist. China will not stop pressing its favorable narrative and points, many of which will be contradictory and based on half-truths; neither should the United States let up in pressing its interests, and vision, all the while ensuring that we have the capabilities to back them up. The aim, once again, is to “win the peace,” not catalyze a war. But preserving prosperity and stability does not mean always averting confrontation.

It is not thinkable to contain China and to pretend that we can only erodes our position. Conversely, fearing the need to confront bad behavior for fear of upsetting our vital relations with China fails to grasp the larger stakes at play over the future regional order. It also succumbs to a curious belief that China will reward weakness. The reason I believe a strategy of cooperation through strength, including cost-imposition measures, will work is because it is, or at least can be if embedded in a larger foreign policy framework, predicated on powerful common interests. Chinese propaganda and distrust notwithstanding, America truly does seek an inclusive system in which rules are equitably worked out among all. Rules such as those calling for settling disputes peacefully and not using force or coercion to alter the status quo ultimately benefit all, including China. They are rules we can all live by.