

ENCOUNTERS AND ESCALATION IN THE INDO-PACIFIC

PERSPECTIVES ON CHINA'S MILITARY AND
IMPLICATIONS FOR REGIONAL SECURITY

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ENCOUNTERS AND ESCALATION IN THE INDO-PACIFIC

*Perspectives on China's Military and
Implications for Regional Security*

Edited by
Oriana Skylar Mastro

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Perspectives on China's Military and Implications for Regional Security

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Close Encounters with the PLA: Regional Experiences and Implications for Deterrence

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EXECUTIVE SUMMARY

This report examines how the assertiveness of the People's Liberation Army (PLA) has escalated tensions in the Indo-Pacific, leading to dangerous encounters with key regional players, and evaluates how China's actions have influenced countries' strategic planning and deterrence postures.

MAIN ARGUMENT

The significant transformation of the PLA due to Chinese military modernization efforts over the past 25 years has led to a shift in the strategic environment of the Indo-Pacific region. With a 790% increase in defense spending from 1992 to 2020, the PLA has become one of the world's most advanced militaries. Such military modernization, coupled with increasingly assertive behavior, has led to more frequent and dangerous encounters between the PLA and the militaries of countries across the Indo-Pacific. These interactions have heightened tensions, with specific incidents emphasizing the risk of miscalculations that could escalate into major conflicts. Through case studies on Australia, India, Japan, the Philippines, Taiwan, and Vietnam, this report aims to understand the PLA's strategic calculus on escalation, assessing the potential for conflict in the region and exploring shared threat perceptions, regional responses, and implications for deterrence.

POLICY IMPLICATIONS

- To effectively counter Chinese aggression, it is crucial that policy approaches are both clear and consistent, along with a robust active deterrence strategy across different administrations.
- Expanding security cooperation with other nations and strengthening partnerships with the U.S. and like-minded countries are important to strengthening regional security and deterring potential threats from China.
- Military deterrence needs to be balanced with diplomatic engagements, such as summit diplomacy, to reduce tensions and stabilize relations without compromising security.
- Strengthening military deterrence through modernization is key, which includes focusing on asymmetric warfare, adopting a firm stance on disputes, increasing domestic defense manufacturing, and building strong international partnerships.

Over the past 25 years, Chinese military modernization has taken the People's Liberation Army (PLA) from a peasant army with obsolete equipment to one of the largest and most capable militaries in the world. Thanks to a 790% increase in defense spending from 1992 to 2020, most Chinese military equipment in service is now modern, meaning that anything from fighter planes to anti-satellite laser technology is sufficiently advanced to pose a danger to cutting-edge technology.¹ The Chinese nuclear force is now survivable, meaning that enough nuclear warheads and delivery systems would survive a preemptive attack that they could threaten a retaliatory nuclear strike. In October 2021, the People's Republic of China (PRC) became the first country ever to test hypersonic nuclear missiles, prompting the former chair of the Joint Chiefs of Staff General Mark Milley to say, "they have gone from a peasant army that was very, very large in 1979 to a very capable military that covers all domains."² Indeed, with 20,000 more scientists than the United States and a 15% per year average rate of growth in research and development spending over the past 25 years (compared with 3% for the United States), it is no surprise that China is now considered more advanced than the United States in many emerging technologies relevant to warfare, such as artificial intelligence (AI), hypersonics, and quantum computing.³

Conventional military metrics also show how far the PLA has come. While earlier its pilots did not navigate the roughly 40 miles off the coast to the centerline between China and Taiwan, now they do so almost daily. Between September 2020 and September 2021, PRC aircraft flew into Taiwan's air defense identification zone (ADIZ) 250 days of the year.⁴ ADIZ breaches escalated significantly in 2022, with the number of PLA aircraft violations (1,737) surpassing the combined totals of the previous three years. This trend continued into 2023, with 1,674 Chinese aircraft intrusions into Taiwan's ADIZ.⁵ While earlier PLA ships had rarely seen the waters beyond the coasts of the PRC, they now roam the South China Sea, the East China Sea, and the Indian Ocean. China does not yet possess a blue water navy—meaning a naval force capable of operating globally, far from home shores—but it has some global presence thanks to a military base in Djibouti and routine port calls. The PLA Navy is now the world's largest navy with 355 platforms (though it does not yet equal the U.S. Navy in tonnage). China also boasts the largest, most advanced ballistic and cruise missile programs in the world, including an anti-ship ballistic missile that can hit moving ships at sea—a weapon that the United States currently does not have in its inventory.

The strategic environment in the Indo-Pacific has changed dramatically in light of the PLA's ongoing military modernization efforts and increasingly assertive regional behavior. As the PLA operates more aggressively outside its maritime periphery, countries across the Indo-Pacific have experienced a notable uptick in dangerous encounters with it. In Australia's case, unsafe encounters at sea and in the air increase the likelihood of miscalculation, as demonstrated by the recent encounter between the Australian P-8A Poseidon and PLA J-16 fighter aircraft in the South

¹ Oriana Skylar Mastro, *Upstart: How China Became a Great Power* (New York: Oxford University Press, forthcoming 2024), 11; and "SIPRI Military Expenditure Database," Stockholm International Peace Research Institute, <https://www.sipri.org/databases/milex>.

² Jim Garamone, "China's Capabilities Growth Shows Why U.S. Sees Nation as Pacing Challenge," U.S. Department of Defense, DOD News, October 27, 2021, <https://www.defense.gov/News/News-Stories/Article/Article/2824060/chinas-capabilities-growth-shows-why-us-sees-nation-as-pacing-challenge>.

³ Mastro, *Upstart*, 11.

⁴ Thomas J. Shattuck, "Assessing One Year of PLA Air Incursions into Taiwan's ADIZ," Global Taiwan Institute, Global Taiwan Brief, 2021, 14–17.

⁵ Ben Lewis, "China's Recent ADIZ Violations Have Changed the Status Quo in the Taiwan Strait," Council on Foreign Relations, Asia Unbound, February 10, 2023, <https://www.cfr.org/blog/chinas-recent-adiz-violations-have-changed-status-quo-taiwan-strait>; and Greg Waldron, "Fighters, ASW Aircraft Dominate China's 2023 Aerial Incursions against Taiwan," FlightGlobal, January 3, 2024, <https://www.flightglobal.com/defence/fighters-asw-aircraft-dominate-chinas-2023-aerial-incursions-against-taiwan/156344.article>.

China Sea. Other countries, such as India, have engaged in low-intensity clashes with the PLA that have resulted in loss of life.

The Indo-Pacific strategic environment has indeed become more tense due to the PLA's increasing aggressions around Second Thomas Shoal in the South China Sea. A recent incident in March 2024 saw China Coast Guard cutters using water cannons and ramming a Philippine resupply mission to the shoal, resulting in injuries to four Philippine Navy sailors and damage to two vessels.⁶ In March 2023, another incident of maritime tension occurred when Vietnamese and Chinese vessels came perilously close to one another within Vietnam's exclusive economic zone (EEZ) in the South China Sea.⁷ Similarly, military activity near Taiwan has surged, with the PLA conducting "joint combat readiness patrols" near the democratic island approximately every seven to ten days on average.⁸ Each encounter, whether as dangerous as the 2020 China-India border clash or as persistent as coercive activities in the East China Sea or Taiwan Strait, increases the prospect of high-intensity military conflict in the Indo-Pacific.

How have regional players' encounters with the PLA over the last five to ten years influenced their understanding of Chinese intent and capabilities? What were the lessons learned regarding China's approach to deterrence and escalation control, and how have they shaped countries' approach to handling crises and the broader bilateral relationship with the PRC?

To address these questions, this report consists of six case studies of Indo-Pacific experiences with the PLA (Australia, India, Vietnam, Japan, the Philippines, and Taiwan) to gain a better understanding of PLA thinking on escalation control and assess the risk of high-intensity conflict in the Indo-Pacific. Each essay details a specific encounter with the PLA and provides implications for a broader understanding of PLA thinking on crisis management. The experts, who consist of current and former practitioners with insight into their government's experiences and thinking, examine PLA literature on the case at hand, analyze available open-source information about their country's response, and extrapolate the implications for how China may behave in a possible future conflict or crisis.

Shared Threat Perceptions: Six Cases of PLA Assertive Activities and Regional Responses

This report starts with the premise that regional encounters with the PLA have increased in the past five to ten years. This pattern is evident in each of the six case studies—both in the PRC's maritime disputes with Japan, Vietnam, and the Philippines and in its increasingly aggressive military activities vis-à-vis Australia, Taiwan, and India.

Australia. Australia has increasingly viewed China's military activity as a threat to its sovereignty and interests, prompting a strategic reassessment and strengthening of its defense capabilities and alliances. The evolving tone of Australia's defense white papers mirrors growing concerns over China, with mentions of the country increasing from merely 4 times in 1987 to 64

⁶ Aaron-Matthew Lariosa, "4 Philippine Sailors Injured, 2 Vessels Damaged in Chinese Attempt to Block Second Thomas Shoal Resupply," U.S. Naval Institute, USNI News, March 5, 2024, <https://news.usni.org/2024/03/05/4-philippine-sailors-injured-2-vessels-damaged-in-chinese-attempt-to-block-second-thomas-shoal-resupply>.

⁷ Sebastian Strangio, "Vietnamese, Chinese Vessels in Close South China Sea Encounter," *Diplomat*, March 28, 2023, <https://thediplomat.com/2023/03/vietnamese-chinese-vessels-in-close-south-china-sea-encounter>.

⁸ "China Trying to 'Normalise' Military Drills Near Taiwan: Island's Top Security Official," Reuters, March 10, 2024, <https://www.reuters.com/world/asia-pacific/china-trying-normalise-military-drills-near-taiwan-islands-top-security-official-2024-03-11>.

in 2016.⁹ The *Defence Strategic Review 2023* starkly highlights China's military expansion as "the largest and most ambitious of any country since the end of the Second World War," emphasizing a lack of "transparency or reassurance to the Indo-Pacific region of China's strategic intent."¹⁰ Part of the reason has been increased incidents at sea, such as the HMAS *Toowoomba* incident in 2023, in which a PLA ship injured an Australian diver. Chinese behavior in other realms, such as its cyberhacking, intervention in Australian politics, and growing influence with Pacific Island nations, has also soured relations, especially since 2018. In the first case study, Michael Shoebridge demonstrates how Beijing's growing reliance on force to assert or accomplish its goals in the region has shaped Australian thinking. He concludes that China's goals are to exclude foreign militaries from the region, influence the South China Sea code of conduct, and train the PLA for wartime. It is making incremental progress toward achieving those goals under current policy settings, including its own and Australia's. Shoebridge sees Australia's response—increased military exercises and regional cooperation—as weak and driven by Canberra's desire to avoid escalation to prioritize trade with China.

Taiwan. China's increased aggression toward the island of Taiwan has shaped threat perceptions all around the world. Yu-cheng Chen lays out in the second essay the PLA's intensification of military pressure on Taiwan. Between August 2022 and December 2023, the PLA's intensified activities near Taiwan "marked a significant uptick in military pressure, setting new records for air force provocations and median-line crossings in the Taiwan Strait." This period also revealed a steady increase in PLA Navy provocations, indicating a strategic pattern of heightened military presence around Taiwan. In particular, Chen argues that the Joint Sword exercises conducted in April 2023 revealed Xi Jinping's determination to use military means to deter Taiwanese independence and undermine Taiwan's global engagement.

Japan. Before 2010, the Senkaku/Diaoyu Islands had little significance in Sino-Japanese relations. However, a collision between a Chinese fishing vessel and a Japan Coast Guard vessel in September 2010 escalated tensions, leading Japan to arrest the crew. This incident prompted Beijing to enforce an unofficial embargo on rare earth minerals and increase intrusions of Chinese vessels into the waters around the Senkaku Islands. As in many of the other cases considered in this report, there was one incident that served as a turning point for Japanese leaders in their thinking and approach to China's military modernization. In September 2012, Japan's purchase of three disputed Senkaku islands triggered a sharp escalation in tensions, which led to widespread protests in China and an increase in assertive actions by the PRC. Following the island purchase, two Chinese ships, *Haijian 46* and *Haijian 49* of the China Marine Surveillance, breached the twelve nautical mile territorial seas of the Senkaku Islands. By the end of 2012, China's coast guard had intruded into Senkaku waters 68 times, marking a significant rise in intrusions from previous years.¹¹ Subsequent years saw continued intrusions, with 188 vessels in 2013, 88 in 2014, and 86 in 2015.¹² But it was not only the rise in activities that was problematic, but also China's increasingly dangerous and risk-acceptant tactics. In the third essay, Yamaguchi Shinji focuses on an incident

⁹ Graeme Dobell, "Seven Defence White Papers by the Numbers (1)," Australia Strategic Policy Institute, Strategist, March 7, 2016, <https://www.aspistrategist.org.au/seven-defence-white-papers-by-the-numbers-part-1>.

¹⁰ Australian Government, *National Defence: Defence Strategic Review 2023* (Canberra, 2023), <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>.

¹¹ Lyle J. Morris, "The New 'Normal' in the East China Sea," *Diplomat*, February 24, 2017, <https://thediplomat.com/2017/02/the-new-normal-in-the-east-china-sea>.

¹² *Ibid.*

in 2013 when the Chinese frigate *Lianyungang* irradiated fire-control radar toward the Japanese destroyer *Yudachi*. Yamaguchi agrees with other authors that China uses crises to assess another party's resolve as well as to mobilize its domestic population, claim the moral high ground, and shift the blame onto other parties. Since this incident, Japan has become more cognizant of China's coercive tactics and has responded by strengthening its defense capabilities; enhancing cooperation with countries like the United States, Japan, and Australia; and promoting the "free and open Indo-Pacific" concept.

Vietnam. Vietnam has a storied history with the PLA. The last major war China fought was in 1979, when it invaded Vietnam, citing the country's occupation of the Spratly Islands and mistreatment of ethnic Chinese as the pretext.¹³ Although the war only lasted a month, it deepened Vietnam's animosity toward China and paved the road for more small wars between the two countries until 1991.¹⁴ The war also demonstrated China's poor military prowess, pushing the PLA to pursue heavy military modernization. The main territorial disputes between Vietnam and China, however, are in the maritime sphere, where both countries claim the Paracel Islands and some overlapping features of the Spratly Islands. Tensions began in 1974 when Chinese forces occupied and militarized the western portion of the Paracel Islands and Vietnamese forces fled to occupy the Spratly Islands. Physical conflict broke out in 1988 during China's armed attempts to take over the Spratly Islands. Three Vietnamese navy vessels were sunk and 74 Vietnamese sailors were killed in the altercation.¹⁵ From the 1970s to 2021, Vietnamese vessels were the most frequent targets of China.

In his contribution to the report, Nguyen The Phuong closely examines one incident in particular, the HD-981 standoff between Vietnam and China in 2014. Before this incident, the two countries had been on relatively positive terms. The crisis began when China moved its oil platform into disputed waters, marking the first time it placed such an expensive asset within another state's EEZ.¹⁶ Both sides deployed forces to confront the other at sea, but the situation transgressed the military realm and inserted itself into diplomatic channels. Nguyen argues that China's decision to dispatch the HD-981 had the main goal of demonstrating resolve. However, Beijing miscalculated the reaction of the Vietnamese leadership and "underestimated the domestic factors that affected Hanoi's decision-making process." Vietnam successfully exploited this miscalculation, forcing China to abandon its coercive actions. Although there were no significant policy changes, Vietnam's reaction against Chinese aggressive gray-zone tactics was considered as a "glass-ceiling breaking" moment.

The Philippines. Two years before the HD-981 standoff, the Chinese military had a military encounter with another Southeast Asian country that was a turning point for perceptions of and reactions to China. In the fifth essay, Andrea Chloe Wong explores the Scarborough incident from 2012, when the Philippine Navy attempted to punish the PLA Navy for engaging in illegal activities, which would fundamentally alter the relationship between the two countries. The incident resulted in China gaining de facto control over the area, amid severe diplomatic pressure from the United

¹³ David C. Gompert, Hans Binnendijk, and Bonny Lin, "China's Punitive War Against Vietnam, 1979," in *Blinders, Blunders, and Wars: What America and China Can Learn* (Santa Monica: RAND Corporation, 2014), 117–28.

¹⁴ Miles Maochun Yu, "The 1979 Sino-Vietnamese War and Its Consequences," Hoover Institution, December 20, 2022, <https://www.hoover.org/research/1979-sino-vietnamese-war-and-its-consequences>.

¹⁵ "China's Maritime Disputes," Council on Foreign Relations, <https://www.cfr.org/timeline/chinas-maritime-disputes>.

¹⁶ Ankit Panda, "Why Did China Set Up an Oil Rig Within Vietnamese Waters?" *Diplomat*, May 13, 2014, <https://thediplomat.com/2014/05/why-did-china-set-up-an-oil-rig-within-vietnamese-waters>.

States and the Association of Southeast Asian Nations (ASEAN). What was initially a standoff between a couple of vessels, became a much larger confrontation as China became more assertive while blaming the Philippines for publicizing the incident instead of negotiating through bilateral channels. The study highlights China's use of gray-zone tactics and economic coercion as well as how Beijing fueled nationalism to guide the crisis toward a resolution favorable to its interests. Chinese gray-zone activities are steadily increasing over time, and Wong argues that they have been enabled because of China's economic might, advanced technological infrastructure, and superior maritime law-enforcement capabilities. Yet even though in the end China was able to consolidate control over Scarborough Shoal, this came at a steep price in terms of its relationship with the Philippines. Since then, the Philippines has been strengthening its active deterrence capabilities by modernizing its forces, enhancing its maritime capabilities, and working more closely with key countries, including the United States, Japan, and Australia.

India. Chinese aggression is not limited to maritime incidents. Since the founding of the PRC, China and India have had competing claims along their 2,100-mile contested border, known as the Line of Actual Control (LAC). The LAC is divided into western, middle, and eastern sectors, with significant differences in how India and China view the border, especially at its two ends. The two countries even fought a war over the border in 1962, in which the PLA soundly defeated Indian forces, resulting in the loss of the Aksai Chin area in Ladakh. China has occupied almost 15,000 square miles of the disputed territory ever since.

As with some of the other case studies in the report, the situation was relatively stable for decades until the past decade. Amrita Jash analyzes the PLA's behavior along the LAC from 2013 to 2023, identifying trends, patterns, and tactics in Chinese transgressions. Based on official data, the *Indian Express* reported in 2020 that the number of transgressions by the PLA increased annually from 428 in 2015 to 663 in 2019.¹⁷ Jash takes note of this alarming increase in the frequency and assertiveness of these actions, especially in the Western sector around Ladakh, and examines new tactics like cartographic aggression and the construction of civilian villages as means to assert claims. Her detailed account of the eastern Ladakh standoff from its inception to the violent clashes, including the Galwan Valley clash, highlights the nature of these encounters. Jash argues that the standoff has led to a hardening of India's stance, recognizing China as a clear adversary and prioritizing border security and military preparedness. She concludes that the eastern Ladakh standoff has fundamentally altered the dynamics of bilateral relations, underscoring the need for India to reassess its security strategies and diplomatic approaches in the face of evolving challenges along its border with China.

Regional Understanding of China's Motivations and Tactics

There is a consensus among the authors of this report that China harbors problematic intentions and is using increasingly aggressive and risk-acceptant tactics to accomplish its goals. However, their discussions vary in scope and in the assessment of the tactics most problematic for their respective countries. Jash notes that one of the goals of the PLA's aggressive behavior is to test the resolve of the targeted country (with the understanding that China will push the most against countries it sees as irresolute). In other cases, China itself demonstrates resolve through coercive

¹⁷ Sushant Singh, "Big Surge in Chinese Transgressions, Most of Them in Ladakh," *Indian Express*, May 22, 2020, <https://indianexpress.com/article/india/aksai-chin-army-big-surge-in-chinese-transgressions-most-of-them-in-ladakh-6421674>.

tactics to dissuade other nations from taking actions contrary to its interests. China doctrinally does not take any responsibility for the deterioration in the strategic environment. All six case studies mention China's tendency to publicly blame the other country for whatever crisis unfolded. For example, in the Japanese radar incident, Chinese media articulated that it was Japan's fault for engaging in surveillance activities. Similarly, in the case of the HMAS *Toowoomba*, Chinese media claimed that the incident took place close to Chinese waters and blamed the Australian government for the decline of bilateral relations.

Yamaguchi notes that China sometimes mobilizes its domestic audience in a time of crisis to show its resolve to the world and to boost the credibility of its threat. For instance, in the Scarborough Shoal standoff, Chinese propaganda amplified nationalist sentiments to ratchet up pressure on the Philippines. Before the April 2023 military drills around Taiwan, the CCP employed state media to broadcast warnings, suggesting to the public that perceived threats to the PRC's sovereignty, such as significant interactions between U.S. officials and Tsai Ing-wen, warranted retaliatory military exercises as a possible justified response.

Interestingly, Chinese leaders did not attempt to mobilize the domestic public in all cases. For instance, in the case study involving Japan, China refrained from domestic mobilization, likely due to previous mobilization efforts after the nationalization of the Senkaku Islands the prior year. Further actions could potentially destabilize control, and considering the short-lived nature of the situation, there was no need for additional pressure. Instead, China defended the use of fire-control radar as a "self-defense measure" against vigilant surveillance by Japanese naval vessels and patrol aircraft. It insisted on the moral legitimacy of this measure by maintaining that the PLA did not act dangerously and rejecting Japan's claims as unfounded. In the border conflict with India, China's approach of constructing "prosperous villages," or border defense villages, near the LAC and renaming places in Arunachal Pradesh reflects a strategic, yet subtle, assertion of sovereignty without overt domestic mobilization.

China's main goal in these cases was to advance its territorial claims by signaling its willingness and capability to use force. In the case of Taiwan, PLA activities—in particular, the combat readiness patrols and Joint Sword exercises in April 2023—likewise aim to dominate air and sea around Taiwan. Shoebrieger's scope for understanding PLA strategic ambitions is slightly broader than that of the other authors, concluding that China's goals are to exclude foreign militaries from the region, increase its influence on the South China Sea code of conduct, and train the PLA for wartime.

China also employs gray-zone tactics in its maritime disputes to varying degrees. The term "gray zone" denotes "the use of techniques to achieve a nation's goals and frustrate those of its rivals by employing instruments of power—often asymmetric and ambiguous in character—that are not direct use of acknowledged regular military forces."¹⁸ Nguyen examines China's leveraging of gray-zone tactics to promote its claims against Vietnam. He notes that China often uses these tactics to test the seriousness of a state's commitment to protect its own interests. If the targeted country does not respond decisively, the aggressor will see that as a precedent and continue to increase the severity of the next steps. In other words, China is trying to reduce the ability of the targeted state to deter its aggression. Wong describes how the People's Armed Forces Maritime Militia is frequently utilized to establish constant presence in the South China Sea by conducting

¹⁸ International Security Advisory Board, "Report on Gray Zone Conflict," January 3, 2017, <https://2009-2017.state.gov/documents/organization/266849.pdf>.

commercial fishing. Most of its vessels are capable of performing maritime surveillance, initiating reef or island development, and harassing foreign fishing boats. The Chinese government believes that the use of maritime militias with nominally civilian functions lowers the risk of escalation in the event of a confrontation with foreign vessels. Wong argues, however, that the perception that these maritime vessels are less escalatory may have the paradoxical effect of emboldening China to employ them more assertively.

In the case of its dispute with Japan over the Senkaku/Diaoyu islands, China reacted angrily to the Japanese government's decision to nationalize some of the islands and began patrolling the waters around them with its maritime patrol vessels. Yamaguchi notes that the number of days that Chinese maritime police vessels were observed in the adjacent waters increased from 282 days in 2019 to 333 days in 2020 and 332 days in 2021. Similarly, Chen highlights Taiwan's strong disapproval and alertness toward the PLA's gray-zone maneuvers, which include an increase in the scale, frequency, and intensity of the drills and exercises against Taiwan.

Impact on Countries' Perceptions and Policies

China sees crises as opportunities, and for many of this report's authors these crises were less spontaneous and more premediated acts of PLA escalation. For instance, Taiwan's government criticized the PRC's actions as deliberate escalation that only increases threats and regional instability. Jash argues that the PLA's tactics in eastern Ladakh were deliberate transgressions that violated the 1996 agreement between India and China, which mandates that border personnel practice self-restraint and take measures to prevent any escalation of conflict in face-to-face situations arising from disagreements on border alignment or other causes. According to the 2020 *Science of Military Strategy*, the goal for China is to "control and guide" the developments of a crisis "in a direction that is beneficial."¹⁹ China, in other words, is attempting to deter other countries from resisting. As Zhang Yuliang argues in the *Science of Campaigns* (2006), China uses "strong military attack as the backing to create powerful deterrence, forcing the enemy to give up the attempt to resist."²⁰ Generals Peng Guangqian and Yao Youzhi state in the 2005 version of the *Science of Military Strategy*, a PLA textbook, that deterrence is thought to play two roles: "one is to dissuade the opponent from doing something through deterrence, the other is to persuade the opponent what ought to be done through deterrence and both demand the opponent to submit to the deterrer's volition."²¹

All the case studies show this Chinese strategic thinking in action. Shoebridge argues that the PLA is attempting to deter governments from sending their militaries to places Beijing does not want them. The increase in activity is designed to "wear others down" so that they concede to Beijing's demands. In the Scarborough Shoal standoff with the Philippines, China used perceived provocations as an opportunity to change the status quo in its favor—escalating on purpose to exacerbate the situation and secure the initiative. Yamaguchi highlights similar behavior in the case of PLA encounters with Japan. By creating dangerous situations, China tried to convince Japan to concede and restrain its behavior.

¹⁹ Xiao Tianliang, ed., *Zhanlüe xue* [The Science of Military Strategy] (Beijing: Guofang daxue chubanshe, 2020), 118.

²⁰ Zhang Yuliang et al., *Zhanyixue* [The Science of Campaigns] (Beijing: Guofang Daxue Chubanshe, 2006), 479.

²¹ Peng Guangqian and Yao Youzhi, eds., *The Science of Military Strategy* (Beijing: Military Science Publishing House, 2005), 215.

The incidents were often accompanied by heightened rhetoric from leaders in the targeted country. Chen notes that the 2023 ROC National Defense Report warned that an invasion of Taiwan by the PRC could occur regardless of the intentions of Taiwan.²² Taiwan has understandably adopted severely negative rhetoric against Chinese actions and united to denounce PLA military drills and gray-zone maneuvers. Several Vietnamese leaders proposed that Vietnam radically shift its foreign and defense policies to “exit China’s orbit.” Following the radar event between Japan and China in 2013, Tokyo clearly shifted its security focus to China and claimed that China had adopted tendencies to change the status quo by coercion. India has also released negative statements about China, arguing that the state of relations between New Delhi and Beijing would rely heavily on the state of the border. Although Australia called out problematic Chinese behavior between 2018 and 2020 under the Morrison government, the Albanese administration has adopted a significantly different approach. Specifically, it has tended to be quiet on differences with Beijing and instead raise them mainly through behind-the-scenes diplomacy. Last, the Philippines has also demonstrated mixed responses to Chinese aggression. While the Aquino administration was quick to criticize Chinese actions, the Duterte administration favored Chinese economic investment and development aid, often praising the nation. The current Marcos administration continues to further develop an active deterrence strategy by “instituting and improving countermeasures against China.”

Interestingly, there is some debate among the authors about whether publicizing an incident with China is a good idea. Generally speaking, this tactic is seen as likely to provoke Beijing. Wong, for example, argues that one of the reasons for China’s assertive response during the Scarborough Shoal standoff was the Philippines’ abrupt public announcement of the incident, instead of attempting to resolve the dispute through private bilateral negotiations. In recent years, however, the Philippines has opted to expose China’s aggressive actions in the South China Sea to gain international support, especially from other nations that believe in a rules-based order.²³ In contrast, Shoebridge points out that the Australian government, especially since the Albanese administration took office in May 2022, typically does not disclose or comment on reports or incidents to maintain “operational security” and manage sensitive situations discreetly. According to him, only those incidents that are exceptionally “brazen or dangerous”—such as the *Toowoomba* incident—are likely to be disclosed, mainly because they are challenging to conceal. Traditionally, the Japanese government has tended to believe that a low-key approach is the best way to control a situation. But in the case of the radar incident, the Japanese side “publicly disclosed China’s actions after conducting detailed data analysis and verification.” Prime Minister Shinzo Abe was the strongest supporter of publicizing “China’s problematic behavior.”

In the HD-981 standoff, Vietnam used “aggressive transparency” during the crisis, and publicizing developments created a significant amount of anti-China sentiments among the population and government. China vastly underestimated Vietnam’s response to the incident, which was a miscalculation that Vietnam was able to exploit. Nguyen adds that one method to get China to de-escalate would be to convince China that Vietnam would exit out of its orbit and move closer to the West. Therefore, publicizing the event could have convinced China to not push for a more aggressive strategy.

²² Ministry of National Defense (Taiwan), *ROC National Defense Report 2023* (Taipei, September 2023), 4–5, [https://www.mnd.gov-tw-hjbndchrewwgqbyf0.z01.azurefd.net/newupload/NDR/112/112NDREng.pdf](https://www.mnd.gov.tw/hjbndchrewwgqbyf0.z01.azurefd.net/newupload/NDR/112/112NDREng.pdf).

²³ Jay Tristan Tarrila, “Why the Philippines Is Exposing China’s Aggressive Actions in the South China Sea,” *Diplomat*, April 19, 2023, <https://thediplomat.com/2023/04/why-the-philippines-is-exposing-chinas-aggressive-actions-in-the-south-china-sea>.

The varied approaches to publicizing incidents with China—ranging from the Philippines’ strategy to gain international support, Australia’s discretion for operational security, and Japan’s careful verification of problematic actions before disclosure to Vietnam’s use of aggressive transparency to generate domestic and international backlash against China—show the different calculus nations undertake in managing their disputes with Beijing. Each nation’s decision-making reflects its strategic priorities—weighing the benefits of international solidarity against the risks of escalating tensions with China or compromising operational security.

Joining Forces: Multilateralism and Relations with the United States

The PLA’s assertiveness has convinced all regional players to enhance their security cooperation with the United States and other regional powers, though to varying degrees. Across all nations studied in this report—Australia, India, Japan, the Philippines, Taiwan, and Vietnam—there is a recognized need for partnership with and support from the United States and other like-minded countries to effectively address security concerns and deter potential threats from China. Taiwan emphasizes the importance of domestic efforts, coupled with international support, especially from the United States, as being pivotal for deterring the PRC. India has bolstered its defense cooperation with Washington and views collaboration with Quad nations as vital for countering China’s influence and strengthening deterrence capabilities. The Philippines relies on security alliances and defense partnerships, particularly with the United States, viewing these relationships as crucial force multipliers. Similarly, Vietnam sees the U.S. commitment to regional security as a key deterrent against potential Chinese aggressiveness. Australia, while emphasizing the need for a robust stance against China, acknowledges that such a posture is contingent on U.S. support, further highlighted by its participation in the AUKUS partnership with the United Kingdom and the United States. Lastly, Japan warns that the strategic balance in East Asia would be significantly disrupted without sustained U.S. involvement, indicating the broader dependence of regional countries on U.S. support and strategic partnerships to fortify their own defense mechanisms and uphold regional stability.

For instance, in the case of the Philippines’ dispute with China, Wong argues that U.S. ambivalence during the standoff encouraged a firm Chinese position. As tensions escalated, the Philippines sought clarity on the conditions under which the 1951 Mutual Defense Treaty would trigger U.S. military intervention. But the United States had cautiously maintained its “strategic ambiguity,” without clarifying whether the mutual defense treaty covered the Philippines’ territorial claims in the South China Sea. China interpreted such ambiguity as a sign of U.S. “neutrality.” Since then, the United States has been clearer in its commitment to the defense of the Philippines. After two collisions between Philippine and Chinese vessels in the contested waters during a Philippine resupply mission to Second Thomas Shoal in October 2023, President Joe Biden warned China that the United States would defend the Philippines against any attack in the disputed South China Sea.²⁴ In April 2023, President Ferdinand Marcos Jr. granted the United States rotational access to four more military facilities, besides the five existing sites in the country under the Enhanced Defense Cooperation Agreement signed in 2014. The access to more sites in strategic locations near the South China Sea enables the Philippines to offset China’s

²⁴ Joel Guinto, “South China Sea: Biden Says U.S. Will Defend the Philippines If China Attacks,” BBC, October 26, 2023, <https://www.bbc.com/news/world-asia-67224782>.

maritime power projections. The United States plans to allocate more than \$100 million toward infrastructure investments at the new and existing sites.²⁵

The United States also has treaty commitments to Japan and Australia. Japan and the United States introduced the Alliance Coordination Mechanism, which enables both states to conduct constant information sharing and situation assessment from peacetime to contingencies in order to facilitate faster, more flexible, seamless, and whole-of government responses to contingencies from military conflict to gray zone. Australia has patrolled and conducted exercises in Southeast Asia and the East China Sea with regional partners, including the United States, and has proceeded with the AUKUS military technology partnership. India has enhanced strategic partnerships, particularly with the United States and other Quad members, to counterbalance China's influence.

Most regional players in this study also tried to strengthen partnerships with other countries to enhance their leverage against Beijing. In addition to enhancing its strategic partnership with the United States, India has strengthened its defense ties with the two other Quad members (Japan and Australia) as well as regional partners such as Vietnam, Singapore, and the Philippines. For instance, in 2020, India upgraded its ties with Australia to a "comprehensive strategic partnership" and signed nine arrangements that include "mutual logistics support" for their militaries. While Vietnam maintains a nonalignment policy, it sought support from other ASEAN nations in its dispute with China, most notably Indonesia and Malaysia, which called out Chinese aggression on Hanoi's behalf. Top Vietnamese leaders have also met with Australian, Philippine, and Japanese leaders on the issue and have sought support from these countries in improving Vietnam's maritime patrol capabilities. The Philippines is cultivating security relations with Japan and Australia, which are also integral partners in the U.S. alliance network.

Additionally, the Australian military has been patrolling and exercising in Southeast Asia and the East China Sea, working together with regional partners, including the United States, the Japan Self-Defense Forces, and the militaries of other ASEAN countries, including the Philippines, Vietnam, Malaysia, Singapore, and Indonesia. Japan adopted the free and open Indo-Pacific concept, which aims to facilitate multilateral cooperation for principles such as the rule of law, freedom of navigation, and free trade.

Self-Defense: Building Up Military Capabilities and Pushing Back

Almost all regional players have concluded, based on their encounters with the PLA, that strengthening their own military capabilities will discourage such behavior in the future. Taiwan announced in August 2022 a 14% increase in defense spending, reaching a record \$19.4 billion.²⁶ Taipei is looking to the United States to bolster its resilience, notably by augmenting reserves of short- and medium-range munitions like surface-to-air and anti-ship missiles, alongside sea mines, and fortifying its communication infrastructure for sustained external connectivity after an initial assault. The Tsai administration also extended conscription, initiated reserve force reforms, and emphasized asymmetric warfare capabilities, including the local production of submarines, drones, and mines. In addition, Taiwan is establishing a response center, elevating the

²⁵ "U.S.- Philippines 2+2 Ministerial Dialogue," U.S. Department of Defense, Fact Sheet, April 11, 2023, <https://www.defense.gov/News/Releases/Release/Article/3359459/fact-sheet-us-philippines-22-ministerial-dialogue>.

²⁶ Yimou Lee and Ben Blanchard, "Taiwan Aims for Big Rise in Defence Spending amid Escalating China Tension," Reuters, August 25, 2022, <https://www.reuters.com/business/aerospace-defense/taiwan-proposes-129-on-year-rise-defence-spending-2023-2022-08-25>.

level of combat readiness, and implementing measures for combat readiness response. President-elect William Lai has pledged to hasten the shift toward an asymmetric fighting force and bolster national defense.

For India, its standoff with the PLA has “underscored the importance of hard power, deterrence, and force projection,” according to Jash. This has encouraged the country to improve border infrastructure to ensure faster mobilization and better logistical support for its troops; undertake rapid military modernization that includes the acquisition of advanced weapon systems to effectively counter China’s military expansion; and strengthen deterrence by acquiring the ability to rapidly deploy and maintain a sizable military force along its northern borders. For the fiscal year (FY) 2024–25, India’s defense budget will increase by 18.35% over the budget for 2022–23 and 4.72% over the budget for 2023–24.²⁷ Additionally, in the new financial budget, the Indian government announced that it would allocate an additional 65 billion rupees (\$783.41 million) beyond the scheduled budget for the Border Roads Organisation in 2024 “in the light of the continued threat perception faced at the Indo-China border.”²⁸ In October 2023, India also launched Border Intelligence Posts along the LAC to monitor China’s military movements, including the buildup of troops and weaponry, frequent border violations, and attempts to change the territorial status quo.

Australia has been committed to maintaining its defense presence and activities in Southeast Asia and the South Pacific and working with both South Korea and Japan in Northeast Asia, even as it seeks to avoid antagonizing Chinese authorities. Australia’s air and maritime presence has also worked to support its partners’ sovereignty against the growing challenges from China. Although the Albanese government has said little about the security relationship with China since its election in 2022, it has continued with the AUKUS military technology partnership that works to shift the balance of power away from China in the Indo-Pacific. Shoebridge warns, however, that this balance will become untenable as the PLA’s aggressive behavior when encountering Australian Defence Force personnel “continues and perhaps worsens.”

With regard to Chinese maritime threats, Wong observes that the Philippines has changed its focus from mere “defense” to active “deterrence.” It is developing a minimum credible defense posture through modernizing its military, albeit slowly. Wong notes that it has earmarked \$793 million for 2024 defense spending to acquire military assets, the most significant of which is the purchase of its first submarine fleet. She argues that these assets are “intended to develop maritime domain awareness, naval interdiction capabilities, and even the ability to inflict damage when necessary.”

Changes in defense posture have perhaps been the most drastic in Japan. Yamaguchi points out that, “although internal balancing against China had begun during the Democratic Party of Japan administration prior to the 2013 incident, the policy was put forth in a gradual manner.” In 2013, the Abe administration revised the National Defense Program Guidelines to support the allocation of greater air and naval assets to the southwestern region and the establishment of the National Security Council. Recently, Prime Minister Fumio Kishida’s government has approved a defense budget of 7.95 trillion yen (approximately \$56 billion) for FY 2024, marking a significant

²⁷ For details see, Ministry of Defence (India), Press Information Bureau, “Record Over Rs 6.21 Lakh Crore Allocation to Ministry of Defence in Interim Union Budget 2024–25; 4.72% More Than FY 2023–24,” Press Release, February 1, 2024, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001375>.

²⁸ Krishn Kaushik, “India to Keep Spending on Border Roads after 30% Budget Overrun on China Fears,” Reuters, February 1, 2024, <https://www.reuters.com/world/india/india-keep-spending-border-roads-after-30-budget-overrun-china-fears-2024-02-01>.

increase of 16.5% from the 2023 budget of 6.8 trillion yen (\$47.7 billion). This upward trend in defense spending is projected to continue, with the budget expected to rise to 8.9 trillion yen (\$62.5 billion) by FY 2027. The FY 2024 budget includes an allocation of 1.247 trillion yen (\$8.78 billion) for integrated air and missile defense capabilities.²⁹ Further, the Japanese government's 2022 National Security Strategy also includes plans to strengthen missile defense systems and acquire counteroffensive and advanced long-range weaponry such as U.S.-made Tomahawk cruise missiles and joint air-to-surface standoff missiles.³⁰

Cooperation: Room for Crisis Management?

While there was a general consensus among authors about the need for countries to strengthen their own military capabilities and improve cooperation with other regional powers, in particular the United States, each regional player has a different position on the effectiveness of diplomacy and cooperation when dealing with China. Jash notes that India has signed various agreements aimed at maintaining peace and preventing escalation, but with limited success. Under the mechanism of the Special Representative Talks on the India-China Boundary Question, for example, “22 rounds of talks...have failed to find a settlement.” The talks have only been able to establish “political parameters and guiding principles,” and the objective of establishing a framework for a comprehensive settlement of the boundary remains elusive. On the other hand, the 21 rounds of commander-level talks held since 2020 have “led to disengagements and the creation of ‘buffer zones’ in five areas.”

Vietnam has relied on diplomacy in 40% of the cases since the 1970s, and on confrontation only 20% of the time, according to Nguyen. But this was much more prevalent over a decade ago. Although the two countries have restored bilateral relations, they have yet to become normal again. China has continued to harass Vietnam in disputed waters, but Vietnam has demonstrated its resolve to aggressively respond to any attempts by China to cross red lines. However, Hanoi has also commonly deferred to Chinese conditions for de-escalation. During the HD-981 crisis, for example, Vietnam's leaders adopted a conciliatory diplomatic approach to de-escalate the crisis, according to Nguyen. When Hanoi's request for the activation of the hotline between senior leaders was declined, Vietnam offered to send a special envoy and then pressed a visit by its secretary general. Vietnamese officials claim they were rebuffed on each occasion, and China failed to respond to communication made through established mechanisms to resolve the crisis. The same pattern has occurred between the Philippines and China. The countries' leaders agreed to establish a crisis management hotline in December 2022, but China has been unreachable during times of crisis. Wong adds that China requires trust to faithfully use a crisis hotline, which the Philippines had not yet gained. India and China also negotiated a crisis management approach in 2012, but it has largely been unsuccessful as tensions have only increased since 2012. According to Yamaguchi, Tokyo has tried to directly engage with Beijing as well by pursuing summit diplomacy and better crisis management approaches. In 2013, for example, the Abe administration continued

²⁹ Mike Yeo, “Japan Forecasts Large Boost to Defense Spending over Next Five Years,” *DefenseNews*, July 28, 2023, <https://www.defensenews.com/global/asia-pacific/2023/07/28/japan-forecasts-large-boost-to-defense-spending-over-next-five-years>.

³⁰ Mike Yeo, “New Japanese Strategy to Up Defense Spending, Counterstrike Purchases,” *DefenseNews*, December 20, 2022, <https://www.defensenews.com/global/asia-pacific/2022/12/20/new-japanese-strategy-to-up-defense-spending-counterstrike-purchases>.

to emphasize that “the window for dialogue was open and demonstrate its willingness to engage in dialogue with the Xi administration.”

Diplomacy and crisis management are not viable options for Taiwan, given the political nature of the issue. Indeed, China has also been using diplomatic means to isolate Taiwan and put pressure on the island. Moreover, serious dialogue between Taiwan and the Chinese government has stalled, as Chen explains, partly due to Tsai’s reluctance to endorse the cross-strait relationship enhancement plan of her predecessor, Ma Ying-jeou. Taiwan remains “open to dialogue with China, advocating for peace, equality, democracy, and dialogue,” but the Chinese government has shown no willingness to engage.

Conclusion: What Deters the PLA?

All six case studies in this report include specific policy implications and options for the countries to consider in their efforts to deter China. The need for a consistent and clear policy approach is evident across the countries, particularly for the Philippines. The fluctuating approaches of the Philippines due to changes in political leadership serve as a cautionary tale of how policy inconsistencies can undermine strategic objectives. Wong discusses several courses of action that would primarily enhance the Philippines’ active deterrence strategy to respond to Chinese aggression, reduce tensions, and prevent miscalculations at sea. Furthermore, the Philippines could upgrade its maritime capabilities and expand security cooperation with other countries to deter China. Strengthening of deterrence through advancement in capabilities is a common theme across all the essays. For instance, Jash discusses options for India to strengthen its deterrence capabilities through further military modernization and harden its deterrence posture by adopting a firm stance on border disputes, increasing domestic manufacturing, and building robust international partnerships.

However, military deterrence must be balanced with diplomatic engagement. For instance, Yamaguchi argues that Japan must focus on promoting deterrence and stabilization but also continue to emphasize summit diplomacy, which has the potential to de-escalate tensions and stabilize relations without compromising on security. He also argues that Japan could publicize Chinese actions only if they are seriously dangerous so that China cannot claim moral superiority. Shoebridge finds that current Australian policy is not doing enough to deter China and argues that Australia must focus on collective efforts within various regions to unite against China. More generally, like-minded countries could promote military cooperation and unified political messaging to mitigate the risk of escalation.

The management of long-term strategic competition, as highlighted by Vietnam’s handling of the HD-981 incident, shows the delicate balance between addressing immediate crises and preserving long-term strategic interests. Nguyen observes that for future Vietnam-China relations, it is crucial for Vietnam to establish its resolve against China, a principle that holds true for all countries. The important role of the United States and other international partners to ensure security in the region is also highlighted. In particular, the United States could play a pivotal role in the region’s security by adding to Hanoi’s confidence in its attempt to establish resolve. Likewise, Jash emphasizes that, along with improving operational preparedness, India could counterbalance Beijing’s influence by maintaining stable and positive relations with its neighbors and other countries. Chen adds that Taiwan might increase its deterrence against China

by continuing to enhance its asymmetric warfare capabilities and domestic production of defense resources. The United States and other democratic nations could support such efforts by Taiwan and other countries to deter China by increasing their military presence in the Indo-Pacific and focusing on robust diplomatic and economic efforts. Ultimately, the path forward for maintaining peace and stability in the Indo-Pacific region requires a cohesive strategy that prioritizes long-term security interests, demonstrating the essential role of international cooperation and the strategic interplay between military readiness and diplomatic efforts in navigating China's aggression.

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Australian Encounters with the PLA in 2022–23: An Unstable Stability

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EXECUTIVE SUMMARY

This essay examines a dangerous encounter between the People's Liberation Army (PLA) and the Australian Defence Force (ADF) in November 2023 in the context of the Australia-China bilateral relationship, assesses drivers of PLA behavior, and draws implications for deterrence and policy change.

MAIN ARGUMENT

The PLA's consistent trajectory of aggression toward the Australian military in encounters during 2022–23 is directed by China's political and military leadership. It is consistent with the PLA's encounters with several other militaries, including the U.S., Canadian, Vietnamese, and Philippines militaries. China's goal is to reduce and eventually exclude the Australian military presence in the South China Sea and Northeast Asia. Australian military activity is an element of the bilateral relationship, with the government prioritizing a stabilized relationship after a turbulent five years. In the military sphere, Australian policy is to assert regional presence through patrols and exercises but to rely on the professionalism of ADF military personnel to not escalate in dangerous encounters. The trajectory of interaction, however, is failing to prevent China from achieving incremental gains toward its goal of reducing and excluding Australia's military presence. Collective action to physically reverse de facto Chinese control in key locations is needed to change this trajectory, while managing the risks of escalation by coordinating a unified political approach.

POLICY IMPLICATIONS

- Current Australian policy and regional military activity are not helping deter the PLA from making the South China Sea—and even Northeast Asia and the South Pacific—less permissive spaces for the ADF to operate in alone as well as with partners and allies.
- All the momentum is with the PLA in encounters with regional militaries, as it is able to push boundaries of behavior and rely on the restraint of others. As a consequence, China is achieving incremental de facto control of spaces in the region and reducing other countries' sovereignty, presence, and control.
- To shift this trajectory, countries need not adopt a “waterfront” approach where every Chinese action and any place subject to growing and assertive PLA presence is recontested. Instead, countries should identify a small number of places where they can focus their collective effort, with military cooperation being enabled by unified political messaging to mitigate the risk of escalation.

Australia's experience of dangerous encounters with the People's Liberation Army (PLA) during 2022–23 demonstrates a consistent trajectory of aggression from PLA ships and aircraft toward the Australian Defence Force (ADF). This is the case regardless of whether the ADF encounters the PLA in the South China Sea, the Arafura Sea off the Australian coast, or Japan's exclusive economic zone (EEZ). The PLA's behavior has not changed following a change of government in Australia and patient effort by the new administration to stabilize the relationship with Beijing and re-establish senior meetings. PLA ship captains and pilots may be making micro individual tactical decisions about just how close to sail or fly to an Australian vessel or P-8 aircraft, when to dispense chaff, or how high to turn up the sonar or laser. But the pattern of behavior against Australian and other militaries seems to be within Chinese state political and military command intent.

This essay considers the pattern of PLA encounters with the ADF over 2022 and 2023 and puts these encounters within the context of the troubled bilateral relationship, before exploring the new Australian government's efforts to "stabilize" the relationship and restore trade. It then assesses the effect of a particular encounter with the PLA in Japan's EEZ. The final two sections consider both the impact on Australian policy and thinking and the policy options available to reverse China's momentum from intimidation and aggression in the region and make deterrence of such behavior effective.

The Pattern of PLA Encounters with the Australian Military

Australia has continued to exercise freedom of navigation and overflight of maritime spaces in the South Pacific, South China Sea, and East China Sea to support the United Nations Convention on the Law of the Sea (UNCLOS) and the free movement of ships and aircraft given Australia's dependency on these key waterways. The ADF also operates around North Korea to help implement UN sanctions. Australia's air and maritime presence aims to support its partners' sovereignty, given the challenges from the Chinese government, military, coast guard, maritime militia, and fishing fleets.

Australia has a high tempo of Royal Australian Navy and Royal Australian Air Force patrolling and exercising in Southeast Asia and up to and in the East China Sea. The ADF is working together with regional partners, including the United States and Japan and Southeast Asian countries such as the Philippines, Vietnam, Malaysia, Singapore, and Indonesia.¹ Peak regional exercises are the Indo-Pacific Endeavour series. In addition, individual ships and aircraft conduct patrols and freedom of navigation exercises. A limitation is that these do not occur in waters within twelve nautical miles of disputed features or artificial structures in the South China Sea.

PLA military aircraft and vessels have engaged in dangerous maneuvers and other behavior toward these Australian ships and aircraft, including dispensing chaff in front of Australian maritime patrol aircraft and using targeting lasers to illuminate ADF aircraft.² The PLA routinely warns ADF ships and aircraft that they are operating in Chinese-controlled space when they are either in international waters or in other states' maritime territory or the airspace above it.

¹ "Indo-Pacific Endeavour," Department of Defence (Australia), <https://www.defence.gov.au/defence-activities/operations/indo-pacific-endeavour>.

² Rachel Clun and Sumeyya Ilanbey, "Escalation of Overt Aggression: Chinese Fighter Jet Fired Flares at Australian RAAF Plane," *Sydney Morning Herald*, June 5, 2022.

Aside from not going within twelve nautical miles of disputed features or structures, the ADF operates in accordance with UNCLOS definitions of the places and spaces involved. Australia also recognizes the 2016 decision of the arbitral tribunal in the case the Philippines took against China's assertion of sovereignty and control of disputed areas and features.³

Such dangerous behavior by the PLA is not confined to the South China Sea. In February 2022 a PLA warship used its military-grade laser against a Royal Australian Air Force P-8 that was conducting a surveillance patrol in the waters off Darwin in the Arafura Sea to dazzle the aircraft's pilots.⁴ This was the first known incident involving the ADF that occurred outside waters claimed by China in the South China Sea and indicates that this dangerous behavior is not confined to areas that Beijing defines as "core interests."

Troubled Bilateral Relations as a Potential Factor Driving PLA Behavior

A specific factor relating to PLA behavior toward Australia is likely that the government-to-government relationship in 2022 was openly difficult and tense. The then Coalition government had taken a series of decisions in Australia's national interest that Beijing resented and did not want others following. From 2018 on, the Australian government called out Chinese intelligence agencies for widespread cyberattacks, prosecuted individuals accused of acting on behalf of the Chinese government to covertly interfere in Australian domestic politics, and banned Chinese telecommunication companies ZTE and Huawei from being suppliers to Australia's 5G network.⁵

Further exacerbating relations, in April 2020 the Australian foreign minister called for an international inquiry into how the Covid-19 pandemic began in China.⁶ China's ambassador to Australia responded by characterizing the call for an inquiry as "dangerous":

If the mood is going from bad to worse, people would think "Why should we go to such a country that is not so friendly to China?" The tourists may have second thoughts. The parents of the students would also think whether this place which they found is not so friendly, even hostile, whether this is the best place to send their kids. Maybe the ordinary people will say "Why should we drink Australian wine? Eat Australian beef?"⁷

Over the next few months, China imposed trade sanctions affecting \$20 billion of Australian exports to China, covering wine, barley, coal, and beef, and ministerial and leader meetings were canceled.

A spotlight was shone on this downward trajectory in bilateral relations in November 2020. Chinese embassy officials presented an Australian journalist with a list of fourteen grievances that their government had with Australia, including the decisions noted above, and called on

³ "The South China Sea Arbitration (the Republic of Philippines v. the People's Republic of China)," Permanent Court of Arbitration, <https://pca-cpa.org/en/cases/7>.

⁴ "Chinese Vessel Lasing ADF Aircraft," Department of Defence (Australia), Press Release, February 19, 2022, <https://www.defence.gov.au/news-events/releases/2022-02-19/chinese-vessel-lasing-adf-aircraft>.

⁵ Scott Morrison and Mitch Fifield, "Government Provides 5G Security Guidance to Australian Carriers," Parliament of Australia, Press Release, August 23, 2018, https://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/6164495/upload_binary/6164495.pdf.

⁶ Brett Worthington, "Marise Payne Calls for Global Inquiry into China's Handling of the Coronavirus Outbreak," ABC News (Australia), April 19, 2020.

⁷ Andrew Tillett, "China Consumer Backlash Looms Over Morrison's Coronavirus Probe," *Financial Review*, April 26, 2020.

the government to address these issues to repair the bilateral relationship.⁸ Despite such public pressure, the Australian government did not back down. In May 2021 the then Australian defense minister gave a lengthy interview vowing to speak out more openly about China's acts of aggression, declaring that everyday Australians are with the government and understand the threats posed by Beijing.⁹ The list of grievances became notorious and was presented to G-7 leaders by Prime Minister Scott Morrison during the grouping's June 2021 meeting in the United Kingdom.¹⁰ The move solidified Australian policy to resist China's economic coercion.

Thus, an escalating set of bilateral actions occurred in the Australia-China relationship leading up until the election of a new Australian government on May 21, 2022.¹¹ A few days later on May 26, 2022, a Chinese J-16 fighter aircraft flew close to an Australian P-8 maritime surveillance aircraft operating over the South China Sea, "cutting in front of the P-8 and releasing a bag of chaff into its flight path, which included aluminium fragments that were sucked into" the P-8's engine.¹² The newly elected Australian government raised its concerns with the Chinese government. Both the defense minister and prime minister spoke publicly about the incident.¹³ Prime Minister Anthony Albanese said that "in the Australian government's view, in the Defence Department's view, this was not safe, what occurred, and we've made appropriate representations to the Chinese government expressing our concern at this." Defence Minister Richard Marles said that the incident "will not deter Australia from continuing to engage in these activities which are within our rights at international law, to ensure that there is freedom of navigation in the South China Sea because that is fundamentally in our nation's interests."¹⁴

After this incident, the frigate HMAS *Parramatta* was "closely tracked and challenged" by the PLA, which told the vessel it was entering "China's territorial waters." In June 2022 the frigate seems to have been followed by Chinese submarines while operating in the East China Sea, outside China's maritime territory. Similar tracking and challenging by the PLA occurred while the HMAS *Parramatta* was in the South China Sea within China's expansive, illegitimate maritime claim there.¹⁵ In contrast to the government's handling of the May "chaff" incident, Australian officials declined to comment on the reports, citing "operational security reasons."¹⁶ This is a clear policy shift after the change of government in May 2022.

Since assuming power, the Albanese government has sought to stabilize the bilateral relationship and re-establish ministerial and leader-level meetings that have not taken place since 2016. It has pledged to "co-operate where we can, disagree where we must and always act in the

⁸ Daniel Hurst, "China's Infamous List of Grievances with Australia 'Should Be Longer Than 14 Points,' Top Diplomat Says," *Guardian*, November 19, 2021.

⁹ Anthony Galloway, "Dutton Vows to Call Out Beijing and Declares Everyday Australians Are with the Government," *Sydney Morning Herald*, May 3, 2021.

¹⁰ Samantha Hawley and Jack Hawke, "Scott Morrison Says G7 Leaders Back Australia's Stand over China," ABC News (Australia), June 13, 2021.

¹¹ Michael Doyle, "Labor, Anthony Albanese Make History with 2022 Federal Election Victory," ABC News (Australia), May 21, 2022.

¹² Dana Morse, "Federal Government Says It Will Not Be Deterred by Chinese 'Intimidation' Tactics in South China Sea," ABC News (Australia), June 4, 2022.

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Andrew Greene and Jade Macmillan, "Fears Grow of Possible Miscalculation Involving Australian Military in Contested South China Sea," ABC News (Australia), July 15, 2022.

¹⁶ Andrew Greene, "Defence Department Silent on Latest Chinese Military Encounter with Australian Warship," ABC News (Australia), July 12, 2022.

national interest.”¹⁷ The prime minister has said that direct dialogue between leaders is critical for both sides to understand each other and avoid misunderstanding, and he sees such dialogue as a way to resolve problems in the relationship. Foreign Minister Penny Wong has led this re-engagement process, starting with a bilateral meeting with her counterpart Wang Yi on July 8, 2022.¹⁸ The strategy includes rarely commenting publicly on differences with Beijing and raising any issues mainly through diplomacy behind the scenes. It seems to have included refraining from mentioning dangerous behavior by the PLA toward the Australian military, on the grounds of “operational security.”

On trade issues, this focus on the stabilization of the bilateral relationship has seen Australia end its two winning cases at the World Trade Organization against Chinese state economic coercion—on barley and wine exports, which Beijing had blocked since 2020.¹⁹ In return, China has resumed barley imports and also begun an internal review of its decision on wine imports from Australia.

After meetings of the Australian foreign minister and trade minister with their Chinese counterparts, Prime Minister Albanese traveled to Beijing in November 2023 to meet with Xi Jinping. This trip was followed by a second meeting on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Leaders’ Meeting in San Francisco later that same month.²⁰ During his Beijing visit, Prime Minister Albanese focused on the exciting prospects of growing trade with China.²¹ Foreign Minister Wong is said to have delivered messages about human rights, security tensions, and the concern over two remaining Australian detainees in a separate meeting with her counterpart, which is consistent with the administration’s approach of quiet diplomacy and limited public comment.

On security issues in the relationship, very little has been said by the new government since its election. At the same time, it has proceeded with the AUKUS military technology partnership with the United Kingdom and the United States, which was begun by the previous prime minister Scott Morrison in September 2021. The purpose of the partnership is to shift the military balance in the Indo-Pacific away from China and thereby reduce the prospects of war. But during the Albanese government this purpose has been left largely implicit in official statements.²²

Significantly, however, the dangerous encounter in Japan’s EEZ that is the subject of this essay occurred between the meetings between Albanese and Xi on November 6 and November 17, 2023. The next section will examine this incident in depth.

¹⁷ “Principles Behind Whitlam’s China Vision Still Drive Us,” Australian Embassy in China, Press Release, December 20, 2022, <https://china.embassy.gov.au/bjng/pm-oped-50th-anniversary.html>.

¹⁸ Penny Wong, “Meeting with China’s State Councilor and Minister of Foreign Affairs, Wang Yi,” Minister for Foreign Affairs (Australia), July 8, 2022, <https://www.foreignminister.gov.au/minister/penny-wong/media-release/meeting-chinas-state-councilor-and-minister-foreign-affairs-wang-yi>.

¹⁹ Department of Foreign Affairs and Trade (Australia), “Summary of Australia’s Involvement in Disputes Currently Before the World Trade Organization,” <https://www.dfat.gov.au/trade/organisations/wto/wto-disputes/summary-of-australias-involvement-in-disputes-currently-before-the-world-trade-organization>; and Australian Associated Press and Sarah Basford Canales, “Australia and China Suspend WTO Wine Tariff Dispute before Anthony Albanese’s Trip to Beijing,” *Guardian*, October 21, 2023.

²⁰ Anthony Albanese, “Meeting with President Xi Jinping,” Prime Minister of Australia, November 6, 2023, <https://www.pm.gov.au/media/meeting-president-xi-jinping>.

²¹ Anthony Albanese and Penny Wong, “Press Conference—Beijing—People’s Republic of China,” Prime Minister of Australia, November 6, 2023, <https://www.pm.gov.au/media/press-conference-beijing-peoples-republic-china-0>.

²² Anthony Albanese, “AUKUS Remarks,” Prime Minister of Australia, March 14, 2023, <https://www.pm.gov.au/media/aukus-remarks>.

The Encounter between the PLA and the HMAS *Toowoomba* in Japan's EEZ

In October and November 2023 the Australian Navy frigate HMAS *Toowoomba* was conducting a regional presence deployment, which included supporting the enforcement of UN Security Council sanctions against North Korea. On November 18, the Australian government stated that on November 14 a PLA warship had injured an Australian Navy diver who was in the water trying to free the frigate's propellers from a fishing net.²³ The incident occurred in international waters inside Japan's EEZ while the ship was en route to a scheduled port visit in Japan. The PLA warship had been communicating with the Australian frigate, whose commander had asked the vessel not to approach because of the divers in the water. The PLA warship acknowledged the communication but proceeded to approach the *Toowoomba*, activating its sonar as it did so, and caused minor injuries to one of the Australian divers as a result.

This incident is a step beyond the hundreds of documented incidents of dangerous behavior by the PLA toward the Vietnamese, Philippines, Japanese, Canadian, U.S., and Australian militaries in the region.²⁴ It is distinctive because the Australian vessel was stopped in the water and disabled by the tangled fishing net, rather than actively performing a surveillance or freedom of navigation patrol. Even the Chinese government seems to have acknowledged that the frigate was in international waters.²⁵ It certainly was not within twelve nautical miles of one of China's military bases or artificial structures in the South China Sea.

When a captain of a vessel encounters another that is disabled, the maritime obligation is to render assistance. But in this case, the PLA commander did the opposite—hindering the work to make the Australian vessel safe and injuring one of the personnel. This makes the incident a case of escalation in aggression.

Prime Minister Albanese does not appear to have raised the incident with Xi Jinping during their meeting at APEC, although he knew of it before they met. As with their meeting in Beijing, the description Albanese gave of his long conversation at APEC with the Chinese leader was about trade, wine, barley, and Premier Li Keqiang's visit to Australia.²⁶ Although the Australian government raised its concerns with the Chinese government, the direct leadership dialogue that the prime minister and other Australian officials had promoted as part of the stabilized bilateral relationship does not appear to have been used to manage this issue or prevent further ones.

After he returned from APEC, the prime minister stated that he was concerned with the dangerous, unsafe, and unprofessional behavior of the PLA and the injury it had caused to the Australian diver.²⁷ This has been the subject of significant criticism domestically (including by the author of this analysis). In particular, doubt has been cast on the value of direct leadership dialogue between Xi and Albanese if the Australian leader somehow feels unable to raise incidents

²³ "Unsafe and Unprofessional Interaction with PLA-N," Department of Defence (Australia), Press Release, November 18, 2023, <https://www.minister.defence.gov.au/media-releases/2023-11-18/unsafe-and-unprofessional-interaction-pla-n>.

²⁴ See, for example, Mallory Shelbourne, "Pentagon Officials Provide Data on Unsafe Chinese Fighter Intercepts over Western Pacific," USNI News, October 17, 2023.

²⁵ "Foreign Ministry Spokesperson's Remark," Embassy of the People's Republic of China (PRC) in the Commonwealth of Australia, November 20, 2023, http://au.china-embassy.gov.cn/eng/zagx_0/202311/t20231121_11184078.htm.

²⁶ Anthony Albanese, "Press Conference—San Francisco, United States of America," Prime Minister of Australia, November 18, 2023, <https://www.pm.gov.au/media/press-conference-san-francisco-united-states-america>.

²⁷ Daniel Jeffrey, "Dangerous, Unsafe, Unprofessional": Albanese Hits Out at China over Sonar Pulses," 9News, November 20, 2023.

when military personnel have been harmed by aggressive behavior from the PLA.²⁸ The part of the “cooperate where we can, disagree where we must” line that appears inoperative is “disagree where we must.” This raises the concern that the government’s policy is to prioritize government-to-government meetings and growing trade and downplay real security problems as the price.

Chinese state media, including the *Global Times*, criticized the Australian government for overreacting to the PLA ship encounter.²⁹ It used the Chinese government formulation that the incident took place “very close to Chinese waters,” blamed Australia for the “downfall of China-Australia relations over the past several years,” and disputed the Australian claim about sonar use. It argued instead that such activity was normal for the Chinese military to “detect the real intention of the other side.” In late November, Liu Jianchao, the Chinese Communist Party’s international minister, spoke about the incident during a visit to Australia: “We do urge the Australian government and also the military to act with great prudence in this area.... Such a small incident could really escalate if it’s not properly managed.”³⁰ Instead of acknowledging the PLA action as aggressive, this formulation seeks to blame Australia for sending the frigate into the area and thereby pressure the country to cease such military presence. China’s ambassador to Australia later used a speech in January 2024 to deliver a different version of events, claiming that the Chinese warship “did not initiate the so-called sonar against the Australian divers from the Australian side,” adding that “at that moment, there was a third country boat nearby,” naming Japan.³¹ Prime Minister Albanese publicly rejected this claim the next day.³²

A factor motivating Chinese behavior appears to be the desire to push the militaries of the United States and its partners and allies away from China and out of the expanse of sea and ocean subject to China’s claim covering much of the area between China and Indonesia.³³ China also appears to want to limit the presence of U.S. and partner militaries working with Japan in the latter’s maritime waters and EEZ. This goal of exclusion is consistent with China’s intended outcome for the code of conduct in the South China Sea that it is negotiating with the Association of Southeast Asian Nations (ASEAN). Beijing has proposed that the parties “shall not hold joint military exercises with countries from outside the region, unless the parties concerned are notified beforehand and express no objection.”³⁴

Limiting and eventually excluding the presence of militaries from outside China’s immediate region is also a likely driver of PLA aggression, including dangerous or unprofessional conduct in encounters with the Australian and other militaries. This behavior contributes to this goal by raising the costs for a foreign military to patrol or exercise in areas where it is likely to encounter the PLA. Avoiding a potentially dangerous encounter that could escalate into a political or security dispute—or even conflict—is a sensible goal for national governments. By raising the risk of regional military activity, China is using the PLA to reset other states’ policies and activities. It is an attempt to deter governments from sending their militaries to places Beijing does not want them. Beijing’s policy line here is to wear others down and make them decide that it is too hard

²⁸ Andrew Tillet, “Chinese Sonar Incident Leaves Albanese All at Sea,” *Financial Review*, November 24, 2023.

²⁹ Victor Gao, “Aussie Overreacts to PLA Ship Encounter,” *Global Times*, November 23, 2023.

³⁰ Rod McGuirk, “China Warns Australia to Act Prudently in Naval Operations in the South China Sea,” Associated Press, November 28, 2023.

³¹ Daniel Hurst, “China Lodges Protests at Australia’s Response to Taiwan’s Presidential Election,” *Guardian*, January 17, 2024.

³² Kirsty Needham, “Australia Rejects China Comments on Sonar Incident,” Reuters, January 17, 2024.

³³ John Eric Mendoza, “China’s New ‘10-Dash Line’ Map Incorporates Taiwan, Most of West PH Sea,” *Cebu Daily News*, August 31, 2023.

³⁴ Carl Thayer, “A Closer Look at the ASEAN-China Single Draft South China Sea Code of Conduct,” *Diplomat*, August 3, 2018.

to continue. For Beijing, this is a matter of “struggle” that does not involve the stark dividing line between “gray zone” activity and conflict.

The last factor that seems to be driving China’s political and military leadership to direct the PLA to behave aggressively and dangerously toward the Australian and other foreign militaries is the call for the PLA to be ready to fight wars. As a part of this, it must “dare to fight” and treat peacetime interaction with foreign militaries as a way of practicing for war.³⁵ It is possible that within this larger strategic political and military direction, individual PLA commanders and pilots might be performing specific actions that Beijing has not directed, but the overall pattern of aggressive and dangerous behavior is what Beijing and the PLA leadership intends. It is very unlikely that PLA commanders would tolerate individual pilots or ship captains operating outside set boundaries. Instead, they may expect to be rewarded and recognized for their dangerous behavior.

The Chinese political and military leadership must know that the PLA engaging in hundreds of individual dangerous close encounters risks one or more causing actual physical damage or death. It is likely that the Chinese leadership calculates that other states will back down in such crises without China making concessions or admissions. This means that the Chinese government and PLA leaders are confident that if Chinese military interaction with another military were to result in an injury or in damage to another state’s military assets, the other government would be so motivated to de-escalate the incident that it would respond in this way almost regardless of the details of the incident itself. The calculation in China seems to be that the continuing trail of aggressive behavior it is licensing its military, coast guard, and maritime militia to engage in has set other governments’ expectations. As a result, they are now tuned to Chinese aggression and are willing to work around it as an unchanging factor in their environment. This achieves a significant policy objective for Beijing by expanding the de facto control it can achieve in the region.

The Impact on Australia’s Thinking about and Policies toward China

The tempo of Australian military patrols and exercises in the region around Japan and across the South Pacific is continuing much as it was under the previous government. Regional defense partnerships are still a high priority for decision-makers.

As noted earlier, the Albanese government remains focused on stabilizing the bilateral relationship and persuading Beijing to remove its remaining trade restrictions—on wine and beef, for example. In Shanghai, Albanese spoke with an Australian business delegation about the trade relationship ahead of his meeting with Xi Jinping: “I was proud to see our iconic cheese, ginger beer, spirits and cereals alongside products more than 250 Aussie businesses are showcasing to the 350,000 visitors to the world’s largest trade event at the China International Import Expo.” He added: “Hearing from Australian and Chinese CEOs in Shanghai, I know there are many more opportunities for our two nations to work together for our mutual benefit.”³⁶

At the same time, the government is aware of the disconnect between the prime minister’s positive words in Shanghai and Beijing about expanding the trade relationship and the persistent

³⁵ Verna Yu, “Xi Jinping Tells China’s Army to Focus on Preparation for War,” *Guardian*, November 9, 2022; and Ryan Woo, “China’s Xi Tells Military to Deepen War, Combat Planning, Xinhua Reports,” Reuters, July 6, 2023.

³⁶ Anthony Albanese, “Why Building on 50 Years of Diplomacy Is So Important,” Prime Minister of Australia, November 7, 2023, <https://www.pm.gov.au/media/why-building-50-years-diplomacy-so-important>.

tension in the defense relationship, made obvious by the *Toowoomba* incident.³⁷ There is also growing unease about China's continued security cooperation with and assistance to South Pacific countries—notably Solomon Islands and even Papua New Guinea, despite Australia agreeing to spend \$200 million over the next four years under a new security partnership with the latter. Smaller Pacific states are also continuing to be influenced by Beijing, whose growing role and presence works against regional and Australian security. The new government in Tuvalu, for example, may repeal a treaty that it signed with Australia in November 2023 designed around security and climate change.³⁸ Chinese funding and influence are likely to seek to take advantage of this setback for Australia's Pacific policy.

In the public debate on China, the Australian business sector is mainly supportive of “getting back to business” without the interference of security issues.³⁹ Trade Minister Don Farrell has acknowledged this concern: “We continue to support Australian businesses engagement in the Chinese market, while encouraging them to manage risk and explore new market opportunities that are being created by the Albanese Labor Government.”⁴⁰ Against this backdrop, the priority for Australian policy in responding to encounters with the PLA in the region will be to avoid escalation while maintaining a presence, exercising with regional partners, and operating within international waters and airspace.

The particular facts about the *Toowoomba* incident fit a long-term pattern of PLA behavior that is now factored into Australian decision-making. The government is almost certain to maintain its policy of not having Australian naval or air force platforms go within twelve nautical miles of Chinese artificial structures and islands in the South China Sea because of the perceived risk of the PLA engaging with the military and creating an international incident. At the same time, the government will continue to not recognize China's territorial claims in the South China Sea, including its assertion of sovereignty over these artificial structures and islands.

As the PLA's presence in the region expands, including into and around the South Pacific, encounters will be more frequent. Numerous encounters with the PLA will likely not be made public owing to the Australian government's policy of not commenting for “operational security” reasons. Only incidents that are particularly brazen or dangerous, such as the *Toowoomba* incident, are likely to be disclosed because they will be hard to repress. Disclosures that are made will probably be announced in a low-key fashion and managed through embassy and official channels, as was the practice used with the *Toowoomba* incident before it became publicly controversial.

Australia is also likely to be very careful in describing and conducting defense cooperation in the region, particularly maritime activity, that might be perceived by Beijing as opposing its claims of sovereignty. Of particular interest will be what are now called “maritime cooperative activities” with the Philippines in the South China Sea (a shift in language from the original concept of joint patrols).⁴¹ Although the stated purpose of these activities is to work with the

³⁷ Albanese and Wong, “Press Conference—Beijing—People's Republic of China.”

³⁸ “Australia-Tuvalu Falepili Union,” Department of Foreign Affairs and Trade (Australia), <https://www.dfat.gov.au/geo/tuvalu/australia-tuvalu-falepili-union>.

³⁹ Michael Smith, Phillip Coorey, and Gus McCubbing, “Big Business Toasts China Reset, Calls for Xi to Visit Australia,” *Financial Review*, November 5, 2023.

⁴⁰ Don Farrell, “Address to the Australia-China Business Council Networking Day 2023, Canberra,” Minister for Trade and Tourism (Australia), October 18, 2023, <https://www.trademinister.gov.au/minister/don-farrell/speech/address-australia-china-business-council-networking-day-2023-canberra>.

⁴¹ Tom Lowrey, “Australia and the Philippines to Run Joint Naval Patrols,” ABC News (Australia), September 8, 2023; and Andrew Greene, “Australia and Philippines Begin Joint Naval Drills in South China Sea Where Regional Tensions with Beijing Are Growing,” ABC News (Australia), November 25, 2023.

Philippines to uphold international law, the Philippines sees such cooperation as relevant to its assertion of sovereignty over areas contested actively by China. However, it is highly unlikely that these maritime cooperative activities will occur near any actual flashpoints between China and the Philippines—consistent with the Australian practice of not operating within twelve nautical miles of Chinese-claimed features.

The Australian policy, therefore, will be to maintain a defense presence and conduct activities in Southeast Asia, the South Pacific, and Northeast Asia (with both South Korea and Japan), while seeking to avoid antagonizing Chinese authorities. This balance is almost impossible to strike and will only become harder as the PLA's presence grows and its aggressive behavior when encountering ADF personnel continues and perhaps worsens. Momentum here is with the PLA, which is making it ever harder and more costly for the ADF to operate in the region.

The separation of the political and economic elements of the bilateral relationship is what Beijing means by “China and Australia should follow the trend of the times, proceed from their common interests, and jointly foster a relationship in which there is equality, the pursuit of common ground and shelving of differences, and mutually beneficial cooperation, so as to keep moving forward.”⁴² This formulation implies that Beijing will continue to act as it is now in areas of difference, but Australia should not notice or focus on these differences if it wants mutually beneficial cooperation. This orientation is not particular to Australia. China has taken the same approach to countries in Southeast Asia and Europe. However, Australian policy to prioritize stabilization gives Beijing reasonable expectations that its current path on security and use of the PLA in the region will not disrupt re-engagement and growth that it seems to want in areas like trade. Australia's management of incidents since June 2022 also gives Beijing reasonable expectations that the Albanese government does not want defense and security interests to impinge on the broader bilateral relationship. In Beijing's eyes, Canberra appears ready to “shelve our differences” without China's aggression ending.

In future dangerous encounters between the ADF and the PLA, Beijing's position will be that the ADF is at fault—either for being where it was for the encounter to occur or for seeking to hype the “China threat” by raising the PLA's conduct in any forum. Thus, the *Toowoomba* incident is useful as a model for how future such incidents might be managed and characterized.

Implications and Policy Options for Deterrence

Australia needs to be able to contribute to deterring China from making further gains in asserting de facto control and sovereignty over other countries' territories and maritime zones and to ensure that the region remains a place for Australia's military—and that of its partners and allies—to operate actively. The latter is necessary to establish the foundation for deterrence of conflict, ensure that access is available, and facilitate cooperation in times of crisis or conflict.

The assessment of the HMAS *Toowoomba* incident in the preceding sections demonstrates that, based on the current trajectory of Chinese policy and PLA behavior and Australian policy and ADF activity, China is achieving its goals of making the ADF's presence and operation in the region harder. The PLA's aggression has altered the risk calculation of Australian decision-makers because the threat of injury or damage to Australian personnel and military assets is rising, as is

⁴² “Xi Jinping Meets with Australian Prime Minister Anthony Albanese,” Ministry of Foreign Affairs (PRC), Press Release, November 6, 2023, https://www.fmprc.gov.cn/eng/zxxx_662805/202311/t20231110_11178223.html.

the risk of dangerous encounters escalating to violence and a crisis between the two countries. Without change, the region—from Northeast Asia through Southeast Asia and, to a lesser extent, in the South Pacific—will become less permissive as a place for the ADF to operate and exercise. Regional presence and partnerships that currently serve some reassurance and deterrence purposes will diminish.

This trajectory appears to be similar for other militaries dealing with the PLA—whether partners working with Southeast Asian militaries like France, the UK, or Germany; the Southeast Asian militaries themselves; or even more powerful states like South Korea and Japan. China’s policies and use of the PLA have put these states on the defensive, attempting to protect the “status quo” in various areas but suffering incremental reversals. Wholly defensive stances with occasional incremental reversals are psychologically difficult to maintain, as well as difficult to unify around over time.

No nation that seeks to manage its relationship with China as a bilateral one is likely to be able to shift its current military activity in the region to become more assertive unless doing so as part of a thoughtful and determined collective effort—with the United States as an active, central partner. This is a practical issue for policymakers across the region, including in Canberra, as continuity in U.S. policy cannot be assumed following changes in administration. To shift from the current pattern of watching China achieve incremental gains—both in asserting *de facto* sovereignty over others’ territory and in constraining others’ military presence—a focused collective approach is required. This need not—and should not—be a “waterfront” approach where every Chinese action and any place that is subject to the PLA’s growing and assertive presence must be recontested and resisted in new ways. Instead, countries could focus their attention on a small number of places where collective effort is possible. The goal is to reverse the current trajectory and create momentum that demonstrates Chinese policies and behavior can fail. To do this, an “ink spots” approach is required that selects key places and activities to be where Chinese gains and presence are rolled back. These efforts must have the result of generating momentum in the opposite direction to current trajectories and visibly rolling back and limiting China’s incremental progress.

Key flashpoints like the Philippines’ Second Thomas Shoal are places where reversing Chinese momentum is possible. Of course, doing so also carries significant risk of escalation because it will mean challenging one of Beijing’s priorities. The current government in the Philippines is seeking to protect its sovereignty and prevent the Chinese military, coast guard, maritime militia, and fishing vessels from strangling its outpost on Second Thomas Shoal. It is also talking publicly about plans to upgrade structures and presence in contested areas.⁴³ Building on the Philippines’ strengthening relationships with the United States, Japan, and Australia seems to open the possibility of initiatives like jointly securing Second Thomas Shoal and its approaches to enable the outpost there to be replaced by a new structure and then protecting the new presence and its resupply through collective military presence. A level of Chinese opposition and obstruction must be expected, but the broadest possible collective presence of navies could limit how far Beijing might wish to escalate. The effect of a physical reversal of over ten years of rapid incremental gains by China in the South China Sea would be large. It would also be a source of encouragement and momentum for other partners and allies in the region dealing with Beijing. In addition to physical collective action, a sustained and well-prepared public diplomacy campaign would be

⁴³ “Philippines to Develop Islands in South China Sea: Military Chief,” Channel NewsAsia, January 15, 2024.

required, with each contributing nation prepared to speak about its actions as part of a collective effort consistent with the UN Charter and international maritime law. Such diplomacy would be necessary to answer the predictable Chinese narrative of aggression, colonialism, and U.S.-driven conspiracies that are well known and well worn but still influential.

Such efforts to reverse the PLA's positive momentum in the region would also likely cause Beijing to seek to punish participating countries and governments economically—as happened to Australia with the \$20 billion package of economic sanctions imposed by China in 2020. Australia, fortunately, was able to diversify its trade in several of the affected areas, such as barley and coal, and withstand the losses to other trade areas, such as wine and lobster. Similar pressure would be a concern for any country working collectively, as suggested in this section. In the case of Second Thomas Shoal, the Philippines would be the country most targeted by Beijing.

The risk of such collective action escalating into conflict is real. However, it could be mitigated by the militaries clearly acting within international law and coordinating a united political response to demonstrate and communicate this in the midst of a strong narrative effort by the Chinese state to intimidate others and cast such lawful action as aggression.

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The PLA's Strategic Deterrence: A Case Study of the April 2023 Exercises toward Taiwan

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EXECUTIVE SUMMARY

This essay examines the April 2023 military exercises by the People's Liberation Army (PLA) in the vicinity of Taiwan, explores the PLA's concept of military deterrence, and assesses the impact on Taiwan's threat perception.

MAIN ARGUMENT

Under the strategic deterrence framework, the Chinese Communist Party (CCP) has intensified military pressure on Taiwan, as highlighted by the PLA's April 2023 military drills. This trend reflects Xi Jinping's resolve to use military means to deter Taiwanese independence and undermine Taiwan's global engagement efforts, particularly with the U.S. The CCP's actions aim to showcase military prowess, evaluate readiness, and assert claims over Taiwan, signaling to the world its strategic intentions and readiness to use force to meet its goals. The PLA's exercises combine military, informational, and psychological strategies to achieve strategic objectives beyond conventional combat. Beijing is the primary actor executing military threats, including large-scale exercises and intrusions, directly challenging the status quo in the Taiwan Strait.

POLICY IMPLICATIONS

- Chinese strategic literature and PLA sources highlight the importance of both strategic and military deterrence. The PLA's actions toward Taiwan not only aim to create a psychological impact but also seek to gain tactical or operational advantages by reducing the warning time for Taiwan and its allies about potential military operations.
- If Taiwan continues to enhance its asymmetric warfare capabilities and domestic production of defense resources, such as munitions, drones, and mines, then it will strengthen its deterrence against the People's Republic of China by making any potential conflict more costly and complex for the aggressor.
- If the U.S. and other democratic nations balance their military presence in the Indo-Pacific with robust diplomatic and economic efforts, these actions could complement those of Taiwan in strengthening the region's security architecture and deterrence against Chinese expansionism.

Since 1949, the Chinese Communist Party (CCP) has consistently regarded the resolution of the Taiwan issue as its most important political goal. Under Xi Jinping's leadership since 2012, marked by initiatives like the "Chinese dream of national rejuvenation," the People's Republic of China (PRC) has intensified its global engagement and expedited the modernization of the People's Liberation Army (PLA). This aligns with Xi's directives for the PLA to adeptly establish military presence, manage crises, and enhance capabilities for deterrence and victory in conflicts, which in turn align with the PLA's concept of strategic deterrence.¹ The PRC's consistent view is that "Taiwan independence" separatist forces pose the most significant realistic threat to the peace and stability of the Taiwan Strait, impeding peaceful reunification. This assessment calls for intensified efforts to counter these activities while firmly opposing external interference and condemning advocates of "Taiwan containment."² The CCP reaffirms its commitment to not renounce the use of force to resolve the Taiwan issue and is gradually escalating military activities in the vicinity of the island.³ Common analysis and argument suggest that Xi is expected to resolve the Taiwan issue no later than 2049.⁴ For the PRC, this issue has always been a matter of core national interest for the Chinese leader.

Taiwan president Tsai Ing-wen embarked on her first overseas visit after the Covid-19 pandemic on March 29, 2023. The ten-day diplomatic journey to Central American allies included strategic transit through New York and Los Angeles, marking her first visit to the United States in over three years and the first since her re-election. President Tsai made a stopover in the United States on April 5, meeting with then House Speaker Kevin McCarthy at the Ronald Reagan Presidential Library in California. This encounter was significant for being the highest-level in-person interaction on American soil between Taiwanese leadership and U.S. officials since 1979. It marked only the third meeting between a U.S. house speaker and a Taiwanese president after the cessation of formal diplomatic ties.⁵

Following the formal meeting, the PRC engaged in activities such as maritime law enforcement and military exercises, partly as a reaction to the encounter between Tsai and McCarthy.⁶ CCP scholars viewed House Speaker Nancy Pelosi's August 2022 visit to Taiwan and the April 2023 meeting between McCarthy and Tsai as significant provocations and expected a robust response from the PRC. Notably, even before either of these high-profile visits was publicized, there was speculation among scholars that the PRC's counteractions could include military maneuvers.⁷

¹ Minxin Pei, "Policy Continuity with Rhetorical Escalation: Xi's Political Report to the 20th Party Congress," *China Leadership Monitor*, Winter 2022, 7–8; and Xiao Tianliang, ed., *Zhanlüe xue* [Science of Military Strategy] (Beijing: National Defense University Press, 2020), 130.

² "Zai 'gao Taiwan tongbao shu' fabiao 40 zhounian jinianhui shang de jianghua" [A Speech Delivered at the 40th Anniversary of the Announcement of "Message to Compatriots in Taiwan"], *People's Daily*, January 2, 2019, <http://cpc.people.com.cn/BIG5/n1/2019/01/02/c64094-30499664.html>; and Taiwan Affairs Office of the State Council, "Zhonggongzhongyangtaiban fayanren shouquan jiu fabiao 'Taiwan wenti yu xinshidai zhongguo tongyi shiye' baipishu fabiao tanhua" [Remarks by Spokesman for the Taiwan Affairs Office under the Central Committee of the CPC on the "Taiwan Question and China's Unification in the New Era" White Paper], *People's Daily*, August 11, 2022, http://paper.people.com.cn/rmrbhwb/html/2022-08/11/content_25933607.htm.

³ Eleanor Albert, "China-Taiwan Relations," Council on Foreign Relations, January 22, 2020, <https://www.cfr.org/backgrounder/china-taiwan-relations>.

⁴ U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2020* (Washington, D.C., September 2020), 3, <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/2020-DOD-CHINA-MILITARY-POWER-REP>.

⁵ Michael Martina and David Brunnstrom, "U.S. Speaker Meets Taiwan Leader and Stresses Need to Speed Up Arms Deliveries," Reuters, April 6, 2023, <https://www.reuters.com/world/taiwan-president-set-historic-meeting-with-us-house-speaker-california-2023-04-05>.

⁶ Shawna Mizelle, "McCarthy to Meet with Taiwan's President in California on Wednesday," CNN, April 3, 2023, <https://edition.cnn.com/2023/04/03/politics/kevin-mccarthy-taiwan-president-meeting-china/index.html>; and Ying Yu Lin, "Sword Out of Sheath? Assessing the Strategic Implications of the PLA's April Exercises around Taiwan," Jamestown Foundation, China Brief, May 2023, 21–24.

⁷ Chen Qingqing and Liu Xuanzun, "China's Countermeasures in Gear against Tsai-McCarthy's Sneaky Meeting," *Global Times*, April 6, 2023, <https://www.globaltimes.cn/page/202304/1288655.shtml?id=11>.

The Eastern Theater Command of the PLA announced a set of planned exercises named Joint Sword on April 8–10. On April 10, it announced the completion of these exercises.⁸

During the three-day drill, the PLA executed combat readiness patrols around the Taiwan Strait, focusing on achieving air and sea dominance and limiting Taiwan’s naval and air forces. Throughout the exercises, an average of 70–90 military aircraft and 10 naval vessels were deployed daily. Unlike the August 2022 drills conducted in response to Pelosi’s visit, no live firings occurred, but the *Shandong* aircraft carrier group was notably active in Taiwan’s eastern waters, employing J-15 fighter jets to disrupt maritime areas. Strategic-strike drills targeted Taiwan’s main island, involving missile and long-range rocket units alongside the *Shandong* group. The Taiwanese Ministry of National Defense (MND) reported the PLA’s deployment of 232 aircraft and 32 ships, including the *Shandong* carrier, positioned 200 nautical miles southeast of Taiwan following the exercise.⁹

As the PLA’s capabilities continue to grow, the use of strategic deterrence has been increasingly underscored by Chinese strategists. Beijing perceived the meeting between McCarthy and Tsai as a grave threat to its core interests, leading the CCP to leverage traditional military strategies under the guise of strategic deterrence to pressure Taiwan. This essay focuses on the PRC’s military exercises conducted in April 2023 and evaluates their impact on Taiwan’s threat perception. It offers insights and strategies for enhanced deterrence, aiming to illuminate the PLA’s tactical actions and the PRC’s overarching deterrence strategy.

Overview of the PLA’s Joint Sword Exercises

This section offers a detailed analysis of the PLA’s so-called combat readiness patrols conducted near Taiwan in April 2023, collectively named Joint Sword, and explores the exercises’ objectives. It then evaluates the Taiwanese government’s response to these military activities.

Drivers of PRC Behavior

In an official statement, the PRC labeled the Tsai-McCarthy meeting as a collaboration between the United States and Taiwan aimed at “enhancing their substantive relations” and escalating tensions. The PRC also declared its intention to take decisive actions to safeguard its national sovereignty and territorial integrity.¹⁰ A review of writings by Chinese military scholars and official textbooks is helpful for better understanding the PLA’s strategic intentions and operations.

Notably, in 2013 the PLA Academy of Military Sciences delineated three core strategies in its *Science of Military Strategy*: warfare, deterrence, and noncombat military operations.¹¹ Chinese scholars assert that strategic deterrence is versatile, proving effective during peace, crisis, or war

⁸ “PLA Eastern Theater Command Launches Patrol, Military Exercises around Taiwan Island,” Xinhua, April 8, 2023, <https://english.news.cn/20230408/2e006049414e42f68d52ff463c08bc01/c.html>; and “PLA Eastern Theater Command Concludes Patrol, Military Exercises around Taiwan Island,” Xinhua, April 10, 2023, <https://english.news.cn/20230410/5a5047269a4e4850a5f1cfaee6766/c.html>.

⁹ “Guofangbu 112 nian 4 yuefen di 2 zhou jizhewei xinwen cankao ziliao” [Ministry of National Defense Press Conference Reference Material for the Second Week of April 2023], Ministry of National Defense (Taiwan), April 12, 2023, <https://www.mnd.gov.tw/Publish.aspx?p=81316&title=%E5%9C%8B%E9%98%B2%E6%B6%88%E6%81%AF&SelectStyle=%E6%96%B0%E8%81%9E%E7%A8%BF>.

¹⁰ “Waijiaobu fayanren jiu Cai Yingwen ‘guojing’ cuan Mei fabiao tanhua” [The Ministry of Foreign Affairs Spokesperson Issued a Statement Regarding President Tsai Ing-wen’s “Transit” through the United States], Ministry of Foreign Affairs of the People’s Republic of China, April 6, 2023, https://www.fmprc.gov.cn/fyrbt_673021/202304/t20230406_11054879.shtml.

¹¹ Academy of Military Sciences, *Zhanlüexue 2013 nian ban* [Science of Military Strategy] (Beijing: Military Science Press, 2013), 6.

scenarios, by judiciously choosing the most appropriate tactics to suit varying conditions.¹² Liu Ming-fu, formerly a professor at the PLA National Defense University, recommends the use of military force as a deterrent, emphasizing the necessity of demonstrating military strength and readiness to defend national interests and security.¹³ The 2020 *Science of Military Strategy* also describes strategic deterrence as the application of military power and other means to achieve political objectives and coerce adversaries into avoiding conflict through the fear of significant repercussions.¹⁴

Chinese scholarly works highlight that “national interests” are pivotal in shaping the strategy and implementation of strategic deterrence.¹⁵ The more a nation prioritizes the protection of its interests, the more inclined it is to consider military force as a viable option. Furthermore, some Chinese analysts argue that military deterrence toward Taiwan is an efficacious approach, emphasizing its critical role in upholding these national interests.¹⁶ Former Taiwan general staff chief Lee Hsi-min observed that until the PLA is capable of conducting a military assault, military deterrence stands as its primary strategy against Taiwan.¹⁷

These considerations reveal that military deterrence is a component of strategic deterrence for the PRC. The PRC continues to use conventional military deterrence to apply pressure on Taiwan. This essay examines the PRC’s drills in April 2023 specifically through the lens of this military deterrence approach.

The Joint Sword Exercises

On April 5, 2023, the Maritime Safety Administration of Fujian Province launched a three-day patrol in the Taiwan Strait using *Haixun 06*, a large patrol vessel equipped for law enforcement and emergency response.¹⁸ Notably, the Chinese government announced that the patrol was to include inspections of ships in the Taiwan Strait; however, there are no documented instances of actual boarding. Following the Tsai-McCarthy meeting, *Haixun 06* notably patrolled east of the Taiwan Strait’s median line, signaling an effort to assert PRC sovereignty over the strait.¹⁹ These actions reflected the PRC’s intentions to shape public opinion and intimidate Taiwanese civil society.

Before April 8, the PRC had already initiated specific military exercises targeting Taiwan. The PLA’s Type-075 *Hainan* amphibious assault ship participated in extensive drills near Guangdong’s

¹² Zhang Yan, *Zhanlüe weishe lun* [On Strategic Deterrence] (Beijing: Social Sciences Academic Press, 2018), 141; and Cai Yequan and Liang Yi, “Zhanlüe weishe tixi de goucheng, yunyong jiqi xiaoyong pinggu yanjiu” [A Study on the Formation, Application, and Effect of Strategic Deterrence], *Military Operations Research and Systems Engineering*, no. 1 (2014): 13.

¹³ Liu Mingfu, *Xinshidai Zhongguo qiangjun meng* [China’s Strong Army Dream in the New Era] (Beijing: Central Party School Press, 2020), 200–209.

¹⁴ Xiao, *Zhanlüe xue*, 126–30.

¹⁵ Zhang, *Zhanlüe weishe lun*, chap. 4.

¹⁶ Lu Qingchun, “Junshi weishe yu Taiwan wenti” [Strategic Deterrence and the Taiwan Issue], *Journal of Chongqing University of Science and Technology*, no. 4 (2008): 1–3; Chen Jie, “Lun weishe zai junshi douzheng zhunbeizhong de yunyong” [On Application of Strategic Deterrence in Military Struggle], *Journal of University of Electronic Science and Technology of China*, no. 4 (2006): 75–78; and Fan Qiang and Xu Xuefei, “Mei Ri Tongmeng Taihai weiji guanli jizhi yu Riben de juese zhuanbian” [U.S.-Japan Alliance’s Function in Taiwan Strait Crisis Management and Japan’s Changing Role in the Matter], *Japanese Studies*, no. 6 (2021): 115.

¹⁷ Lee Hsi-min, *Taiwan de shengsuan: Yi xiao zhi da de buduichen zhanlüe, quan Taiwanren dou ying liaojie de zhengti fangwei gouxiang* [The Overall Defense Concept: An Asymmetric Approach to Taiwan’s Defense] (New Taipei City: Liam Jing Press, 2022), 205.

¹⁸ “Fujian Launches Sea Patrol Operation in Taiwan Straits,” *China Daily*, April 6, 2023, <https://www.chinadaily.com.cn/a/202304/06/WS642e1e3aa31057c47ebb88bd.html>.

¹⁹ Michelle Chiang, “China’s Patrols and Inspections in the Taiwan Strait Are Challenging Jurisdiction: Defense Minister,” *Radio Taiwan International*, April 6, 2023, <https://en.rti.org.tw/news/view/id/2009271>.

western coast near the end of March.²⁰ Additionally, the *Shandong* aircraft carrier, along with the Type-054A *Liuzhou* frigate and Type-901 *Chaganhu* fast-replenishment ship, executed long-distance training near Taiwan's southeast coast. The PLA Eastern Theater Command's naval helicopter unit also carried out landing exercises on the Type-075 *Guangxi*.²¹ Japan monitored a Chinese frigate's movements close to Taiwan and the disputed Senkaku/Diaoyu Islands. Taiwan's MND closely watched these developments, noting the presence of both PRC and U.S. aircraft carriers in the vicinity.²²

This stage was pivotal in the PLA's maneuvers aimed at Taiwan, which were directed by the PLA Eastern Theater Command's Joint Operations Command Center. The PRC conducted synchronized operations among various military divisions—PLA Ground Force, Navy, Air Force, and Rocket Force—encompassing the Taiwan Strait and adjacent areas (see **Figure 1**). The exercises were aimed at achieving maritime and airspace control, establishing information dominance, and simulating joint firepower strikes near Taiwan, reflecting the PLA's strategic emphasis on gaining early operational superiority in potential conflicts with Taiwan. This aligns with previous research on the PLA's strategy against Taiwan, which emphasizes the importance of achieving battlefield superiority at the onset of operations.²³

At the time, Xinhua reported that the PLA's maneuvers were designed to assess the integrated joint combat capabilities of its forces in real combat scenarios. The exercises began with a quick mobilization of diverse task forces to strategic locations for combat readiness, demonstrating a unified deterrence posture around Taiwan.²⁴ Following the three days of drills, the PLA expanded its operations to include a temporary no-fly zone over northern Taiwan, initially set for three days but shortened to 27 minutes following protests from the Taiwanese government. Additionally, the PLA Navy continued to expand its training with the *Shandong* aircraft carrier group, which conducted approximately 620 takeoffs and landings in the western Pacific from April 7 to April 24. This indicated a significant intensification of training activities beyond the exercises near Taiwan, reflecting a wider scope of military preparedness.

Adopting a broader view, between August 2022 and December 2023, the PLA intensified its activities near Taiwan, including the Joint Sword exercises. This marked a significant uptick in military pressure, setting new records for air force provocations and median-line crossings in the Taiwan Strait (see **Table 1**). This period also revealed a steady increase in PLA Navy provocations, especially after the April 2023 exercises, indicating a strategic pattern of heightened military presence around Taiwan (see **Figure 2**).²⁵

²⁰ Liu Xuanzun, "PLA Vows to Safeguard Sovereignty Ahead of Tsai-McCarthy Meet," *People's Daily*, April 6, 2023, <http://en.people.cn/n3/2023/0406/c90000-20001907.html>.

²¹ "PLAN Shandong Aircraft Carrier Fleet Passed through the Bashi Channel," Ministry of National Defense (Taiwan), April 5, 2023, <https://twitter.com/monddefense/status/1643599417017253888?s=46&t=DtbXIA2WyQGObj80JLZtdg>.

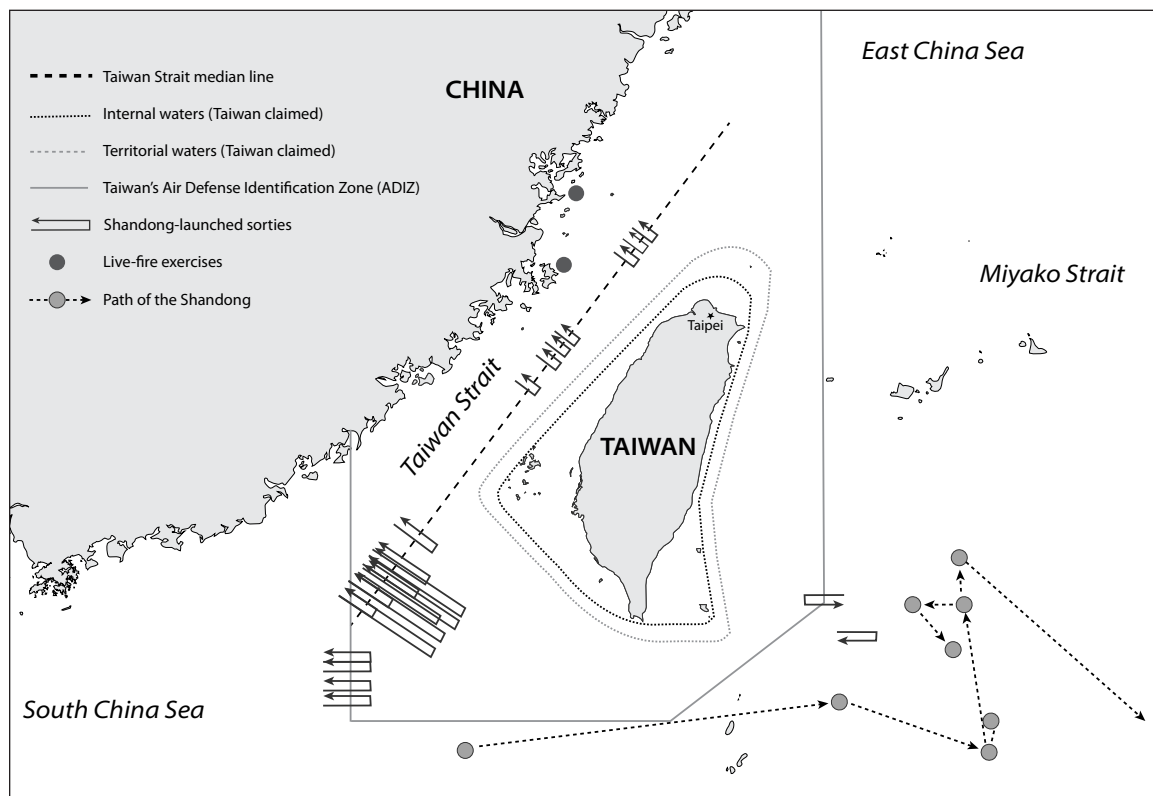
²² Keoni Everington, "USS Nimitz, China's Shandong Both Off East Coast of Taiwan," *Taiwan News*, April 6, 2023, <https://www.taiwannews.com.tw/en/news/4856557>.

²³ See, for example, Philip C. Saunders and Joel Wuthnow, "Crossing the Strait: PLA Modernization and Taiwan," in *Crossing the Strait: China's Military Prepares for War with Taiwan*, ed. Joel Wuthnow et al. (Washington, D.C.: National Defense University Press, 2022), 8.

²⁴ "PLA Eastern Theater Command Concludes Patrol, Military Exercises around Taiwan Island."

²⁵ Gerald C. Brown, Benjamin Lewis, and Alex Kung, "Taiwan ADIZ Violations Database, 2023," <https://docs.google.com/spreadsheets/d/1qbfYF0VgDBJofZN5elpZwNTiKZ4nvCUCs5a7oYwm52g/edit#gid=168515562>.

FIGURE 1 PLA activity in the vicinity of Taiwan during the April 2023 Joint Sword exercises



SOURCE: U.S.-China Economic and Security Review Commission, *2023 Annual Report to Congress of the U.S.-China Economic and Security Review Commission* (Washington, D.C., November 2023), 595–97.

NOTE: Taiwan's declared ADIZ covers parts of territory administered by China and Japan. Up to twelve PLA vessels were detected in the waters surrounding Taiwan during the April 2023 exercises. Map is for illustrative purposes only.

Taiwan's Response

After the April 2023 meeting between President Tsai and House Speaker McCarthy, Taiwan's governmental bodies voiced strong disapproval and alertness toward the PLA's military and gray-zone maneuvers.²⁶ They criticized the PRC's actions as deliberate escalations that posed threats to regional stability. Even the legislature, typically divided, united to denounce the PLA's military drills near Taiwan, marking a rare consensus against the perceived aggressions.²⁷

To ensure a cohesive stance on Taiwan's defense, various organizations proactively took significant actions. For example, Taiwan's Maritime Port Bureau preemptively released

²⁶ Ministry of National Defense (Taiwan), *ROC National Defense Report 2023* (Taipei, September 2023), 34–44, [https://www.mnd.gov-tw-hjbnchrewwqbyf0.z01.azurefd.net/newupload/NDR/112/112NDREng.pdf](https://www.mnd.gov.tw/hjbnchrewwqbyf0.z01.azurefd.net/newupload/NDR/112/112NDREng.pdf).

²⁷ "MOFA Again Solemnly Condemns China's Military Intimidation of Taiwan and Thanks International Community for Continuing to Speak Up for Taiwan," Ministry of Foreign Affairs (Taiwan), April 11, 2023, https://en.mofa.gov.tw/News_Content.aspx?n=1328&s=100085.

TABLE 1 Dynamic statistics of PLA intrusions into Taiwan’s airspace (including ADIZ), August 2022–December 2023

	Total aircraft tracked in region	Number of median-line crossings per month
August 2022 (incomplete)	874	302
September 2022	573	109
October 2022	423	34
November 2022	489	50
December 2022	506	69
January 2023	365	61
February 2023	318	42
March 2023	330	41
April 2023	571	135
May 2023	367	49
June 2023	368	36
July 2023	429	50
August 2023	410	70
September 2023	561	73
October 2023	353	57
November 2023	360	44
December 2023	293	45

SOURCE: Gerald C. Brown, Benjamin Lewis, and Alex Kung, “Taiwan ADIZ Violations Database, 2023,” <https://docs.google.com/spreadsheets/d/1qbfYF0VgDBJoFZN5elpZwNTiKZ4nvCUcs5a7oYwm52g/edit#gid=168515562>.

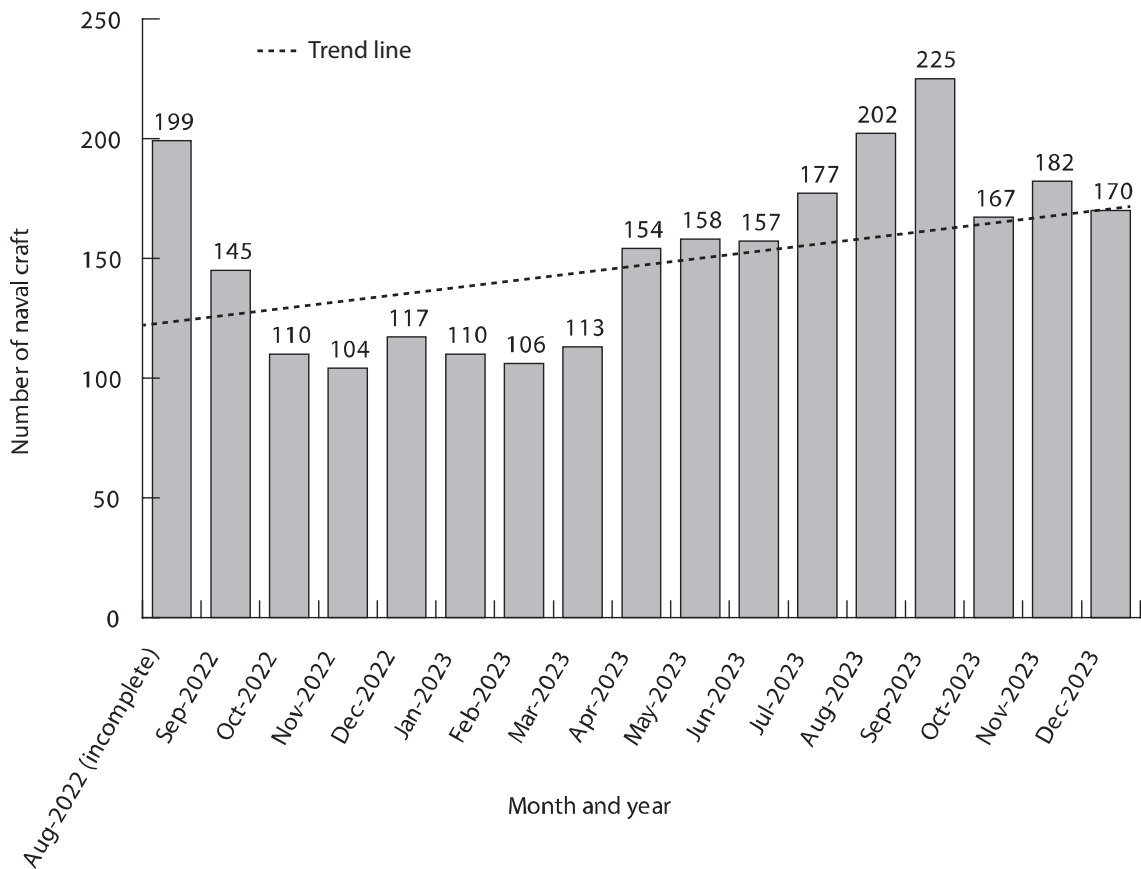
information, urging relevant shipping companies to reject the inspections. Additionally, the Ocean Affairs Council announced that Taiwan’s coast guard had adjusted its deployment to safeguard against ship interventions by the PRC. It is important to note that there is no publicly available evidence that ships in Taiwan’s territorial waters have been subjected to boarding inspections by outside forces.

Taiwan’s MND not only condemned the PLA’s military exercises for posing a regional security threat but also took several actions, including establishing a response center, elevating the level of combat readiness, and implementing measures for combat readiness response.²⁸ In particular, to counter the PLA’s blockade tactics around Taiwan, the MND showcased images of mobile launchers for Taiwan’s domestically produced Hsiung Feng anti-ship missiles stationed at an undisclosed location, along with pictures of fast-attack boats armed with missiles navigating the western Pacific.²⁹

²⁸ “Zhonggongjunyan Guofangbu qianze gongjun xuyi zhizao Taihai jinzhang” [Ministry of National Defense Condemned the PLA’s Military Exercises, Accusing Them of Deliberately Creating Tension in the Taiwan Strait], Central News Agency, April 8, 2023, <https://www.cna.com.tw/news/aip/202304080061.aspx>; and “Gongbu Zhongguo dui Taiwan junyan gaikuang” [Ministry of National Defense Announced an Overview of China’s Military Exercises Targeting Taiwan], *Taiwan News*, April 12, 2023, <https://www.taiwannews.com.tw/ch/news/4861764>.

²⁹ Ben Blanchard and Yimou Lee, “China Ends Taiwan Drills after Practicing Blockades, Precision Strikes,” Reuters, April 11, 2023, <https://www.reuters.com/world/asia-pacific/japan-following-chinas-taiwan-drills-with-great-interest-2023-04-10>.

FIGURE 2 Dynamic statistics of PLA activities in the waters around Taiwan, August 2022–December 2023



SOURCE: Brown, Lewis, and Kung, “Taiwan ADIZ Violations Database, 2023.”

The PLA not only set up blockades, aiming to “encircle first and then attack,” but also showcased its new strike capabilities, including by deploying the *Shandong*, its first domestically built aircraft carrier, near Taiwan. This was intended to achieve two key goals. First, it countered Taiwan’s strategy of relocating air force planes from western airfields to more secure locations on the east coast. Second, the PLA aimed to assess its capacity to intercept U.S. and other military support for Taiwan in the event of a conflict across the strait.³⁰

The PLA has issued statements emphasizing its readiness to counter separatism and simulate strikes on critical infrastructure and targets. This reflects the PRC’s strategic blueprint of conducting psychological warfare to prepare favorable conditions for an invasion of Taiwan, utilizing a methodical approach to refine its strategies.³¹ Thus, the large-scale military exercises

³⁰ David J. Keegan and Kyle Churchman, “Confrontation Muted, Tensions Growing,” *Comparative Connections* 25, no. 1 (2023): 100–102, <https://cc.pacforum.org/wp-content/uploads/2023/05/08-China-Taiwan-Relations.pdf>.

³¹ Ministry of National Defense (Taiwan), *ROC National Defense Report 2023*, 4–5.

around Taiwan align with Xi Jinping's desire to enhance the PLA's credibility as a military tool for the PRC's efforts toward unification with Taiwan.³²

Taiwan thus faces security threats from the PRC's military deterrence and gray-zone operations, reinforcing its determination to defend its sovereignty and stability. In contrast with the PRC's show of military force, Taiwan emphasizes resolute defense without escalation and reflects a commitment to peace and a shared responsibility for maintaining stability in cross-strait relations. This evolving security strategy will be explored in the next section.

The Impact of the PRC on Taiwan's Security Strategy

Before President Tsai's meeting with House Speaker McCarthy in California, Taiwan had been navigating a complex landscape of interactions with the PRC. After Tsai became president in 2016, dialogue between Taiwan and the PRC stalled because her administration did not follow the cross-strait policies of her predecessor, Ma Ying-jeou. Nonetheless, the Tsai administration remained open to dialogue with the PRC, advocating for peace, equality, democracy, and dialogue. The PRC government, however, showed no willingness to engage. Furthermore, Xi Jinping's push for reunification under the "one country, two systems" model, similar to the one applied to Hong Kong, has faced significant opposition in Taiwan, especially in the wake of Beijing's crackdown on Hong Kong's civil liberties in 2019.³³ This sentiment played a role in Tsai's re-election to a second term in 2020.

Since 2020, Taiwan has faced escalating challenges from the PRC, marked by an increase in military operations and gray-zone activities posing threats to regional peace and stability.³⁴ Xi's strategy has been to exert growing diplomatic and military pressure on Taiwan, with the objective of constraining its international relationships, particularly with the United States. Taiwan has responded to the PRC's threats by bolstering its military capabilities and increasing its defense budget. This reaction has been reinforced by global events, such as Russia's invasion of Ukraine in February 2022. In addition, the latest MND report warned that an invasion of Taiwan by the PRC could occur regardless of the intentions of Taiwan.³⁵

These developments have significantly influenced domestic sentiment in Taiwan toward the PRC's military threats and the idea of unification. By the end of 2022, the government not only showed increased resolve to bolster Taiwan's defenses against the PRC's military threats through official action but also encouraged civilian preparedness. In August 2022, Taiwan announced a 14% increase in defense spending, reaching a record \$19.4 billion.³⁶ The Tsai administration focused on enhancing domestic production of drones and doubling the production of locally produced missiles.³⁷ There is also a rising interest in first-aid training among the public and discussions

³² Guermantes Lailari, "Key Takeaways for Taiwan from the Pentagon's PLA Report," Prospect Foundation, Prospects and Perspectives, December 2023, 3–4, <https://www.pf.org.tw/wSite/public/Attachment/003/f1702344825128.pdf>.

³³ "President Tsai's Timeline," Office of the President (Taiwan), <https://english.president.gov.tw/Page/40>.

³⁴ Ying-yu Lin, "The Impact of China's Military Drills around Taiwan on Indo-Pacific Security," Prospect Foundation, September 2022, <https://www.pf.org.tw/en/pfen/33-9622.html>; and Chin-Kuei Tsui, "China's Gray Zone Activities and Taiwan's Responses," Stimson Center, December 12, 2022, <https://www.stimson.org/2022/chinas-gray-zone-activities-and-taiwans-responses>.

³⁵ Ministry of National Defense (Taiwan), *ROC National Defense Report 2023*, 4–5.

³⁶ Yimou Lee and Ben Blanchard, "Taiwan Aims for Big Rise in Defence Spending amid Escalating China Tension," Reuters, August 25, 2022, <https://www.reuters.com/business/aerospace-defense/taiwan-proposes-129-on-year-rise-defence-spending-2023-2022-08-25>.

³⁷ "President Tsai Ing-Wen Unveils the 1st UAV AI Innovation Application R&D Center of Asia," Chiayi County Government, August 13, 2022, https://www.cyhg.gov.tw/en/News_Content.aspx?n=85&s=222538.

on mobilizing the population to counter Chinese aggression.³⁸ Public opinion indicates growing concern about military threats from the PRC and a declining interest in unification. This sentiment has become even more pronounced in the current international landscape.

The ongoing conflict between Ukraine and Russia serves as a stark reminder of the potential consequences of geopolitical tensions. Consequently, public sentiment in Taiwan regarding unification with the PRC has fallen to its lowest level of favorability yet. According to a press statement from Taiwan's Mainland Affairs Council, a survey conducted by the Election Study Center of National Chengchi University in March 2022, following Russia's invasion of Ukraine one month earlier, revealed that 92.9% of respondents disapproved of the PRC's military threats against Taiwan.³⁹ This overwhelming consensus underscores the depth of Taiwanese society's resistance to coercion from the PRC.

Public opposition intensified following the August 2022 visit of House Speaker Pelosi to Taiwan. These exercises were unprecedented in both scale and proximity to the island, including the launching of ballistic missiles over Taipei, which landed in the waters east of Taiwan. Despite the assertive military maneuvers by the PRC, public sentiment in Taiwan remains resolute. A majority of the population (53%) expressed no regret over Pelosi's visit, interpreting it as a sign of international support. Furthermore, 55% of respondents believed that the PRC's military drills only served to diminish the desire for unification with the mainland.⁴⁰

At the start of 2023, there were signs of improving relations between Taiwan and the PRC, marked by friendly exchanges and the reinstatement of ferry services.⁴¹ Despite these gestures, the relationship remained tense, underscored by the CCP's mixed messages of peace and coercion and its continued military deterrence and exercises around Taiwan. The relationship is further complicated by Beijing's opposition to the Democratic Progressive Party's government and the Chinese leadership's refusal to engage in official talks, maintaining a stance against Taiwanese independence. While the April 2023 drills had little impact on daily activities in Taiwan and were smaller than those conducted in August 2022, Beijing's relatively subdued response is attributed to some timely factors: Taiwan was approaching its presidential elections in nine months, and former president Ma Ying-jeou had just concluded a significant visit to the PRC in March 2023.⁴² Nevertheless, the PRC's military deterrence still emerged as a significant tool in April 2023.

The PRC government consistently views "Taiwan independence" separatist forces as the most significant threat to peace and stability in the Taiwan Strait. It emphasizes intensified efforts to counter their activities, firmly opposes external interference, and condemns advocates of "Taiwan containment." The CCP has also reaffirmed its commitment to not renounce the use of force to resolve the Taiwan issue and is gradually increasing military activities near Taiwan. In fact, the party seems more concerned about the substantial upgrade in Taiwan and U.S. relations.

³⁸ "UMC Honorary Chair Donates NT\$3 Billion to Help Taiwan Improve Its Security," Formosa News, August 5, 2022, <https://english.ftvnews.com.tw/news/2022805W02EA>.

³⁹ "Taiwan minyi zhichi minzhu tuanjie yingdui tiaozhan, hanwei Zhonghua Minguo zhuquan, fandui Zhonggong dui Tai shiya ji renzhi zuozhan" [Taiwanese Public Opinion Supports Democratic Unity to Face Challenges and Defend the Sovereignty of the Republic of China, Opposing the CCP's Pressure on Taiwan and Its Cognitive Warfare], Mainland Affairs Council (Taiwan), March 25, 2022, 1–2, <https://ws.mac.gov.tw/Upload/295/refile/7681/6103/d9ddaac8-5bad-4756-9f95-45ffbe8e6891.pdf>.

⁴⁰ "Peiluoxi fang Tai, Zhongguo junyan yu Taiwan minyi" [Pelosi's Visit to Taiwan, China's Military Drills, and Taiwanese Public Opinion], Taiwanese Public Opinion Foundation, August 16, 2022, i–ii, <https://www.tpof.org/wp-content/uploads/2022/08/2022%E5%B9%B4%E6%9C%88%E8%A8%98%E8%80%85%E6%9C%83%E6%9B%B8%E9%9D%A2%E5%A0%B1%E5%91%8A.pdf>.

⁴¹ Cao Desheng, "Xi Gives Uplifting Address to Ring in New Year," *China Daily*, December 31, 2022, <https://www.chinadaily.com.cn/a/202212/31/WS63b03acea31057c47eba7236.html>; and Keegan and Churchman, "China-Taiwan Relations: Confrontation Muted, Tensions Growing," 97–108.

⁴² "China, Warning President Tsai, Encircles Taiwan During Tense 3-Day 'Military Patrol,'" Asia Pacific Foundation of Canada, April 20, 2023, <https://www.asiapacific.ca/publication/china-warning-president-tsai-encircles-taiwan-during-tense-3>.

Support for Taiwan from high-level officials in foreign countries has only made the PRC more motivated to utilize military deterrence and conduct military exercises against the island. As analyzed in the previous section, despite House Speaker McCarthy's decision to lower the profile of his meeting with President Tsai by holding it in the United States rather than in Taiwan, upon her return to the island, the PLA launched a series of joint exercises in the air and waters around Taiwan lasting three days and has continued to conduct military exercises since then.⁴³ The PRC is the primary actor executing military threats, including large-scale exercises and intrusions, directly challenging the status quo in the Taiwan Strait.⁴⁴

Conclusion

Through a case study of the PLA's joint exercises in the air and waters around Taiwan after the Tsai-McCarthy meeting in April 2023, this essay has delved into the CCP's use of military deterrence against the backdrop of tensions in the Taiwan Strait. By analyzing the PLA's concept of military deterrence, as well as Taiwan's responses to PLA drills, this study offers insights into Chinese military behavior and goals, as well as the potential consequences of the PLA's deterrence strategy. This analysis has aimed to enhance understanding of the measures necessary for maintaining peace and stability amid escalating global geopolitical rivalry.

The PLA's Joint Sword exercises demonstrate the PRC's readiness to employ military force to discourage Taiwanese independence and constrain Taiwan's global interactions, especially with the United States. Taiwan perceives these actions as immediate threats to its security and sovereignty, leading it to adopt a defensive stance and strengthen partnerships, particularly with the United States. The PLA's deterrence efforts aim to solidify territorial claims and display the PRC's military prowess to both local and global observers. The military maneuvers conducted near Taiwan offer a unique window into the PLA's progress and ambitions, highlighting its strategic intentions and capabilities.

From a military perspective, Chinese documentation consistently highlights the importance of using military force, emphasizing the need to approach and manage military matters with a political mind-set. The PLA's exercises around Taiwan in April 2023 aligned with the Chinese strategic literature emphasizing both strategic and military deterrence. Before these exercises, the CCP leveraged state media for official warnings, indicating that actions perceived as undermining the PRC's sovereignty, like significant interactions between U.S. officials and President Tsai, would trigger countermeasures such as military drills. This tactic aligns with the PLA's strategy of using military deterrence, operating on the principle of responding to perceived provocations. By improving coordination across military branches and integrating capabilities for complex operations, the PLA leadership gains flexibility to select modular strategies based on the desired outcomes. This approach marks a departure from previous exercises by serving dual purposes: it functions as both a military drill and a tool for signaling deterrence to Taiwan and the United States. This strategy not only achieves a psychological effect by fostering a sense of isolation within

⁴³ Michael D. Swaine and James Park, "Paths to Crisis and Conflict Over Taiwan," Quincy Institute for Responsible Statecraft, Quincy Brief, no. 51, January 2024, 13–14.

⁴⁴ Raymond Kuo, Michael A. Hunzeker, and Mark A. Christopher, "Scared Strait: How Should America Deter China from Attacking Taiwan?" *Foreign Affairs*, March/April 2024, <https://www.foreignaffairs.com/scared-strait>.

Taiwanese society, but it also could provide the PLA with tactical or operational advantages by shortening the warning time for Taiwan and its allies regarding a potential military action.

This study contends that until the PLA can launch an attack, military deterrence is the PRC's primary strategy against Taiwan. The April 2023 military exercises near Taiwan represent low-intensity yet high-threat maneuvers aimed at achieving specific political objectives, potentially escalating tensions and leading to a crisis. In April 2023, Chinese state media hinted that the PRC might even deploy fighter jets to shadow Tsai's plane, indicating a willingness to use military means to create favorable situations despite regional tensions.⁴⁵ Clearly, the PRC is provoking challenges to the status quo and international order.

Deterring the PRC and preventing it from crossing red lines have become paramount. Despite historically low military investment, Taiwan has made significant adjustments to enhance its defense posture. The Tsai administration notably has increased defense spending from 2% to 2.5% of GDP, extended conscription, initiated reforms of the reserve force, and emphasized asymmetric warfare capabilities, including the local production of submarines, drones, and mines. President-elect William Lai, who assumes office in May, has pledged to hasten the shift toward an asymmetric fighting force and bolster national defense.⁴⁶ The commitment of the government and society to safeguard their homeland is thus evident. But Taiwan must continue to build on these initiatives, as addressing its self-defense shortcomings will require sustained, focused effort.

In particular, to deter the PRC, a reliance on both Taiwan's own efforts and support from the United States and other like-minded countries is crucial. First, the United States could enhance its security assistance to help Taiwan withstand the PLA's conventional strikes and prevent the establishment of amphibious beachheads. Second, the United States could support Taiwan in bolstering its resilience, notably by augmenting reserves of short- and medium-range munitions like surface-to-air and anti-ship missiles (alongside sea mines) and by fortifying its communication infrastructure for sustained external connectivity after an initial assault. Third, while the presence of the U.S. military and the militaries of other democratic countries in the Indo-Pacific is vital, it must be balanced with robust diplomatic and economic initiatives in the region, ensuring that these elements complement rather than compete with each other.

⁴⁵ Chen and Liu, "China's Countermeasures in Gear against Tsai-McCarthy's Sneaky Meeting."

⁴⁶ David Sacks, "Taiwan's 2024 Presidential Election: Analyzing William Lai's Foreign Policy Positions," Council on Foreign Relations, December 20, 2023, <https://www.cfr.org/blog/taiwans-2024-presidential-election-analyzing-william-lais-foreign-policy-positions>; and "Lai Spells Out Plan to Preserve Peace in Strait," *Taipei Times*, July 6, 2023, <https://www.taipetimes.com/News/front/archives/2023/07/06/2003802755>.

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Japan's Encounters with China at Sea: The 2013 Fire-Control Radar Incident and Japan's China Strategy

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NOTE: The views expressed in this essay are the author's personal views and do not represent NIDS or the Ministry of Defense of Japan.

EXECUTIVE SUMMARY

This essay analyzes China's behavior during crises, considers the 2013 fire-control radar incident between the People's Liberation Army (PLA) and the Japan Self-Defense Forces as a case study, and assesses Japan's response to this and other incidents.

MAIN ARGUMENT

The fire-control radar incident of 2013 took place during a period of heightened tension in Japan-China relations following Japan's nationalization of the Senkaku Islands in 2012. Due to the increased activity of PLA naval and air forces in the East China Sea and the dramatic increase in the activity of Chinese government vessels in the waters surrounding the Senkaku Islands in the decade since, Japan has strengthened its surveillance of Chinese shipping and aircraft activities. China has taken dangerous actions to intimidate those surveillance activities, and Japan has responded by strengthening deterrence and stabilizing relations. Specifically, it has enhanced its deterrence toward China by strengthening its own defense capabilities, the Japan-U.S. alliance, and multilateral frameworks. Additionally, Japan has tried to reassure China and stabilize relations through summit diplomacy, crisis management, and the avoidance of horizontal escalation.

POLICY IMPLICATIONS

- In a crisis with China, both deterrence and stabilization of the bilateral relationship are necessary. Priority should not be placed solely on short-term fixes in a situation of ongoing, long-term great-power competition. Compromise without deterrence could lead to further coercive actions by China, and increased deterrence without stabilization could lead to instability.
- To constrain China and garner support from the international community, it is important for Japan to publicize actions if they are seriously dangerous. Beijing will have a more difficult time taking a strong stance in situations where it cannot claim moral superiority.
- Summit diplomacy is crucial for managing a crisis. Given China's political system, where power is concentrated among a limited number of top officials, including the supreme leader, consensus at the summit level is paramount for stabilizing a crisis. It would also be useful to try to make contact through various channels other than official diplomatic lines.

Japan and China are neighbors across the East China Sea. Until the 2000s, direct confrontations between the Japan Self-Defense Forces (JSDF) and the People's Liberation Army (PLA) were rare. Since the 2010s, however, the struggle between the two countries in the East China Sea has intensified as China's power has grown.¹ China has sought to strengthen its territorial claims over the Senkaku Islands governed by Japan by repeatedly dispatching government ships and making such deployments regular practices.² In addition, with the modernization of the PLA, its naval and air force vessels and aircraft have become more active in the East China Sea, including the waters surrounding Japan, and exercises have become more frequent. At the same time, the JSDF's surveillance activities against Chinese military activities have increased. There have also been dangerous military or paramilitary encounters between the two countries.

How could Japan's encounters with China, especially the latter's dangerous and threatening actions during a crisis, lead to inadvertent escalation into a conflict? What do past incidents reveal about China's approach to crisis behavior and management? How does Japan perceive the threat of conflict with China and respond to its behavior during a crisis?

To tackle these questions, this essay focuses on the incident of fire-control radar irradiation by Chinese naval vessels against Japan Maritime Self-Defense Force (MSDF) vessels and helicopters that occurred in January 2013. Using Japanese- and Chinese-language sources, the essay illustrates the reality of maritime encounters between the JSDF and PLA, thereby deepening understanding of China's behavior in crises and Japan's options for effectively responding.

The essay is organized as follows. The first section provides a general overview of China's approach to crises. Next, the 2013 fire-control radar incident is discussed as a case study. The essay then analyzes the changes in Japanese perceptions of and responses to these incidents before concluding with a discussion of policy implications.

China's Approach to Crises

A general and comprehensive analysis of China's approach to crises is beyond the scope of this essay. Instead, the following discussion draws on the arguments of Chinese commentators to identify features of China's approach to crisis management that are relevant to the 2013 fire-control radar incident.

First, an important aspect of China's approach to a crisis is that it seeks to deter opponents' actions by creating danger for them. In China's conceptions of crisis, dangerous threats can lead to crises between nations, but they can also lead to opportunities for achieving national interests.³ According to Xia Liping, an expert on U.S.-China relations at the Shanghai Institutes for International Studies, the Chinese word *weiji*, meaning crisis, is composed of two words: *wei* (danger) and *ji* (opportunity or turning point). Hence, there is a tendency to think of a crisis as both a "latent disaster or danger" and an "opportunity or chance," which, if handled well, can become

¹ Edmund J. Burke et al., *China's Military Activities in the East China Sea: Implications for Japan's Air Self-Defense Force* (Santa Monica: RAND Corporation, 2018).

² The Senkaku Islands, known as the Diaoyu Islands in China, are a small group of uninhabited islands located approximately 150 kilometers from Japan's Yonaguni Island.

³ Japan National Institute for Defense Studies (NIDS), ed., *NIDS China Security Report 2013* (Tokyo: NIDS, 2014); and Li Yunlong, "Guoji weiji guanli de xianguan gainian fenxi" [An Analysis of Concepts Related to International Crisis Management], *Xin Yuanjian* 6 (2010): 24–32. There are counterarguments to this view. See, for example, Alastair Iain Johnston, "The Evolution of Interstate Security Crisis-Management Theory and Practice in China," *Naval War College Review* 69, no. 1 (2019): 30–31. However, it appears that Chinese commentators who view crises positively are not as minor in influence as Johnston suggests.

a “turning point.”⁴ Sun Xuefu, a former political commissar of a unit belonging to the General Staff Department of the PLA, argues that “a military crisis brings not only danger or threat, but also some kind of chance.” He explains that “although chances exist in military conflict, they are thickly veiled, difficult to find, and will vanish in a blink.”⁵

Second, China’s approach to escalation control prioritizes showing that China is not responsible for the dangerous actions. It is very important for Beijing to assert the legitimacy of its position and actions in a crisis and to hold the other party responsible for the crisis.⁶ According to Wu Xinbo, a professor in the Institute of International Studies at Fudan University, one characteristic of China’s crisis behavior is that it concentrates on the question of who is responsible for the crisis.⁷ It is useful for China to make the adversary question whether the offensive actions were made by local commanders or at the direction of the Chinese Communist Party (CCP) leadership. Moreover, China often tends to deny the occurrence of such events entirely and blame them on the other side’s intrigues.

Third, China’s approach to crisis management is guided by several principles.⁸ Zhang Tuosheng defines crisis management as the pursuit of a country’s “own interests as far as possible, while preventing the escalation of the crisis to the point of military conflict, and gradually deescalating the crisis.”⁹ Similarly, Li Yunlong asserts that the purpose of crisis management is to achieve the dual goals of avoiding war and winning in a crisis. This requires a country to control and manage crises to protect the vital interests of the nation while avoiding escalation into a conflict.¹⁰ Such thinking can lead to the idea of using a crisis to make the other party concede and restrain itself. In fact, China has sought to constrain the actions of its adversaries through the dangerous proximity of its naval vessels and aircraft.

Wang Jisi of Beijing University and Xu Hui of the National Defense University maintain that the prime guiding principle for Beijing is the integration of strategic principles and tactical flexibility.¹¹ Drawing the *dixian* (bottom line), or setting a strict minimum requirement for success, is the key for China to make its principles and flexible attitude compatible with each other. China can compromise to some extent as long as the outcome is above the *dixian*. This suggests that the targets in a crisis are set in a phased and restricted way. In terms of organizational culture, it is often not possible for China to make decisions at the practical level because a great deal of authority is concentrated in the top leadership and the authority of subordinate units is very small.

Fourth, sometimes China mobilizes domestic audiences in crises to show its resolve and thereby make its threats credible. In 2012, for example, following the Japanese government’s purchase of

⁴ Xia Liping, “Guanyu Zhongmei weiji guanli de bijiao yanjiu” [A Comparative Study of Crisis Management of the United States and China], *Guoji Wenti Luntan* (2005): 21–40. See also Institute of War Studies of the Academy of Military Science, “Jianchi jiji jinqu: xuexi dangdai Zhongguo makesi zhuyi junshi guan he fangfalun” [Adherence to Positive Progress—Learning Contemporary Chinese Marxist Military Concepts and Methodologies], *Jiefangjun Bao*, August 8, 2023.

⁵ Sun Xuefu, “Yingdui junshi weiji xuyao chuangaoli” [Responding to Military Crises Requires Creativity], *Jiefangjun Bao*, January 1, 2010.

⁶ Wang Jisi and Xu Hui, “Zhongmei weiji xingwei bijiao fenxi” [A Comparative Analysis of Sino-American Crisis Behavior], *Meiguo Yanjiu* 2 (2005): 22–46.

⁷ Wu Xinbo, *Shishi ruju juxin 21 shiji chu Zhongmei guanxi de xin geju* [World Affairs in New Situation: The New Pattern of U.S.–China Relations at the Beginning of the 21st Century] (Shanghai: Fudan daxue chubanshe, 2011).

⁸ Zhang Tuosheng, “Zhongguo guoji junshi anquan weiji xingwei yanjiu” [A Study of China’s International Military Security Crisis Behavior], *Shijie Jingji Yu Zhengzhi*, April 14, 2011.

⁹ Zhang, “Zhongguo guoji junshi anquan weiji xingwei yanjiu.”

¹⁰ Li, “Guoji weiji guanli de xianguan gainian fenxi.”

¹¹ Wang and Xu, “Zhongmei weiji xingwei bijiao fenxi.”

the Senkaku Islands, China increased pressure on Japan by permitting, but not actively promoting, large-scale anti-Japanese demonstrations.¹²

A Case Study: The 2013 Fire-Control Radar Incident

Background

Until the early 2000s, there were few encounters between the PLA and JSDF. The post-Cold War relationship between Japan and China, while not exactly friendly, had been a politically stable one with growing economic interdependence. In October 2006, newly appointed prime minister Shinzo Abe chose China as the destination for his first foreign visit, during which both sides agreed to establish a “mutually beneficial relationship based on common strategic interests.”¹³ This vision aimed to ensure that neither country would pose a security threat to the other and to foster long-term collaboration in areas such as energy and environmental conservation. Symbolic of this vision was that in June 2008 Japan and China agreed to jointly develop gas fields in the East China Sea. However, this strategic relationship of mutual benefit was left largely unrealized. China proceeded with the development of the gas fields on its own, sidestepping the mutual agreement.

The bilateral relationship has changed since 2010, with security issues becoming a focal point. In September 2010, off the coast of the Senkaku Islands, a Chinese fishing boat repeatedly rammed into a Japan Coast Guard (JCG) patrol vessel. When the captain of the Chinese fishing boat was arrested and detained, China perceived this action as Japan attempting to reinforce its control over the Senkaku Islands, prompting a strong Chinese backlash. In 2012, Shintaro Ishihara, the famously nationalist governor of Tokyo, moved to have the Tokyo Metropolitan Government purchase the Senkaku Islands from their private owner. The Japanese government, believing this move could further complicate the situation, decided to purchase the Senkaku Islands in order to stabilize the situation. China reacted vehemently, normalizing the dispatch of its government vessels to the waters around the islands. Within China, intense anti-Japanese demonstrations were allowed to take place, intensifying the criticism of Japan. It is believed that China’s reaction was influenced by the fact that the dispute coincided with a period of domestic uncertainty in Chinese politics, specifically the transition from the Hu Jintao administration to the Xi Jinping administration.¹⁴ From this point onward, security-related tensions between Japan and China came to the fore.

In addition to the changing political relations, the modernization of the PLA widened the options China could take. The PLA Navy, for example, has increased the number of modern vessels in its fleet and improved its ability to operate in more distant waters. The air force upgraded to fourth- and fifth-generation fighter aircraft and has increased its support aircraft, including transport, refueling, and intelligence, surveillance, and reconnaissance (ISR) aircraft.¹⁵ Maritime law enforcement in the East China Sea conducted by the China Coast Guard (CCG) has been strengthened as well.

¹² Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China's Foreign Relations* (Oxford: Oxford University Press, 2014).

¹³ Ryosei Kokubun, *Japan-China Relations through the Lens of Chinese Politics* (Tokyo: Japan Publishing Industry Foundation for Culture, 2021), 203–5.

¹⁴ *Ibid.*, 221–27.

¹⁵ NIDS, ed., *NIDS China Security Report 2016: The Expanding Scope of PLA Activities and PLA Strategy* (Tokyo: NIDS, 2016), 26–32.

Against the backdrop of these growing capabilities, China has strengthened its territorial claims in the East China Sea and increased its activities in the East China Sea, the Sea of Japan, and the western Pacific. The geographic range of the PLA Navy and Air Force has greatly expanded, and their activities are now frequently seen not only in coastal areas but also in the East China Sea, the Sea of Japan, and other areas around Japan. In the course of these activities, the PLA has also occasionally intruded into Japanese territorial waters. Since 2021, the number of cases of Chinese naval survey vessels entering Japan's territorial waters while conducting surveys of the sea area around Japan has increased.

On November 23, 2013, China announced that it had established an East China Sea air defense identification zone (ADIZ) and would enforce rules set by the Chinese Ministry of National Defense against aircraft flying in this airspace. If foreign aircraft did not comply with the rules, the Chinese military would take “defensive emergency measures.” As a result, PLA aircraft have been increasingly active in the East China Sea.¹⁶ The number of scrambles by JSDF aircraft against Chinese aircraft has averaged 586 per year since the establishment of the ADIZ (see **Figure 1**).

Another important factor is coercion in situations short of war, known as gray zones.¹⁷ As mentioned above, after the Japanese government decided to purchase the Senkaku Islands, China reacted angrily to the decision and began patrolling the waters around the islands with its maritime patrol vessels. Intrusions by maritime police vessels into the territorial waters and the adjacent waters of the Senkaku Islands have become more regular in recent years. The number of days that Chinese maritime police vessels were observed in the adjacent waters off the islands was 282 in 2019 and increased to 333 in 2020 and 332 in 2021.¹⁸

While the PLA Navy has not been at the forefront of these so-called gray-zone operations involving paramilitary forces, its vessels have appeared in the waters near the area where the CCG vessels are operating as a backup, exerting pressure. This raises concerns about the possibility of an escalation in the event of a collision between the countries' coast guards.

The 2013 Fire-Control Radar Incident

In the midst of these trends, dangerous encounters have occurred between JSDF and PLA aircraft. At around 10:00 a.m. on January 30, 2013, in the East China Sea, the Jiangwei II-class frigate *Lianyungang*, belonging to the East Sea Fleet of the PLA Navy, irradiated a fire-control radar toward the Murasame-class destroyer *Yudachi* belonging to 7th Escort Group of the MSDF. The incident occurred in the high seas on the Japanese side of the “Japan-China median line,” the boundary of the exclusive economic zone (EEZ) claimed by Japan, approximately one hundred kilometers north of the Senkaku Islands. Tensions ran high aboard the *Yudachi*, and data analysis of its sensing equipment revealed that the radar waves were coming from a Chinese frigate about three kilometers away.

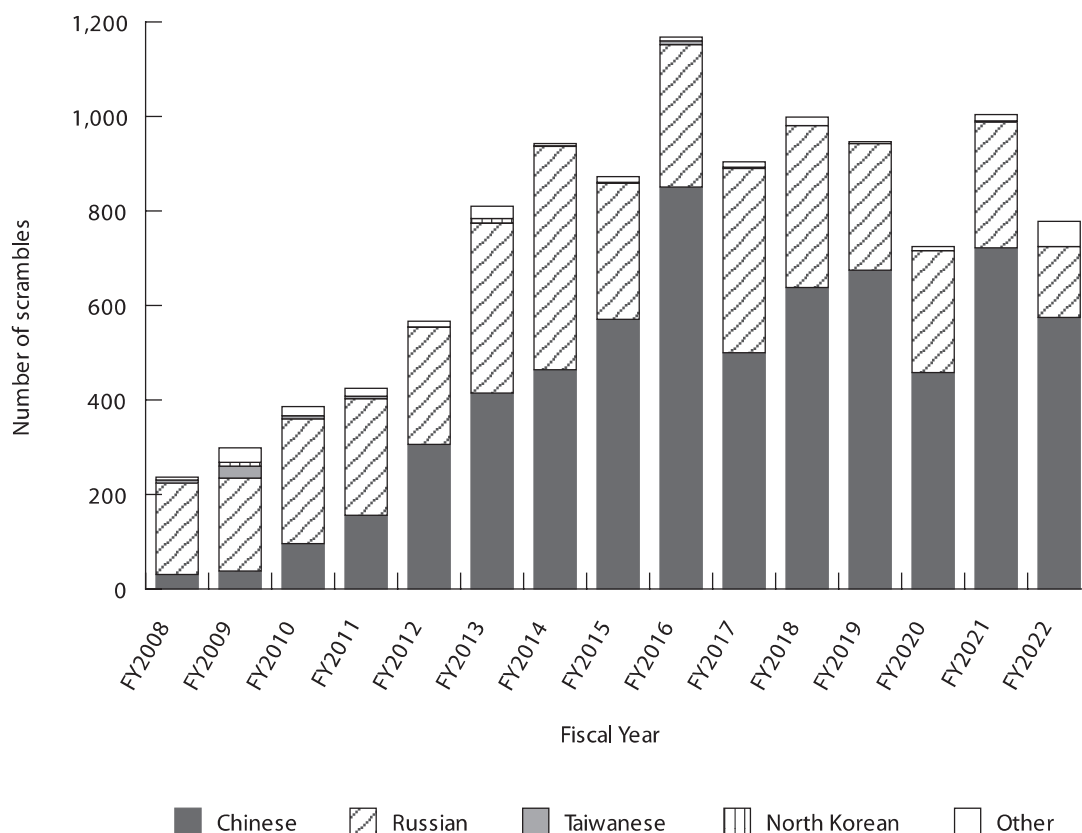
Six days later, on February 5, Japanese defense minister Itsunori Onodera held an emergency press conference to announce the incident. A second incident was also announced involving the Jiangkai I-class frigate *Wenzhou* of the PLA Navy's East China Sea Fleet. The ship was suspected

¹⁶ Shinji Yamaguchi, “The Foreign Policy of Xi Jinping's Administration and the Establishment of China's Air Defense Identification Zone,” NIDS, Briefing Memo, September 2014, https://www.nids.mod.go.jp/english/publication/briefing/pdf/2014/briefing_e190.pdf.

¹⁷ For more on gray-zone activities, see Andrew S. Erickson and Ryan D. Martinson, eds., *China's Maritime Gray Zone Operations* (Annapolis: U.S. Naval Institute Press, 2019).

¹⁸ “Trends in China Coast Guard and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response,” Ministry of Foreign Affairs (Japan), February 1, 2024, https://www.mofa.go.jp/region/page23e_000021.html.

FIGURE 1 Scrambles by the JSDF against foreign aircraft



SOURCE: Joint Staff of the JSDF.

of irradiating the fire-control radar against an SH-60 patrol helicopter aboard the Takanami-class destroyer *Onami* of the MSDF’s Escort Unit 6 at around 5:00 p.m. on January 19. On February 8, China’s Ministry of National Defense acknowledged the use of radar but claimed that it was surveillance (search) radar, not fire-control radar.¹⁹ On March 18, however, Kyodo News reported that several Chinese military officials admitted that they had irradiated offensive fire-control radar at the captain’s urgent decision.²⁰ The Ministry of National Defense subsequently denied this report.²¹ China and Japan remained in a highly volatile state of increasing confrontation leading up to their 2014 summit.

China’s behavior in the incident and its response to Japanese protests were consistent with the broader pattern of China’s crisis behavior examined in the previous section. For starters, China tried to pressure Japan’s surveillance activities by intimidation. There have been many instances

¹⁹ “Reda shousha, ‘keikaiyou’ to hitei Chugoku Kokubosho ga danwa” [Radar Irradiation, Denying That It Was “for Precautionary” Purposes, Chinese Defense Ministry Talks], *Nikkei Shimbun*, February 8, 2013.

²⁰ “Chugokugun kanbu ‘reda shousha’ mitomeru hatsugen kyodotsushin houdou” [Chinese Military Official Admits to “Radar Radiation,” Kyodo News Reports], J-Cast News, March 18, 2013, <https://www.j-cast.com/2013/03/18170023.html>.

²¹ “Chugoku kaigun ken’i bumon: Reda shousha wo mitometa to iu Nihon no houdou wa detarame” [Chinese Navy Authority: Japanese Reports of Radar Irradiation Admission False], China Net, March 19, 2013, http://japanese.china.org.cn/jp/txt/2013-03/19/content_28289441.htm.

where dangerous threats have interfered with surveillance activities that the Chinese military deems undesirable. The case of fire-control radar irradiation in 2013 can be seen as part of this general pattern of Chinese behavior rather than as an exception.

The incident is believed to have occurred while the East Sea Fleet was conducting combat training exercises in the East China Sea and western Pacific. The use of fire-control radar irradiation by China presumably occurred in response to the JSDF's dispatch of naval vessels and aircraft to serve as a warning to the Chinese naval exercises in the area. While Japan was alarmed by the rapid expansion of the Chinese naval and air forces and nervously monitored their activities, the Chinese side perceived the Japanese surveillance activities as an unwelcome disturbance. Japan, however, claimed that its vessels had never approached within dangerous distances during their surveillance activities.²²

Second, China focused on moral legitimacy. Chinese leaders maintained that Japan's claims that the PLA acted dangerously were unfounded. The Chinese perception of the issue has been repeatedly expressed by the Ministry of National Defense. At a press conference in February 2013, the ministry's spokesperson criticized Japan: "The Japanese side has been tracking and monitoring our ships and aircraft at close range during normal navigation and training in the relevant waters for a long time, which has become the root cause of maritime security problems between China and Japan."²³

Immediately after the incident was announced, there was some discussion among Chinese experts justifying the use of fire-control radar as a "self-defense measure" against Japanese surveillance of Chinese naval vessels. An anonymous military expert interviewed by the *Global Times* offered three possible explanations for why fire-control radar was used: (1) the surveillance radar was not available for some reason, (2) the vessel involved was undergoing live-fire training, or (3) the action was in response to sabotage by Japan.²⁴ Senior Colonel Li Jie of the Naval Academic Research Institute noted that fire-control radar is sometimes used for search purposes and argued that Japan was making a big deal out of the situation in order to escalate it.²⁵ Huang Dong, president of the International Military Studies Institute in Macau, further argued that Japan's persistent surveillance activities may have compelled China to threaten Japan by irradiating its fire-control radar.²⁶

Third, as will be discussed in more detail later, crisis management cannot function in the absence of agreement on political principles. Discussions between Japan and China on crisis management mechanisms have been difficult due to the deteriorating political relationship between the two countries. For China, crisis management cannot function without some agreement on political principles among the leaders, which makes it impossible to manage the situation on the local level. Under these circumstances, the risk of inadvertent escalation would be inevitably heightened.

²² "Kaibakucho, keikai kanshi 'ittei kyori hairazu' reda shousha kaiji no taiou tekisetsu tononinshiki" [The Chief of the Naval Staff: Warning and Surveillance "Did Not Enter a Certain Distance," and Recognize That the Response of the Maritime Self-Defense Force to Radar Irradiation Was Appropriate], *Nikkei Shimbun*, February 12, 2013.

²³ "Guofangbu jiu rifang chaozuo suowei 'huokong leida zhaoshe' deng dawen" [The Ministry of National Defense on the Japanese Side Speculation of the So-Called "Fire Control Radar Irradiation" and Other Questions and Answers], Ministry of National Defense (China), February 28, 2013, https://www.gov.cn/govweb/jrzg/2013-02/28/content_2342142.htm.

²⁴ "Xiangjie Zhongguo junjian suoding rijian yuanyin: wujun huo xian shoudao ganrao" [Detailed Explanation of the Reasons Why Chinese Warships Lock Japanese Ships: Our Troops or First Be Disturbed], *Huanqiu Shibao*, February 7, 2013.

²⁵ "Zhong leida suoding rijian weixian, Anbei jinghuo caqiangzouhuo" [China's Radar Locks on Japanese Ship Dangerously, Abe Warns or Rubs It in the Wrong Way], *Sinchew.com.my*, February 7, 2013.

²⁶ "Yicao rifang tiaoxin zhongfang jing gaoceng tongyi dakai huokong leida" [Suspected of Being Provoked by the Japanese, the Chinese Side Turned on the Fire-Control Radar with High-Level Approval], *Ming Pao*, February 5, 2013.

Last, it is noteworthy that China did not mobilize domestic protests in this case. This may be because it had already done so the previous year after Japan nationalized the Senkaku Islands. Further mobilization would have risked losing control of the situation. Additionally, the duration of the fire-control radar incident was short, so there was no need to resort to mobilization to put pressure on the other party.

Japan's Balancing Strategy against China

Shifts in Japan's Threat Perception of China

Although this incident may not have had a significant impact on its own, it was certainly one of several crises in the 2010s that significantly changed Japan's perception of China's behavior. First, Japan has become more aware of the security threat posed by the rise of China. It had been wary of the potential Chinese threat since the late 1990s, but China's response to the 2010 fishing boat collision and the so-called nationalization of the Senkaku Islands in 2012 forced Japan to acknowledge that the threat had materialized. The 2013 radar incident further highlighted the potential for conflict with China. While vague concerns about China's military spending and activities in the East China Sea were expressed in the 2010 National Defense Program Guidelines (NDPG), it was clear that Japan's threat perception was low and that North Korea was viewed as a more serious threat.²⁷

The Japanese government's perception of the threat from China was more clearly articulated in the 2013 NDPG, released in December 2013. It stated that "China has taken assertive actions with regard to issues of conflicts of interest in the maritime domain, as exemplified by its attempts to change the status quo by coercion."²⁸ The 2013 NDPG also identified that China's air and maritime activities "could cause unexpected situations."²⁹ China continued to follow the description of North Korea in the threat assessment, but it was clear that Japan's security focus was now on China. The 2018 NDPG, however, would officially rank China as a higher threat than North Korea.

Second, the Japanese government's understanding of China's intentions and organizational structure has improved, allowing it to respond more quickly to coercive actions. In the early 2010s, there was a lot of controversy over whether China's various coercive actions in the maritime domain were directed by the CCP leadership or were outside its control.³⁰ In fact, some observers viewed the 2013 incident of fire-control radar irradiation as an independent action by a rogue or inexperienced captain.³¹ It is true that the organizational structure of the CCP and the Chinese political system is stove-piped, contributing to uncertainty in intra-organizational information communication.³² However, overemphasizing decentralization may lead to a misunderstanding of

²⁷ Ministry of Foreign Affairs (Japan), "National Defense Program Guidelines for FY 2011 and Beyond," December 17, 2010, https://www.mofa.go.jp/policy/security/pdfs/h23_ndpg_en.pdf.

²⁸ Ministry of Foreign Affairs (Japan), "National Defense Program Guidelines for FY 2014 and Beyond," December 17, 2013, https://japan.kantei.go.jp/96_abe/documents/2013/___icsFiles/afiedfile/2014/02/03/NDPG.pdf.

²⁹ Ibid.

³⁰ For more discussion about the PLA's behavior and political control, see Andrew Scobell, "Is There a Civil-Military Gap China's Peaceful Rise?" *Parameters* 39, no. 2 (2009): 4–22; and Michael D. Swaine, "The PLA Role in China's Foreign and Crisis Behavior," in *PLA Influence on China's National Security Policymaking*, ed. Phillip C. Saunders and Andrew Scobell (Stanford: Stanford University Press, 2015), 141–65.

³¹ "Bouchou suru gun ni mittsu no bousou risuku" [Three Uncontrollable Risks for an Expanding Military], *Nikkei Business*, February 13, 2013, <https://business.nikkei.com/article/NBD/20130212/243647>.

³² Linda Jakobson and Dean Knox, *New Foreign Policy Actors in China*, SIPRI Policy Paper 26 (Solna: Stockholm International Peace Research Institute, 2010).

China's coercive approach. After the 2013 incident, even if not all Chinese military actions are carried out under the direction of the party leaders, the Japanese government has come to see dangerous intimidation as one CCP-approved method of coercion.

Prime Minister Abe believed that China's actions should be seen as a sign of the country's ambition and that Japan should respond strongly.³³ The case of the dangerous military intimidation in the East China Sea, together with the gray-zone operations using government ships and other forces in the East and South China Seas, has become widely understood in Japan as coercion. In other words, Japanese leaders have come to understand these threats in the larger context of China's strategic behavior.

Third, Japan realized the importance of publicizing China's actions. Traditionally, the Japanese government has tended to believe that a low-key, unprovocative approach is the best way to control a crisis situation. In the 2013 fire-control radar case, the Japanese side publicly disclosed China's actions after conducting detailed data analysis and verification before releasing the information. According to a report, there was a discussion within the government about whether to even publicize China's actions. Some argued against doing so because it might provoke further actions by China.

It was Prime Minister Abe who strongly supported publicizing the activities.³⁴ He recognized China's behavior as a "violation of the rules of international society" and stated that Japan "will actively publicize China's problematic behavior."³⁵ However, the dilemma between responding immediately and acting on accurate information remains. The fact that it took approximately six days to report the incident to the minister of defense and the prime minister and issue a protest to the Chinese side raised questions in Japan.³⁶ The reason for the delay was that priority was given to establishing the facts, bearing in mind that China would strongly dispute any accusations.

Three Pillars of Japan's China Strategy

These shifts in perception led to the establishment of Japan's new strategy toward China.³⁷ Again, the changes were gradual, continuing a trend especially seen after 2010. The second Abe administration from 2012 to 2020 built a strategy that aimed to counterbalance China's security threats while maintaining a stable relationship. The firm measures taken by the Abe administration against the security threats posed by China had three pillars: strengthening Japan's own defense, enhancing the Japan-U.S. alliance, and promoting multilateral initiatives such as a free and open Indo-Pacific.

The first pillar is the strengthening of Japan's own defense. Although internal balancing against China had begun during the Democratic Party of Japan administration prior to the 2013 incident, the policy was put forth in a gradual manner. The party's efforts set the stage for the reforms spearheaded by Abe beginning in 2012. The 2010 NDPG, in particular, was pivotal in reshaping

³³ Tsuyoshi Sunohara, *Anto Senkaku kokuyuka* [Facing in the Dark] (Tokyo: Sinchosha, 2013): 248–53.

³⁴ *Ibid.*, 250.

³⁵ "Chugoku no mondai koudou, sekkyokuteki ni kouhyou' Abe shusho" [Prime Minister Abe: "We Will Proactively Publicize China's Problematic Behavior"], *Asahi Shimbun*, February 8, 2013.

³⁶ Tetsuro Kuroe, *Bouei jimujikan hiyaase nikki* [Defense Administrative Vice Minister's Diary in Cold Sweat] (Tokyo: Asahi Shimbun Shuppansha, 2022), 184–88; and "Shushou ga Chugoku e no kougi shiji Genba dewa shukushuku to kaihi sochi" [Prime Minister Directs Protests against China, and the Agency Took Evasive Action], *Sankei Shimbun*, February 6, 2013.

³⁷ Adam P. Liff, "Japan's Defense Policy: Abe the Evolutionary," *Washington Quarterly* 38, no. 2 (2015): 79–99; Jeffrey Hornung, "Japan's Growing Hard Hedge Against China," *Asian Security* 10, no. 2 (2014): 97–122; and Kei Koga, "The Rise of China and Japan's Balancing Strategy: Critical Junctures and Policy Shifts in the 2010s," *Journal of Contemporary China* 25, no. 1 (2016): 777–91.

Japan's fundamental defense strategy, emphasizing active deterrence and the formation of a highly agile "dynamic defense force" capable of swift responses to threats across Japan.³⁸ Under this concept, Japan sought to bolster its ISR capabilities to actively surveil the security environment encompassing Japan, notably in the East China Sea, while concurrently enhancing defense preparedness and responsiveness. Through the demonstration of strength, Japan intended to heighten the efficacy of deterrence, surpassing the confines of the conventional defense paradigm known as the Basic Defense Force Concept. Implicit in this concept is the notion that the mere presence of the military might exert a deterrent influence.³⁹ Another important development in the NDPG was the introduction of the concept of gray-zone contingencies, which addressed situations falling below the threshold of armed conflict but still beyond peacetime norms.

In 2013 the Abe administration revised the 2010 NDPG, highlighting the importance of defending the southwestern islands and addressing gray-zone situations. It marked a more explicit attempt to balance against China.⁴⁰ Under the 2013 NDPG, Japan initiated the allocation of its air and naval assets to its southwestern region. With the objective of efficiently countering and neutralizing potential threats, Japan is ultimately striving to establish a "dynamic joint defense force," encompassing land, air, and maritime components, alongside robust ISR capabilities.⁴¹ This integrated approach aims to enable seamless responses to various contingencies, including those falling within the gray zone. Such measures are geared toward securing air and maritime superiority. Additionally, in bolstering the defense of its outlying islands, the JSDF has commenced the development of amphibious operation capabilities.

Equally significant was the establishment of the National Security Council in December 2013.⁴² The council is a permanent body responsible for centralizing decision-making on national security policy and ensuring efficient interagency planning and coordination. In times of crisis, an "emergency situations minister meeting" can be convened. The establishment of the National Security Council improved information sharing among government agencies and enabled more agile decision-making, thereby enhancing crisis response.

The second pillar is the enhancement of the Japan-U.S. alliance. The Abe administration worked constantly to persuade the United States to recognize the problems posed by China's actions. The United States, for its part, was growing increasingly wary of China's assertive stance in maritime affairs. The joint statement released during President Barack Obama's visit to Japan in April 2014 explicitly stated that the Senkaku Islands fell under Article 5 of the Japan-U.S. Security Treaty, thereby reaffirming that the defense of the islands was included within the scope of the alliance. In 2015 the establishment of the "Guidelines for Japan-U.S. Defense Cooperation" promoted a seamless response, one that included strategies for dealing with gray-zone situations.⁴³ Under the new guidelines, Japan and the United States introduced an alliance coordination mechanism that enabled both states to conduct constant information sharing and situation assessment

³⁸ Liff, "Japan's Defense Policy," 84.

³⁹ Koga, "The Rise of China and Japan's Balancing Strategy," 786.

⁴⁰ *Ibid.*, 788–89.

⁴¹ Ministry of Foreign Affairs (Japan), "National Security Program Guidelines for FY 2014 and Beyond."

⁴² Adam P. Liff and Andrew S. Erickson, "From Management Crisis to Crisis Management? Japan's Post-2012 Institutional Reforms and Sino-Japanese Crisis (In)stability," *Journal of Strategic Studies* 40, no. 5 (2017): 604–38.

⁴³ "Guidelines for Japan-U.S. Defense Cooperation," Ministry of Foreign Affairs (Japan), April 27, 2015, <https://www.mofa.go.jp/files/000078188.pdf>.

from peacetime to contingencies and to facilitate faster, more flexible, seamless, and whole-of-government responses to contingencies ranging from military conflicts to gray-zone activities.⁴⁴

Third, Japan also enhanced multilateral cooperation with partner countries, such as Australia and India. It adopted the “free and open Indo-Pacific” concept, which aims to facilitate multilateral cooperation on safeguarding principles such as the rule of law, freedom of navigation, free trade, economic prosperity through enhanced connectivity, and peace and stability in maritime affairs.⁴⁵ The strategic dialogue among Japan, the United States, Australia, and India, known as the Quad, emerged as a noteworthy new framework for cooperation. There was also further collaboration in the Indo-Pacific region with European countries, including the United Kingdom and France.

Pragmatic Flexibility

At the same time that the Abe administration was pursuing a balancing strategy toward China, it maintained pragmatic flexibility within this broader framework. While Japan has continued to confront China in the East China Sea, it has also sought to manage this rivalry in a stable manner. First, Prime Minister Abe emphasized summit diplomacy. Given China’s political system, especially the highly centralized regime of the Xi Jinping administration, the first and most important factor in China’s external actions is the intentions of the supreme leader. Therefore, summit diplomacy is important for communication in times of crisis. The Abe administration continued to communicate that the window for dialogue was open and demonstrate its willingness to engage in dialogue with the Xi administration. In June 2013, for example, Abe emphasized that he was ready to hold a summit meeting with Xi anytime.⁴⁶

The communication behind the scenes to arrange the summit persisted for over a year. Abe insisted on holding the summit without any preconditions and refused to promise that he would not visit Yasukuni Shrine.⁴⁷ Because of this stance, the Japanese Ministry of Foreign Affairs saw that it would be difficult to hold a summit.⁴⁸

However, Abe tried to communicate not only through regular diplomatic channels but also through politicians who had a channel to China. In May 2014, Liberal Democratic Party (LDP) vice president Masahiko Komura visited China, followed by a June visit by Akihiro Ota of the Komeito Party, the minister of land, infrastructure, transport, and tourism, who had a close relationship with the Chinese ambassador to Japan, Cheng Yonghua. Then in late July, former prime minister Yasuo Fukuda went to China to coordinate the conditions and dialogue for a summit.⁴⁹ Komura and other Japanese politicians continued to try to convey the message to Xi through various other channels, including Li Xiaolin, president of the Chinese People’s Association for Friendship with

⁴⁴ Liff, “Japan’s Defense Policy,” 87; and Koga, “The Rise of China and Japan’s Balancing Strategy,” 789.

⁴⁵ Tomohiko Satake and Ryo Sahashi, “The Rise of China and Japan’s ‘Vision’ for Free and Open Indo-Pacific,” *Journal of Contemporary China* 30, no. 127 (2021): 18–35.

⁴⁶ “Shushou, Nicchu shunou kaidan ‘itsudemo’ Ei de koen” [Prime Minister Speaks in the U.K. about a Summit Meeting between Japan and China “at Any Time”], *Nikkei Shimbun*, June 20, 2013, https://www.nikkei.com/article/DGXNASFS20002_Q3A620C1EB2000.

⁴⁷ Yasukuni Shrine enshrines 2.5 million Japanese who died in wars since the nineteenth century, including World War II. Official visits by prime ministers to the shrine have often been a political issue, drawing protests from China and South Korea, because the shrine includes Class A war criminals from the 1946 International Military Tribunal for the Far East. For more on the political controversies over the shrine, see Sheila A. Smith, *Intimate Rivals: Japanese Domestic Politics and a Rising China* (New York: Columbia University Press, 2015).

⁴⁸ “Nicchu shunou kaidan Fukuda shi houchu de nagare, suimenka no kousho san-kagetsu” [Japan-China Summit: Fukuda’s Visit Sets the Course for Three Months of Negotiations], *Nikkei Shimbun*, November 11, 2014, https://www.nikkei.com/article/DGXLASDE10H0K_Q4A111C1EA1000.

⁴⁹ *Ibid.*

Foreign Countries, who is the daughter of former president Li Xiannian and has had ties to Xi since childhood, as well as the International Department of the CCP Central Committee.⁵⁰

In November 2014, Abe and Xi finally held their first summit in two and a half years and agreed to stabilize bilateral relations, which had deteriorated since the nationalization of the Senkaku Islands. One of the four points agreed to was that the two countries “recognize that they have different views on the recent tensions in the waters of the East China Sea, including the Senkaku Islands, and through dialogue and consultation, prevent the situation from deteriorating and establish a crisis management mechanism to avoid the occurrence of unforeseen circumstances.”⁵¹

Second, Japan has sought to ensure practical flexibility by establishing crisis management mechanisms with China. The fire-control radar incident and other standoffs in the East China Sea urged Japan to seek to create such an apparatus with China.⁵² Despite the growing risk of crises between Japan and China, however, it has taken a long time to establish a crisis management mechanism between the two countries, and the effectiveness of such a mechanism has remained low.

The first Abe cabinet, established in 2006, was keenly aware of the need for a maritime crisis management mechanism with China, and negotiations on the creation of one began after the January and April 2007 summits between Prime Minister Abe and President Hu Jintao, when the two countries agreed to strengthen the communication system between their defense authorities. However, the establishment of a crisis management mechanism progressed slowly as relations between the two countries deteriorated following the clash over the Senkaku Islands in 2010 and the backlash against Japan’s nationalization of the islands in 2012. As noted earlier, the need for crisis management was emphasized in the four agreements made between Japan and China in 2014. Nevertheless, negotiations still did not proceed smoothly. Prime Minister Abe and Premier Li Keqiang finally signed a memorandum on the maritime and aerial communication mechanism between defense authorities in 2018. The establishment of a hotline between defense authorities, however, took more time and was not completed until 2023.

A crisis management scheme between Japan and China has been difficult to negotiate not only because political relations have been poor for more than a decade but also because of their different approaches to crisis management. Especially for China, an agreement on political principles is requisite. China’s foreign military hotlines are not physically connected until a call date and topic are agreed on, usually 48 hours in advance.⁵³ This is probably because subordinate units on the Chinese side cannot move without a political decision from the leadership.

In addition, an agreement on the Code for Unplanned Encounters at Sea (CUES) was reached in 2014 by 21 countries, including Japan, the United States, and China. The CUES defines the actions to be taken by naval vessels and aircraft in the event of an unexpected encounter at sea in the western Pacific. Among other things, it requires that navies communicate the purpose of their actions by radio and that they do not unilaterally jam the fire-control radar of another navy’s vessels. Although the CUES was an achievement in multilateral diplomacy, its protocol is not

⁵⁰ “Sagure, Shukinpei heno michi Chuoku gaiiko fukuzatsuka” [Explore Shortcuts to Xi Jinping: The Complexities of Chinese Diplomacy], *Nikkei Shimbun*, June 15, 2014.

⁵¹ “Regarding Discussions toward Improving Japan-China Relations,” Ministry of Foreign Affairs (Japan), November 7, 2014, https://www.mofa.go.jp/a_o/c_m1/cn/page4e_000150.html.

⁵² For further discussion of the importance of a crisis management mechanism between Japan and China, see Tetsuo Kotani, “Crisis Management in the East China Sea,” SIPRI, Policy Brief, February 2015; and Adam P. Liff and Andrew S. Erickson, “Crowding the Waters: The Need for Crisis Management in the East China Sea,” *Foreign Affairs*, March 23, 2015, <https://www.foreignaffairs.com/articles/east-asia/2015-03-23/crowding-waters>.

⁵³ “Nicchu shoutotsu kaihi sokuou dekizu: kaikyū renraku ‘48jikan taiki’ kitei Chugoku gawa ga youkyū” [Failure to Respond Immediately to Avoid Japan-China Collision: “48-Hour Standby” Rule for Sea-Air Communication Requested by Chinese Side], *Yomiuri Shimbun*, August 24, 2018.

legally binding, does not apply within each country's territorial waters, and does not cover coast guard vessels.

Third, Japan aimed to prevent escalation by avoiding provocative actions in other areas. Abe mostly refrained from challenging China on politically sensitive issues to minimize pressure from the domestic public on Chinese leaders. Although he visited Yasukuni Shrine in December 2013—a decision that was heavily criticized by China—this would be his last visit to the site during his tenure. China had asked for an official assurance that he would not visit Yasukuni Shrine, but Abe did not agree to do so.⁵⁴ However, when LDP vice president Masahiko Komura visited China in July 2014 to urge the country to hold the summit, he emphasized that the prime minister would no longer visit the shrine. It is not clear to whom Komura conveyed this message, but the most senior official he met was Zhang Dejiang.⁵⁵ China may have been concerned that a visit by Abe to Yasukuni Shrine, either before or after the summit, would damage Xi's reputation domestically. These indirect assurances may have helped move the summit forward and temporarily shifted the focus away from historical issues, stabilizing competition in the bilateral relationship.

Policy Implications

The fire-control radar incident of 2013 took place during a period of heightened tension in Japan-China relations following the nationalization of the Senkaku Islands in 2012. It was a time when China was pushing its claims against Japan by force. China normalized the activities of its government vessels in the waters surrounding the Senkaku Islands and of its naval and air forces in the East China Sea. In response, Japan has strengthened its surveillance of Chinese shipping and aircraft activities. China has taken dangerous actions to counter these surveillance activities, and Japan has again responded by strengthening deterrence and stabilizing bilateral relations. It has enhanced its deterrence toward China by strengthening its own defense capabilities, the Japan-U.S. alliance, and multilateral frameworks. Additionally, Japan has tried to reassure China and stabilize relations through summit diplomacy, crisis management, and avoidance of horizontal escalation.

How effective have these Japanese responses been? Although criticized by the media at the time, both at home and abroad, Prime Minister Abe's response can today be credited as effective. As mentioned earlier, there have been relatively few incidents of dangerous proximity, even as China has continued to expand the scope of its coercive maritime activities in the decade since the 2013 fire-control radar incident. Currently, there is much discussion in China that Japan should get used to the expansion of Chinese naval and air activities, suggesting that Japanese surveillance activities against Chinese naval vessels and aircraft are continuing.⁵⁶ Chinese naval, air, and coast guard activities in the East China Sea continue and are becoming more active. Moreover, as has

⁵⁴ Shinzo Abe, *Abe Shinzo kaikoroku* [Memoirs of Shinzo Abe] (Tokyo: Chuokoron Shinsha, 2023), 123.

⁵⁵ “Shushou no Yasukuni sanpai mounai’ Komura shi ga Chugoku youjin ni” [“No More Visits to Yasukuni Shrine by Prime Minister,” Komura Told Chinese Dignitaries], *Nikkei Shimbun*, July 13, 2014, https://www.nikkei.com/article/DGXNASFK1300R_T10C14A7000000. However, Abe mentioned that the statement was Komura's own opinion, and he did not acknowledge it. See “Abe Shushou: Mainichi Shimbun intabyu” [Prime Minister Abe: Interview by Mainichi Shimbun], *Mainichi Shimbun*, July 14, 2014.

⁵⁶ Zhang Junshe, “Ribei ying xiguan Zhongguo kongjun yuanhai xunlian” [Japan Should Get Used to China's Air Force's Far-Sea Training], *People's Daily* (overseas edition), April 1, 2015; “Zhuanjia: Ribei hai bu xiguan Zhongguo haijun jin Taipingyang zhencha bu hui ting” [Experts: Japan Isn't Used to China's Naval Presence in the Pacific], *Yangshiwang*, December 8, 2014, <https://www.chinanews.com.cn/mil/2014/12-08/6854048.shtml>; and “Kongjun xinwen fayaren: Zhongguo kongjun lixing yanxun youxie guojia yao xiguan he shiying” [Air Force Spokesperson: The Chinese Air Force Conducts Routine Drills, Some Countries Have to Get Used to and Adapt to], *Xinhua*, September 21, 2017, http://m.xinhuanet.com/2017-09/21/c_1121704418.htm.

been discussed, crisis management between Japan and China is far from complete. Nevertheless, there has been no further escalation. Even though the rivalry between China and Japan has not changed fundamentally, a certain degree of stability has been achieved in the East China Sea. In this sense, Japan's response has been relatively successful, and a degree of mutual restraint has been achieved as a result.

This is also true in the gray zone. Japanese and Chinese coast guard vessels have been in an almost constant standoff in the waters surrounding the Senkaku Islands, but there have been no collisions or other crises. The two sides have mainly exchanged radio warnings and territorial claims. The former commander of Japan's 11th Regional Coast Guard Headquarters mentioned that it is important for the JCG to "keep a draw with CCG vessels." On the one hand, this means that doing nothing and letting the CCG pressure prevail should be avoided, as this would result in a successful *fait accompli* for China. But on the other hand, the JCG should avoid escalating the situation by removing all Chinese vessels or taking overly aggressive measures.⁵⁷ This means that Japan, as the "defender" of the effective control of the Senkaku Islands, should minimize the risk of escalation while preventing the intrusion of Chinese vessels on the "offensive" side. The JCG prevents the intrusion of Chinese vessels by using both man-to-man and zone defenses, while facing more than twice the number of Chinese vessels. Chinese vessels have sometimes attempted dangerous approaches as close as one hundred meters, but these incidents have never resulted in a collision.⁵⁸

Thus, the Japanese response to China's coercive behavior can be seen as a relatively successful. Whether this success can be sustained in the future, however, is uncertain. Japan's efforts to deter and stabilize relations with China have prevented further escalation, but they have not halted China's activities at sea, in the air, or in the gray zone. Therefore, the current stability is based on a fragile balance that could be disrupted by China's increasing military power. This balance could also be upset if Japan is unable to invest fully in its defense capability or if U.S. involvement in the region weakens rapidly. Additionally, in the current competition among major powers, the lines between politics, the military, economics, and technology have become increasingly blurred. The likelihood of horizontal escalation across previously compartmentalized boundaries is increasing, which is another factor that could disrupt the status quo.

What are the policy implications of this analysis? First of all, in a crisis with China, both deterrence and stabilization of the bilateral relationship are necessary. Short-term fixes will be inadequate in a situation of ongoing, long-term great-power competition. Compromise without deterrence could lead to further coercive actions by China, and increased deterrence without stabilization could lead to instability.

Second, transparency is critical. To constrain China's dangerous actions and garner support from the international community, it is important to publicize actions that are seriously dangerous. Because China values moral superiority, it is difficult for Beijing to take a strong stance in situations where such superiority cannot be claimed.

Third, summit diplomacy is crucial for managing a crisis. Given China's political system, where power is concentrated among a limited number of top officials, consensus at the summit level is paramount in stabilizing a crisis. It would also be useful for Japanese leaders to try to make contact

⁵⁷ "Senkaku keibi no kaiho toppu ga kataru saizensen no riaru 'hikiwake kipu juyou'" [Top Coast Guard Official Talks Frontline Realities on Senkaku Security Situation "Keeping a Draw Is Important"], *Asahi Digital*, March 29, 2023, <https://digital.asahi.com/articles/ASR3X72L7R3WTP0B002.html>.

⁵⁸ Ibid.

with their counterparts through various channels other than official diplomatic lines. Although conducting summit diplomacy during a crisis is challenging, the opportunity for dialogue should not be disregarded. To avoid escalating a crisis horizontally, it is important to minimize the risk of situations spilling over into China's domestic affairs or raising historical issues, as this could create a crisis from which the Chinese side cannot back down.

Fourth, crisis management mechanisms serve as an important channel of communication during peacetime. Because it is uncertain whether confidence-building measures will work in times of crisis, expectations should not be too high. In particular, effective communication between the command headquarters of the PLA and the CCG is often lacking. Efforts should be made to build a relationship with China at this level, although it will be difficult.

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The South China Sea Disputes and the Evolution of the Vietnam-China Relationship

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EXECUTIVE SUMMARY

This essay examines the HD-981 incident, focusing on the motivation behind China's deployment of the oil rig and the factors influencing Vietnam's response, and argues that China's sudden withdrawal sheds light on how Hanoi could take advantage of Beijing's long-term risks to beneficially manage the bilateral relationship.

MAIN ARGUMENT

The HD-981 incident in 2014 was one of the most severe and consequential maritime standoffs between Vietnam and China since the renormalization of relations in 1991. The incident fundamentally changed the Vietnamese perception of China's policies regarding territorial disputes and led to Vietnam's adoption of a more robust, proactive, and comprehensive strategy to protect its interests. The change resulted from a complex interaction between domestic and international aspects, resulting in a recalibration of Vietnam's grand strategy vis-à-vis China and the United States. China's employment of predominantly gray-zone tactics in the maritime domain delivered valuable lessons for Vietnamese maritime forces. It also proved that by maintaining enough pressure both on the ground and on the diplomatic front, despite the asymmetric nature of the bilateral relationship, Vietnam still had the capabilities to de-escalate tension in a way that achieved its preferred outcome.

POLICY IMPLICATIONS

- China's decision to dispatch the HD-981 was primarily motivated by a desire to demonstrate resolve and deter Vietnam from engaging in undesired activities in the future that could affect China's core interests in disputed waters.
- China needs to balance long-term and short-term goals and must occasionally de-escalate to maintain a long-term goal. Thus, Hanoi was able to exploit geopolitical risks that Beijing did not want to take in the long term—namely, that Vietnam would take legal actions to resolve the dispute or engage with the U.S. militarily.
- Although U.S. actions did not have a direct impact on the interactions between Vietnam and China in the incident, they still had a broader geopolitical impact on the calculations of the two countries. In this respect, Washington's commitment to the region's security order increases China's long-term geopolitical risks.

China is Vietnam's largest neighbor and its biggest geopolitical threat, especially in the maritime domain. However, their relationship involves both cooperation and struggle, which are two sides of the same coin. Due to the tyranny of geography, Vietnam has viewed China as both a source of inspiration and a serious external threat for centuries. This dynamic has been repeatedly reinforced in the modern era. The nation-state of Vietnam fought for its independence, engaged in a bloody nation-building effort, and is now exploring a way forward to prosperity. China's presence has been felt during each phase of Vietnam's historical development and created a profound impact on the psyche of the Vietnamese people, both the elites and laypeople alike. As Bilahari Kausikan has succinctly relayed the opinion of a Vietnamese diplomat: "Every Vietnamese leader must get along with China, every Vietnamese leader must stand up to China, and if you can't do both at the same time, you don't deserve to be a leader."¹ This sentiment would also be a suitable testament to Vietnam's attitude toward China's coercive behaviors in the maritime domain.

In the past ten years, the most significant encounter between Vietnamese and Chinese armed forces was the standoff over the Hai Yang Shi You 981 (known as the HD-981) oil rig in 2014. The incident began when China's state-owned China National Offshore Oil Corporation (CNOOC) relocated its HD-981 oil platform to the waters surrounding the disputed Parcel Islands in the South China Sea. This was the most significant development in the territorial disputes between the two nations since the Johnson South Reef skirmish in 1988, which resulted in the death of 64 Vietnamese soldiers. After the conflict, tensions between Vietnam and China over disputed territory in the South China Sea reached new heights. It was also the first time since the two Communist states established a relationship that the Vietnamese side inflicted heavy casualties in a naval battle. Since that incident, the maritime domain has become a critical flashpoint, especially around disputed islands.

The territorial disputes in the South China Sea have posed a constant threat to Vietnam's interests and sovereignty at sea. An empirical analysis from Dung Huynh examines 329 cases of China's coercive actions against other South China Sea claimants (Vietnam, the Philippines, Malaysia, Indonesia, and Brunei) from 1970 to 2021. He notes that China "began surveys of the Spratlys in the late 1970s, increased patrols in the 1980s, and ended up with the Spratlys naval clash with Vietnam in 1988."² During the 1990s, Beijing "slowed down its coercive actions," except for passing the Law on the Territorial Sea and the Contiguous Zone. However, in 1992, it offered oil contracts to foreign companies in other nations' exclusive economic zones (EEZs) and later seized the Mischief Reef in 1994. This trend of coercion "escalated in the mid-2000s" when China Marine Surveillance (now part of the China Coast Guard) launched a patrol program in 2006, which led to the occupation of Scarborough Shoal in 2012. The trend continued until 2016 when an arbitral tribunal ruled against China in a case brought by the Philippines. For a period after the ruling, Beijing appeared to moderate its behavior, but its aggressive behavior increased again in 2018 amid heightened U.S.-China competition. The trend culminated during the first year of the Covid-19 pandemic "before slowing down in 2021."³

¹ Bilahari Kausikan, "The Arena: Southeast Asia in the Age of Great-Power Rivalry," *Foreign Affairs*, March/April 2021.

² Dung Huynh, "Facing the Ravenous Sea Dragon: How Weaker Nations Confront Chinese Coercion in the South China Sea," RAND Corporation, 2022, 55.

³ *Ibid.*, 55.

According to Dung Huynh, empirical evidence confirms that Vietnam is the primary target of China's coercion, with 43.2% of all cases.⁴ When incidents of coercion involving multiple states are included, the percentage rises to 59%.⁵ China uses both brute force (involving the navy) and limited force (involving maritime law-enforcement forces) to coerce Vietnam in the maritime domain much more frequently than it does with other claimants. Vietnamese vessels (fishing and oil-exploration vessels) are also more likely to be harassed by Chinese forces than are other claimants.⁶ From the 1970s to 2021, Vietnamese vessels were frequently targeted by Beijing, followed by waters and islands, although "the difference in frequency was not so large."⁷ The empirical data examined by Huynh also shows that, in response to Chinese aggression, Vietnam mostly used diplomacy (40% of the cases), followed by confrontation (approximately 20% of the cases) and publicity (17% of the cases).⁸ Notably, he finds that "Hanoi did not take any action in 30% of the incidents."⁹ From the 1970s to the 1980s, Vietnam primarily relied on diplomacy, support from major powers, and in some cases military force and confrontation. However, since the early 2000s, it has increasingly resorted to publicity and confrontation, in addition to diplomacy.¹⁰

Before the HD-981 crisis, Vietnam-China relations had been on an upward trajectory. The two countries managed their relationship through a network of party, state, and defense mechanisms under the umbrella of the Joint Steering Committee at the level of deputy prime minister. The South China Sea territorial dispute is a significant source of tension in the bilateral relationship. Since 2011, the two countries have attempted to manage this issue through the Agreement on Basic Principles Guiding the Settlement of Maritime Issues. The high point in their bilateral relations was in 2013 when Premier Li Keqiang officially visited Vietnam at the invitation of Prime Minister Nguyen Tan Dung to advance a comprehensive strategy, including the establishment of joint working groups. They affirmed their commitment to implement the 2002 Conduct of Parties in the South China Sea and agreed to continue negotiating a code of conduct in the South China Sea.¹¹ The two leaders also agreed "to exercise tight control of maritime disputes and not to make any move that can further complicate or expand disputes," including by utilizing hotlines.¹²

With that context in mind, the HD-981 incident was a significant event, at least from the Vietnamese perspective. The Sino-Vietnamese relationship was at its best since the beginning of the 21st century. Although there were sporadic incidents at sea, both sides seemed to manage their territorial disputes in a mutually acceptable way. The HD-981 thus has fundamentally changed Vietnam's approach to maritime security.

The remainder of this essay is divided into three sections. The first section explains why the HD-981 incident was considered a turning point. It offers a detailed summary of what happened and identifies China's motivation. The second section elucidates the internal and external rationale behind Vietnam's responses to China's unprecedented move. The last section focuses on the

⁴ Huynh, "Facing the Ravenous Sea Dragon," 62.

⁵ Ibid.

⁶ Ibid., 63.

⁷ Ibid., 85.

⁸ Ibid., 89.

⁹ Ibid., 88.

¹⁰ Ibid.

¹¹ "Thu tuong Nguyen Tan Dung hoi dam voi Thu tuong Trung Quoc Ly Khac Cuong" [Prime Minister Nguyen Tan Dung Hold Talk with China's Prime Minister Li Keqiang], Vietnam's Government News, October 13, 2013.

¹² Ibid.

implications of the case study to offer insights into the interaction of escalatory and de-escalatory behavior from the Vietnamese perspective.

The HD-981 Crisis: A Turning Point

Incident Details: A Summary

The HD-981 crisis lasted approximately two and a half months, from early May to mid-July 2014, when China deployed an oil rig to perform exploratory drilling within Vietnam's EEZ. Launched by CNOOC, the HD-981 oil rig was located around 120 nautical miles east of Ly Son Island at the edge of Vietnamese hydrocarbon blocks 142 and 143. China's deployment of the oil rig violated several multilateral agreements, including the United Nations Convention on the Law of the Sea (UNCLOS), the Declaration of Conduct in the South China Sea, and bilateral agreements between China and Vietnam.

The HD-981 crisis was a classic example of gray-zone operatives in disputed water between China and a weaker country. According to Vietnamese media, China deployed more than 80 vessels to protect this oil rig, including 7 military ships, 33 coast guard vessels, and several maritime militia and logistics vessels.¹³ Vietnam dispatched its smaller coast guard and fishery surveillance force vessels to confront the Chinese ships and maritime militia. The number was estimated at around 30. According to one naval official, their mission "was to make a 'show of force' to prevent the oil rig from 'establishing a fixed position.'"¹⁴ China "arrayed its forces in protective rings" to deter hostile ships, "a tactic it had used in clashes with Hanoi since 2007."¹⁵ China responded aggressively to Vietnamese law-enforcement vessels by ramming them and using high-powered water cannons to disable their radio communications.¹⁶ Despite these tactics, Vietnamese vessels "continued their daily confrontation" with "a new twist"—foreign journalists were embedded on them "to film and report incidents at sea."¹⁷

Beijing and Hanoi filed official complaints against each other's actions through diplomatic channels. Hanoi claimed that Beijing had violated international law by conducting operations within Vietnam's EEZ and continental shelf. On May 5, the Ministry of Foreign Affairs organized a press conference to state that it considered any foreign activities in Vietnamese waters without explicit permission from Vietnam to be illegal.¹⁸ In response, Chinese ships repeatedly engaged in aggressive and provocative acts of intimidation, such as opening the canvas covering the naval guns, using water cannons, and even ramming Vietnamese ships. Damaged vessels were repaired at sea so that Vietnam could continue engaging Chinese vessels while China increased the security cordon around the rig to 10–15 nautical miles after it lowered its drilling equipment.¹⁹ On May 6,

¹³ "May bay, tau Trung Quoc uy hiiep tau Viet Nam" [China's Aircrafts, Vessels Threaten Vietnamese Vessels], VnExpress.net, May 7, 2014, <https://vnexpress.net/may-bay-tau-trung-quoc-uy-hiep-tau-viet-nam-2987327.html>.

¹⁴ Chris Brummit, "Vietnam Tries to Stop China Oil Rig Deployment," Associated Press, May 7, 2014.

¹⁵ Michael Green et al., "Counter-Coercion Series: China-Vietnam Oil Rig Standoff," Center for Strategic and International Studies (CSIS), Asia Maritime Transparency Initiative, June 12, 2017, <https://amti.csis.org/counter-co-oil-rig-standoff>.

¹⁶ Carl Thayer, "Vietnam's Strategy of Cooperating and Struggling with China over Maritime Disputes in the South China Sea," *Journal of Asian Studies and International Affairs* 3, no. 2 (2016): 183–99.

¹⁷ Carl Thayer, "Vietnam's Foreign Policy in an Era of Rising Sino-U.S. Competition and Increasing Domestic Political Influence," *Asian Security* 17, no. 1 (2017): 194.

¹⁸ "Hop bao quoc te ngay 17.6.2014 ve tinh hinh Bien Dong" [International Press Conference on June 17 2014 on the South China Sea Situation], Vietnam Embassy in Germany, June 17, 2014, <http://www.vietnambotschaft.org/hop-bao-quoc-te-ngay-17-6-2014-ve-tinh-hinh-bien-dong>.

¹⁹ Ibid.

Vietnamese foreign minister Phạm Bình Minh held a phone call with Chinese state councilor Yang Jiechi to inform him that China's actions had "damage[d] mutual political trust and cooperation." He also stressed Vietnam's resolve to "take all suitable and necessary measures to safeguard its legitimate rights and interests."²⁰

On May 10, Vietnam gained significant diplomatic support. The Association of Southeast Asian Nations (ASEAN) foreign ministers issued a joint statement expressing their concern over the crisis, followed by a briefing from Vietnam and extensive discussions of the incident.²¹ Various diplomatic exchanges took place in May regarding China's maritime behavior in the South China Sea. President Benigno Aquino III was crucial in lobbying for a final statement from ASEAN.²² Singapore's foreign minister argued that staying silent would harm the organization's reputation, unity, and power.²³ Indonesia's foreign minister expressed disappointment in China's actions, and the country's president even accused Beijing of "gunboat diplomacy."²⁴ Meanwhile, Myanmar and Cambodia took a softer stance, stating that they would not intervene in bilateral issues between Vietnam and China. U.S. secretary of state John Kerry called China's deployment of oil rigs and escorts as "provocative" and requested for both sides to de-escalate.²⁵ Australia supported ASEAN's statement on the matter.²⁶ Prime Minister Shinzo Abe expressed his support for Vietnam and announced Japan's plan to provide Vietnam with maritime patrol vessels.²⁷ At the same time, the United States pledged to support Vietnam if it pursued "arbitration or other international mechanisms."²⁸ The commander of U.S. Pacific Command, Admiral Samuel Locklear, expressed his "serious concerns" about the possibility of a miscalculation leading to armed conflict.²⁹

The Central Committee of the Vietnamese Communist Party (VCP) held its previously scheduled ninth plenum from May 8 to 14. The growing maritime crisis ended up taking center stage, eclipsing several domestic issues on the agenda. The debate became quite heated as the attendees discussed how Vietnam should respond to China's challenge to its sovereignty. Despite this, the final communiqué only stated that the party would closely monitor the situation and called for a peaceful resolution of the dispute. It seemed like everything was normal to the public, and there were no signs of any internal party disagreements over the country's South China Sea policy.³⁰ During the Central Committee's session on May 10 and 11, peaceful anti-China protests occurred in many urban areas in response to television coverage of the standoff.³¹ This was unusual because public demonstrations of hundreds or thousands of people are usually banned in Vietnam.

²⁰ Michael Green et al., *Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence* (Washington, D.C.: CSIS, 2017), 210.

²¹ ASEAN, "ASEAN Foreign Ministers' Statement on the Current Developments in the South China Sea," May 10, 2014, <https://asean.org/wp-content/uploads/images/documents/24thASEANSummit/ASEAN%20Foreign%20Ministers%20Statement%20on%20the%20current%20developments%20in%20the%20south%20china%20sea.pdf>.

²² Green et al., *Countering Coercion in Maritime Asia*, 214.

²³ *Ibid.*, 213–14.

²⁴ *Ibid.*

²⁵ *Ibid.*, 216.

²⁶ "Statement on Developments in the South China Sea," Department of Foreign Affairs and Trade (Australia), Press Release, May 14, 2014.

²⁷ Green et al., *Countering Coercion in Maritime Asia*, 219.

²⁸ *Ibid.*

²⁹ Jim Gomez, "U.S. Commander Warns about China-Vietnam Standoff," Yahoo, May 23, 2014.

³⁰ Carl Thayer, "4 Reasons China Removed Oil Rig HYSY-981 Sooner Than Planned," *Diplomat*, July 22, 2014, <http://thediplomat.com/2014/07/4-reasons-china-removed-oil-rig-hysy-981-sooner-than-planned>.

³¹ Chris Brummit, "Vietnam Allows Anti-China Protest over Oil Rig," Associated Press, May 11, 2014, available at <https://www.dailymail.co.uk/wires/ap/article-2625366/Vietnam-allows-anti-China-protest-oil-rig.html>.

In this case, undercover police officers distributed signage, and the state-run television extensively covered the demonstrations.³² However, subsequent protests by Vietnamese workers on May 13–14 turned violent, as several Chinese businesses were burned down and at least six Chinese citizens were killed.³³ China responded to the incident by evacuating thousands of workers, demanding compensation, and imposing economic sanctions. This led to a significant decrease in Chinese tourism to Vietnam.

After the plenum, pressure on the government to pursue legal action against China under UNCLOS increased within Vietnamese society and the VCP. The timing was crucial for Prime Minister Nguyen Tan Dung, who was the most vocal advocate of pursuing action through UNCLOS, while Defense Minister Phung Quang Thanh considered China as a friend and viewed legal action as a last resort.³⁴ Meanwhile, tensions continued to escalate at sea. China accused Vietnam of deploying 60 ships around the HD-981 drilling rig and causing 500 collisions by May 17. In early July, the Politburo voted overwhelmingly to convene a special meeting of the Central Committee and considered pursuing legal action against China, abandoning Vietnam's defense policy of "three no's," and seeking support from the United States.³⁵

The situation was finally defused on July 15, when China announced that the oil rig had completed its mission and would withdraw from Vietnamese waters. This decision could have been influenced by the vote to convene a special meeting of Vietnam's Politburo and the possibility that Vietnam might take legal action and move closer to the United States. As a result of China's withdrawal, those pushing for the special meeting lost momentum, and the desire to shift toward the United States was weakened.³⁶ Following the crisis, some members of the Vietnam National Assembly referred to China as an invader and enemy. This broke a long-standing taboo since the normalization of relations in 1991, when it was tacitly agreed within the party's elites that China would not be labeled as an "enemy."³⁷

The Motivation behind China's Coercive Actions

Ketian Zhang argues that China follows a "cost-balancing" approach in its South China Sea disputes that relies on coercion.³⁸ Its use of coercion extends "beyond trying to change the behavior of target states."³⁹ "Signaling resolve," based on a calculation of economic and geopolitical costs to deter other states, is "central to China's rationale for using coercion." According to Zhang, China is "a risk-averse bully" and is "less belligerent" than previous rising powers that "tended to use force against other powers."⁴⁰ Given the globalization of many issues, Beijing must show resolve while minimizing other economic and geopolitical costs. China has grown increasingly concerned

³² "Vietnamese Take to Streets to Protest China Oil Rig," Bloomberg, May 11, 2014, <https://www.bloomberg.com/news/articles/2014-05-11/vietnamese-take-to-streets-to-protest-china-oil-rig>.

³³ Ho Binh Minh and Manuel Mogato, "Vietnam Mobs Set Fire to Foreign Factories in Anti-China Riots," Reuters, May 14, 2014, <https://www.reuters.com/article/us-china-vietnam-idUSBREA4D04F20140514>; and "China's MCC Says Four Staff Killed in Vietnam Unrest, Most Employees Evacuated," Reuters, May 20, 2014, <https://www.reuters.com/article/us-metallurgical-cn-vietnam-idUSBREA4K02720140521>.

³⁴ Thayer, "4 Reasons China Removed Oil Rig HYSY-981 Sooner Than Planned."

³⁵ Green et al., "Counter-Coercion Series: China-Vietnam Oil Rig Standoff."

³⁶ Thayer, "Vietnam's Foreign Policy," 194.

³⁷ Alexander L. Vuving, "A Tipping Point in the U.S.-China-Vietnam Triangle," *Diplomat*, July 6, 2015, <https://thediplomat.com/2015/07/a-tipping-point-in-the-u-s-china-vietnam-triangle>.

³⁸ Ketian Zhang, "Cautious Bully: Reputation, Resolve, and Beijing's Use of Coercion in the South China Sea," *International Security* 44, no. 1 (2019): 117–59.

³⁹ *Ibid.*, 157.

⁴⁰ *Ibid.*

about potential geopolitical backlash since the 2000s, with official threat assessments warning of the United States' re-emergence in Southeast Asia.⁴¹ China is thus a cautious coercer. It relies not on military coercion but on unconventional tools such as gray-zone coercion to minimize geopolitical backlash.⁴²

Given this cost-balancing approach, the consensus explanation for China's decision to deploy an oil rig in its dispute with Vietnam is that this was a calculated move of territorial assertion.⁴³ Another reason was China's determination to test the mettle of both the United States and ASEAN in the South China Sea disputes.⁴⁴ According to Zhang, China's "cost-balancing" approach involved using coercion to establish a reputation for resolve with Vietnam, just as China had done with the Philippines two years earlier in their dispute over Scarborough Shoal. Chinese analysts believed that the Philippines and Vietnam had been "trying to increase the international salience and exposure of South China Sea disputes," both domestically and internationally, despite the improved relationships and relatively calm atmosphere.⁴⁵ China's actions may be viewed as a reaction to Vietnam's passing of the Law of the Sea of Vietnam in 2012, despite Beijing's intense diplomatic efforts to prevent the National Assembly from adopting this law.⁴⁶ On this account, the Chinese government intentionally positioned the HD-981 oil rig in Block 143 to undermine Vietnam's claim to sovereign jurisdiction.

Before the incident, Vietnam had used its ships to challenge Chinese actions in disputed waters. For instance, according to an official from Petrol Vietnam, between 2003 and 2011 there were around nine incidents where Vietnamese law-enforcement vessels actively engaged and prevented Chinese vessels from conducting surveys and patrols in the disputed waters.⁴⁷ Moreover, Vietnam proactively encouraged and incentivized foreign oil and gas companies to operate in the South China Sea oil and gas fields. For example, ExxonMobil has operated Block 119 within Vietnam's EEZ since 2011.⁴⁸ China's actions could be interpreted as a protest against Vietnam's decision to award oil and gas exploration contracts to foreign companies. The deployment of oil rigs was planned in response to the visit of President Barack Obama to the region amid the United States' rebalance to Asia.⁴⁹

Observers of the HD-981 incident often question why China chose Vietnam. China's deployment of the HD-981 was puzzling to Vietnam as well. However, its actions are perhaps less surprising if one considers the context. The annual ASEAN summit was scheduled for the following week. The incident ensured that China's behavior in the South China Sea would become a significant topic of discussion at that meeting, focusing more international attention on its territorial claims. Although China and Vietnam had tried to manage their dispute peacefully,

⁴¹ Zhang, "Cautious Bully," 143.

⁴² *Ibid.*, 142–45.

⁴³ M. Taylor Fravel, "Q&A: M. Taylor Fravel on China's Dispute With Vietnam," interview by Edward Wong, *New York Times*, May 8, 2014, <https://archive.nytimes.com/sinosphere.blogs.nytimes.com/2014/05/08/q-and-a-m-taylor-fravel-on-chinas-dispute-with-vietnam>; and Carl Thayer, "China's Oil Rig Gambit: South China Sea Game-Changer," *Diplomat*, May 12, 2014, <https://thediplomat.com/2014/05/chinas-oil-rig-gambit-south-china-sea-game-changer>.

⁴⁴ Ankit Panda, "Why Did China Set Up an Oil Rig within Vietnamese Waters?" *Diplomat*, May 13, 2014, <https://thediplomat.com/2014/05/why-did-china-set-up-an-oil-rig-within-vietnamese-waters>.

⁴⁵ Zhang, "Cautious Bully," 147.

⁴⁶ Thayer, "China's Oil Rig Gambit."

⁴⁷ "Hợp báo quốc tế ngày 17.6.2014 về tình hình Biển Đông."

⁴⁸ "ExxonMobil Finds Significant Gas Off Vietnam," Reuters, October 27, 2011, <https://www.reuters.com/article/idUSL3E7LR0DS>.

⁴⁹ Thayer, "China's Oil Rig Gambit."

making China's decision seem even more counterproductive, according to the cost-balancing approach, Beijing would want Hanoi to comprehend its level of resolve. In other words, the fear of losing credibility in the eyes of Vietnamese leadership, which might undermine future deterrence of Vietnam's determination to assert its jurisdiction in disputed waters, led to China's decision to deploy the HD-981 oil rig. China thus used coercion to signal its commitment to defend core interests in the South China Sea and deter Vietnam from taking further steps that could erode China's sovereignty. The immediate results were mixed, with Vietnam's strong reaction running counter to Beijing's expectations that Hanoi would defer to its coercive actions. However, long-term Vietnamese policies regarding disputes show signs of deference and accommodation.

Vietnam's Response: Escalation as a Proactive Choice

How Vietnam reacted to China's assertiveness in the maritime domain, or, more particularly, how it chose to escalate or de-escalate toward a specific point of tension, depended on a complex interaction of different internal and external elements. Vietnam's policies toward China in the years after the Cold War were heavily influenced by its grand strategies and the struggle behind the scenes within its domestic political leadership.⁵⁰ Past territorial disputes and the way Vietnam dealt with them show two tendencies. First, domestic political issues have played a decisive role in dictating Vietnam-China relations in general and managing territorial disputes between the two Communist countries in particular. Second, the broader geopolitical context has influenced how Vietnamese leaders imagine the world around them, as well as their attitude vis-à-vis China.

The launch of Doi Moi economic reform policies in 1986 resulted from a "conflict-ridden cohabitation of two grand strategies pursued by two camps."⁵¹ There were the "modernizers" who wanted to emphasize "internal balance." They pursued a vision where Vietnam could best protect its interests by becoming an independent and prosperous country through international integration and, to some extent, universal values.⁵² The "regime conservatives," who preferred regime preservation and political stability, pursued a foreign policy of "anti-imperialism," which included combating the West.⁵³ In the post-Cold War era, conservative leaders aimed to build an ideological alliance with China to achieve their objectives.⁵⁴

Because of the conservative's dominance in the Politburo and the Central Committee, Vietnam's China policies before 2003 were heavily tilted toward accommodation, compromise, and deference when managing territorial disputes and settlement with its northern neighbor. Vietnam's actions were conditioned by a grand strategy that was in tandem with China's. Any agreement or attitude on territorial disputes would reflect a "calibrated grand strategic fit" between the two.⁵⁵ Within this context, they signed an agreement to demarcate their land border in 1997. Before this agreement, China had taken a non-negotiable stance in border disputes with Vietnam. It was more assertive

⁵⁰ Alexander L. Vuving, "Strategy and Evolution of Vietnam's China Policy: A Changing Mixture of Pathways," *Asian Survey* 46, no. 6 (2006): 805–24.

⁵¹ Alexander L. Vuving, "Vietnam: A Tale of Four Players," *Southeast Asian Affairs* (2010): 369.

⁵² *Ibid.*, 383.

⁵³ *Ibid.*, 383.

⁵⁴ Alexander L. Vuving, "Grand Strategic Fit and Power Shift: Explaining Turning Points in China-Vietnam Relations," in *Living with China: Regional States and China through Crises and Turning Points*, ed. Shiping Tang, Mingjiang Li, and Amitav Acharya (New York: Palgrave Macmillan, 2009), 229–45.

⁵⁵ *Ibid.*, 233.

than Vietnam in claiming territory for two main reasons. First, it is more important for China to have a cooperative Vietnam than it is for Vietnam to have a cooperative China. Beijing exploited this asymmetry of desires to minimize the concessions it extracted, knowing that it did not need to negotiate because Hanoi was so genuine about pursuing an ideological alliance. Second, China prioritized territory over socialist solidarity in its Vietnam policy, reflecting the grand strategy of Four Modernizations issued by Deng Xiaoping. After 1997, China's stance changed the border deal to keep Vietnam near the Chinese orbit. In 1995, Vietnam became a member of ASEAN and resumed diplomatic relations with the United States. Two years later, a dispute over the maritime border arose between Vietnam and China when China sent an oil platform and two pilot ships to explore oil drilling in what Vietnam claimed as its continental shelf.⁵⁶ This crisis proved that Vietnam could and was willing to gather support from ASEAN and the United States to deter China and was a wake-up call to China. If Beijing is too assertive in dealing with the border matter, Vietnam could deviate from China's orbit. Thus, China's sudden change of attitude stemming from the recalculation of its policy vis-à-vis Vietnam and the United States is what facilitated the border deal.

The U.S. invasion of Iraq in 2003 had a considerable impact on how Vietnamese leaders saw the world. They acknowledged that the world was temporarily unipolar, with the United States as the predominant power.⁵⁷ Vietnamese Communist leaders subsequently adopted a pragmatic balancing policy between China and the United States. From then on, the modernizers gained more strength and had a larger role in setting foreign policy priorities. However, Hanoi continued to be deferential toward China. Following the killing of nine Vietnamese fishers in the Tonkin Gulf in January 2005, Hanoi "calmed public outrage" and then in negotiations with Beijing "accepted the Chinese argument that the Vietnamese fishermen were 'pirates' killed in a 'little incident' that could not be allowed to undermine the 'big situation' of a good bilateral relationship."⁵⁸ This deference reflected the still dominant presence of the conservatives, especially in decisions regarding defense and security policies.

This incident marked the first time the HD-981 had entered waters claimed by Vietnam.⁵⁹ One diplomat revealed that Hanoi had feared the prospect since the rig's maiden voyage, and the timing of the incident caught the government off guard.⁶⁰ This move by China infuriated one of the most conservative factions within the VCP, the retired party officials and military veterans, who pressured the leadership to react more determinedly to Chinese aggression.⁶¹ Vietnam's leaders, however, took a conciliatory diplomatic approach, which aligned with its traditional deference policy, requesting "the activation of the hotline between senior leaders."⁶² After its initial proposal was declined, Vietnam offered to send a special envoy and requested a visit from its secretary general. Despite such attempts to resolve the crisis through established communication

⁵⁶ Ang Cheng Guan, "Vietnam-China Relations since the End of the Cold War," *Asian Survey* 38, no. 12 (1998): 1122–41.

⁵⁷ Quang Loi, "Bao luc cuong quyen" [Power Politics Violence], *Tap chi Cong san*, no. 10 (2003): 57–61; Tran Ba Khoa, "Chien Tranh I-rac va hau qua doi voi quan he quoc te" [The Iraq War and Its Implications for International Relations], *Tap chi Cong san*, no. 20 (2003): 55–58; and Hoang Hoa, "Thach thuc cua vi the sieu cuong my" [The Challenge of U.S. Superpower Status], *Tap chi Cong san*, no. 36 (2003): 60–63.

⁵⁸ Vuving, "Strategy and Evolution of Vietnam's China Policy," 819.

⁵⁹ Green et al., "Counter-Coercion Series."

⁶⁰ Greg Torode and Charlie Zhu, "China's Oil Rig Move Leaves Vietnam, Others Looking Vulnerable," Reuters, May 8, 2014, <https://www.reuters.com/article/us-china-seas-tensions-idUSBREA4710120140508>.

⁶¹ Author interview with an interlocutor that has knowledge on the matter.

⁶² Thayer, "4 Reasons China Removed Oil Rig HYSY-981 Sooner Than Planned."

channels, China did not respond.⁶³ The situation was exacerbated by unprecedented anti-China demonstrations that broke out throughout Vietnam, which were tacitly tolerated by the government controlled by Nguyen Tan Dung—the populist and liberal prime minister at the time. Pressures mounted to the point that several party veterans required a fundamental shift in Vietnam’s foreign and defense policy that would reflect the new reality of China-Vietnam relationships: *thoát Trung* (which means “exit China’s orbit”).⁶⁴ These policy options included the possibility that Vietnam could bring China to the Permanent Court of Arbitration, similar to what the Philippines had done in 2013, and potentially deeper engagement between Vietnam and the United States regarding defense and security relations. Those who proposed this fundamental shift argued that Beijing should be expected to pay a price for breaking the mutually agreed on normality of the bilateral relationship up until that point.

State Councilor Yang Jiechi’s visit to Hanoi on June 18 proved to be a decisive moment. It seemed that China had known, in one way or another, about Hanoi’s intention to abide by the pressure to fundamentally adjust Vietnam’s strategic orientation.⁶⁵ The talks between Yang and the deputy prime minister of Vietnam, Pham Binh Minh, were not solely focused on South China Sea issues, but the oil rig crisis was a dominant topic.⁶⁶ The Chinese side warned Vietnam against taking legal action, which would damage bilateral relations. As Carl Thayer notes, a meeting between Yang and the VCP secretary general “was especially significant because it led to an informal understanding” of finding “a mutually acceptable way out of the current impasse.” To clear the way for bilateral talks, “both sides agreed to conduct follow-up discussions by party officials responsible for external affairs.”⁶⁷ It is safe to say that China had miscalculated and failed to comprehend the domestic political dynamics and the influence of the anti-China sentiment within both the current and retired Vietnamese leadership.

Through Yang, Beijing demanded that Hanoi fulfill four preconditions for talks.⁶⁸ Vietnam must (1) cease the harassment of Chinese oil rigs and vessels, (2) acknowledge China’s ownership of the Paracel Islands, (3) not initiate legal proceedings over China’s claims and actions in their territorial dispute in the South China Sea, and (4) not involve any third party, especially the United States, but keep the issue solely between China and Vietnam. It would undermine the regime’s legitimacy for Hanoi to meet the first two conditions after years of cultivating nationalism and a more open public. However, Hanoi decided to take steps to send signals that it accepted the other two conditions. Vietnam’s leadership decided not to take legal action against China even though there was support among both the public and experts for such an approach.⁶⁹ Vietnam’s foreign minister also postponed a trip to the United States that had been scheduled for June.⁷⁰

This implicit bargain between the two countries was deemed fragile, as the concessions made by both sides were cheap and reversible.⁷¹ In other words, what seemed to be assurances

⁶³ Carl Thayer, “Not Too Hot, Not Too Cold: A Vietnamese Perspective on China-U.S. Relations” (paper presented at the International Conference on China-U.S. Relations in Global Perspective, Wellington, New Zealand, 2015), 12.

⁶⁴ Author interview with an interlocutor that has knowledge on the matter.

⁶⁵ Author interview with an interlocutor that has knowledge on the matter.

⁶⁶ Thayer, “4 Reasons China Removed Oil Rig HYSY-981 Sooner Than Planned.”

⁶⁷ *Ibid.*

⁶⁸ Alexander Vuving, “Did China Blink in the South China Sea?” *National Interest*, July 27, 2014, <https://nationalinterest.org/feature/did-china-blink-the-south-china-sea-10956>.

⁶⁹ *Ibid.*

⁷⁰ *Ibid.*

⁷¹ *Ibid.*

that Vietnam delivered to China were not assured. Instead of sending the foreign minister to Washington, Vietnam sent the Communist Party boss of Hanoi, who was more politically senior than the foreign minister and closer to the VCP's general secretary.⁷² This trip paved the way for the foreign minister's visit to the United States two months later. Legal actions against China were on Hanoi's agenda, but they would have been postponed anyway, even without Chinese pressure. While Prime Minister Nguyen Tan Dung advanced plans to sue China in court, many other Politburo members questioned whether this was the best course of action.⁷³ "Fear of Chinese retaliation combined with chances of an unfavorable verdict" and the need for China's consent for enforcement "dominated their calculation."⁷⁴ However, bringing China to international courts remained a viable option and a tool for bargaining.

Implications: Breaking the Glass Ceiling

Vietnam's decision to meet two of China's preconditions for talks enabled China to reciprocate and de-escalate. Nevertheless, Hanoi's deference to Beijing was only "a small portion of the recipe, if any portion at all."⁷⁵ One key aspect affecting China's calculation stems from the tactic it often uses in the South China Sea to test the commitment of a state: gray-zone tactics. If the targeted country does not respond decisively, China will see that as a precedent and continue to increase the severity of its next steps. By gradually applying pressure, China will eventually be able to drastically change the status quo without triggering a war. In short, such progressive tactics aim to reduce the deterrence of the defending state by confronting it with a dilemma: either accept facts on the ground or witness the escalation of the conflict to an uncontrollable level.

Vietnam initially seemed to follow this pattern of deference to China's gray-zone tactics. The HD-981 crisis, however, allowed Vietnam to break that glass ceiling and push back against China's assertiveness. What led to this change of attitude at the time? Hanoi's unexpected "breaking the glass ceiling" moment came primarily because of domestic factors that significantly altered the calculation of the conservatives. Years of successful economic development policies had created an environment in which liberal voices within the VCP became more confident in expressing their ideas in sensitive areas traditionally under the influence of the conservatives. The focus on economic development also created a group of populists and highly pragmatic politicians—the free-riders—whose foreign policies were likely influenced and inspired by the anti-China sentiment nurtured in modern Vietnamese society by the VCP itself. Although not necessarily on the same boat politically or economically, these different factions were united to pressure the conservatives to take a tougher stance against China's assertiveness. More broadly, unprecedented anti-China demonstrations led to an unprecedented, vibrant discussion about the event in public spaces, both online and offline, which was tolerated by the populist government and was used by some Vietnamese leaders to prop up their reputation and political standing.

⁷² "Politburo Member Pham Quang Nghi Concludes U.S. Visit," VOV, July 29, 2014, <https://vovworld.vn/en-US/news/politburo-member-pham-quang-nghi-concludes-us-visit-258896.vov>.

⁷³ Vuving, "Did China Blink in the South China Sea?"

⁷⁴ Ibid.

⁷⁵ Carl Thayer, "Vietnam, China and the Oil Rig Crisis: Who Blinkered?" *Diplomat*, August 4, 2014, <https://thediplomat.com/2014/08/vietnam-china-and-the-oil-rig-crisis-who-blinkered>.

This case study offers the following lessons. China's decision to dispatch the HD-981 aimed to demonstrate its resolve to deter Hanoi from engaging in undesired activities in the future that could affect China's core interests in disputed waters. However, engaging in coercive behavior does not automatically accomplish this goal, even if China perceives the need for such tactics. Beijing miscalculated the reaction of the Vietnamese leadership and underestimated the domestic factors that affected Hanoi's decision-making process. This led to a "glass-ceiling breaking" moment when Vietnam escalated the tension to the point that China decided to de-escalate first to preserve its long-term interests. The domestic factors contributing to this outcome include (1) more confident liberal voices and the rise of populists within the VCP that opposed China's aggressive behavior, (2) a group of conservatives that demanded that Vietnam leave China's orbit, and (3) unprecedented anti-China demonstrations as a result of deliberate tactics to preserve and strengthen the political legitimacy of the VCP, or at least some factions within the VCP, that paradoxically threatened to be out of control.

Vietnam successfully exploited the weaknesses in China's calculations and convinced the country to abandon its coercive actions. Two factors, in particular, persuaded China to de-escalate. The first was Vietnam's threat to file a legal case, following the precedent set by the Philippines, which would have negative consequences for China's effort to claim sovereignty in the dispute. The second factor was the real possibility that Vietnam would move closer to the West, especially the United States.

Yet, even though the bilateral relationship between Hanoi and Beijing was quickly restored following China's de-escalation of the crisis, it has never again been as regular as before 2014. The HD-981 incident had two important consequences for the South China Sea dispute between Vietnam and China. First, Vietnam established its resolve to aggressively escalate in future conflict if China crosses a red line. In recent years, Vietnam has persistently confronted China's harassment in disputed waters. Second, as a smaller side in this dispute, Vietnam still defers to some of China's conditions to de-escalate. For example, Hanoi has not yet taken legal action to resolve the dispute. In 2017–18, it discreetly canceled two deals with foreign oil companies to conduct oil exploration in the country's EEZ.⁷⁶ For this reason, the United States' commitment to the region's security order is essential for deterring China's future aggression.

Several variables that China did not foresee influenced the resolution of the incident. The first was the anti-China sentiment both in Vietnamese political circles and among the public, even within the conservative segment of the population. The second variable was the extent and intensity of the diplomatic push to resolve the crisis and the "aggressive transparency" that Vietnam exhibited during the process. During the two-month standoff over the HD-981 oil rig and its supporting vessels, Hanoi attempted to counter Chinese coercion through conducting diplomacy transparently. As part of this effort, foreign journalists were invited to accompany Vietnamese maritime law-enforcement ships as they confronted the Chinese vessels. An important takeaway is that diplomatic efforts are essential in dealing with gray-zone tactics and reducing the damage done by China's escalation. Vietnam learned that blaming and shaming tactics work well by publicizing all information related to a situation, especially new developments.

Finally, the role played by the United States in this incident—or more precisely, the prospect that Western countries could play a role in the region's geopolitical environment—was an

⁷⁶ Bill Hayton, "China's Pressure Costs Vietnam \$1 Billion in the South China Sea," *Diplomat*, July 22, 2020, <https://thediplomat.com/2020/07/chinas-pressure-costs-vietnam-1-billion-in-the-south-china-sea>.

important factor. Although the United States did not have a direct impact on the interactions between Vietnam and China during the incident, it still had a broader geopolitical impact on the calculations of the two countries. The Obama administration's rebalance to Asia increased the risks of the further internationalization of the territorial disputes, thus reducing the possibility of China being overly aggressive toward Vietnam. It is in this respect that the U.S. commitment to the region's security order is essential for maintaining a degree of pressure that could dissuade China's future aggression in the South China Sea.

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The 2012 Scarborough Shoal Standoff: Analyzing China in Crisis with the Philippines

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EXECUTIVE SUMMARY

This essay analyzes China's crisis response and management during the Scarborough Shoal standoff with the Philippines in 2012 and draws lessons about Chinese thinking and behavior for the Philippines as it continues to confront China's maritime aggression in the South China Sea.

MAIN ARGUMENT

While the Philippines instigated the crisis in Scarborough Shoal, China escalated it with a response of "reactive assertiveness." At the heart of China's confrontational stance is its uncompromising emphasis on maritime sovereignty and its deep insecurity both as a nation and as a great power. These characteristics are manifested in China's attitude and actions toward the Philippines on various maritime issues, even after the conflict in Scarborough Shoal. China has been persistent in flexing its military muscle and economic might, which has destabilized overall relations with the Philippines. In response, the Philippines has exhibited two different policy approaches toward China during the successive administrations of Benigno Aquino III and Rodrigo Duterte. With sustained Chinese belligerence at sea, the Philippines under Ferdinand Marcos Jr. continues to further develop its active deterrence strategy by instituting and improving countermeasures against China.

POLICY IMPLICATIONS

- China's mind-set and behavior at sea require consistent policy approaches from the Philippines that take into account China's outlook on sovereignty and its implicit insecurities. The reality, however, is that the Philippines tends to suffer from policy inconsistencies between presidential administrations with different views toward China.
- China's reactive assertiveness and escalatory behavior during the Scarborough Shoal standoff served as the impetus for the Philippines to develop an active deterrence strategy. Its goal is to empower itself in responding to current and future Chinese aggression, reduce tensions, and prevent any miscalculations at sea.
- China's unrelenting maritime threats present the Philippines with opportunities to develop strategic countermeasures. The priority for the Philippines is to upgrade its maritime capabilities and expand security cooperation with other countries to deter China from further changing the maritime status quo in its favor.

In recent years, the Philippines has coped with a tumultuous relationship with China due to the latter's creeping assertiveness at sea. Several maritime incidents have resulted in hostility and enmity between the two countries. Yet the Scarborough Shoal standoff in 2012 marked a crucial turning point in Philippines-China relations. While the incident was initially a maritime security issue, it eventually poisoned the overall bilateral relationship. Although it occurred more than a decade ago, the standoff caused critical security implications. In fact, both countries have since repeated some of their actions from 2012. Moreover, the incident has produced long-term geopolitical consequences that affect not just the Philippines and China but also other claimant states and regional stakeholders.

While there had been several similar incidents prior to 2012, most of them were brief skirmishes that became common occurrences at sea. The ten-week standoff in Scarborough Shoal and subsequent events, however, provide a relevant case for analysis with a timespan long enough to understand the patterns in Chinese thinking and behavior as well as the Philippines' response. The 2012 incident not only demonstrates a "face-to-face test of sovereignty"¹ but also provides a point of reference for analyzing the actions of both countries during maritime conflicts.

This case study examines the ongoing maritime conflict between the Philippines and China. First, it discusses China's gray-zone tactics and maritime capabilities that provide the context for the 2012 incident in Scarborough Shoal. It then explains the reasons behind China's assertive response and evaluates how the country handled the crisis. By analyzing the case of Scarborough Shoal, the essay reveals important trends in Chinese thinking and behavior. Based on this analysis, the study then evaluates the adjustments in the Philippines' policy approaches toward China that have been shaped by successive presidential administrations. Last, the essay considers the Philippines' deterrence strategies and several countermeasures to manage Chinese maritime aggression.

The Scarborough Shoal Standoff

Over the years, China has steadily increased its coercive gray-zone activities, which can lead to maritime conflicts but without escalating into an overt military confrontation. China's economic growth and development of its technological infrastructure and maritime law-enforcement capabilities have enabled these types of activities. Because of this power projection, other claimant countries are less inclined to challenge China's actions because of its "greater ability to impose military and economic costs in a conflict scenario without triggering war."²

To enforce its gray-zone activities, China has put to task several of its maritime agencies to work collectively. The People's Armed Forces Maritime Militia (PAFMM) is frequently utilized to establish a constant presence in the South China Sea. It is usually engaged in commercial fishing, yet most of its vessels are also able to conduct maritime surveillance, initiate reef and island development, and harass foreign fishing boats. The Chinese government believes that the use of its maritime militias with nominally civilian functions reduces the risk of a confrontation

¹ Ely Ratner, "Learning the Lessons of Scarborough Reef," *National Interest*, November 21, 2013, <https://nationalinterest.org/commentary/learning-the-lessons-scarborough-reef-9442>.

² Andrew Chubb, *Chinese Nationalism and the "Gray Zone": Case Analyses of Public Opinion and PRC Maritime Policy*, CMSI Red Books, no. 16 (Rhode Island: Naval War College Press, 2021), 6.

with foreign vessels that would escalate into a crisis. However, the perception that these maritime vessels are less escalatory in effect emboldened China to employ them more assertively.³

Meanwhile, the People's Liberation Army (PLA) Navy and the China Coast Guard (CCG) are also deployed to watch over the PAFMM. In case of any untoward incidents with foreign ships, the PLA Navy and the CCG can step in. But their imposing and constant presence at sea is already sufficient to signal to other countries China's "resolve and ability to defend territorial claims by force." This "presence without interference" approach provides a deterrent effect in China's favor.⁴

The Case

In April 2012, one of the Philippine Navy's surveillance planes detected eight Chinese fishing vessels near Scarborough Shoal. The plane found endangered giant clams, corals, and live sharks inside the vessels, believed to be illegally caught by Chinese fishers in violation of Philippine laws. In an attempt to arrest the Chinese fishers, the Philippine government deployed its warship, the BRP *Gregorio del Pilar*, a decommissioned U.S. Coast Guard cutter. However, the Chinese fishers immediately sent out a distress call to authorities in Hainan Province. Two unarmed China Marine Surveillance (CMS) ships quickly arrived and positioned themselves between the Philippine warship and the Chinese fishing vessels, thus preventing the fishers' arrest. The next day, the then president Benigno Aquino III (2010–16) recalled the warship and replaced it with a smaller Philippine Coast Guard (PCG) patrol craft in an effort to defuse the tension. Instead of reciprocating the gesture, China dispatched a third CMS ship to the area on the same day.

In May 2012, a month after the interception of China's fishing vessels, there were 90 Chinese vessels in Scarborough Shoal—10 CMS vessels, 30 fishing boats, and 50 dinghies. Meanwhile, the Philippines had three vessels—two coast guard ships and one ship from the Philippine Bureau of Fisheries and Aquatic Resources.⁵

In June 2012 the United States brokered what it presumed was a deal for a mutual withdrawal in Scarborough Shoal. After weeks of negotiations, the Philippines pulled out all of its ships, but three Chinese vessels remained. Two days later, China denied the existence of any commitment for a mutual withdrawal and eventually constructed a chain barrier across the mouth of the shoal.⁶ It had opportunistically seized "full control of Scarborough Shoal by blocking the entrance of the lagoon to prevent Philippine vessels from returning, presenting Manila with a *fait accompli*."⁷ Since then, China has maintained de facto control and occupation of Scarborough Shoal.

A Review: China's Reactive Assertiveness and Crisis Management

Throughout the crisis, China demonstrated its "reactive assertiveness" approach by using "perceived provocations as a chance to change the status quo in its favor—all the while insisting

³ Geoffrey Till, *Seapower: A Guide for the Twenty-first Century*, 4th ed. (London: Routledge, 2018), 354.

⁴ Shuxian Luo, "China's Decision to Escalate the 2012 Scarborough Shoal Standoff," in *China's Military Decision-Making in Times of Crisis and Conflict*, ed. Roy D. Kamphausen (Seattle: National Bureau of Asian Research, 2023), 89–105.

⁵ Ellen Tordesillas, "PNoy, Del Rosario Responsible for PH Losing Control of Scarborough Shoal," Vera Files, May 21, 2016, <https://verafiles.org/articles/pnoy-del-rosario-responsible-for-ph-losing-control-of-scarborough-shoal>.

⁶ Jerry Esplanada, "China Ships Stay in Panatag Shoal," *Philippine Daily Inquirer*, June 19, 2012, <https://globalnation.inquirer.net/40487/china-not-pulling-out-7-vessels-around-scarborough-shoal>.

⁷ Luo, "China's Decision to Escalate the 2012 Scarborough Shoal Standoff."

the other party started the trouble.”⁸ It was able to employ such an approach due to the following circumstances.

To begin with, China’s strong response during the 2012 crisis was due to the presence of the Philippines’ warship in Scarborough Shoal. China accused the Philippines of militarizing an incident that should have been a case for law enforcement. But the fact is that the Philippines has a limited number of coast guard ships and was thus compelled to deploy its navy (already near the area) for patrol and interdiction operations in the South China Sea. Regardless, China responded by quickly dispatching its own coast guard ships. All the while, its naval vessels loomed nearby, sending a warning to the Philippines not to create more trouble.

Another reason behind China’s assertive response was the Philippines’ abrupt public announcement of the incident, instead of conducting private bilateral negotiations. The secretary of the Philippine Department of Foreign Affairs (DFA) went to the media and announced that he was summoning the Chinese ambassador to file a diplomatic protest regarding the incident. By doing so, “he raised the issue of the Chinese fishermen’s arrest at the ministerial level, something that could have been handled at the department spokesman level.”⁹ This action sent a hostile message to China, which justified its assertive response with a furious warning: “the Philippines needs to be taught a lesson.... If the standoff escalates into a military clash, the international community should not be completely surprised.”¹⁰

Moreover, China’s fiery reaction was driven by the possibility of a domestic backlash if it were to fail to stand up against the Philippines. Images of the arrested Chinese fishers made headlines in Chinese media and triggered public outrage.¹¹ The Chinese government was thus forced to take additional countermeasures, even employing economic pressure as a nonmilitary escalation strategy against the Philippines. The authorities suspended Chinese-operated tours to the Philippines and implemented stricter inspections of its bananas, pineapples, and other fruits exported to China.

In addition, China was empowered to take an assertive stance due to political divergence on the incident within the Association of Southeast Asian Nations (ASEAN). Initially, it was able to prevent ASEAN members from rallying behind the Philippines because most members believed that the latter instigated the crisis by deploying its warship. But after China erected a physical barrier at the shoal, there was a growing regional consensus that the country “had overplayed its hand.”¹² China then used its economic resources to influence Cambodia,¹³ which served as the chair of the 2012 ASEAN Summit and host of the ASEAN Regional Forum. It was able to convince Cambodia that the Scarborough Shoal incident was a bilateral issue and therefore should not be included in regional discussions. Because of internal disagreements on whether to include a reference to the South China Sea, ASEAN failed to issue a joint communiqué for the first time in

⁸ Stephanie Kleine-Ahlbrandt, “China: New Leaders, Same Assertive Foreign Policy,” CNN, March 8, 2013, <https://edition.cnn.com/2013/03/08/opinion/china-foreign-policy-kleine-ahlbrandt/index.html>.

⁹ Tordesillas, “PNoy, Del Rosario Responsible for PH Losing Control of Scarborough Shoal.”

¹⁰ From an editorial of the *Global Times* on May 9, 2012, quoted in Damian Grammaticas, “China Bangs the War Drum over South China Sea,” BBC, May 10, 2012, <https://www.bbc.com/news/world-asia-china-18016901>.

¹¹ Fu Ying and Wu Shicun, “South China Sea: How We Got to This Stage,” *National Interest*, May 9, 2016, <https://nationalinterest.org/feature/south-china-sea-how-we-got-stage-16118>.

¹² Ratner, “Learning the Lessons of Scarborough Reef.”

¹³ Ernest Z. Bower, “China Reveals Its Hand on ASEAN in Phnom Penh,” East Asia Forum, July 28, 2012, <https://www.eastasiaforum.org/2012/07/28/china-reveals-its-hand-on-asean-in-phnom-penh>.

its history. This failure reflected the organization's inability to form a united front against China's creeping assertiveness at sea.

Last, China was emboldened to take a firm stance due to U.S. ambivalence during the standoff. As tensions escalated, the Philippines sought clarity on the conditions under which the 1951 Mutual Defense Treaty would trigger U.S. military intervention. But the United States cautiously maintained its "strategic ambiguity," without clarifying whether the treaty covered the Philippines' territorial claims in the South China Sea.¹⁴ Such ambiguity led China to interpret the United States' tepid response as a sign of U.S. "neutrality."¹⁵

The United States eventually served as a mediator between the Philippines and China, taking on the responsibility to negotiate a resolution of the crisis. U.S. officials separately conducted private discussions with Philippine and Chinese representatives, relaying messages back and forth between the two sides. The United States proposed a mutual withdrawal, but negotiators were able to convince only the Philippines to retreat from the area. Although the Chinese government disdained U.S. involvement in the issue, the United States' "push for Philippine withdrawal resulted in an outcome in China's favor."¹⁶

Meanwhile, the Scarborough Shoal incident also reveals that China's "active management" in handling a crisis is to exhibit an escalatory behavior. According to the 2020 *Science of Military Strategy*, the goal for China is to "control and guide" the developments of a crisis "in a direction that is beneficial."¹⁷ At the outset of the standoff, China's initial response was to overwhelmingly escalate. Although the Philippines instigated the crisis, China responded by exacerbating the situation. Its initial escalatory response was to focus on early domination. Such escalation can be seen as a route to secure the initiative in an emerging crisis.¹⁸

Moreover, at the height of the standoff, China showed a general reluctance to de-escalate. Due to the clamor from the Chinese public to take a firm stance, the division within ASEAN, and the ambivalence of the United States, China opted for escalation, a decision in which domestic pressure outweighed the international costs. Such cost-benefit calculation incentivized China to maintain an escalatory posture.¹⁹

Finally, toward the end of the standoff, China viewed escalation as a route to conflict termination, eventually characterizing its escalatory response as "de-escalation." Yet it did not pursue escalation to simply nullify a conflict but rather to win by forcing an opponent to back down and gaining the upper hand. Exhausted and overwhelmed, the Philippines retreated from Scarborough Shoal after two months of tensions. This outcome was in line with Chinese scholars' perception that "crisis escalation is often the only way to resolve a crisis."²⁰

In retrospect, the Scarborough Shoal standoff aptly demonstrates China's active handling of a crisis. It is about both "managing a bad situation (i.e., preventing its evolution from bad to worse)

¹⁴ Michael J. Green et al., *Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence* (Washington, D.C.: Center for Strategic and International Studies, 2017), 110.

¹⁵ "A Neutral U.S. Helpful to Stability in S. China Sea," *China Daily*, May 7, 2012, http://usa.chinadaily.com.cn/opinion/2012-05/07/content_15226749.htm.

¹⁶ Ratner, "Learning the Lessons of Scarborough Reef."

¹⁷ Xiao Tianliang, ed., *Science of Military Strategy* (Beijing: National Defense University Press, 2020), 111–25.

¹⁸ Balazs Szanto, "Managing a Crisis with China: Crisis Behavior and De-escalation," in Kamphausen, *China's Military Decision-Making in Times of Crisis and Conflict*, 33–49.

¹⁹ Luo, "China's Decision to Escalate the 2012 Scarborough Shoal Standoff."

²⁰ Chen Xiancai, "Taiwan Strait Crisis and Risk Management: The Case of 1987–2017," *Taiwan Studies*, February 20, 2018, available at <https://interpret.csis.org/translations/taiwan-strait-crisis-and-risk-management-the-case-of-1987-2017>.

and securing or even advancing Chinese national interests whenever possible.”²¹ China was able to manage the crisis so as to avert the arrest of the Chinese fishers and advance its maritime interests by preventing the Philippines from going back to Scarborough Shoal.

Trends in Chinese Thinking and Behavior

China’s crisis management during the Scarborough Shoal incident reveals important insights about the principles that shape its actions. This section considers this and other critical maritime incidents to identify trends in China’s thinking and behavior.

China Regards Maritime Sovereignty as a Firm Priority

In 1990, Chinese paramount leader Deng Xiaoping put forward a policy of “keeping a low profile,” which focused on China’s peaceful development and international cooperation. Deng referred to this policy when he suggested that long-standing maritime issues could be set aside for the next generation to resolve. His position dominated much of China’s foreign policy until the end of Hu Jintao’s presidency. However, at the start of President Xi Jinping’s first term in 2012, PLA strategists demanded a firm approach for China to handle incidents in its maritime periphery. Xi eventually took a hard-line stance on the matter, which presented an “important test” of his competence in defending national sovereignty and offered an opportunity to “project strength in contrast to Hu.”²² He essentially formalized the reactive assertive tactic by pledging zero tolerance for those who would harm China’s “sovereignty, security, or development interests.”²³

Hawkish groups under Xi argued that China’s maritime affairs must be subject to a “rethinking.” They claimed that Deng’s claim of “keeping a low profile” must not be used as justification for inaction on the issue of sovereignty.²⁴ They also contended that Deng’s approach to various maritime issues—“Sovereignty is ours; defer disputes; engage in joint development”—must be reinterpreted, as he had put more emphasis on the latter two clauses. Thus, Xi’s government has steadily shifted its focus to the first clause, “Sovereignty is ours,” which must be a precondition for—and therefore take precedence over—the principles of “shelving the disputes” and “pursuing joint development.”²⁵ If claimant states attempt to provoke maritime tensions, then defending China’s sovereignty by force would be justified, since the South China Sea—both the waters and the islands within—is and has always been Chinese territory.²⁶ This was the rationale behind the Chinese government’s escalatory measures and assertive response during the Scarborough Shoal standoff.

²¹ David Santoro, “How China Approaches Military Crises and the Implications for Crisis Management,” in Kamphausen, *China’s Military Decision-Making in Times of Crisis and Conflict*, 15–31.

²² Todd Hall, “More Significance than Value: Explaining Developments in the Sino-Japanese Contest over the Senkaku/Diaoyu Islands,” *Texas National Security Review* 2, no. 4 (2019): 31.

²³ Kleine-Ahlbrandt, “China: New Leaders, Same Assertive Foreign Policy.”

²⁴ Chen Dingding and Wang Jianwei, “Lying Low No More? China’s New Thinking on the Tao Guang Yang Hui Strategy,” *China: An International Journal* 9, no. 2 (2011): 195.

²⁵ Luo, “China’s Decision to Escalate the 2012 Scarborough Shoal Standoff.”

²⁶ Hannah Beech, “The South China Sea Is Ours Because It’s Got ‘China’ in the Name, Chinese Admiral Says,” *Time*, September 15, 2015, <https://time.com/4034455/south-china-sea-admiral-yuan-yubai-maritime-dispute>.

China's Crisis Behavior Reflects Its Insecurity

China's tendency to adopt an escalatory posture during a crisis is reflective of its insecurity as a nation. Due to its "century of humiliation,"²⁷ China views maritime tensions in the worst possible light. For the Chinese government, "neighbors' actions are not merely alternative claims; they are an effort to amputate a piece of China."²⁸ Thus, any action taken to protect its sovereignty is inherently defensive and justified. This feeds into China's need to stand up to its opponents and protect its rights; not doing so revives its feeling of national humiliation.

Moreover, China's assertive actions manifest the country's insecurity as a great power, as it constantly expects to be respected and accommodated in the international order. If countries fail to do so, China views this "not as a clash of interests but an act of disrespect." In most cases, "the very occurrence of conflict with it is interpreted as a sign of disrespect, aggravated by an already bruised sense of national honor."²⁹

China Perceives Crisis as an Opportunity for Strategic Advantage

When a crisis at sea becomes inevitable, China can be expected to exploit the situation in its favor. According to the 2020 *Science of Military Strategy*, China must "seize the opportunities and conditions created by the crisis situation and [turn] them to its advantage."³⁰ It "should not only deal with it but also turn crises into opportunities."³¹ This has been the Chinese mind-set as the country advocates its maritime claims in the South China Sea.

This pattern can be seen even prior to the Scarborough Shoal incident. For instance, the 1995 Mischief Reef episode was an opportunity for China to seize the area and establish de facto control. Despite the Philippines' protests upon the discovery of Chinese-built illegal structures, China continued with the construction of what it then claimed was a "fishermen's shelter on stilts."³² The Philippines' decision not to destroy the Chinese structures on Mischief Reef, in order to prevent conflict escalation, emboldened China to eventually turn the reef into a military base. This became China's well-rehearsed routine when laying claim to reefs or shoals: "first...put down buoys, then...build concrete markers. Temporary wooden or bamboo shelters follow, and if still not challenged...the permanent military forts go up."³³ Even though the Philippines protested, China was able to successfully change the facts on the ground (or at sea) to its advantage.

In this context, China is more interested in "winning" crises than in preventing or resolving them.³⁴ During the Scarborough Shoal standoff, it sought to achieve victory against the Philippines (by seizing control of the shoal) rather than ease the tension. Whereas the Philippines attempted a return to the *status quo ante*, China preferred to leverage the instability created by the crisis to

²⁷ Colin Raunig, "A Sense of Sovereignty: How China's 'Century of Humiliation' Affects U.S. Policy in the South China Sea," Naval History and Heritage Command, July 31, 2018, <https://www.history.navy.mil/content/history/nhhc/get-involved/essay-contest/2017-winners/additional-essay-contest-submissions/a-sense-of-sovereignty---how-chinas-century-of-humiliation-afec1.html>.

²⁸ Dean Cheng, "How China Views the South China Sea: As Sovereign Territory," Heritage Foundation, November 5, 2015, <https://www.heritage.org/asia/commentary/how-china-views-the-south-china-sea-sovereign-territory>.

²⁹ Szanto, "Managing a Crisis with China: Crisis Behavior and De-escalation."

³⁰ Xiao, *Science of Military Strategy*, 111–25.

³¹ Zhai Kun, "Turn Crisis into Opportunity: The Way of China's International Strategic Crisis Management," China Social Sciences Online, March 26, 2022.

³² Steve Mollman, "Photos: How a 'Fishermen's Shelter' on Stilts Became a Chinese Military Base in the South China Sea," Quartz, December 15, 2016, <https://qz.com/863811/mischief-reef-how-a-fishermens-shelter-on-stilts-became-a-chinese-military-base-in-the-south-china-sea>.

³³ Terry McCarthy, "Reef Wars," *Time Asia*, March 8, 1999, available at <https://web.archive.org/web/20010214034610/http://www.time.com/time/asia/asia/magazine/1999/990308/spratlys1.html>.

³⁴ Santoro, "How China Approaches Military Crises and the Implications for Crisis Management."

alter the status quo in its favor. As a result, the incident gave birth to the “Scarborough model”—China’s so-called playbook for annexing disputed territories forcefully without resorting to a military conflict.³⁵

China Continues with Coercive Gray-Zone Tactics

Though they regularly implement such tactics, Chinese leaders do not normally use the term “gray zone” due to its suspicious connotations. Instead, they refer to “stability maintenance” activities in line with the goal of “maritime rights protection.”³⁶

Given its strong maritime capabilities, China continues to carry out coercive gray-zone tactics in the South China Sea. In 2021, Chinese paramilitary forces under the PAFMM surrounded Whitsun Reef, a Philippine-claimed area in the Spratly Islands. In 2023, the CCG hit a PCG vessel with a military-grade laser and temporarily blinded some of its crew, fired water cannons, and conducted “dangerous maneuvers” toward Philippine ships.³⁷ In the same year, a CCG vessel bumped a Philippine boat, while ships from the PAFMM and PCG collided during the same encounter. The incident occurred during a resupply mission to the grounded BRP *Sierra Madre*, an old vessel that the Philippines intentionally grounded on Second Thomas Shoal in 1999 to serve as a military outpost over the area.

China’s surprise maneuvers and its demand that the Philippines ask for prior notification before conducting a resupply mission (which Manila rejected) are aimed at enforcing Chinese sovereignty.³⁸ Unfortunately for the Philippines, these gray-zone tactics will continue, and “Beijing won’t stop until it controls that whole of the South China Sea.”³⁹

China Uses Crisis Hotline Based on “Trust”

As a crisis management mechanism, a hotline can be established between countries “to make it easier to confer at a moment’s notice.”⁴⁰ Because of frequent maritime tensions, Xi and Philippine president Ferdinand Marcos Jr. agreed in December 2022 to open a hotline for direct communication to prevent escalation during incidents at sea.

But in August 2023, when the CCG fired water cannons toward Philippine boats during their resupply mission to Second Thomas Shoal, the Philippine government tried to reach out to China but found it “unreachable.”⁴¹ China’s refusal to “pick up the phone” when it mattered most reflected its ploy to sow fear and uncertainties.⁴² According to a Filipino maritime law expert, “Hotlines

³⁵ Trefor Moss, “China’s Not-So-Hard Power Strategy,” *Diplomat*, June 28, 2012, <https://thediplomat.com/2012/06/chinas-not-so-hard-power-strategy>.

³⁶ Prashanth Parameswaran, “Andrew Erickson and Ryan Martinson on China and the Maritime Gray Zone,” *Diplomat*, May 14, 2019, <https://thediplomat.com/2019/05/andrew-erickson-and-ryan-martinson-on-china-and-the-maritime-gray-zone>.

³⁷ Jim Gomez, “Philippines Says China Ship Used Laser against Coast Guard,” Associated Press, February 13, 2023, <https://apnews.com/article/politics-philippines-government-manila-china-8ee5459dcac872b14a49c4a428029259>; and Jake Kwon and Heather Chen, “Philippines Accuses China of Firing Water Cannons at Its Ships in South China Sea,” CNN, August 7, 2023, <https://edition.cnn.com/2023/08/06/asia/philippines-chinese-vessels-south-china-sea-intl-hnk/index.html>.

³⁸ Raymond Antonio, “PCG Resupply Mission in Ayungin Shoal Goes On; It’s PH Territory—DFA,” *Manila Bulletin*, November 16, 2023, <https://mb.com.ph/2023/11/15/ph-will-not-ask-china-permission-to-go-to-ayungin-shoal-dfa>.

³⁹ Ivan Watson et al., “Exclusive: Philippine Defense Secretary Vows to Stand Up to ‘Bully’ China,” CNN, September 29, 2023, <https://edition.cnn.com/2023/09/29/asia/philippines-defense-secretary-interview-china-tensions-south-china-sea-intl-hnk/index.html>.

⁴⁰ “President Clinton and President Jiang Zemin Joint Press Conference, 1997,” White House, Press Release, October 29, 1997, available at <https://china.usc.edu/president-clinton-and-president-jiang-zemin-joint-press-conference-1997>.

⁴¹ Tristan Nodalo, “China ‘Unreachable’ during Water Cannon Incident in West Philippine Sea—DFA,” CNN Philippines, August 8, 2023, <http://www.cnnphilippines.com/news/2023/8/8/dfa-china-hotline-west-philippine-sea-water-cannon-ayungin.html>.

⁴² Bea Cupin, “China Didn’t Pick Up Phone during Water Cannon Incident in West Philippine Sea—DFA,” Rappler, August 7, 2023, <https://www.rappler.com/nation/dfa-protest-china-did-not-pick-up-phone-water-cannon-incident-west-philippine-sea>.

with CN are not for communication, it's to make the other side more uncertain about escalation. ... As far as CN is concerned, the one who calls is the one who's weak. Not answering shows who's strong."⁴³ The United States had a similar experience with China. When a high-altitude balloon from China flew across the United States in January–February 2023, the Chinese defense minister refused to take the call of his American counterpart.⁴⁴ This led the U.S. government to question the merits of hotlines that tend to “ring endlessly in empty rooms” when crises emerge.⁴⁵

For China, a crisis communication channel requires “trust.” According to a Chinese analyst, “with no mutual political or military trust, China finds it impossible to use the so-called military hotline.”⁴⁶ This reveals China's expectation for the Philippines and the United States to earn its trust on its own terms, even after both countries have already given China the benefit of the doubt by agreeing to create a crisis hotline in the first place.

China Mobilizes Public Opinion during a Crisis

During a crisis, public opinion in China serves a dual purpose. Aside from influencing Chinese government actions, public opinion is also exploited by political leaders to spread nationalist sentiments. On the one hand, the Chinese government's escalatory behavior in Scarborough Shoal was motivated by strong domestic views against the Philippines. On the other hand, authorities promoted nationalism among its people to gain support for government action during a crisis.

In the case of the latter, Chinese propaganda channeled nationalist sentiments as a strategy to ratchet up pressure on the Philippines. It was instrumental in shaping the Philippines' risk perceptions of serious escalation should the country oppose China. In an interview, the Philippine secretary of the DFA discussed China's permanent presence at Scarborough Shoal and said, “I can see the constituency of China becoming more assertive and the leadership will not be able to ignore that environment.”⁴⁷ This observation was one reason why the Philippines accepted “the new status quo in the shoal as a reality,”⁴⁸ especially in the aftermath of the standoff.

Shifting Views: The Philippine Response to China

From Deng Xiaoping's accommodating stance to Xi Jinping's assertive approach, China's maritime policy has undergone a striking evolution over the last three decades. Consequently, the Philippines has altered its approach in dealing with China. Such modification has also been reinforced by the personal predispositions and perceptions of the current Marcos administration. When the Philippines undergoes leadership transitions every six years, there is a high probability for policy adjustments in the country's relations with China.

⁴³ As stated by Jay Batongbacal, August 7, 2023, <https://twitter.com/JayBatongbacal/status/1688699532761260032>.

⁴⁴ “China Declines U.S. Proposal for Phone Call between Defense Chiefs on Civilian Unmanned Airship Incident,” China Military Online, February 9, 2023, http://eng.mod.gov.cn/news/2023-02/09/content_4932214.htm.

⁴⁵ Julian Borger, “Hotlines ‘Ring Out’: China's Military Crisis Strategy Needs Rethink, Says Biden Asia Chief,” *Guardian*, May 6, 2021, <https://www.theguardian.com/world/2021/may/06/hotlines-ring-out-chinas-military-crisis-strategy-needs-rethink-says-biden-asia-chief-kurt-campbell>.

⁴⁶ Song Zhongping, “Bottom Line Must Be Respected Despite of Hotlines,” *Street Journal*, May 12, 2021, <https://thestreetjournal.org/bottom-line-must-be-respected-despite-of-hotlines>.

⁴⁷ Greg Torode, “China ‘Dictatorial’ in Scarborough Shoal Dispute, Says Albert del Rosario,” *South China Morning Post*, November 30, 2012, <https://www.scmp.com/news/asia/article/1094200/china-dictatorial-scarborough-shoal-dispute-says-del-rosario>.

⁴⁸ Chubb, *Chinese Nationalism and the “Gray Zone”*.

While the Philippines takes note of the fact that the Chinese government is consistent in its claim of “sovereignty” over the South China Sea, it has been taken aback by the evolving hard-line approach and confrontational manner with which China pushes for its interests. Prior to the Scarborough Shoal incident, former president Gloria Macapagal Arroyo (2001–10) dealt with an accommodating and cooperative China under Hu Jintao. Both countries were able to “shelve disputes” and “pursue joint development” by signing the Joint Marine Seismic Understanding in 2005.⁴⁹ During the Scarborough Shoal standoff under the Aquino administration, however, the Philippines experienced China flexing its military muscle and economic might while employing underhanded diplomatic maneuvering. After the incident and throughout Rodrigo Duterte’s term (2016–22), Chinese power projection in the South China Sea became more assertive.

With Xi’s tough maritime posture, the Philippines exhibited two distinct policy approaches during the successive terms of Aquino and Duterte. During and after the Scarborough Shoal standoff, Aquino largely adopted a defiant approach toward China in response to its escalatory behavior and aggressive stance. He boldly contested China’s indisputable claims of maritime sovereignty. Moreover, by filing an arbitration case in 2013 under the United Nations Convention on the Law of the Sea (UNCLOS), he daringly inflicted reputational damage on China that made it “lose face” as a great power. As a result, overall Philippine relations with China experienced a steadfast deterioration during the Aquino administration.

In contrast, Duterte employed an appeasement policy toward China. He downplayed the Philippines’ arbitral award in 2016 in favor of gaining Chinese economic investment and development aid. Despite the Philippines’ legal victory that invalidated China’s nine-dash line, Duterte did not challenge Chinese claims of maritime sovereignty, explaining that “the problem was they said the South China Sea was theirs historically and that they weren’t going to give in.”⁵⁰ He even allowed China to continue fishing in the Philippines’ exclusive economic zone (EEZ), stating that “we cannot drive them away because they have insisted that it’s theirs.”⁵¹ Whereas Aquino had globally shamed China, Duterte praised the nation: “I would say that China deserves the kind of respect that China now enjoys,” he stated, satisfying the country’s craving for international respect and recognition as a great power.⁵² Although he was thus able to repair the Philippines’ political and economic relations with China, Duterte’s “ingratiating approach”⁵³ and strategic silence on crucial maritime issues further emboldened Chinese intimidation at sea.

Future Prospects: Philippine Deterrence and Countermeasures

While Philippine foreign policy tends to suffer from inconsistencies, China has been consistent in its hard-line approach to its maritime claims. Learning from the merits and mistakes of his

⁴⁹ The agreement was intended to gauge the prospects for oil and gas exploration and production, yet it proved to be controversial as it included even undisputed areas of Philippine territory. See Barry Wain, “Manila’s Bungle in the South China Sea,” *Far Eastern Economic Review* 171, no. 1 (2008): 45–48.

⁵⁰ Yuji Vincent Gonzales, “Duterte on South China Sea Claims: We Won’t Insist Now,” *Philippine Daily Inquirer*, October 23, 2016, <https://globalnation.inquirer.net/147579/duterte-on-south-china-sea-claims-we-wont-insist-now>.

⁵¹ Nestor Corrales, “Duterte: China Can Fish in Philippines’ EEZ,” *Philippine Daily Inquirer*, June 26, 2019, <https://globalnation.inquirer.net/177040/duterte-china-can-fish-in-philippines-eez>.

⁵² “Interview: Philippine President Says ‘Only China Can Help Us,’” Xinhua, October 17, 2016, http://www.xinhuanet.com/english/2016-10/17/c_135760893.htm.

⁵³ Joshua Kurlantzick, “Duterte’s Ingratiating Approach to China Has Been a Bust,” *World Politics Review*, June 2, 2021, <https://www.worldpoliticsreview.com/duterte-s-approach-to-china-philippines-relations-has-been-a-bust>.

predecessors' policies, Marcos is hard-pressed to find a balance between Aquino's defiance against China and Duterte's deference toward it. But as Chinese belligerence at sea continues, the Philippines under Marcos seeks to deter China by carrying on and improving various countermeasures.

The Philippines Focuses on Active Deterrence

In the aftermath of the Scarborough Shoal standoff, the Philippines has gradually changed its focus from mere "defense" to active "deterrence" in relation to Chinese maritime threats.⁵⁴ Whereas an emphasis on defense simply concedes all initiatives to China and puts the Philippines in a reactive position, deterrence suggests that the Philippines can influence Chinese decision-making to at least reconsider its gray-zone operations.⁵⁵ This change of mind-set has become more urgent as Chinese maritime aggressions remain undeterred despite the 2016 arbitral ruling.

Crafting and implementing an active deterrence strategy continues to be a work in progress as the Philippines ponders several objectives. To begin with, it seeks to generate long-term policy options for responding to current and future aggression to protect its maritime interests. Moreover, its strategy aims to support the modernization efforts of the Armed Forces of the Philippines to upgrade the country's maritime capabilities through enhancing skills and procuring assets for its maritime agencies. Philippine deterrence strategy is also expected to include an appraisal of various factors such as China's strategic culture and coercive actions, U.S. interests and limitations in the alliance, and other partner countries' defense commitments and military support.⁵⁶

To develop a minimum credible defense posture, the Philippine government is committed to modernizing its military, albeit at a rather slow pace amid persistent Chinese threats. It has earmarked \$793 million for the 2024 defense spending to acquire military assets, the most significant of which is the purchase of the country's first submarine fleet.⁵⁷ These assets are intended to develop maritime domain awareness, naval interdiction capabilities, and even the ability to inflict damage when necessary. The Philippine Navy, in particular, is being reconfigured to develop capabilities to defend not only the country's baselines or shores but also its EEZ.⁵⁸ This expanded mandate is critical as China continues to encroach on the Philippines' EEZ with the constant presence of its maritime militia and coast guard.

To carry out its mandate of maritime law enforcement, the PCG has launched procurement plans that involve purchasing the following items from France, Japan, and South Korea: multi-role response vessels, patrol boats, fast-response boats, high-endurance boats, rigid inflatable boats, and smaller watercraft.⁵⁹ These floating assets will be useful in search and rescue operations, maritime

⁵⁴ Joyce Rocamora, "PH Right to Build Deterrence, Blunt Potential Aggressions: Expert," Philippine News Agency, June 7, 2023, <https://www.pna.gov.ph/articles/1203101>.

⁵⁵ Erick Nielson C. Javier, "Rethinking the Philippines' Deterrence in the South China Sea," *Diplomat*, March 26, 2022, <https://thediplomat.com/2022/03/rethinking-the-philippines-deterrence-in-the-south-china-sea>.

⁵⁶ Javier, "Rethinking the Philippines' Deterrence in the South China Sea."

⁵⁷ Leilani Chavez, "Philippines Rethinks Military Modernization Plan after China Clashes," *DefenseNews*, October 23, 2023, <https://www.defensenews.com/global/asia-pacific/2023/10/23/philippines-rethinks-military-modernization-plan-after-china-clashes>.

⁵⁸ Priam Nepomuceno, "AFP: Submarine Acquisition Set in Latter Part of Modernization Program," Philippine News Agency, October 16, 2023, <https://www.pna.gov.ph/articles/1211856>.

⁵⁹ "PCG Acquires Its Biggest Patrol Ships," Philippine Coast Guard, February 9, 2020, <https://coastguard.gov.ph/index.php/news/news-2020/144-news/news-2020/3687-pcg-acquires-its-biggest-patrol-ships>; and "PCG Commissions Last Two 24-Meter Fast Patrol Boats from France," Philippine Coast Guard, January 16, 2019, <https://coastguard.gov.ph/index.php/news/news-2019/145-news/news-2019/2785-pcg-commissions-lasttwo-24-meter-fast-patrol-boats-from-france>.

security operations, and marine environmental protection within the Philippines' EEZ.⁶⁰ They are expected to enable the country to effectively police its shores and defend itself from China's gray-zone tactics.

The Philippines Expands Security Cooperation with Other Countries

Long outgunned and outspent by China, the Philippines cannot match Chinese maritime capabilities despite its commitment to upgrade its forces. Thus, it strategically depends on security alliances and defense partnerships in the Indo-Pacific region, which serve as force multipliers of its limited military capability. According to the Lowy Institute's 2023 Asia Power Index, the Philippines' strongest measure is in fact its defense networks, reflecting the large extent of bilateral military cooperation with various countries.⁶¹ Whether through the enhancement of capabilities or the demonstration of resolve, cooperation with like-minded states is a crucial element of the Philippines' deterrence against China.

The most important feature in the Philippines' defense cooperation network is its long-standing security alliance with the United States. To further strengthen the alliance, Marcos granted the United States rotational access to four more military facilities in April 2023, in addition to the five existing sites in the country under the Enhanced Defense Cooperation Agreement that was signed in 2014. The extension of access to more sites in strategic locations near the South China Sea enables the Philippines to offset China's maritime power projections.

The Philippines is also cultivating security relations with Japan and Australia, which are integral partners in the U.S. alliance network. Both countries share a convergence of interests to uphold the rule of law and freedom of navigation, which are under threat because of China. Trilateral maritime exercises are already held among the coast guards of Japan, the United States, and the Philippines, while the annual military exercises between the Armed Forces of the Philippines and the U.S. Armed Forces have included the Australian Defence Forces. Aside from capacity building, these exercises encourage information and intelligence sharing among security partners in the region.

Like the Philippines, Japan faces threats from China along its maritime borders. Yet Japan has more resources and advanced capabilities to defend itself and can provide assistance to the Philippines. Thus, it has pledged a \$525 million loan to build five additional modern patrol boats for the PCG, which "can operate in rough waters and the open ocean, making them well-suited for a broad range of resupply missions," especially to the BRP *Sierra Madre* in Second Thomas Shoal.⁶² Japan has also provided a coastal radar surveillance system that is necessary for the Philippines to avoid repeating its initial mistakes during the Scarborough Shoal standoff.

Australia is another important partner for the Philippines. Since signing the Joint Declaration on a Strategic Partnership in September 2023, the Philippines has benefited from Australia's technical assistance to improve the PCG's maritime domain awareness and marine protection.⁶³

⁶⁰ "PCG Acquires Its Biggest Patrol Ships."

⁶¹ Lowy Institute, "Philippines," Asia Power Index, 2023 edition, <https://power.lowyinstitute.org/countries/philippines>.

⁶² "Japan Provides Aid to Philippines for Five New Coast Guard Patrol Boats," *Maritime Executive*, November 9, 2023, <https://maritime-executive.com/article/japan-provides-aid-to-philippines-for-five-new-coast-guard-patrol-boats>.

⁶³ "Australia Announces Maritime Cooperation Package for PH, Increased ODA," Office of the President of the Philippines, Presidential Communications Office, May 19, 2023, https://pco.gov.ph/news_releases/australia-announces-maritime-cooperation-package-for-ph-increased-oda.

Moreover, the launch of the first Maritime Cooperative Activity in November 2023 enhanced the interoperability in maritime security between the countries.⁶⁴

The Philippines Strives for Better Crisis Management and Communication

The Scarborough Shoal standoff highlights the importance of a well-organized crisis management strategy on each side and an efficient system of crisis communication between the parties involved. Without those conditions, tensions tend to escalate. When high-ranking government officials in the Philippines publicized the crisis during its early phase, China was reluctant to de-escalate. The incident could have been contained at a lower level within the Philippine government's chain of command to prevent it from snowballing into a crisis. The fact that the standoff persisted for months and involved the United States as a mediator exposed the breakdown of crisis communication between the Philippines and China.

Because of the issues and miscalculations encountered during the incident, the two sides need to improve crisis communication to better manage future conflicts. Even if military hotlines are sometimes unreliable, both countries can still make use of them, if only to prevent a crisis from escalating. The Philippines could also develop crisis communication channels with other claimant states to discuss any incidents at sea. In February 2024, for example, it established a direct hotline with Vietnam.⁶⁵

The Philippines has already made improvements to better manage maritime tensions. The Marcos administration, for example, has refrained from fiery rhetoric that could inflame Chinese sentiments. During recent maritime incidents, the PCG instead invited local and foreign journalists to observe and then allowed the release of photos and videos proving that Chinese gray-zone activities and coercive actions are a “matter of fact.” Such documentation is expected to draw international attention to China's illegal activities that remained unhindered and violated the rules-based order.

Conclusion: China and the Philippines after the Standoff

A review of the 2012 Scarborough Shoal standoff and its geopolitical and security repercussions remains relevant as maritime tensions continue between the Philippines and China. It is critical to understand both countries' actions during the crisis to prevent future miscalculation and possible conflicts in the South China Sea.

The case brings to light how China's uncompromising stance on maritime sovereignty and national insecurities as a great power drove its reactive assertiveness and escalatory behavior during the crisis. As one observer explains: “If there is any perceived slight, no matter how minor, expect China to pounce.”⁶⁶ The crisis has since become an important reference for how China flexes its military muscle, economic might, and diplomatic influence to advance its maritime interests, which remains apparent to this day.

⁶⁴ Ruth Abbey Gita-Carlos, “PH, Australia Launch Maritime Cooperative Activity,” Philippine News Agency, November 25, 2023, <https://www.pna.gov.ph/articles/1214341>.

⁶⁵ Evelyn Macairan, “Philippines, Vietnam Setting Up SCS Hotline,” *Philippine Star*, February 1, 2024, <https://www.philstar.com/headlines/2024/02/01/2330074/philippines-vietnam-setting-scs-hotline>.

⁶⁶ Kleine-Ahlbrandt, “China: New Leaders, Same Assertive Foreign Policy.”

The Scarborough Shoal case also presented the Philippines with important insights on China, specifically regarding its resolve to protect its maritime interests and demonstrate its “greatness” as a nation. These factors continue to threaten the Philippines’ maritime interests, prompting it to craft an active deterrence strategy that focuses on countermeasures to deter China from further changing the maritime status quo. Aside from the apparent power asymmetry between the two countries, the challenge for the Philippines is to remain consistent in its policy toward China, despite changes in national leadership. The divergent approaches of previous Philippine presidents in dealing with China provide important lessons for the Marcos administration. These should serve as critical references to enable the current government to make informed policy decisions for the Philippines moving forward after the standoff in Scarborough Shoal.

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The Indian Army's Encounters with the People's Liberation Army

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EXECUTIVE SUMMARY

This essay examines the India-China boundary dispute through a case study of the eastern Ladakh standoff, analyzes the trends in the behavior of the People's Liberation Army along the border, and assesses the impact on India's strategic thinking and policy toward China.

MAIN ARGUMENT

The situation at the India-China border continues to become increasingly volatile, as is evident from the eastern Ladakh standoff. Beijing's intention to alter the status quo along the border in its favor is now clear. To test India's resolve, China's actions along the Line of Actual Control (LAC) are becoming more planned and exhibit an expansionist design. New Delhi can no longer afford to ignore these warning signs while reading between the lines. The Galwan Valley clash in 2020 and the ongoing standoff in eastern Ladakh serve as a litmus test that indicates Beijing's propensity to keep the LAC active, despite discussions on finding a resolution. As the situation on the border remains tense and both sides have hardened their positions, the risk of escalation between the two nuclear-armed neighbors remains high. China appears to have no intention of resolving the dispute to preserve peace and tranquility at the border. The Galwan Valley clash has thus confronted India with the strategic reality of the China threat, which has altered New Delhi's strategic thinking on China as well as its approach to deterrence.

POLICY IMPLICATIONS

- Given both countries' strong military postures and sharp rhetoric during the crisis in the Galwan Valley, the boundary dispute has become increasingly intractable, making a diplomatic compromise harder to achieve.
- There is little prospect that China and India will settle their border dispute; the best that can be hoped for at this time is for the two countries to manage their differences.
- The LAC will experience further militarization, including force and weapons deployment and infrastructure buildup, as both sides prepare for future contingencies.

Of China's fourteen land borders, only two remain in dispute—the borders with India and Bhutan. India and China share a 3,488-kilometer border that runs northwest of the Karakoram Pass and ends at Arunachal Pradesh. The border is neither demarcated nor delineated on maps. The absence of an internationally accepted boundary, as well as the lack of an agreement over the de facto Line of Actual Control (LAC), has transformed the issue into a territorial dispute between the two countries. The border is disputed in three distinct areas: the western sector (Aksai Chin), the middle sector (Himachal Pradesh and Uttarakhand), and the eastern sector (Sikkim and Arunachal Pradesh). These are areas where the claims of both India and China overlap and, through agreement, both countries refrain from permanent occupation (see **Table 1**).

Because no codified version of the LAC has been mapped out and marked on the ground, the border is patrolled and overseen by the armed forces on both sides. Any action by one side becomes a bone of contention between New Delhi and Beijing. The border, therefore, remains contested on two aspects: the divergence over the McMahon Line and the dilemma over the LAC.

TABLE 1 Areas under dispute at the LAC

Sector	Areas	Status of the dispute	Key disputed and sensitive areas	China's position/claims	India's position/claims
Western	Aksai Chin	Disputed (second-largest area of dispute, covering over 38,000 km ²)	<ul style="list-style-type: none"> • Trig Heights • Pangong Tso • Spanggur Gap • Dumchele • Demchok 	Administered by China	Claimed by India
	Himanchal Pradesh Uttarakhand	Disputed (dispute covers around 2,000 km ²)	<ul style="list-style-type: none"> • Kaurik • Shipkila • Barahoti • Pulam Sumda 	Claimed by China	Administered by India
Eastern	Sikkim	Undisputed	–	In 2003, recognized by China as part of India	Administered by India
	Arunachal Pradesh	Disputed (largest disputed area covering around 90,000 km ²)	<ul style="list-style-type: none"> • Namkha Chu • Sumdorong Chu • Asaphila • Longju • Dichu • Yangtse • Fishtail 1 and 2 in Dibang Valley 	Claimed by China as so-called South Tibet	Administered by India

SOURCE: Adapted from Amrita Jash, *The Concept of Active Defence in China's Military Strategy* (New Delhi: Pentagon Press, 2021), 222.

On the McMahon Line, India recognizes this line as the boundary, but China rejects it as “illegal” and “unacceptable” for the following reasons noted by Premier Zhou Enlai in his letter to Prime Minister Jawaharlal Nehru on January 23, 1959.¹ First, the Sino-Indian boundary had never been formally delimited, and no treaty or agreement had been concluded between the Chinese and Indian governments. Second, the McMahon Line was a product of the British policy of aggression against the Tibetan region of China. Third, Zhou admitted that the local Tibetan authorities had signed the convention but were dissatisfied with the “unilaterally drawn” line.² Beijing rejects the terms of the 1914 Simla Convention, arguing that Tibet lacked the authority to make treaties because it was not a sovereign state. Interestingly, China accepted the same McMahon Line extending into Burma (now Myanmar) and settled its border issue with Myanmar in 1960.

By contrast, on the de facto LAC, China abides by the boundary proposed by Zhou to Nehru in a letter dated November 7, 1959. India officially rejects this interpretation, pointing out that Nehru rejected Zhou’s proposal in a reply dated November 16, 1959.³ Against China’s 1959 claim, for India the LAC corresponds to the status quo on September 8, 1962.⁴ Due to the lack of a demarcated border and disagreement over the perception of the LAC, the border is patrolled and managed by the militaries of both countries. As a result, the Indian Army and the People’s Liberation Army (PLA) frequently accuse each other of intrusions and engage in standoffs and border skirmishes. In pursuit of their territorial claims, India and China even fought a war in 1962 and since then have engaged in periodical escalations (**Table 2**). These have affected all sectors in the disputed areas, with varying degrees of gravity and intensity. The increased military clashes between the sides have raised concerns over the effectiveness and relevance of the bilateral agreements signed between New Delhi and Beijing (**Table 3**) to prevent any form of escalation at the border.

To fully understand the intricacies of the unresolved boundary dispute, two perspectives can be considered.⁵ First, under the mechanism of the Special Representative Talks on the India-China Boundary Question, 22 rounds of talks (with the most recent being held in December 2019) have failed to find a settlement. The mechanism was developed in 2003 when the two countries signed the “Declaration on Principles for Relations and Comprehensive Cooperation.” Although the talks established “political parameters and guiding principles,” which were agreed to in April 2005, the objective of establishing a framework for a comprehensive settlement that includes the demarcation of the boundary remains unfulfilled. Second, as both sides have developed strong military postures and used sharp rhetoric over their respective claims, the territorial dispute has increasingly become intractable. This has raised the stakes further, making a diplomatic compromise harder to achieve. Against the unresolved eastern Ladakh

¹ Sir Henry McMahon, the foreign secretary of the British-Indian government and the chief negotiator in the 1914 Simla Convention, proposed the line to separate Tibet from India in the eastern sector.

² See R.S. Kalha, “The McMahon Line: A Hundred Years On,” Manohar Parrikar Institute for Defence Studies and Analyses, IDSA Comment, July 3, 2014, https://www.idsa.in/idsacomments/TheMcMahonLine_rskalha_030714.

³ “After China Brings Up ‘1959 LAC Alignment,’ India Says That Proposal Wasn’t Accepted,” *Wire*, September 29, 2020, <https://thewire.in/diplomacy/after-china-brings-up-1959-lac-alignment-india-says-that-proposal-wasnt-accepted>.

⁴ “Thin Ice in the Himalayas: Handling the India-China Border Dispute,” International Crisis Group, Asia Report, no. 334, November 14, 2023, 1–2, <https://www.crisisgroup.org/asia/south-asia/india-china/334-thin-ice-himalayas-handling-india-china-border-dispute>.

⁵ Amrita Jash, “India-China Boundary Dispute: Progress on Disengagement, but De-Escalation Remains Far-Fetched,” *Istituto Affari Internazionali*, IAI Commentaries, vol. 22, no. 48, October 25, 2022, 2, <https://www.iai.it/en/pubblicazioni/india-china-boundary-dispute>.

TABLE 2 Tensions at the India-China border

Year	Wars, standoffs, skirmishes, and incidents at the border	Sectors
1962	India-China Border War	All sectors
1967	Nathu La and Cho La skirmishes	Eastern
1975	Tulung La incident	Eastern
1986–87	Sumdorong Chu standoff	Eastern
2013	Daulat Beg Oldie and Chumar standoffs	Western
2014	Demchok standoff	Western
2015	Burtse incident	Western
2017	Doklam standoff	Eastern
2020	Naku La Incident and eastern Ladakh standoff (Galwan Valley clash in June 2020)	Eastern and western
2021	Eastern Ladakh standoff	Western
2022	Eastern Ladakh standoff and clash at Yangtse in Tawang	Western and eastern
2023	Eastern Ladakh standoff	Western

TABLE 3 Agreements between India and China

Year/place	Agreement
September 7, 1993, signed in Beijing	Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas
November 29, 1996, signed in New Delhi	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Confidence-Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas
April 11, 2005, signed in New Delhi	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question
January 17, 2012, signed in New Delhi	India-China Agreement on the Establishment of a Working Mechanism for Consultation and Coordination on India-China Border Affairs
October 23, 2013, signed in Beijing	Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Border Defence Cooperation

standoff, India's official position remains that the "state of the border will determine the state of the relationship."⁶

Even as tensions at the border have escalated over time, both sides have continued to play down the nuclear option. Yet, while nuclear deterrence remains sacrosanct, India's conventional deterrence has been constantly challenged by China. As a result, bilateral ties generally and the

⁶ Geeta Mohan, "State of Border Will Determine Relationship with China, Says S Jaishankar," *India Today*, February 19, 2022, <https://www.indiatoday.in/india/story/state-of-border-will-determine-relationship-with-china-says-s-jaishankar-1915341-2022-02-19>.

situation at the border specifically have entered a “new normal” of being “not normal.”⁷ As the situation on the border remains tense, India and China have both hardened their positions on the LAC, which risks the potential for escalation between these two nuclear-armed powers.

Against this backdrop, this essay examines the Indian Army’s encounters with the PLA using a threefold framework. The first section provides a trend assessment of the PLA’s behavior at the border between 2013 and 2023. This is followed by a case study analysis of the eastern Ladakh standoff from 2020 to 2024. The third section then evaluates how India’s foreign policy and strategic thinking toward China have been affected by the PLA’s actions. Finally, the essay concludes by considering policy implications and options for India’s deterrence of China.

The PLA’s Behavior at the LAC from 2013 to 2023: Trends, Patterns, and Tactics

Except for the Sumdorong Chu stalemate in 1986–87 and the 73-day Doklam standoff in 2017, the eastern Ladakh standoff is the longest and most severe incident to date on the LAC. As a result, it is critical to analyze the circumstances leading up to the standoff.

From 2013 to 2023, the state of affairs along the LAC has shown alarming trends. This is evident from the frequent military skirmishes and standoffs (as shown in Table 2) on the disputed boundary. One concerning trend is the rising number of Chinese transgressions along the LAC, mainly in areas where the claims of the two countries overlap. Citing official data, a report published in the *Indian Express* in 2020 claimed that the number of annual transgressions by the PLA increased from 428 in 2015 to 663 in 2019.⁸ Additionally, 170 transgressions were reported in the first four months of 2020 before the clash at Galwan Valley in June 2020. In general, Chinese transgressions have been on the rise since 2013 (see Table 4).

Second, when the PLA’s transgressions are mapped on the three sectors of the LAC, a pattern that emerges is that they have increased more significantly in the western sector, particularly in the Ladakh area, than in the eastern sector. This trend corresponds with the ongoing standoffs in Daulat Beg Oldi (DBO), Chumar, Demchok, and eastern Ladakh in the western sector since 2013. Data since 2015 shows that nearly three-quarters of the transgressions have taken place in the western sector of the LAC, whereas the eastern sector witnessed around one-fifth of the Chinese transgressions (see Table 5).⁹

Third, the PLA’s forays along the LAC reveal transgressions in new areas. The principal areas of contention were Asaphila, Longju, Namka Chu, Sumdorong Chu, and Yangtse in Arunachal Pradesh; Barahoti in Uttarakhand; and Trig Heights and Demchok in Ladakh. In the last ten years, the PLA has transgressed mainly in new areas, such as DBO, Depsang, Galwan, Gogra Post, Hot Springs, Pangong Tso, Chumar, and Dumchele in the western sector, and Dichu area in the eastern sector.¹⁰

Fourth, a concerning development has occurred in the middle sector, which is less disputed but is showing new signs of Chinese ingress. On August 30, 2021, over one hundred PLA soldiers

⁷ Amrita Jash, “Being ‘Not Normal’ Is the New Normal in India-China Ties,” Lee Kuan Yew School of Public Policy, Centre on Asia and Globalisation, China-India Brief, no. 204, May 13, 2022, <https://lkyspp.nus.edu.sg/cag/publications/details/china-india-brief-204#guest2>.

⁸ Sushant Singh, “Big Surge in Chinese Transgressions, Most of Them in Ladakh,” *Indian Express*, May 22, 2020, <https://indianexpress.com/article/india/aksai-chin-army-big-surge-in-chinese-transgressions-most-of-them-in-ladakh-6421674>.

⁹ Ibid.

¹⁰ Amrita Jash, *The Concept of Active Defence in China’s Military Strategy* (New Delhi: Pentagon Press, 2021), 238.

TABLE 4 Chinese transgressions, 2013–20

Year	PLA transgressions
2013	411
2014	334
2015	350
2016	273
2017	426
2018	326
2019	663
2020*	170 (130 in Ladakh) as of May 2020

SOURCE: Adapted from Jash, *The Concept of Active Defence in China's Military Strategy*, 237. The data was compiled from various sources. No data is available from 2020 onward.

TABLE 5 Sites of Chinese transgressions on the LAC, 2015–19

Major sites								
Location	Sector	2015	2016	2017	2018	2019	Total	Overall %
Pangong Tso	Western	164	77	112	72	142	567	25.0
Trig Heights	Western	92	64	127	99	116	496	22.0
Burtse	Western	67	50	75	83	157	432	19.0
Dichu	Eastern	69	65	90	37	68	329	14.5
Minor sites								
Galwan River	Western	0	1	4	1	0	6	–
Naku La	Eastern	0	0	0	2	2	4	–

SOURCE: Adapted from Sushant Singh, “Chinese Troops Focus on 4 LAC Locations, Test New Areas in Ladakh,” *Indian Express*, May 23, 2020, <https://indianexpress.com/article/india/chinese-transgression-line-of-actual-control-indian-territory-galwan-river-6423131>.

entered more than five kilometers into Indian territory by crossing the Barahoti ridge through Tun Jun Pass in Uttarakhand.¹¹ According to India’s Defense Ministry, this trend is part of a pattern of China conducting large patrols to assert its claim and test India across the LAC.¹² Previously, the transgressions were typically on a small scale, conducted by platoon-sized groups of 20–30 soldiers.¹³

¹¹ Manu Pubby and Rahul Tripathi, “Chinese PLA in Uttarakhand’s Barahoti, Returns after Damaging Bridge,” *Economic Times*, September 28, 2021, <https://economictimes.indiatimes.com/news/defence/chinese-pla-in-uttarakhands-barahoti-returns-after-damaging-bridge/articleshow/86573930.cms>.

¹² Dinakar Peri, “Chinese Transgressions Testing India, Say Officials,” *Hindu*, October 3, 2021, <https://www.thehindu.com/news/national/chinese-transgressions-testing-india-say-officials/article36808989.ece>.

¹³ See Mihir Bhonsale, “Understanding Sino-Indian Border Issues: An Analysis of Incidents Reported in the Indian Media,” Observer Research Foundation, ORF Occasional Paper, no. 143, February 2018, <https://www.orfonline.org/public/uploads/posts/pdf/20230810163749.pdf>.

In addition to these four patterns in the PLA's transgressions at the LAC, China has adopted two new tactics, primarily to lay claim to what it calls Zangnan, or South Tibet. The first is cartographic aggression, where China's Ministry of Aviation has been renaming locations in Arunachal Pradesh on official Chinese maps. China first standardized the names of six locations in 2017, followed by fifteen places in 2021 and eleven places in 2023. In August 2023, China's Ministry of Natural Resources issued the "2023 Edition of the Standard Map of China," which shows the entire state of Arunachal Pradesh and the Aksai Chin region "within China's borders."¹⁴ The other tactic is building *xiaokang* or moderately prosperous villages (also called border defense villages) along the middle and eastern sectors of the LAC. A 2021 Pentagon report mentions that China had built a civilian village of one hundred homes "inside disputed territory between the Tibet Autonomous Region and India's Arunachal Pradesh state in the eastern sector of the LAC" (located on the banks of the Tsari Chu river, along the disputed border in Upper Subansiri District in Arunachal Pradesh).¹⁵ According to a report by the *Hindu*, new posts are being established approximately six or seven kilometers from the LAC in the middle sector.¹⁶ These tactics are in line with China's border law (passed in 2021) on "protection and exploitation of the country's land border areas."¹⁷

Collectively, the trends, patterns, and tactics examined in this section not only demonstrate the PLA's aggressive and assertive behavior at the border with India but also are indicative of China's intention to alter the territorial status quo at the LAC. The case of the eastern Ladakh standoff will be considered in the next section to better understand China's behavior and intentions.

A Case Study of the Eastern Ladakh Standoff

Escalating Transgressions at the LAC

The PLA's increased activity in the Tibetan Plateau in April and May 2020 signaled the beginning of China's adventurism in eastern Ladakh (see **Table 6**). This led to transgressions over the LAC at many junctions, namely Pangong Tso, Hot Springs, Galwan Valley, and Depsang Plateau. On May 5, around 250 Indian and Chinese troops clashed at Finger 5 on the northern bank of the Pangong Tso Lake. This was followed by an incident near Naku La Pass in the Sikkim sector. India's state-led intelligence agencies had reported two episodes of incursion by PLA helicopters in India's airspace in the LAC before the clash. The first one was recorded on April 11, almost seven to nine miles into the Samdho region of Lahaul-Spiti District, and the other was recorded on April 20 in the same region.¹⁸

On June 2, 2020, Defense Minister Rajnath Singh noted that China had moved troops in "significant numbers" in the ongoing standoff at the LAC.¹⁹ On June 15, Indian and Chinese

¹⁴ Ananth Krishnan, "China Releases New Official Map, Showing Territorial Claims," *Hindu*, August 30, 2023, <https://www.thehindu.com/news/international/china-releases-new-official-map-showing-territorial-claims/article67245869.ece>.

¹⁵ U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2021* (Washington, D.C., November 2021), 159, <https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF>.

¹⁶ For details, see Dinakar Peri, "China Constructing Model Villages Opposite the LAC, Say Sources," *Hindu*, May 26, 2023, <https://www.thehindu.com/news/national/china-constructing-model-villages-opposite-the-lac-say-sources/article66893421.ece>.

¹⁷ National People's Congress of the People's Republic of China (PRC), "Land Boundary Law of the People's Republic of China," October 23, 2021.

¹⁸ "CID, Intelligence Agencies Submit Report on Chinese Choppers Entering 15 Kms into India's Lahaul-Spiti," *Times Now*, May 17, 2020, <https://www.timesnownews.com/india/article/cid-intelligence-agencies-submit-report-on-chinese-choppers-entering-15-kms-into-indias-lahaul-spiti/593165>.

¹⁹ "China Has Moved Troops in Significant Numbers: Rajnath Singh," *Hindu*, June 3, 2020, <https://www.thehindu.com/news/national/china-has-moved-troops-in-significant-numbers-rajnath-singh/article31733197.ece>.

TABLE 6 Incidents along the LAC in eastern Ladakh, May–August 2020

Month	LAC flashpoints
May	Violent clash between Indian and Chinese patrols on the northern bank of Pangong Tso
	Confrontation between Indian and Chinese soldiers in north Sikkim’s Naku La area
	Simmering tensions on the northern bank of Pangong Tso and its “Fingers,” Galwan Valley, and Hot Springs
June	Violent clash between Indian and Chinese soldiers in Galwan Valley
	Simmering tensions in Galwan Valley, Hot Springs, and Gogra Post
August	Simmering tensions on the southern bank of Pangong Tso

troops engaged in a violent clash in Galwan Valley that resulted in twenty casualties on the Indian side and an unknown number on the Chinese side.²⁰ The incident has come to define the crisis. At the time of writing, 21 rounds of commander-level talks have been held between the Indian Army and the PLA since June 2020, with the last talk being held on February 19, 2024. This process has led to disengagements and the creation of “buffer zones” in five areas.²¹ Ongoing dialogue through established communication channels (both military and diplomatic) has thus helped stabilize the border, if not alleviate the risks of future clashes.

The disengagements so far only involve the contested border areas that set off the skirmishes of 2020. Forces have not yet withdrawn from friction points that predate 2020, such as Depsang in DBO and the Charding Nullah Junction in Demchok in the western sector, and remain pending. Although tensions in eastern Ladakh have plausibly decreased since the Galwan clash, broader recriminations along the border persist with the consequent potential for new flareups. Until complete disengagement occurs, de-escalation cannot be achieved. Thus, risks of new clashes remain high along the India-China border.²²

China’s actions appear to be premeditated—a calculated move by the PLA to assert China’s territorial claims as well as test India’s resolve. Reports suggest that the Galwan clash was an outcome of a planned attack on Indian soldiers with iron rods, nailed clubs, and barbed objects, similar to the weapons used in the May 18–19 skirmishes, to cause heavy damage to the Indian side.²³ The 2020 annual report of the U.S.-China Economic and Security Review Commission (USCC) offers the following evidence:

Some evidence suggested the Chinese government had planned the incident, potentially including the possibility for fatalities. For instance, several weeks prior to the clash Defense Minister Wei made his statement encouraging Beijing to “use fighting to promote stability”... Satellite images depicted a large Chinese

²⁰ On February 2021, China announced posthumous medals for four of its soldiers who lost their lives in the Galwan Valley clash.

²¹ Jash, “India-China Boundary Dispute,” 3.

²² “Translation of Raksha Mantri’s Statement in Parliament,” Press Information Bureau (India), Press Release, December 13, 2022, <https://pib.gov.in/PressReleasePage.aspx?PRID=1883008>.

²³ “Iron Rods, Nailed Clubs—Chinese Forces Attacked Indian Soldiers with These Objects,” *Business Today*, June 18, 2020, <https://www.businesstoday.in/latest/trends/story/iron-rods-nailed-clubs-chinese-forces-attacked-indian-soldiers-with-these-objects-261563-2020-06-18>.

buildup in the Galwan Valley, including potentially 1,000 PLA soldiers, the week before the deadly skirmish.²⁴

China's actions along the LAC resonate with Defense Minister Wei Fenghe's statement, which indicated Beijing's intention to proactively initiate military tensions with India to project an image of strength, amid China's deteriorating external security environment.²⁵ What further confirms this claim is the changed pattern in the PLA's behavior in eastern Ladakh, which departed from past standoffs, orchestrated with large-scale engagement, deliberate transgressions, and violent confrontations. This view is reinforced by the fact that while no firearms were used, the PLA attacked the Indian troops with makeshift weapons, causing fatalities. Thus, breaching the 1996 agreement, which states that "[i]f the border personnel of the two sides come in a face-to-face situation due to differences on the alignment of the line of actual control [or] any other reason, they shall exercise self-restraint and take all necessary steps to avoid an escalation of the situation."²⁶ China accused India of provoking the Galwan Valley incident and maintained that PLA troops were forced to take necessary measures to respond to the situation on the ground and strengthen management and control in the border areas. Providing a step-by-step account, Chinese Foreign Ministry spokesperson Zhao Lijian contended:

Since April this year, the Indian border troops have unilaterally and continuously built roads, bridges and other facilities at the LAC in the Galwan Valley. China has lodged representations and protests on multiple occasions but India has gone even further to cross the LAC and make provocations. By the early morning of May 6, the Indian border troops, who have crossed the LAC by night and trespassed into China's territory, have built fortification and barricades, which impeded the patrol of Chinese border troops. They deliberately made provocations in an attempt to unilaterally change the status quo of control and management.²⁷

India's Ministry of External Affairs rejected Beijing's accusation and countered that the violence was due to the Chinese side "seeking to erect structures just across the LAC and refus[ing] to desist from such actions."²⁸ In its official statement, New Delhi claimed:

The position with regard to the Galwan Valley area has been historically clear. Attempts by the Chinese side to now advance exaggerated and untenable claims with regard to Line of Actual Control (LAC) there are not acceptable. They are not in accordance with China's own position in the past. Indian troops are fully familiar with the alignment of the LAC in all sectors of the India-China border areas, including in the Galwan Valley.²⁹

²⁴ Will Green, "Conflict on the Sino-Indian Border: Background for Congress," U.S.-China Economic and Security Review Commission, Issue Brief, July 2, 2020, 2, https://www.uscc.gov/sites/default/files/2020-07/Conflict_on_Sino-Indian_Border.pdf.

²⁵ Ibid.

²⁶ "Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Confidence-Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas," United Nations Peacemaker, November 29, 1996, https://peacemaker.un.org/sites/peacemaker.un.org/files/CN%20IN_961129_Agreement%20between%20China%20and%20India.pdf.

²⁷ "Foreign Ministry Spokesperson Gave a Step-by-Step Account of the Galwan Valley Incident," Embassy of the PRC in the Republic of India, Press Release, June 20, 2020, http://in.china-embassy.gov.cn/eng/embassy_news/202006/t20200620_2146781.htm.

²⁸ "Statement on All Party Meeting of 19th June 2020," Ministry of External Affairs (India), Press Release, June 20, 2020, https://mea.gov.in/press-releases.htm?dtl/32775/Statement_on_All_Party_Meeting_of_19th_June_2020.

²⁹ "Official Spokesperson's Response to Media Queries Seeking Comments on the Statement Issued on 19 June by the Chinese Spokesperson on the Events in the Galwan Valley Area," Ministry of External Affairs (India), Press Release, June 20, 2020, https://www.mea.gov.in/response-to-queries.htm?dtl/32770/Official_Spokespersons_response_to_media_queries_seeking_comments_on_the_statement_issued_on_19_June_by_the_Chinese_Spokesperson_on_the_events_in_the_

However, the crisis did not end with Galwan. Two and a half months after the clash, the Indian Army reported fresh PLA intrusions into the southern bank of Pangong Tso. In its year-end review for 2020, India's Defense Ministry publicly confirmed for the first time that China used "unorthodox weapons" and amassed troops along the LAC in eastern Ladakh. It also disclosed that on August 28–29 Indian troops "in a precautionary deployment, pre-empted Chinese expansionist designs and occupied heights along southern bank of Pangong Tso."³⁰

Drivers of China's Behavior in Eastern Ladakh

The 2020 Ladakh crisis first and foremost can be seen as an outward expression of Beijing's increasingly assertive foreign policy, reflected in the "wolf warrior diplomacy" that emerged during the Covid-19 pandemic. As noted earlier, a close assessment of the events that unfolded since April 2020 suggests that the PLA's behavior at the LAC was premeditated. Hence, it is imperative to ask why China chose to violate its agreements with India and damage ties. Even after more than three years, the cause behind the eastern Ladakh crisis remains unclear. As the USCC report observes, quoting Tanvi Madan, "if China's goal was 'to acquire territory [the Chinese government] might deem the moves a success.' If Beijing intended to dissuade India from building infrastructure on its side of the LAC or warn it against aligning with the United States, however, 'then the Chinese moves have been ineffective, if not counterproductive.'"³¹

In assessing the timing and nature of the Galwan confrontation, Yun Sun argues the following:

Tactically, China wants to put an end to the infrastructure arms race along the border, but strategically is in no hurry to resolve the disputes as it bogs India down as a continental power. China is pushing for the territory occupied in the 1962 war as a reaction to perceived Indian exploitation of China's vulnerability due to COVID-19 and deteriorating relations with the United States.³²

However, there is no clear explanation as to what motivated China to take such aggressive action against India during the pandemic. Several explanations of the potential drivers of China's actions are possible.

The first is that China intended to change the territorial status quo by tactical assertion of power to lay claim to areas on India's side of the LAC and not under dispute, such as the Galwan Valley. In the aftermath of the clash in June, Beijing asserted sovereignty over the "entire" valley, stating that "Galwan Valley is located on the Chinese side of the Line of Actual Control in the west section of the China-India boundary" and that "for many years, the Chinese border troops have been patrolling and on duty in this region."³³ This claim also confirms Beijing's departure from its long-held position. Manoj Joshi points out that although China's historical maps depict Aksai Chin as being inside its borders, both the Chip Chap and Galwan River Valleys are on the Indian side of the LAC.³⁴

³⁰ "In First Mention, Defence Review Says 'Unorthodox' Weapons Used in Galwan," *Indian Express*, January 6, 2021, <https://indianexpress.com/article/india/galwan-valley-india-china-clash-lac-indian-army-7134333>.

³¹ Quoted in U.S.-China Economic and Security Review Commission, *2020 Report to Congress* (Washington, D.C., 2020), 362, https://www.uscc.gov/sites/default/files/2020-12/2020_Annual_Report_to_Congress.pdf.

³² Yun Sun, "China's Strategic Assessment of the Ladakh Clash," *War on the Rocks*, June 19, 2020, <https://warontherocks.com/2020/06/chinas-strategic-assessment-of-the-ladakh-clash>.

³³ "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on June 19, 2020," Ministry of Foreign Affairs (PRC), June 19, 2020.

³⁴ Manoj Joshi, "Sino-Indian Border Deadlock: Time to Rewrite India Playbook," Observer Research Foundation, ORF Occasional Paper, no. 269, August 31, 2020, <https://www.orfonline.org/public/uploads/posts/pdf/20230719195228.pdf>.

A second possible driver of China's actions is India's border infrastructure, particularly the 255-kilometer-long Darbuk-Shyok-DBO road, which closely follows the LAC in Galwan Valley. The Western Express Highway is directly to the north of Karakoram Pass and serves as a major communication route to the China-Pakistan Economic Corridor across Khunjerab Pass. One thus may see China's provocations in the Galwan Valley as an attempt to gain strategic control over these areas, which are vital for access to the Aksai Chin plateau. This argument is consistent with Beijing's accusation that India is unilaterally constructing roads, bridges, and other infrastructure in the Galwan Valley area.

Third, China could have been reacting to India's declaration of Ladakh as a union territory by abrogating Article 370 in 2019. Beijing views this area as "Chinese territory in the western sector of the China-India boundary."³⁵ Calling India's move "illegal, null and void," Beijing affirmed that "it will neither change the fact that the relevant region is under China's actual control nor produce any effect."³⁶

The above three explanations reveal China's growing anxiety over losing its tactical military advantage over India in the Aksai Chin region. A fourth possible driver is that China wanted to send a cautionary message to India about its growing ties with the United States. Former Indian foreign secretary Shyam Saran posits that the skirmish "can be interpreted as a bid by Beijing to 'warn New Delhi' against aligning more closely with Washington on geopolitical matters."³⁷ This is supported by the fact that in May 2020 China's state-run newspaper the *Global Times* published an editorial warning India against engaging in "U.S.-China confrontation," stating that "if in a new Cold War, India leans toward the U.S. or becomes a U.S. pawn attacking China, the economic and trade ties between the two Asian neighbors will suffer a devastating blow."³⁸ China's actions thus may have been related to the deepening of Indo-U.S. strategic ties, which could produce geopolitical consequences unfavorable to Beijing.

In addition, China's actions could be seen as a message to India and other countries with which it has territorial disputes, such as Japan, Vietnam, and the Philippines, about its commitment to defending claims. In 2023, Hu Shisheng, director of the South Asia Institute of the China Institutes of Contemporary International Relations, asserted that "in China's view, the Galwan Valley incident is the inevitable result of India's long-term violation of the 1993, 1996, and even 2005 and 2013 agreements."³⁹ Hu cited four reasons that the border issue has become a central issue of bilateral relations: India's taking control of the Chumi Gyatse falls in the Dongzhang area in 1999, its amendment of Article 370 in 2019 to change the political status of Jammu & Kashmir, its construction of bridges and roads and continuous extension of the patrol route, and Prime Minister Modi's violation of the 1988 agreement China signed with Rajiv Gandhi.⁴⁰

³⁵ With the abrogation of Article 370, the former state of Jammu & Kashmir was reorganized as the new union territories of Jammu and Kashmir and Ladakh on October 31, 2019. "Foreign Ministry Spokesperson Hua Chunying's Remarks on the Indian Government's Announcement of the Establishment of the Ladakh Union Territory Which Involves Chinese Territory," Ministry of Foreign Affairs (PRC), Press Release, August 6, 2019, https://www.mfa.gov.cn/eng/xwfw_665399/s2510_665401/2535_665405/201908/t20190806_696969.html.

³⁶ "China Urges India to Respect Its Territorial Sovereignty," Xinhua, November 1, 2019, http://www.xinhuanet.com/english/2019-11/01/c_138519114.htm.

³⁷ Kunal Purohit, "China Using Border Tensions to Warn India Not to Side with U.S.: Ex-Foreign Secretary Shyam Saran," *South China Morning Post*, June 1, 2020, <https://www.scmp.com/week-asia/politics/article/3087030/china-using-border-tensions-warn-india-not-side-us-ex-foreign>.

³⁸ "Advisable for India Not to Engage in U.S.-China Confrontation," *Global Times*, May 31, 2020, <https://www.globaltimes.cn/content/1190096.shtml>.

³⁹ Ajai Shukla, "3 Yrs Post Galwan, Chinese Strategist 'Explains' Border Tensions with India," *Business Standard*, May 1, 2023, https://www.business-standard.com/india-news/3-yrs-post-galwan-chinese-strategist-explains-border-tensions-with-india-123050100116_1.html.

⁴⁰ Ibid.

The possible reasons for China's actions, combined with its accusations and warnings in the lead-up to the clash, further confirm that the eastern Ladakh standoff is the result of a Chinese design. The next section will consider the implications for India's strategy and policy toward China

The Impact on India's Strategic Thinking and Policy

The ongoing standoff in eastern Ladakh has affected India's strategic thinking in various ways, with both short-term and long-term implications. First, in its foreign policy, India has hardened its position on China by conditioning bilateral ties on border stability. India's external affairs minister S. Jaishankar decried the Ladakh crisis, stating that the relationship "is going through an extremely difficult phase after what China did at the border."⁴¹ The phrase "what China did" refers to the Chinese acts in Galwan that rendered null and void the bilateral accords from 1993, 1996, 2005, 2012, and 2013. At the 2022 Munich Conference, again highlighting that India's relations with China "are going through a very difficult phase," Jaishankar categorically posited that "the state of the border will determine the state of the relationship."⁴² He reiterated this point at an event in New Delhi in 2023: "The bottom line there is at the end of the day, the state of the border will determine the state of the relationship. And the state of the border today is still abnormal."⁴³ Therefore, India's stance remains firm that a return to "normal" bilateral ties will require a "stable" border.

Second, India "faces a new strategic reality in which China is a clear and abiding adversary" and the LAC is "more militarized and violence-prone."⁴⁴ India's security establishment had long placed a great deal of emphasis on Pakistan, but it appears that this view has changed. For instance, in 2021, General Bipin Rawat, then chief of defense staff of India, unequivocally declared in an interview that the "threat on the northern borders is much bigger."⁴⁵ In 2022, India's navy chief, Admiral R. Hari Kumar, pointedly stated that "China remains a formidable challenge and has increased its presence, not only along our land borders but also in the maritime domain by leveraging anti-piracy operations to normalize its naval presence in the Indian Ocean Region."⁴⁶ These views were echoed in 2023 by India's current chief of defense staff, General Anil Chauhan, who stated that "China's assertiveness is more evident with its rise and India will have to take this aspect into account in its overall 'strategic calculus.'"⁴⁷ In January 2024, Indian army chief General Manoj Pande said that "India is maintaining a high state of preparedness" along the LAC in eastern Ladakh, as the border remains "sensitive but stable."⁴⁸ More recently, speaking

⁴¹ "India-China Ties Going Through Extremely Difficult Phase: Jaishankar," *Hindu*, August 19, 2022, <https://www.thehindu.com/news/national/india-china-ties-going-through-extremely-difficult-phase-s-jaishankar/article65784721.ece>.

⁴² Mohan, "State of Border Will Determine Relationship with China, Says S Jaishankar."

⁴³ Mausam Jha, "'Border Tensions Dictate the State of India-China Relation,' Says S Jaishankar," *Mint*, June 29, 2023, <https://www.livemint.com/news/world/border-tensions-dictate-the-state-of-india-china-relation-says-s-jaishankar-11688017796233.html>.

⁴⁴ Arzan Tarapore, "The Crisis after the Crisis: How Ladakh Will Shape India's Competition with China," Lowy Institute, May 5, 2021, <https://www.lowyinstitute.org/publications/crisis-after-crisis-how-ladakh-will-shape-india-s-competition-china>.

⁴⁵ "China Biggest Security Threat, Says General Bipin Rawat," *Times of India*, November 13, 2021, <https://timesofindia.indiatimes.com/india/china-biggest-security-threat-says-general-bipin-rawat/articleshow/87675595.cms>.

⁴⁶ "China Remains Clear and Present Danger, Warn Military Chiefs," *Times of India*, September 21, 2022, <https://timesofindia.indiatimes.com/india/china-remains-clear-present-danger-warn-military-chiefs/articleshow/94336716.cms>.

⁴⁷ "China's Assertiveness More Evident with Its Rise: CDS Gen Anil Chauhan," *Times of India*, October 6, 2023, <https://timesofindia.indiatimes.com/india/chinas-assertiveness-more-evident-with-its-rise-cds-gen-anil-chauhan/articleshow/104189604.cms>.

⁴⁸ "LAC Situation 'Stable but Sensitive,' Maintaining High State of Preparedness: Army Chief on Border Tensions with China," *Times of India*, January 11, 2024, <https://timesofindia.indiatimes.com/india/lac-situation-stable-but-sensitive-maintaining-high-state-of-preparedness-army-chief-on-border-tensions-with-china/articleshow/106735768.cms>.

at the INDUS-X Summit in New Delhi, Defense Secretary Giridhar Aramane, hinting at China, remarked that India is standing up to a “bully” in a very “determined fashion” and acknowledged that “the possibility that we may encounter a similar situation to what we faced in 2020 is keeping us active all the time.”⁴⁹ This threat perception is further confirmed by a 2023 survey conducted by Morning Consult, where 43% of Indians surveyed viewed China as their country’s biggest threat, followed by the United States (22%) and well ahead of Pakistan (13%).⁵⁰

Third, the standoff has underscored the importance of hard power, deterrence, and force projection. As a result, India has increased its focus in three areas: border infrastructure to enhance faster mobilization and improved logistical support for its troops; rapid military modernization, including the acquisition of advanced weapon systems to effectively counter China’s military expansion; and deterrence, with an ability to rapidly deploy and maintain a sizable military force along its northern borders.

India has also expedited its military and operational preparedness. General Pande has posited that, to address the threat from China, India needs to maintain “high levels of operational preparedness at all times,” induct “niche or disruptive capabilities,” and develop gray-zone capabilities.⁵¹ In 2021, India’s military spending of \$76.6 billion ranked third in the world and marked an increase of 0.9% from 2020 and 33% from 2012.⁵² The budgetary allocation to defense for 2024–25 is 18.35% higher than the allocation for 2022–23 and 4.72% higher than the allocation for 2023–24.⁵³ In strengthening its capabilities along the LAC, India has taken robust measures to improve its border infrastructure:

In the past five years...India has added about 2,100 km of road length along the border with China...around 7,450 metres of bridge length was developed. Tunnels and bridges are being constructed for swift mobilisation of troops to the border posts... [I]n the past three years, [the Indian government has] spent over Rs 1,300 crore in Ladakh on infrastructure and habitat requirements of more than 55,000 troops deployed at the icy heights.⁵⁴

In its year-end review for 2023, India’s Defense Ministry confirmed that in September around 90 infrastructure projects, worth over Rs 2,900 crore (\$360 million), spread across eleven states/union territories were launched. Out of these projects, 36 are in Arunachal Pradesh and 26 in Ladakh.⁵⁵ Besides increased funding for infrastructure, India has sent at least 50,000 more troops to its border with China.⁵⁶ Adopting an offensive military posture against its northern adversary, India has also inducted heavy weapon systems such as K9 Vajras, Dhanush, and M777 ultralight

⁴⁹ “India Standing Against a Bully: Defence Secretary Giridhar Aramane,” *Economic Times*, February 21, 2024, <https://economictimes.indiatimes.com/news/defence/india-standing-against-a-bully-defence-secretary-giridhar-aramane/articleshow/107891541.cms>.

⁵⁰ “Survey: Indians See China and U.S. as Top Military Threats,” *Brink News*, January 22, 2023, <https://www.brinknews.com/quick-take/survey-indians-see-china-and-u-s-as-top-military-threats>.

⁵¹ “China Remains Clear and Present Danger.”

⁵² “World Military Expenditure Passes \$2 Trillion for First Time,” Stockholm International Peace Research Institute, April 25, 2022, <https://www.sipri.org/media/press-release/2022/world-military-expenditure-passes-2-trillion-first-time>.

⁵³ For details, see “Record over Rs 6.21 Lakh Crore Allocation to Ministry of Defence in Interim Union Budget 2024–25; 4.72% More Than FY 2023–24,” Press Information Bureau (India), February 1, 2024, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001375>.

⁵⁴ Pradip R. Sagar, “How the Indian Army Is Responding to the Chinese Troop Build-Up in the Eastern Sector,” *India Today*, January 15, 2023, <https://www.indiatoday.in/india-today-insight/story/how-the-indian-army-is-responding-to-the-chinese-troop-build-up-in-the-eastern-sector-2321897-2023-01-15>.

⁵⁵ “Ministry of Defence—Year End Review 2023,” Press Interest Bureau (India), December 22, 2023, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1989502>.

⁵⁶ Sudhi Ranjan Sen, “India Shifts 50,000 Troops to China Border in Historic Move,” *Bloomberg*, June 28, 2021, <https://www.bloomberg.com/news/articles/2021-06-27/india-shifts-50-000-troops-to-china-border-in-historic-defense-shift>.

howitzers and the S-400 air defense missile system in the forward areas. In 2023, it “deployed a squadron of upgraded MiG-29 fighter jets at the Srinagar air base to tackle threats from both the Pakistani and Chinese fronts.”⁵⁷ India was the world’s largest arms importer from 2018 to 2022, accounting for 11% of global arms imports.⁵⁸

Given the heightened threat from China, the Indian Army has shifted the operational focus of six of its divisions from Pakistan to China. One division of the Rashtriya Rifles, which was involved in counterterrorism in Jammu and Kashmir, is now deployed in eastern Ladakh in the western sector. A division from a strike corps in Haryana has been reassigned to the Central Command to look after the middle sector, while the 17 Mountain Strike Corps has been fully dedicated to the eastern sector.⁵⁹ In September 2022 the Indian Army reoriented its forces (previously focused on counterinsurgency operations in northeast India) along the LAC in Arunachal Pradesh, further strengthening the military posturing in the eastern sector.⁶⁰

To improve surveillance and fortify the country’s early-warning system, in October 2023 the Indian government for the very first time authorized Border Intelligence Posts along the LAC to monitor China’s activities, including military and weaponry buildup, regular transgressions, and incursion attempts to alter the status quo.⁶¹ In February 2024 the Indian Army began converting its Headquarters Uttar Bharat “into a full-fledged operational corps—a move that will shift its focus toward operations along the [LAC] from its current responsibility of peacetime duties.”⁶² In its latest attempt to bolster the combat capabilities of the Indian Armed Forces, the Cabinet Committee on Security approved four defense deals worth Rs 35,000 crore (\$4.4 billion). The deals include a consolidated order for extended-range BrahMos cruise missiles, new advanced engines for MiG-29 fighters, high-power radars, and new versions of L-70 air defense guns, among other capabilities.⁶³

In addition, India has enhanced its strategic and defense partnerships with other countries. Most significantly, ties have taken a robust turn as New Delhi has bolstered its defense cooperation with Washington. In October 2020, India and the United States signed the Basic Exchange and Cooperation Agreement—the last of the four foundational agreements.⁶⁴ At the 2023 2+2 talks, they announced plans to coproduce Stryker armored vehicles to strengthen the security of both

⁵⁷ “India Deploys MiG-29 Fighter Jets Squadron at Srinagar to Handle Threats from Enemies on Both Fronts,” *Times of India*, April 12, 2023, <https://timesofindia.indiatimes.com/india/india-deploys-mig-29-fighter-jets-squadron-at-srinagar-to-handle-threats-from-enemies-on-both-fronts/articleshow/102666784.cms>.

⁵⁸ Pieter D. Wezeman, Justine Gadon, and Siemon T. Wezeman, “Trends in International Arms Transfers, 2022,” Stockholm International Peace Research Institute, SIPRI Fact Sheet, March 2023, 6, https://www.sipri.org/sites/default/files/2023-03/2303_at_fact_sheet_2022_v2.pdf.

⁵⁹ Manjeet Negi, “6 Indian Army Divisions Assigned to China Border from Pakistan Front,” *India Today*, May 15, 2022, <https://www.indiatoday.in/defence/story/indian-army-divisions-china-border-pakistan-ladakh-gen-manoj-pande-1949788-2022-05-15>.

⁶⁰ Rahul Singh, “In Eastern Sector, Indian Army Reorients Forces in Sharpened Focus on LAC,” *Hindustan Times*, September 7, 2022, <https://www.hindustantimes.com/india-news/in-eastern-sector-indian-army-reorients-forces-in-sharpened-focus-on-lac-101662563147200.html>.

⁶¹ Neeraj Chauhan, “In a First, Centre Sanctions Border Intelligence Posts along the LAC to Keep an Eye on China,” *Hindustan Times*, October 3, 2023, <https://www.hindustantimes.com/india-news/in-a-first-centre-sanctions-border-intelligence-posts-along-the-lac-to-keep-an-eye-on-china-101696272436347.html>. The Border Intelligence Posts will have intelligence officials deployed to gather and develop inputs from the LAC, in collaboration with the troops of the Indian Army and Indo-Tibetan Border Police and agencies such as the National Technical Research Organisation, Intelligence Bureau, and Research and Analysis Wing, regarding any unusual activity of the PLA.

⁶² Amrita Nayak Dutta, “Army to Set Up New Corps for Operations along LAC,” *Indian Express*, February 20, 2024, <https://indianexpress.com/article/india/army-to-set-up-new-corps-for-ops-along-lac-9170158>.

⁶³ Rajat Pandit, “Mega BrahMos Missile Deal among Four Worth Rs 35,000 Crore Cleared by CCS,” *Times of India*, February 23, 2024, <https://timesofindia.indiatimes.com/india/cabinet-committee-on-security-clears-brahmos-and-3-other-deals-worth-rs-35000-crore/articleshow/107923891.cms>.

⁶⁴ Amrita Jash, “Hawk-Eyed on China, ‘BECA’ Gets Sealed,” Centre for Land Warfare Studies, CLAWS Focus, October 28, 2020, <https://www.claws.in/hawk-eyed-on-china-beca-gets-sealed>.

countries.⁶⁵ More recently, the U.S. State Department formally notified Congress of a possible sale of 31 MQ-9B high altitude long endurance armed unmanned aerial vehicles to India,⁶⁶ which will enhance India's capability for unmanned surveillance and reconnaissance patrols. Besides, India has strengthened its defense ties with Japan and Australia (the two other Quad members) and with regional partners such as Vietnam, Singapore, and the Philippines. For instance, in 2020, India upgraded its ties with Australia to a comprehensive strategic partnership and signed nine arrangements, including one for "mutual logistics support" for their militaries.⁶⁷

Based on these outcomes, a momentous shift is evident in India's strategic thinking and policy toward China. The biggest departure is that India is no longer hesitant to call out China's aggression. Its post-Galwan policy toward China can be best described as pragmatic, assertive, and recalibrated.

Policy Implications and Options for Deterrence

The eastern Ladakh standoff has fundamentally altered India's relations with China. Distrust is deeper than ever, and de-escalation amid disengagement has become a difficult process. China's actions at the border have had far-reaching implications, especially for India's national security.

First and foremost, India has been compelled to re-evaluate its threat perception of China. This has resulted in a significant shift in India's Pakistan-centric military posture, with increasing attention redirected toward China along the northern borders. Second, the standoff has bolstered India's quest for military readiness, which has provided a dramatic push toward force deployment and investment in border defense infrastructure. Third, it has provided India's military modernization with an urgency to develop capabilities for multidomain warfare as well as heightened the country's focus on indigenous defense production under the Atmanirbhar Bharat initiative. Fourth, the situation at the border has put India in a difficult diplomatic position, which requires maintaining working ties with China both bilaterally and multilaterally. Last, the tensions along the border have heightened the risk of miscalculation and unintended escalation, potentially leading to conflict and underscoring the importance of operational preparedness at all times.

Given the significant implications for deterrence of China, Indian decision-makers should carefully examine the lessons learnt from the Ladakh crisis to avoid and thwart any future contingency at the disputed border. First, India needs to further strengthen its military capabilities and operational preparedness. The modernization and force structuring of the Indian Armed Forces must be tailored to the China threat to prevent the creation of a tactical asymmetry that can be exploited by the PLA. To bolster its combat, logistical, and quick-reaction capabilities, India might adopt a sixfold strategy: (1) strengthen border defense infrastructure to assist speedy mobilization and conduct of military operations, (2) deploy and maintain an "all-weather" force structure and capabilities in both forward and depth areas, (3) be combat ready to meet the demands of multidomain warfare as well as confront a two-front war scenario in light

⁶⁵ "U.S. and India to Co-Produce Armored Vehicles to Counter China," *Times of India*, November 10, 2023, <https://timesofindia.indiatimes.com/india/us-and-india-to-co-produce-armored-vehicles-to-counter-china/articleshow/105125202.cms>.

⁶⁶ Dinakar Peri, "Biden Administration Formally Notifies U.S. Congress of Possible 31 MQ-9B UAV Sale to India," *Hindu*, February 2, 2024, <https://www.thehindu.com/news/national/us-approves-sale-of-31-mq-9b-armed-drones-to-india/article67801873.ece>.

⁶⁷ "Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia," Ministry of External Affairs (India), Press Release, June 4, 2020, https://www.mea.gov.in/bilateral-documents.htm?dtl/32729/Joint_Statement_on_a_Comprehensive_Strategic_Partnership_between_Republic_of_India_and_Australia.

of the China-Pakistan nexus, (4) develop a robust intelligence, surveillance, and reconnaissance grid to closely watch the PLA's activities along the LAC, (5) invest and induct advanced weapon systems such as precision-guided munitions, long-range missiles, air-defense systems, and naval capabilities, and (6) strengthen cyberdefense and space capabilities.

Second, India should harden its deterrence posture by maintaining a firm position on the border with an integrated approach in response to China's actions. As China tests India's resolve, the onus lies on New Delhi in standing up to this challenge on all fronts. The bottom line is that seeking an alternative is no longer a viable option; instead, India must remain firm in safeguarding its claims and territory.

Third, India could increase its domestic manufacturing capabilities to reduce reliance on foreign technology and imports. This would not only enhance the country's self-reliance but also provide a boost to its defense industrial base.

Fourth, India needs to make concerted efforts to maintain coordinated and stable ties with its regional and extended neighborhood. This would help check China's growing foothold in India's strategic backyard. To this end, India needs to consolidate its maritime presence and posture in the Indian Ocean region. Related, it should form robust partnerships with like-minded countries and seek common ground for cooperation to counterbalance China's influence and strengthen deterrence capabilities. In this regard, India's partnership with the Quad countries plays a pivotal role.

The situation along the LAC and the broader geopolitical competition between the two countries continue to shape India's military posture. With the eastern Ladakh standoff, the border dilemma has progressed from being protracted to becoming intractable, with little to no room for compromise or conciliation. All in all, India's military engagements with the PLA have made it necessary for the country to bolster its defense considerably and become more circumspect in its approach toward China. Specially, in the wake of the Galwan clash, India's China policy has become more cautious, assertive, and strategically oriented.



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