

De-combatising the Spratly Disputes

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The possibility of standoffs among the Spratly disputants and especially between China and the US may have increased with the ruling of the Arbitral Tribunal on 12 July 2016. The award has invalidated Beijing's basis for Spratly patrols based on the nine-dotted line. At the same time it lends America new ground for Freedom of Navigation Operations (FONOPs) in the South China Sea (SCS). These are part of the reason for Beijing to reject the arbitration award. To most PLA strategists the ruling is significant in way of militarisation of the Spratly disputes, as it may further stimulate US FONOPs in the SCS.¹ The Spratly disputes have been structured into the geostrategic rivalry occurring among the top powers in the region and beyond. This will further complicate the management of SCS tension. Although militarisation is the typical consequence, this paper argues that the term 'militarisation' is unnecessarily complicated by political meaning that requires careful definition. In addition to this, the crucial international mediatory challenge does not concern militarisation of the disputes among the claimants, but the rising levels of combat capacity between American and Chinese forces in the SCS, partially due to China's reclamation of the islands, but more relevantly due to the 12 nautical mile (12-NM) entry. Therefore any successful demilitarisation needs to commence with de-combatisation of Sino-US naval and aerial encounters in the SCS. At the same time all claimant states and especially the outside powers need to seek the largest common denominator in SCS crisis prevention and management, the denominator that this paper defines as efforts of status quo maintenance based on commitment by all to reject any attempt to use force in seeking to resolve sovereignty disputes.

What does Beijing want in the SCS disputes?

China's SCS policy has long been two-pronged. Domestically it works towards contributing political stability in the narrative of protecting China's core national interests. Externally it aims to help construct a conducive regional security environment for China's rising status in world politics, overwhelmingly through building positive Sino-ASEAN relations based on 1) charming diplomacy; and 2) promoting an Asian asymmetric economic dependence on China for growth at home. An SCS policy of constraints has been crucial to the realisation of these policy objectives. If nobody agitates, SCS dispute enjoys a low priority in Beijing's overall policy hierarchy, both internally and abroad.

Xi Jinping's dialectical SCS policy adjustment

The US pivot has changed the nature and fundamentals of the SCS disputes, from regional sovereignty disagreement to geostrategic strife and major power rivalry. Spratly conflicts have been conveniently leveraged for effective coalition building of ASEAN claimants vis-a-vis China, enhanced US forward military deployment, and consolidation of US-centric Asian security architecture. Western scholars' persuasion of Asian disputants that time is on Beijing's side has instilled a sense of urgency in resolving disputes sooner rather than later.² Consensus on status quo maintenance that

¹David Yang, 'Risk of US-Chinese maritime confrontation increases in South China Sea', *HIS Jane's Intelligence Weekly*, 14 May 2015. Senior Colonel Zhao Xiaozhuo, 'The ruling adds possibility of war in the SCS', *The Global Times*, 13 July 2016, p. 15.

²At an RSIS/Stanford University conference on Southeast Asia security on November 14, 2012 in Singapore, Donald Emmerson called for ASEAN to present a CoC document to Beijing and asked it

had underlined SCS calm for almost a decade in the 2000s has been gradually eroded by the push for dispute resolution, for example, through arbitration.³ A radical alteration to this status quo has emerged, escalating political tension, with the possibility of resolution reduced to zero-sum discord.

More concretely, the Xi dialectics have dictated a number of SCS policy guidelines for Beijing. First, Beijing has to strike a subtle balance between confrontation-aversion and making bold moves to shift the dynamic status quo in favour of China's claims. Secondly, if other claimants see time on China's side and thus push for resolution, China must take pre-emptive measures to anticipate their further encroachment. Thirdly Beijing's countermeasures have to be proportionate to reasonable pre-designated 'red lines' if they are to deescalate tension in exigent times. Fourthly, Beijing's primary SCS policy choice remains largely reactive and retaliatory. In practice, for instance, airport building in the Spratlys was justified as a reactive act to address the miserable reality that China was the only country without a Spratly airstrip among the claimants. Fifthly, Beijing should not be constrained to respond strongly if a perceived provocation occurs, for instance, the killing of Chinese fishermen by foreign sailors.⁴

Beijing's status-quo preference is rationally set on handling urgent domestic and international challenges, but Xi's readjustment does not reject tactical changes in the status quo when opportunity arises. Here the difference between strategic change and tactical change of the status quo lies in whether the map of island occupation is altered by force. Island reclamation changes the shape of reefs but not the current number of islands occupied by each claimant. It may therefore only fall into the category of tactical change of the status quo of islands. This strategic Spratly status quo disadvantages China. Yet changing the map of occupation has to be attained through use of force, which would entail currently unaffordable cost to China. The choice of land reclamation is a lesser evil under the circumstances. Despite adjustment, Beijing adheres to its SCS policy guidance: not to initiate actions that may stimulate a collective ASEAN response and military intervention by outside powers against China's sovereignty claims.⁵ On the other hand, Beijing takes advantage of US reluctance to confront China militarily and ASEAN division on the SCS dispute, so as a great power it has considerable room in which to maneuver.

Setting 'red lines' to protect overall interests

Under enormous constraints China has set an SCS policy and strategy that is not irredentist, confrontational, or zero-sum. The policy's military traits have been effectively offset by China's signing of the ASEAN Treaty of Amity and Cooperation in 2002, which legally decries use of military force. Xi's SCS strategy is primarily meant to serve China's domestic political need – leadership legitimacy and national interests on the one hand and Asian concerns of Chinese external behaviour on the other. So far Beijing may have observed these dialectical and even self-contradictory policy options and have achieved gains vis-à-vis other claimants.⁶ It has gained control of Huangyan/Scarborough Shoal and completed land reclamation of six reefs in the Spratlys with three

to 'sign it.' The 'toilet paper' remark was from a Chinese ASEAN specialist in Singapore-China Forum in September 2012.

³This new mood is indicated by a small number of Western strategists and regional decision-makers who think an intensified pressurised campaign would force China to yield.

⁴The Strategy Research Department of the PLA Academy of Military Science (2013), *The Science of Military Strategy*, the PLA Academy of Military Science Press.

⁵The 12-NM entry in the name of FONOPs is an example used to testify the point. My American colleagues told me that the 12-NM entry would happen regardless of whether China reclaimed the Spratly reefs.

⁶Danny Roy, 'China's Strategy to Undermine US in Asia: Win in the 'Gray Zone'', *The National Interest*, 8 September 2015.

airstrips built, even though the cost was high. To Beijing, without a level of policy adjustment there is no way that these gains can be achieved.

While the author argues that China's commitment to peaceful management of the Spratly disputes is based on cost/benefit calculation, what matters more are tactical approaches that may cause standoffs among the claimant states, with strategic implications. No state in 2013 would have anticipated the effect that the decision of a Filipino captain to arrest Chinese fishermen would have on the overall Spratly disputes. Beijing's despatch of the 981 Oil Rig to the Paracels in 2014 was probably derived from tactical misjudgement, but generated huge strategic outcomes. It seems that nothing is now small for China in the see-saw battle in the SCS – America is waiting for every opportunity to back Beijing into compromise, with each US action met by the Chinese with more determined reaction. The most enthusiastic US advocates for a tough SCS strategy against China warn Washington to avoid being drawn into a showdown with China over the issue.⁷ China would suffer more in standoffs than its small opponents. Its reactionary assertiveness in these maritime conflicts sets certain measures of crisis prevention.⁸ Beijing policy regarding SCS is guided by the following.

1. Not to reclaim Huangyan/Scarborough Shoal. It is a relief to all regional countries that China and ASEAN have reached an agreement that no construction and human habitation will take place in Spratly features without artificial constructions. Although this agreement specifically addresses the Huangyan/Scarborough Shoal issue, it would make further annexation impossible to achieve, but attempt to establish consensus that the existing map of occupation is the new status quo.
2. Beijing may agree to Manila's stipulation that Filipino fisheries continue to harvest the surrounding areas of Huangyan/Scarborough Shoal. This would be an important gesture of conciliation.
3. China has preferred to avoid application of domestic law in the SCS, thereby seeking to evade claims of enforcing territorial occupation of the 9-dash line. Beijing has sought to continue a policy of reliance on naval, merchant naval or coast guard threat, and expulsion.
4. Exploration of resources in sensitive areas should be avoided, given the current tense situation in the Spratlys. This is especially important to Beijing as China is still the only country without an oil well in the disputed areas in the SCS.
5. Beijing determined not to prevent the delivery of supplies to Filipino soldiers onboard a beached ship. China has sought to portray this as a balance between sovereignty claims and humanitarian considerations.
6. Balancing the frequency of patrols in order to derive maximum benefit regarding domestic and international consumption – 'sovereign patrols' for the domestic audience, and 'routine patrols' to maintain sovereign claims at the expense of other claimant states. The typical example is James Shoal. China displays its flag once or twice each year as a statement of sovereignty for its domestic audience. Although flag-waving may not intensify political tension surrounding international claims, it is important that the frequency of patrols be kept to a level that stabilises Sino-Malaysian relations.

⁷James Holms, 'Responding to China's Assertiveness in the South China sea', *NBR Analysis Brief*, 12 June 2015.

⁸Ashly Townshend and Rory Medcalf, *Shifting waters: China's new passive assertiveness in Asian maritime security*, *Lowy Institute Report*, April 2016.

7. Carefully handling fisheries claims in the traditional fishing grounds of other claimants' EEZs. A number of countries, including Indonesia and Malaysia, allow Chinese fishing activities in their EEZs during the bilateral fishing negotiations. There should be more detailed and institutionalised codes to govern such activities.

This list is not exhaustive but should function as a concrete island from which to enable further expansion. If all other parties formulate similar dos and don'ts, at least the status quo and stability in the Spratlys can be preserved with minimum guarantees.

Militarisation is Normal; De-combatisation is Top Priority

Militarisation has become a buzzword in describing the mounting Spratly tensions. It is used in particular to indicate China's construction of defence facilities in its reclaimed islands in the Spratlys. Yet to PLA analysts facilities by themselves do not lead to military confrontation, while FONs inside 12 NM of China's islands may, triggered by likely physical contacts, unless the PLA does not react.⁹ The Chinese interpretation of the term 'militarisation' differs substantially from that of the US, which relies on a more expansive concept injected with doses of political meaning.

According to Professor Austin definitions of the English word 'militarize' range from giving an activity or organisation a military character (with even a small number of uniformed personnel or equipment) to a 'process by which a society organizes itself for military conflict and violence.'¹⁰ This definition is applicable to a nation undertaking comprehensive militarisation as a national goal for the purpose of war. It is probably too broad for defining a situation in which claimant states align military hardware to deal with the military aspects of territorial disputes.

When disputes are structured into major power politics and geostrategic rivalry, militarisation is a useful mechanism for subduing opponents, especially from a position of strength. For instance, a mainstream view in the US Department of Defense regards any other means rather than military as ineffective in dealing with the China challenge in the SCS. This can be attested by its 'lines of efforts' listed in a congressional report:

First, we are strengthening our military capacity to ensure the United States can successfully deter conflict and coercion and respond decisively when needed. Second, we are working together with our allies and partners from Northeast Asia to the Indian Ocean to build their maritime capacity. Third, we are leveraging military diplomacy to build greater transparency, reduce the risk of miscalculation or conflict, and promote shared maritime rules of the road. Finally, we are working to strengthen regional security institutions and encourage the development of an open and effective regional security architecture.¹¹

Theoretically, most of these efforts are embedded in military intensions and capabilities, a clear sign of militarisation of the SCS disputes.

⁹Senior Colonel Du Wenlong of the PLA Academy of Military Science to *News in Focus Today* (今日关注), CCTV-4, 20 July 2016. The Cold War examples are indicative of such possibilities. See David Walker, *Cold War at Sea: High-Seas Confrontation between the United States and the Soviet Union*, Annapolis: Naval Institute Press, 2000.

¹⁰Greg Austin, 'Xi Jinping and Maritime Militarization', *Diplomat*, March 23, 2016.

¹¹ Ronald O'Rourke, *Maritime Territorial and EEZ Disputes Involving China: Issues for Congress*, Congressional Research Service, 27 April 2016.

The nature of militarisation

Spratly militarisation began with the inception of the disputes. In the 1970/80s militarising the Spratlys in way of fortification was a top priority of the ASEAN claimants.¹² Reclamation began with five airstrips built on the reefs as the most convincing proof of militarisation. They accommodate combat aircraft and military transports: Thitu (Philippines); Spratly (Vietnam); Swallow Reef (Malaysia); and Itu Aba (Taiwan). When China began its Spratly occupation in 1988 it constructed defence facilities but remained as the only claimant without an airstrip until 2015. Certainly these militarising efforts have rendered the nature of the disputes more military than diplomatic. Even though the claimants have never ceased to seek political solutions, the military nature of the dispute has greatly complicated the process and outcome.

In recent years, the level of SCS militarisation has risen to a new height. In addition to airstrips, islets have been turned into electronic warfare stations to collect the navigation and flight information of passing civilian and naval ships and aircraft. Personnel record climate and tidal changes in preparation for future combat. Anti-aircraft guns are deployed, and ports are built to handle naval vessels. The military implements the mission of routine patrols in disputed areas and expels fishing boats, often with disproportional force. The list goes on. Military activities in the disputed areas always present the danger of accidental fire and make confidence-building efforts subordinate.

However, Spratly militarisation per se does not cause military conflicts, still less war, even though it causes uneasiness. The fact is that the dispute has been under control most of the time. This is to state that militarisation in terms of fortifying the occupied islets and naval patrols has been a normal historical part of territorial disputes. Militarisation in the form of building defensive facilities in the islets has not changed the collective resolve of all claimants not to resort to force in resolving disputes, nor the fact that no islets have been taken by ejecting others from their occupation in the last 20 years, a valuable contribution of the DoC to the maintenance of the status quo, reflecting the largest common denominator shared by all claimants. A more accurate definition is 'fortification' of the occupied islands. It strips the political meaning from militarisation, which ignites conflict.

Land reclamation and the PLA's strengthened defence construction

China was a latecomer in land reclamation. Its efforts were in response to Vietnam's scaled reclamation efforts and Philippines' consolidation of the airstrip in Thitu Island, although on a much larger scale and at a faster pace. It has substantially changed the shape of the islets it has occupied (tactical status quo) but not the map of occupation by all claimants (strategic status quo), even though the tactical change in status quo has strategic implications, especially in military terms. Yet had China not commenced land reclamation in late 2014, it would have lost all opportunities to do so, given the timing of Xi's state visit to America in 2015, the anticipated regime change in Taipei in 2016, and the ruling on the Philippines' law suit. It would have remained the only country without an airstrip in the Spratlys, an unacceptable outcome for the state. It can be asked why China would undertake construction on such a scale, including three airstrips, although the only answer in terms of cost-effectiveness and military value is indicative of the extent to which China is seeking to maintain claim to the SCS, or at least how Beijing wants to be perceived.

China's new defence facilities in the reclaimed islands, and especially its airstrips, have enhanced the PLA's capabilities for SCS operations and as a result the level of fortification of the islands. For

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instance, the enhanced islands can be used as a mid-way forward base for the PLAN's expeditionary task forces to the Indian Ocean. The three airstrips in the Spratlys can provide emergency logistical, meteorological and other help to PLAN battle groups. More importantly it extends China's territorial air defence depth 1,000 kilometers southward. The reclaimed islands better enable forward signal imagery intelligence, reconnaissance, surveillance and monitoring of crucial SLOCs in the SCS. With airstrips the PLAN SCS troops can deal with a Malacca Strait incident more effectively. Finally the PLAN SCS presence can help counter provocations by other claimants and military activities from extra-regional powers, e.g., the US 12-NM entry into China's islands, through deploying major surface combatants in the newly built ports. All these mentioned above can reduce the PLAN's burden of timely supply to the Spratly islands by overcoming the distance from its nearest Hainan land base. Airstrips are especially useful for this purpose as the transportation of supplies to the Spratlys is frequently disrupted in the Typhoon season.

However, the island defence facilities are of only limited military value in times of major military conflicts. The islands are normally defenceless against precision bombardment. The airstrips' foundations are built upon a soft coral pan that sustains caisson sink concrete with great difficulty. This means that even if the airstrips are solid enough to handle heavy aircraft, their landing and takeoff cannot be too frequent, or it would cause serious damage to the runways: for this reason and others PLA spokesmen claim that the airstrips are mainly for logistical and equipment supplies. In peacetime it is not likely for combat aircraft to be deployed in the Spratlys due to the high temperature, high humidity and highly saline climate. A few months of deployment would reduce the life-span of an aircraft by years. In times of war the airstrips and aircraft would be highly vulnerable to attack and would soon become useless, casting doubt on the prospect of militarisation in this peacetime construction.

Xi's commitment to non-militarisation in the reclaimed islands in 2015 reflected this technical recognition. Politically it was a message that Beijing would not deploy additional weapons systems to the current ones that are exclusively for light infantry usage. Xi's remarks do not mean that China would not station soldiers or military equipment there: no other claimant countries would make such a commitment. More likely it meant that despite the reclamation China would not be the first country to effect military confrontation over the islands. The significance of this commitment is that China will continue to exercise restraint in use of military force.¹³

Combatisation: the danger to be managed

Militarisation is thus not an invitation to combat confrontation by itself, which is most likely caused by the forced annexation of others' islands. This is why China's commitment to the principle of non-irredentism and non-military provocation is important. What is of concern is the possibility of any country moving from militarisation to combatisation, which involves considerable brinkmanship based on military superiority but remains short of military action. It is a sub-state of war that is currently the most dangerous threat to the peace and stability of the Spratlys.¹⁴ It would render all measures of crisis management difficult to sustain.

Conceptually SCS combatisation turns a territorial issue into a national/military security threat that serves geostrategic purposes. Military confrontation normally does not occur among the claimants,

¹³Greg Austin, 'Xi Jinping and Maritime Militarization', *Diplomat*, March 23, 2016.

¹⁴Senior colonel Han Xudong of the National University of Defense, 'The no-war-no-peace threat is no less than war', *Global Times*, 30 July 2016, p. 7.

but rather between major powers,¹⁵ and most likely between the US and China as a result of accident through unintended escalation or miscalculation in the brinksmanship of the FONOPS. Both sides are formulating combat plans to deal with a worst-case scenario. Differing from military actions to secure islands, the Sino–US battles for control of air and oceanic space move well in the outer reaches of the disputed areas. A stronger power would be tempted to use means of combatisation for broader geostrategic objectives.

Reliant on military superiority, it is the foremost practical weapon to force an adversary to yield without engagement. Dominance in crisis escalation is available to the stronger power in generating controllable tension and events,¹⁶ such as the 12-NM entry, to which the opponent responds from a position of weakness. Also, the Carter strategy of isolating China in the SCS dispute could not work without sufficient military pressure on China, which is crucial for an anti-China coalition to emerge. Generally, this concerns the incentives used to initiate limited use of force in order to secure leverage in a crisis.

The elements of combatisation have been structured into US Asian pivot policy with a clear military focus on containing China's assertive rights protection in SCS. The US military pivot has gradually redirected the Pentagon's China policy from hedging towards combat, inclusive of catered war scenarios and materiel.¹⁷ For instance, the US 12-NM entry may gradually slide from an initial diplomatic design based on a tactical show of force into Sino–US military confrontation if the entry becomes frequently routine. When *USS Lassen* passed the Subi Reef area, submarines were deployed nearby in combat readiness.¹⁸ It is anticipated that standoffs will occur when a US vessel deliberately remains stationary within 12 NM of the Mischief Reef to challenge Chinese sovereignty claims. The US has turned the FON operations into presence operations, with three US destroyers – Spruance, Momsen and Stethem – spending extended hours in the proximity of the Scarborough Shoal in July 2016.¹⁹

The PLA has reacted accordingly. Washington's strong response to China's SCS land building in way of 12-NM entry has compelled Beijing to cite grave consequences. Although China and the US have signed six agreements concerning encounters in the air and at sea, these rules of engagement would unlikely function in the SCS: as tactical measures they cannot deal with a strategic design, e.g., U.S military containment of PLA actions in the SCS. And the PLA appears to have determined to deploy more weapons systems if US 12NM-entry pressure mounts.²⁰ This upward spiral of action/reaction dynamics will dominate their combat interaction.

Specifically, combatisation has the following features of militarisation of maritime conflicts:

¹⁵However, standoffs between claimants can also be escalatory under domestic pressure and international incitement. There are signs of offensive arms deployed in the Spratlys. For instance, U.S. media reports revealed that Vietnam deployed Extra Rocket Launchers bought from Israel in the Spratlys. This is a significant move of militarization as the weapon has a long range and is an offensive weapon putting China's three runways at risk. *Reuters*, 10 August 2016

¹⁶Robert Ayson and Desmond Ball, 'Can a Sino-Japanese War be Controlled', *Survival*, Vol. 56, Vol. 6, 2015, pp. 135-166.

¹⁷This is reflected by the famous remarks by Admiral Swift that 'we are ready to fight tonight'.

¹⁸*News in Focus Today*, CCTV-4, 29 November 2015. Apparently Yin's revelation carried an official message to quieten down China's domestic audience. This shows that Xi's non-confrontational U.S. policy has not changed with U.S. FONOPs in the SCS and the 12-NM entry.

¹⁹David Larer, 'U.S. Navy Destroyers Stalk China's Claims in South China Sea', *Navy Times*, 6 July 2016.

²⁰Sam LaGrone, *Naval Times*, 18 July 2016.

1. The focus of military actions has shifted from island-focused to the waters surrounding the islands, where FONs signal clear naval challenge in combat readiness.
2. Two carrier battle groups are no longer just a show of force but preparation for combat actions.
3. Forward deployment of strategic bombers is a sign of challenge-escalation from flights by P3-Cs or other surveillance aircraft.
4. US submarines in the China's backyard is like coming to their own backyard, as claimed by a US nuclear submarine captain. Together with the P8-As they conduct intensive anti-submarine warfare on China's doorstep.
5. Catered military exercises with clear designs of island-seizure and recapture. China has upgraded its routine aerial patrols to the level of combat patrols conducted by combat aircraft, including H-6Ks.
6. The alert of both militaries has been raised.

There are other signs of combatisation that represent a dangerous trend of dispute-escalation in the South China Sea. For instance, suggestions were made to create joint US/ASEAN naval/coast guard forces to patrol SCS waters.²¹ The danger lies in a dual challenge. The Pentagon continues to goad the PLA militarily, but without the intention to escalate such threats to the level of military conflict. In turn this stimulates the PLA to modernise its forces to reduce the capability gap with the US and enlarge that with ASEAN claimants. On the part of China it has greater room for maneuvering than other claimants when the US supports the claimant states but is reluctant to confront China militarily.²² What would be the end result of this situation?

De-combatisation: the most urgent task facing us

The most urgent task facing confronting us is to reduce the level of combatisation for the sake of maintaining peace and stability in the Spratlys. When speaking in a forum in Singapore on 1 September 2016 Vietnam President Tran Dai Quang expressed the view shared by all parties involved: a war would make all the parties in the Spratly disputes a loser.²³ Today the largest common denominator in security-making in the Spratlys is still non-use of force in dispute management. Therefore the likelihood of military confrontation is relatively mild.²⁴

The most dangerous action that erodes the foundation of the non-military use commitment is US 12-NM entry into China-held islands in the Spratlys. To China the primary source of the danger of such an act is the domestic pressure on Xi and the PLA to respond in a sufficiently robust military manner. This is particularly apposite when the US upgrades the FON strategy to the presence strategy mentioned earlier. China's military leader Fan Changlong made an unusual inspection trip to the South Theatre Command where he urged the PLA to step up its combat mode to deal with any emergency situation in the SCS.²⁵

On a more positive note, Washington still places the maintenance of overall Sino-US relations above any military measures vis-a-vis China. The Pentagon has played down the military significance of continuing FONOPs, blaming the B-52 overflight on bad weather. The slow and large bomber had no

²¹James Holms, 'Responding to China's Assertiveness in the South China sea', *NBR Analysis Brief*, 12 June 2015.

²²On U.S. reluctance, see James Holms, cited above.

²³*Lianhezaobao* (Singapore), 2 September, 2016.

²⁴Danny Roy, 'Why China-US tensions in the SCS are manageable', *The Straits Times* May 04, 2016.

²⁵'Fan Changlong's inspection of the Southern War Zone', *The PLA Daily*, 20 July 2016, p. 1.

escorts: a non-combat gesture.²⁶ Admiral Richardson's remarks that the US–China relationship is one of extreme importance and the navy-to-navy part of it bears great responsibility to make sure that each nation works to mutual benefit.²⁷ This underlines the low frequency of US 12-NM entries, which has in a way helped to prevent the bar of SCS militarisation to be lifted to a level that would hurt the bilateral ties beyond repair. Under the circumstances the 12-NM entry is defined more as innocent transits than other possible interpretations. Despite vocal condemnation China has not dramatised the matter of 12-NM entry for the sake of preserving a workable relationship with America. So far both sides appear to have drawn important distinctions between symbolic 12-NM entries to undermine China's extensive maritime claims and a pattern of persistent entries to challenge Chinese sovereignty claims from a geostrategic angle.

Tactically both sides have abided by a series of rules of engagement in the see-saw interaction of the US FONOPs. When *USS Chancellorsville* conducted FONs in the Spratly area (not inside the 12 NM of China-held islands), the PLA frigate *Yueyang* followed her politely for two days, strictly observing the requirement of the Sino–US encounter agreement by keeping a distance of 10 KM and by maintaining constant radio communications with the US captain. To PLA commanders this distance is large enough to avoid collision but is close enough to maintain eye contact with the counterpart. Rather than expressing indignation, the PLAN radio check began with 'talking about weather' and 'have a great day at sea' and resulted in dispatch of a non-confrontational message. While demonstrating adherence to non-military policy a PLAN helicopter was ordered to monitor the motions of *USS Chancellorsville* at a relatively close range: a way to indicate hardness. Yet in the whole process both sides observed a high level of professionalism.²⁸

In the long term, however, the measures of self-constraint need to be institutionalised and structured into stable CBMs. These include:

1. Entry frequency agreements: US FONOPs should be limited to routine patrols currently in practice.
2. China's responses should be proportionate. Shadowing and accompaniment are normal methods monitoring and crisis prevention, rather than ramming or use of military force.
3. No reclamation on the Huangyan/Scarborough Shoal, as China and ASEAN have met agreement on this matter.
4. No qualitative increase of hardware systems in the reclaimed islands, especially of combat aircraft.
5. Establishment of hotline communications between all claimant states, including those between local commanders and troops in the Spratly islands.
6. Reinstating DOC procedures and accelerating negotiations for early signing of the COC.²⁹

²⁶ Jeremy Page, 'U.S. Bomber Flies over waters Claimed by China', *The Wall Street Journal*, 18 December 2016.

²⁷ Sam LaGrone, 'PLAN's Wu to CNO Richardson: Beijing Won't Stop South China Sea Island Building', *USNI News*, 18 July 2016.

²⁸ Rear Admiral Yin Zhou's analysis in *News in Focus Today*, CCTV-4, 2 April 2016. And Helene Cooper, 'Patrolling Disputed waters: U.S. and China Jockey for Dominance', *The New York Times*, 30 March 2016.

²⁹ Some positive progress has achieved, as China and ASEAN have agreed to sign the CoC by the middle of 2017. *Global Times*, 11 September 2016.

All of these actions are relatively achievable under the principle of status quo, which is the most viable way for the largest common denominator of non-use of force to be translated into security-making in the Spratlys.

Conclusion

Xi's major readjustment of China's foreign policy to cope with SCS tension increases the pressure on SCS dispute control. Beijing's more proactive tone and deeds are stimulated by Asia's changing security environment precipitated by the US pivot. It is mentally and materially prepared to contain armed rifts, especially in the advent of US naval 12-NM entry into the Spratly islands. However, Beijing's overall maritime policy has remained fundamentally unchanged: non-irredentist and non-confrontational, as it has to meet other more urgent challenges at home. If the waters in the SCS remain calm the SCS issues remain a low priority in China's overall foreign policy hierarchy. This dictates that Xi's SCS objective is practically oriented towards crisis management rather than a major expansion of occupation.

Beijing's calculated assertiveness serves a number of purposes: primarily for domestic consumption, for deterring further moves by other disputants, and for leaving space for political negotiations with other SCS disputants to restore China's status quo. Using a controlled retaliatory and escalatory strategy to pre-empt further perceived provocations is intended for crisis prevention but may be counter to its original purpose if reactive assertiveness becomes non-proportional; or opposing parties may simply react with more determination and actions, as shown in the 981 incident.

Management of the SCS dispute has encountered structural difficulties. I maintain that efforts to resolve sovereignty disputes through recourse to international law or militarised pressure are forms of zero-sum games that may give rise to military confrontation, and are thereby in nobody's interest. China's pushback is bound to be fierce – it is therefore a priority for all states to acquiesce. As specified by Senator John Kerry at this year's ASEAN foreign ministers' conference, it is necessary to turn a new page in the SCS dispute. The way out seems to be an old one: to seek maintenance of the status quo rather than sovereignty resolution, which only intensifies the disputes.

As pointed out insightfully by Commodore Sam Bateman:

Demilitarising the South China Sea should be an objective of all stakeholders. To this end, China should clarify its claims in the South China Sea and refrain from activities that might be seen as assertive or aggressive. Japan and India should moderate their activities, and the United States should step back from its current naval initiatives, including by not undertaking provocative FONOPs. These prominent players in the South China Sea should all back off from their current military activities, lest the region continue down a track that could lead to more serious incidents and even conflict.³⁰

³⁰Sam Bateman, 'Brinkmanship in the South China Sea helps nobody', *East Asia Forum* 7 June 2016.