China Maritime Strategy Since 2018: Tactical Appeasement or Strategic Evolution?
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Abstract
Tensions in the South China Sea have not disappeared, although China did not take further possession of disputed features since 2017. Actually, China’s position has not changed, and the appeasement moves towards Japan, hoping for a decoupling between economic and strategic issues, or towards Southeast Asian nations, are tactical moves. An attempt to limit the negative consequences on China’s image and counter the formation of regional and extra-regional coalitions. At the meantime, faced with recent developments, a debate has emerged in China, between those who defend Xi Jinping’s assertive strategy, and those who now consider that it has had negative consequences for China. The most likely scenario in the short term is, therefore, that of stabilization with alternating periods of tensions and appeasement, depending on the reaction of Beijing’s “adversaries,” first and foremost the United States, to China’s moves in the South and East China Seas. The risk of a large-scale military confrontation is unlikely in the current state of the balance of power, unless the United States chooses to favor an appeasement strategy with the PRC that could be interpreted in Beijing as a show of weakness or disengagement. This potentially very destabilizing possibility cannot be completely ruled out. However, by withdrawing from the South China Sea, the United States would run the risk of weakening its overall posture, ultimately compromising its fundamental interests in an area of vital strategic and economic importance.

The People’s Republic of China (PRC) did not reverse its territorial objectives in the South China Sea. It occupies the entire Paracel Archipelago and seven “features,” not recognized as “islands,” in the Spratly Archipelago. In 2018, it continued filling and building work on the rocks or banks that China controls.1 However, Beijing did not carry out any new occupation and, at the 31st Association of Southeast Asian Nations (ASEAN) Summit held in Manila in November 2017, it signed the Treaty of Friendship and Cooperation with ASEAN. It also declared its readiness to resume negotiations on the implementation of a Code of Conduct, initiated without significant real progress in 2013.2

In August 2018, a new proposal for the Code of Conduct, including the protection of the marine environment in the South China Sea, which has been severely degraded by China’s

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1 In the Spratly Archipelago, the People’s Republic of China has occupied Cuarteron Reef, Fiery Cross Reef, Gaven Reef, Hughes Reef, Johnson Reef, and Subi Reef since 1988 and Mischief Reef since 1995. It controls access to Scarborough Shoal without having taken the step of a formal occupation, since 2012. See https://amti.csis.org

2 Carlyle Thayer, ”ASEAN, China and the Code of Conduct in the South China Sea,” SAIS Review of International Affairs, n° 2, 2013 https://www.researchgate.net/publication/265983542_ASEAN_China_and_the_Code_of_Conduct_in_the_South_China_Sea
dredging operations was written. However, this draft had many shortcomings. It did not precisely define the geographical scope of the South China Sea, severely limited the role of external parties, and specified that the possible signing of a Code of Conduct did not question the territorial claims of the parties involved.\footnote{Carlyle Thayer, “A Closer Look at the ASEAN-China Single Draft South China Sea Code of Conduct,” \textit{The Diplomat}, 03-08-2018.}

These developments, which seemed to play in favor of appeasement in the South China Sea, are, in part, the positive consequences of the 2016 judgment of the Den Hague Court of Arbitration, which rejected all Chinese claims in the South China Sea. Indeed, while refusing the validity of the Court’s conclusions, China chose to stabilize its positions in Southeast Asia, rather than make further territorial progress. Beijing is also concerned about the strengthening of US engagement in the South China Sea at a time of tensed relations with Washington. In that context, Beijing’s appeasement strategy—including with important neighboring countries such as Japan—proposals for cooperation on a ”maritime silk route,” or attempts to divide ASEAN are part of the same agenda for the evolution of the PRC’s regional strategy.

With the Philippines, despite ups and downs, the disputes are far from over. Since President Duterte came to power in June 2016, Manila has agreed not to address the issue of the decision of the Den Hague Arbitration Tribunal, which was in favor of the Philippines’ claim. President Duterte implemented an appeasement strategy with China in exchange for pledges of economic assistance and access to fisheries resources for Filipino fishermen in the areas claimed by the PRC, including Scarborough Shoal.\footnote{Aries A. Arugay, “The Philippines in 2017: Security Challenges in a Time of Conflict and Change,” on http://www.nids.mod.go.jp} However, in 2019, incidents involving Chinese fishing boats, coast-guards, or planes around territories claimed by the Philippines in the South China Sea did not cease.\footnote{China is blockading Philippine boats from accessing Scarborough and Thomas Shoals. The latest incident occurred in October 2019, prompting the Ministry of Defense to file a protest.}

\textbf{China has not abandoned its ambitions in the South China Sea}

While the PRC adopted a less offensive stance in 2017–2018, it has not abandoned its territorial claims and strategy to control the South China Sea. China has thus continued to militarize all the territories, sandbanks, or rocks it occupies with the construction of runways to accommodate its strategic bombers, the deployment of anti-aircraft capabilities, observation equipment (radars), and the construction of port infrastructure.\footnote{Kerry K. Gershaneck, “China’s Plan for Conquest of the South Pacific,” 07-09-2018 on http://asiatimes.com} In May 2018, for the first time, the first H-6K strategic bomber, capable of carrying nuclear warheads, operated from Woody Island, in the Paracel Archipelago. In April of the same year, the first LSM and LAM missiles were deployed on the backfilled rocks of Subi, Mischief, and Fiery Cross Reef.

This “operationalization” of Chinese controlled features in the Paracels and Spratlys gives Beijing extended projection capacities, to the southern part of the South China Sea, up to the borders of Indonesia, and the South Pacific. It facilitates naval and air patrols and joint-forces exercises in the area.

From a strategic point of view, the South China Sea could be transformed into a bastion for the implementation of an anti-access (A2AD) strategy designed to increase China’s room for maneuver in Asia against the United States. In the event of a real conflict, the defense of islands far from the mainland, proves illusory. However, in peacetime, for “grey zone” operations involving fishing flotillas and naval law enforcement coast-guards, Chinese “artificial anchors”
in the area offer significant opportunities. The filling work and constructions to increase the surface of China’s held features also make it possible—even if China acts outside any framework recognized by international organizations like the United Nations Convention on the Law of the Sea (UNCLOS)—for Beijing to try and enforce the principle of its sovereignty over the area.

According to the Global Times, a nationalist newspaper often used to unofficially express opinions from the Chinese Communist Party (CCP) leadership, “China has every right to build everything it believes necessary on its territory in the South China Sea to defend its interests and security.” Beijing officially considers that the filling and militarization operations that were carried out in 2017 and 2018 are both “reasonable” and legitimate, despite the commitments made to its Southeast Asian neighbors to negotiate a draft Code of Conduct mentioning non-use of force.

Maritime expansion in the South China Sea is also a priority of President Xi Jinping’s more assertive strategy. This was one of the first missions assigned to a “combat ready” People’s Liberation Army (PLA), with the development of the Southern Command, which controls Taiwan and the South China Sea. On October 1st 2019, for the 70th anniversary of the PRC, as in 2015 for the commemoration of the end of the war with Japan in 1945, the military parades focused on missiles. These were the DF-21D, “aircraft killer” in 2015 and the DF-41 ICBM, with a claimed capacity of multiple warheads, in 2019. Both are deterrent and part of a “communication” strategy to delay US intervention in case of a Chinese offensive, at the service of the CCP’s survival strategy, in the South or East China Sea.

While China, since 2016, has been more cautious, this has not prevented the continuation of tensions in maritime areas wherever possible. This makes it more doubtful that a lasting solution based on the joint development of resources, which has often been mentioned but never implemented, will be found either in the East or South China Sea. With the multiplication of Chinese presence and exercises in the area, involving navy and coast-guard vessels, incidents have increased, involving regional and extra regional powers and the United States.

In September 2018, a collision was narrowly avoided with an American destroyer, involving a Chinese coast-guard vessel. In June 2019, the Philippine Secretary of National Defense protested against the sinking of a Philippine fishing boat by a Chinese coast-guard vessel. In the Taiwan Strait, in the Northern part of the South China Sea, Beijing is also attempting to challenge the principle of freedom of navigation by intimidating vessels, including French vessels, that do not respect the PRC’s unilateral territorial claims. Around the Senkaku archipelago, Chinese incursions never ceased, even if they became “routine,” mobilizing Japanese naval and air patrol capacities.

Beijing has the largest coast-guard fleet in the world, with more than 200 vessels, including several new large vessels over 1500 tons. Since December 2018, the coast-guard has also been

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7 Zhuang Guotu, Xiamen University, in Zhao Yusha, “Land Reclamation to Expand in South China Sea Islands,” Global Times, 05-02-2018.
9 “‘Prepare for War’, Xi Jinping Tells Military Region that Monitors South China Sea, Taiwan,” South China Morning Post, 26-10-2018.
placed under the direct authority of the Central Military Commission headed by Xi Jinping.\textsuperscript{13} An illustration of Beijing’s “fuzzy” strategy, that restricts the use of PLA navy in order to remain in the framework of “civilian” law enforcement operations, and avoid being accused of “military aggression.” From 2011 to 2017, 75% of the 53 major incidents that occurred in both the South and East China Sea, involved coast-guard vessels.\textsuperscript{14}

**A constant strategic challenge for the countries of the region**

All countries in the region are concerned by a strategic challenge that can be turned “on” or “off” by the Chinese leadership according to their priorities. In spite of not being officially concerned by China’s territorial claims, Indonesia has reaffirmed its commitment to reinforcing the protection of its maritime sovereignty, particularly concerning fishing rights and—potentially—hydrocarbon resources at the borders of its exclusive economic zone (EEZ). In 2017, Indonesia published new maps renaming the South China Sea, where incursions of Chinese vessels had increased, “North Natuna Sea,” to confirm its sovereignty over the region.\textsuperscript{15}

For Malaysia, a party to territorial claims over part of the South China Sea, the issue is considered a major problem both by the political leadership and the armed forces. While Malaysia used to favor a less confrontational posture with China, the new Malaysian authorities, since the re-election of Prime Minister Mohamad Mahathir in 2018, have reiterated their opposition to the concept of a “nine-dash line” claimed by Beijing. They also reasserted their commitment to the law of the sea based on UNCLOS and negotiated settlement involving all regional actors, without use of force or coercion.\textsuperscript{16}

Malaysia also denounces the incursions of Chinese civilian and military vessels. These incursions were reported to have increased by 30% in 2017, to test the Malaysian authorities’ willingness to react. Since then, they did not cease, sometimes involving dozens of fishing boats. For Malaysia, the issue of the South China Sea is all the more vital as it divides East Malaysia, where the States of Sabah and Sarawak are located, and Peninsular Malaysia. China is trying to favor a bilateral agreement, mobilizing, in particular, the attractiveness of its economic power as in the case of the Philippines, but mistrust persists.\textsuperscript{17} Far from accepting China’s offers, Prime Minister Mahathir chose to renegotiate an infrastructure building agreement signed by his predecessor.

For its part, the Philippines is still on the front line of confrontations with China in the South China Sea, although President Duterte’s election partially changed the situation in relation to the PRC. The new President has chosen to appease Beijing and try to take advantage of China’s economic opportunities. Since his election, there have been many high-level exchanges between Beijing and Manila, including President Xi Jinping’s visit to the Philippines in 2018.

At the same time, the Philippine President, who claims that he cannot forcefully oppose Chinese demands, particularly around Scarborough Shoal, is also seeking to maintain a balance with other regional and extra-regional powers, including Australia and Japan. The latter has provided the Philippines with reformed coast-guard patrol vessels as part of capacity building cooperation with Manila. Similarly, the links between the Philippines and the United States have

\textsuperscript{13} Previously, the coast-guard was placed under the authority of the oceanographic safety authority.

\textsuperscript{14} https://amti.csis.org


\textsuperscript{16} Thomas Daniel, “Key Issues Impacting Malaysia’s Security Outlook” on https://www.nids.mod.go.jp

\textsuperscript{17} Bhavan Jaipragas, “Malaysia Looks to Chinese leadership, but not on South China Sea” on https://www.scmp.com/week-asia/geopolitics/article/2168119/malaysia-looks-chinese-leadership-not-south-china-sea
not been severed. Strengthened since the election of Donald Trump, who does not stress the “human rights” issue, and the involvement of US forces in controlling radical Islamist insurgency in Mindanao in 2017.18

Another frontline State, Vietnam, places sovereignty issues in the South China Sea against China at the forefront of its strategic concerns. For Hanoi, the stakes are multidimensional, involving issues of territorial sovereignty, including Beijing’s pressure to ban all drilling or exploration in areas claimed by the PRC, and Beijing’s drilling operations in areas under its control. In July 2017, Vietnam had to suspend its exploration operations in the Block 136-03 under pressure from China, and in 2019, China conducted its own exploratory operations in areas claimed by Vietnam.

Beyond territorial issues, the question of the delimitation of EEZs, and free access to potential resources is also essential for a state like Vietnam. Finally, as the Den Hague Tribunal has demonstrated, global legal issues concerning the law of the sea are also at stake. Like the Philippines, in the face of coercive actions by the PRC, Vietnam is also pursuing an active policy of strategic balance towards the United States and Japan.19

The issue of EEZ delimitation and access to resources, be it oil, gas, or fishing, is also a major issue, apart from the protection of territorial sovereignty for Japan. In the East China Sea, China’s official claims on EEZ extend up to the shores of Okinawa, including the whole continental shelf. Japan suspended its exploration activities in the East China Sea, despite China’s own drilling and access to resources across the dividing line between the two EEZs.

**Did Chinese developments in the South and East China Seas change the status quo?**

China has mobilized a diversified range of instruments, involving coercion, economic cooperation, diplomatic pressure and legal warfare, to change the status quo in the South and East China Seas. If successful, that multilayered strategy could be applied to all areas where Beijing has claims not recognized by international law. This could also potentially concern areas in the Arctic, where China imposed its concept of “quasi-Arctic State.”

However, the PRC does not go beyond limits that could raise the risk of an external intervention. At the legal level, Beijing tried—without success—to impose a maximalist interpretation of Article 58 of UNCLOS concerning the military activities by foreign vessels on EEZs.20 China ratified UNCLOS in 1996, but with reservations on special economic zones and the continental shelf following its own “maritime law” adopted by the National Assembly in 1998.

At a more global level, China’s position on the implementation of UNCLOS sheds light on how Beijing views the international system and the liberal order. While the PRC has signed and ratified UNCLOS and does not seem ready to withdraw from it, compliance with the rules initially accepted depends on a constantly shifting balance of power and the interests unilaterally defined by the Chinese authorities themselves.

Similarly, with even weaker legal foundations, China is trying to extend the concept of “historical rights” to impose recognition of its claims in the South and East China Seas. These legal maneuvers are accompanied by filling and construction activities to support Chinese claims and consolidate its presence. The objective is to impose a “fait accompli,” that could change the position of Beijing’s neighbors and the international community.

However, despite these efforts, that also attempt to impose the idea that China’s strategy and

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18 Aries A. Arugay, op.cit.

19 Tran Truong Thuy, “Tempering the South China Sea Slow Boil: Expanding Options for Evolving Disputes,” https://www.nids.mod.go.jp

raise are ineluctable, Beijing has suffered several setbacks. The most important, both legally and in terms of image, is the judgment of the Den Hague Court of Arbitration in 2016. China used its full economic weight to limit the severity of the EU’s joint declaration, and the judgment does not include any mandatory implementation clause. However, all China claims have been rejected and, since then, while rejecting the very principle of the legitimacy of the Tribunal, Beijing has limited its use of the concept of “nine-dash line.” Also, the decision was very positively received in Southeast Asia and Japan, further highlighting the isolation of the PRC on the issue of the South China Sea. In Europe, if some countries played a role in toning down the EU declaration, the image of the PRC has been degraded, and the EU’s China strategy is far more cautious than it used to be.21

Above all, the more aggressive strategy followed by Beijing since Xi Jinping came to power, despite the economic opportunities offered by the BRI (Belt and Road Initiative) designed to regain the support of the countries in the region, has in turn triggered a backlash that aim, at a minimum, to rebalance Chinese power. At the ASEAN level, regional initiatives have been put in place, which, while not openly targeting Beijing for diplomatic reasons, take into account Chinese progresses in the region. In Indonesia, the document defining the country’s new ocean policy emphasizes maritime defense, in response to new risks related to trafficking and the environment. The naval forces are expected to be significantly strengthened with the acquisition of 90 new vessels, including 42 deep-sea patrol vessels and 12 submarines.22

The evolution is the same in Malaysia, reinforced by the return to power of Prime Minister Mahathir, who has adopted a less conciliatory stance regarding China. Here too, new resources to strengthen the capacity of the coast-guard are planned to deal with Chinese incursions.23

In June 2017, Indonesia, Malaysia, and the Philippines established trilateral maritime patrols officially designed to combat piracy in the Sulawesi area, but which also aim to better control the “maritime borders” of these three States, particularly in the face of incursions by fishing flotillas. Beijing officially protested on behalf of its “historic fishing rights” but could not stop the initiative.24

In the East China Sea however, the ban on any landing or fishing around the Senkaku islands implemented by the Japanese authorities for the sake of appeasement, the “routine” activities of Chinese vessels in or at the limit of territorial waters surrounding the islands, or the Japanese decision not to pursue gas exploration activities, has sometimes been interpreted by Chinese strategists as a success in imposing a de facto—if not de jure—change of status quo.

Towards the internationalization of the conflict
Above all, while the PRC hoped to be able to contain the management of tensions in the South and East China Seas at the bilateral level, more favorable to its interest because of the asymmetry of economic and military power with all its neighbors, we are witnessing an increased internationalization of the conflict. The reactions, and the opposition to China’s actions and claims extend well beyond the regional framework.

In the United States, President Donald Trump tends to advocate the defense of American interests above all else (America First). However, after some considerations, he adopted a much more hardline position both at the economic and strategic level. Beijing, contrary to initial “hopes,” had failed to “deliver” both on trade and North Korea, which in part explains the Trump administration’s change of attitude regarding China.

22 Gilang Kembara, op.cit.
23 Thomas Daniel, op. cit.
24 Idem.
The incident that occurred in September 2018 between a Chinese vessel and an American destroyer, followed by other incidents in the South China sea involving the navy and air force, fortified American will to enforce their role as strategic stabilizer in the region, with the resumption of Freedom of Navigation Operations (FONOPs) in waters claimed by Beijing. In May 2019, the United States sent twice destroyers within the 12 miles limit of Territories claimed by Beijing, and overflights are increasing.\(^{25}\)

In 2018, Washington also decided not to invite Chinese forces to participate in the joint “Pacific Rim” exercises that had been opened two years earlier as a sign of goodwill. The United States is also pursuing a strategy of rapprochement with other States in the region facing Chinese actions, first and foremost, Vietnam and the Philippines. Moreover, while not directly linked to this issue, US trade sanctions against the PRC also contributes to the strategy of pressure exerted on Beijing.

This strategy is also implemented in coordination with its Japanese ally, which, since the adoption of new, more flexible military export rules in 2014, has been building the capacity of Vietnam’s and the Philippines’ coast-guard fleet and participating in the training of Vietnamese submariners. More concretely, the adoption of new defense laws in 2015 and 2016 allows, with the right of collective self-defense, the participation of self-defense forces in joint patrols, including in the South China Sea. In the fall of 2018, Japan sent a submarine to the South China Sea for the first time.\(^{26}\) In June 2019, an Izumo multi-purpose carrier, the largest ship in the Maritime Self-Defense Force (MSDF), participated in exercises with the United States in the South China Sea.

Japan shares with its neighbors in Southeast Asia the same concerns about China’s ambitions in the East or the South China Sea. In 2018, Tokyo adopted new guidelines for defense capacity development that strengthened its projection capabilities, including the use of Izumo helicopter carriers as aircraft carriers under certain conditions, and the acquisition of longer-range (300 km) ballistic missiles based in Okinawa to protect faraway islands.\(^{27}\) During the Shangri-La Dialogue held in Singapore in 2019, Japan’s Defense Minister has been very firm on the issue of the South and East China Seas, recalling the conclusions of the Den Hague Tribunal. This position coincides with the French one and is one of the foundations of Paris adhesion to the concept of Free and Open Indo-Pacific (FOIP).

Though far geographically, the EU, where France plays a leading security role, has also seen its stance towards China evolve in a less favorable direction. Chinese strategy in the South China Sea has made a significant contribution to that evolution by challenging fundamental principles, including the principle of peaceful conflict resolution, to which the EU is particularly committed. The countries most involved in the region—first and foremost France, which has its territories in the Indian Ocean and the Pacific—has direct sovereign interests in both oceans and regularly navigates the South and East China Seas, have adopted a firm stance accompanied by concrete measures.

In Singapore, in June 2019, the Minister of the Armed Forces, Florence Parly, recalled France’s commitment to the principle of freedom of navigation and overflight wherever international law permits. Similarly, President Macron’s speech in Australia in 2017 and again in 2019, which mentions France’s active support to the principle of FOIP, is a direct response to China’s more assertive maritime strategy. The same applies to the regular passage of French—with UK and EU observers onboard—and British vessels through the South China Sea, challenging warnings


from China in order to uphold the rules of freedom of navigations, including military ships, in non-territorial waters.

**Conclusion**

Tensions in the South China Sea have not disappeared, although China did not take further possession of disputed features since 2017. Actually, China’s position has not changed, and the appeasement moves towards Japan, hoping for a decoupling between economic and strategic issues, or towards Southeast Asian nations, are tactical moves. An attempt to limit the negative consequences on China’s image and counter the formation of regional and extra-regional coalitions.

The fundamental causes of the tensions did not vanish. Concerning resources, beyond energy, access to fishing grounds is becoming increasingly important and is the cause of a majority of incidents with other countries. Beyond that, the question of power rivalry with the United States is an essential factor. Despite uncertainties regarding US engagement in Asia, since Donald Trump came to power, this factor had positive results in checking a more assertive Chinese strategy, as the PRC constantly takes into account in its calculus the actual balance of power.

For Beijing, the unpredictability of the American President increases the risk of incidents and requires greater caution. In terms of principles, the stakes for all powers outside the area are too high in terms of freedom of navigation, respect for the rule of law and the defense of vital economic interests, for the process of internationalization of the conflict to be checked.

Faced with these developments, a debate has also emerged in China, between those who defend Xi Jinping’s assertive strategy, and those who now consider that it has had negative consequences for China, confronted with multiple issues from US trade war to the situation in Hong Kong, and with no means to achieve its ambitions if it faces stiff resistance, particularly from the United States.

The most likely scenario in the short term is, therefore, that of stabilization with alternating periods of tensions and appeasement, depending on the reaction of Beijing’s “adversaries,” first and foremost the United States, to China’s moves in the South and East China Seas. The risk of a large-scale military confrontation is unlikely in the current state of the balance of power, unless the United States chooses to favor an appeasement strategy with the PRC that could be interpreted in Beijing as a show of weakness or disengagement.

This potentially very destabilizing possibility cannot be completely ruled out. However, by withdrawing from the South China Sea, the United States would run the risk of weakening its overall posture, ultimately compromising its fundamental interests in an area of vital strategic and economic importance.

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29 Incidents involving China occur in the South and East China Seas but also in the Pacific, off the coast of Africa and Latin America.