

THE SOUTH CHINA SEA AWARD CHINA COULD HAVE ABSORBED

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China's rejection of the 2016 South China Sea arbitral award is often read as proof of resolve. But calibrated compliance may have served Beijing's long-term interests better than outright defiance. By rejecting the award, China transformed a limited legal setback into a wider strategic liability.

China treated the 2016 South China Sea arbitral award as a ruling too costly to accept. Ten years later, the greater cost may have come from rejecting it. Beijing preserved its claims and continued to assert control at sea. However, it also damaged the country's legitimacy, hardened Philippine resistance, internationalised the dispute, and helped turn a legal defeat into a recurring test of regional order.

The argument is not that China gained nothing from its defiance. It avoided the appearance of conceding to a smaller neighbour. It preserved flexibility around the nine-dash line. It maintained pressure in contested waters. But these gains came with accumulative price. China's non-compliance made its South China Sea position more visible, more contested and more expensive to sustain.

Compliance is Not Surrender

The award was damaging to China's legal position, but it was not existential. The [12 July 2016 award](#) did not decide sovereignty over land features, nor did it delimit a maritime boundary. It dealt with issues under the United Nations Convention on the Law of the Sea (UNCLOS) including historic rights, maritime entitlements, the status of features, interference with Philippine sovereign rights, traditional fishing, environmental harm and dangerous vessel manoeuvring.

This distinction matters. China could have maintained its sovereignty claims over land features while accepting that maritime entitlements must be based on UNCLOS. It could have respected Philippine sovereign rights in areas found to fall within the Philippines' exclusive economic zone and continental shelf, while continuing to negotiate sovereignty and boundary questions separately. It could have shifted from maximal ambiguity to a more balanced legal position. In other words, China's choice was not between full victory and surrender. It was between absorbing a limited legal defeat and turning that defeat into a permanent political problem.

The Cost of Total Rejection

Beijing chose total rejection. In its [official response](#), China declared the award "*null and void*", stating that it had "*no binding force*". That language may have been useful domestically but it compressed China's diplomatic room. It made later adjustments harder and tied Beijing to the most legally vulnerable version of its South China Sea position.

Before the award, China's maritime claims benefited from ambiguity. The nine-dash line could be presented as history, sovereignty, jurisdiction, security interest, or negotiating position, depending on the audience. After the award, ambiguity lost much of its legal utility. Continued reliance on the line looked less like a dispute over interpretation and more like a refusal to accept legal constraint.

Compliance would have forced China to narrow its claims. But non-compliance turned those claims into a symbol of defiance. That has been strategically costly.

Internationalising What China Wanted Bilateral

China has long preferred to manage South China Sea disputes bilaterally. The award complicated that preference. By rejecting it outright, Beijing made it easier for other States to frame the issue not simply as a China-Philippines dispute, but as a test of UNCLOS, maritime order and the credibility of peaceful dispute settlement.

The effect has been cumulative. The [Asia Maritime Transparency Initiative's Arbitration Support Tracker](#) shows that a significant group of governments have publicly called for the ruling to be respected, while others have issued generally positive statements. The point is not that international opinion has compelled China to comply. It has not. But it has made Chinese conduct easier to criticise and harder to legitimise.

This is the paradox of non-compliance. By refusing to absorb the award, China helped keep it alive. The ruling became not only a Philippine legal victory, but also a diplomatic reference point for Japan, Australia, the United States, the European Union, and other actors concerned about maritime order.

Hardening Philippine Resistance

China's rejection also changed Manila's incentives. Had Beijing pursued calibrated compliance, it might have weakened Philippine efforts to mobilise external support. Instead, repeated pressure at sea made the award useful not only as a legal document, but as a foundation for transparency, deterrence and coalition-building.

The Philippines' position has hardened, especially under President Ferdinand Marcos Jr. Manila has publicised Chinese actions at sea, strengthened defence cooperation with the United States, and expanded security ties with Japan, Australia, and other partners. In July 2024, [Reuters reported](#) that the Philippines rejected the use of force to undermine its South China Sea interests, while the United States and European Union again called for respect for the 2016 ruling.

This shift did not happen because of the award alone. Philippine domestic politics, US-China rivalry, and Chinese operational pressure all mattered. But China's refusal to comply helped revive the ruling as a strategic instrument. It gave Manila a legal language for resistance and a basis for seeking external support.

The military dimension is now increasingly visible. In May 2026, reportedly, [Japan fired an anti-ship missile](#) during a joint drill with the United States, Australia, and the Philippines, facing the South China Sea. Such activities are not caused solely by the arbitral award. But they show how China's post-award conduct has fed a broader pattern of balancing and minilateral security cooperation.

The Burden of Physical Enforcement

Non-compliance also imposes operational costs. Where legal legitimacy is weak, physical enforcement must be continuous. China has to keep proving control through coast guard patrols, maritime militia presence, mock blockades, water cannons, administrative assertions, and surveillance. Each episode can produce diplomatic protests, media exposure, alliance statements and further counter-mobilisation.

This is not a cost-free strategy. It requires resources, incurs reputational damages, and increases the risk of incidents. It also makes China's claim to peaceful rise less persuasive. Beijing presents itself as a defender of multilateralism against Western unilateralism. But in the South China Sea, its rejection of a UNCLOS tribunal award makes that argument harder to sustain. The reputational cost is not abstract. Smaller States in Southeast Asia may not want an outright confrontation with China but they watch how Beijing treats legal constraint when vital maritime interests are at stake. Non-compliance has, therefore, affected not only China's dispute with the Philippines, but wider perceptions of Chinese power.

The Nationalist Trap

A primary obstacle to "*calibrated compliance*" is the domestic political risk it poses to the Chinese leadership. Having spent decades leveraging popular nationalism and framing the "nine-dash line" as an uncompromisable symbol of national rejuvenation, Beijing has tied its own hands. In the eyes of a domestic public primed for strength, any partial concession to a Western-linked tribunal would look like weakness or capitulation, rather than clever diplomacy. Consequently, intense domestic pressure locks the leadership into a rigid posture, forcing Beijing to prioritise internal political stability over its international reputation.

However, by feeding this nationalist tiger, Beijing risks creating a dangerous feedback loop, where future crises cannot be easily defused through diplomacy. Ultimately, this reliance on domestic fury to justify maritime policy traps Chinese decision-makers, increasing the risk of an unintended military escalation that Beijing might find politically impossible to back down from. With the benefit of hindsight, the award actually offered an strategic opportunity.

A Missed Strategic Opportunity

A more calibrated response would not have solved the South China Sea dispute. Sovereignty claims would have remained unresolved. Maritime incidents might still have occurred. ASEAN would still have struggled to form a common position. But China could have reduced the award's political force by appearing restrained, legally serious, and regionally responsible. Instead, Beijing converted a manageable legal setback into a durable strategic liability. It preserved operational room at sea, but at the price of trust. It kept pressure on other claimants, but strengthened the case for balancing. It defended ambiguity, but made that ambiguity appear coercive rather than diplomatic.

The lesson is not that international law automatically constrains great powers. The South China Sea shows that it often does not. The lesson is more subtle: non-compliance can be strategically costly even when it succeeds tactically.

China's choice was not between victory and humiliation. It was between absorbing a limited legal defeat and making that defeat a permanent symbol of mistrust. Compliance would have narrowed China's maritime claims. Non-compliance has narrowed China's regional legitimacy.

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