



NIDS China Security Report 2011

National Institute for Defense Studies, Japan

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Published by:

The National Institute for Defense Studies

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Printed by: Urban Connections

First published: February 2012

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This publication is a translation of the Japanese version originally published in February 2012.

ISBN 978-4-939034-87-9

Printed in Japan

Contents

Preface	iii
List of Abbreviations	iv
Introduction	1
Expanding Maritime Interests	2
Uncompromising External Behaviors.....	3
China's Ocean-Going Orientation	5
Maritime Control and Management	6
Increasing Military Significance of the Maritime Domain	9
China's Search for a Maritime Strategy	12
China's Advancement into the South China Sea	17
Renewed Assertiveness.....	18
China's Strategic Objectives.....	21
The Impact on Security in East Asia	25
Beyond Neighboring Waters	27
Counter-Piracy Operations	28
Improving Operational Capabilities in "Far Seas"	31
Toward a Blue-Water Navy	33
The PLA's Growing Influence in Foreign Policy	37
Adherence to "Core Interests"	38
Military Diplomacy	40
Limited Role of Diplomacy.....	42
Conclusions	45
Column Anti-Ship Ballistic Missiles (ASBMs)	14
Column China's Position on the Military Activities of Foreign Forces in the EEZ	23
Column "Political Work" during the Escort Missions.....	35
Column China's Aircraft Carrier Plans	47

Preface

The *NIDS China Security Report* analyzes China's security policy and military trends. The inaugural issue of the report, released in April 2011, attracted considerable media and academic attention, which has provided increasing opportunities for dialogue with experts and international research institutions. We hope that the report can contribute to facilitating discussions on policies towards China, and to broadening opportunities for dialogue and exchange in the field of security and defense between Japan and China.

This second issue focuses on China's maritime strategy and policy trends, which have become an issue of concern in the international community. The report covers important topics on China's maritime strategy, including: directions of China's maritime strategy amidst its expanding interests in the oceans; China's policies and activities in the South China Sea; and China's counter-piracy operations off the coast of Somalia and in the Gulf of Aden. The report also analyzes the current situation in which the People's Liberation Army (PLA) has been increasing its influence over China's policies in the South China Sea. In writing this report, analysis was carried out with reference to publicly available texts, media reports, and research materials. The authors thank a number of scholars from many countries including China for their helpful suggestions.

The views expressed herein are the authors' alone and do not necessarily represent those of the Ministry of Defense or the Government of Japan. This report was authored by Masafumi Iida, Masayuki Masuda, and Yasuyuki Sugiura. Editorial work was performed by Yoshiaki Sakaguchi (editor-in-chief), Hiromu Arakaki, Nobu Iwatani, Katsuya Tsukamoto, Michito Tsuruoka, Shinji Yamaguchi, and Tetsuya Yano.

February 2012
NIDS China Security Report Task Force
National Institute for Defense Studies, Japan

List of Abbreviations

A2AD	“Anti-Access” and “Area-Denial”
ADMM-Plus	ASEAN Defense Ministers’ Meeting Plus
AEW	Airborne Early Warning
ARF	ASEAN Regional Forum
ASB	Air-Sea Battle
ASBM	Anti-Ship Ballistic Missile
ASCM	Anti-Ship Cruise Missile
ASEAN	Association of Southeast Asian Nations
ASW	Anti-Submarine Warfare
BCD	Border Control Department
CARAT	Cooperation Afloat Readiness and Training
CIWS	Close-in Weapon System
CMC	Central Military Commission
CMS	China Marine Surveillance
CPC	Communist Party of China
CPPCC	Chinese People’s Political Consultative Conference
DCT	Defense Consultative Talks, China–U.S.
DOC	Declaration on the Conduct of Parties in the South China Sea
DoD	Department of Defense, U.S.
EEZ	Exclusive Economic Zone
FLEC	China Fisheries Law Enforcement Command
GAC	General Administration of Customs
GDP	Gross Domestic Product
GPS	Global Positioning System
HADR	Humanitarian Assistance and Disaster Relief
IOC	Initial Operational Capability
ISR	Intelligence, Surveillance, and Reconnaissance
JMSDF	Japan Maritime Self-Defense Force
LPD	Landing Platform Dock
MMCA	Military Maritime Consultative Agreement, China–U.S.
MOOTW	Military Operations Other Than War
MSA	Maritime Safety Administration
NPC	National People’s Congress
OTH	Over-the-Horizon
PKO	Peacekeeping Operations
PLA	People’s Liberation Army
PLAN	People’s Liberation Army Navy
PRC	People’s Republic of China
S&ED	Strategic and Economic Dialogue, China–U.S.
SAM	Surface-to-Air Missile
SHADE	Shared Awareness of Deconfliction
SLBM	Submarine-Launched Ballistic Missile
SLOC	Sea Line of Communication
SOA	State Oceanic Administration
SRBM	Short Range Ballistic Missile
SS	Diesel-Electric Attack Submarine
SSBN	Nuclear-Powered Ballistic Missile Submarine
SSN	Nuclear-Powered Attack Submarine
UAV	Unmanned Aerial Vehicle
UN	United Nations
UNCLOS	UN Convention on the Law of the Sea

* Government bodies are of China unless specified otherwise.



Introduction

Expanding Maritime Interests

Maritime issues have been becoming increasingly important for China. Maritime issues for China are, first and foremost, sovereignty issues. China has territorial disputes with several Southeast Asian countries in the South China Sea. Furthermore, with regard to the East China Sea, China insists that a territorial dispute exists between Japan and China. China claims territorial sovereignty over the Senkaku Islands, which are part of the territory of Japan, by stating that they belong exclusively to China. With the exception of a land-based territorial dispute with India, all the problems that China has with regard to territories and borders are centered on the oceans.

Secondly, maritime issues for China are closely related to the country's economic development. The Chinese economy, as it globalizes, increasingly relies on maritime transport. Accordingly, ensuring the safety of Sea Lines of Communication (SLOCs) is now crucial for sustainable economic growth in China. In addition, China's heightening dependence on critical natural resources from abroad, such as oil, induces the country to stress the development and utilization of marine resources as a "new base for natural resources." China's emphasis on the oceans has thus become a more prominent feature of its economic development strategies.

Because China is faced with new challenges, such as how to ensure the safety of SLOCs and maritime resources, as well as traditional security issues including territorial disputes, the roles and missions of the People's Liberation Army (PLA) have been expanding. At an enlarged meeting of the Central Military Commission (CMC) held in December 2004, President Hu Jintao put forth the "historic missions for the armed forces in the new century," also known as the "three provides and one role." The armed forces would (1) provide an important guarantee of strength for the Party to consolidate its ruling position; (2) provide a strong security guarantee for safeguarding the period of strategic opportunity for national development; (3) provide a powerful strategic support for safeguarding national interests; and (4) play an important role in safeguarding world peace and

promoting common development.

One of the points in Hu's speech was to specify the content of the national interests to be safeguarded by the PLA. *China's National Defense in 2010*, China's white paper on its defense policy, stipulates that the missions of the PLA are to "defend the security of China's lands, inland waters, territorial waters and airspace, safeguard its maritime rights and interests, and maintain its security interests in space, electromagnetic space and cyberspace." In other words, one of the new "historic missions" of the PLA is defined as being the protection of China's expanding national interests including "maritime rights and interests." Another focus of these new historic missions is the indication of "one role." The "one role" has become the logical basis for the PLA's international activities, requiring the PLA to contribute to "world peace."

In fulfilling these missions, the role assigned to the PLA Navy (PLAN) is becoming more important. With most territorial disputes centering on the oceans, maritime security such as SLOC protection is also emphasized as a new mission designated to the PLAN. Furthermore, in terms of the "one role," the PLAN plays an important part. The navy is more engaged than other services in international contacts and exchanges. The PLAN, in addition to such symbolic activities as friendly port calls of vessels, has conducted counter-piracy operations off the coast of Somalia and in the Gulf of Aden since January 2009, escorting foreign as well as Chinese flag ships. These activities are considered to be a sign of the PLAN's active participation in international security cooperation.

In this context, more attention must be paid to how China will safeguard its expanding interests in the oceans, and how China will resolve conflicts and disputes over maritime sovereignty and interests. In April 2009, the PLAN celebrated its 60th anniversary with a naval parade in the Yellow Sea off Qingdao. An international symposium, called "Harmonious Ocean," was held on this occasion, at which Admiral Wu Shengli, commander of the PLAN, gave a keynote speech on building a harmonious ocean. Wu referred to the twenty-first

century as being “the century of the seas,” and went on to state that: “harmony on the seas is an ideal and worthwhile pursuit common to the people of all nations.” He further stated that: “the situation of the seas is currently tending toward peace, but we also face serious challenges and new threats to security are constantly emerging. Building a harmonious ocean requires the common participation of the navies of all nations. The PLAN is willing to work hand-in-hand with the world to jointly preserve enduring peace and security on the seas.” He thus emphasized the PLAN’s cooperative approach to

addressing maritime issues.

President Hu Jintao has stressed that establishing a “harmonious ocean” is an important component of a “harmonious world.” He has also asserted that in developing international maritime security cooperation, China would comply with the rules and regulations of the international community such as the United Nations Charter and the United Nations Convention on the Law of the Sea (UNCLOS), and adopt peaceful measures to maintain maritime security with due respect to the sovereignty and interests of the coastal countries.

Uncompromising External Behaviors

A number of events, nonetheless, have called into question China’s stated cooperative approach to maritime issues. Particularly in the South China Sea, China is intensifying its sovereignty claims through assertive actions by maritime law enforcement agencies and the PLAN. These actions have been accumulating friction with other countries in Southeast Asia. For example, an increasing number of foreign ships are being confronted by vessels of the China Fisheries Law Enforcement Command (FLEC), an organ of the Fisheries Management Bureau under the Ministry of Agriculture, and the China Marine Surveillance (CMS) under the State Oceanic Administration (SOA). Not only is China ratcheting up its fisheries surveillance in the South China Sea, it is also taking steps to expand its naval presence in the area through large-scale military exercises. At the same time, the Chinese government is trying to restrict military activities by other countries in its exclusive economic zone (EEZ), based on the UNCLOS, yet applying its own interpretation of it. China’s unique interpretations of the UNCLOS have a significant impact on U.S.–China relations. China’s attitude can be seen as an effort to apply uncompromising logic and measures to guarantee its maritime sovereignty and interests.

These attitudes have resulted in growing concern in the surrounding countries and the international community. In Vietnam, an incident in May 2011 in which a CMS vessel cut off the exploration cables of a Vietnamese survey boat led to an upsurge of

anti-China sentiments among the general public, and a series of anti-China demonstrations broke out in the wake of the incident. In June 2011, the government of the Philippines decided to use the term the “West Philippine Sea” to refer to the waters west of the country where the Philippines has overlapping territorial claims with five other nations including China. The Association of Southeast Asian Nations (ASEAN), too, has been trying to “internationalize” South China Sea issues by seeking to involve the United States and other countries in the dispute settlement process, and to “multilateralize” discussions of the issues collectively between the whole of ASEAN and China, while strongly requesting that China work toward a code of conduct. The situation in the South China Sea has not actually gotten out of control yet. China has confirmed with the countries concerned that the disputes in the South China Sea should not be allowed to affect the overall situation of their respective bilateral cooperation, and has restated its intention to solve the disputes through peaceful dialogue.

However, in China, a school of thought has been emerging in foreign policy that wants to convert the country’s increased national power into leverage in diplomatic negotiations. China is the second-largest economy in the world: its gross domestic product (GDP) for 2010 was 39,798.3 billion yuan, exceeding Japan’s GDP in U.S. dollar terms. China is moving forward with the modernization of the PLA. For example, although the whole picture

of China's defense spending remains opaque, its published defense budget (as a share of the country's total fiscal expenditures) for 2011 was 601.2 billion yuan, surpassing that of Japan in U.S. dollar terms, and is the largest in East Asia. In addition, the PLA has been modernizing its hardware, aiming to increase its power projection capabilities and to develop joint operation capabilities. Along with this increasing national power, it was the prevailing opinion in China in the period around 2009–2010 that China would not easily compromise its national sovereignty and "core interests."

It is noteworthy that the PLA has repeatedly presented uncompromising arguments and attitudes regarding the issues related to sovereignty and national interest claims, and such stronger assertions by the PLA may be affecting China's foreign policy as a whole. In addition, recognizing the necessity to protect the country's sovereignty and maritime interests, "rights defense" (*weiquan*) activities are being carried out more assertively by the maritime law enforcement agencies such as the CMS and the FLEC. Furthermore, China's maritime law enforcement agencies are competing to try to expand their respective authority and budgets through strengthened "rights defense" activities. Partly as a result of this inter-agency rivalry, more assertive "rights defense" activities have been observed, which, in turn, are in one way leading to China's more assertive posture in overall terms.

These trends in China's maritime policy have direct and indirect impacts on Japan's security. The indirect impacts on Japan of China's military

and foreign policy trends in the South China Sea are not insignificant, to say nothing of the direct impact of China's active and persistent maritime activities in waters around Japan. For example, if a conflict were to occur in the South China Sea, even if accidentally, the security of Japan and the surrounding countries that share SLOCs would be jeopardized. In addition, China is constructing a large-scale naval base on Hainan Island, an important strategic point for China in its advance into the western Pacific. Thus, careful attention must be paid to China's moves in the context of the military balance in the Pacific as well. China's unique legal interpretation of the UNCLOS and its views on the EEZ, too, are something that Japan cannot ignore, as the two countries still have not settled their disputes over the EEZ and continental shelf boundaries.

On the other hand, the counter-piracy operations by the PLAN deserve attention from the perspective of Japan–China cooperation. The defense authorities of both Japan and China have agreed to promote cooperation in the field of non-traditional security including counter-piracy operations. Initial exchanges in this field have already begun, as seen in the mutual visit of escort taskforce commanders to introduce their activities and operations. Further counter-piracy cooperation would be desirable in terms of defense exchanges between Japan and China. With an awareness of these issues, *NIDS China Security Report 2011* has comprehensively analyzed the emerging trends of China's maritime policy.



China's Ocean-Going Orientation

Maritime Control and Management

China has a growing interest in the sea and is expanding its maritime activities both militarily and economically. As for its economic development strategy, the Chinese government for the first time included a chapter on maritime development in the Twelfth Five-Year Plan (2011–2015) released in March 2011. The plan outlines guidelines for “developing and implementing a maritime development strategy, improving maritime development and control capabilities, and strengthening integrated maritime management.” Specifically, it stipulates the promotion of development and exploitation of marine resources including oil and natural gas on the one hand, and strengthened comprehensive maritime management to achieve these goals on the other, setting out policies for improving the maritime legal system as well as policies for strengthening maritime law enforcement.

This emphasis on maritime development signifies the increasing importance of marine resources for China’s sustainable economic growth. China has been pursuing the development

and exploitation of marine resources. The country’s overall dependence on foreign energy was 10% in 2010, but its dependence on imports for important energy such as crude oil in particular is increasing. China’s Ministry of Industry and Information Technology announced in August 2011 that Chinese dependence on foreign crude oil was 55.2%, exceeding the U.S. dependence of 53.5%. China’s crude oil imports are predicted to reach 60% of total domestic demand by 2020. These figures indicate that the Chinese economy is more vulnerable to changes in the international resources markets, and that its level of energy risk is increasing.

Against this backdrop, it is increasingly important for China to promote the exploitation and development of resources, as well as to improve resource efficiency through technological development and to diversify the sources of resource imports. Of its domestically produced crude oil and natural gas, respectively 23% and 29% are from offshore fields, and thus the oceans are attracting significant attention as a “strategic base” of energy resources. However, with China’s success rate in

Table 1. Chinese and Japanese patrol and surveillance vessels compared

	China ^a					Japan	
	China Maritime Police	China Marine Surveillance	Maritime Safety Administration	Fisheries Law Enforcement Command	Total	Japan Coast Guard ^b	Fisheries Agency ^c
Patrol vessels (1,000 tons+)	3	27	3	8	41	49	2
Total	Approx. 250	Approx. 280	Approx. 800	Approx. 140	Approx. 1,470	452	8

Notes:

^a China’s General Administration of Customs (GAC) also possesses small cutters and boats that focus on maritime counter-smuggling operations. However, their activities are mainly limited to China’s ports and coastal waters; therefore, GAC cutters are not included in this table. As the Chinese government has not disclosed detailed statistics on the number of vessels possessed by the respective maritime enforcement authorities, approximate numbers are shown above, excluding those possessed by local governments. Note that not all vessels possessed by Chinese maritime enforcement authorities are operational within a wide sea area including the EEZ.

^b As of April 1, 2011. All “patrol vessels 1,000 tons+” are patrol vessels.

^c As of April 1, 2011. All “patrol vessels 1,000 tons+” are fisheries inspection vessels. “Total” does not include chartered vessels.

Sources: “China’s Near-Sea Law Enforcement Capacity,” *Shipborne Weapons*, No. 3 (2011), pp. 17–18; “Haijian 50’ Began Its Maiden Voyage,” *Xinhua*, December 14, 2011.

crude oil exploration being 12%, below the world average of 30%, the development and acquisition of the technology and equipment required for offshore resource development have become an imminent issue. While China's resource development is ahead of Japan's in the East China Sea, it has not even embarked on development of oil and natural gas resources in the South China Sea, except for the northern area near the continent.

Therefore, China aims to intensify its efforts to eliminate energy risk through resource development in the South China Sea. It was in this context that promoting the development and exploitation of maritime resources such as crude oil and natural gas came to be included in the Twelfth Five-Year Plan. In May 2011, Marine Oil (*Haiyang Shiyou*) 981, a semi-submersible drilling platform that can operate at a depth of 3,000 meters, was completed, and it is expected to be deployed first in the South China Sea. In July 2010, China's first "independently designed and assembled" manned deep-diving submersible, the *Jiaolong*, successfully reached a depth of 5,188 meters and collected deep sea creatures and nodules of manganese.

In parallel, China is improving the capability of its maritime law enforcement agencies that support the development and exploitation of marine resources. In China, five entities are responsible for maritime law enforcement activities: (1) the China Maritime Surveillance (CMS) of the State Oceanic Administration (SOA); (2) the Maritime Police of the Border Control Department (BCD); (3) the Maritime Safety Administration (MSA) of the Chinese Ministry of Transportation; (4) the China Fisheries Law Enforcement Command (FLEC) of the Ministry of Agriculture; and (5) the General Administration of Customs (GAC).

Of these five entities, the CMS and the FLEC play a central role in safeguarding maritime rights and interests in the East China Sea and South China Sea. The Maritime Police, called the "China Coast Guard" in English, possesses the small cutter Type 218 (130 tons) and the Seal HP1500-2 high-speed patrol craft, among others. The primary mission of the Maritime Police is fighting crime in territorial waters, including such emerging threats as terrorism and piracy. The MSA possesses large vessels such as *Haixun 31* (3,790 tons) and *Haixun 11* (3,249

tons) to patrol China's EEZ. In June 2011, the *Haixun 31* visited Singapore via the Paracel Islands and Spratly Islands, which marked the first foreign visit made by a MSA patrol vessel. However, the majority of the patrol ships owned by the MSA are still small, and are designed to be used mainly for law enforcement in Chinese rivers.

The CMS, established in October 1998, is responsible for safeguarding EEZ rights and interests. However, the CMS initially had a limited capability, with obsolete vessels that had been taken over from the Chinese Navy, and a small number of aircraft. At that time, the majority of CMS vessels had a displacement of less than 1,000 tons. It was in the period of the Tenth Five-Year Plan (2001–2005) that large patrol vessels, capable of highly mobile operations in the EEZ, such as *Haijian 83* (3,420 tons), *Haijian 51* (1,690 tons), *Haijian 27* (1,200 tons), and *Haijian 46* (1,101 tons), were built, and five mobile and long-range aircraft were deployed to CMS flotillas. In the period of the subsequent Eleventh Five-Year Plan (2006–2010), the deployment of ships and aircraft continued, and joint training for ships and aircraft began so as to expand the area of operations. The CMS initiated regular patrols of the East China Sea in 2006 and of the Yellow Sea and the South China Sea in 2007. The CMS plans to deploy 36 new patrol ships in the period of the Twelfth Five-Year Plan. In July 2011, the *Haijian 50* (3,980 tons), capable of accommodating Z-9A helicopters with night-flying capability, was deployed to the East China Sea Branch.

In recent years, the FLEC, responsible for enforcement of laws concerning fishing and



Haijian 51 (Photo: Japan Coast Guard)

maritime resources, has also strengthened its activities in a wide sea area including the EEZ. The Ministry of Agriculture began its fisheries resources protection activities in the South China Sea in 1994, and initiated patrols there in 1997. However, the majority of the FLEC's ships were small with obsolete equipment, which was not sufficient to perform its mission. For example, in 2003–2005, several incidents occurred in rapid succession in which Chinese fishing boats were captured by the Indonesian Navy while operating in Indonesian waters, and Chinese fishermen and crewmen were killed or wounded.

Chinese maritime law enforcement agencies came under criticism that their abilities and activities had been insufficient, and domestic public opinion in favor of protecting fishermen was heightened; the FLEC then hurried to enhance its patrol capability. Aiming to strengthen patrols in the South China Sea, in November 2006, the PLAN submarine salvage and rescue ship *Nanjiu 503* was transferred to the South China Sea component of the FLEC, and in March 2009, the *Yuzheng 311*



Yuzheng 310 (Photo: Japan Coast Guard)

(4,450 tons), after completing a refit, sailed to the waters off the Paracel Islands to curb illegal fishing activity and safeguard China's maritime rights and interests. Furthermore, the *Yuzheng 310* (2,580 tons), a fisheries patrol boat, was deployed to the South China Sea component in September 2010. The new ship can carry two Z-9A helicopters and is armed with a 14.5 mm machine gun.

These newly acquired capabilities have enabled the FLEC to expand "rights defense" activities in the East China Sea. Although the FLEC had previously prioritized activities in the South China Sea, the *Yuzheng 310* made its maiden voyage from Guangzhou in November 2010 to cruise around the East China Sea waters near the Senkaku Islands, in response to the maritime collisions between a Chinese trawler and two Japan Coast Guard patrol vessels in September, which was the first of the FLEC's "law enforcement" activities in the East China Sea.

A National Fisheries Work Conference held in December 2010 confirmed that the capability of the FLEC would be enhanced to protect China's maritime rights and interests and maintain the order of fisheries production. It also confirmed that a framework in which the FLEC patrol vessels escort Chinese fishing boats to safeguard their fishing activities in the South China Sea should be prepared and that patrol and fisheries protection activities should be regularly conducted in the waters near the Senkaku Islands. Along these lines, the FLEC is likely to expand "rights defense" activities not only in the South China Sea but also in the "disputed waters" in the East China Sea and the Yellow Sea.

Increasing Military Significance of the Maritime Domain

China has faced predominantly land-based threats in its long history as a continental power. With a land border of 15,000 km, the country has long been involved in a number of territorial and border disputes with its neighbors, such as those with the Soviet Union, India, and Vietnam since 1949. Accordingly, its security concerns have traditionally been directed not to the oceans but mainly to land borders.

In the early 1980s, PLAN modernization began under the leadership of PLA General Liu Huaqing. At the 12th National Congress of the Communist Party of China (CPC), held in September 1982, Liu was elected as a Central Committee member of the CPC and was appointed as PLAN Commander the following month. He referred to the PLAN's role as being to protect China's neighboring waters, stressing the necessity of navy construction.

At the time, there were various reasons for China to stress the necessity of navy construction and to show its desire to possess modern force-projection capabilities for the PLAN. Liu laid particular stress on the importance of marine resources and the imminent necessity of maritime development, as well as a modern navy to protect Chinese marine resources that existed in the surrounding seas. In a 2004 reminiscence, Liu recalled the situation as having been one in which China found itself in a drastically changing world, especially in terms of a huge leap in humanity's recognition of the oceans, and that the supply of, and demand for, maritime resources had been increasing constantly: rapid progress in development of maritime technology had signified a broad outlook for large-scale development of maritime resources. In a 1984 interview with *The Outlook Weekly (Liaowang)*, Liu actually stressed the necessity for the protection of ocean development and exploitation by a powerful navy. The resolutions at an enlarged meeting of the Central Military Commission (CMC) held in 1985 included the protection of maritime rights and interests as part of the "strategic missions" of the armed forces.

The protection of economic interests is obviously not the sole objective of the modernization of the

navy. After the 1985 CMC enlarged meeting, Liu instituted the PLAN's "near-sea defense" strategy to replace near-coast defense. At an enlarged meeting of the PLAN Party Committee in January 1986, Liu explained near-sea defense as being a regional defense strategy. He mentioned that: "for a relatively long time to come, the main areas for the Navy's operations will be the 'first island chain' and its outside seas as well as the Yellow Sea, the East China Sea, and the South China Sea."

He further went on to say that: "with the continuous growth of our economic strength, the elevation of our science and technology level, and the further boosting of our naval force, our operational areas will gradually expand to the northern Pacific and the 'second island chain.'" Behind Liu's demand for the adoption of a near-sea defense strategy was his awareness of the growing military importance of the oceans as well as the necessity to guarantee maritime rights and interests. Pointing to the fact that most of the nuclear forces of the United States and the Soviet Union were operated at sea, he stressed the military significance of the oceans and argued that China was facing an increasing nuclear threat from the oceans.

The modernization of naval equipment to fulfill the near-sea defense strategy materialized in the latter half of the 1990s. In particular, the Taiwan Strait crisis in 1996 prompted a modernization of equipment. The PLA conducted a series of missile tests near Taiwan in July, August, and November 1995 and March 1996 to send a message to the people of Taiwan not to support Taiwanese independence or the reelection of Taiwan's President Lee Tung-hui. The United States responded to this by dispatching two carrier battle groups to the waters 100 nautical miles east of Taiwan. The U.S. deployment of carrier battle groups consequently deterred China from conducting further missile launches. At the time of the event, the PLA possessed only a limited amount of modern equipment, i.e., two LUHU-class destroyers and four JIANGWEI I-class frigates. The submarines that the PLA possessed were mainly the old ROMEO-class, and the MING-class diesel-electric attack submarines (SS) based

on the domestic production technology used for the ROMEO class. In short, the PLAN still did not have capabilities to deter U.S. intervention within the “first island chain.”

After the 1996 Taiwan Strait crisis, China rushed to develop military capabilities to prevent Taiwanese independence and to deter U.S. military intervention. As for the first objective, in 1996, the PLA began to conduct large-scale military exercises in Dongshan Island, located in the southeast of Fujian province, on an assumption of a landing invasion of Taiwan. The production of solid-fuel short-range ballistic missiles (SRBMs) had increased dramatically in and after 1996, and China quickened its steps to deploy these missiles on the shores opposite Taiwan. According to the U.S. Department of Defense (DoD), deployment of these missiles had increased at a rate of 100 missiles per year, and China had deployed some 650–730 mobile SRBMs in garrisons opposite Taiwan by 2005; the quantity had increased to approximately 1,000–1,200 by the end of 2010.

In an effort to deter U.S. intervention, China rapidly strengthened naval, air and missile forces. As for naval forces, China purchased from Russia two SOVREMENNY-class destroyers with anti-ship missiles in 1997 and 2002 respectively. The SOVREMENNY class is equipped with the hypersonic anti-ship cruise missile SS-N-22, capable of attacking U.S. aircraft carriers. Destroyers are also increasingly produced domestically. Based on the LUHU class, which had been built with extensive use of foreign technology in the first half of the 1990s, the LUYANG II class, equipped with

domestically-produced large phased array radar, the surface-to-air missile (SAM) HHQ-9, and the YJ-62 anti-ship missile, was launched in 2003. In December 2004, the LUZHOU class, based on the LUHAI class, which was developed in the second half of the 1990s, equipped with the Russian-made SAM SA-N-20 and the YJ-83 anti-ship missile, was launched.

As for submarines, the KILO-class SS introduced in 1995 from Russia was equipped with a cruise missile in and after 2004. The China-made SS, the SONG class, based on the MING-class SS, was launched in 1999. Recently, the domestically-produced YUANG-class SS that generates little noise was launched in 2006. A nuclear-powered attack submarine (SSN) the SHANG class was developed with the assistance of Russia and launched in the 2000s, and the JIN-class nuclear-powered ballistic submarine (SSBN) was constructed based on the SHANG class. If equipped with the submarine-launched ballistic missile (SLBM) JL-2, now under development, the JIN class that generates less noise will be capable of attacking the U.S. mainland from the western Pacific near the Chinese coast. It is reported that the combat capability of one JIN-class SSBN is equivalent to that of six to eight XIA-class SSBNs combined.

Reflecting the improvement of the PLAN's equipment, *China's National Defense in 2008*, stresses that the PLAN now “enhances integrated combat capability in conducting offshore campaigns and the capability of nuclear counterattacks.” President Hu Jintao said in December 2006 that: “the PLAN must actively prepare itself to cope with the U.S. sea and underwater supremacy,” and called on top military commanders to strengthen the naval aviation capability and to expand power projection capabilities in “far seas.” In addition, during the session of the 17th National Congress of the CPC in 2007, President Hu directed that: “while enhancing our general offshore operational capabilities, we must gradually change to a far-sea defense strategy and improve our far-sea operational capabilities; by doing so, we will protect our nation's territorial waters and maritime rights and interests, and safeguard the security of our rapidly developing ocean industries, maritime transportation, and strategic routes to energy resources.” The series of



LUYANG II-class destroyer (front) and JIANGWEI II-class frigate (U.S. Office of Naval Intelligence)

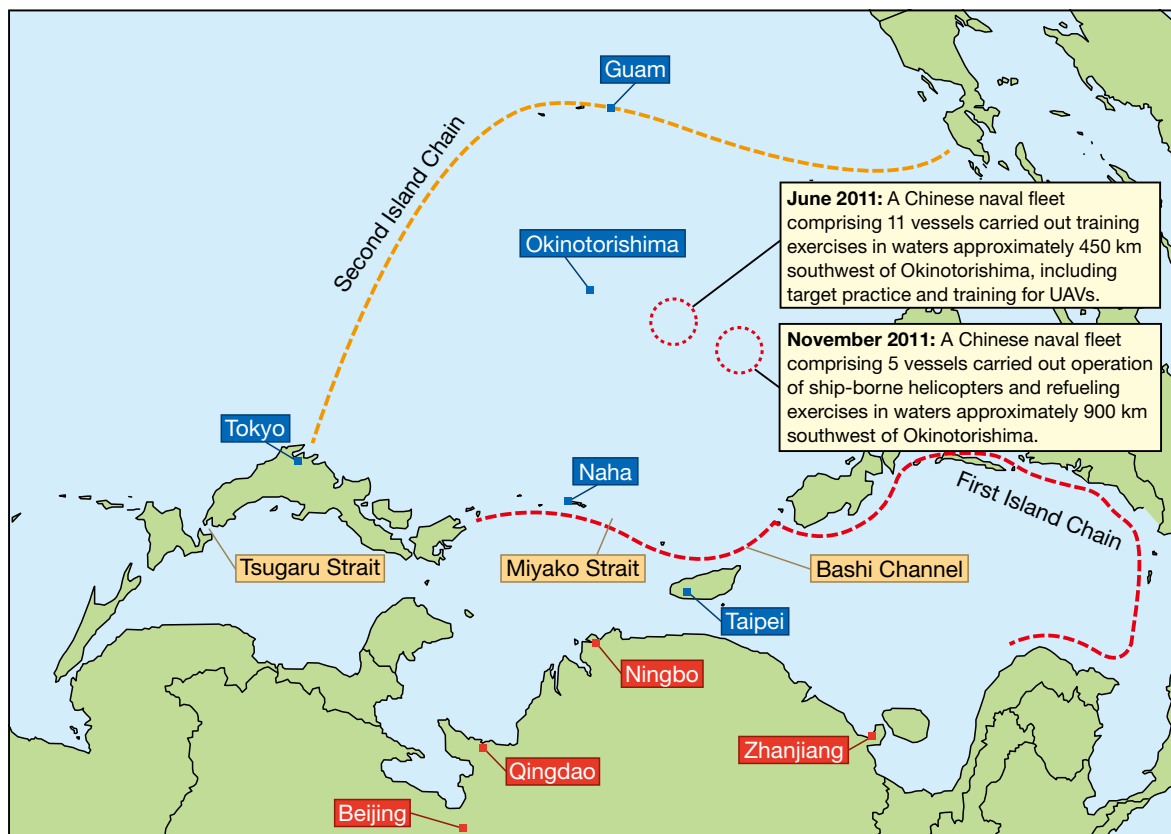
directives as above suggests that China aims not only to deter possible U.S. military intervention in a Taiwan contingency but also to improve the PLA's capacity to counter U.S. dominance in the Pacific Rim to a certain extent.

Following President Hu's directives, the PLAN has consistently engaged in maneuvers on the high seas. In April 2010, a flotilla affiliated with the East China Sea Fleets consisting of two submarines, two destroyers, three frigates, and one replenishment ship, among others, passed through the Miyako Strait south of Okinawa to the Pacific, and conducted "confrontation exercises" and counter-terrorism and counter-piracy training. In June 2011, vessels including three destroyers, four frigates, one intelligence-gathering ship, and one replenishment ship sailed in the same waters as in April of the

previous year. The group conducted target practice, training for unmanned aerial vehicles (UAVs), operations of ship-borne helicopters, and refueling exercises in the waters 450 km southwest of the Japanese island Okinotorishima. The fact that a submarine rescue ship accompanied both training missions suggests that anti-submarine warfare exercises were conducted with participation of submarines. *China's National Defense in 2010* indicates that the PLAN "improve[s] its combat capabilities" through the actual combat training.

The PLAN has not built up its capabilities solely for the purpose of blocking access to China's neighboring waters by the United States in a Taiwan contingency. In line with President Hu's directives, it has begun to aim at building up a naval strength that counters U.S. military dominance. As

Figure 1. Chinese naval exercises conducted in the western Pacific in 2011



Note: The "island chains" concept has never been defined by the PLAN or the Chinese government. The dimensions of "island chains" outlined here are derived from U.S. Department of Defense (DoD), *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2011* (Washington, DC: Department of Defense, 2011), p. 23.

Sources: Data from Japan's Joint Staff Office of the Ministry of Defense and U.S. DoD, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2011*, p. 23.

a result of force modernization of the PLAN, the range of the “near sea” in China’s naval strategy and its area of operations are expanding beyond the “first island chain” to the “second island chain.” In addition, the PLAN also intends to enhance operational capabilities in “far seas.” Although the PLA has not necessarily given clear explanations for these trends, *China’s National Defense in 2006* published in December 2006 indicated that

the PLAN set forth a guideline that: “[t]he Navy aims at gradual extension of the strategic depth for offshore defensive operations and enhancing its capabilities in integrated maritime operations and nuclear counterattacks.” In the meantime, the U.S. DoD has been increasingly concerned that China is improving “anti-access” and “area denial” (A2AD) capabilities that deter or counter third-party intervention in a regional contingency.

China’s Search for a Maritime Strategy

China has been advancing into the oceans in line with its economic development and military strategies. However, the Chinese government has not presented a comprehensive maritime strategy so far. Given its increasing interests in the oceans, taking the opportunity of the preparation of the Twelfth Five-Year Plan, the Chinese government began to formulate a national maritime strategy. Although its policy-making processes are a black box, some delegates to the National People’s Congress (NPC) and Chinese People’s Political Consultative Conference (CPPCC) representatives have expressed the view that a comprehensive maritime strategy should be adopted, and that it needs to cover all spheres of economic, military, and diplomatic activities.

Naturally, this does not necessarily mean that China had not previously formulated any policies or made any efforts to develop its marine programs. China’s legal framework for maritime issues had been gradually established since the 1980s. During the 1980s, legislation progressed in the fields of the exploitation and management of maritime resources, safe navigation, and marine environmental protection. The Law on Territorial Waters and Their Contiguous Areas was enacted in the first half of the 1990s when the UNCLOS became effective, followed by the Law on the Exclusive Economic Zone and the Continental Shelf in the second half of the 1990s; with these laws, China established a basic legal system. Subsequently, regulations were also laid down regarding management of sea area use, maritime traffic safety, protection of fisheries resources, marine environment protection, and management of uninhabited islands.

Nevertheless, the existing legal framework is not sufficient in designing a maritime strategy. In *China’s Ocean Development Report 2010*, the SOA proposed that the Chinese government should tackle maritime issues in a unified way by having a constitutional provision regarding the oceans and a “basic ocean law.” The proposal to build a unified legal framework comes from the fact that China has a large number of maritime agencies and departments. In addition to the five maritime law enforcement agencies noted above, the Chinese government has more than ten maritime-related departments; moreover, these agencies each used to have different management systems. Despite the administrative reforms in 1998 that adjusted responsibilities and rights among governmental agencies, there are still numerous overlapping roles and functions among the maritime agencies, resulting in a lack of efficiency in administrative management and law enforcement. From the latter half of 1990s, experts in China began to suggest that a “basic ocean law” should be enacted in order to remedy such problems. For example, at the NPC and CPPCC in March 1997, the delegates and representatives proposed to enact a basic law, and similar proposals have been repeatedly made recently.

However, it is not easy for the Chinese government to adjust policies and interests among the related agencies in formulating a basic law, and the legislation process for a “basic ocean law” remains in an incipient stage. According to Jin Mao, a former deputy commander of the PLAN and NPC delegate, the PLA conducted a research regarding a maritime basic law in 2010. However, mutual

adjustment of interests turned out to be difficult, and the research only concluded that a basic law should be legislated at “an appropriate time.”

The SOA is an active player in pushing the idea of making a “basic ocean law.” In the process of making a basic law and formulating a maritime strategy, the aim of the SOA is to strengthen its interagency policy-coordination function among maritime agencies. *China's Ocean Development Report 2010* notes that the SOA came under the direct control of the State Council of the People's Republic of China (PRC) through the 1983 administrative reforms, and the SOA's function of interagency coordination was reinforced as a result of the administrative reforms in 1998 and 2001. However, the 1998 reform established a new Ministry of Land and Resources with the aim of strengthening the unified management of national resources, including maritime resources, and the SOA became one of its subordinate departments. Accordingly, the director of the SOA is at the vice minister level, making it difficult to play a policy-coordination role.

The CMS operates within China's territorial waters and the EEZ and its major missions include environmental protection, scientific research, and enforcement of EEZ rights and interests; however, the CMS is not authorized to exercise police power at sea. The body that does have police power at sea is the Maritime Police of the BCD, but it does not always enforce laws in a wide sea area. With growing maritime law enforcement activities in sea areas including the EEZ, the CMS claims the necessity of exercising police power. Furthermore, although the CMS recognizes the need to build a unified maritime law enforcement organization in the long run, it is at the same time trying to expand its own authority by claiming that, for the time being, policy-coordination authority and the right to command other agencies regarding “vital ‘rights defense’ missions” should be granted to the CMS. At the same time, the Maritime Police also intends to increase its authority and capabilities, and the FLEC and MSA are trying to enhance their capabilities by building large vessels.

In the context of the increasing significance for China of the protection of maritime rights and interests, competition or conflicts over authority

and resources appear to be taking place among the maritime law enforcement agencies, not least in view of formulating a maritime strategy. In addition, from the viewpoint of maritime security, it is only natural for the PLAN to play a crucial role and it is actually supporting maritime law enforcement agencies with equipment development, capacity building, and educational training. However, what role the PLAN plays in the formulation of China's maritime strategy remains unclear.

Another issue regarding China's future maritime strategy is how, in the international community, China will use its growing power formed around its naval strength. As mentioned above, the PLA is improving A2AD capabilities to deter or counter U.S. forces from operating within the “first island chain.” For this purpose, China is developing an anti-ship ballistic missile (ASBM). This missile is said to have the capability to attack aircraft carriers and has a range exceeding 1,500 km. China has also been deploying submarines equipped with advanced anti-ship cruise missiles, and surface combatant ships equipped with long range anti-air and anti-ship missiles, as well as bombers for maritime strikes and conventional ballistic missiles for seemingly the same purpose of enhancing A2AD capabilities.

Regarding China's naval strategy, Admiral Wu Shengli has emphasized the PLAN's cooperative attitude, saying: “The PLAN has always committed itself to developing friendly ties with navies of other countries.” Wu has further said: “the PLAN is a solid force to safeguard world peace and promote harmony on the ocean.” In fact, the Chinese Navy tries to demonstrate its cooperative attitude under the “harmonious ocean” banner through its continuous participation in counter-piracy activities off the coast of Somalia and in the Gulf of Aden since January 2009, and a mission to provide medical services via the PLAN's hospital ship the *Daishandao*. As for the possession of aircraft carriers, China stresses its defensive purposes and the country's intention to contribute to international security. Taken together, China consistently stresses the defensive and cooperative aspects of the country's military and naval strategies.

However, as the “core” duty of the PLA is to “win local wars under conditions of informatization,”

China's naval and military strategies cannot be characterized solely by the "harmonious ocean" idea and the PLAN's counter-piracy activities. In addition, there is no unified view within the PLA regarding the priorities of future directions of the country's naval strategy. Based on the above-mentioned speech by President Hu Jintao during the 17th National Congress of the Party, some navy officials and strategists have argued that naval strategy should be shifted from near-sea defense to "far-sea defense," while others stress that the near-sea defense strategy that China has adopted so far should remain unchanged. Those calling for a strategic shift to far-sea defense emphasize that enhancing naval strength should be accelerated to protect China's globally expanding interests, and also stress the importance of capacity building for military operations other than war (MOOTW). Others who stress near-sea defense maintain that the PLAN should first improve the capacity to conduct

high-intensity military operations regarding a Taiwan contingency and other conflict scenarios for the South China Sea.

In spring 2009, at a series of meetings with the PLA, Hu Jintao emphasized the importance of building a stronger "core" military capability, stating that "only by having a core military capability to win local wars under conditions of informatization can there be sufficient fundamental capability to carry through other military missions." It can thus be assumed that the improvement of near-sea operational capability still occupies the center of the PLAN's agenda, whereas the development of the capability to conduct diversified missions including those in far-sea areas remains an auxiliary one. Thus, China must be more accountable for the future direction of its naval strategy, including the aims and intentions of the enhanced operational capabilities of the PLAN in the near-sea area.

Column

Anti-Ship Ballistic Missiles (ASBMs)

An ASBM is an experimental armament, based on a highly-accurate conventional ballistic missile with its primary objective being to strike a warship at sea, such as an aircraft carrier. A ballistic missile usually describes a trajectory from the firing point to the target, and the missile's warhead descends to its target at a high velocity from a high altitude. Designed to directly hit moving ships at sea, an ASBM employs a warhead that is guided during the final phase of its descent. As an ASBM's warhead comes in at extremely high speed from a high altitude, it is more difficult to intercept it than a conventional anti-ship cruise missile (ASCM). Based on ballistic missile technology, an ASBM has a longer range, and can be launched from a firing site that is safer and farther away than ASCMs, which are typically launched from surface combatants and submarines.

It is now certain that China has been developing an ASBM. On July 11, 2011, at a joint

press conference with Admiral Mike Mullen, chairman of the U.S. Joint Chiefs of Staff, in reply to a question regarding China's ASBM called the DF-21D, General Chen Bingde, chief of the PLA General Staff Headquarters, replied that: "it is in the research stage," thus officially admitting that China had been developing the DF-21D. Prior to this, in December 2010, Admiral Robert F. Willard, commander of the U.S. Pacific Command, commented that China had repeatedly conducted tests regarding the DF-21D and had already acquired initial operational capability (IOC).

The range of the DF-21D is estimated to be over 1,500 km, and if the development succeeds, it will enable the PLA to attack U.S. vessels in the western Pacific, beyond the "first island chain," from mainland China, and will enhance China's A2AD capability, about which the United States is increasingly concerned.

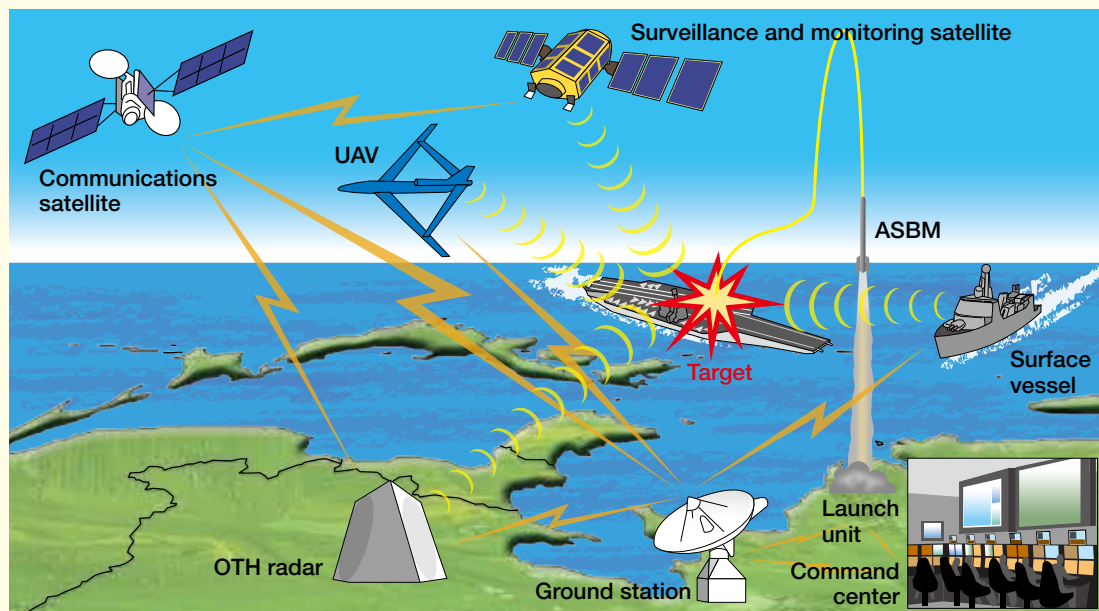
However, China's ASBM development still

faces many technical challenges. In particular, establishing extremely advanced intelligence, surveillance, and reconnaissance (ISR) capabilities is essential, such as acquiring and processing real-time position data of targets at sea, and transmitting necessary targeting information to a warhead that is descending at high speed.

China is well aware of these issues, and has been reinforcing not only the ASBM itself but also the ISR capabilities required to make the missile fit for practical use. For example, in addition

to enhanced ground facilities such as over-the-horizon (OTH) radar, China has been engaged in developing space-based systems, as exemplified by the Chinese global positioning system (GPS), the Beidou (Compass) satellite navigation system, and is developing an unmanned aerial vehicle (UAV) system to reinforce its information gathering. As China may succeed in developing an ASBM with full-fledged capability in the near future, its state of development is attracting much international attention.

Figure 2. Image of anti-ship ballistic missiles



Source: Adapted from Qin Zhilong and Wang Hua, "The Concept of Using UAVs for Assisting ASBMs to Attack an Aircraft Carrier," *Aerodynamic Missile Journal*, No. 11 (2010), p. 44.



China's Advancement into the South China Sea

Renewed Assertiveness

China's recent advances into the oceans have been particularly visible in the South China Sea, and its behavior is sometimes assertive, resulting in increased frictions with the neighboring countries. The Spratly Islands and the Paracel Islands are located in the South China Sea, along with more than 200 large and small islands, reefs, shoals, and cays, over which China and several Southeast Asian countries have been involved in sovereignty disputes. China, Taiwan, and Vietnam claim sovereignty over all the islands in the South China Sea, while Malaysia, Brunei, and the Philippines, claim sovereignty over part of the area. In addition, because China's claimed jurisdiction and Indonesia's claimed exclusive economic zone (EEZ) overlap, Indonesia is not unrelated to jurisdictional disputes with China.

Territorial disputes in the South China Sea surfaced in the late 1960s, and have continued to be one of the destabilizing factors in Southeast Asia ever since. Military tension has occasionally heightened between the claimants. China, in particular, has repeatedly threatened to use force, and has actually done so as well. In January 1974, China attacked the armed forces of South Vietnam and established full control of the Paracel Islands, and in March 1988, China attacked Vietnamese forces in the Spratly Islands and occupied Johnson Reef. In the 1990s, China occupied Mischief Reef, over which the Philippines claims sovereignty, and built military facilities there. The Southeast Asian countries have been increasingly alarmed by China's expansion of control backed by its military power.

The Association of Southeast Asian Nations (ASEAN), which grew concerned over China's assertive actions, published the ASEAN Declaration on the South China Sea in 1992, and the Statement by the ASEAN Foreign Ministers on the Recent Developments in the South China Sea in 1995, calling for China to resolve all sovereignty and jurisdictional problems by peaceful means without resorting to the use of force, exercise restraint, and initiate discussions on establishing a code of international conduct for the South China Sea

area.

In the late 1990s, China changed its attitude and became more prepared to discuss the issues pertaining to the South China Sea with ASEAN. China and ASEAN signed the Declaration on the Conduct of Parties in the South China Sea (DOC) in November 2002. In this declaration, all the parties concerned undertook to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, and to exercise self-restraint in the conduct of activities that would complicate or escalate disputes. They also agreed to engage in talks to finalize the international code of conduct. From 2005, China started to soften its attitude, as exemplified by its joint investigation of resources in the South China Sea with the Philippines and Vietnam.

However, China has again become more assertive in its sovereignty claims in the South China Sea in the past few years, and some actions by the maritime law enforcement agencies and the People's Liberation Army Navy (PLAN) are causing frictions with other claimants. The maritime law enforcement agencies, such as the China Marine Surveillance (CMS), the China Fisheries Law Enforcement Command (FLEC), the Maritime Safety Administration (MSA), and the Maritime Police, have acquired new ships and expanded their respective areas of operations. In particular, provocative actions by the FLEC and the CMS, which have significantly expanded their respective activities in the South China Sea, are causing frictions with the countries concerned.

For example, the FLEC has been deploying the *Yuzheng 311* in the South China Sea since March 2009, and conducts regular patrols with the objective of protecting Chinese fisheries boats that operate in the sea area and controlling the foreign ones. The *Yuzheng 311*, the largest ship owned by the FLEC, is increasingly engaging in more provocative actions towards other countries disputing sovereignty and maritime jurisdiction. In April 2010, the *Yuzheng 311* approached Swallow Reef, which is under the control of Malaysia, for surveillance purposes; a Malaysian missile boat and patrol aircraft were

dispatched and confronted it for 18 hours. In June 2010, the *Yuzheng 311* reportedly pointed a large-caliber machine gun at an Indonesian patrol ship that had captured a Chinese fishing boat near the Indonesian-held Natuna Islands, and compelled it to release the boat.

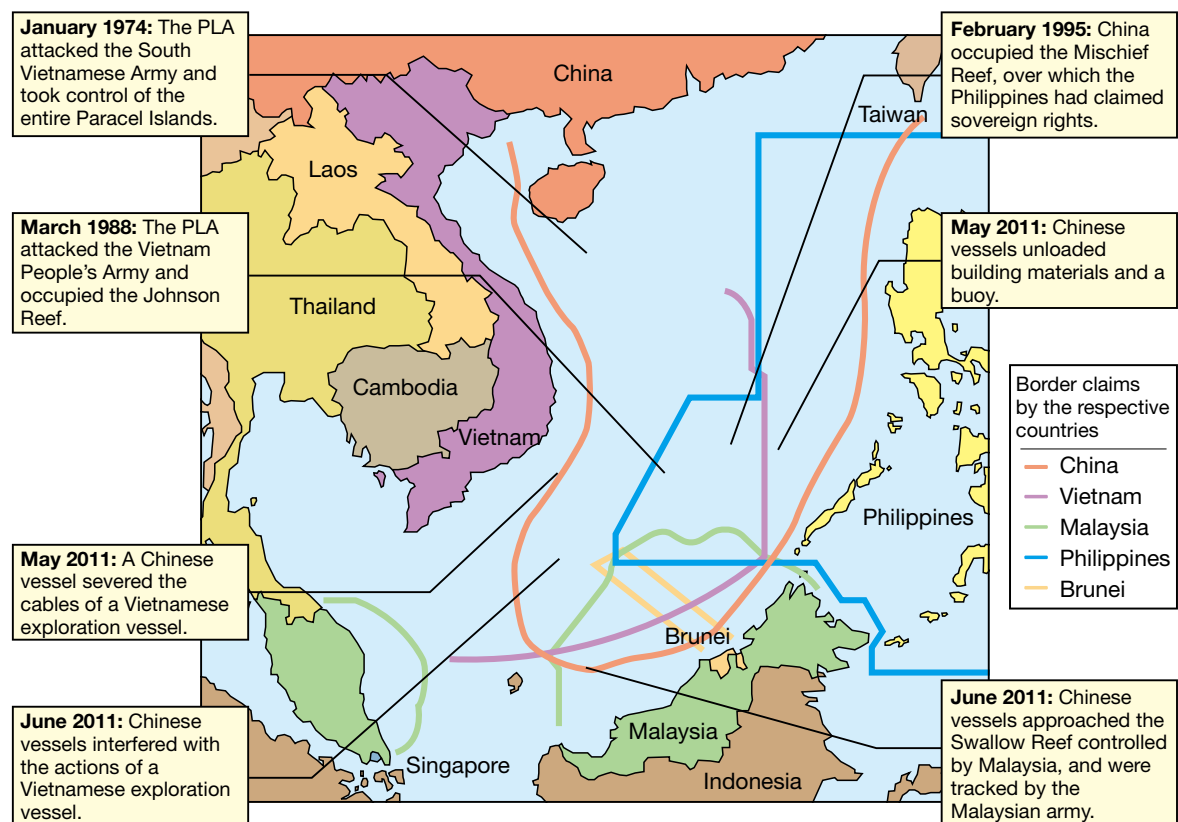
In addition, according to an announcement by Vietnam's Ministry of Foreign Affairs, in June 2011, while the *Viking II*, a survey vessel hired by Vietnam Oil and Gas Group (PetroVietnam), was conducting resource explorations within its EEZ in the South China Sea, a Chinese fishing boat supported by the *Yuzheng 311* and another fishery administration vessel approached and attempted to sever its exploration cables. The Chinese boat's specialized cable-cutting device subsequently became trapped in the *Viking II*'s cables, and the boat came to a halt, whereupon the *Yuzheng 311* and other vessels rushed to rescue it.

Activities by the CMS in the South China Sea

are also causing tensions with the Philippines and Vietnam. On May 26, 2011, an incident occurred in which a CMS vessel cut off the exploration cables of a Vietnamese research vessel that had been conducting a resource survey within the EEZ claimed by Vietnam. On May 31, the government of the Philippines conveyed serious concerns to the Chinese government regarding another incident in which a CMS vessel and other PLAN ships reportedly unloaded building materials, erected an undetermined number of posts, and placed a buoy near a breaker on the Amy Douglas Bank in the Spratlys, over which the Philippines claims sovereignty and jurisdiction.

Then, in mid-June 2011, amid these heightened tensions with the Philippines and Vietnam, the MSA sent the *Haixun 31*, one of its most advanced patrol vessels, to Singapore. The *Haixun 31* sailed through the waters west of the Paracel Islands and the waters of the Spratly Islands, in a display of

Figure 3. Claimed borders and major conflicts in the South China Sea



Source: Compiled from U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2011* (Washington, DC: Department of Defense, 2011), p.16, as well as other reports.

China's maritime presence in the South China Sea.

The People's Liberation Army (PLA) has also actively conducted drills in the South China Sea in an attempt to expand its presence there. In July 2009, the South Sea Fleet of the PLAN held joint exercises with the Maritime Police, the CMS, and the MSA for three consecutive days. These exercises aimed to boost the PLAN's capability to support the maritime law enforcement agencies. The drill scenarios included the rescue of a Chinese fishing boat from an attack by an armed foreign ship and the elimination of terrorists occupying a Chinese oil rig facility. In June 2011, a joint exercise involving the PLAN, the Maritime Police, and the CMS was conducted off Hainan Island with the participation of 14 vessels, including an anti-submarine boat, landing vessels and patrol boats, and two aircraft.

In March 2010, a flotilla of six vessels from the North Sea Fleet sailed through the Yellow Sea, the East China Sea, the Miyako Strait, and Bashi Channel to the South China Sea as a long-range training voyage. This training included exercises in near-combat conditions with various units such as air and submarine, a search and rescue exercise, and logistic training. In July 2010, the PLA conducted live fire drills in the South China Sea involving a combination of multiple branches of the PLAN, mainly from the South Sea Fleet. The naval exercise involved the participation of surface vessels, submarines, and air components. There were 71 launches of 16 kinds of missiles, and China concluded that it was the drill that fired the largest number of missiles and was conducted under the most informatized conditions in the PLAN's history. In the summer of 2011, landing vessels, destroyers, marines, and aircraft of the

South Sea Fleet conducted a large-scale landing exercise based on a scenario of winning back islands occupied by an enemy.

These actions by Chinese maritime law enforcement agencies and the PLAN have been causing friction not only with the Southeast Asian countries involved in disputes over South China Sea issues, but also with the United States. In March 2009, the USNS *Impeccable*, a U.S. oceanographic ship conducting routine operations 120 km south of the Hainan Island in the South China Sea, was disturbed by Chinese ships, including a PLAN intelligence-gathering vessel, a FLEC patrol vessel, a CMS vessel, and two small Chinese flag trawlers. They surrounded the *Impeccable*, and the two Chinese trawlers, directly in the path of the U.S. vessel, dropped pieces of wood in the water and came to a stop. A Pentagon spokesperson criticized these maneuvers by the Chinese vessels as a dangerous obstruction to legitimate operations allowed in international waters and violations of international law, and the United States conveyed its serious concerns to the Chinese Foreign Ministry through its embassy in Beijing.

In response to this, a spokesperson of the Chinese Ministry of Foreign Affairs insisted that the *Impeccable* had been operating in China's EEZ without permission from the Chinese government, and that such an act was in violation of relevant international laws and Chinese laws and regulations. A spokesperson of the Ministry of National Defense also insisted that it was just and legitimate for China to conduct normal activities of maritime rights protection and law enforcement within its EEZ, thus seeking to justify China's obstruction of the *Impeccable*.

China's Strategic Objectives

China insists that its maneuvers in the South China Sea are caused by infringement on China's sovereignty and maritime interests by Vietnam, the Philippines, and others. In China, some even regard unilateral resource development by these countries, and the involvement in the issues related to the South China Sea by some outside powers like the United States, as being in themselves violations of the 2002 DOC. In fact, just like China, the disputing Southeast Asian countries are also becoming more vocal in claiming sovereignty in the area. Nevertheless, China seems to have at least three medium- to long-term objectives for the advance into the South China Sea of its maritime law enforcement agencies and the PLAN.

The first of these objectives is to guarantee its maritime rights and interests in the South China Sea, and particularly the economic benefits to be obtained from the sea. In recent years, the "maritime economy," including maritime transport, sightseeing, fisheries, and energy, is being increasingly highlighted as one of the driving forces of economic growth. The value of China's gross national maritime production for 2010 was over 3.8 trillion yuan, accounting for 9.6% of its GDP, and creating more than 38 million jobs. The average annual growth rate of the maritime economy for the five years from 2006 to 2010 reached 13.5%.

With attaining sustainable economic growth being of supreme importance, China has clarified its policy on promoting maritime industries and businesses. The Twelfth Five-Year Plan, starting in 2011, has a separate chapter on promoting the development of the maritime economy, and clearly states the necessity of promoting the development of maritime industries and protecting maritime rights and interests.

Exploring maritime resources is an important factor for developing the maritime economy. It is expected that there are unexploited natural resources such as oil and natural gas under the South China Sea, and China increasingly anticipates that these resources, if obtained, will contribute to the country's economic development. Although the exact volume of such resources below the South

China Sea remains unclear, the U.S. Geological Survey estimates oil reserves in the South China Sea to be approximately 3.78 billion tons. Canada's Husky Energy, in collaboration with the China National Offshore Oil Corporation, announced its estimate of natural gas reserves near the Spratly Islands as being approximately 170 billion cubic meters.

At the same time, there are a number of different views in China: these suggest that oil resources in the South China Sea would be 36.78 billion tons and natural gas resources 7.55 trillion cubic meters. Chinese estimates of the oil and natural gas reserves in the South China Sea tend to be higher than international estimates, and the South China Sea is sometimes referred to as "the second Persian Gulf."

China has growing dissatisfaction with the disputing countries that are in the lead in terms of developing natural resources in the South China Sea. Vietnam is developing oil and gas in the western waters of the South China Sea and exporting oil produced there. Malaysia has developed oil and gas fields in the waters east of the Spratly Islands, rapidly increasing its exports of natural gas. In China, it is pointed out that neighboring countries are producing 50 million tons of oil per annum, an amount equivalent to the annual production of the Daqing oilfield.

On the other hand, China has been unable to embark on resource development in the waters near the Spratlys, far away from the continent. China has insisted on a "shelving disputes, joint development" approach to sovereignty rights issues in the South China Sea, under the premise that China has sovereignty over the South China Sea. In reality, however, as the disputing countries in Southeast Asia continue to develop the area's resources, China is increasingly conscious of a danger that China's maritime rights and interests in the South China Sea are being unilaterally usurped.

By strengthening China's claims to sovereignty and maritime rights and interests in the South China Sea, while showing off the power of its maritime law enforcement agencies and the PLAN, China



SHANG-class nuclear-powered attack submarine
(IHS Jane's [online news module])



JIN-class nuclear-powered ballistic missile submarine
(IHS Jane's [online news module])

tries to halt the one-sided exploitation of resources by other disputing countries, and aims to have an advantage over others in this issue.

Many experts in China, military and civilian alike, support such an approach. Major General Xu Guangyu, director of the China Arms Control and Disarmament Association, and former deputy director of the PLA General Staff Headquarters, has maintained that a lack of action in demonstrating its sovereignty in the South China Sea will result in other countries expanding their maritime rights. He has insisted that it is imperative for China to strengthen a sea control capability in the South China Sea through enhanced naval strength, which would in turn help China gain the upper hand in dialogue and negotiations on this issue.

In addition, Professor Yan Xuetong, director of the Institute of International Studies at Tsinghua University and a leading scholar in international politics, has said that China has hitherto been conciliatory to neighboring countries, but that some countries have been taking advantage of this and “making a fuss” to gain their own benefits, and that China should now consider disciplinary measures. Some government-controlled media outlets like the *Global Times* have carried opinions calling for the early use of force to settle the sovereignty issues in the South China Sea.

The second objective is to guarantee the safety of China's Sea Lines of Communication (SLOCs) in the South China Sea. As the Chinese economy grows rapidly, it is increasingly interdependent with the global economy. China's imports and exports of products, as well as imports of resources and energy, are rapidly increasing in volume. The majority

of these are dependent on maritime transport; approximately 90% of the freight imported to and exported from China, 95% of its oil imports, and 99% of its iron ore imports, are via China's SLOCs. China has a particularly high level of dependence on the SLOCs that traverse the Strait of Malacca through the South China Sea. About 90% of the oil imported to China via marine routes is transported through the South China Sea; about 60% of the vessels that pass through the Strait of Malacca are said to be under the Chinese flag or foreign vessels transporting freight for China. The SLOCs in the South China Sea are becoming extremely important for Chinese economic development and security.

However, China is anxious about the security of its SLOCs in the South China Sea. China has disputes over sovereignty and jurisdiction with the neighboring countries along its SLOCs, such as Indonesia, Malaysia, Vietnam, and the Philippines. In recent years, these countries have focused on boosting their naval strength, and Malaysia and Vietnam are introducing new submarines. Submarines are suitable weapons for disrupting SLOCs, and China has a growing concern over the possible impact of submarines on the safety of its SLOCs. China appears to be trying to guarantee the safety of its SLOCs in these waters by enhancing its presence, through the reinforcement of activities in the South China Sea by maritime law enforcement agencies and the PLAN.

The third objective is to enhance China's military capabilities to counter U.S. force. In recent years, the PLAN has been constructing a new submarine base on Hainan Island, facing the South China Sea. This base reportedly has an underwater channel to

allow submarines to enter its underground facilities while submerged. China intends to dispatch a new class of nuclear-powered attack submarines (the SHANG-class SSN) and a new class of nuclear-powered ballistic missile submarines (the JIN-class SSBN) to this base. In order for a submarine to exercise its fighting capability to the maximum, it is imperative to conceal its existence. This underwater base can lower the probability that China's submarines might be detected by other countries, as they could launch without having to surface, which is expected to enhance secrecy. Another advantage is that because there is a precipitously deep drop in the seabed off the coast of Hainan Island, submarines can submerge into deep water soon after they leave base.

If the PLAN achieves smooth operations of submarines around Hainan Island, it may lead to improvement in China's ability to counter the U.S. Navy's presence in the waters around China. Attack submarines from Hainan Island can advance to the

South China Sea, and even to the western Pacific through the Bashi Channel, giving China a certain capability to limit the operation of U.S. carrier battle groups to approach China. Moreover, China is reportedly in the process of developing a new submarine-launched ballistic missile, the JL-2. If these were to be carried on JIN-class submarines, China would succeed in enhancing its nuclear deterrent against the United States.

Information gathering by U.S. forces in China's surrounding waters has been a major obstacle to these objectives. China's disturbance of the *Impeccable's* activities can be regarded as an attempt to remove this obstacle. Under China's unique interpretation of the international law of the sea relating to the rights of coastal state to limit or prohibit foreign military activities in its EEZ, China has been demanding that the United States stop its intelligence gathering activities in China's EEZ. Such assertions should be taken as constituting "legal warfare" directed toward the United States.

Column

China's Position on the Military Activities of Foreign Forces in the EEZ

With regard to the March 2009 *Impeccable* incident, in which Chinese ships including the PLAN's vessels obstructed the safety navigation of a U.S. Navy oceanographic ship in the waters south of the Hainan Islands in China's self-claimed EEZ, the United States insisted that the incident happened in "international waters," and that the *Impeccable's* operations had been legal under international law. In response to this, China insisted that the incident occurred within its EEZ, and that the *Impeccable's* operations without permission from the Chinese government violated international law. What lies at the heart of the conflict is a huge discrepancy between the United States and China on the interpretation of the UNCLOS as to whether a coastal state has the right to restrict the foreign military activities in the country's EEZ and airspace above it.

The UNCLOS stipulates that: "territorial waters" extend to a limit not exceeding 12

nautical miles, measured from the baseline; the "contiguous zone" extends to a limit not exceeding 24 nautical miles from the baseline; the "EEZ" extends to a limit not exceeding 200 nautical miles from the baseline; and the "high seas" encompasses all other water areas.

Article 56 of the UNCLOS recognizes that a coastal state has sovereign rights with respect to the natural resources in its EEZ, which include "marine scientific research." Article 58-1, on the other hand, stipulates that all states shall enjoy freedom of navigation and overflight in the EEZ. The position of the United States is that the operations of its forces' ships and aircraft differ from "marine scientific research," and thus they claim freedom of navigation and overflight for the purpose of reconnaissance and training in the "international waters" outside the territorial waters of a coastal state.

Although the Chinese government's official

position is not clearly explained, some Chinese scholars have argued as follows. First, they maintain that information gathering activities by foreign forces constitutes “marine scientific research” stipulated under the UNCLOS, and that such activities by foreign forces in an EEZ require permission from a coastal state.

Second, as Article 58-3 of the UNCLOS stipulates that “States shall have due regard to the rights and duties of the coastal State,” they maintain that this requirement includes the coastal state having a right to its security not being threatened. Accordingly, information gathering activities and training by foreign forces in the EEZ that may adversely affect the coastal state’s security would be a violation of the UNCLOS.

Although only a minority of countries follow this interpretation of the UNCLOS, this appears to be the basis of rationale behind the Chinese government’s insistence that U.S. forces cease to conduct reconnaissance in China’s EEZ. In July 2011, China opposed the U.S.–Korea joint naval exercises scheduled in the Yellow Sea on the basis of their negative impact on China’s security.

China has been conducting a “legal warfare” by interpreting international law in its own way, with the aim of restricting the U.S. Navy’s activities in its surrounding waters. This, however, may be double-edged sword for the PLAN, as it intends to expand its activities to blue waters. When the PLAN advances into the Pacific and the Indian Ocean, it has to cross the “first island chain,” and in doing so, it inevitably has to pass through other countries’ EEZs. Based

on China’s interpretation of the UNCLOS, if a coastal state were to insist that the PLAN’s training and information gathering activities in the EEZ would impair that country’s security, logically, China would be legally bound to obtain permission for the PLAN’s activities. If China maintains its current interpretation of the UNCLOS, it may restrict the freedom of the PLAN’s activities in future.

From this perspective, it is worth noting an article distributed by the Xinhua News Agency regarding the advance of an eleven-vessel Chinese flotilla into the western Pacific through the Miyako Strait in June 2011. According to this article, China’s Ministry of National Defense announced that Chinese vessels would conduct training in “international waters” in the western Pacific in mid-June, and that this training was in conformity with the requirements of related international laws.

China has previously been critical of the United States employing this concept of “international waters” as an excuse to maximize its freedom of military activity by insisting that the sea areas and airspace beyond territorial jurisdictions are “international waters” and “international airspace.” From such a standpoint, the sea area where the Chinese flotilla conducted its training should have been called “high seas,” not “international waters.” If the Ministry of National Defense continues to use the term “international waters” rather than “high seas,” China will need to clarify its position on what the term “international waters” means and how it is distinct from “high seas,” and on what legal basis China takes its interpretations.

The Impact on Security in East Asia

China's assertive actions in the South China Sea over the past few years have aggravated the security environment surrounding the country. Relations between China and the disputing countries in Southeast Asia have inevitably worsened, resulting in heightened anti-China sentiments, as seen in Vietnam, where anti-China demonstrations took place every weekend for two months in 2011.

Faced with China's advance into the South China Sea, Vietnam and the Philippines have been trying to reinforce their relations with the United States. In November 2009, the USS *Blue Ridge*, the command ship of the U.S. Seventh Fleet, made a call in Vietnam. In August 2010, the U.S. aircraft carrier USS *George Washington* and the Aegis guided-missile destroyer USS *John S. McCain* made a port call at Da Nang for the purpose of military exchange with the Vietnam People's Navy. In July 2011, Aegis destroyers the USS *Chung-Hoon* and USS *Preble*, among others, also visited Da Nang, where the two navies conducted non-combat collaboration programs in such areas as maintenance and medical treatment, to be followed by maintenance work for a U.S. Navy cargo ship at a shipyard in Cam Ranh Bay, Vietnam, in August the same year.

The Philippines participated in the 17th Cooperation Afloat Readiness and Training (CARAT) exercise with the United States from the end of June 2011. Three U.S. Navy ships including the USS *Chung-Hoon* and P-3C patrol aircraft, among others, participated in an exercise that included maritime interdiction operations, maritime patrols, information sharing, and counter-piracy in the waters off the Palawan Islands. Vietnam's and the Philippine's reinforced military relations with the United States may lead to an increased U.S. military presence in the South China Sea.

The series of assertive actions by China in the South China Sea have greatly harmed Southeast Asian countries' trust in China's claimed "path of peaceful development." Since 2005, China has stressed that it has a policy of pursuing its own peace and development through cooperation with other countries, and has been widely advocating

the "path of peaceful development" concept as a principle of its foreign relations, whereby an emerging China will not challenge the existing international order.

The South China Sea issues are a matter of concern for the Southeast Asian countries as a whole, as they might threaten regional stability. ASEAN adopted the 1992 Declaration on the South China Sea as a response to China's move to enact the Law on Territorial Waters and Their Contiguous Areas, and the Statement by the ASEAN Foreign Ministers of 1995 was issued following China's occupation of Mischief Reef, conveying its concern over China's actions.

China then began to stress international cooperation, and insisted that China would follow the "path of peaceful development" without causing concerns to the international community. China also initiated dialogues with Southeast Asian countries and adopted cooperative attitudes even regarding South China Sea issues. ASEAN welcomed these cooperative attitudes as signifying China's claimed peaceful development. However, with China's resumption of an assertive attitude in the South China Sea, Southeast Asia's hopes for China's "path of peaceful development" have changed to disappointment.

If China hopes to improve the security environment that has deteriorated as a result of its assertive attitude towards South China Sea issues,



Vessels from the Singapore and U.S. navies participating in the CARAT exercise in the South China Sea (U.S. Navy)

the only path is to resume a cooperative stance emphasizing dialogue. Applying pressure backed by force to the disputing countries in Southeast Asia may only drive them to safeguard their own respective sovereign rights with a more hardline approach, the result of which would be to heighten regional tensions.

From this perspective, it is a welcome development that China took the opportunity of the ASEAN Regional Forum (ARF) in July 2011 to agree to work with ASEAN on the guidelines that are meant to work towards eventually implementing the content agreed upon in the 2002 DOC. However, these guidelines signify only a reaffirmation of the basic content of the DOC. In order for China to regain the once-lost trust of ASEAN countries, it is essential for China to adopt a more conciliatory attitude, and to take concrete steps towards concluding a code of conduct.

Being in dispute with China over the EEZ and the boundary of the continental shelf in the East China Sea, Japan inevitably has to pay attention to China's actions in the South China Sea. Thus far, unlike in the South China Sea, China has not taken such provocative actions in the East China Sea as physical disturbances of foreign survey vessels and major live-fire naval exercises. One of the reasons for this may be that, contrary to the situation in the South China Sea, China is more advanced than Japan in developing resources in the East China Sea. In addition, China may be concerned over the possibility that adopting an assertive posture in the East China Sea may lead to deterioration in its relations with Japan and the United States.

However, China has been increasingly active around the waters off the Senkaku Islands, which are part of the territory of Japan. CMS surveillance vessels often appear around the Senkaku Islands, and in December 2008, two such vessels entered into Japanese territorial waters. After an incident in which a Chinese fishing boat rammed into two patrol ships of the Japan Coast Guard in September 2010, patrol vessels of the FLEC also started to regularly appear around the Senkaku Islands, and

in August 2011, two of these vessels were spotted within the territorial waters of Japan. In March 2011, Y-8 patrol aircraft and Y-8 information gathering aircraft flew as near as 50 km to the Japanese airspace over the Senkaku Islands. As maritime law enforcement agencies such as the CMS and the FLEC are in the forefront of repeated provocative actions in the South China Sea, due attention should be paid to the activities of these agencies in the East China Sea.

For China, which has the objective of lowering the U.S. presence in the area of its surrounding waters, enhancing its military operational capabilities in the East China Sea is seen to be a major agenda that the country needs to address. The military power of the neighboring countries in the South China Sea is a great deal weaker in comparison with China's, and the U.S. military presence, without any permanent base nearby, is relatively weak, which makes it easier for China to exert its military influence in the South China Sea.

However, because Japan is positioned right in front of China in the East China Sea, and the United States with its military bases in Japan maintains strong forward-deployed forces, it is not easy for China to strengthen its military presence in the East China Sea. Nonetheless, the PLA has become more active in this region, as demonstrated by the PLAN making it a regular event to transit the East China Sea while sailing into the western Pacific for fleet exercises, and by the frequent flights of intelligence-gathering aircraft over the East China Sea.

For China, just like the South China Sea, the East China Sea is an important route for its advance into the oceans, and if China's military power improves in relative terms in the East China Sea as well, it is likely that China will adopt a similar assertive attitude towards this water area as shown in the South China Sea. Therefore, more attention should be paid to the PLA's actions in the waters surrounding Japan, such as the East China Sea and the western Pacific, as well as those in the South China Sea.



Beyond Neighboring Waters

Counter-Piracy Operations

In recent years, the People's Liberation Army (PLA) has been actively participating in international security cooperation. The PLA intends to erase the international community's concerns over China's increasing military power by showing a cooperative attitude. Along with such political intentions, the PLA also intends to enhance the operational capability of its units through activities in non-traditional security fields, namely UN peacekeeping operations, disaster relief, humanitarian assistance, and international emergency relief.

The PLA Navy (PLAN) shares these objectives. In an interview in April 2009 on the sixtieth anniversary of the PLAN's establishment, Wu Shengli, commander of the PLAN, stated that the PLAN would incorporate the development of non-combat capabilities into all areas of naval modernization and preparations for military conflicts. He also said the PLAN would incorporate blue water operational and strategic power projection capabilities into its force development system, plan in a scientific manner, and implement the improvement of specialized capabilities in the areas of non-combat activities, such as maritime emergency search and rescue, into its overall development of naval strength.

Among the PLAN's activities in non-traditional security fields, counter-piracy operations that the PLAN has been conducting off the coast of Somalia and in the Gulf of Aden since January 2009 are particularly noteworthy. By January 2012,



JIANGKAI II-class frigate dispatched on a counter-piracy operation (IHS Jane's [online news module])

the PLAN had organized mission flotillas ten times in total, and dispatched over 8,400 servicepersons in 25 vessels to escort foreign as well as Chinese flag vessels. The PLAN's counter-piracy activities are usually conducted by two surface combatants (destroyers or frigates) equipped with helicopters, and the PLAN adopts various escort methods. In addition to escort by surface combatants, the PLAN conducts area patrols with helicopters and small vessels accompanying the flotillas, and dispatches, when necessary, members of the special forces as onboard guards to vessels to be escorted.

The objectives for China's active escort activities are considered to be the following: (1) enhancing national prestige by performing its missions as a "major responsible power" and alleviating the "China threat" theory in the international community; (2) protecting maritime rights and interests by defending Sea Lines of Communication (SLOCs) that are important for China; and (3) enhancing its ability to perform the "diversified military missions" in the context of the "Historic Missions of the Armed Forces in the New Period of the New Century" of 2004 and enhancing its operational capabilities in "far seas."

China's National Defense in 2010, published at the end of March 2011, insisted that China had been taking a "proactive and open" attitude with regard to counter-piracy operations, and underlined China's international cooperation activities, including exchange of visits of commanders, joint escort operations and joint exercises with fleets from other countries, and China's participation in the Shared Awareness of Deconfliction (SHADE) group for international counter-piracy efforts. China's domestic media also heavily report the success of the escort operations. Under a mission called "Peace Ark 2010" the PLAN dispatched the hospital ship the *Daishandao* from August 2010 to November 2010 to the area to provide physical examinations and treatment not only to Chinese servicepersons but also to the nationals of the countries in the region, aiming to enhance the international image of the PLAN. Both Japan's annual white paper *Defense of Japan* and the

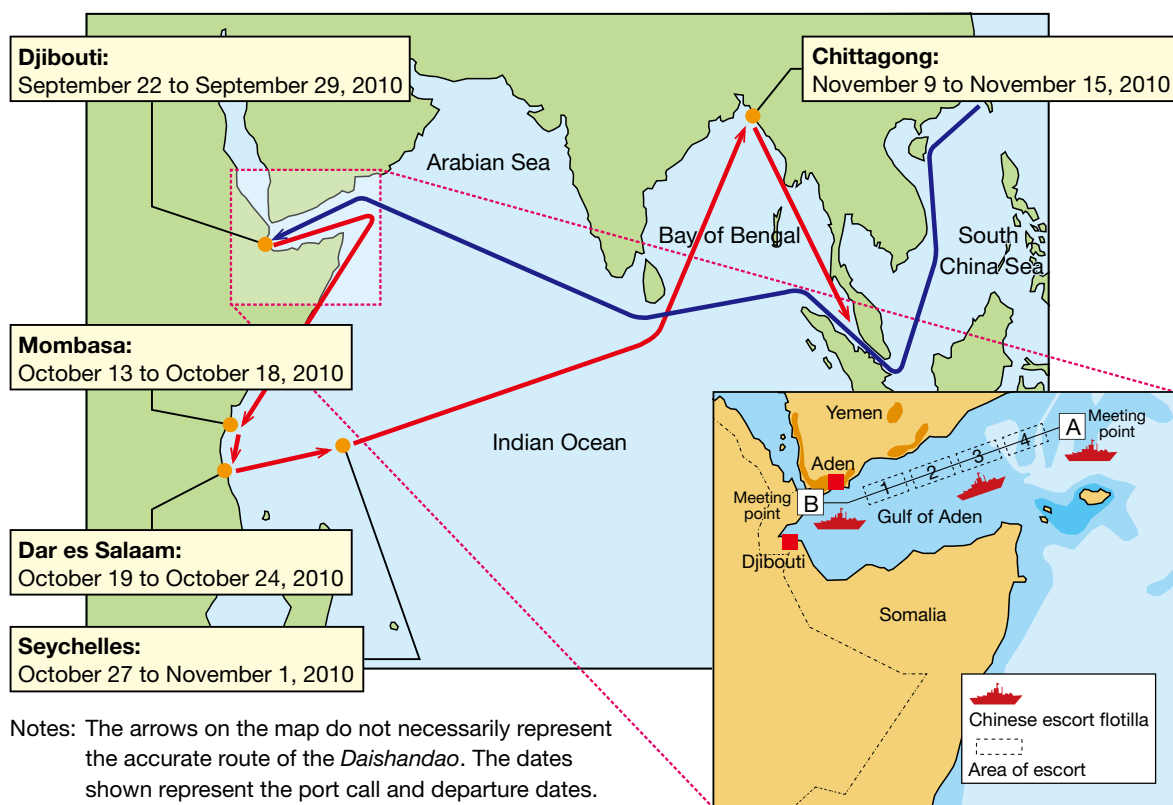
Pentagon's *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2011* treated these Chinese activities in a favorable manner as a sign of China's cooperative international attitude, and it can be said that China has succeeded to a certain extent in fulfilling its intention to alleviate the "China threat" theory.

At the same time, the series of counter-piracy escort operations are seen to be contributing to the improvement of the PLAN's capabilities. Rear Admiral Du Jingchen, commander of the first escort mission, and Yin Dunping, deputy commander, have assessed that the escort operations contributed to improving the PLAN's capability to cope with diversified military missions, and cited the following outcomes as areas of improvement: (1) equipment in long-term activities in far seas; (2) operational capability in a sea area without sufficient prior information; (3) the ability to cope with an unknown enemy such as pirates; and (4) assessment of the seafaring living capability of servicepersons

in terms of thought, psychology, and physiology. Rear Admiral Zhang Wendan, commander of the fifth escort flotilla, has stated that the conduct of counter-piracy operations to defend the sea lanes in distant areas constituted a frontier of the PLAN's peacetime strategic operations and provided a rare historic opportunity in terms of expanding its strategic areas of operations, advancing into distant waters, and realizing a strategic turn for the PLAN.

Professor Li Daguang of the PLA National Defense University has pointed out that by deploying flotillas to the waters off the coast of Somalia and the Gulf of Aden, the PLAN was able to acquire first-hand operational experience in counter-piracy activities, and to confirm its standard operational capability (its equipment development level, quick-reaction capability, special force capability, joint operational capability, logistical support capability and drill standards, etc.). In December 2010, the PLAN held a forum to commemorate the second anniversary of its escort operations,

Figure 4. PLAN's escort missions in the Gulf of Aden and the "Peace Ark 2010" by the hospital ship *Daishandao*



inviting participants from the Ministry of Foreign Affairs, the Ministry of Finance, and the Ministry of Transport, at which the PLAN summarized the main outcomes and experience gained through the escort operations. The PLAN intends to use the lessons learned in the escort operations to enhance its comprehensive naval power.

The experience of China's escort missions has been expanding. When the PLAN started its counter-piracy escort operations, its escorts included only four vessels, but the average number of escorted vessels per escort increased to 12 as of July 2011. Initially, only national flag vessels were the object of China's escort operations, but this was later extended to include foreign flag vessels. As a result, in the eighth escort flotilla, 70% of the escorted vessels were under foreign flags. The total number of vessels that the Chinese flotillas escorted had exceeded 4,000 as of July 15, 2011.

According to an announcement by China, the flotillas eliminated suspicious vessels and rescued vessels under attack by pirates on multiple occasions. No major problems have been reported thus far regarding the PLAN's escort operations, and its escort capability is seen as not inferior to that of other countries conducting similar operations. In December 2010, when a vessel under China's escort came under attack by pirates, China's flotilla responded quickly and the vessel was able to continue its cruise safely.

Prior to deployment, the members of the special forces who accompany the counter-piracy operations study the scale of pirate activities and their behavior patterns, and receive counter-piracy related training including climbing up the side of a ship, shooting, employing various arms, and inserting troops by helicopters. The members of the special forces are chosen from the PLA Marine Corps in terms of psychological quality, physical agility, specialized skills, and response speed. It is assumed that the PLAN has managed to acquire a certain level of experience and knowledge on the conduct of special operations through the series of preparations and actual operations in the context of counter-piracy activities.

In conducting escort operations in the areas far away from home, the PLA established an emergency command mechanism linking the

general headquarters and relevant branches of the government such as the Ministry of Foreign Affairs and the Ministry of Transport to enhance command and control at the strategic level. In this framework, the PLA tries to ensure smooth workflows in inquiries and reporting, interagency coordination, and responses to decisions so that no time is wasted in dealing with a serious incident and no initiative is lost in unit operations. The PLAN has reinforced its information and communications systems to ensure that it can maintain command and control over the dispatched flotillas. However, the PLAN still seems to be facing a number of problems in terms of information infrastructure and communications systems.

In order to deal with pirates promptly, the response time needs to be shortened by a nimble command structure. For this purpose, the PLA has decided to transfer a certain amount of discretionary power regarding decision, command, and response to an extraordinary Party committee of the dispatched flotilla. Important items are discussed collectively at meetings of a flotilla's extraordinary Party committee consisting of a flotilla commander, flotilla political commissars, flotilla command staff officers, and those responsible for surface ships, helicopters and special forces. Thus the Party committee system characterized by the principle of collective leadership, which forbids arbitrary decisions by individuals and takes majority opinions, is maintained in the flotillas.

When a Chinese ship was attacked by pirates in November 2010, the seventh escort flotilla's extraordinary Party committee made a series of decisions to deal with the incident. In a time of emergency, a commanding officer can make provisional decisions: during the seventh escort mission, the flotilla command organ decided how to deal with a case in which a Korean flag vessel came under attack by pirates. However, even in such extraordinary cases, a commander who has made an interim decision must report to the Party committee after the event for a review, whereby it appears that the principle of collective leadership is still maintained.

The principle of the Party committee system is a basic framework for maintaining the stable Party-army relations that are crucial for realizing

the political objectives of the leadership of the Communist Party of China: the “Party’s absolute leadership over the PLA.” Accordingly, even if various factors demand swift responses in conducting counter-piracy operations, it is unlikely

that the PLA would implement drastic reforms from an operational perspective in its decision-making system centered on the Party committee. The PLA, in fact, assesses maintaining the Party committee system in the escort operations in a positive light.

Improving Operational Capabilities in “Far Seas”

China’s dispatched flotillas aim to build up a connection between escort missions and long-range cruise training, in compliance with regulations of its military training and inspection programs, under the slogan of “escorting in far seas, training in far seas, and combating in far seas.” The Chinese flotillas are not only engaged in escort activities, but often carry out various additional training programs in the Gulf of Aden, the South China Sea, and the Indian Ocean. Thus far, the PLAN has conducted the following training activities: (1) applied tactical training by special forces units, (2) joint operational training involving vessels, helicopters, and special forces units at sea; and (3) escort training with the participation of ships to be escorted. The sixth escort flotilla’s landing platform dock (LPD) *Kunlun Shan* also conducted guarding and surveillance training with fast patrol craft and air cushion landing craft in the South China Sea.

In addition, the PLAN has conducted joint exercises with several foreign countries off the coast of Somalia, in the Gulf of Aden, and the Indian Ocean. In September 2009, the Chinese flotilla of the third escort mission carried out joint exercises with the Russian Navy in the Gulf of Aden, called “Blue Peace Shield 2009,” in which the two navies conducted seven items of drills including flotilla conjunction, vessel maneuvering, replenishment, joint inspections, and close-in weapon system (CIWS) firing, for the purpose of preparing model procedures for joint command, communications, and cooperation activities.

During the fifth escort mission, joint exercises with the Korean Navy including mutual delegation of authority were conducted in May 2010, and the flotilla of the eighth escort mission participated in the “Peace-11 Exercises” in the waters close to Karachi, Pakistan, with Japan, the United States, the United Kingdom, France, and Pakistan in March

2011. The eighth escort flotilla also conducted joint counter-piracy exercises off the coast of Somalia and in the Gulf of Aden with the Pakistani Navy. The PLAN’s intention is to use the escort activities and these exercises to enhance its command and maneuvering abilities in far seas, focusing on the field of non-traditional security.

Nevertheless, these escort activities and exercises do not necessarily improve the capabilities required in high-intensity military activities, such as amphibious operations, anti-submarine warfare (ASW), and A2AD in a direct manner. Although Somali pirates are relatively well equipped, with small arms, machine guns, and rocket launchers, their capabilities can by no means be compared with navies of developed countries. In addition, escort activities and conventional military operations are very different: the former can focus on pirates, who conduct attacks only at sea, whereas the latter requires an omnidirectional concentration of forces against an enemy’s air power, surface combatants, and submarines simultaneously. It is also difficult to carry out large-scale missile firing exercises and anti-submarine exercises off the coast of Somalia, in the Gulf of Aden, and other areas. Therefore, the PLAN, through its participation in counter-piracy operations, has not significantly enhanced its command and maneuver capabilities, required in large-scale military operations.

As the PLAN’s servicepersons are assigned to escort duties multiple times and grow accustomed to that environment, some have voiced concerns that it may lead to lowered morale and creativity. Guan Jianguo, commander of the ninth escort flotilla, has stated that: “As our operations become more permanent in nature, we need to set higher standards and make stricter demands.” He also warned against the possibility of lowered morale, saying: “Being able to do something in the past

is not the same as being fully prepared to do something now.”

Nevertheless, the PLAN's logistics support capabilities seem to have been improved through escort missions. PLA researchers believe that assessing replenishment activities in the escort missions will provide important benchmarks for how to enhance the PLAN's overall maritime replenishment capability. According to reports in China's domestic media and memoirs by journalists who accompanied the Chinese mission, the flotillas succeeded in: (1) food storage for 40 to 60 days by means of improved storage technology; (2) replenishment in far seas under bad weather conditions; (3) simultaneous replenishment of two vessels by operating a supply ship and two

surface combatants side-by-side; and (4) vertical replenishment by helicopter. These descriptions suggest that the PLAN's replenishment capabilities have been steadily enhanced by accumulated experience.

At the same time, the escort activities have already allowed the PLAN to gain various kinds of know-how and experience and it is now trying to establish a proper replenishment framework for a long-term overseas deployment. In December 2008, when China decided to participate in international counter-piracy efforts, PLA officials argued that the dispatched flotillas would not need to anchor for replenishment, due to the high capabilities of the Chinese replenishment vessels, which would be able to carry out all the necessary replenishment

Table 2. Chinese flotillas deployed to the Gulf of Aden

No.	Commander/Position	Period of Escort	Vessels Deployed	
1	Rear Admiral Du Jingchen, Chief of Staff, South Sea Fleet	1/6/2009–4/16/2009 (100 days)	LUYANG I-class destroyer 169 LUYANG II-class destroyer 171	FUCHI-class general replenishment vessel 887
2	Rear Admiral Yao Zhilou, Deputy Commander, South Sea Fleet	4/16/2009–8/1/2009 (107 days)	LUHAI-class destroyer 167 JIANGKAI II-class frigate 570	
3	Rear Admiral Wang Zhiguo, Deputy Commander, East Sea Fleet	8/1/2009–11/27/2009 (118 days)	JIANGKAI II-class frigate 529 JIANGKAI II-class frigate 530	FUCHI-class general replenishment vessel 886
4	Senior Colonel Qiu Yanpeng, Deputy Chief of Staff, East Sea Fleet	11/27/2009–3/18/2010 (111 days)	JIANGKAI I-class frigate 525 JIANGKAI I-class frigate 526 JIANGKAI II-class frigate 568 (from 2009/12/21)	
5	Senior Colonel Zhang Wendan, Deputy Chief of Staff, South Sea Fleet	3/18/2010–7/16/2010 (120 days)	LUYANG I-class destroyer 168 JIANGKAI II-class frigate 568	FUCHI-class general replenishment vessel 887
6	Rear Admiral Wei Xueyi, Chief of Staff, South Sea Fleet	7/16/2010–11/22/2010 (129 days)	LUYANG II-class destroyer 170 YUZHAO-class large landing vessel 998	
7	Rear Admiral Zhang Huachen, Deputy Commander, East Sea Fleet	11/22/2010–03/18/2011 (116 days)	JIANGKAI II-class frigate 529 JIANGKAI II-class frigate 530	FUCHI-class general replenishment vessel 886
8	Senior Colonel Han Xiaohu, Deputy Chief of Staff, East Sea Fleet	3/18/2011–7/24/2011 (128 days)	JIANGKAI I-class frigate 525 JIANGKAI I-class frigate 526	
9	Senior Colonel Guan Jianguo, Deputy Chief of Staff, South Sea Fleet	7/24/2011–11/18/2011 (117 days)	LUYANG I-class destroyer 169 JIANGKAI II-class frigate 569	NANYUN-class general replenishment vessel 885
10	Senior Colonel Li Shihong, Deputy Chief of Staff, South Sea Fleet	11/18/2011–	LUYANG II-class destroyer 171 JIANGKAI II-class frigate 571	

Note: All ranks and positions are those held at the time of appointment as commander of the respective deployed flotilla.

Sources: *PLA Daily* and *China Defense Daily*.

missions in a long-term escort deployment.

Under the principle of “replenishment at sea first, in-port replenishment second,” the two destroyers of the first escort mission never called at a port in the countries near the Gulf of Aden, and engaged in continuous offshore operations for over 120 days. However, during the second escort mission, this practice was modified and a new policy of “in-port replenishment first, replenishment by merchant vessels at sea second” was adopted, making in-port replenishment more regular. As a result, all its vessels called at ports in the countries near the area of operations in rotation for replenishment and rest.

Based on the experience of the second escort mission, the PLAN came to emphasize the importance of the flotillas regularly calling at port to be replenished and rest. As of January 2012, all flotilla vessels have stopped at ports in the countries near the area of operations. The supply replenishment method adopted by the second escort flotilla, in which merchant vessels transport supplies from China to deployed PLAN flotillas at sea, is maintained. However, because merchant vessels are not designed to engage in military transport, their delivery of goods at sea is inevitably inefficient, and as the in-port replenishment method continue to improve, merchant vessels are less used.

Through these experiences, the PLAN has enhanced its replenishment capability, and has been acquiring expertise in establishing replenishment systems for the long-term deployment of forces overseas. However, continuous counter-piracy operations have made it clear that the PLAN does not possess a sufficient number of replenishment vessels. As of January 2012, the PLAN has five large

replenishment vessels of three types. Of these, two FUCHI-class replenishment ships, the *Qiandaohu* and the *Weishanhu*, launched in the 2000s, had been dispatched in rotation every six to eight months for two and a half years, until the *Qinghaihu* joined the ninth escort flotilla. Considering that the destroyers and frigates dispatched in the same period were changed in rotations of approximately three to four months, the burden on these two replenishment vessels and their crews must have been considerable.

Assuming that China continues to deploy one replenishment ship on a regular basis for the counter-piracy escort operations amid the PLAN's more frequent and expanded blue water activities, the lack of sufficient replenishment ships will become a more acute problem. In the PLAN's training in the Pacific in March 2010 and June 2011, the participation of an older FUQING-class replenishment ship, a class which entered service in the late 1970s and in the 1980s and that is not equipped with helicopters, instead of the FUCHI class, was observed.



FUCHI-class replenishment ship
(IHS Jane's [online news module])

Toward a Blue-Water Navy

The escort missions off the coast of Somalia and in the Gulf of Aden indicate two future directions for the PLAN. First, in terms of building and developing a blue water navy, what is imperative is how China can integrate the lessons learned in the counter-piracy operations and related exercises on the one hand and the improvement of capabilities driven by the PLAN's increasing blue water

activities including military exercises in the 2000s on the other. Therefore, it is likely that China will continue and expand various military exercises that the PLAN is actively conducting in Chinese territorial waters, the surrounding waters, and the Pacific, with the objectives of boosting strategic capabilities including amphibious, A2AD, and ASW capabilities.

In fact, the PLAN's conduct of military exercises in 2011 was active in blue waters, as well as in Chinese territorial waters and the surrounding sea area. For example, in June 2011, as in April 2010, the PLAN's vessels passed between the main island of Okinawa and Miyako Island on a course to the Pacific, where they carried out a large-scale exercise. In 2011, 11 vessels participated in these exercises: an increase from 10 vessels a year earlier. New attempts to improve command and operational capability in high-intensity military operations, such as an exercise involving unmanned aerial vehicles (UAVs), were also observed.

As the PLAN intensifies military activities requiring immediate response away from its home waters, it intends to establish command and control mechanisms whereby the strategic-level decision-making in the home country can be communicated to the PLA and naval headquarters' orders are properly relayed to deployed flotillas through the improvement of information and communication systems. Furthermore, there will be an increasing trend for a certain amount of discretion to be granted to the Party committee of deployed flotillas. However, the current Party committee system characterized by the principles of collective and unified leadership is unlikely to undergo a substantial change for the time being.

Nonetheless, the Party committee system, which prioritizes the political objective of safeguarding the "Party's absolute leadership over the PLA" rather than a military rationality, might become an impediment to quick decision-making in times of emergency. Measures to remove this impediment that are being discussed among the PLA and Chinese military experts include: (1) firmly establishing a division between military and political affairs, where, once a decision is made by the Party committee, commanders take responsibility for organizing and implementing military actions, while political commissars perform political tasks; (2) strengthening professional military education for political commissars to acquire knowledge of military duties, command skills, policy regulations, and political tasks in an emergency situation,

and to enhance their ability to perform strategic planning, command joint operations, and deal with emergencies together with military commanders; and (3) simplifying command procedures, breaking conventional regulations and acting as required by the circumstances so as not to miss the time for battle. Once deliberations are held regarding such proposals, the nature and practice, if not the principle, of the Party committee system could change substantially in the future.

Second, despite its enhanced replenishment capability gained through counter-piracy operations, the long-term deployment of flotillas has exposed the PLAN's lack of replenishment vessels. In order to cope with this problem, the PLAN is likely to build large replenishment vessels, and the lack of available ships has also raised speculation that it might build a foreign base. In December 2009, Major General Yin Zhuo, a member of the Navy Information Expert Committee, proposed an idea of setting up a permanent base in Djibouti to support ships and servicepersons on counter-piracy missions off the coast of Somalia and in the Gulf of Aden, to provide stable replenishment and physical and psychological health care.

However, in January 2010, China's Ministry of National Defense insisted that rumors of the PLAN building overseas bases were groundless. In May 2011, when Pakistan's Prime Minister Yousaf Raza Gillani visited China, it was reported that Pakistan had requested that the Chinese government construct a naval base in its port of Gwadar, and that the PLAN be stationed there. However, a spokesperson for China's Ministry of Foreign Affairs deflected the issue by commenting: "I haven't heard about such specific cooperation project." However, also on this occasion, Major General Xu Guangyu commented that, in future, China would have bases overseas. The PLA and Ministry of Foreign Affairs have so far made no official announcement confirming the PLAN's plan to build military bases overseas. However, as the PLAN increases its blue water activities, it is likely that China will seek out forward bases somewhere outside the country.

Column

“Political Work” during the Escort Missions

The PLA adheres to the principle of the “Party’s absolute leadership over the PLA,” and maintains its strong opposition to the transformation of the armed forces to a “non-party military, non-political military” or “military nationalization.” The Regulations on the Political Work of the PLA published in October 2010 stipulate that “political work” is the ideological and organizational work of the Communist Party of China (CPC) in the PLA. It is an important factor that forms the fighting power of the PLA, a fundamental guarantee of realizing the Party’s absolute leadership over the PLA, and that the forces will play their respective roles and complete missions. It is the lifeline of the PLA.

Political work refers not only to peace-time duties such as ideological work, organization work, cadre work, and discipline and inspection work. The PLA is required to implement political work in various forms, including the so-called “Three Warfares” (Media, Psychological, and Legal Warfare), in conducting any military operations, including military training and drills, activities in the field of non-traditional security, and war fighting.

Various kinds of political work have been conducted in the flotillas deployed off the coast of Somalia and in the Gulf of Aden. Reports in the *PLA Daily* and in reminiscences by political officers deployed with the flotillas suggest that the PLAN has been focusing on two kinds of political work in the series of escort activities.

First, the PLAN considers mental care for servicepersons in the deployed flotillas to be critically important, and has implemented various measures in this regard, including: circulating questionnaires to these servicepersons; holding round table talks; conducting mental health

testing; and posting psychiatrists to the flotillas as psychological counselors. In addition, utilizing various means of communication such as satellite communication systems, the PLAN endeavors to facilitate communication between every serviceperson and his or her family at home. In consideration of the health and psychological wellbeing of servicepersons, arrangements have been made since the second flotilla that all ships regularly call at a port to rest.

Second, in the escort operations, the PLAN places great emphasis on acting in compliance with the requirements of domestic and international laws. In particular, the PLA and the Ministry of Foreign Affairs underline the legality of the PLAN’s activities by pointing to the fact that the escort operations are being conducted in response to relevant United Nations Security Council resolutions, and are in conformity with the requirements of the UNCLOS.

At the National People’s Congress (NPC) in March 2011, a PLA representative proposed to build a more suitable legal framework. The current laws and regulations regarding counter-piracy escort operations are thought to be insufficient, leaving competing interpretations in operations. In order to ensure that the deployed servicepersons strictly comply with international law, political officers give lectures on international law, and specialized instructors are stationed on the flotillas to provide education on international law. By following these educational experiences, servicepersons are expected to learn: (1) the legality of the PLAN’s escort activities; (2) laws related to conducting inspections of pirates; and (3) the domestic laws of the coastal countries at which Chinese ships call.



The PLA's Growing Influence in Foreign Policy

Adherence to “Core Interests”

The year 2010 may be remembered as a turning point for China’s external behavior. The People’s Liberation Army (PLA) in 2010 engaged in “get tough” arguments that China should pursue “sincere respect” for its national sovereignty in its foreign relations, which led to friction with neighboring countries and the United States. At the end of January 2010, China expressed outrage at the Barack H. Obama administration for its approval of the sale of an arms package to Taiwan, adopting an antagonistic reaction. Although Chinese political leaders began to move toward improving diplomatic relations with the United States at an early stage after the U.S. decision, the PLA adamantly maintained the attitude that China would not easily compromise on its “core interests.”

When Admiral Robert F. Willard, commander of the U.S. Pacific Command, and Wallace C. Gregson, assistant secretary of defense for Asian and Pacific security affairs, went to China in May to attend the second round of the U.S.–China Strategic and Economic Dialogue (S&ED), they met with General Ma Xiaotian, deputy chief of the General Staff of the PLA. Ma said that for a long while U.S. weapons sales to Taiwan, frequent reconnaissance by U.S. warships and warplanes in the waters and airspace of China’s exclusive economic zone (EEZ), and the National Defense Authorization Act for Fiscal Year 2000, which restricts exchanges between the two nations’ militaries, had been major impediments affecting the stability of relations between China and the United States. In addition, he stressed that restoring healthy military relationships and enabling those relations to develop would depend on the United States showing sincerity and its respect for China’s core interests and serious concerns. For Ma, China’s “core interests and serious concerns” were not limited to the Taiwan issues.

China severely criticized the scheduled U.S.–South Korea joint anti-submarine and maritime interdiction operations exercises in the water close to South Korea when the plan became known at the end of May 2010. The exercises were believed to be part of a response to the *Cheonan* incident in late March. The PLA in particular made an

outraged response to the announced participation of the aircraft carrier USS *George Washington* in the U.S.–Korea joint exercises in the Yellow Sea. On July 1, General Ma stated that: “the location of the upcoming drill is very close to the Chinese sea area, and China will strongly oppose it.”

In addition to verbal statements of its opposition, the PLA conducted a succession of drills and exercises in the waters near the Yellow Sea and the East China Sea. From the end of June to July, the PLA Navy (PLAN) East Sea Fleet conducted a live fire exercise in the East China Sea off Zhejiang Province, and conducted an anti-ship missile drill and a live ammunition drill in mid-July and August, respectively, in the East China Sea. On July 25, when the U.S.–Korea joint exercises got underway, the Nanjing Military Region artillery forces conducted a large scale live-fire drill involving long-range rockets in the Yellow Sea. The PLA claimed that they were all “regular military exercises” based on its annual training plan. However, many Chinese as well as foreign media outlets took it as the PLA’s response to the joint exercises between the United States and South Korea.

In similar terms, PLA analysts harshly criticized the U.S.–Vietnam search and rescue exercise held in the South China Sea off Da Nang in August. Major General Luo Yuan of the PLA Academy of Military Sciences stated that: “the United States still sticks to a Cold War mentality,” and “induces confrontation between China and other countries.” He added that U.S. actions in the South China Sea “violated China’s core interests,” and spoke of the possibility of China reconsidering the peaceful and friendly approaches that it had adopted to date to resolve issues. Certain segments of the Chinese media view these kinds of words and actions as an indication that the PLA “had decided to change the rules of the game” in Chinese diplomacy, and many PLA researchers voiced the view that China would not compromise on its core interests.

However, this has resulted in the heightened wariness of neighboring countries and the international community. Particularly in light of China’s increasing maritime activities in the South

China Sea, the Association of Southeast Asian Nations (ASEAN) countries hastened to hold the ASEAN Defense Ministers' Meeting Plus (ADMM-Plus), in seeking a more active involvement of the United States in regional security. ASEAN thus opted for "internationalization" and "multilateralization" of the South China Sea disputes, and strengthened military relations with the United States.

In the context of Japan–U.S. relations as well, both countries have growing concerns about China's military trends and its maritime activities in particular. The PLAN's East Sea Fleet conducted "confrontation exercises" in April 2010 in the western Pacific, and an incident occurred during that exercise, in which a Chinese ship-based helicopter came to within close range (approximately 90 meters away, at an altitude of approximately 30 meters) of the *Suzunami*, a Japan Maritime Self-Defense Force (JMSDF) escort ship; these events have left no small impact on policy discussions in Japan. On 25 May, in a meeting with U.S. Secretary of Defense Robert M. Gates, Japan's Minister of Defense Toshimi Kitazawa explained the recent activities of Chinese vessels, including the training and exercise the PLAN had conducted in April, and voiced concerns over situations with the potential to cause accidents, such as helicopters flying in the proximity of a JMSDF vessel. In light of such situations, Secretary Gates and Minister Kitazawa agreed on the importance of bilateral cooperation on maritime security.

Facing responses such as these from the countries in the region and the United States, an argument began to be heard in China warning against uncompromising attitudes. State Councilor Dai Bingguo, responsible for handling China's diplomacy, published a paper titled "We Must Stick to the Path of Peaceful Development" published in October 2010, which he contributed as a supplementary reading material to the CPC Central Committee's Proposal for Formulating the Twelfth Five-Year Plan. He stressed the necessity of prudent dealings, arguing that: "frictions and clashes of various kinds are inevitable. It is nothing alarming. What matters is the principles that one follows in trying to tackle the problems: a tit-for-tat tactic, making a fuss of a minor problem, or rather, a totally different approach?" This description easily



Visit to China in July 2011, by U.S. Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, with Chief of PLA General Staff, General Chen Bingde (U.S. Navy)

recalls the PLA's demand for "sincere respect for China's core interests" made to the United States and others, and its severe criticism of U.S. military trends. The message of Dai's article can be seen as directed to the PLA, among other audiences.

At the U.S.–China Summit in January 2011, President Hu Jintao requested of President Obama that the United States deal prudently with Taiwan issues, describing the issue as a Chinese "core interest." On this occasion, Hu's wording was cautious. The five proposals to develop China–U.S. relations that Hu presented contained a statement that the two countries should "respect each other's sovereignty, territorial integrity and development interest," limiting the term "core interest," on which it is difficult to compromise, to the context of Taiwan issues.

In October 2010, Chinese Minister of National Defense Liang Guanglie and U.S. Secretary of Defense Robert M. Gates agreed to resume military exchanges, and the PLA allowed military relations to keep pace with the improving political relations between the two countries. At the working level, the two sides took the first step in this process by holding their annual consultations under the Military Maritime Consultative Agreement (MMCA) mechanism in Hawaii in mid-October 2010. In December, the 11th Defense Consultative Talks (DCT) were held in Washington D.C., and Under Secretary of Defense for Policy Michèle Flournoy and General Ma Xiaotian agreed to develop military-to-military relations.

Based on these agreements, Secretary Gates

travelled to China in January 2011, and had meetings with General Xu Caihou, vice chairman of the Central Military Commission and Defense Minister Liang, and also met with President Hu and Vice President Xi Jinping separately. During the visit, both sides agreed that General Chen Bingde, chief of the PLA General Staff, would visit the United States in the first half of 2011 at the invitation of Admiral Mike Mullen, chairman of the U.S. Joint Chiefs of Staff; the two countries also agreed to develop cooperation in non-traditional security areas and to establish a joint working group to discuss the guiding principles and framework for military-to-military relations.

The PLA, however, maintained its firm attitude of calling on the United States to respect China's "core interests." Whereas President Hu and Vice President Xi did not use the expression "core interests" in their meetings with Secretary Gates, General Xu strongly requested of him that the United States respect China's "core interests."

The PLA's adherence to "core interests" is also evident in *China's National Defense in 2010* published at the end of March 2011. A new chapter was added in this white paper on "the establishment of military mutual trust" which sets China's principles in promoting military confidence-

building with other countries. One of these is "mutual respect for core interests and recognition of major security concerns," thus clearly stating the PLA's position on the principles regarding the country's external relations. This by no means indicates that the PLA is denying the possibility of developing military-to-military relations with the United States. However, the PLA tries hard to have the United States respect China's "core interests" in a wider context. At the working level, too, Chinese national defense authorities continue to strongly request that the United States not only stop selling arms to Taiwan but also stop military activities in China's EEZ, referring to China's "core interests."

It remains to be seen whether the PLA's persistent reference to these "core interests" suggests that differences may have surfaced within the leadership and government in China regarding foreign policy, or whether it reflects the consistent policies of China's leadership. In either case, what is clear is the fact that the PLA has become more vocal in expressing its views on questions of safeguarding China's sovereignty and interests, which represents a new trend. It will thus be necessary to pay close attention to the PLA's relevant statements on foreign relations.

Military Diplomacy

China's military diplomacy has increasingly stressed these principled positions. In China, military diplomacy is understood as external contacts, negotiations, and struggle executed by defense authorities and armies; most importantly, military diplomacy is implemented as part of the country's diplomatic strategy. Chinese Minister of National Defense Liang Guanglie, stresses that the PLA has "faithfully implemented the national foreign policies and guidelines in its military diplomacy." China's military diplomacy, however, is not only an important component of the state's foreign policy, but also an integral part of its defense policy and it has been expected to contribute to strengthening national defense. Major General Qian Lihua, director-general of the Foreign Affairs Office of the Ministry of National

Defense, has emphasized the role of military diplomacy in introducing new military technology and equipment and establishing an organizational management system. In addition, within the PLA, military diplomacy is being emphasized as a means to safeguard China's sovereignty and rights under the recent strained international situations for China.

The PLA is increasingly inclined to regard the role of military diplomacy as a way of showing off its operational and combat capabilities to the international community. The Blue Assault-2010 joint exercise, conducted by special forces from the PLA Marine Corps and the Royal Thai Marine Corps from October to early November 2010, can be seen in this context. The Blue Assault-2010 exercise was the first time the PLAN sent forces

other than its vessels abroad and the PLA Marine Corps conducted joint exercises outside China with a foreign country.

The armies of the two countries have been holding annual joint special forces exercises since 2007. In December 2009, both countries' defense ministers agreed to expand these joint exercises to include their navies and air forces. In this context, as Vice Admiral Sun Jianguo, deputy chief of the PLA General Staff, has pointed out, the joint exercises can be positioned as part of practical cooperation.

On the other hand, the PLA Marine Corps is a readiness force responsible for amphibious operations. In 2007, they conducted offensive landing missions during the joint operations exercises in the South China Sea. In this context, amid the heightened tensions with neighboring countries over the South China Sea issues, Blue Assault-2010 demonstrated externally, vis-à-vis Southeast Asian countries in particular, China's increasing military capability and its resolve to use force if necessary.

One of the features of Chinese military diplomacy to date has been its active participation in multilateral cooperation to show the PLA's cooperative attitude. However, China is now asserting anew that multilateral frameworks are not appropriate venues for resolving conflicts over national sovereignty, rights, and interests. As a way to solve the South China Sea issues, Southeast Asian countries have been pushing China to "internationalize" and "multilateralize" the issues, but China has basically refused to accept this idea. Chinese Premier Wen Jiabao argues that: "territorial disputes and disputes over maritime rights and interests should be resolved between the countries concerned through peaceful consultations. We disapprove of referring bilateral disputes to multilateral forums."

The PLA also clarified a similar position, when Rear Admiral Guan Youfei, deputy director-general of the Foreign Affairs Office of the Ministry of National Defense, indicated that: "China's consistent stance is that the South China Sea question is not an issue between China and ASEAN." Guan made China's position clear: that these are not the issues to be discussed under multilateral frameworks. In particular, with reference to ADMM-Plus, in which



PLA and Royal Thai Marine Corps participating in the Blue Assault-2010 exercise (Kyodo News)

ASEAN seeks to increase the U.S. involvement in regional security, he stressed that the South China Sea issue would "never be on the agenda."

One of the major reasons why China tries to avoid discussing the South China Sea issues under multilateral frameworks, such as ADMM-Plus and the ASEAN Regional Forum (ARF), is that the country wants to avoid the United States becoming more involved in these issues. Vice Admiral Sun pointed out that China is "against the internationalization of the South China Sea issues," opposing the involvement of outside parties, particularly the United States.

At the ARF Ministerial Meeting held in July 2010, U.S. Secretary of State Hillary Rodham Clinton made it clear that her country was opposed to the use or threat of force with regard to the territorial disputes in the South China Sea. She stressed U.S. support for the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DOC), and also said that the United States would encourage the parties to reach agreement on a full code of conduct. In addition, Secretary Clinton also declared that the United States has a national interest in "freedom of navigation" in the South China Sea, open access to Asia's maritime commons, and respect for international law in the South China Sea, thereby indicating the U.S. intention to increase its involvement in maintaining stability in the area. In addition, in his speech to the IISS Asia Security Summit (Shangri-La Dialogue), held in Singapore in June 2011, Secretary of Defense Gates said that the United States would increase its presence in the region by deploying Littoral Combat Ships to Singapore.

The PLA is increasingly suspicious of such U.S. moves to strengthen military presence in the region, seeing these moves as part of the U.S.'s Air-Sea Battle (ASB) concept, which is understood to be in the process of development in response to the PLA's improving "anti-access" and "area denial" (A2AD) capability. For example, a commentary on the ASB concept in the *PLA Daily* shows concern about the possibility of the increasing capability of the United States and its allies to implement the ASB concept in the western Pacific, pointing out that, since the proposal of the concept, U.S. forces had comprehensively reinforced their bases in Guam, Japan, and South Korea and the operational capabilities of these bases, and at the same time the United States had created tension in the region by taking positions on hot issues, and by continuing to conduct military exercises on various scales. This analysis also highlights U.S. efforts to enhance joint

operational capability across its services, as well as with allied forces. A critic in China has argued that, against the backdrop of the South China Sea issues, countries in the region such as Vietnam are seeking to reinforce their military relations with the United States, which may lead to the U.S. gaining a higher capability to implement the ASB concept.

China's concerns as noted above are reflected in the PLA's assessment of the international security situation as published in *China's National Defense in 2010*, which states that: "Profound changes are taking shape in the Asia-Pacific strategic landscape. Relevant major powers are increasing their strategic investment. The United States is reinforcing its regional military alliances, and increasing its involvement in regional security affairs," evaluating the U.S. reinforcement of its military involvement from the viewpoint of a change in "strategic landscape."

Limited Role of Diplomacy

Based on its recognition of the current strategic environment, how will China act internationally? PLA strategists have proposed that foreign policy based solely on peaceful methods should be reconsidered. In addition, a commentary published in *World Affairs (Shijie Zhishi)*, a biweekly magazine affiliated with China's Foreign Ministry, also pointed out the necessity of diplomacy backed by strong military power, stating that: "excessively low-profile diplomacy must change, and China needs to assume a hardline stance and demonstrate

its military capability." In this context, the commentary praised the July 2010 joint live-fire exercises involving its three fleets that the PLAN conducted in the South China Sea as: "showing China's resolve and ability to protect the country's legitimate maritime rights and interests."

In light of increasing opinions like these within the country, the government's options to deal with disputes over national sovereignty and maritime rights and interests would be limited. Accordingly, China is extremely cautious in participating in multilateral dialogue to deal with South China Sea issues. This is also because the Southeast Asian countries and the United States are calling for China's participation in the making of a legally binding code of conduct through multilateral negotiations on the South China Sea issues, and any diplomatic compromises are likely to restrict China's maritime and military activities in surrounding waters.

Major General Zhang Zhaozhong, a professor at the PLA National Defense University, has emphasized that China has been the most compliant country with respect to the 2002 DOC, having refrained from occupying any new islands or



Defense Minister Liang Guanglie speaks during the Shangri-La Dialogue (IISS)

developing any oilfields, and criticized ASEAN's move to call on China to draw up a legally binding code of conduct. Zhang points out that some ASEAN states have been posing a threat to China's sovereignty and interests in the South China Sea and goes on to say that if China's sovereignty is provoked and threatened, China will have the right to defend itself.

Of course, this does not mean that China rejects any multilateral dialogues. Opinions have also been presented in China saying that, from a diplomatic perspective, China should not eliminate the option of resolving the South China Sea issues within a multilateral framework. Professor Pang Zhongying of the School of International Studies at Renmin University of China has pointed out that while China may not be in a good position to defend its interest in multilateral processes in which China does not participate or only partially participates, "we do not need to be too alarmed about multilateral mechanisms and multilateral diplomacy: rather, they are advantageous to China, and we have found that we should actively participate in them." He thus sounds an alarm about the increasingly negative views in China on the country's participation in multilateral frameworks. Regarding the South China Sea issues, Pang points out that they have already been multilateralized, and he insists that in order to avoid further complicating these issues, China should clearly communicate its standpoint in multilateral dialogue, and ought to rebut misunderstanding.

There has also been some change, if small, in the way the PLA deals with multilateral dialogue. As pointed out above, when the first ADMM-Plus was held in October 2010, Rear Admiral Guan stressed that the South China Sea issues were "not on the agenda," and Defense Minister Liang did not actually refer to the South China Sea issue in

his remarks at the meeting. However, Liang did attend the Shangri-La Dialogue in June 2011, the first time for China's Minister of National Defense, and his attendance was explained as a demonstration of the PLA's sincerity to enhance regional security, mutual trust, and cooperation. In his keynote speech, Minister Liang referred to the South China Sea issues, and emphasized that China would comply with the 2002 DOC, saying that: "China is committed to maintaining peace and stability in the South China Sea." He also replied to some questions from the floor regarding the issues. On the diplomatic front, at the China-ASEAN Summit in October 2010, Premier Wen showed a cooperative attitude toward the future preparation of the code of conduct, and in July 2011, China and ASEAN adopted guidelines for implementing the 2002 DOC.

However, the guidelines were no more than a reaffirmation of the DOC. In addition, China was strongly opposed to ASEAN's proposal to insert the phrase "multilateral solution" and the agreed wording only went so far as to say the parties would "continue dialogue and cooperation." It continues to be highly unlikely that China would agree to prepare a code of conduct that might restrict its maritime and military activities in the South China Sea, where it claims sovereignty and interests, and thus the uncertainty surrounding the South China Sea situation still remains. There is a deep-rooted opinion in China that the government should reinforce "rights defense" activities by law enforcement agencies to protect the sovereignty and interests in the South China Sea, and that the PLA should strengthen national defense, which makes it difficult for the Chinese government to participate in a rule-making process if the rules are in any way binding.



Conclusions

How China will manage international maritime disputes is related to a fundamental question of how the country will face the international order. In other words, China is now standing at a crossroads: will it try to expand national interests through uncompromising logic and measures, buoyed by increasing national power; or will China stick to the “path of peaceful development” and use its increasing power peacefully to stabilize the international system?

China’s security and economic interests in the oceans are growing and expanding rapidly. The Twelfth Five-Year Plan has made it clear that the government seeks to adopt a maritime development strategy, which suggests that China’s leadership has put great emphasis on maritime affairs in the country’s grand strategy. It is essential for the government to safeguard maritime rights and expanding interests to attain sustainable economic growth as a premise of strengthening the Party’s ruling position.

China is also increasingly cautious of a danger that its maritime rights and interests are being usurped. In the South China Sea, oil and gas exploration and development activities by Southeast Asian countries continue on the one hand, and China has not embarked on development except for the northern area on the other. In the East China Sea, where China is developing resources ahead of Japan, domestic opinion increasingly demands that China should clarify its “sovereignty” over the Senkaku Islands.

Taking these concerns into consideration, to safeguard and maintain the country’s maritime sovereignty and interests can be seen as the highest proposition for the Chinese government, and accordingly it may have no choice but to highlight uncompromising demands for its rights and “rights defense” activities. A succession of large armed vessels of the maritime law enforcement agencies have been deployed to the South China Sea. In the East China Sea, responding to the September 2010 Senkaku incident, the *Yuzheng 310*, deployed to the South Sea component of the China Fisheries Law Enforcement Command (FLEC), was sent to the waters near the Senkaku Islands. Part of these “rights defense” activities by the China Marine Surveillance (CMS) and the FLEC have

caused friction with neighboring countries, raising concerns among these countries and the international community.

Furthermore, this logic has fuelled China’s drive to strengthen the People’s Liberation Army (PLA). Rear Admiral Zheng Ming, former head of the Armament Department of the PLA Navy (PLAN), states that China’s guiding principles for foreign affairs such as “harmonious ocean,” “good neighbor and good partner,” and “shelving disputes,” are exploited by the neighboring countries, and that China’s maritime rights and interests are under threat as a result. He continues to argue that China’s naval strength is far from sufficient to safeguard its maritime rights and interests, protect China’s Sea Lines of Communication (SLOCs), and create a peaceful environment to sustain economic development. Thus he claims it is necessary for his country to reinforce military power.

Therefore, the PLA is likely to continue to expand its exercises and drills to improve its amphibious, anti-access and area-denial (A2AD), and anti-submarine capabilities, with the goal of conducting high-intensity military operations. These attempts by the PLA to improve its operational capability in “near seas” are, in the long run, aiming for “far seas.” In addition, in dealing with the South China Sea issues in which conflicts over territorial sovereignty and maritime interests have become evident, priority is assigned to “rights defense” activities and to enhancing military strength to protect China’s sovereignty and maritime interests, which leaves little room for diplomatic negotiations.

China’s increasing assertiveness has had a negative impact on the maritime security environment in East Asia. To date, peace and stability in the ocean have been maintained through cooperation between the United States, the only country that can deploy naval forces globally, and many countries that share interests. The situation in the maritime domain in East Asia is no exception, but China’s recent behavior, as demonstrated by its advance into the surrounding waters, not least in the South China Sea, is irreconcilable with the existing order in many ways. That is why the United States believes it now needs to strengthen its political and military involvement in the security of this region.

Nonetheless, not all Chinese maritime policies assume an uncompromising tone. China has also shown a cooperative attitude in using its increasing power to contribute to the stability of the international order. The PLA has intensified its cooperative activities in the field of non-traditional security, such as UN peacekeeping operations and humanitarian assistance and disaster relief (HADR) in the hope of allaying concerns in the international community over China's increasing military power.

The PLAN has been conducting counter-piracy activities off the coast of Somalia and in the Gulf of Aden since January 2009, contributing to stability in the region. In its counter-piracy activities to date, Chinese flotillas have also conducted joint exercises with foreign navies and strengthened security cooperation and military contacts with them. It can be envisaged that the PLAN, which is improving its operational capability in "far seas" through the counter-piracy operations, will participate more in international security cooperation geared towards the stability of the global maritime order. However, the PLAN needs to overcome its replenishment

problems in engaging in constant international cooperation beyond China's neighboring waters. In the near future, the PLAN is expected to commence construction of large replenishment vessels in order to continue its engagement in international cooperation in distant seas. The PLAN may also require a base abroad to support its "far seas" operations.

China's rise has a lasting impact on the structure of the international order in East Asia and the world. The international community pays close attention to how China exercises its growing power and influence in dealing with international maritime disputes. Will a rising China seek a fundamental change in the existing international systems, and will such an intention be translated into China's external activities? Or will China's deepened economic interdependence with the international community create an incentive for the country to avoid conflict, and encourage China to employ its increasing power to stabilize the international system? How China deals with maritime issues will be a key test in charting the country's direction in the future.

Column

China's Aircraft Carrier Plans

On July 27, 2011, Senior Colonel Geng Yansheng, spokesperson for China's Ministry of National Defense, stated that: "the country is making use of an imported aircraft carrier hull for refitting to be used for scientific research, experiment and training," thus making it public that China would operate the aircraft carrier *Varyag*, which had been undergoing refurbishment in the northeastern port of Dalian. He also said that: "As an important part of the whole research and training program, training for carrier-borne aircraft pilots is also in progress," suggesting that practice in take-off and landing for carrier-based aircraft was also underway. Following this comment, the *Varyag* set out on its maiden voyage on August 14, thus putting China's carrier operation plan into practice.

Since Liu Huaqing was appointed as commander of the PLAN in the early 1980s, it has been exploring the idea of aircraft carrier construction, in the context of preparing for anti-Taiwan operations, safeguarding maritime rights and interests in the Spratly Islands and elsewhere, as well as enhancing the national prestige and the dignity of the country's armed forces. In 1986, the PLAN purchased an Australian carrier the *Melbourne* and reverse engineered its structure and technologies. In addition, China bought two Soviet-era aircraft carriers the *Minsk* and the *Kiev* in 1998 and 2000, respectively. In 1987, a "pilot captain training group" was formed at the Guangzhou Naval Academy to educate future captains of aircraft carriers in anticipation of carrier operations.

The *Varyag*, announced as a research and training ship, was originally a carrier bought from Ukraine in an unfinished state in 1998 by a travel agency under a Hong Kong firm called Chong Lot that was owned by Chin Luck (Holdings) Company of Hong Kong with the stated intent of converting it into a floating casino in Macau. At the time of purchase, while 70% to 80% of the ship's hull had been completed, it was not equipped with its electronics, radar, antennas, and engines. In March 2002, the *Varyag* docked in Dalian, not Macao, where the ship was supposed to be located as a casino. The ship was later painted in the standard colors of the PLAN, and from April 2009 it underwent refurbishment in a large shipyard.

Around the time the *Varyag* began to be refurbished, PLA leaders started to express their eagerness to possess aircraft carriers. In March 2009, Minister for National Defense Liang Guanglie told Japan's then Minister of Defense Yasukazu Hamada that all factors would be considered in deciding to possess an aircraft carrier, but that: "China cannot be without an aircraft carrier forever."

In addition to the refurbishment of the *Varyag*, China has reportedly already started to construct a new carrier at a shipyard on Changxing Island, Shanghai. General Chen Bingde, chief of the PLA General Staff, told a Hong Kong newspaper that: "The carrier is now being built. It's not completed," thus admitting the existence of China's domestic carrier construction plan. The U.S. Department of Defense has assessed that China's indigenous carrier could achieve operational capability after 2015.

Moreover, the PLA is also developing carrier-borne aircraft. China's first carrier-borne fighter is considered to be the J-15, which is currently under development. China bought a T-10K, a Soviet-era Su-33 prototype, from Ukraine around 2005, which is believed to have been used for

the development of the J-15. The J-15 made its first flight in August 2009, and has continued flight tests since then. It will take at least another two to three years for China to begin operation of carrier-borne fighter aircraft, even if the series of trials goes smoothly.

As for carrier-based helicopters, prior to the launch of the *Varyag*, it was reported that takeoff and landing exercises were conducted on the *Varyag* with a Z-8 helicopter on August 5, 2011. China is reportedly testing a Z-8 helicopter equipped with airborne early warning (AEW) radar, probably for an onboard early warning helicopter. Given China's pursuit of domestically produced equipment, the anti-submarine patrol helicopter is likely to be the Z-9Cs, which many of the PLAN's destroyers and frigates have been operating.

However, large carrier-borne aircraft such as airborne early warning and aerial refueling aircraft are difficult to operate from the ski-jump ramp of the *Varyag*. Without major carrier-based aircraft deployed, it will likely take China a few more years to develop a carrier air wing to provide the *Varyag* with a minimum of fighting power. Taken together, China's carrier operational capability cannot be compared with that of the United States at the moment, and it is hard to assume at this stage that China has an intention to counter the United States with aircraft carriers.

Regarding its objectives for possessing carriers, China emphasizes their defensive



Aircraft carrier *Varyag* in a sea trial (IHS Jane's [online news module])

nature. At the press conference on July 27, 2011, Senior Colonel Geng said that: “China’s research on the development of the aircraft carriers is to promote the capabilities in maintaining peace and safeguarding the national security,” and stressed that the pursuit of an aircraft carrier program would not change China’s defensive policy and navy’s strategy of near-sea defense. Furthermore, he added that aircraft, as a weapon platform, can be used not only for defense and offence, but also “for the maintenance of world peace through such operations as disaster relief.”

Regardless of the multifaceted nature of the role of aircraft carriers, what remains true is the fact that, by possessing carriers and putting them into service, the PLA can: (1) acquire the means to project military forces to distant areas; (2) enhance its quick response capability; and (3) expand the area where it can provide air support to surface vessels. These are capabilities not normally associated with defense. China’s explanation in this regard has not been persuasive enough, causing concerns in neighboring countries and other interested countries. The day after the carrier operation plan was announced by China, a spokesperson for the Ministry of Foreign Affairs of Vietnam warned against China’s moves, commenting that “Giant China” should play a bigger and positive role in

maintaining the peace and stability of the region as well as of the world. Regarding the test voyage of the *Varyag*, Victoria Nuland, spokesperson for the U.S. Department of State, commented that: “we would welcome any kind of explanation that China would like to give for needing this kind of equipment,” calling for China to clarify its intentions in possessing carriers. In addition, the then Japanese Defense Minister Toshimi Kitazawa, while acknowledging that he had been roughly aware of China’s activities in this regard, stated that: “Even so, given the lack of overall transparency and uncertainty over the purpose of the activity, we think that it is a cause of concern for this region. Therefore, we will continue to request China to ensure transparency.”

It has been pointed out that the *Varyag* is likely to be deployed to the South Sea Fleet, whose area of responsibility covers the South China Sea. The large naval base that the PLAN has built on Hainan Island is considered to have enough space to harbor a carrier. However, the South China Sea is the region where China’s sovereignty disputes with Southeast Asian countries are intense. Should the *Varyag* be deployed to the South Sea Fleet, it would enable China to demonstrate its dominant naval power to the disputing states, which in the end could trigger a new arms race in the region.

