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## China's Tailored Coercion and Its Rivals' Actions and Responses: What the Numbers Tell Us

By Christopher Yung and Patrick McNulty



Center for a  
New American  
Security

## About this Series

Maritime tensions in the East and South China Seas have raised significant questions about the long-term peace and stability that has enabled Asia's economic rise over the last several decades. While these disputes are longstanding, recent years have seen attempts to unilaterally change the status quo through tailored coercion that falls short of war. These activities do not appear to be abating despite growing international concern. While policy efforts to alleviate tensions must include engagement and binding, a comprehensive approach must include countering coercive moves by imposing costs on bad behavior. This series aims to explore various types and facets of strategies to deter, deny and impose costs on provocative behavior in maritime Asia. Hopefully these papers will, jointly and severally, generate new thinking on how to both maintain security and build order across the Indo-Pacific region.

### Cover Image

A map of the South China Sea depicting some of the overlapping territorial and maritime claims.

Source: U.S. State Department

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By Christopher Yung and Patrick McNulty

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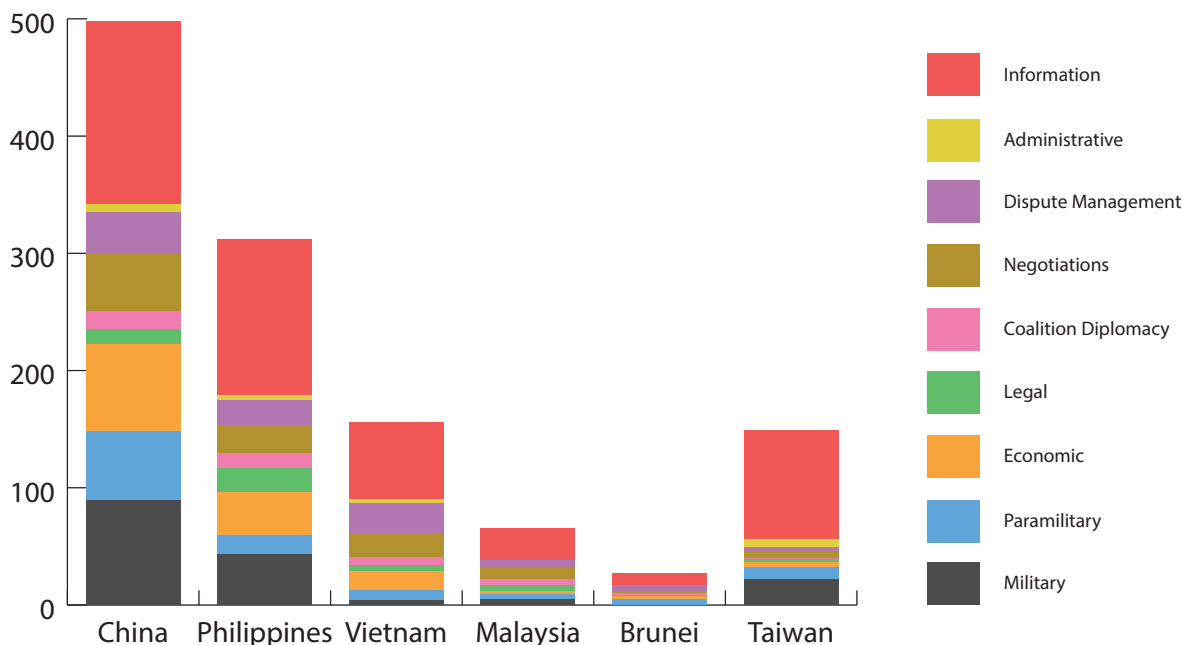
## INTRODUCTION

By Christopher Yung and Patrick McNulty

The Center for New American Security (CNAS) is embarked on a year-long study exploring practical strategies to deter and impose costs on bad behavior in the East and South China Seas.<sup>2</sup> This paper examines the tactics and actions employed by China and its rival claimants in the South China Sea, based on a National Defense University (NDU) database constructed by the authors between 2012 and 2013. The authors conducted extensive open source searches of the actions employed by South China Sea claimants to defend or advance their territorial claims, cataloging more than 1,200 actions between 1995 and 2012.<sup>3</sup> These actions are grouped into nine categories (military; paramilitary; economic; administrative; legal; coalition diplomacy; negotiation; dispute management<sup>4</sup>; and informational) encompassing 39 different individual tactics.<sup>5</sup> The findings are based on analysis of the NDU database.<sup>6</sup>

This approach allows for empirical analysis of claimant behavior, but has some practical limitations. First, actions included in the database were identified based on translated Open Source Center reports selected by other U.S. government analysts; time and manpower limitations did not allow comprehensive foreign language searches in the media of all claimant countries. Second, categorizing actions requires a degree of subjective judgment. For instance, China's insistence at an international meeting that maritime disputes be resolved bilaterally could be interpreted as a sincere effort to negotiate, or as an effort to divide rival claimants and prevent formation of an anti-China coalition. Third, the study focuses on identifying distinct actions rather than capturing ongoing efforts to exert control over disputed waters or land features. For example, a two week patrol by a law enforcement vessel or a naval exercise involving multiple ships are both counted as single actions in the database. This approach made counting more manageable, but does not give a full sense of the scope and context of military and paramilitary actions.<sup>7</sup>

TABLE 1: TOTAL ACTIONS BY STATE



GENERAL SUMMARY OF FINDINGS

After populating the data base, the research team analyzed the results to identify patterns of behavior. General findings, which are represented above, are that China is the most active user of almost all of the tactics listed and is also most prone to use military and paramilitary actions to defend its claims. China is the most active user of every instrument of coercion or influence except for legal action, where the Philippines is most active.

One objective of CNAS's maritime strategy project is to address the challenge of China's tailored coercion relevant to the South China Sea dispute. The remainder of this report focuses on analyzing China's coercive actions and Southeast Asian responses, and also looking at independent Southeast Asian actions which China argues justify its responses.

MORE PARAMILITARY, LESS MILITARY

Table two illustrates the tactics used in the April 2012 Scarborough Shoal case. It lists military (M), paramilitary (PM), and informational (I) actions by the various claimants during the crisis. Number designations reflect the specific tactics employed by the claimants ranging from the use of force (M1, PM1), movement into a disputed area (M2, PM2), reinforcement of a maritime area already occupied by the claimant (M3, PM3), reactions to the movements of rival claimants (M4, PM4), and withdrawal of forces (M5, PM5). The "I" designation presents strategic communications efforts ranging from official press releases and announcements (I1), newspaper reports, (I2) and social media accounts (I3). In this case, the assessment displays the instances of the Philippines' use of military assets, the Philippines' use of law enforcement assets such as its coast guard, and the instances of China's use of its paramilitary China Maritime Surveillance (CMS) force. As table two illustrates, China overwhelmingly relied on its

CMS vessels to advance its claim. The Philippines utilized both military and law enforcement assets when and where it could. Nonetheless, China overwhelmed the Philippines with its paramilitary presence. At this point it also needs to be noted that the Chinese claim that the Philippines initiated the Scarborough Shoal confrontation when the latter arrested Chinese fishermen in disputed waters.

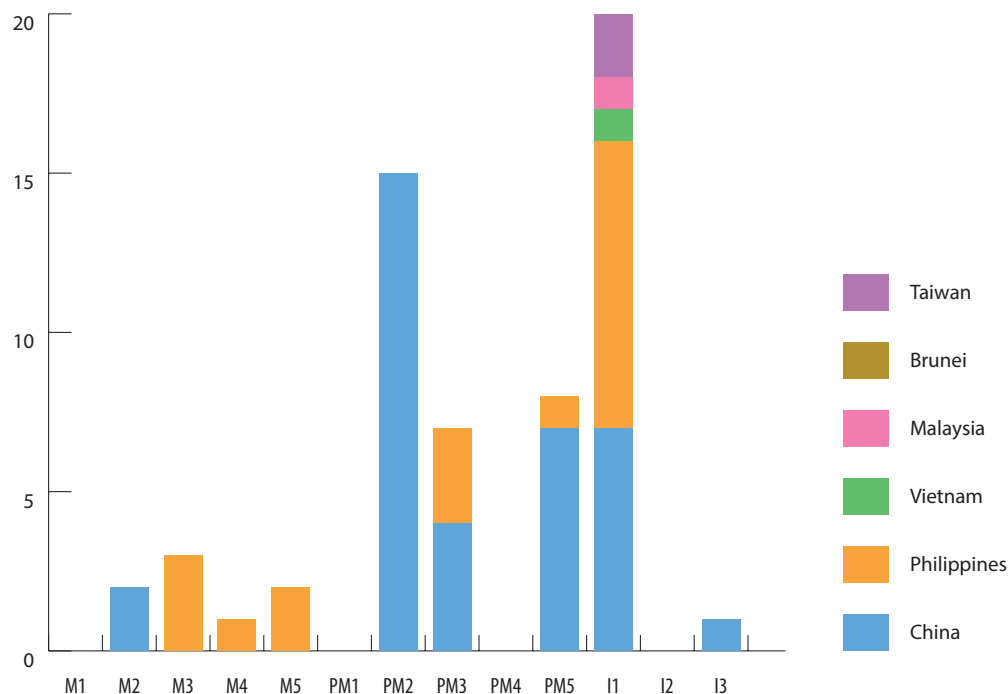
Table three (see page 6) illustrates the Mischief Reef case, which occurred in 1995. In contrast to Scarborough Shoal, the PLA Navy was heavily involved at Mischief Reef. The earlier case also involved a more balanced confrontation between China and the Philippines, whereas at Scarborough

Shoal the Philippines were overwhelmed by China’s numbers. The prevalence of China Maritime Surveillance (CMS) ships at Scarborough Shoal strongly suggests that this was a deliberate Chinese strategy. In 2012 interviews, Chinese naval officers, government officials, and scholars affirmed that law enforcement vessels were deliberately placed as the “tip of the spear” in maritime territorial defense and law enforcement missions to limit escalation.<sup>8</sup>

### NO OVERT EFFORT AT CHINESE DE-ESCALATION

Comparing Scarborough Shoal with Mischief Reef

**TABLE 2: SCARBOROUGH SHOAL**



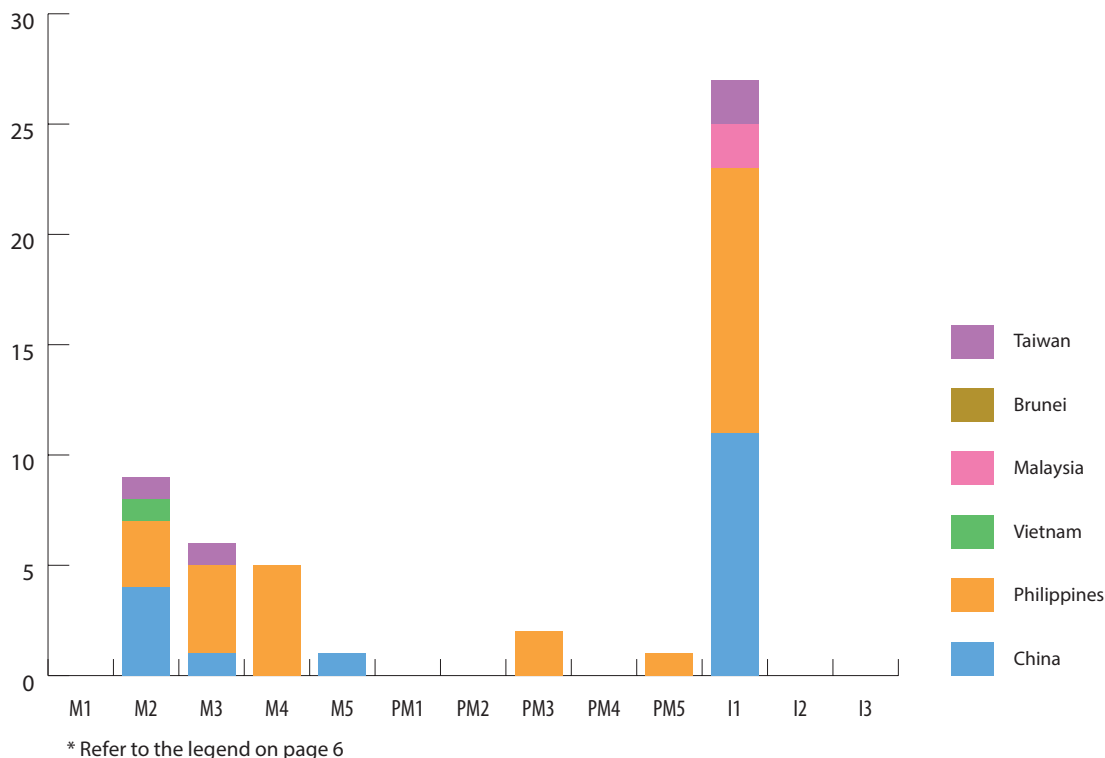
**LEGEND**

M1 = Use of force  
M2 = Movement into a disputed area  
M3 = Reinforcement of a maritime area already occupied by the claimant  
M4 = Reactions to the movements of rival claimants  
M5 = Withdrawal of forces

PM1 = Use of force  
PM2 = Movement into a disputed area  
PM3 = Reinforcement of a maritime area already occupied by the claimant  
PM4 = Reactions to the movements of rival claimants  
PM5 = Withdrawal of forces

I1 = Official press releases and announcements  
I2 = Newspaper reports  
I3 = Social media accounts

TABLE 3: MISCHIEF REEF DATA



clearly reveals that, in the earlier confrontation, Chinese officials at some point recognized that they needed to calm the situation down and signal their desire to de-escalate the crisis. What followed was diplomatic and conciliatory language transmitted through the international media promising to resolve the matter on the basis of international law.<sup>9</sup> No such dynamic was evident with the Scarborough Shoal case.<sup>10</sup> Instead, the United States interceded and the two sides promised to withdraw from the area. Both did so, but then the Chinese CMS ships returned and have maintained a presence ever since.<sup>11</sup> The difference in the two cases is that, at Scarborough Shoal, China was unwilling to signal a willingness to de-escalate and to resolve the matter peacefully, likely because China's military and paramilitary capabilities are much stronger than in the mid-1990s.

**ECONOMIC CARROTS AND STICKS**

China made by far the most use of economic

instruments to attempt to influence its rivals in the South China Sea. As table four illustrates on page 7, China utilized the full range of economic tactics. Between 1995 and 2012, China took economic actions 75 times; its nearest rival, the Philippines, did so 36 times. China was not the only claimant state to threaten economic sanctions (E1 in the table) against rivals or to sign access agreements (E2) with third parties (either countries or corporations), but its use of such instruments (48) dwarfed its rivals (Philippines: 14; Vietnam 8). China's use of economic instruments was not all coercive. Beijing's attempts to arrive at joint development deals (E3) was also extensive and outnumbered those of its rivals, as Table 4 illustrates. China was also the most extensive user of economic inducements (E4), lavishing rivals with generous trade and investment deals. No other rival claimant matched China's efforts; only the Philippines and Taiwan used this tactic at all.



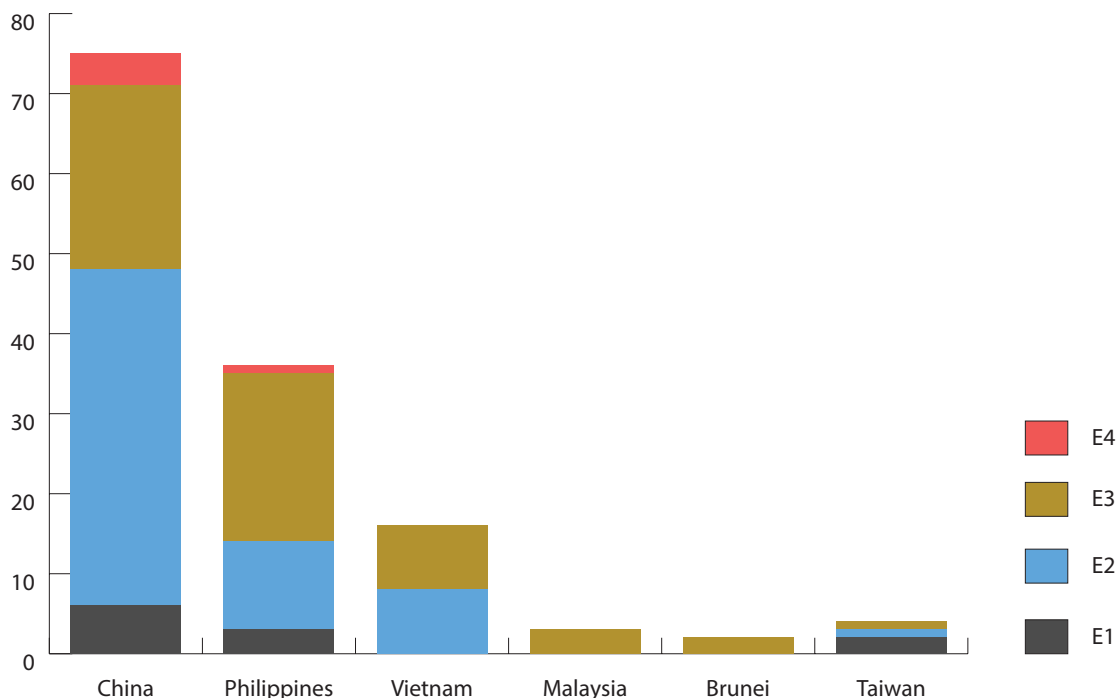
## COERCION AND INFLUENCE THROUGH DIPLOMACY

An examination of China's behavior during the 2012 Code of Conduct (CoC)/Declaration of Consensus of the Parties (DoC) negotiations in Cambodia illustrates China's efforts at influence peddling in diplomatic venues. The database divides diplomatic actions into three broad categories: Coalition Diplomacy (CD); Negotiations (N); and Dispute Management (DM). Coalition diplomacy means actions taken by the claimant state to either form coalitions or break up rival coalitions. Negotiations are actions by the claimant state to either engage in negotiations to resolve a dispute, or to refuse or delay negotiations. Finally, some claimants may have concluded that the best course

of action is to lower tensions and therefore make efforts to agree to confidence building measures or other temporary measures designed to avert direct clashes between the parties (dispute management). When we examined the DoC/CoC negotiations, some interesting diplomatic patterns emerged.

First, as reported in the media<sup>12</sup>, and confirmed by our data (see table five on page 8), China spent a considerable amount of effort preventing the formation of coalitions against its South China Sea position (CD1) and attempting to form coalitions of its own (CD2). The most apparent manifestation was the inability of the ten ASEAN states to arrive at a consensus on including a reference to the South China Sea dispute as a serious security issue at the 2012 ASEAN summit, leading to the first

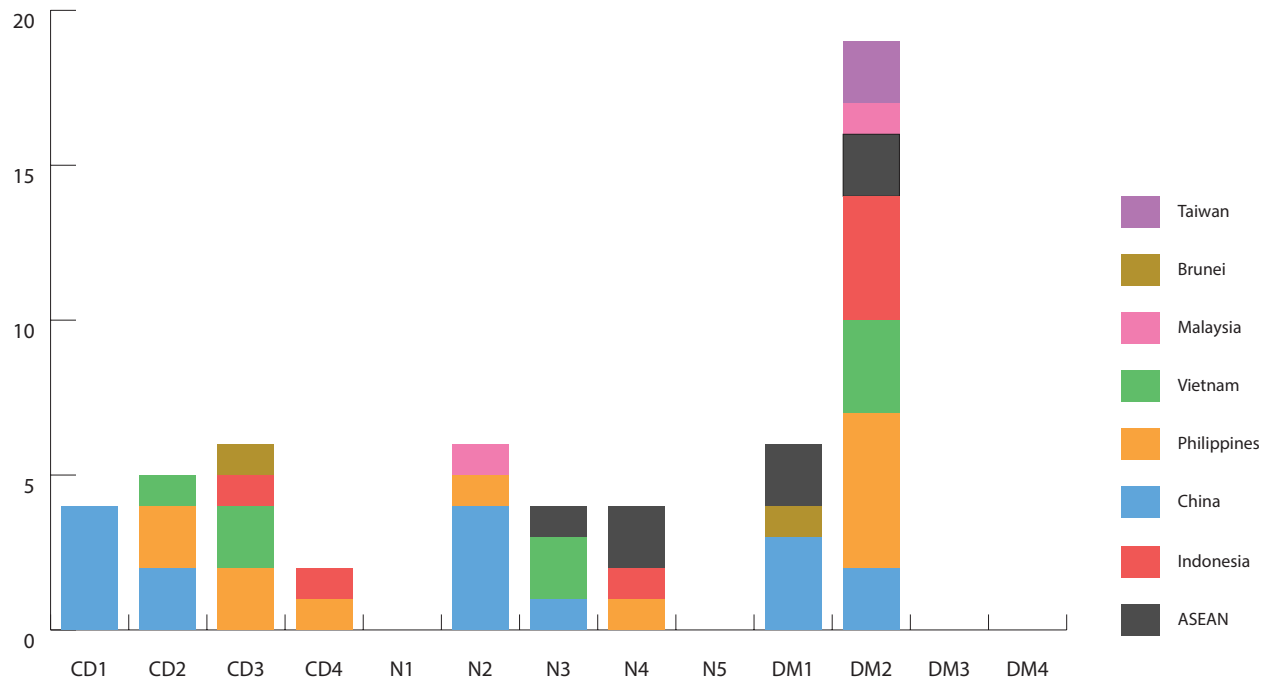
TABLE 4: ECONOMIC ACTIONS BY STATE



### LEGEND

- E1 = Threatening economic sanctions against rivals
- E2 = Signing access agreements with third parties (countries or corporations)
- E3 = Arriving at joint development deals
- E4 = Economic inducements (trade and investment deals)

TABLE 5: DOC/COC NEGOTIATIONS (2012)



**LEGEND**

CD1 = Preventing formation of coalitions against one's own position  
 CD2 = Forming coalitions in support of one's position  
 CD3 = Welcoming regional multilateral organizations to resolve dispute  
 CD4 = Inviting outside powers to resolve dispute

N1 = Refusing to engage in negotiations  
 N2 = Insisting on bilateral negotiations only  
 N3 = Engaging in multi-party negotiations  
 N4 = Participating in multilateral bodies to resolve disputes  
 N5 = Inviting outside parties to arbitrate

DM1 = Agreeing to declaration of principles to resolve dispute peacefully  
 DM2 = Committing to work toward a Code of Conduct, which is also okay  
 DM3 = Instituting binding confidence building measures  
 DM4 = Inviting outside dispute management mechanisms

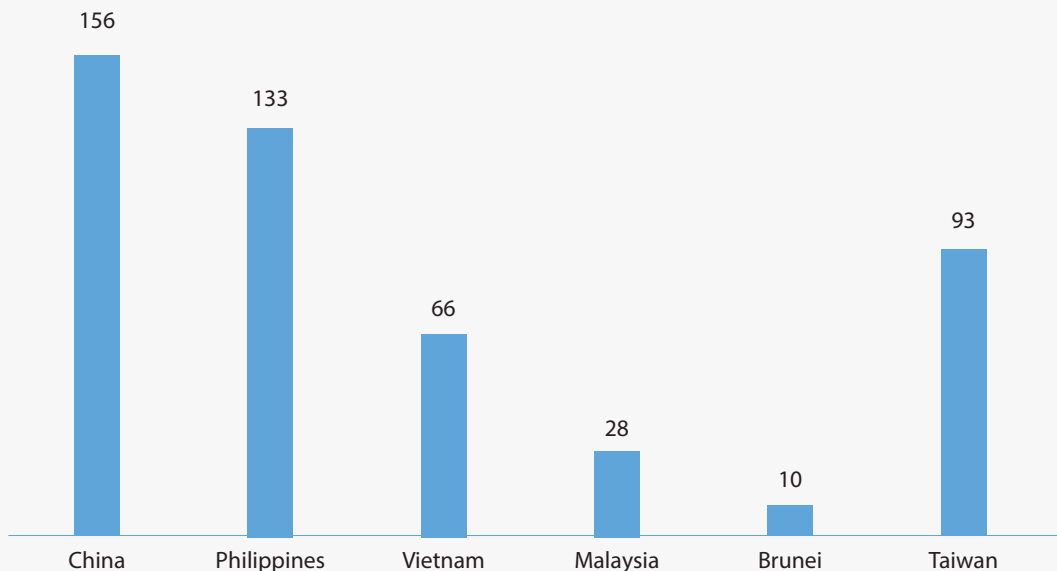
failure to issue a joint communiqué in the body's history. China reportedly scuttled the joint communiqué through promises of lucrative economic deals to then-ASEAN chair Cambodia.<sup>13</sup> Second, China insisted on bilateral negotiations with each of the claimants and objected to a joint ASEAN position on a code of conduct agreed beforehand (N2). It thus rejected multilateral negotiations and insisted on a bilateral structure.<sup>14</sup> Finally, China has long been on record as supporting efforts to resolve disputes peacefully (DM1), including a code of conduct in principle, and indeed signed the 2002 agreement on the Declaration of Consensus of the Parties (DoC) which included a commitment to work toward a Code of Conduct (DM2). Thus, China has agreed in principle on resolving the territorial disputes through negotiation and peaceful means; but has not agreed to binding measures which carry penalties for noncompliance.<sup>15</sup> China's

influence-oriented diplomatic behavior is thus composed of the following: diplomatic maneuvering to break up coalitions of ASEAN states attempting to act as a united front on South China Sea issues; sweetening the pot for other ASEAN states to side with China in ASEAN discussions on the South China Sea; insistence on bilateral negotiations to the exclusion of multilateral mechanisms to resolve the dispute; and agreeing in principle to resolve the dispute peacefully, but obstructing any effort to meaningfully impose a binding code of conduct or other confidence building measures on the dispute resolution process.

### INFORMATION ACTIONS

China easily outpaces its rivals in terms of information actions. We recorded some 156 discrete Chinese information actions versus 133 actions for the Philippines and 93 for Taiwan, its closest rivals

TABLE 6: INFORMATION ACTIONS BY STATE



in this sphere. Additionally, China is the most robust user of social media to broadcast its message both domestically and internationally. To some degree this may be the result of the fact that China has a very well developed and centralized propaganda and censorship apparatus.

## LEGAL ACTIONS

The only category where the number of China's actions lags behind that of rival claimants is in the legal sphere. As Table 1 illustrates, the Philippines' actions (21) between 1995 and 2012 exceeded those of China (12). Much of this is due to the fact that the Philippines have been relentlessly pursuing a court case before an arbitral tribunal of the International Tribunal on Law of the Sea (ITLOS). China has stated that neither ITLOS nor the International Court of Justice (ICJ) has jurisdiction over this matter and has refused to participate in the proceedings. China has made its legal position known through its positions in UNCLOS and other bilateral maritime legal agreements, through Chinese legal experts publishing their opinions in law journals (an informational action), and through the issuance of position papers by the Ministry of Foreign Affairs, but has not presented its legal positions to an international court.<sup>16</sup>

## TACTICS OF SOUTHEAST ASIAN CLAIMANTS: THE NUMBERS

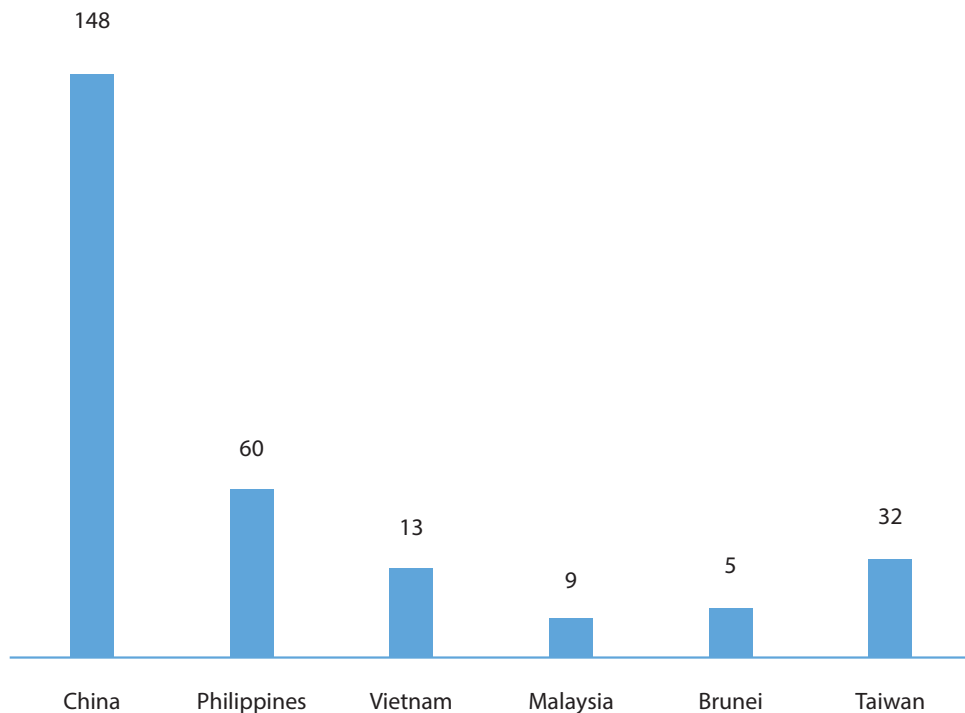
Southeast Asian countries and many outside observers see a clear pattern of Chinese coercion and influence peddling, especially since 2009. However, Chinese officials, military officers, and scholars generally claim that China is responding to provocative actions by rival claimants in Southeast Asia. This section of the paper seeks to provide clarity on this issue by taking a closer look at rival claimant actions in the South China Sea.

## SOUTHEAST ASIAN CLAIMANTS' USE OF MILITARY AND PARAMILITARY ACTIONS

As stated above, China has made the most use of military and paramilitary actions to defend its maritime territorial claims. What is surprising, however, is how few military and paramilitary actions appear to be used by some other claimants. Vietnam's apparently infrequent use of military and paramilitary actions (13) is especially striking, given that the database dates back to 1995, which implies that Vietnam used such tactics on average less than once a year. When asked, some Vietnamese interlocutors stated that Vietnam is a peace-loving nation, so the numbers speak for themselves. In other conversations, Vietnamese specialists pointed out that these numbers only reflect those actions officially announced or revealed by the press, and thus undercount Vietnamese military and paramilitary actions. Chinese interviewees also indicate that the database undercounts Chinese military and paramilitary actions. The low number of military and paramilitary actions by Malaysia and Brunei is also notable. The data include some instances when the coast guards of each country arrested fishermen of rival claimant states. Nonetheless, public military and paramilitary action is extremely rare for both Malaysia and Brunei.

The Philippines is the only Southeast Asian country whose military and paramilitary actions comes remotely close to rivalling those of China. These actions include the movement of military personnel, the erection of defenses, patrolling, and other actions designed to bolster the Philippines' territorial claims. Philippine actions are still dwarfed by China's, but given its relatively weak Navy and Coast Guard, it is surprising that the Philippines should be the second most frequent user of military and paramilitary actions. Despite Taiwan's ambiguous international legal status, it ranked

**TABLE 7: TOTAL MILITARY AND PARAMILITARY ACTIONS BY STATE**



third in its use of military and law enforcement assets to bolster its claims. This is partly because Taiwan occupies Taiping Island – the largest of the Spratly Islands, also known as Itu Aba – and has the largest military presence (both in numbers of personnel and the physical features of the military infrastructure on the island) in the South China Sea, which has to be regularly resupplied.<sup>17</sup>

### SOUTHEAST ASIAN CLAIMANT ECONOMIC ACTIONS

China’s rival claimants almost never utilize economic sanctions to defend their maritime territorial claims. The Philippines is the only Southeast Asian country to sanction one of its rivals over the maritime territorial dispute; Taiwan has occasionally done so as well. China is the biggest user of sanctions as a coercive tool against its rivals. Southeast Asian countries do sign economic deals

with third party countries or corporations involving disputed areas. The most prominent economic instrument of claimant states is joint development offers (E3). China also regularly undertakes economic inducements (E4), sweetening the economic pot of a rival claimant in order to obtain favorable treatment in a territorial dispute. Its poorer rivals rarely use this tactic.

### SOUTHEAST ASIAN CLAIMANTS AND DIPLOMACY

When it comes to diplomacy, Southeast Asian claimant states vary in their approaches to defending their territorial claims. Smaller claimant states such as Malaysia and Brunei tend to allow ASEAN to do their talking. Both countries have supported ASEAN initiatives related to the resolution of the South China Sea dispute but rarely put forward their own proposals. Vietnam and the Philippines

are much more activist in their diplomatic efforts, putting forth unilateral proposals and attempting to get ASEAN member states to coalesce against China. They also sometimes engage China in bilateral negotiations. Prior to the summer 2014 oil rig standoff between China and Vietnam, the Vietnamese had only recently concluded bilateral talks with China to address the South China Sea dispute through negotiations, had agreed to pursue joint development in 2013, and have recently resumed those discussions.<sup>18</sup> Taiwan's ambiguous international status and limited participation in diplomatic venues means that Taiwan rarely uses diplomacy to advance or protect its claims.<sup>19</sup>

Both Vietnam and the Philippines have made active attempts to form coalitions within ASEAN and at ASEAN-related venues to argue for a binding code of conduct and resolutions stating that the South China Sea is a serious problem requiring collective effort to resolve. China repeatedly thwarted their efforts. This was evident at the ADMM+ discussions in Cambodia in 2012 and at the DoC/CoC negotiations at the end of 2012. Representatives of both the Philippine and Vietnamese governments, as well as analysts from other Southeast Asian countries, have lamented that "weak leadership" within ASEAN has led to that organization's inability to effectively address the South China Sea dispute.<sup>20</sup>

## SOUTHEAST ASIAN CLAIMANTS AND LEGAL ACTIONS

The Southeast Asian claimants have not made extensive use of legal actions to support their claims in the South China Sea. The Philippines has been the most active user of the legal avenue, submitting a claim to the International Tribunal on Law of the Sea for arbitration in 2013. The Philippines has utilized legal tactics more frequently than all other claimants, including China. Its seriousness is demonstrated by hiring Paul Reichler to represent its case. Reichler represented

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*China's coercive actions in the South China Sea also encourage its rivals to believe that actively pursuing their territorial interests will ultimately leave them in disadvantaged positions.*

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Nicaragua in a landmark case against the United States before the International Court of Justice.<sup>21</sup>

Other ASEAN states have not, by and large, sought legal recourse to address South China Sea disputes. Despite Hanoi's recent troubles with Beijing regarding China's temporary placement of an oil rig within Vietnam's EEZ, Vietnam has so far chosen not to file a claim with the International Court of Justice despite the Philippine government urging it to do so.<sup>22</sup> Vietnam may be waiting to see the outcome of the arbitration between the Philippines and China. Other claimant countries have not filed legal suits, leading some in the region and South China Sea watchers in general to fret that the Philippines may be sticking its neck out in directly challenging China in this fashion.<sup>23</sup>

## POTENTIAL STRATEGIES AND OBJECTIVES OF THE CLAIMANT STATES

What do these data reveal about the objectives of the South China Sea claimant states? The evidence presented here only suggests the broader strategies being employed to accomplish claimant objectives. It is likely that given China's heavy use of paramilitary forces, its continued involvement in diplomatic talks, its participation in selected legal venues<sup>24</sup>, and continued efforts to arrive at

joint economic deals, the Chinese leadership has concluded that it either lacks the raw power or that the political cost is too high to simply resolve the maritime territorial disputes through the overt use of force. Furthermore, China's leadership may conclude that the overt use of force is contrary to China's long-term goal of preserving a peaceful and stable external environment for the purposes of focusing on continued economic development. Such a calculus, however, does not prevent China from engaging in a long-term strategy of seeking to erode American credibility. By taking coercive actions against China's rivals in the South China Sea below a threshold in which the United States would obviously need to react militarily, China appears to be chipping away at the region's steadfast belief that the United States is a reliable guarantor of regional security. China's coercive actions in the South China Sea also encourage its rivals to believe that actively pursuing their territorial interests will ultimately leave them in disadvantaged positions. Thus, China is biding its time, slowly eroding American credibility in the region, changing facts on the ground where it believes it can and carefully calibrating the coercion of its rivals in the South China Sea.

China's Southeast Asian rivals are pursuing specific strategies of their own. The smaller states of Malaysia and Brunei are pursuing a lay low strategy, as the miniscule number of tactical actions pursued by these countries illustrate. When positive action is necessary, the smaller claimants tend to rely on larger multilateral organizations such as ASEAN to lobby for their interests. Malaysia and Brunei for example worked with Vietnam and the Philippines to release a joint communique expressing concern and alarm over China's May 2014 oil drilling activities in Vietnam's Exclusive Economic Zone. As with the other claimants, Malaysia and Brunei have significant economic ties with the PRC; however, in addition, there are two other factors which lead to a quieter approach to dealing with

China over maritime territorial disputes:<sup>25</sup> (1) the claimants are at the greatest distance from China; and (2) neither Brunei nor Malaysia have strong political identities associated with maritime sovereignty and maritime territorial claims. Recently, the U.S. Chief of Naval Operations, Admiral Jonathan Greenert said in a speech to the Carnegie Endowment of International Peace that Malaysia has invited the United States to station P-8 surveillance aircraft at its naval and air facilities. There is some question as to whether Malaysia wanted this offer made public, but this is some evidence of Malaysia taking a more active defense of its claims.<sup>26</sup>

Vietnam has taken a multi-layered approach to dealing with China's coercion. It argues that bilateral negotiations with China can bring about fruitful results, such as the bilateral agreement to demarcate the Gulf of Tonkin. Vietnamese interlocutors also insist that Vietnam enjoys a special party-to-party relationship with China that may make it possible to resolve some of the disputes through Communist party back channels.

The Vietnamese have also pursued a coalition-building strategy within the region. Thus, Vietnam is actively attempting to get other members of ASEAN to form a united front to establish a code of conduct with China and pursue other regional confidence building measures.<sup>27</sup>

Vietnam has also sought to get the United States involved in settling the territorial dispute or balancing against China. It has supported U.S. statements that cast China as de-stabilizing the South China Sea, and more directly, has made offers to expand U.S. military access to its bases and military facilities.<sup>28</sup> Vietnam has actively courted India to play a greater role in the South China Sea.

Finally, Vietnam has used its military and paramilitary forces to patrol its territories, to enhance the

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*Lacking the diplomatic and legal status to file claims, Taiwan has had to rely on creative foreign policy to protect its claims.*

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defense of the land features that it occupies, and to conduct land reclamation activities. Vietnam has engaged in some economic influencing activity of its own, as it has shown a willingness to enter into third party joint economic deals with Indian and other energy companies for access to contested oil blocks.

The Philippines has the most confrontational strategy vis-à-vis China. One assessment argues that the Philippines has followed a strategy of “pitting China’s long-term economic growth objectives against its maritime territorial claims.”<sup>29</sup> While our data cannot substantiate such an argument, they do illustrate several trends. First, the Philippines has sought to internationalize the dispute by bringing in the United States and ASEAN to help settle the dispute. Our examination of ADMM+ and the DOC/COC negotiations reflected this behavior. Second the Philippines is the only other country besides China and Taiwan to utilize economic coercion (targeting China and Taiwan). Third, the Philippines is the most active user of legal tactics to protect its claims. Finally, the Philippines displayed the second highest use of the military and paramilitary forces to advance or protect claims, despite having one of the weakest militaries in the region.

Taiwan’s approach is one of the most interesting strategies pursued by a South China Sea claimant. Lacking the diplomatic and legal status to file claims, Taiwan has had to rely on creative foreign policy to protect its claims. In addition to a very

active military and paramilitary presence, including patrolling, the strengthening of structures and fortifications on Taiping Island (the largest permanent military presence in the South China Sea), and the use of its coast guard to arrest trespassing fishermen, Taiwan has proposed an international conference to resolve the South China Sea dispute and has publicly stated that the maritime territorial dispute can be resolved through international law.<sup>30</sup> The Taiwan government may be considering clarifying its position on the nine-dashed line.<sup>31</sup> Taiwan has been careful to not fall into the trap of Beijing’s “United Front Tactics,” rejecting PRC offers to engage in joint patrolling or other combined efforts to promote Chinese maritime territorial claims. Taiwan has been one of the most active users of strategic communications to get its story out. Taiwan is the third most frequent user of information tactics to shape domestic and international opinion. For example, following the 2013 confrontation when the Philippines Coast Guard killed a Taiwan fisherman, Taiwan wasted no time in launching a public relations blitz to shape public opinion both domestically and internationally.



## CONCLUSION

This research on claimant states' tactics in the South China Sea reveals some interesting patterns of claimant behavior. China's economic, political and military rise allows Beijing to leverage a wide range of tools to protect or advance its maritime territorial claims. China is the most frequent user of all elements of national power when it comes to exerting influence on its rivals, with the exception of legal actions. The total number of Chinese actions (recorded in the NDU data base) falls just short of twice the total number of its nearest competitor, the Philippines. Its military and paramilitary actions comprise over half of such activities dating back to 1995. China is most frequent user of information tactics or strategic communications in order to shape domestic and international public opinion. China uses economic actions twice as often as the Philippines, its closest rival in this regard. Thus, China has both the capability and the will to utilize numerous policy instruments to both influence and coerce its rival claimants.

China's rivals have by no means been complacent. All of the Southeast Asian claimants and Taiwan have resorted to military and paramilitary instruments to protect or advance their claims. Each claimant has also used diplomacy to protect and advance its claims. Vietnam and the Philippines have been the most active in attempting to build coalitions within ASEAN to counter-balance diplomatic pressure from Beijing. While not as frequent a user of economic statecraft as China, the Philippines lavished lucrative economic deals upon some of its rivals, and also initiated economic sanctions. In addition to domestic economic benefits that would be derived from a deal, and in an effort to "internationalize" the maritime dispute in the South China Sea, both Vietnam and the Philippines have signed third party joint economic development deals as yet another means to influence China.

A great deal of activity is taking place in the South China Sea to protect and advance the interests of the various claimants. China is responsible for the vast majority of the influence actions, but Vietnam, the Philippines, and Taiwan have also been active in using various means to press their claims. Malaysia and Brunei have adopted a lay low approach, recent Malaysian activities notwithstanding. China's coercive approach appears to limit actions to stay below the threshold that might produce a strong counter-China coalition including the United States. The case study of the Scarborough Shoal, for example, indicates that Beijing made much more use of its law enforcement assets than its naval assets. Similarly, in diplomatic venues, Beijing has been careful not to rule out negotiations or peaceful means to resolve disputes, but has insisted that bilateral negotiations are the most appropriate way to resolve disputes. China agrees in principle that confidence-building measures are important for peace and stability in the region. But it will not agree to binding codes of conduct or restrictions on behaviors that have real costs associated with them. Beijing has engaged in positive economic actions, including lavishing lucrative economic deals on rival claimants and has even agreed to joint economic development deals in the past. But China has also been quick to levy harsh economic sanctions when the positive economic actions do not bear fruit or when other claimants act to challenge China's maritime territorial claims. The bottom line is that China's willingness to engage in coercive behavior appears to have a self-imposed upper limit, probably because Beijing recognizes that actions beyond that threshold would result in significant economic, political, diplomatic and military costs. That China overtly used lethal force in 1988 to settle a maritime territorial dispute with Vietnam, but has not done so since, bears repeating. This has significant U.S. policy implications which will need to be explored further and by other analysts in this CNAS effort.

## ENDNOTES

1. For the purposes of this analysis we use the term coercion to reflect those actions which imply, as Schelling argued decades ago, punishment, threat of punishment, or negative consequences if the recipient of coercion fails to comply. In this light, the South China Sea claimants' use of military and paramilitary assets can be readily identified as coercive behavior. In other cases, the claimant countries' use of other instruments of national power can also be considered coercive. For example, the use of economic sanctions may also be considered coercive, as can the threatened use of the international legal system to shape the behavior of a rival. At the same time, however, other elements of national power available to the rival claimants should be defined as influence elements: tools which can help the country in question influence, coax, or shape the behavior of a rival claimant, but should not necessarily be defined as coercive. Efforts to "buy off" a rival through lucrative economic deals, for example, or entering into joint development arrangements are clearly efforts to influence a rival, but are not necessarily coercive. Similarly, countries engaging in tough negotiations and coalition politics are also attempting to influence the outcomes of international transactions in their favor, but these actions are not necessarily coercive by definition. The approach of this report, then, is to focus on the claimant countries' efforts to influence the behavior of their rivals, either through clearly coercive means, or through other instruments of power meant to shape the behavior of their counterparts.
2. Patrick M. Cronin, "The Challenge of Responding to Maritime Coercion" (Center for New American Security, September 2014), 1.
3. The actions were identified by searches which included the "South China Sea" as the first search term and the individual claimant countries (e.g., China, Vietnam, Malaysia) as the second and by searches that focused on specific cases, including the 2012 Scarborough Shoal dispute, the 2005-2008 Joint Marine Seismic Undertaking between China, the Philippines and Vietnam, and the 2012 Philippines case before the International Tribunal on Law of the Sea). Once we collected and counted the individual tactical actions, we assessed the data for patterns of tactical behavior.
4. We divided diplomatic actions into three sub-categories: coalition diplomacy (designated as a "CD" in the table) refers to actions by representatives of one of the claimant states to either form or prevent coalitions from being formed by rival claimants in diplomatic settings such as the ASEAN Defense Ministerial Meeting Plus. Negotiation actions (designated as "N" in the table) refer to actions in which the claimants attempt to advance or protect their territorial claims by either seeking to resolve the dispute through a negotiation/bargaining process or conversely by stalling or obstructing the resolution of the dispute diplomatically. Dispute Management (designated as "DM" in the table) are actions by the claimant to lower tensions and infuse stability in a tense security situation. They are manifested in recommendations for confidence building measures and calls for codes of conduct.
5. The categories and tactics were developed based on interviews with South China Sea experts and representatives from the claimant countries and surveys of the academic literature.
6. The data collection for this analysis was concluded in 2013. Since that time the claimants have undertaken a number of actions which were not collected or analyzed in the NDU data base. These include recent attempts at land reclamation, commercial development of occupied land features and of course, the spring 2014 confrontation between China and Vietnam when China placed an oil rig within Vietnam's EEZ and surrounded it with law enforcement and naval vessels. These activities will be fully collected and assessed in later NDU efforts to analyze the claimant tactics in the South China Sea.
7. Military (M) or paramilitary (PM) actions involve the following tactics: (1) use of lethal force against a rival in a disputed area; (2) movement of a unit into a disputed area; (3) reinforcement of units already present in a disputed area; (4) reaction to the movement of rival unit; and (5) withdrawal of units from a disputed area.
8. The prevalence of China Maritime Surveillance (CMS) ships strongly suggests that this was a deliberate strategy on China's part. In fact, this was verified by one of the author's interviews with the PLA Navy, the State Oceanic Administration, and Chinese scholars with close connections with the Chinese government in Beijing and Shanghai in 2012. During those interviews the interviewees affirmed that the deliberate placement of law enforcement vessels as the "tip of the spear" in maritime territorial defense and enforcement missions was a deliberate strategy. This approach keeps the Chinese vessels lightly armed, thereby carefully controlling escalation. The strategy also pits non-military Chinese units against the militaries or coast guards of China's rivals, which gives China a public relations advantage and eliminates the possibility that the PLA Navy would have a direct confrontation with the U.S. Navy. At the same time, the use of CMS ships granted Beijing a degree of plausible deniability since, Chinese interlocutors asserted, independent provocative actions by a CMS ship captain is more convincing than independent actions by a PLA Navy ship captain.
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(January 2013). Also see “Backgrounder: China’s Stand on South China Sea Disputes” Xinhua, December 15, 2014, <http://news.xinhuanet.com/english/china/2014-12/15c-135855926.htm>.

17. The Taiwan military has 130 coast guard personnel stationed on Taiping Island. Taiping Island also boasts an air field capable of servicing C-130 aircraft and the only island in the Spratly Island group with a port capable of stationing navy surface combatants; in the case of the ROCN, frigates. See Zachary Keck, “Taiwan Holds Largest South China Sea Military Drill Since 2000,” *The Diplomat*, May 7, 2014, <http://the-diplomat.com/2014/05/Taiwan-holds-largest-south-china-sea-militar-drill-since-2000/>.

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19. Taiwan President Ma Ying-jeou has articulated an East China Sea Peace Initiative to advance Taiwan’s interests in the East China Sea.

20. Interviews in 2012 and 2013 with analysts and representatives of the Embassies of several South China Sea claimant states.

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24. For example, China submitted its claims to the United Nations Commission on the Limits of the Continental Shelf in 2009 and submitted a note verbale in response to the joint claim submitted by Malaysia and Vietnam. In most instances, however, Beijing has refused to participate in international legal proceedings related to sovereignty and the South China Sea.

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27. Carlyle Thayer, “New Commitment to a code of conduct in the South China Sea?” (National Bureau of Asian Research, October 9, 2013), <http://nbr.org/research/activity.aspx?id=360>.

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Sharon, Chen, and Isabel Reynolds, “Hagel says China’s actions in South China Sea Destabilizing,” *Bloomberg News*, May 31, 2014, <http://www.bloomberg.com/news/2014-05-30/abe-offers-japan-s-support-to-southeast-Asia-on-sea-disputes.html>.

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30. Bonnie Glaser, “A Role for Taiwan in Promoting Peace in the South China Sea,” *Center for Strategic and International Studies website*, April 15, 2014, <http://csis.org/publication/role-taiwan-promoting-peace-south-china-sea>.

31. Interviews with Taiwan Ministry of Defense officials in Washington. The likelihood that Taiwan will actually clarify its position is small. President Ma and the KMT will want to preserve some ambiguity over this question and not abandon larger historical claims. At the same time, Ma’s administration will want to put forward a general statement supporting the role of international law in resolving the dispute.

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