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Recommendations to Boost Security in the South China Sea

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Even for those of us who follow these issues quite closely, the past two days have served as a reality check for the prospects of anything approaching resolution of the security tensions and territorial differences in the South China Sea.

So in the following remarks I am going to focus on policy recommendations to boost security and not, alas, on pathways to resolution. Specifically, I am going to talk about practical confidence building measures under continued conditions of mistrust.

These remarks build on a publication I released at the Lowy Institute in Australia one year ago to this day, a report funded by the MacArthur foundation. My colleague Carl Thayer was kind enough to quote from it in this very room yesterday.

As a strategic analyst, I thank CSIS for giving me an opportunity to test the report's judgments one year on. I am afraid that the results are depressing, because some of the bleaker assessments of the report have been borne out.

In *Crisis and Confidence: Major Powers and Maritime Security in Indo-Pacific Asia*, we concentrated on the risks arising from differences among major powers in the sea lanes of the wider region, including the South China Sea. We looked also at the East China Sea, the Yellow Sea and even the Indian Ocean, focusing on a China-centric set of maritime differences.

This is not a judgment about who is right or wrong in these disputes, but simply a reflection of the reality that most of Asia's maritime tensions do have a China dimension – they relate to uncertainties and risks about China's expanding interests and power.

We looked at the drivers of maritime tensions and competition, and they are largely the same as we have heard these past two days: resources, nationalism, capabilities, strategic mistrust. One exception is that we did not place enough store in the role of multiple agencies and actors within each country, and I fully accept that that is a major part of the problem.

But it is not good enough to say that provocative actions at sea, whether by China, Vietnam or others, can simply be attributed to overzealous law enforcement agencies or fishermen. Sooner or later it has to be made clear that each country should be expected to manage its own agencies and citizens.

We have to assume the possibility that their actions are in some ways a manifestation or reflection of national policy. And that if China or another country wants in large measure to restrain its units and its people, it can. After all, some observers would say that there have been noticeable phases of restraint following each phase of assertiveness in recent years.

The bottom line is that there has to be national accountability for actions at sea – otherwise, confrontation will be unavoidable.

For countries outside the immediate region, whether my own country, whether say India or Japan, there are ways to support such better management and accountability at sea without taking a stance on the territorial claims. One way we can contribute to peace is simply by getting our own houses in order. We can do this by ensuring we have the best possible interagency coordination, communication and crisis response among our own maritime forces, and from that basis encourage capacity-building and better coordination and communication, both with and among the direct players in the South China Sea.

Our report last year looked at the risks of warfare arising from incidents in the South China Sea. The good news is that we are not staring at Armageddon with each incident in these waters, however contested they may be. It is important not to exaggerate the issue. I think some of the media headlines about the imminent threat of war tend to be overblown.

One of the advantages we have in managing risks and confidence building in the South China Sea is that it's still very hard, in my view, to draw a straight line from a particular incident to large-scale military confrontation or war.

It is too neat and simple to say that there is a straight line of risk from a maritime encounter – an incident, whether it is accident or otherwise – all the way up to major crisis and even armed conflict involving powerful states. The good news is that any particular incident at sea generally does not lead to wider confrontation or crisis or escalation to a shooting war.

Even when there may be an incident involving coercion, the threat or use of force, perhaps even the loss of life, there are several opportunities to pause, take stock, contain the damage, manage the narrative (it is still hard for the media to get close to the action), and thus limit or stop escalation, both at the operational and political level.

There tend to be opportunities for pausing and finding a political circuit breaker in maritime incidents, perhaps more so than in armed confrontations on land. It can be easier to back down from a naval confrontation than one on land. And, as we've seen in the incidents we've had in the last few years, these have all been defused or managed at some point.

The bad news though is that the risk of war cannot be ruled out. The nature of modern naval weaponry is that speed of reaction determines the outcome of an encounter. And politically I think there is a worrying accumulative effect resulting from the increasing congestion of forces and maritime traffic in an already crowded space in the South China Sea, which relates to the increasing number of incidents.

This rising tempo of incidents is also a reflection and a driver of accumulating mistrust, and could itself play into a wider deterioration of relations among the countries concerned. And so, over time, the risks are growing of any particular incident leading to miscalculation or the use of force. At the very least, we will see more maritime confrontations leading to what might be called horizontal diplomatic escalation – for instance economic coercion or the mobilisation of nationalist sentiment. And taken together, all of these factors make it harder to back down.

All of this damage to security relations, this rise of regional tensions, does not just involve the proximate and claimant countries. Australia, for instance, is obviously not a claimant in the South China Sea. We won't be naming it the North Australia Sea any time soon. But my

country has very deep interests as a stakeholder. We are hugely reliant on those sea lanes for trade, we are committed to an open and rules based system where coercion does not win the day, we are a US ally, and quite frankly Canberra like many other capitals across the world has been watching the South China Sea as a laboratory for how a powerful China will one day behave.

Of course, given our mandate as a policy institute, our research at Lowy has gone beyond an analysis of the drivers and risks of maritime tensions, to a quest for policy answers: what can be done?

So far we have concluded that the region's infrastructure of maritime confidence-building measures or CBMs is generally flimsy, non-existent in some places and little used. These include common understandings about operational-level communications, hotlines, exercises, information sharing and rules of the road, like incidents-at-sea agreements.

Here I think part of the problem worth emphasising is that there are conflicting understandings in maritime Asia of what confidence-building measures are, what they are for, and what their proper place is in the diplomatic sequence of efforts to manage conflict.

Put simply, the official Chinese view in particular seems to be that serious practical maritime confidence-building measures, like continuous channels of military-military communication, can only occur once strategic or political trust has been established.

I think that position is the exact logical reverse of what is needed. It's opposite to the origin and purpose of confidence-building measures during the Cold War, which was that CBMs were essential precisely when trust was absent.

It is also, interestingly, at odds with the position China has taken on land. Bear in mind that on land, for instance with Russia, China has proved itself comfortable with building practical military CBMs when it sees this as in its interests to minimise risks of unwanted conflict.

Even with India, operational CBMs have been put in place on the China-India Line of Actual Control in the obvious absence of fulsome strategic trust. So I think there is room for the Chinese debate to move forward on this issue in the maritime domain. The challenge is to find ways to encourage the more sensible side of that debate within China, without acquiescing in instances of Chinese assertiveness.

It is hard to escape the conclusion that China has made a political choice to limit practical CBMs with other countries at sea for the time being. Perhaps the calculation is that, since other countries, especially the United States, so ardently want better CBMs, this is thus a useful bargaining chip, a piece of negotiating currency for China to withhold.

What kind of CBMs would best suit the South China Sea context?

In answering this question, I consider US-China differences over maritime military access to China's EEZ as part of the SCS context. Here, channels of continuous communications between military forces of different nations would be in China's interests as a way of preventing accidental conflict. Deliberately allowing incidents to occur, and thus limiting the means to prevent or manage them, is not a sustainable policy. It is a matter of time before this perpetuation of risk as policy could backfire in ways China might not be able manage. Just imagine something like the EP3 incident with today's social media in China – how could the leadership compromise even if it wanted to?

For America's part, it may be that not all current levels and kinds of surveillance of the Chinese coast can or need to be sustained. My hope is that the US Navy regularly and rigorously reviews this surveillance to ensure it is no more – and no less – than is needed to maintain deterrence, including reassurance for allies.

Is the US Navy simply doing what it has long done because it has long done it? Can this change? Can it be reduced in some ways without reducing the reassurance and deterrence that this surveillance has long been a part of?

These are questions that can't be answered fully in a room like this, for there would no doubt be a deeply classified basis to those answers, but that do need to be given serious attention in the Pentagon.

In the South China Sea proper, the focus needs to be more on CBMs of communication between the civilian and auxiliary forces of China and other claimant countries. Here there might be scope to draw upon limited existing experiences like the China-Vietnam Gulf of Tonkin coordinated patrols to develop channels of communication and wider awareness of each side's ways of operating.

Nobody should pretend that this is going to resolve claims or lead to strategic trust. But at least lines of contact and a greater familiarity with each other's ways of operating will help to distinguish accidents from more deliberate and suspicious kinds of incidents.

Finally, a few words about regional forums and outside powers. Discussion of risks in the South China Sea is a legitimate issue for the East Asia Summit, the ASEAN Regional Forum, the ASEAN Defence Ministers' Meeting + 8 and other regional institutions.

This is not about asserting anyone's claims, or about taking sides or ganging up on any particular country – it is about open discussion and warning about risks that affect us all. We should not let the South China Sea slip from the agenda of any of these forums.

Recent years have seen commendable precedents set in this regard, with discussion of the South China Sea at the East Asia Summit and elsewhere. Countries with a tradition of regional diplomatic activism, like Australia, are well-placed to ensure that this continues to be the case.

And one way in which these bodies might prove useful is to encourage and maybe lay diplomatic groundwork for something that is glaringly missing in the South China Sea story: an objective source of information about the incidents, forces and national activities in the South China Sea.

I would like to use today's platform to advocate an idea along these lines, a regional incident reporting centre.

This could be a reasonably objective information clearing-house in the region about incidents at sea. This will ensure that we're all roughly agreed on a common picture of what's actually going on because, at the moment, even that is quite obscure. Nations could use it to register and update reports on incidents.

The centre need not be expected to adjudicate between national versions of what has occurred in incidents, but it could serve to aggregate and present the data and help observers form their own informed assessments.

I by no means claim this as my exclusive idea. Others, notably Bonnie Glaser in an excellent recent report, have made similar proposals. One model might be the multi-nation Regional Cooperation Agreement on Combating Piracy (RECAAP) information-sharing centre on piracy and sea robbery in Southeast Asia. Helping to support and resource such a centre need not be the sole responsibility of claimant states – external stakeholders as far away as Europe have an interest.

One thing we should be careful of is not pinning too much hope on the much-vaunted ASEAN-China Code of Conduct being drafted this year. With regards to implementing the Declaration of Conduct and moving towards a binding Code of Conduct we must be cautious not to rely on superficial fixes. A rushed code of conduct that is not binding and that lacks provisions for investigating or responding to unacceptable conduct may be worse than none at all.

In closing, the only fact of which I can be certain on these issues is that if states in the region continue to prioritise risk-taking as a matter of policy, then future conferences on this issue will be even more sobering in the years to come. And that may be the least of our worries.