J. Ken Rhodes
*jkr@rhodesresearch.org · rhodesresearch.org*

# Words Are the Weapon

*China's South China Sea Playbook, the Unity Problem, and Why Deterrence Requires More Than Policy*

Ten years have passed since the Permanent Court of Arbitration ruled decisively in the Philippines' favor on the South China Sea — invalidating China's nine-dash line, rejecting its artificial island claims, and finding repeated violations of Philippine maritime sovereignty under UNCLOS. China signed UNCLOS. China ignored UNCLOS. And, as it has every year since 2016, Beijing's Foreign Ministry reaffirmed that it "neither accepts nor recognizes" the award and will never accept any claim predicated on it — while simultaneously pressing territorial and resource claims through its Ministry of Natural Resources that depict the Philippines as the destabilizing actor.

This is not contradiction. It is the operating system — the logic that governs every Chinese action in contested domains, legal, maritime, economic, and diplomatic.

China's foreign policy runs on a dual-track legal opportunism Western analysts often misdiagnose as hypocrisy. It is not that China fails to live up to its stated principles. China has no stated principles beyond interest. International law is not a framework of norms for Beijing; it is a toolbox. The WTO is a shield against tariffs and a sword in trade disputes. UNCLOS is irrelevant in the South China Sea and suddenly relevant when it supports a Chinese position elsewhere. The UN Charter's sovereignty provisions are sacred when applied to Taiwan and nonexistent when applied to Philippine territorial waters.

The double standard is not a flaw in the strategy. It is the strategy.

And ten years of watching this playbook in action has produced one lesson Western policymakers still refuse to internalize: words without cost are not deterrence. They are permission.

Beijing is not the only actor who has learned this. One claimant has spent three years testing whether the same weapon can be turned around.

## The Unity Problem

The obvious countermeasure is allied unity — NATO and ASEAN presenting a coordinated front that raises the cost of continued non-compliance. The obvious countermeasure doesn't work, and China built the reason why.

ASEAN did not issue a collective statement directly addressing China's South China Sea conduct until 2023 — seven years after the ruling — and even then avoided naming China explicitly. This is not diplomatic timidity. It is structural. China is the largest trading partner of most ASEAN members, their primary infrastructure financier through BRI, and a dominant source of tourism revenue. The economic track was architected precisely to create veto players inside ASEAN — members whose domestic political calculus makes collective action impossible.

The Strait of Malacca and the Taiwan Strait each moved over $2.4 trillion worth of goods in 2024 — roughly 21 percent of global maritime trade, according to CSIS's 2026 chokepoint analysis. The South China Sea as a whole handles more than 30 percent of global maritime crude oil trade, per the U.S. Energy Information Administration; Chinese state media has separately put the figure as high as 40 percent. This is not a territorial dispute. It is a central artery of global commerce, and China is in the process of placing its hand on the valve.

ASEAN members understand this better than anyone. Their inability to act collectively on what they know individually is the gap China is counting on.

Unity without leverage is not strategy. It is theater.

## The Manila Experiment

One claimant has stopped waiting for the coalition and started testing the weapon directly. In February 2023, following a Chinese Coast Guard vessel's laser strike on a Philippine ship near Second Thomas Shoal, the Marcos administration adopted what officials call "assertive transparency": documenting every gray-zone encounter and publicizing it immediately, rather than managing it quietly through back channels. The Philippine Coast Guard now embeds journalists on resupply missions specifically so that Chinese water-cannoning, ramming, and blocking happen on camera, in real time, for an international audience.

It has produced a real domestic effect: by July 2024, 61 percent of Filipinos were calling for a complete withdrawal of Chinese vessels from disputed waters — a level of public consolidation that would have been unreachable through diplomatic notes alone. What it has not produced is a change in Chinese behavior. China Coast Guard vessels fired water cannons at Philippine resupply boats again in March 2024, shattering a windshield and injuring crew, with cameras rolling throughout. As one recent assessment put it bluntly: transparency without operational leverage fuels escalation and favors the coercer, because China has shown it can simply absorb the reputational cost.

That is the honest lesson of the Manila experiment, and it is the lesson the coalition needs before adopting the same weapon at scale: publicity alone does not deter. It only works paired with a cost China cannot absorb by shrugging — which is exactly why the WTO sequence below has to run as one instrument, not four separate ones.

## The WTO Lever — and China's Counter

China should never have been admitted to the WTO on the terms it received. That is history. But the architecture of that mistake is also the architecture of a potential solution — and China knows exactly how to defend it.

China's 2001 WTO accession was premised on a theory: membership would produce a market economy, rule-of-law compliance, and genuine integration into the international order. None of those commitments have been honored. China built a state-capitalist structure designed to extract WTO benefits — export market access, dispute resolution standing, most-favored-nation status — while avoiding obligations through subsidies, forced technology transfer, and currency management. It gets the benefits of the rules-based order on the tracks where it wins and opts out on the tracks where it doesn't.

The WTO angle is powerful because Article XXI — the national security exception — is the only legal hinge that connects maritime coercion to trade security in a single forum. The sequence:

First, a joint legal brief — US, EU, UK, Japan, Australia — formally connecting Chinese maritime behavior to trade security under Article XXI. Not a tariff action. A legal argument on the record that forces every WTO member to take a position.

Second, a BRI transparency initiative — coordinated demand that all BRI infrastructure contracts be disclosed to WTO as potential subsidy instruments. China refuses, which is itself the answer.

Third, a preferential trade framework — fast-tracked bilateral agreements with the Philippines, Vietnam, and Indonesia offering market access conditioned on public reaffirmation of the 2016 ruling. Make alignment pay.

Fourth, a coordinated Article XXI action — triggered if China escalates at Scarborough Shoal or Second Thomas Shoal. Not a tariff on all Chinese goods. A targeted surcharge on Chinese shipping transiting lanes adjacent to contested features, framed as a navigation security levy. Legally novel. Politically defensible. Economically real.

**Expect China to counter each of these individually. That is not evidence the tools fail — it is the reason they cannot be used one at a time.**

China's response will be immediate and sophisticated. It will invoke the WTO panel's 2019 ruling in *Russia – Traffic in Transit*, which held that Article XXI is not totally self-judging — the first and only WTO ruling to test the provision's limits. It will fracture coalition resolve among members with less appetite for a prolonged legal fight. It will reframe BRI disclosure demands as Western interference in sovereign bilateral agreements. It will offer selective concessions to whichever claimant shows the most wavering, breaking the three-country coalition before the alternative materializes. And if the coalition pursues a navigation levy, China will announce a South China Sea Transit Regulatory Zone — using the coalition's own legal logic to justify the territorial administrative control it has sought for a decade.

## The Coalition Fracture Strategy

This is China's strongest card, and it knows it. Sustained multilateral economic pressure on China fractures far faster than most observers expect once China applies targeted bilateral pressure. The EU-China Comprehensive Agreement on Investment is the clearest recent case. The EU, US, UK, and Canada sanctioned Chinese officials over Xinjiang in March 2021; China responded within weeks with counter-sanctions on members of the European Parliament itself; the European Parliament froze ratification of the CAI — seven years in the negotiating — within two months.

Coalition unity did not erode gradually. It broke almost immediately once China made the cost personal to the individuals who would have to vote on it.

Germany's exposure to Chinese auto markets, France's Airbus sales, South Korea's semiconductor supply chains, Australia's iron ore dependency — each member has a bilateral pressure point China has already mapped and will activate sequentially. China will offer Germany a trade concession, offer France a diplomatic accommodation, pressure South Korea through rare earth export controls, and signal to Australia that iron ore demand is adjustable. Each individual offer is cheaper than absorbing coalition pressure.

Coalitions fracture not because members are disloyal but because their domestic political incentives respond to bilateral pressure faster than to multilateral solidarity. Democracies operate on electoral time horizons. China operates on strategic time horizons. That temporal asymmetry is not incidental — it is the core of China's leverage.

Simultaneously, China will frame the entire effort as Western powers using international institutions to contain a developing country that built infrastructure where the West invested nothing. The Global South's largely abstentionist response to Western Ukraine-sanctions diplomacy demonstrates the receptivity to this narrative. China will call every vote, fund every think tank paper, and amplify every voice that advances the argument that Western rule-of-law claims are selectively applied. The double standard becomes a coalition-building tool among non-aligned states that would otherwise remain neutral.

## The Economic Front Is the Same Front

The maritime operating system and the trade operating system are not two systems. They are one system running on two tracks. The same opportunism that treats UNCLOS as optional treats the WTO's subsidy disciplines the same way — China takes the market access and most-favored-nation treatment the rules provide while running the state-subsidized industrial overcapacity those rules were written to prevent. When flooded export markets provoke anti-dumping duties, Beijing invokes the very trade rules it has hollowed out, casting the defensive response as the violation. The instrument is picked up and set down exactly as it is in the South China Sea.

Transshipment completes the pattern. Rerouting goods to launder origin and evade duties exploits the same institutional seams the maritime strategy exploits

— customs enforcement, trade policy, and origin verification sit in separate agencies that do not compare notes. The laundering routes run through the same Southeast Asian states caught in China's economic gravity. Vietnam is at once a South China Sea claimant Beijing pressures and a primary conduit for the transshipment that blunts Western tariffs. The economic coercion and the maritime coercion are not adjacent problems. They are the same hand on different valves.

Tools without unity are not strategy. They are noise.

## The Real Asymmetry

The problem is not that the West lacks the right policy tools. The tools described above are real — the WTO lever, the preferential trade framework, the BRI transparency demand, the navigation levy. Each targets a genuine vulnerability.

The problem is that China operates as a unified strategic actor while the coalition it faces operates as a committee. And committees do not deter.

The mechanism that makes dual-track diplomacy work is attention fragmentation. The trade audience never sees the maritime audience's argument. The UN audience never connects the WTO filing to the Scarborough Shoal construction. Each track runs in a separate information environment with separate stakeholders who never compare notes. Western institutions respond to each track individually — trade lawyers handle the WTO case, naval commanders handle freedom of navigation, diplomats handle UN statements — and China exploits the seams between those institutional silos as systematically as it exploits the seams between ASEAN members.

Washington's own bureaucratic architecture mirrors the problem it is trying to solve. State handles diplomacy. Treasury handles sanctions and trade. Defense handles military posture. Each optimizes for its own track. No single institution owns the full cross-domain response. And deterrence fails when no institution owns the whole problem.

China runs a unified strategy from a single decision-making center. The United States runs coordinated but separate responses from institutions with separate budgets, separate oversight committees, and separate incentives.

That asymmetry is as consequential as any specific policy lever.

Which is why the Washington question is the only question that matters: does the United States have the institutional will to run a unified response across all tracks simultaneously — and sustain it past the next election cycle, the next bilateral negotiation, the next German chancellor who needs a deal?

The historical answer is no. China has made a strategic bet on that answer remaining no. Every year the ruling recedes without cost, that bet pays off.

The ruling has lost none of its legal force. What it has lost is the political will to make non-compliance expensive — and that will can only be rebuilt by treating China's dual-track strategy not as a foreign policy problem to be managed bilaterally, but as a systemic challenge to the international order that requires a systemic response.

China picks up the law when it helps and sets it down when it doesn't. The coalition that wants to change that calculus must be willing to run all tracks simultaneously — unified, sustained, and faster than China's ability to fracture them. That is not a policy proposal. It is a political decision. And it is one Washington has avoided making for a quarter century while China built the architecture that makes avoidance increasingly expensive.

If the coalition continues to respond track-by-track while China acts systemically, the South China Sea ruling will not merely fade — it will become precedent for the erosion of the entire rules-based order.

Manila already found the coalition's missing piece, even if it hasn't yet found the leverage to make it work: words carry no cost by themselves, from either side. What the third step of the WTO sequence gets right, and what the coalition has not yet scaled, is forcing *reaffirmation* — a public, on-record commitment to the ruling, tied to something a claimant actually wants — rather than merely broadcasting the footage and hoping the world is watching. China perfected the art of speaking without paying for it a decade ago. The coalition's task is not to out-shout Beijing. It is to make its own words, backed by market access, sanctions, and coordinated law, finally cost something to ignore.

*J. Ken Rhodes holds a Master's degree in Economics and spent his career in private equity, capital markets, and financial regulation, including service as Chief of Securities for the State of Tennessee. He writes independently on strategic competition and institutional architecture at Rhodes Research (rhodesresearch.org).*