



From Structural Shift to Strategic Behaviour: Explaining the South China Sea Crisis through Neo-classical Realism

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Abstract:

The commencement of 21st Century brought the structural shift in global politics. Throughout the Asia given the structural incentives and constraints underscored the dominance of United States of America and the rising China. Implications of this structural adjustment have been vividly experienced in the South China Sea. Consequently, two observations have been noticed firstly, the decline of US presence and its uni-polar structure as a global hegemon, secondly, the rise of contradict ideological power under the grip of People's Republic of China. Remarkably, these structural shift takes place due to the changing the world order from uni-polarity to multi-polarity. In the present paper it has been examined that the structural factors like material and military capability do affect the strategic behavior of a nation but it cannot do so alone. Moreover, study has found the internal dimensions and factors like leadership, decision making and governing apparatus, ideology and other domestic factors has potentially affect the foreign policies in international politics. A detailed literature review underscored there are ample of literatures and discourses are available to analyze either systemic factor or domestic variables but there are very less studies are available which comprehensively explained such transmission in the South China Sea. Focus of the present paper is to analyze the both (internal and external) factors which contribute to the structural shift in the South China Sea. By following to the first objective secondly, it tries to explore implications of this structural shift and the roles played by the intervening variables of the states.

Key words: *Neoclassical Realism; South China Sea; Structural-shift; Small Powers; Hedging Strategy*

1. Introduction

World is witnessing an unprecedented Structural change where the power politics of Globalized World is shifting from the west to the east. Anaemically it can be simplified that there is no more the influence of the United States (U.S.) can be seen in the world. Rather extra regional powers turned into parallel paradigm

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by showing their presence alongside the U.S. There are eminent scholars who have argued that one reason for the uncertainties in the world politics is because of the US is no more in the position to act as the international police guard certainly, extra regional powers who have the capabilities to challenge the dominance of United States with divergent national interest has emerged (Kagan, 2016; Peng & Ngeow, 2022). Thus 21st century is the century of development with uncertainties perhaps these uncertainties can be experienced in many parts of the globe. The most potential volatile area which occupies pertinent attention in present time is the South China Sea crisis (Raymon & Welch, 2022).

This tributary of the Pacific Ocean is surrounded by the countries Taiwan, Malaysia, Indonesia, Vietnam, Brunei, Cambodia, Singapore, Philippines, and People's Republic of China (PRC). According to U.S. Energy Information and Administration- *"the sea stretches from Taiwan Strait to the North-East to the Malacca Strait and Singapore to the South-West. It is demarcated from the Indian Ocean by Malacca Strait. South China Sea is a critical trade route, almost worlds 65% of trade use to pass through this sea. It is vividly speculated that 10 billion barrels of petroleum and 6.7 trillion cubic feet Liquefied Natural Gas (LPG) passed through the South China Sea region"* (U.S. Energy Information Administration, 2024). The region is not only important from the geopolitical perspective in East and Southeast Asia, certainly the region has strategic significance too (Farvel, 2011). Thus, South China Sea is the unfolding contestation for many great powers. Like United States, France, United Kingdom, countries of South East Asia and Far East Asia like Japan, South Korea, Australia, and India were also having the presence for their strategic calculations. Here the statement of notable maritime strategist Alfred T. Mahan- 'Those who controls the sea can control the world' nicely fitted (Manship,1964). Littoral countries of this region using multiple strategies ranging from internal, external to hedging strategy to join either the militarily and materially powerful US or its competitor China. However, in this context, it can be synthesized the importance of the littoral countries in the structural power competitions between the great and super powers.

Some of the Countries like Indonesia, Malaysia Brunei were directly or indirectly influenced by the policies and the initiatives of PRC on the other hand Philippines once was the colony of US claiming its rights over East China Sea mainly in two Islands namely, Spratly and Scarborough notwithstanding the compromise on trade with PRC (Glaser, 2012). Vietnam having its own stand over the South China Sea and not willing to compromise with any extra regional and super powers. Moreover, United States who was acting as the watch dog of the region now is in the position to come up with resurgent policies and strategies to confront with China to preserve the Sea Line of Communication (UNCLOS) in general and to show its



dominant presence in particular (Gill, 2023). Speculations have been found, this strategic shift is because of the multi-polar, multilateral and multidimensional world structure. (Flockhart, 2015).

In present multi-polar world order structural changes has been taking place not only because of the anarchical structure which Waltz has argued (Waltz, 1959), notably other intervening factors like internal leadership, decision making pattern, domestic interest and other has also led to the changes in the world order, which eventually acts as intervening variables to influence contestation in the South China Sea (dependent variable). These factors can be attributed within the governing systems of a country (Gill, 2023).

The existing literature discourses and works were primarily focused either on the structure on the international relations or the sub-states variables. Very less works has found which compiles both independent and intervening variables to generalize the issues of SCS. Apparently, this paper seeks to comprehensively analyse the changing structural shift in the South China Sea additionally, what are the forces that led to such shift which covertly influenced the strategic behavioural pattern of regional states.

2. Neo-Classical Realism: A theory to analyse the present International Structure

In the realm of International Relations Theories, Neo-Classical Realism represents itself as not a new theory. However, it acts as the filtration to the Structural Realism (Neo-Realism) by adding the core values of Classical Realism (Cerioli, 2025). The Structural Realism both its offensive and defensive variants argues that the international system is anarchic, where there is no world government (Waltz, 1959). While underscoring the Structural Realism from its materially and militaristic apparatus and its structural constraints pertaining to it, Neo-Classical realist argues that there is no direct transmission belt between the material attributes of the international system and the behaviour, engagements, and overall foreign policy choices of a state given that the latter is influenced by state leaders and elites vis-à-vis their interpretation of the state's relative capabilities in the system (Rose, 1988; Ayoob, 2002). Although neoclassical realists acknowledge the dominance of the objective reality of relative power in the international system over domestic factors, the theory rejects the idea that such systemic realities can directly and immediately affect state behavior (Zakaria, 1992; Rose, 1988).

This is where a contribution of the neo-classical theory has been emphasized with its inclusion of sub-systemic variables along with applicable systemic variables to present a more comprehensive picture of foreign policy choices of states. Neoclassical realism therefore takes the material and military distribution of power among states in the international system as the independent variable and the perceptions and ideas



of state leaders and elites as the intervening variables. These intervening variables serve as a bridge between the effects of the international system and specific foreign policy decisions of states (Ripsman, Taliaferro & Lobell, 2016).

To add more theoretical clarity, it is important to identify the independent, intervening, and dependent variables that have been incorporated throughout the study. Structural forces (independent variable) such as the overarching US-China power competition in South-east Asia; US Hub and Spoke system by which US exert influence through material and military capabilities; assertive rise of China and its expansionist interest over SCS and the emerging powers like Japan, South Korea, India and Australia's arching strategy have been shown and operationalized. Moreover, domestic forces (intervening variable) such as political institutions, economic constrain and incentive, states defence capacity, ideology and leadership operationalized largely through the perception and ideas of state leaders of engaged countries. Nonetheless, interrelation of independent and intervening variables and its implications into the foreign policy outcomes over South China Sea has been treated as dependent variable.

3. Structural shift in South China Sea

Neoclassical realism underscores the importance of structural incentives and constrains in determining the trajectory of a nation's foreign policy (Gill, 2016). Contextualizing the cases which is under study such as - Chinese assertive policies towards SCS, the US's preeminent dominance through military and material capability, the unfolding tension and power competition between US and PRC and the emergence of extra regional powers are the structural factors that broadly affecting the domestic and foreign policies of littoral countries of the SCS (Gong, 2018).

Before going to dwell upon the security crisis in South China Sea it is imperative to analyse and explore the structural shift of present context. It has been speculated by many scholars that the present century is the Asian century (Kishore, 2022). Apparently, it is true as it covers about 30 percent of Earth's total land area with 4.6 billion people (60 percent of the world's population), Asia is the largest and most populated continent that is the home to 48 countries furthermore continent has been divided into five main sub-regions which include Western Asia, Central Asia, Eastern Asia, Southern Asia, and South-Eastern Asia. These regions are highly diverse with different economies, governmental systems, demographics, and geographical landscapes. The regions GDP has increased by 42.72 trillion in 2024 (World Economic Outlook Data, 2024).



However, it was not so from the beginning, perhaps the world was dominated by the West. Till the beginning of 20th Century, world was under the influence of Europe more particularly England. The paradigm has got slight shift thereafter the end of Second world. The world was divided into two power blocs, USA and Union of Soviet Socialist Republic (USSR). Almost all the aspects ranging from the economy to military-politico-socio were controlled by these two ideological power blocs. Ironically after the end of cold war more particularly after 1991 the world order has been portrayed as a uni-polar where only one super power existed i.e., United States of America. These plethora of unipolarity succumb the geo-politics of the world till 2001. Unfortunately, after 9/11/2001 attack on the US sovereignty shackled a grip of USA control and domination over the world (Mearsheimer, 2010). Thus, some of the pertaining avenue that could lead to the Structural Shift has been synchronized below:

3.1. Beijing's Expansionist Policies and Assertive Rise:

Belt and Road Initiatives (BRI) of PRC (2013) is another case of concern that led to the power shift in the SCS in particular. Chinese officials in their strategic policies designed this initiative for modern means of Foreign Policy and economic ambitions. BRI of China concentrates mainly its southern and western command, it tries to foster its relations with neighbour in SCS through incentives and concession to continue Beijing's domination on the other hand enlarge its potential to central- west Asia, notwithstanding towards Europe and America. The main strategic objective of Beijing through this big project is to engage with western part through its economic and resource while diverting the potential conflict in SCS with major Asia-Pacific Powers. (Hussain, et.al., 2021). Besides this the Chinese aspiration which is primarily based on three core principles- firstly, to boost its economic development and networks, secondly, to show its dominant presence through modern critical defence technologies, and lastly, to bring back the utopian ideology of communism and authoritarianism are the prime factor that diverting the attention of the west from the Europe to the SCS (Hayton, 2017; Zeng, 2022). Neoclassical realism's emphasis on structural forces provides an important understanding of not only incentives, but also constraints and challenges faced by states and how these issues reflect their foreign policy trajectories. Accordingly, the rise of China also continues to be an increasingly relevant structural component that influences the domestic foreign policies of its neighbours in SCS.

3.1.3. US Material and Military Capability in South China Sea:

US represent itself as the development and economic partner and security provider in the SCS. The US bases remained operational since the cold war period which signifies the alliances to small but more



significant countries of the region. The annual military and naval exercises and the official visits with these countries leverage the interest of these smaller countries to bend towards Washington (Hayton, 2014) for their overall development and security. US play an important role in building material and military capacity in the time when SCS is witnessing tumultuous structural shift. This forward-looking initiative in SCS illustrates the undeniable importance attributed to US (Gill, 2023).

The central reason behind the scene from US is to preserve the Sea Line of Communication in the region in general and to contain China's assertive rise in particular. The US view China as the threat to its global hegemony. The growing belligerence in the sphere of financial power, military dispersion and geopolitical influence and technological race compel US to give re-boost attention in SCS (Zeng, 2023 and Teixeira, 2019). Analysis shows that the unfolding competition between United States and PRC in trade led to the military and technological contestation. Speculation from eminent scholars indicates that US is no more alone to show its superiority (Pant, 2016).

3.1.4 Emergence of other Regional Powers:

The new paradigm shifts now only experienced the contestation between United States and PRC, moreover extra regional powers and their potential to influence the structural architecture has a significant role to play. Contemporary geopolitical milieu has shown many extra regional powers such as - Japan, South Korea, Australia, India, United Kingdom, France, Germany, etc. they also want to show their presence in the region (Hayton, 2014).

The neoclassical theory tends to answer the question- Why small littoral countries of SCS now finding new partner after United States and China? Though the theory points to the limitations of the structure in directly changing the behaviour of states, neoclassical realism acknowledges that while states may delay in adhering to the signals sent by the structure, it is unlikely that they will ignore them completely due to possible strategic repercussions. Countries like Philippines and Vietnam while acknowledging the importance of US they don't want to be over dependence on US vis-à-vis other areas of strategic engagements. At the same time, they want to reap the economic benefit from China not at the cost of expansionism. These leaders are now coming up with the new alternatives (Gill, 2023). The rise of Japan, South Korea, Australia and India in this context and their growing decisive role as an Asian security provider serve as a significant structural incentive to the littoral countries adjoining in SCS. These littoral countries are now expedited to maximize their relations with their likeminded countries in the context of security and defence cooperation (Kimura & Welch, 1998; Chapman, 2017).



4. Security Implications and the Small Potential Powers:

The structural shift and the visible strategic behaviour of a nation which has been experienced in South China Sea has produced a significant security implication thereby not only a major power alongside small and middle power of the region has significantly got influenced. Several avenue and literary works shed a light upon the US and PRC (N.A., 2021) and their influential role however, security architecture of the region have equally has had a profound implication on the smaller littoral states such as – Philippines, Vietnam, Malaysia, Indonesia, and Singapore (Acharya, 2014). Contextualizing this security conundrum from the lens of Neoclassical Realism it has been observed that the behaviour of these states is not solely influenced by the systemic structure alone rather their strategic responses are equally shaped by internal political, economic, and institutional forces (Rose, 1988).

Visible implications of SCS crisis have been experienced due to the rapid militarization and material incentive and coercion in the region. China's artificial island building move, increasing military infrastructure, and expansion of critical technologies and its naval capabilities have led to the fulcrum of structural shift (Joyner, 1998). Although this all move acted as a means to achieve China's national interest perhaps its implications propel a sense of strategic vulnerability among small powers. The reason for such vulnerability due to lack of defence capacity to balance China's uncertainty. Consequently, these littoral nations have adopted some strategies to cope up with the structural shift. These strategy ranges from internal strategies, external strategies, hedging and other related strategies which is determined not solely by the distribution of power in the international system rather it depends upon nations domestic many factors (Gerstl, 2020) such as political and institutional leadership, economic reliance, defence capacity, and not least national strategic culture.

Internal strategies can be considered as the nation's self-defensive strategy by way of strengthening their own defence capacity, improvement of maritime surveillance system to enhance deterrence against the potential aggressor. For instance, Vietnam invested in underwater submarine capabilities, coastal defence system, and the procurement of oil. Similar case has been found in the context of Philippines; by investing more on military modernization programs Philippines has improving its naval and air capacity (Bostwick, 2019). However, problem such as limited economic and technological resources which most of the littoral states facing. Therefore, nations have often come up with the external balancing strategies thereby littoral states strengthening security partnerships with major powers (Kuik, 2021). These partnerships include joint military exercise, joint research and development, defence agreement and intelligence sharing are the name of few. Such partnerships indirectly allow small nations of the region to indirectly balance the potential



aggressor. Present study also found that apart from internal and external strategies, small states are also coming up with the hedging strategy. Hedging strategy to some extent has been regarded as the diplomatic move of nations. Smaller nations are comparatively are not in a position to direct confront with China or any other potential aggressor (Kuik, 2021). However, they pursue strategy nations are not totally rely upon anyone single power. Eventually, many Southeast Asian nations are economically relying upon China but on the other hand maintain a security ties with other major likeminded powers consequently these nations pursuing flexible foreign policies (Raymon & Welch, 2022).

From the neoclassical realist perspective, it can be generalized, while structural changes due to rise of Chinese belligerence in the region, the US strategic involvement and showing its undeniable presence and the emergence of middle powers as a decisive player, the response of the small littoral states are filtered through domestic political and institutional structures, leaders' perceptions, states capability and strategic culture. Perhaps, Neoclassical realist captures a dynamic posture to illustrate how smaller states pursue a flexible foreign policy amid both systemic pressure and domestic constraints (Gill, 2016).

5. Conclusion

The analysis has shown that the SCS crisis reflects not only a conventional crisis for power autonomy rather it reveals to the fact that a structural shift in the regional security order fundamentally shaped by shifting power distribution and competing strategic interests. Remarkably, present paper explained, external pressure alone cannot fully synthesize the behaviour pattern of small littoral states. While the rise of Chinese assertive posture in the region and the strategic major power contestation, the responses of the small states has significantly varied. Perhaps this variation underscored the core insight of Neoclassical Realism. Moreover, the strategic choice of these littoral nations ranging from balancing (internal and external) to hedging reveals not only external security confront but also internal political and strategic power calculation alongside economic incentive. However, this contextual environment of SCS becomes a valid empirical case study for Neoclassical Realism, as it generalizes how similar littoral states move differently under the same structural condition due to variations in domestic intervening variables. Ultimately, the SCS issue is not merely a contested game of great powers rather underscored the importance of small powers operating under the contextual environment of asymmetry and anarchy.



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