

WHY AUSTRALIA SHOULD NOT CONDUCT FONOPS IN THE SOUTH CHINA SEA

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SYNOPSIS

The South China Sea (SCS) is a case study for China's rise, a litmus test for how its neighbours will react, and a dire danger to the peace. With each passing year, the disputes there become more internationalised. U.S. freedom of navigation operations (FONOPs) have become more frequent and high-profile, and the Philippines has taken China to the International Court of Justice (ICJ) over its territorial claims. Japan has enhanced security ties with the Philippines and Vietnam, and Australia is currently considering beginning its own formal FONOPs program in the SCS. This would be a mistake. Many Australian strategic thinkers—particularly some within the Labor Party—do not comprehensively evaluate Australia's interests in the SCS within the context of long-term grand strategy, particularly the risks of FONOPs in the long run. This article will provide a cost-benefit analysis of tangible Australian involvement in the SCS and will strongly argue against intervention.

The fundamental premise that informs this analysis is simple: Who cares more in the SCS? The answer is straightforward: China cares more than the United States, which cares more than Australia. The country that cares more is willing to risk more.

The SCS matters to China because it is crucial for reasons both of geostrategy and national identity. China's most economically vital cities are located along its eastern seaboard, which is connected to

the rest of the world by sea lanes that run through the East China Sea and the SCS. The SCS is the conduit for the majority of China's oil imports (57% of total consumption today, which [will rise](#) to 70% by 2040). The sea lanes are flanked by U.S. allies: South Korea and Japan in the north and Taiwan and the Philippines in the south. Its close presence would allow the U.S. to project force very close to China's economic heartland in the event of a conflict. Because of this, China has developed an anti-access/area-denial strategy which requires the SCS as a buffer zone between China's coast and its future enemies.

More importantly, 'regaining' the SCS is a key part of China's national identity. China is driven by a sense of national mission: it wants to regain a regional status commensurate with its size. This ambition cannot be underestimated—China fervently wants to redress the 'century of humiliation' during which it was abused and dismembered by imperialist powers. China was the centre of gravity in East Asia for millennia, so national rejuvenation can mean nothing less than a place at the top of the regional hierarchy, shared or alone. Leszek Buszynski, an expert on the SCS, [writes](#) that China is currently undergoing a process of postcolonial "state completion," which involves the "integration of [former] frontier zones and borderlands into a modern nation state." For many [Chinese](#), the fact that the U.S. and its allies prevent China from exerting control over the former frontier—its 'maritime backyard'—is a clear indication that their country has not yet fully risen.

The United States also has core interests at stake in the SCS, which are in direct conflict with those of China. American identity, national security, and preferred international norms all depend on maintaining the status quo in Asia. One of the most vital U.S. national security interests is primacy in the Pacific, which is also a pillar of American national identity. The U.S. sees itself as the world's guarantor of peace and stability—the guardian of the liberal international order. This identity is imprinted in the American collective consciousness: the U.S. has been the self-proclaimed leader of the free world since 1945. That is why the U.S. sails through China's claimed waters in the SCS—it is demonstrating that its preferred version of the international rules-based order (including UNCLOS) is still dominant. If Beijing effectively turned the South China Sea into a southern Chinese lake and Washington acquiesced, it would call into question America's primacy, willpower, and alliance commitments. However, America could terminate its engagement in the SCS while still preserving much of its dominance in East Asia. It certainly would have to reinforce the credibility of its alliance system, but its position of dominance would be weakened, not destroyed—it could still be a great power in East Asia. This is a cost that the U.S. could afford to absorb if its leadership were so inclined (particularly under a neo-isolationist president). China, by contrast, cannot afford to back down in the SCS: 'reclaiming' the sea is a quintessential component of its rise and national rejuvenation. A 2014 [survey](#) found that "the Chinese public appears to be inclined to frame the country's maritime disputes in terms of national and personal humiliation." Most Americans can hardly locate the SCS on a map,

much less feel strongly about it. China simply cares more, which means that it is willing to pay a higher cost in the SCS than the U.S.

While not nearly as vital as those of the two superpowers, Australia's interests in the SCS are still significant. The SCS disputes impinge upon the regional strategic system and the rules-based international order, both of which are vital to Australia. Australia's stance on the SCS will also reflect how it chooses to balance its ties with the U.S. and China. It is from these two relationships that Australia derives its security and prosperity, respectively.

A stable and benign strategic order in the Indo-Pacific region is one of Australia's top strategic defence interests. This order is based on uncontested American hegemony in East Asia. The resulting absence of interstate conflict has allowed the economies of East Asia to industrialise, thrive, and become interwoven while Australia grows rich from trade. American dominance has also meant that Australia has only needed to [spend](#) 2.0-2.5% of GDP on defence since the 1970s, and the allies' shared system of norms—including freedom of navigation—has dominated. However, China has begun to contest this order which means that Australia will not be able to accrue all of these benefits indefinitely. China will not give up its quest for dominance in the SCS as doing so would be tantamount to giving up its dream of national restoration. Eventually, it has to push the U.S. out of the sea, and the more the U.S. resists, the more unstable the region will become. Additionally, Washington could not cede the SCS to Beijing without undermining its primacy, which is what upholds the regional order. Australia thus faces an inevitable worsening of the regional strategic order, and its SCS policy is a key part of how it responds.

China's challenge to the global maritime commons and the freedom of navigation in the SCS represent a challenge to the rules-based international order, which is one of Australia's strategic defence [interests](#). However, this challenge is not nearly as serious as many Western commentators assume. China's aim is not to weaken the entire system; rather, it is trying to adjust certain aspects of the existing system in a fashion that Beijing views as commensurate to its new status in the world. Australian and American culture is quite universalist, so we reason that the infringement of one norm must damage the whole system. China does not think that way—in particularist Chinese culture, circumstances determine how practices and ideas should be applied. Take the issue of artificial islands as an example. Does it really harm the whole of the United Nations Convention on the Law of the Sea (UNCLOS) if Beijing receives 12 nautical miles of territorial sea around its sandcastles? It is a peripheral detail. On the other hand, China's pretensions to limit naval activity in its exclusive economic zone (EEZ) do threaten UNCLOS as a whole. The EEZ norm is already contested—[18%](#) of the world's countries hold a divergent position—and EEZs comprise about 30% of the world's oceans, particularly in areas with high marine traffic. So should Australia conduct FONOPs within China's EEZ?

Only if it cares more than China about the issue, which it does not. For Australia, the EEZ issue is about a cherished principle—the freedom of navigation—whereas for China it is about physically reestablishing control over its maritime frontier after two centuries of national impotence. This motivational discrepancy means that Beijing will have more willpower than Canberra in any standoff should China choose to confront future Australian FONOPs. China’s rapidly growing armed forces also mean that it will eventually have local military superiority in its maritime backyard. If Australia would be forced to back down later, why start now?

The SCS is also a litmus test for how Australia will balance its two most important relationships. Put simply, Australia is dependent on the U.S. for security and on China for prosperity. Recently, one of America’s most senior navy commanders [called on](#) Australia to conduct FONOPs in the SCS, and Washington unofficially expects Canberra to support it there. However, if Australia refuses, it will not lose any alliance benefits. Extended deterrence would still hold: The U.S. could not revoke its guarantee without destroying ANZUS. It is also unlikely that the U.S. would threaten to curb intelligence sharing or arms transfers: The U.S. has to retain all its allies for the growing confrontation with China, and it specifically needs access to intelligence collection facilities at [Pine Gap](#). Australia’s location is also essential for American force dispersal as the range of China’s missile arsenal increases. A refusal to conduct FONOPs might weaken ANZUS, but not in any tangible sense.

By contrast, Australian patrols in the SCS would most certainly damage ties with China. China views external involvement in its territorial disputes as efforts by an American-led coalition at Cold War-style containment. Leading China scholar Dr Wu Xinbo [notes](#) that Australia’s ever-closer alignment with the U.S. on strategic issues is “ring[ing] alarm bells in China,” and a Defence Ministry spokesperson [deemed](#) the recent deepening of ANZUS “a product of Cold War thinking.” The degree to which Australia engages in the SCS will thus determine how committed it is to what China sees as a hostile attempt to curb its rise. Australia is highly vulnerable to punishing trade restrictions: Professors Mark Beeson and Jeffrey Wilson [write](#) that “the Australian economy is now structurally dependent on narrow economic ties with China that are extremely vulnerable to exogenous shocks.” China has a history of curbing trade when its neighbours anger it. In September 2010 it reportedly [restricted](#) the export of rare earth metals to Japan over an incident in the East China Sea, and in 2012 it quarantined Philippine fruit exports in retaliation for the Scarborough Shoal standoff (70% of Philippine bananas are grown for export to China). In recent months, state-owned media like *China Daily* have indirectly [threatened](#) economic consequences if Australia meddles in the SCS. If China decided to punish Australia, iron ore would be the logical target. Around three quarters of Australia’s iron ore exports go to China, which [account](#) for 17% of Australia’s total export earnings. Canberra could afford to offend its closest ally over the SCS; it cannot risk provoking its largest trading partner.

China also has the potential to quickly become far more aggressive in its territorial disputes. The country is currently undergoing an immense recalibration from an export-led manufacturing economy to one fuelled by domestic consumption. It needs thorough economic reform if it is to escape the middle income trap, and currently this is happening far too slowly. This opens the possibility of social discontent—the Chinese people have an implicit [social contract](#) with the Communist Party (CPC) in which they give up certain freedoms in exchange for rapidly increasing prosperity. If growth slows too much, the CPC may feel compelled to shore up its support by provoking its neighbours and stoking hyper-nationalistic sentiment. China would become more belligerent in the SCS, and the region's nations would move closer together to oppose it. This could be propagandised into a unifying narrative to bolster the CPC's support (Vladimir Putin has used a similar [strategy](#) in Russia). If Australia had become more committed in the SCS, such a scenario could be extremely dangerous. As a faraway country with no direct stake in the dispute—and a far less capable navy—Australia could make an enticing target for nationalistic harassment in the face of social and economic crisis. Financial experts are currently [predicting](#) that China faces an inevitable financial [reckoning](#) in the coming years due to its massive post-2008 debt expansion, which could create a wider economic [downturn](#). A sudden economic crisis could cause Chinese belligerence to increase rapidly. Even if under current conditions limited Australian FONOPs proved to be relatively inoffensive, policymakers cannot assume that this state of affairs will continue.

In the long run, China's continued military buildup and its successful strategy of 'salami-slicing'—slowly carving out zones of control in the SCS without provoking armed retaliation—will continue to convert the SCS into a Chinese lake. Past resolution and stabilisation measures have failed, so there are two likely futures for the SCS: instability and escalating confrontation or creeping Chinese dominance and a loss of American control. In neither of those scenarios would it benefit Australia to have a long-running program of FONOPs in the SCS.

The best option for Australia would be to continue with Operation Gateway. It cannot be seen as an escalation by China because it has been ongoing for thirty years. Gateway uses aircraft, not ships, which present fewer options for harassment. The program is also unpublicised—with a recent accidental [exception](#)—which avoids provoking China's nationalistic netizens. Most importantly, it informally accomplishes exactly the same thing as formal FONOPs: Operation Gateway maintains the status quo. Enhanced regional capacity building is another way Australia can safely bolster the status quo. China's SCS neighbours are hopelessly outmanned against the China Coast Guard—the CCG has over 100 long-range ships, while Indonesia, Malaysia, the Philippines and Vietnam have only 40 coast guard ships [combined](#). Canberra could use the Australian Military Sales Office and the Defence Cooperation Program to provide its friends in the SCS with decommissioned ships suitable for their

coast guards. This program is not new, but it could use renewed focus on capacity-building to help offset China's maritime law enforcement advantage.

Australia should also improve its credibility when advocating for the international rules-based order by resolving the Timor-Leste border dispute. The location of the boundary line is [inconsistent](#) with international norms, and to date Australia has refused to submit the issue to international adjudication. This [damages](#) Australia's credibility. China is likely to ignore the ICJ's pending ruling on the legality of its nine-dash line, and unless Australia submits itself to the Court, it will not be able to credibly criticise China's rejection of international law.

Australia should also call China's bluff on the 'public goods' provided by its new artificial islands. The alleged purpose of these installations is search and rescue, meteorological observation, and scientific research. Foreign Minister Wang Yi has [stated](#) that "China stands ready to open these facilities to other countries upon completion." Australia should take China up on this ostensible offer. Foreign Minister Julie Bishop did [ask](#) Wang "how other nations could access these public goods" on a recent visit to China but does not appear to have received a positive answer. If this indicates an equivocal refusal, Australia should publicise that it requested and was denied permission to make use of China's new facilities. This would prove China's 'public goods' excuse for SCS militarisation to be a cheap ploy, which would highlight its illicit behaviour in the court of world opinion.

Finally, if Australia faces increasing pressure to support the U.S. by conducting FONOPs in the SCS, it could demur and instead offer enhanced basing rights. This would support both ANZUS and the regional strategic order. The U.S. is aiming to disperse its forces in order to mitigate the vulnerability caused by the ever-growing range of Chinese missiles, and it is currently in talks with Australia to regularly rotate B-1 [bombers](#) and aerial tankers through RAAF bases in Tindal and Darwin. Canberra could concede more frequent (or even functionally permanent) deployment of American bombers in the Northern Territory as compensation for refusing to undertake SCS FONOPs. This would mitigate the harm that such a refusal would cause to ANZUS.

All of these options are low-risk ways in which Australia can safely pursue its interests in the SCS. Committing ships to FONOPs there would involve future costs that Australia is not willing to pay. Australia's stake in the SCS is tangential compared to China's vehement interests there.

Power politics have returned to East Asia after a long hiatus, and Australia must adjust—it can no longer afford to solely rely on values-based foreign policy. Australia must take a long-term, grand strategic view of the SCS. When it does, it will realise that its interests there are best served by staying out.