

## CHAPTER 9

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### In the Shadow of Armed Confrontation: Security Challenges to China in 2017/2018

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China's forecast of Asia's security situation in 2017 was originally set along the lines of "a year of great improvement". In the lead-up to the 19th National Congress of the Chinese Communist Party Beijing started to retrench from its hardened territorial stance to ease tension with its neighbors. It made enormous efforts to stabilize relations with America, to reduce the THAAD pressure on the Republic of Korea (RoK), to respond positively to Tokyo's call for improved Sino-Japanese relations and to ease tension with other South China Sea (SCS) claimants. Beijing's general positive perception of Asian security was vividly reflected by the 7% growth rate of the annual military budget for 2017, submitted to the National People's Congress in February. This growth rate was the lowest in a decade and in sharp contrast with most estimates of another double digit rise. Rear Admiral Yin Zhuo's words captured the leadership's mood: "Although I am not too happy with this low growth rate, it was actually proportional to the perceived external threats. Despite the complicated situation around the borders, China is not facing a threat that is not controllable and the international affairs is generally normal."<sup>1</sup>

However, things suddenly turned sore. On 18 June 2017 Indian soldiers crossed the Sino-Indian border in the Doklam section, which had been undisputed by both sides since 1890 when the Sino-British Border Agreement was signed. The armed confrontation lasted for 71 days with profound impact on both countries' future military posturing. Furthermore, the war clouds became thicker in the Korean Peninsula after the North's sixth nuclear test. President Donald Trump terminated "strategic patience" with North Korea and exercised maximized military pressure on Kim Jong-un. As Beijing proactively joined the UN-approved sanctions against North Korea, the unreported bilateral tension quickly deteriorated with more clashes between the soldiers along the Sino-North Korean borders.

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<sup>1</sup> Comments to the current affairs program *News in Focus Today*, CCTV-4, 5 March 2017.

Major General Jin Yinan characterized these unpleasant developments as “two unexpected military challenges” when he reviewed China’s security situation of 2017. although his third un-expectation was positive: the calming of the SCS dispute after the 2016 Arbitration.<sup>2</sup> In 2017 Beijing moved to ease the SCS tension with other claimants, informally terminating the period of “strategic adjustment” which underlined Xi Jinping’s assertive SCS policy. Now Beijing may have initiated another cycle of “strategic patience” for maintaining SCS stability, although it has to deal with enhanced U.S. freedom of navigation operations around China’s SCS holdings. These expected and unexpected external threats will likely continue to dominate Chinese security concerns in 2018 and beyond.

### **The Worsening of Sino-Indian Tension Evidenced by the Doklam Confrontation**

In the 2017 Army Day Parade at the Zhurihe Combat Training Base Xi Jinping announced that never in Chinese history had the nation so closely approached the level of prosperity China had dreamed. At the same time however, soldiers from China and India were confronting each other in the Doklam region in combat gear, which moved China to the closest point to war for the first time in 30 years since the PLA ended its action against the Vietnamese in 1988. Both Chinese and Indians characterized this confrontation of 71 days as the most serious since the 1962 war, exceeding the Camp Confrontation of 22 days in 2013. Chinese ambassador to India Luo Zhaohui commented that “I have never encountered such a serious standoff that could have escalated into a major military confrontation in my entire diplomatic career”. Although the Indian soldiers returned to their land in early August, the consequences will be long felt, as both countries will strategically adjust their basic attitudes towards the other nation, and accordingly they will accelerate their catered military deployment and deterrence in case such a confrontation repeats itself.

#### ***What is behind the standoff?***

The Doklam intrusion caught the Chinese leaders and ordinary people by surprise. This was the first time that the Indian soldiers extended the border tensions from the disputed Line of Actual Control (LAC) to a demarcated region. Chinese civilian and

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<sup>2</sup> Major General Jin Yinan’s summary of China’s 2017 security situation. *National Defense Report*, China Central Broadcast, 31 December 2017.

military analysts had many puzzles about the motivations behind this intrusion. First, the border was legally set by the Sino-British Border Agreement in 1890 and the successive Indian governments from Jawaharlal Nehru all observed the Agreement. Nehru wrote to Zhou Enlai twice in 1959 (on 22 March and 26 September) to state his government's acceptance of the existing Sino-Sikkim Border. In justifying the action India claimed that it was helping Bhutan in the latter's dispute with China. However the place where Sino-Indian soldiers were facing off was about 2,000 meters away from the spots where there was a territorial disagreement between China and Bhutan. So this excuse did not fit either.

Many Indian and Western security interlocutors explained the Indian move in the light of stopping China's road construction in the region that could pose a threat to the strategically important but vulnerable "Chicken's Neck Passageway" or Siliguri Corridor. In fact the road that the Chinese were building was a section of a connection road for providing logistical supplies to the camps near the mountain ranges, not a main road to transport heavy military equipment, and the construction was launched a few years ago. Common sense would have one believe that this minor road work could simply not be a cost-effective cause for the Indians' border crossing that disproportionately upset the overall bilateral relations and may potentially lead to a nuclear war,<sup>3</sup> unless the act took the form of a tactical move to disguise a more strategic objective. Furthermore even if the road is capable of enhancing the PLA's mobility and capability, it is still being built inside Chinese territories.

Therefore a legitimate question can be asked: if the intrusion was not about territorial issues, not about Bhutan, and not even at all about the road construction, what was the reason that had driven the Indians to initiate such a crisis that could have done enormous damage to both nations? A two-layered answer can be explored from the Chinese perspective: a Sino-Indian bilateral one, and a geopolitical one.

Bilaterally there were many possible triggers for the Indian intrusion. In the lead-up to the crisis China and India were involved in a number of serious quarrels. Some of these, if not all, are listed below:

- 1) China's Belt-Road Initiative has incorporated Pakistan and other South Asian

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<sup>3</sup> Peter Hartcher, "The China-India clash that could lead to nuclear war", *The Sydney Morning Herald*, 25 July 2017.

countries. Over time the China-South Asian economic integration will help change the geopolitical landscape and balance of power in the sub-continent.<sup>4</sup>

- 2) New Delhi heavily resented the Sino-Pakistani arrangement for the PLA to gain base access to the Indian Ocean.
- 3) The Sino-Pakistani infrastructure undertakings go through Kashmir, a major reason for Modi to reject participation of Xi Jinping's BRI summit in Beijing.
- 4) China repeatedly denied India's application to enter the international Nuclear Material Supply Club.
- 5) The Chinese Navy has made regular sails in the Indian Ocean a new normal, which has annoyed the Indians who guard jealously against other countries' activities in the Indian Ocean.

The Indian Army's intrusion into Doklam may indicate a burst of anger by Indian leaders who are immensely nationalist.

Geo-strategically, Beijing has more concerns about this intrusion whose effects go far beyond the Doklam itself. Rory Medcalf proposed that India's Doklam action could create a pattern of reaction to China's assertive behavior in regard to sovereignty issues. The underlining tone of this proposition is to use proactively a show of military balance of denial to respond to China's rise.<sup>5</sup> In a way this hits China's soft-underbelly in safeguarding its territorial integrity, as Beijing advocates peaceful means to resolve/manage territorial disputes. The logic is apparent: when the use of force in the management of territorial disputes is renounced (the reason of the PLA's inaction of 30 years), the capability gap between a top power and a small state becomes somewhat insignificant. The result is emergence of a popular belief that China would not resort to military means in retaliation to territorial challenges in any way, even though it is the most powerful claimant among all in Asia.

More importantly, India's Doklam move could be a first test of a series of collective

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<sup>4</sup> Inaya Kalim, "China Pakistan Economic Corridor – A Geoeconomic Masterstroke of China", *A Research Journal of South Asian Studies*, Vol. 32, No. 2, 2017, pp.461-475.

<sup>5</sup> Rory Medcalf, "Who Won?", *The Interpreter*; The Lowy Institute of International Affairs, 31 August 2017.

efforts that link the disputes of the South China Sea, East China Sea, Yellow Sea and the Taiwan Strait to challenge China's sovereignty positions. It may have pointed to an emerging phenomenon where a dispute against China in the East is pursued with collaboration of like-minded countries in the west, and a land border conflict with China triggers a chain of matching actions in the maritime domains by its allies/partners. This evolution of collective moves to offset China reveals a serious security challenge to Beijing that the territorial disputes have been firmly structured into the global major power rivalry and Asian geopolitics. Here it is interesting to point out that India's Doklam action was taken shortly after Modi's visit to the United States. At the time there was a short but intense Sino-Vietnamese quarrel over Vietnam's exploration of oil resources in the SCS. The invisible intervention of extra-regional powers will become more visible under the Indo-Pacific Strategy which may pave the way for the eventual emergence of a mini-NATO in Asia.

### ***The consequences of Doklam***

The Doklam confrontation was over in August 2017 but the after-effect is still heavily felt and will last for a long time to come. The peaceful ending was anticipated all along, as no one in Beijing and New Delhi intended to resort to force in settling down the standoff in the first place. The Indian soldiers crossed the border line with muzzle pointing to the ground. The Indian foreign minister called on the Chinese counterpart not to turn the dispute into a conflict. However, the Chinese see another side to the event. The Indian soldiers were in the undisputed Chinese territories for a long period of time. Although eventually the Indian soldiers withdrew first and the PLA soldiers stayed where they are and China has continued the road works, India's intrusion clearly cast humiliation on China and it got away with this. Furthermore, the Indians may have achieved their objectives listed below:

- 1) theoretically turning a section of an undisputed border into one of dispute. A crossing may happen again in the future;
- 2) showing to the world that China is challengeable in the game of territorial disputes;
- 3) disrupting the territorial negotiations between China and Bhutan that have gone relatively smoothly;

- 4) naming some of Pakistan's sub-state organizations as terrorist groups at the summit of the Shanghai Cooperation Organization in September 2017 that has strained Sino-Pakistani ties; and
- 5) internationalizing the Sino-Indian border disputes in a global media war.

Beijing will retaliate this intrusion in other ways on a long term basis. Among other things what China can do in the Doklam aftermath includes blockading India's UNSC seat bid more firmly in the future; coalescing with the Indian Ocean Ring states more proactively; more frequent naval entry into the Indian Ocean and enhanced support to Pakistan in its fight with India. It is in both countries' best interests that they are not adversaries but it will take a lengthy period of time for the bilateral relations to recover from the Doklam faceoff that got both of them hurt, although the Chinese may have gotten hurt more as this happened in Chinese territories. Certainly Xi-Modi informal summit in Wuhan in May 2018 re-set the bilateral relations in a positive direction, which led Modi emphasized Sino-Indian cooperation in this year's Shangri-La dialogue. It was music to ears that he defined the Indo-Pacific advocacy as a geography concept, not a strategy, and it is open to all interested in joining. The hidden fact remains unchanged that the QUAD has a consensus on how to deal with China's rise. Militarily they have common goals and practical counter-measures.

### ***The impact on the defense sector***

The prospects that Sino-Indian ties will further worsen reflect major changes in Asia's general geo-strategic landscape that will oblige the PLA to readjust its overall defense posture in both continental and maritime regions. The PLA has long contemplated a Sino-Indian military clash. However, this was placed in the context of a maritime conflict, most likely in the Taiwan Strait. At the beginning of the 21st century the PLA initiated a debate on how to meet the challenge of simultaneous and multiple military threats, a repetition of history when the late Qing officials debated whether to prioritize coastal defense against western maritime invasions or against continental threats from Russia over Xinjiang.<sup>6</sup> Indeed China has never faced less than two major military threats around its periphery since 1949. From time to time

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<sup>6</sup> Li Yuanpeng, "A Debate on Coastal Defense or Fort Defence in Strategic Focus in the Late Qing Dynasty", *China Military Science*, no. 2, 2002, p. 57.

these threats can be “extremely severe”.<sup>7</sup> In the contemporary debate the Central Military Commission has never been hesitant on focusing on maritime challenges as the primary source of war involving China and the land warfare secondary. This strategic calculus led to the adoption of a 1.5 war doctrine of war preparation: when a major war breaks out in China’s east flank, e.g., in the Taiwan Strait, it is likely that the Indians will take advantage of it to encroach China-claimed areas in the western borders. Under the circumstances, a full and offensive war should be planned in the oceanic direction while a 0.5 defensive war should be prepared in the continental direction.

When this doctrine is translated into force and weapons deployment, an east-heavy and west-light pattern of posturing can be discerned. No single Group Army (GA) was deployed in the entire western China if one folds the Chinese map in the middle. In the north-west region only three light-equipped brigades were deployed in Tibet and only four divisions in Xinjiang, which had to defend the Central Asia direction as well. And the PLA force deployment along Sino-Indian borders is “light in the frontline and heavy in the rear”, partly due to the geographic features of the mountainous region and partly due to the extraordinary cost of frontier defense, five times more expensive for a soldier in Tibet than in the inland provinces. To cater to the heightened threat in the West a proposal was made to restore the 18th GA in Tibet in the ongoing army restructuring but did not materialize. The weapons systems in the western provinces are obsolete, compared with those in other war zones. The underlining assumption was two fold: the strategic priority for China’s national defense is in the east; and no China’s enemy would launch any invasion by land. Now the PLA has to redeploy its western troops independent of the considerations of the eastern flank. The 0.5 scenario may have to upgrade to a full one by its own right, which can be a very expensive enterprise in both financial and human resources.

The Doklam confrontation has imposed a number of negativities to Beijing’s international pursuits. Briefly the following points below underline the seriousness of the new Indian challenge to China.

- 1) The event disrupted Xi Jinping’s strategic foreign policy agenda that focuses on Sino-US relations. For instance immediately he had to deal with the prospects

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<sup>7</sup> “The 88th PLA birthday editorial”, 1 August 2015, *PLA Daily*, p. 1.

of Modi withdrawing from the SCO summit and long run confrontational Sino-Indian relations.

- 2) China has to face a new negative strategic environment where a two-front battle direction has become a reality. It has deploy a new strategic posture at a great cost.
- 3) Militarily the PLA may no longer enjoy the great dividends of the Cold War: for the first time in 500 years China has been free from any threats of being invaded by land. Although a Sino-Indian land war is still unlikely by common sense, given the fact that the PLA was already ordered to take action if Indians did not retreat by the end of August, a land war with India is not totally unimaginable, if for instance, Indian soldiers cross the line again in the non-disputed sections of the borders.<sup>8</sup>
- 4) Under the circumstances, the 1.5 war doctrine is out of place after the Doklam confrontation. The PLA may have to fight Indians, not contingent on a maritime war in the east, but in the LAC regions by its own reasons.
- 5) As a result the PLA may be forced to change its national deployment posture, especially along the Sino-Indian land borders. “Light deployment in the frontline but heavy in the rear” created a big manpower gap with the Indian armed forces in the border regions, at least 5:1 inferiority in manpower, which in turn served as a major cause for the Indian action in Doklam in 2017. Inevitably this pattern of deployment has to be readjusted, meaning that a lot of resources will have to be invested in troop enhancement and battlefield reconstructions in the barren mountainous regions, a drag on war preparation in the maritime domains.

In summary the Doklam confrontation was a major national security event with lasting impact on China’s strategic thinking, foreign policy adjustment and military posturing. It substantiated the Chinese worry of becoming simultaneously embroiled in a two-theatre confrontation. Beijing’s reluctance to tackle security issues in the west, when its major challenge comes from the maritime flank, underscores the

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<sup>8</sup> At the height of confrontation, the PLA made strong force reinforcement to the west, similar to that of the Indian Army. For instance, among a long series of troop transfers it relocated its only two X-type long-range rocket launcher battalions from the 31 GA near the Taiwan Strait to the Tibetan frontline, a clear gesture of the raised level of combat alert.



so-called retaliatory doctrine (0.5 war scenario) along the Sino-Indian borders: launching limited counter attacks for political and diplomatic end-gains rather than for a major battlefield victory, following the precedent of the Sino-Indian war in 1962.<sup>9</sup> Nonetheless, the continental defense is not entirely passive or one-dimensional. In the end the Doklam confrontation will generate long term effects of uncertainty in Sino-Indian relations that will spill over to the evolution of the entire Asia-Pacific security architecture.

### **North Korea's New Challenge to China amidst US Involvement**

As the tension in the SCS eased in 2017, the crisis on the Korean Peninsula rose to Beijing's primary security concern after the Doklam crisis ended. The North's sixth nuclear test pushed China to the edge of the cliff in maintaining a normal Sino-North Korean relationship. Indeed Kim Jong-un has left Xi Jinping little room for maneuvering in helping North Korea's survival, especially through helping his economic programs based on a re-set of the denuclearization process. Meanwhile, it is not in Beijing's interests to have an immediate and complete breakdown of the bilateral ties that are not only bilateral but affect the overall geopolitics in Northeast Asia, e.g., the direction of interactions between Beijing and other involved powers. The dilemma of how to deal with the problem of Kim Jong-un is pressing and poses a serious security threat to China, as to the whole region of East Asia.

#### ***Resumption of senior North-South officials' meeting***

It is a relief to Beijing that the North-South sport diplomacy has somewhat dragged the two states out of the critical point of war. To Chinese commentators the meeting of senior officials from both Koreas on 9 January 2018 achieved results beyond their early expectations. In the telephone conversation between Xi Jinping and Moon Jae-in a day after the meeting Xi expressed his satisfaction with the results and also his support for the continued North-South dialogue. While on the surface the renewed talk was about the North's participation in the PyeongChang Winter Olympic Games, this also presented an opportunity for both sides to move back from the war brinkmanship they relentlessly pushed in 2017. The resumption of the

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<sup>9</sup> See Zhang Shuyun & others, "The combat methods for future counter-attack united campaigns in cold high plateau, grasslands and desserts in the border region"; and Major General Ma Diankui, "Information operations in the united campaigns in the grasslands and desserts in the border region", in the editorial group of *Military Art* (ed.), *Studies of the PLA's information operations*, Beijing: The PLA NUD Press, 1999.

military communication channels in Panmunjom and the Yellow Sea was significant in seeking tension reduction, taking advantage of the Olympic dividends. The temporary suspension of US-RoK military drills during the Olympic Games was a sensible gesture responding to the request of China and Russia which proposed a dual-pause scheme as a measure of crisis management in 2017: North Korea cease the nuclear activities and the US and the RoK suspend war games for a while to create a positive environment for the denuclearizing negotiations. Furthermore this senior-level meeting also confirmed commitment of both Koreas to lessen military tension through continued dialogue after the meeting. To the Chinese interlocutors “keep talking” is a viable way of war prevention.<sup>10</sup>

However, even though the resumed North-South contact may have somewhat eased the highly charged situation on the Peninsula, none of the root causes for war there could be dealt with in any fundamental manner. On the contrary the crisis may deteriorate at any moment, as long as there is no progress in denuclearization on the part of the North. In the senior officials’ meeting on the 9th of January the North’s representative voiced strong protest at a mere mention of the nuclear issue by his counterpart.<sup>11</sup> On the same day President Moon promised not to ease economic sanctions against the North under the UN mandate. The North-South détente is rather superficial if the US-North Korea confrontation is not contained and the latter is difficult given how Kim Jong-un’s precondition on denuclearization. Kim’s delivery of the Olive branch reflected the Kim family’s smart pragmatism each time a war was at the corner against them: pursuing maximizing adventurism for practical gains and retreating at the right moment before the deadly crush.

Similarly Washington’s policy of regime change will not waver and this will consolidate Pyongyang’s determination to possess nuclear devices for regime survival.<sup>12</sup> Although Trump terminated his predecessor’s policy preference of “strategic patience”, he has not come up with a new alternative, except for loud rhetoric of war. His maximized pressure approach may have facilitated the January meeting, as he claimed, but he, like Obama, is not ready to initiate a real war against Kim Jong-un for the time being. Or rather, he cannot when Moon solemnly demanded

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<sup>10</sup> Senior diplomat Ruan Zongze’s comments to *News in Focus Today*, CCTV-4, 9 January 2017.

<sup>11</sup> *Current Affairs*, Phoenix TV, 10 January 2018.

<sup>12</sup> Bruce Bennett and Jennifer Lind, “The Collapse of North Korea: Military Missions and Requirements”, *International Security*, Vol. 36, No. 2, Fall 2011.

that no one be allowed to strike the North without Seoul's permission. Even so this new North-South contact may at least guarantee a period of no-nuclear test by the North, a positive sign on a crisis-ridden Peninsula. The U.S.-DPRK contacts at the top levels are expected to linger on but no ultimate solution is in sight.

In fact Pyongyang's "provocation-talk-provocation" cycles have also been partially rooted in and matched by the cycles of Seoul's government changes under the left-wing and conservative leaderships, which have vacillated between a "sun-shine/moon-shine" policy and a pressure-based policy. The Peninsula crisis in 2010 was somewhat due to Lee Myung-bak's turning back on his predecessor's reconciliatory moves to the North, which deeply angered Kim Jong-il who initiated armed retaliations against the South with losses of RoK soldiers. Lee's hostility towards the North contributed to Kim Jong-il's renouncement of the 19 September nuclear deal which led to the blowup of the cooling tower of the Yongbyon Nuclear Plant. A historical opportunity of denuclearization may have thus been lost, even though no leader in Pyongyang was sincere about giving up the nuclear weapons.<sup>13</sup> Beijing recognized the positivity of the January North-South meeting but is in doubt whether the South-North reconciliation will survive another regime change in Seoul.

### *China's North Korea policy in influx*

To most Chinese strategists the Korean Peninsula in 2017 was the most likely venue of armed conflicts in the region following the Doklam confrontation. The North's fifth nuclear test triggered another round of Chinese (elite and popular alike) debate on whether to abandon North Korea. Its sixth test has further deepened this debate with the view of abandonment gradually prevailing.<sup>14</sup> Both the top leadership in Beijing and the general public have an increased awareness of the North's nuclear threats to China's core interests. North Korea's nuclearization will escalate the conventional military confrontation in the Peninsula to a nuclear height, which will not only seriously undermine China's security environment but also endanger Chinese territories in such an evolution, e.g., with the nuclear pollutants spreading

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<sup>13</sup> According to Chris Hill, in the early 2000s, Kim Jong-il entertained a level of willingness to denuclearize if a proper security guarantee was provided by Washington and a large enough compensation was granted. *Sis' News*, 12 January 2018.

<sup>14</sup> See, for instance, the debate between Jia Qingguo, Zhu Feng and like-minded and the military and security conservatives after the 6th test. Jia's speech in the 2017 *Seoul Defense Dialogue* on 9 September 2017.

over the border.<sup>15</sup> A number of North Korea's nuclear sites were deliberately constructed along the Chinese borderline, the closest being only 28 km.<sup>16</sup> Now the PLA war scenario would have to factor in a US surgical strike at North Korea's nuclear sites, which may send the deadly pollutants across the border with an effect worse than that of the Ukraine disaster in 1984. The 2016/2017 period witnessed qualitative change in Beijing's North Korea policy in response to Pyongyang's rising security threat to China.

Since Xi has been in power, he has adopted a set of new approaches towards North Korea. Some of them were initiated actively according to China's own national interests and some were imposed upon him by external forces, such as Trump's enhanced pressure, Kim Jong-un's nuclear intransigence and the RoK's THAAD deployment. In reality Beijing is in search of new conceptual guidance for policy-making in regard to the new security situation in the Peninsula. It is not easy because there are many internal and external constraints preventing a quick change. In the last few years The key to Xi's Peninsula policy is based on two parallel objectives: against chaos-generation and against war-making in the Peninsula. The former mainly refers to the North's nuclear adventurism and the latter to the US war attempt either in the form of tactical surgical strikes or an all-out war of regime change on the ground.

### ***The entrapment of sanctions***

If the above points are intangible ones, the most tangible and visible change of Beijing's policy towards Pyongyang is none other than gradual escalation of economic sanctions against the North. Up to the time of North Korea's fifth nuclear test, China's sanctions were real but more in terms of symbolism. After the fifth test Beijing started to impose substantial sanctions, indicated by direct sanctions against North Korea's military, such as cutting food supply to the army and aviation fuel to the air force, which was actually beyond the UNSC requests. Beijing also partially stopped importation of mineral resources, i.e., coal and iron ore, which substantially stripped the North of a significant amount of foreign currency income. Then the sixth nuclear test marked a turning point of Chinese sanctions that have become comprehensive and caused real damage to the Kim regime. Now except for

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<sup>15</sup> You Ji, "Hedging Opportunities and Crisis against Pyongyang's Heredity Succession", *International Journal of Korean Unification Studies*, Vol. 20, No. 1, 2011, pp. 55-87

<sup>16</sup> Liu Gongliang and others, *Nuclear facilities around Chinese borders*, Beijing, 2009.

oil export to the North that has been reduced by more than 50% of the amount prior to the sixth test China has stopped almost all commodity and service trade, e.g., labor, tourism and aviation links.

The Chinese sanctions are ultimately designed to serve Beijing's vital interests by putting more pressure on the North to denuclearize. It converges with the concerns of other powers, such as Japan, the US and RoK which all hope to see the end of nuclear threats from Pyongyang, mainly through causing unbearable economic pains to the regime. More practically through imposing sanctions China and the US have created shared interests and coordinated steps to denuclearize the North. Certainly China's economic sanctions have also generated other kinds of security dividends such as the US restraints in the freedom of navigation operations in the South China Sea, especially in terms of the 12 nautical miles entry into China-held islands.

Economic sanctions are all positive to the US and its allies in terms of taming the North's adventurism; yet they serve as a double-edged sword to Beijing. If the regime change war on the ground is not realistic due to the tyranny of distance between the 38th Parallel and Seoul, economic punishment can seriously bleed the North's economy if China yields to US pressure to impose deadly sanctions against the North. Trump caught Xi Jinping off guard in their Mar-a-Lago summit when he requested Chinese support in raising the level of international sanctions. At the time Xi positively uttered converging views on Trump's plea, which obliged Xi to implement them after returning to China.

Trump's request was meticulously contemplated prior to the summit. The US interests are best served if the goal of regime change in Pyongyang is reached without a war. The possibility exists if the country's economic collapse leads to the collapse of the political system, a historical repetition of the communist bloc in Europe in the late 1980s. Sanctions embedded in a legitimate course of denuclearization are designed for a more strategic purpose that is dichotomous with a narrower Chinese objective of denuclearization. Beijing still hopes to see survival of the Kim government as any prompt regime change in Pyongyang will bring about tremendous backlash against security and stability in China's northern regions. If the Kim regime is indeed undermined beyond repair by China's substantial sanctions China would replace the US as Kim's enemy number one, a potential disastrous outcome to China's vital interests. Therefore the Trump entrapment of China through imposing deadly

sanctions would potentially make Beijing a double loser in the Peninsula power politics. Sanctions on the North would greatly ruin Sino-North Korean relations and the THAAD deployment has seriously undermined Sino-RoK cooperation, leaving Beijing in a bad position in interacting with post reunified Korea. China's standing in managing the Peninsula conflicts has never been so precarious in the recent decades.

## **Easing Tension in the Maritime Domains**

Tension in the Asian maritime domain has been visibly eased since the beginning of 2017. There are a number of reasons for such a rare positive sign in Asia's security landscape that has been deeply undermined by maritime territorial disputes since May 2009. At the time the SCS disputants submitted their EEZ demarcation documents to the United Nations, an act that largely removed the ambiguous space in their overlapping claims from which they hitherto managed to maintain the status quo. When ambiguity is eliminated the disputes have become zero-sum, causing occasional standoffs and inflicting serious damages to state-to-state relations. In the same period of time the Sino-Japanese quarrel over the ownership of the Senkaku/Diaoyu islands also intensified and contributed to the free fall of the bilateral relations to the lowest point since the establishment of the diplomatic relations in 1972.

### ***Strategic necessity for being assertive***

These disputes in the Asian maritime regions have been a major headache of Beijing's leadership, which has long prioritized domestic politics, Sino-US relations and economic development over the territorial disagreement with the neighbors, testified by the repeated calls to shelve the disputes for the later generations to handle by Chinese leaders from Mao Zedong to Hu Jintao. To a large extent all maritime and continental territorial disputes are legacies of history dating back far before the creation of the People's Republic of China in 1949. As far as the Beijing government is concerned, it is not worthwhile to allow history to disrupt the present, as long as the disputants have selected to maintain the status quo. For instance, the strategic status quo in the SCS is the current map of state occupation. And the status quo in the East China Sea is Japan's current civilian administration vis-a-vis the Chinese claims present in the Tanaka/Zhou Enlai acquiescence. In fact all the claimants have more urgent problems to deal with than engaging persistently and fruitlessly in the historical disputes. This rational choice underlines the reasons why Beijing has

moved the cycle of “passivity-assertiveness” back to “strategic patience”.

Generally speaking, Xi Jinping received tangible dividends from being tough on territorial disputes in domestic politics, taking advantages of rising nationalist sentiments of the population who paid unusual attention to the SCS disputes after the Scarborough Shoal confrontation in 2012. More importantly he accumulated support to his unchallengeable authority from institutions of power in China, especially the military that required more proactive right-protection in the SCS. This has proved valuable for Xi’s personal power consolidation and arrangement of his men in top positions in the 19th Party Congress. Externally Xi was propelled to respond to rising security challenges of the region with US pivot to Asia in full swing under the Obama Administration that created a SCS coalition against China’s claims. More pressingly the sovereignty disputes have been structured into a worsening global geostrategic strife as a result of China’s rise.<sup>17</sup> The US and the coalition became offensive and assertive, demonstrated, for instance, by the routine FONOPs of the US navy inside the 12-NM of the Chinese holdings in the SCS, the Philippines’ legal arbitration efforts, and a powerful international media campaign against every Chinese move in the SCS.

To Xi Jinping being passive continuously was no longer a rational choice in the context of mounting domestic pressure and necessity to respond to the perceived collective offensive. As a result the PLA master-minded a 1.5 reaction plan to strengthen China’s claims in an offensive-defense way. If the opponent makes a move of one inch in sovereignty expansion against the Chinese interests in the SCS Beijing would retaliate by making a move of 1.5 inch, although the guidance of the 3-No principle remains intact: non-irredentism, non-militarily provocations and non-deployment of offensive weapons systems in the Spratlys.<sup>18</sup> Initially Beijing’s approach was a kind of reactive, retaliatory measures against the acts by others, such as arrest of Chinese fishermen by military vessels. However, since Xi adjusted Beijing’s SCS policy around 2013/2014 China’s SCS policy was not just reactive. The Oil Rig 981 incident was a typical example of pursuing preemptive shots.<sup>19</sup>

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<sup>17</sup> You Ji, “Sino-US ‘Cat-and-Mouse’ Game Concerning Freedom of Navigation and Overflight”, *Journal of Strategic Studies*, Vol. 39, No. 5-6, 2016, pp. 631-661.

<sup>18</sup> You Ji, *China’s Military Transformation*, Cambridge: Polity, 2016.

<sup>19</sup> Some Chinese analysts attributed the 981 exploration to Beijing’s SCS policy adjustment, not reaction to Vietnam’s provocation. Comments by Shao Xiaoling, Ye Hailin, and Feng Lie in *The New Horizon*, Yunnan TV, 13 July 2014.

The land reclamation is a telling case of Xi's calculation of the benefits and costs in enhancing China's claims.

Yet the price for Xi's proactive approach has been high: Sino-US relations have been strained, the Spratly disputes truly internationalized, and ASEAN divisions on the issue visibly narrowed. Beijing's charming diplomacy has thus been severely damaged.<sup>20</sup> Yet Xi may think that the price was acceptable when he made the reclamation decision. Had the PLA not started land reclamation in late 2013, it would have never made it, given the very short opportunity period prior to Xi's state visit to America in September 2015, the accelerated Sino-ASEAN CoC negotiations and the anticipated regime change in Taipei in 2016. The window was really small. Xi may have got it right to think that the diplomatic storm would be withered eventually. This is consistent with his repeated advocacy of "strategic steadiness" (战略定力) in recent years, which means to stand out against the mounting international pressure on Beijing's "revisionist pursuits".<sup>21</sup> The reclamation decision may have now proved that Xi is more strategic and dialectical than his predecessors in choosing from two "devils": diplomatic backlash and military needs when his judgment leans clearly towards the latter despite the backlash so incurred.

### ***Strategic necessity for returning to a defensive mode of right-maintenance***

By 2017 Xi may have reached his phased objectives for being tough on sovereignty issues. He has established an unchallengeable position in domestic politics. His assertive pushes in the SCS have allowed China to gain more than other claimants. By not crossing the US redlines Beijing has won the game by default.<sup>22</sup> On the other hand, Beijing has also realized that the dividends from assertive actions have diminished progressively with the progressively enhanced international opposition. The calm SCS serves China's interests a lot more than a turbulent SCS. It may be time for adopting a new approach to ease the pressure of backlash from the US and ASEAN. The following new developments indicate the beginning of Beijing's another cycle of "strategic patience".

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<sup>20</sup> Robert Kaplan, *Asia's Cauldron: The SCS and the End of Stable Pacific*, New York: Random House, 2014; Bill Haydon, *The SCS: The Struggle for Power*, New Haven: Yale University Press, 2014; and Li Mingjiang, "Reconcile Assertiveness and Cooperation? China's Changing Approach to the South China Sea Dispute", *Security Challenges*, Vol. 6, No. 2, 2010.

<sup>21</sup> Gong Li, "China's strategic diplomatic posturing in the new era: Studying Xi Jinping's important instruction", *The Study Times*, 13 April 2013, p. 8.

<sup>22</sup> Denny Roy, "China wins the grey zone by default", *PacNet Newsletter*, The Pacific Forum, No. 60, 16 September 2015.



- 1) Re-delinking the SCS issues from the management of the overall bilateral relations. This is about using improved bilateral relations to ease the SCS pressure, including making necessary concessions to adversaries on the basis of a new type of leadership relationship, e.g., Xi Jinping and Rodrigo Duterte, and the special Sino-Vietnamese Party-to-Party relationship. It is wise for China to let Filipino fishermen back to the Scarborough Shoal region, to promise not to reclaim the Scarborough Shoal, and to give Duterte all kinds of support for his war against drugs. At the same time Beijing has tried to repair its ties with Hanoi by strengthened Party contacts and economic statecraft, which creates taboos for the latter to utilize China's SCS isolation for practical gains.
- 2) Re-state Xi Jinping's promise of not militarizing the reclaimed islands in the Spratlys by not deploying offensive weapons systems. The PLA has deployed new surveillance and electronic warfare facilities in these islands but restrained itself in deploying long-range strike capabilities, such as combat aircraft despite the three new airstrips built two years ago.
- 3) Accelerate CoC negotiations and show to ASEAN that Beijing is willing to collectively manage the SCS disputes through creating legally-abiding mechanisms such as the CoC. Beijing's support of CoC negotiations is sensible in that if the CoC can help relieve the chances of standoffs, it serves more of Beijing's interests, because any SCS standoff would hurt China more than other claimants.
- 4) The fundamental reason for China to reorient its SCS policy is to hollow out the foundation through which the US mobilizes the region's collective checks and balances against China. Indeed the SCS calmness in 2017 was largely due to the inaction of the Philippines and Vietnam vis-a-vis China. This is particularly true when Manila has shelved the legal Arbitration and developed a kind of unique relationship with China. Beijing sees the logic that without assistance within the region it is difficult for the outside powers to intervene on behalf of the SCS claimants. The pressure of geostrategic strife on China will be thus substantially reduced.
- 5) China has agreed to ASEAN demand that no action of occupation and construction should be taken in any Spratly islets that have no human inhabitation

and structures. This has eliminated any chances of new standoffs in terms of new occupations. The strategic status quo based on the current map of occupation will be retained.

In sum Beijing's third security concern for the near future is that the current SCS stability can be short-lived. The SCS stability is very vulnerable while the level of uncertainty and unpredictability is very high. In a way Beijing has partially won the battle of "temperature" in the aftermath of the arbitration. Clearly the cooler that international attention on the SCS is, the better Beijing's interests would be served. The opposite is true to the perception of US pundits. It is logical and even certain that they will try to stimulate heavier regional resistance to Beijing's initiatives to stabilize SCS calmness, e.g., through improving interaction with Duterte and the Vietnam Communist Party.

## **Conclusion**

At the beginning of the year Beijing arguably ended a five-year cycle from Hu Jintao's "endurance for prolonging China's opportunity period" to Xi Jinping's "firm protection of Chinese sovereignty", as the cycle is now moving back to a level of the strategic retrenchment, as far as Beijing's handling of territorial disputes is concerned. Partly this shift to pragmatism was meant to provide a conducive external environment for the Party's top event in half a decade, but more importantly, it was perhaps due to Xi's calculation that his initial goal of policy assertiveness was basically achieved so that Beijing could afford a new phase of behavioral relaxation in world politics of geostrategic strife.<sup>23</sup>

Although the Doklam crisis is over, the long-term structural rivalry between China and India will move towards a new direction of occasional confrontation. Both countries are prepared for such consequences with the military re-posturing and combat readiness further strengthened.

The on-going efforts to ease tension between North and South Korea will prove to be vulnerable and even short-lived. The North's cycles of provocations-dialogues-

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<sup>23</sup> In the SCS, for instance, China finished land reclamation under great pressure. It is now expected to move to ease tension. Xi Jinping's New Year Message made particular mention of land reclamation, probably to conclude a period of assertive push of envelope.

adventurism will cycle on, unless its survival is not at stake. The US will not alleviate maximized pressure on the North to denuclearize, nor give up its basic bottom line of regime change in Pyongyang. None of the causes for war in the Peninsula have been really dealt with. China's security worry on the Korean confrontation will only worsen in the years ahead.

China hopes to expand the period of SCS calmness but it is not up to its own effort to stabilize the situation in the SCS. The tree wants to stay still but the wind naturally blows. A level of manageable turbulence in the Asian maritime domains is the preferred strategy by Washington. As long as it pushes this policy option, there would be standoffs, although at a relatively less confrontational level. Beijing may have been prepared to deal with new maritime challenges but the uncertainties are abundant for it to handle.

