

Prepare for a Stormy 2017 in the South China Sea

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Beijing's behavior over the last six months has not been what many expected after the [Philippines' sweeping arbitral victory](#) in July. There has been no new island-building, no blockade of Filipino marines stationed at Second Thomas Shoal, and no declaration of straight baselines around the Spratlys or an air defense identification zone over the South China Sea. Instead China has launched a diplomatic campaign to woo the new leader of the Philippines, Rodrigo Duterte, and avoided antagonizing other claimants. But this change in tone appears to be tactical, not strategic.

Beijing has not abandoned its long-term goal of hegemony in the South China Sea. It continues to build the facilities necessary to project power throughout the nine-dash line. It has not shown any willingness to moderate its maritime claims or clarify them in accordance with international law. And its harassment of lawful freedom of navigation has on become more brazen, as evidenced by its seizure of a U.S. Navy drone in waters that even China seems to recognize as the Philippines' exclusive economic zone. It is understandable that some observers, especially in Asia, want to believe that Beijing has turned over a new leaf. But it is much more likely that tensions will return with a vengeance in 2017.

On the sidelines of the ASEAN Regional Forum, Foreign Minister Wang Yi said China "[believes] that the temperature surrounding the arbitration case should be lowered. Regarding the

South China Sea issues, it's time for all to come back to the right track." He [told reporters](#) that China would seek to conclude a "framework" for a code of conduct (COC) with ASEAN regarding the South China Sea by mid-2017. Chinese media then reported a number of "breakthroughs" at an August senior officials' meeting with ASEAN counterparts, including guidelines for a hotline to manage maritime emergencies and to apply the Code for Unplanned Encounters at Sea (CUES) to the South China Sea.

But [skeptical observers](#) have noted that both the hotline and the application of CUES to disputed waters had been agreed upon at least a year earlier and repeated on multiple occasions since. The COC, meanwhile, has been pursued for more than a decade with virtually no progress. There is no reason to believe that the logjam will suddenly be broken in the next few months. Without any clarification of Beijing's claims, it is virtually impossible to agree on the geographic scope of a COC. It is also unlikely that China would agree to make any such agreement binding. Without overcoming those hurdles, any framework reached this year would be a largely hollow gesture.

Beijing's change in tone toward Manila has contributed greatly to hopes of a détente in the South China Sea, but a closer look indicates less substance behind the recent shift. After China's leaders feted Duterte during his October visit to Beijing, Philippine officials claimed the president had reached a "[friendly agreement](#)" on access for Filipino fishermen to Scarborough Shoal. In response, [the Ministry of Foreign Affairs](#) in Beijing insisted, "The Chinese side has always been exercising normal jurisdiction over Huangyan Dao [Scarborough Shoal]. The situation is and will remain unchanged."

[Satellite imagery](#) shows that the China Coast Guard continues to block the only channel for safe access to Scarborough Shoal's lagoon and patrols around the feature. Filipino fishermen have been allowed to operate around the outside of the shoal, but only at China's forbearance, as they have frequently since China seized it in 2012. The situation at the shoal is certainly better than it

was from July to October, when Beijing seemed to block all access following the arbitral award, but it is not markedly different than it has been for much of the last four years. And without any formal agreement over continued Philippine access to Scarborough, the current accommodation by Beijing looks more like a temporary olive branch to the Duterte government than a sustainable new status quo.

Some might see the current détente at Scarborough as a blueprint for a larger accommodation between China and the Philippines. But progress on the other flashpoints in the South China Sea, especially those at the heart of the arbitration case, is unlikely. China will not abandon the military base it has constructed on Mischief Reef nor accede to permanent Philippine occupation of Second Thomas Shoal, despite the court ruling on both points. There is also no clear path forward on natural gas extraction at Reed Bank, which the tribunal ruled belongs to the Philippines and which Manila desperately needs to tap to replace the rapidly depleting Malampaya field. The Philippine constitution appears to prevent the Duterte government from offering China joint development except in the form of a commercial agreement [under Philippine law](#), which Beijing will not allow.

Beijing's recent diplomatic niceties have not been accompanied by any slowdown in its construction of military facilities in the Spratly Islands. [Satellite imagery](#) ahead of the ruling revealed ongoing construction of hangar space for 24 fighter jets (a full regiment) and 3-4 larger planes at each of the three largest Chinese artificial islands, at Fiery Cross, Mischief, and Subi reefs. All of the fighter hangars have now been completed and the larger hangars are nearly finished. The region will soon see Chinese military aircraft deployed in significant numbers, at least on a rotational basis, to the Spratlys.

The number of Chinese naval, coast guard, and paramilitary vessels in the area will continue to grow as facilities at the three large artificial islands allow Chinese assets to consistently patrol the

southern reaches of the nine-dash line as never before. China also continues to construct sophisticated radar and signals intelligence capabilities, bolstering its ability to monitor and intercept vessels anywhere in the area, and advanced anti-aircraft and anti-missile point defenses to protect these new power projection capabilities.

The desire to see Chinese diplomatic softening as a sign of a new status quo is understandable, and it is important that the door be left open for Beijing to deescalate. But China's recent behavior should be seen as the best indicator of its future intentions. Beijing has accomplished its short-term goal of [avoiding widespread censure](#) after the July ruling. But it made no effort to clarify its claims or slowdown military construction, which would have suggested a more long-term commitment to peacefully resolve disputes. It is therefore only reasonable to assume that China continues to seek dominance throughout the nine-dash line, by coercion where necessary. Unlike the Philippines and Malaysia, other countries with a stake in the South China Sea recognize this and are [preparing for heightened tensions](#) as China makes use of its new facilities. The incoming U.S. administration will need to do the same, because the next crisis is likely just a matter of time.

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