

Chinese Thinking on the South China Sea and the Future of Regional Security

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CHINA'S STRATEGY TOWARD THE SOUTH CHINA SEA, if there is one, is hard to read. On the one hand, Beijing insists on a diplomatic approach of negotiation to the resolution of disputes over sovereignty and maritime rights with other clamant states. On the other hand, in the most recent round of tensions since 2009, Beijing has taken a notably power-centered approach to establishing de facto control over maritime features, raising regional suspicion and even fear of Chinese domination. China's new assertiveness, as reflected in the Scarborough Shoal incident with the Philippines in 2012, in the oil rig incident with Vietnam in 2014, and in industrial-scale land reclamation since 2014, has been at the center of regional tensions.

What exactly is China trying to achieve in the South China Sea? Is it only concerned with protecting its perceived rights from challenges from Southeast Asian claimant states? Or does it have a larger strategic plan for a hegemonic leadership contest with the United States? Indeed, does it have a coherent strategy toward the South China Sea? This article explores these questions from the perspective of China's domestic debates about the South China Sea during the latest round of tensions since 2009. These debates reflect major Chinese thinking behind actual policy and thus can be a useful guide to understanding the nuances of Chinese policy that are

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not always apparent from behavioral indicators. Previous studies have surveyed Chinese debates in limited areas.¹ This article attempts to offer a comprehensive analysis of Chinese debates about the South China Sea across all the most important domains.

Three schools of thought currently dominate Chinese debates. The *pragmatists* want to protect reasonable Chinese sovereignty and maritime rights in the region with limited disruption of regional stability. The *hard-liners* want to maximize these rights and establish Chinese control over the area. The *moderates*, recognizing the need for rights protection, emphasize the importance of securing support from Southeast Asian countries for the overall national task of China's rise. This article compares the key differences among the three camps in terms of their understandings of China's strategic goals in the South China Sea, the U-shaped line, strategic approaches, risk propensity, policy influence, and the intellectual sources of their views. The findings are based on a wide range of Chinese open sources (academic writings, policy reports, and media commentaries) and elite interviews with leading scholars, analysts, and policymakers. These do not include the views of senior leaders in the central leadership, as they are inaccessible to most researchers. But the elite views from experts and working-level officials examined here are valuable and indicative enough of the range of Chinese perspectives. I offer the typology of pragmatists, hard-liners, and moderates as a notional exercise, as it may need further examination through more documentary sources and elite interviews.

Studying Chinese debates is necessary because only by grasping Chinese thinking will the outside world be able to appreciate the logic—sometimes counterintuitive and even unique—behind Chinese policy, and only by appreciating this logic will relevant countries be able to formulate targeted and effective responses. The debates suggest that China has not developed a distinct or coherent strategy toward the South China Sea. Instead, diverse actors and interest groups as represented by the three camps are trying to impose their particular understanding of China's positions and roles in the South China Sea. China's claims have not completely hardened and its strategy not yet coherently formulated because various political actors are still trying to develop China's national interests and strategic approaches in the region. The future of Chinese policy will depend on the outcome of the debates

¹See, for example, Lyle Goldstein, "Chinese Naval Strategy in the South China Sea: An Abundance of Noise and Smoke, but Little Fire," *Contemporary Southeast Asia* 33 (December 2011): 320–347. This article surveys China's naval literature.

among these actors. These debates, in turn, will be affected by the strategic interactions between China and other countries involved in the South China Sea.

This article begins by describing the historical policy background to the debates during the latest round of tensions since 2009. The next three sections analyze in detail the positions of the pragmatists, hard-liners, and moderates. These positions are organized into six categories: strategic goals, U-shaped line, strategic means, risk propensity, intellectual foundations, and policy influence. The concluding section suggests implications of this research for understanding the nature of Chinese policy and its possible future evolutions.

SETTING THE STAGE

From a Chinese perspective, no dispute existed over Chinese sovereignty and maritime rights in the South China Sea until the 1970s, when Southeast Asian countries became aware of potentially vast reserves of energy resources in the area. The Republic of China (ROC) government drew an official map with a U-shaped line (also known as the “dash line” or “dotted line”) encompassing most of the South China Sea in 1947 and publicly released it in the following year. This line became the basis of the claims of both the ROC government and the People’s Republic of China (PRC) government after the latter’s founding in 1949.² For several decades after its publication, no country formally contested it. It was only after May 2009, when the PRC attached the U-shaped line map to two notes verbales it submitted to the United Nations (UN) in response to the submissions by Vietnam and Malaysia (jointly) and Vietnam (individually) to the UN Commission on the Limits of the Continental Shelf, that the line became a major controversy in the South China Sea disputes.³

The ROC government in Taiwan has occupied Taiping Island (Itu Aba)—the largest naturally formed feature in the Spratly Islands of the South China Sea—since 1956. The PRC gained full control over the Paracel Islands through a naval battle with South Vietnamese forces in 1974. But it was not until 1988 and again through a naval conflict with Vietnam that the PRC occupied six reefs in the Spratly Islands. In 1994,

²See Chris P.C. Chung, “Drawing the U-Shaped Line: China’s Claims in the South China Sea, 1946–1974,” *Modern China* 42 (January 2016): 38–72. For a recent history of the South China Sea disputes, see Bill Hayton, *The South China Sea: The Struggle for Power in Asia* (New Haven, CT: Yale University Press, 2014).

³Alice D. Ba, “Staking Claims and Making Waves in the South China Sea: How Troubled Are the Waters?,” *Contemporary Southeast Asia* 33 (December 2011): 269–291, at 272.

China took control of Mischief Reef located within the Exclusive Economic Zone (EEZ) of the Philippines.⁴ This action alarmed Southeast Asian nations and led to the negotiation of a set of rules between Association of Southeast Asian Nations (ASEAN) countries and China to govern the disputes. The result was the Declaration on the Conduct of Parties (DOC) in the South China Sea, which was signed by China and 10 ASEAN members in 2002. The DOC stipulated that all claimant states should “undertake to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability.”⁵

From a Chinese perspective, however, it was precisely during the decade after the signing of the DOC that Southeast Asian claimant states breached the spirit of the document by complicating and escalating disputes. Fu Ying (a high-profile former vice foreign minister in charge of Asia policy from 2009 to 2013) and Wu Shicun (an influential South China Sea expert) offer the best summary of Chinese thinking:

In nearly ten years after the introduction of the DOC, China was the only keen abider of the document. It refrained from taking actions that might escalate the dispute in the South China Sea, and kept pushing for peace and cooperation and joint development in disputed areas. By contrast, Vietnam, Malaysia, the Philippines and some other ASEAN countries were half-hearted about the DOC. They kept on transforming and expanding occupied islands, reinforcing their administrative management of them, and accelerated the development of oil and gas in surrounding waters. They also made occasional arrests of Chinese fishermen working in these waters. One common efforts [*sic*] of these countries is to solidify their illegal occupation and extend the territorial dispute to the maritime sphere. What they were trying to do was more of denying the existence of the disputes than shelving them. This continuously enraged the Chinese public and media, eliciting sustained attention.⁶

⁴M. Taylor Fravel, “China’s Strategy in the South China Sea,” *Contemporary Southeast Asia* 33 (December 2011): 292–319, at 298.

⁵Foreign Ministers of ASEAN and the People’s Republic of China, “2002 Declaration on the Conduct of Parties in the South China Sea,” 4 November 2002, accessed at <https://cil.nus.edu.sg/rp/pdf/2002%20Declaration%20on%20the%20Conduct%20of%20Parties%20in%20the%20South%20China%20Sea-pdf.pdf>, 26 September 2016.

⁶Fu Ying and Wu Shicun, “South China Sea: How We Got to This Stage,” *The National Interest*, 23 May 2016, accessed at <http://nationalinterest.org/print/feature/south-china-sea-how-we-got-stage-16118>, 12 December 2016. On the competition between China and Southeast Asian claimant states over oil, gas, and fisheries resources, see also Leszek Buszynski, “The South China Sea: Oil, Maritime Claims, and U.S.-China Strategic Rivalry,” *Washington Quarterly* 35 (Spring 2012): 139–156.

This view is so commonplace and widely shared inside China that it has become a conventional wisdom with almost no dissenters.⁷ Logically, it implies that China's self-restraint, embodied in its adherence to the DOC and its proposal of "shelving disputes to pursue joint development," was far too generous to Southeast Asian claimant states and in fact counter-productive to China's own interests. In other words, Chinese officials and analysts believe that China was unusually magnanimous in the 2000s, in effect adopting the South China Sea equivalent of Deng Xiaoping's "keeping a low profile" doctrine to support the grand strategy of "peaceful rise."⁸ But not only have these countries failed to reciprocate this magnanimity, they have instead increased their challenges to China. Such challenges have damaged Chinese interests, endangered regional stability, and deepened Chinese grievances and mistrust of these countries.

In this view, China was a responsible power in maintaining the peace and stability of the South China Sea. This is especially true because, as the de facto victim of Southeast Asian claimant states' "infringement" on Chinese interests over the past several decades, an increasingly powerful China had opted for restraint through dialogue and negotiation rather than occupation through force and coercion.⁹ But the evolving trends in the South China Sea after 2009, especially the continued provocation of Southeast Asian states and the prominent intervention of the United States, raised serious doubts about the efficacy of China's South China Sea policy. The Barack Obama administration's "pivot" or "rebalance" to Asia inflated Chinese suspicions about a U.S. strategic attempt to keep China down in maritime disputes, thus exacerbating Chinese anxieties and aggravating its sense of insecurity.

⁷See, for example, Wang Linggui, "Nanhai wenti zhong shige burong gaibian de jiben shishi" [Ten facts that cannot be changed in the South China Sea issue], *Taipingyang Xuebao* [Pacific Journal] 24 (2016): 47–50; Li Guoqiang, "Guanyu nanhai wenti de ruogan lilun sikao" [Some theoretical thinking on the South China Sea issue], *Waijiao pinglun* [Foreign Affairs Review], no. 4 (2012): 1–9; Zhang Jie, "Huangyan dao moshi yu zhongguo haiyang weiquan zhengce de zhuanxiang" [The Scarborough Shoal model and the transition of China's policy of maritime rights protection], *Dongnanya yanjiu* [Southeast Asian Studies], no. 4 (2013): 25–31; Zhou Shixin, "Guanyu 'nanhai xingwei zhunze' cuoshang qianjing de fenxi" [The prospect of South China Sea Code of Conduct negotiation], *Taipingyang xuebao* 23 (March 2015): 21–30; Yan Zhe and Yang Guanghai, "Nanhai yan'anguo zai haiyu huajie qian ying chengdan de xianghu kezhi yiwu" [The obligation of mutual restraint of South China Sea littoral states before maritime delimitation], *Taipingyang xuebao* 22 (July 2014): 1–8; and Wu Lin, "Nanhai weiji yu diqu shiye xia de yufangxing wajiao: jian lun zhongguo de zhanlue xuanze" [South China Sea crisis and preventive diplomacy from a regional perspective: China's strategic choice], *Waijiao pinglun*, no. 4 (2015): 45–60.

⁸For China's international strategy background, see Yan Xuetong, "From Keeping a Low Profile to Striving for Achievement," *Chinese Journal of International Politics* 7 (Summer 2014): 153–184; and Feng Zhang, "Rethinking China's Grand Strategy: Beijing's Evolving National Interests and Strategic Ideas in the Reform Era," *International Politics* 49 (May 2012): 318–345.

⁹Su Hao, "Zhongguo shi wei hu nanzhongguohai heping wending de fuzeren daguo" [China is a responsible great power for maintaining the peace and stability of the South China Sea], *Taipingyang Xuebao* 24 (2016): 44–47.

Chinese officials and analysts alike insist that the rebalance strategy, by giving the United States an active and increasingly military role in the South China Sea in support of Southeast Asian claimant states, heightened regional tensions.¹⁰ In this kind of deteriorating environment, Fu and Wu observe, China's policy of restraint was approaching its brink.¹¹ New thinking and new policies for effectively safeguarding Chinese interests were urgently called for. The stage thus was set for the most consequential Chinese debate about the South China Sea since the founding of the PRC.

THE PRAGMATISTS

Strategic Goals

Fu Ying argues that China still “highly values the maintenance of a stable and peaceful external environment.” Yet she also affirms that “China is determined to protect its own interests and would respond firmly to provocations, encroachments on its territorial sovereignty, or threats to its rights and interests.”¹² Her views capture China's two competing goals in the South China Sea: maintaining regional stability and protecting China's sovereignty and maritime rights, especially rights to exploit hydrocarbon and fisheries resources.

This relationship is more elegantly expressed as one between *weiwen* (maintaining stability) and *weiquan* (protecting rights). While these two foreign policy goals are not necessarily contradictory or incompatible, they have great potential to conflict. When Chinese assertiveness raises regional tensions and damages relations with neighboring states, the goal of protecting Chinese rights is achieved at the expense of regional stability. Conversely, when China exercises too much self-restraint or makes gratuitous concessions in negotiations over territorial disputes for the sake of maintaining good relationships with its neighbors, the goal of preserving regional stability may come at the cost of sacrificing its rights.

The debate about the tension between *weiwen* and *weiquan* rose significantly after 2009, when tempers in the South China Sea flared. A major

¹⁰Fu Ying, “Disorder or the Reconstruction of Order?,” *Straits Times*, 28 July 2016, accessed at <http://www.straitstimes.com/opinion/disorder-or-the-reconstruction-of-order>, 17 March 2017; and Xu Bu, “Mei ‘zai-pingheng zhanlüe shi dao zhi nanhai jin zhang zhong yao yu anyin’ [U.S. rebalance strategy is an important cause of South China Sea tensions],” *Lianhe zaobao*, 7 May 2016, accessed at <http://www.zaobao.com.sg/forum/views/opinion/story20160507-614157>, 17 March 2017. At the time of his writing, Xu was China's ambassador to ASEAN. See also Feng Zhang, “Challenge Accepted: China's Response to the U.S. Rebalance to the Asia-Pacific,” *Security Challenges* 12 (November 2016): 45–60.

¹¹Fu and Wu, “South China Sea.”

¹²Fu Ying, “How China Sees Russia,” *Foreign Affairs* 95 (January/February 2016): 96–105, at 103.

consensus among many analysts is that China's maritime policy needs to shift from a "stability first" approach to a "rights first" approach. For the pragmatists, however, a "rights first" approach does not mean a complete disregard of the importance of achieving regional stability. They assign priority to protecting rights but recognize that stability should also be maintained to the extent possible within an overall policy framework of rights protection. But regional stability is no longer regarded as the top foreign policy interest, and certainly not one that should be achieved at the expense of legitimate rights. On the contrary, the pragmatists are prepared to sacrifice a degree of regional stability for the sake of safeguarding maritime rights.¹³

For the pragmatists, then, China's major policy goal in the South China Sea is to protect and enhance its sovereignty and maritime rights without excessively jeopardizing regional stability. China should not try to realize its claimed rights in full if doing so would cause conflict with Southeast Asian claimant states and possibly also the United States, thus reducing regional stability to a perilous degree that China would be unable to manage. Nor should the maximization of power be the goal. Rather, power should be seen as a means to achieve rights protection, not as an end in itself.

The U-Shaped Line

It is difficult for the pragmatists to specify what kind of rights China must defend and what kind of rights may be beyond China's reach. A degree of ambiguity thus exists in the pragmatists' definition of China's interests in the South China Sea. This has affected their views of the U-shaped line map of China's claims to the South China Sea. The pragmatists broadly subscribe to the view that the line is both a historic rights line and an islands attribution line. This is also the dominant view among some of China's most respected and influential legal experts and historians. Gao Zhiguo, a Chinese judge in the International Tribunal for the Law of the Sea since 2008 and the executive director of the China Institute for Marine Affairs at the State Oceanic Administration from 1999 to 2016, argues in a coauthored article that

[T]he nine-dash line, after sixty years of evolution, has become synonymous with a claim of sovereignty over the island groups that always belonged to China and with an additional Chinese claim of historical

¹³Zhou Fangyin, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92 (July 2016): 869–890, at 875.

rights of fishing, navigation, and other marine activities (including the exploration and exploitation of resources, mineral or otherwise) on the islands and in the adjacent waters. The lines may also have a residual function as potential maritime delimitation boundaries.¹⁴

Justifying China's historic rights within the U-shaped line, however, is inherently complex and difficult. For some pragmatists, the U-shaped line has become a burden—rather than an advantage—to China's rights protection in the South China Sea, as the pressure to explain and clarify it is a drain on diplomatic resources. It would be in China's interest—as well as in the interest of other countries involved—to decenter the line in South China Sea discussions. The pragmatists believe that China should defend necessary and reasonable rights in the South China Sea, not a maximalist conception of its rights based on the U-shaped line. For this very reason, they would actually support a policy based on reasonable ambiguity to preserve space for diplomatic negotiation and strategic maneuvering rather than one based on absolute clarity that could forestall future options.

Strategic Means

Because the pragmatists assign priority to rights protection over stability maintenance, they recommend an approach of deterrence-based assertiveness. For them, assertiveness is just a means to achieving the policy goal of rights protection. It is particularly useful for achieving the deterrent aim of preventing Southeast Asian claimant states such as Vietnam and the Philippines from further encroaching on Chinese rights in the South China Sea.

As the preceding section shows, Chinese analysts believe that China's past self-restraint produced the deleterious consequence of enticing these states to increase their demands on China and to strengthen physical control of the relevant maritime features. Such self-restraint was useful for improving China's regional relations and maintaining regional stability, but it reduced China's strategic resolve and sacrificed its rights. A new

¹⁴Zhiguo Gao and Bing Bing Jia, "The Nine-Dash Line in the South China Sea: History, Status, and Implications," *American Journal of International Law* 107 (January 2013): 98–124, at 108. For similar expositions of the U-shaped line from influential scholars, see Li, "Guanyu nanshai wenti de ruogan lilun sikao"; Jia Yu, "Nanshai wenti de guoji falü" [The international law of the South China Sea issue], *Zhongguo faxue* [Chinese Law Studies], no. 6 (2012): 26–35; Jia Yu, "Nanshai 'duanxuxian' de falü diwei" [The legal status of the South China Sea "dotted line"], *Zhongguo bianjiang shidi yanjiu* [China's Borderland History and Geography Studies] 15 (June 2005): 2–10; and Fu Kuen-chen, "Wei hu zhongguo zai nanshai diqu de guojia liyi" [Safeguarding China's national interests in the South China Sea region], *Zhongguo haiyang faxue pinglun* [China Oceans Law Review], no. 1 (2003): 1–11.

approach of deterrence-based assertiveness, the pragmatists argue, is essential to demonstrate Chinese resolve in maritime disputes. It is particularly important for achieving the psychological impact of changing regional states' expectations of Chinese policy. As Zhou Fangyin, an influential thinker of the pragmatist camp, puts it,

China has attempted to establish necessary and reliable deterrence of a kind likely to have only a very limited negative impact on regional stability. What is important for China is not to provoke any physical confrontation with the claimants in question, but to change the expectations of those claimants about how China will behave in a given situation, making sure that they fully understand China's firmness of purpose and resolve to defend its fundamental rights and interests. This can be achieved through adopting an approach that is consistent and reasonable and at the same time firm and assertive.¹⁵

Policy Influence and Assessments

The pragmatists have had significant policy influence since 2009. This was most clearly demonstrated through China's notable new approach to the standoff with the Philippines over the Scarborough Shoal in April to June 2012. The Scarborough Shoal, known as Huangyan Dao in China and Panatag Shoal in the Philippines, is a coral reef located roughly 116 nautical miles from the archipelagic baseline of the Philippine island of Luzon but is considered by China to be part of the Macclesfield Bank, one of its four island groups in the South China Sea. On 10 April 2012, sailors from a Philippine naval frigate boarded several Chinese fishing vessels anchored in the lagoon at the shoal to investigate possible illegal fishing. Two nearby China Maritime Surveillance ships soon arrived after receiving distress signals from the fishermen. A standoff ensued that, at its peak, involved dozens of vessels. It was finally resolved when Chinese ships took control of the area after the Philippines vessels withdrew.¹⁶

The Chinese approach to this incident was not one of self-restraint. It was a clear example of a remarkable new assertiveness in safeguarding Chinese rights in the South China Sea. The determination to confront the Philippines at sea and the decision to eventually take control of the shoal demonstrated sufficient Chinese resolve, backed up by impressive new maritime capabilities, to establish credible deterrence against Manila's

¹⁵Zhou, "Between Assertiveness and Self-Restraint," 877.

¹⁶See International Crisis Group, "Stirring up the South China Sea (III): A Fleeting Opportunity for Calm" (Brussels: International Crisis Group, 2015).

attempts to challenge Chinese interests. Chinese policymaker may well have thought that, recognizing such resolve from a newly assertive China, regional states may balk at challenging China directly and return to the negotiation table on terms favorable to China.

In fact, the pragmatists have now hailed Beijing for establishing a “Scarborough Shoal model” in addressing maritime disputes. It is a strategy of deterrence based on China’s growing material power but acquires a nonmilitary character as Beijing prefers to use law enforcement and paramilitary units rather than regular military forces to enforce its claims. Such deterrence without the actual use of military force is useful for keeping tensions and confrontations within limits and preventing them from spiraling out of control.¹⁷

The Scarborough Shoal incident appears to be a vindication of the pragmatists’ deterrence-centered approach to managing South China Sea tensions. But their influence on China’s two other major policies—the oil rig incident with Vietnam and island building in the Spratly Islands since late 2013 was less clear. In fact, their attitudes toward these decisions ranged from critical to ambivalent. In May 2014, Beijing deployed *Haiyang Shiyou 981*—China’s first indigenous deepwater drilling rig developed by the China National Offshore Oil Corporation—in waters around the Paracel Islands of the South China Sea. Vietnam considered the area to be within its EEZ. The deployment thus triggered intense and at times violent confrontations and collisions between dozens of Chinese and Vietnamese law enforcement vessels. The confrontation at sea fueled large-scale anti-Chinese protests across Vietnam, which escalated into deadly riots in mid-May. The two-month-long crisis finally abated when China removed the rig in July one month ahead of its announced schedule.¹⁸

Many pragmatists regard Beijing’s deployment of the oil rig as a mistake. In contrast to the Scarborough Shoal incident, in which China managed to seize control of the shoal, Beijing did not seem to have made any practical gains from the oil rig deployment. Two wells were dug during the operation, but they were not large enough to produce a stable oil supply, and there is no indication when, if ever, the rig will return to the area to resume operations.¹⁹ But the diplomatic costs to China were considerable, including a broken relationship with Vietnam, increasing

¹⁷Zhang, “Huangyan dao moshi”; Zeng Yong, “Cong ‘huangyandao moshi’ kan zhongguo nanhai zhengce zouxiang” [China’s South China Sea policy evolution from the perspective of the ‘Scarborough Shoal model’], *Shijie jingji yu zhengzhi luntan* [Forum of World Economics & Politics], no. 5 (September 2014): 127–144.

¹⁸See International Crisis Group, “Stirring up the South China Sea (III).”

¹⁹Author interview with a senior policymaker in Beijing, November 2015.

strategic distrust from ASEAN, criticisms from the U.S. government and Congress, and a damaged international image.

The pragmatists' views about China's industrial-scale land reclamation and island-building activities in the Spratly Islands are more cautious. In late 2013, Beijing decided to pursue unprecedented building projects on seven Spratly reefs under its control. According to Admiral Harry Harris, commander of the U.S. Pacific Command, China reclaimed 3,000 acres of former reefs in 18 months.²⁰ By 2016, all seven reefs had been turned into islets. In particular, Beijing has expanded Mischief Reef, Subi Reef, and Fiery Cross Reef to 5.6 square kilometers, 4 square kilometers, and 2.6 square kilometers, respectively, making them the largest islands in the South China Sea. Moreover, each of these three islands is equipped with an airstrip over 3 kilometers in length, capable of handling both civilian and military aircrafts.²¹

The pragmatists acknowledge that the speed and scale of China's island building are producing suspicion and even fear among countries in the region. But they are generally supportive of the project for several reasons. First, before the *Philippines v. China* arbitration ruling in July 2016, which clarified the status of several of the reefs being built as within the Philippines' EEZ,²² international law did not prohibit China from building over maritime features under its control. Second, a common Chinese view is that China is simply following the reclamation and building activities that Southeast Asian claimant states such as Vietnam, the Philippines, and Malaysia have been undertaking since the 1970s. Third, island building of this magnitude is interpreted as a demonstration of China's resolve, and therefore it is similar to and a continuation of its rights protection activities following the Scarborough Shoal incident. Fourth, and more interestingly, the pragmatists argue that building over features already under its control may mean that China has no intention, at least for now, of seeking control of additional features currently occupied by other countries through coercion. In this sense, it is actually a demonstration of the limited nature of China's strategic aim in the South China Sea.²³

²⁰John Grady, "PACOM CO Harris: More U.S. South China Sea Freedom of Navigation Missions Are Coming," *USNI News*, 27 January 2016, accessed at <https://news.usni.org/2016/01/27/pacom-co-harris-more-u-s-south-china-sea-freedom-of-navigation-missions-are-coming>, 23 September 2016.

²¹U.S. Department of Defense, *Military and Security Developments Involving the People's Republic of China 2016* (Washington, DC: Office of the Secretary of Defense, 2016), 13–20.

²²For the ruling, see Judge Thomas A. Mensah et al., *The South China Sea Arbitration Award*, 12 July 2016, The Hague, accessed at <https://pca-cpa.org/wp-content/uploads/sites/175/2016/07/PH-CN-20160712-Award.pdf>, 12 July 2016.

²³Author interview with a leading scholar in Guangzhou, May 2015.

Through its massive reclamation and building activities, China has significantly strengthened its physical presence and control over the Spratly portion of the South China Sea. The pragmatists welcome this outcome. At a minimum, such an enhanced presence will greatly facilitate China's attempts to better protect its perceived interests in the region. But the pragmatists are cautious about what China might do with the islands in the future. As ever, the pragmatists are sensitive to the balance between the primary goal of protecting rights, on the one hand, and the secondary goal of maintaining a degree of regional stability, on the other hand. If China pushes for significant militarization of the islands in an attempt to use them as new bases for maximizing its control and even establishing military dominance over the South China Sea, they fear, the balance between protecting rights and maintaining stability may be destroyed and regional tensions may spiral out of control, to the detriment of China and every other country in the region. That is a situation that they do not want to see. Thus, Wu Shicun argues that if the United States can restrain its military operations (including intelligence collection) near Chinese-controlled islands, China should respect freedom of navigation in accordance with international law, avoid excessive militarization of the islands, and temporarily refrain from announcing an Air Defense Identification Zone for the South China Sea.²⁴

As for the U-shaped line, although China has yet to achieve a national consensus on the definition of the line, two of the pragmatists' views are gaining increasing currency in official circles. One is that China should decenter the line in diplomatic discussion with other countries, as the need to clarify it is only going to complicate matters and escalate tensions. Thus, since the attachment of the U-shaped line map to the two notes verbales submitted to the UN in 2009, Beijing has not publicly used the line to support its claims. Nevertheless, the nature of the line in relation to China's claims will need to be clarified in the future, even if only gradually. Several leading scholars interviewed for this article—including legal experts and foreign policy specialists—believe that their view of the U-shaped line as both an islands attribution line and a historic rights line is being accepted by the government as the most reasonable and advantageous position for China to take.²⁵

²⁴Wu Shicun, "Rang nanshai wenti zaodian huigui benwei" [Let the South China Sea issue return to its origins sooner rather than later], *Global Times*, 23 November 2016, accessed at <http://opinion.huanqiu.com/1152/2016-11/9717126.html>, 16 March 2017.

²⁵Author interview with a leading legal expert in Nanjing, November 2015; author interview with an international relations scholar in Haikou, December 2016.

There is also strong policy evidence for this. In July 2016, immediately after the *Philippines v. China* arbitration ruling, the Chinese government released its latest South China Sea claims. It now claims sovereignty over all South China Sea islands; the internal waters, territorial seas, and contiguous zones based on these islands; any EEZ and continental shelf based on these islands; and historic rights in the South China Sea.²⁶ Although the U-shaped line is not mentioned, these claims reflect an amalgamation of the rights confirmed by the line as both an islands attribution line and a historic rights line. It is in shaping a national definition of the U-shaped line that the pragmatists are going to have a long-term impact on China's policy toward the South China Sea.

Intellectual Foundations

It is tempting to think that the pragmatists' language, including the centrality of such terms as "deterrence" and "resolve," betrays the influence of realism on their thinking. Yet neorealism, the most influential realist theory over the past three decades,²⁷ has great difficulty explaining the pragmatists' thinking. Neorealism assumes security to be the top foreign policy goal of states in an anarchic international environment. But the pragmatists are not overly concerned about China's security in the South China Sea or about the impact of maritime disputes on the territorial security of mainland China. Instead, they are most concerned about enhancing China's sovereignty and maritime rights. For them, the starting point of China's policy is protecting rights rather than enhancing security. This is particularly true in China's disputes with Vietnam and the Philippines. China has faced little security threats from these states but has instead seen them encroach upon its perceived sovereignty and maritime rights.

Nor can power transition theory—another influential realist theory—explain the pragmatists' thinking. This theory holds that a rising power will increasingly contest the leadership of the dominant power as it becomes stronger relative to the dominant power, possibly resulting in war as the capabilities of the two sides approach parity. One may deduce from this theory that the more powerful China grows, the more dissatisfied it will become with the U.S.-led regional order, and the more likely a war or at

²⁶PRC Government, "Zhonghua renmin gongheguo zhengfu guanyu zai nanhai de lingtu zhuquan he haiyang quanyi de shengming" [Statement of the government of the People's Republic of China on China's territorial sovereignty and maritime rights and interests in the South China Sea], 12 July 2016, accessed at <http://www.mfa.gov.cn/nanhai/chn/snhtlewj/t1380021.htm>, 26 September 2016.

²⁷Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979), 126.

least a Cold War–style rivalry between China and the United States will ensue.²⁸

Yet in the South China Sea, the pragmatists are not—nor are the other two camps, the hard-liners and the moderates, as we will see—initially motivated by a leadership contest with the United States in order to establish Chinese dominance in the regional order. The pragmatists are centrally concerned with protecting Chinese rights without much disruption of regional stability. They are not framing the South China Sea as a battleground for an emerging China-U.S. hegemonic contest in the Asia-Pacific.

The real intellectual source of the pragmatists' thinking appears to be a modified version of American rationalism pioneered by Thomas Schelling in the 1960s²⁹ and promoted by a new wave of formal rationalism that began in the 1990s.³⁰ Leading pragmatists have borrowed the key concepts of strategic resolve and deterrence that were the hallmark of American strategic scholarship during the Cold War. They apply these concepts to maritime tensions, against the material background of China's rapidly rising power over the past decade, in the belief that such growing power affords China newly available assertive and even coercive means to obtain favorable outcomes. The contribution of the pragmatists to Chinese strategic thinking toward the South China Sea lies in devising new strategic means based on deterrence-centered assertiveness as a way to leverage China's rising power to advance its interests. But their rationalist use of Chinese power is still more defensively rather than offensively oriented, especially viewed in comparison with the hard-liners.

THE HARD-LINERS

Strategic Goals

The hard-liners are not greatly concerned with the consequences of regional instability. They are instead obsessed with expanding Chinese rights to whatever extent possible, even at the cost of roiling regional tensions. China's South China Sea policy, therefore, is much simpler for them: to defend, enhance, and enforce China's rights while at the same

²⁸A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: University of Chicago Press, 1980); and Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981).

²⁹Thomas C. Schelling, *The Strategy of Conflict* (Cambridge, MA: Harvard University Press, 1960); and Schelling, *Arms and Influence* (New Haven, CT: Yale University Press, 1966).

³⁰James D. Fearon, "Rationalist Explanations for War," *International Organization* 49 (Summer 1995): 379–414; and Fearon, "Bargaining, Enforcement, and International Cooperation," *International Organization* 52 (Spring 1998): 269–305.

time expanding China's power and influence in the region. In fact, they have made the South China Sea into a "core interest."³¹ Admiral Wu Shengli, commander of the Chinese Navy from 2005 to 2017, reportedly told the U.S. chief of naval operations, Admiral John W. Richardson, that the South China Sea was a "core interest" that centered on the "foundation of the party's governance, the country's security and stability, and the Chinese nation's basic interests."³²

The hard-liners' conception of Chinese interests also has a strong military dimension. Indeed, the most vocal hard-liners reside within China's military and law enforcement establishments. From a military perspective, securing and enhancing China's rights in the South China Sea requires establishing a solid foothold in the region in order to carry out military and law enforcement activities. Such a foothold would also be very useful for protecting the South China Sea as a strategic sea line of communication vital for supporting China's economic development and safeguarding its expanding overseas interests.³³

The immediate practical objective that the hard-liners seek is to establish as much control over Chinese-held islands and their surrounding environment as possible. For them, the South China Sea holds special economic and strategic significance both as a vast reserve of natural resources and as a strategic waterway for international commerce. Thus, People's Liberation Army (PLA) Major General Luo Yuan argues that controlling the South China Sea islands will enable China to effectively control this vital maritime region and international shipping routes. China must strive to gain control over every inch of the land and water of the South China Sea.³⁴ Senior Colonel Da Xu, another outspoken hawk in the PLA, asserts that not giving up an inch in sovereignty disputes is not meant to start war but to avoid war and seek peace. China has experienced constant wars in modern history not because it was too strong and tough but because it was too weak and soft.³⁵ Thus,

³¹On the Chinese idea of "core interests," see Michael D. Swaine, "China's Assertive Behavior, Part One: On 'Core Interests,'" *China Leadership Monitor*, no. 34 (Winter 2011): 1–25.

³²Jane Perlez, "Prospect of Philippine Thaw Slows China's Plans in the South China Sea," *New York Times*, 24 September 2016, accessed at http://www.nytimes.com/2016/09/25/world/asia/philippines-south-china-sea.html?_r=0, 27 September 2016.

³³Luo Yuan, *Yingdan gehun: Luo Yan jiangjun lun guofang* [Eagle's courage and dove's spirit: General Luo Yuan on national defense] (Beijing: Zhongguo youyi chubanshe, 2015), 8. Major General Luo is a well-known hawkish voice from the People's Liberation Army.

³⁴*Ibid.*, 13–15.

³⁵Dai Xu, *C xing baoweiquan—nei you wai huan xia de zhongguo tuwei* [The C-shaped encirclement: China's breakthrough of internal trouble and external threats] (Shanghai: Wenhui chubanshe, 2010), 285.

“peace through strength” appears to be the hard-liners’ vision of China’s international strategy.³⁶

Whether the hard-liners also seek to dominate the South China Sea militarily and thus push the United States out of the region by maximizing Chinese power is less clear. Military planners now prefer a naval strategy of “near-sea defense and far-sea rights protection.” They may well think that, as yet, China lacks the capability to achieve military dominance and deny the United States access to the South China Sea. They thus have a more limited goal of expanding China’s security perimeter and strategic frontier.³⁷ Meanwhile, they aim to achieve the operational objective of holding American power projection capabilities at risk by developing what has been described by the U.S. Department of Defense as A2/AD (anti-access/area denial) capabilities.³⁸ The South China Sea may also be useful in providing a more secure operational theater for China’s emerging nuclear-powered, ballistic missile-carrying submarine (SSBN) force than the current Hainan Island base. A secure space for the SSBN force would be important for ensuring the reliability and effectiveness of China’s nuclear retaliatory capability.

The U-Shaped Line

Many hard-liners prefer a maximalist conception of the U-shaped line as a national boundary line, making 85 percent of the South China Sea enclosed by the line China’s internal waters under its exclusive sovereign control and jurisdiction. This interpretation has received some support from academic researchers. Perhaps the most well known is the argument of Wang Ying, a prominent marine geomorphologist based at Nanjing University. Wang argues that when it was drawn in 1946–1948, the U-shaped line was meant to be a seaward extension of China’s land border. The line was thus originally conceived of as China’s “maritime frontier line” (*haijiang guojie xian*) in the South China Sea. It is a maritime national boundary line (*guojie xian*) between China’s island groups and regional states bordering the South China Sea, effectively distinguishing between China’s maritime

³⁶The similarity to American hard-liners in the Republican Party is striking. See Alexander Gray and Peter Navarro, “Donald Trump’s Peace through Strength Vision for the Asia-Pacific,” *Foreign Policy*, 7 November 2016, accessed at <http://foreignpolicy.com/2016/11/07/donald-trumps-peace-through-strength-vision-for-the-asia-pacific/>, 15 December 2016.

³⁷Luo, *Yingdan gehun*, 133.

³⁸According to the Pentagon, anti-access refers to “those actions and capabilities, usually long-range, designed to prevent an opposing force from entering an operational area.” Area denial refers to “those actions and capabilities, usually of shorter range, designed not to keep an opposing force out, but to limit its freedom of action within the operational area.” U.S. Department of Defense, *Joint Operational Access Concept (JOAC)* (Washington, DC: Department of Defense, 2012), i.

frontier and those of other countries.³⁹ Wang and her associates emphasize the importance of territorial resources in the South China Sea and point out that even submerged features hold implications for maritime demarcation and resource distribution. They therefore recommend that China conduct thorough scientific surveys of maritime features in the South China Sea to prepare for future migration into the area and incorporating it into the national defense system.⁴⁰ The argument that the U-shaped line is a national boundary line and that China should not give up an inch of the land territory within the line has provided a powerful intellectual ammunition for hard-liners.

Strategic Means

The hard-liners hope to realize the full range of Chinese rights in the South China Sea by establishing greater control over the region. But they are not so rash as to advocate a strategy of military aggression to occupy those islands and reefs currently under the control of other countries. They may think that China will be able to prevail in such wars and restore regional stability under the shadow of Chinese primacy. But the costs will be horrendous, and it would completely destroy the image of China as a “peace-loving” country that has been strongly promoted by the government throughout the reform period (1978 to the present).⁴¹

Partly because of the moral constraint of Chinese pacifism, the hard-liners favor a strategy of opportunistic assertiveness rather than outright assertiveness or aggression. Not wanting China to be seen as the aggressor, they prefer to wait for regional claimant states to make “mistakes” that China can then exploit with a forceful response, including occupying features under other countries’ control.⁴² As Luo warned the Philippines at the height of the tension around 2012: “We are waiting for you to make mistakes. If you make mistakes, we will definitely take the opportunity and act resolutely.”⁴³ Dai asserts that gradually releasing the energy of war

³⁹Wang Ying, Ge Chendong, and Zou Xinqing, “Lunzheng nanhai haijiang guojie xian” [On maritime national boundary line in the South China Sea], *Haiyang xuebao* [Acta Oceanologica Sinica] 36 (October 2014): 1–11; and Tang Meng, Ma Jinsong, Wang Ying, and Xia Fei, “1947 nian zhongguo nanhai duanxuxian jingzhun huading de dixing yiju” [Spatial demarcation principles of the 1947 dotted line in the South China Sea], *Dili xuebao* [Acta Geographica Sinica] 71 (June 2016): 914–927.

⁴⁰Wang Ying and Ma Jinsong, “Nanhai haidi tezheng, ziyuan quwei yu jiangjie duanxuxian” [Characteristics of submarine geomorphology, natural resources distribution, and boundary dotted line of the South China Sea], *Nanjing daxue xuebao (ziran kexue)* [Journal of Nanjing University (Natural Science)] 39 (2003): 797–805.

⁴¹See Feng Zhang, “The Rise of Chinese Exceptionalism in International Relations,” *European Journal of International Relations* 19 (June 2013): 305–328.

⁴²Author interview with an influential hard-liner, Beijing, September 2016.

⁴³Luo, *Yingdan gehun*, 134.

through small-scale disputes and conflicts is the most effective way to avoid greater tragedy. The courage and ability to confront conflicts, according to him, is the basic mind-set and criterion of a mature great power.⁴⁴

It is important to appreciate the difference between the pragmatists' strategy of deterrence-based assertiveness and the hard-liners' strategy of opportunistic assertiveness. The pragmatists' strategy of deterrence-based assertiveness is defensive in orientation, even though it may be coercive in conduct. By creating credible deterrence against Southeast Asian claimant states, it is meant to prevent the further loss of Chinese interests. Because it is defensive and geared toward loss prevention, the strategy is unlikely to lead to military conflict as long as all sides can exercise a degree of self-restraint. In contrast, the hard-liners' strategy of opportunistic assertiveness is offensive in orientation, aimed at gaining greater control over the islands and waters of the South China Sea. They make no firm commitment to self-restraint. And if other claimant states are restrained, that is only going to delay, rather than remove, the hard-liners' attempts to realize the full range of Chinese rights in the South China Sea.

Risk Propensity

The hard-liners recognize that the costs associated with their strategy are potentially enormous. China's military occupation of the Vietnam- or Philippines-held islands in the Spratly chain may very well trigger a regional coalition led by the United States in opposition to China, if not a regional war at the outset. It may also destroy progress in political confidence building and economic cooperation that the East Asian region has made over the past several decades. But the hard-liners believe that these costs will be transitory and bearable. They aver that even the very costly and negative international reactions to the Tiananmen Square crackdown of 4 June 1989 failed to bring China any long-term harm. China should be prepared to accept certain costs to make its rise a true success, they believe, and regional states will have to accept China's rise as a geopolitical fact and eventually come to terms with a powerful China.⁴⁵

The hard-liners thus have a low sensitivity to costs and a high tolerance for instability. They also have a very low regard of and receptivity toward other countries' views and concerns. Entirely self-centered, they wish only to maximize China's self-interest, regardless of any anxieties and fears of the outside world. Their strategy of opportunistic assertiveness has a

⁴⁴Dai, *C xing baoweiquan*, 290.

⁴⁵Author interview with an influential hard-liner, Beijing, September 2016.

palpable military dimension, and in peacetime, they will not refrain from using coercive diplomacy to force other countries' compliance with Chinese demands. Their ultimate aim is to compel regional states to accept Chinese claims in the South China Sea and the regional order that will emerge from the realization of these claims.

Policy Influence and Assessments

The greatest policy influence the hard-liners have had is over China's island building in the Spratly Islands. Like the pragmatists, the hard-liners also give kudos to China's forceful approach in the 2012 Scarborough Shoal incident. But they do not think it nearly enough for establishing a foothold in the South China Sea. Although Beijing has taken de facto control of the shoal, that control comes in the form of maritime patrol by coast guard vessels rather than the stationing of Chinese personnel and facilities on the shoal. Not surprisingly, military leaders proposed land reclamation as a means by which China could establish a permanent foothold in the South China Sea. Delighted by President Xi Jinping's approval, they executed the reclamation and building project with exceptional scale and speed.⁴⁶

By 2009 at the latest, senior navy officers began to intensify their calls for building airports and seaports in the Spratly Islands to demonstrate Chinese sovereignty and enforce control.⁴⁷ Civilian analysts have joined their military colleagues to make the case for land reclamation and island building since the mid-2000s.⁴⁸ Rejected by the cautious Hu Jintao, they have found a sympathetic ear in President Xi, who assumed power in late 2012. Although Xi pledged not to militarize the Spratly Islands during his visit to Washington in September 2015,⁴⁹ the hard-liners cannot but see militarization as a key *raison d'être* of the building activities. For them, it is only a matter of time before China develops these islands into fully fledged bases ready for military action. Thus, Dai argues that building large-scale bases, deploying combat platforms, and using the vast maritime frontier as a training field will not only protect the economic development of the South China Sea but

⁴⁶Author interview with a scholar privy to the policymaking process, Beijing, September 2016. See also Perlez, "Prospect of Philippine Thaw."

⁴⁷Buszynski, "The South China Sea," 146.

⁴⁸Author interview with a leading scholar, Beijing, September 2016.

⁴⁹White House, "Remarks by President Obama and President Xi of the People's Republic of China in Joint Press Conference," 25 September 2015, accessed at <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>, 27 September 2016.

also substantially facilitate the modernization of the PLA.⁵⁰ At the same time, Chinese planners recognize the limits and vulnerability of the islands as military bases. Yin Zhuo, another well-known PLA major general who often appears on popular media, reveals that integrating its Air Force, Navy, and Rocket Force units, China is building a joint combat system in the South China Sea to protect those islands. Once protected, the islands will then be able to enhance Chinese security in the region by hosting combat aircraft and surface-to-air and anti-ship cruise missiles.⁵¹

The hard-liners' maximalist conception of the U-shaped line has failed to gain traction in top-level policymaking. As mentioned earlier, the Chinese government released its latest South China Sea claims in July 2016. It now claims sovereignty over all South China Sea islands; internal waters, territorial seas, and contiguous zones based on these islands; any EEZ and continental shelf based on these islands; and historic rights in the South China Sea.⁵² On the face of it, these claims are very comprehensive and expansive. In substance, however, they are contradictory to the interpretation of the U-shaped line as China's national boundary line. If Beijing intends the line to be a maritime boundary line, it may simply declare all the waters enclosed by the line as China's internal waters, without the need to mention or define additional maritime rights such as the EEZ. Moreover, Chinese practices also run counter to a national-boundary-line understanding. In June 1996, China promulgated straight baselines drawn around the Paracel Islands, a move inexplicable from a national-boundary-line perspective. In fact, China has never enforced its domestic law in the waters within the U-shaped line as if they were part of internal waters.⁵³

Intellectual Foundations

Are the hard-liners informed by Western-style realism? Unlike the pragmatists, hard-liners from the military are indeed concerned about China's security in the South China Sea or about the impact of maritime disputes on the territorial security of mainland China. In the important example of

⁵⁰Dai, *C xing baoweiquan*, 291.

⁵¹Yin Zhuo, "Wo haijun zuozhan liliang zengqiang, yu haiyang liyi xuqiu reng you chaju" [Our sea-based combat capabilities strengthened, gaps with needs of maritime interests remain], *Yangguang junshi* [China National Radio Military Channel], 3 March 2017, accessed at http://health.cnr.cn/jkgdxw/20170303/t20170303_523634569_1.shtml, 16 March 2017.

⁵²PRC Government, "Zhonghua renmin gongheguo zhengfu guanyu zai nanhai de lingtu zhuquan he haiyang quanyi de shengming."

⁵³Gao and Jia, "The Nine-Dash Line in the South China Sea," 109.

island building, seeking security was an important motive, but so was protecting rights. The hard-liners try to maximize China's rights, and it is natural for them to exploit the military utility of enhanced island control to increase China's military power. In this sense, they are not defensive realists who would pursue cooperative security strategies for peace.⁵⁴ But it is also hard to square their thinking with offensive realism.⁵⁵ In their strategy of opportunistic assertiveness, maritime rights appear to be a goal as important as military security. As a motive, the maximization of Chinese rights takes precedence over the maximization of Chinese power.

Nor are the hard-liners acting in accordance with power transition theory by seeking a leadership contest with the United States. They have a desire to expand China's security perimeter at the cost of U.S. military dominance. But that expansion is based on what they perceive to be China's sovereignty and maritime rights in the South China Sea. From this perspective, the expansion of China's military power in the region reflects a strategy of active defense of China's rightful interests, not an offensive strategy of challenging U.S. regional leadership. It was meant to deter or counter a U.S. intervention by imposing costs, not to end the U.S. military presence in the region.⁵⁶ In fact, the hard-liners believe that a U.S. military intervention into South China Sea disputes would constitute an "invasion of China," and the PLA would be compelled to carry out an "anti-invasion" counterattack in the name of self-defense.⁵⁷ Thus, in response to the January 2017 comments made by Rex Tillerson, then President Donald Trump's nominee for secretary of state, that the United States may block Chinese access to the Spratly Islands under construction, retired Major General Yao Yunzhu characterized such blockade as "an invasion against Chinese territory" that would trigger "an armed confrontation."⁵⁸ Neither power transition theory nor the Pentagon's A2/AD discourse captures this aspect of the PLA's mission in the South China Sea.

⁵⁴See Charles L. Glaser, *Rational Theory of International Politics* (Princeton, NJ: Princeton University Press, 2010).

⁵⁵See John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001).

⁵⁶For controversies surrounding China's "counterintervention" strategy, see M. Taylor Fravel and Christopher P. Twomey, "Projecting Strategy: The Myth of Chinese Counter-Intervention," *Washington Quarterly* 37 (Winter 2015): 171-187; and Timothy Heath and Andrew S. Erickson, "Is China Pursuing Counter-Intervention?," *Washington Quarterly* 38 (Fall 2015): 143-156.

⁵⁷Luo, *Yingdan gehun*, 44, 46.

⁵⁸Yao Yunzhu, "Questions to the Trump Administration on Its South China Sea Policy," *China-US Focus*, 27 January 2017, accessed at <http://www.chinausfocus.com/peace-security/questions-to-the-trump-administration-on-its-south-china-sea-policy->, 16 March 2017.

Rather than academic realism, the hard-liners are more influenced by the traditional Chinese military doctrine of active defense and China's rising assertive nationalism. The essence of the active defense doctrine is the integration of defense and offense: an overall defensive strategy, it does not preclude partial offense that strikes hard at the enemy. Active defense also promotes the integration of consolidating territorial integrity and recovering lost territory. The Chinese thinking holds that consolidating existing territory and recovering lost territory are both defensive actions. Recovering lost territory through nonmilitary means would be ideal. But should that prove infeasible or ineffective, force may be used to achieve the objective. The doctrine also advocates the integration of maintaining stability and protecting rights, but among the two goals, protecting rights clearly takes precedence over maintaining stability.⁵⁹ The spirit of active defense bears striking resemblance to the strategy of opportunistic assertiveness—responding to other countries' provocations with disproportionate countermeasures including island occupation. If the PLA comes to dominate South China Sea decision making, Chinese strategy may increasingly reflect the hard-line view of opportunistic assertiveness.

Assertive nationalism has gained traction in China since the 1990s, and it is growing ever more vocal and vociferous with the rise of Chinese power. It asserts that China must be determined to achieve economic wealth and military strength, eventually becoming a superpower in the world. Some assertive nationalists urge the Chinese people to rediscover and redevelop the "martial spirit" that has allegedly been lost since the last days of imperial China. According to them, China's rise must be grounded on a firm resolve to use force when necessary, and therefore developing material, particularly military, capabilities must take center stage in China's grand strategy. Because international politics is a brutal business, China should actively prepare for struggle and conflict with other states, especially against American hegemony.⁶⁰ Some assertive nationalists have an additional nativist or leftist quality marked by a deep-rooted distrust of the outside world, an insistence on China's absolute sovereignty and autonomy, and a belief in the necessity of waging political, economic, military, and ideological struggles against the West—now predominantly the United States.⁶¹

⁵⁹Luo, *Yingdan gehun*, 16. See also Heath and Erickson, "Is China Pursuing Counter-Intervention?" 149.

⁶⁰One of the best-known assertive nationalists is Wang Xiaodong. See his *Tianming suogui shi daguo* [Being a great power is China's heavenly dynasty] (Nanjing: Jiangsu renmin chubanshe, 2009).

⁶¹Views often found in the leftists' main website Utopia, accessed at <http://www.wywxwk.com>, 18 March 2017.

THE MODERATES

Strategic Goals

The moderates do not dispute protecting rights as an essential goal of China's South China Sea policy. But they disagree with the pragmatists and the hard-liners about the importance of that goal in China's overall foreign policy. Is the South China Sea a core national interest? Can the goal of rights protection now override other goals such as regional stability and the overall relationship with ASEAN member countries? Is achieving certain rights in the South China Sea worth a military showdown with the United States at this point in history?

While the moderates wonder whether a “rights first, stability second” approach is the correct policy for China in the South China Sea, they would not want to return to the old approach of “stability first.” Indeed, they consider it somewhat misleading to frame China's competing goals as those between rights and stability. Whatever interests—rights, stability, or else—China may have in the South China Sea must be subordinate to the top national interest of ensuring China's rise in a nondisruptive and cost-efficient way. Viewed within the overall strategic framework of China's rise, China's priority foreign policy interest must be to maintain good relationships with key regional countries in order to secure their support for China's rise. For the moderates, the South China Sea is not a core national interest that should be defended at all costs,⁶² and it is certainly not one that should be allowed to rock the boat of China's rise. China's priority foreign policy goal is to obtain sufficient international political support for its rise, in the South China Sea as elsewhere.

Realists Turned Moderates

Interestingly, two of the most prominent moderates are once famous realists. Yan Xuetong, formerly a realist international relations scholar at Tsinghua University and frequently seen as a hawkish voice in policy debates, is no longer identifying himself with realism of the American variety. In recent years, Yan has been trying to develop a theory of “moral realism” in the Chinese context.⁶³ Armed with this theory, he argues that

⁶²Xue Li and Xu Yanzhuo, “How the US Misjudged the South China Sea, Part II,” *The Diplomat*, 5 August 2016, accessed at <http://thediplomat.com/2016/08/how-the-us-misjudged-the-south-china-sea-part-ii/>, 16 March 2017. Xue and Xu are experts at the Chinese Academy of Social Sciences, China's largest think tank.

⁶³Yan Xuetong, *Ancient Chinese Thought, Modern Chinese Power*, edited by Daniel Bell and Sun Zhe, translated by Edmund Ryden (Princeton, NJ: Princeton University Press, 2011); and Yan Xuetong, *Shijie quanli de zhuanqi: zhengzhi lingdao yu zhanlue jingzheng* [The transition of world power: Political leadership and strategic competition] (Beijing: Peking University Press, 2015). For a review that labels Yan's theory “moral realism,” see Feng Zhang, “The Tsinghua Approach and the Inception of Chinese Theories of International Relations,” *Chinese Journal of International Politics* 5 (Spring 2012): 73–102.

the primary objective of a rising power's security strategy is to reduce international opposition to its rise and, at the same time, gain as much international support for its rise as possible.

China has three types of strategic interests in the South China Sea: economic interests and maritime rights including fisheries and natural resources, sovereignty rights over the islands, and strategic relationships with regional countries. Yan argues that economic resources in the South China Sea are not decisive factors in China's rise. Nor is island sovereignty, as China will not be able to change the status quo of other countries' de facto control of the various islands and reefs except through wars of conquest. But ASEAN countries' strategic choices in a looming China-U.S. competition are indeed a major strategic variable that can affect the prospect of China's rise. Yan thus argues that China should adjust its strategy to improve relations with ASEAN and change the balance of power in the South China Sea. If China can secure more ASEAN countries' support for its position on the South China Sea, this would significantly improve the strategic environment of China's rise. From the perspective of the strategic interests of China's rise, this kind of strategic support from ASEAN is more important than economic resources and island control in the South China Sea.⁶⁴

The second prominent advocate of a moderate Chinese position on the South China Sea is Shi Yinhong of Renmin University in Beijing, a distinguished historian and strategist and a consultant of the State Council, China's cabinet. Like Yan, Shi also grounds the South China Sea under the broader strategic framework of China's rise. Although important in itself, the South China Sea is but one of China's many strategic challenges and thus must be dealt with from the perspective of the overall strategic landscape. Shi points out that neither China's regional relations nor Sino-U.S. relations have been satisfactory over the past few years. And the two domains are connected: instability in China-U.S. relations arose in large part from disturbances in regional problems such as the South China Sea.

Shi argues that China must follow the overall principle of achieving a balance in protecting rights and maintaining stability in the South China Sea. Having focused so much on protecting rights since 2009, China must now catch up with maintaining stability. In particular, China must prevent the deterioration of strategic competition and confrontation with the

⁶⁴Yan Xuetong, "Zhengzhi lingdao yu daoguo jueqi anquan" [Moral realism and the security strategy for rising China], *Guoji anquan yanjiu* [Journal of International Security Studies] 34 (2016): 3–19, at 18.

United States, while making improving relations with Southeast Asian countries a very important part of overall foreign policy. Shi supports consolidating China's sovereign presence in the South China Sea, but considers it highly disadvantageous if such consolidation triggers a conflict with the United States or damages relations with maritime Southeast Asian countries.⁶⁵

Yan and Shi are international relations theorists and strategists, not South China Sea specialists per se. But their argument that China's South China Sea policy needs to be conducted from the perspective of its overall international strategy is also echoed by prominent South China Sea experts. Ju Hailong, a leading specialist on South China Sea disputes, argues that for China, winning over Southeast Asia is much more valuable than occupying all the islands and reefs in the South China Sea. China's loss will outweigh its gains if it damages relations with Southeast Asian countries in the course of disputes and tensions. Ju suggests that China needs to incorporate its strategy toward individual ASEAN countries such as the Philippines into its overall geopolitical strategy toward the greater periphery region. While being vigilant in protecting rights, it must avoid the trap of narrow, self-interested calculation of maritime rights. Ultimately, China must steer clear of the strategic mistake of "gaining sovereignty in the South China Sea but losing the whole Southeast Asia."⁶⁶

The U-Shaped Line

Many moderates are inclined to view the U-shaped line as an islands attribution line, although they are somewhat equivocal about the historic-rights-line interpretation. Li Jinming, a noted specialist on South China Sea disputes based at Xiamen University, argues that compared with the interpretations of the U-shaped line as a historic rights line or as a national boundary line, understanding it as an islands attribution line is the most persuasive given available evidence and is also the most likely to garner international support. As an islands attribution line, China claims sovereignty over all the maritime features within the line. But the line has nothing to do with the legal

⁶⁵Shi Yinhong, "Guanyu zhongguo de yazhou xitai pingyang zhanlüe he nanhai wenti" [On China's Asia-Western Pacific strategy and the South China Sea issue], *Dongnanya yanjiu* [Southeast Asian Studies], no. 5 (2016): 33–38, at 37.

⁶⁶Ju Hailong, "Zhongfei haishang guanxi de tubian jiqi yuanyin yu yingxiang" [The sudden change in China-Philippines maritime security relations and its causes and influences], *Guoji anquan yanjiu*, no. 6 (2013): 70–82, at 79, 82.

status of the waters within the line, as this needs to be determined by relevant international law.⁶⁷

Because the moderates value China's relationship with Southeast Asian countries and assess the South China Sea from the perspective of the grand strategy of China's rise, they regard as reckless and dangerous the most hawkish hard-liners' interpretation of the U-shaped line as a national boundary line. A national policy based on this interpretation would make China an adversary of many Southeast Asian states as well as the United States, thus jeopardizing the overall and truly vital cause of China's rise. Were China to go down this path, they argue, it would eventually face strategic overstretch. The moderates agree with the pragmatists that China's sovereignty and maritime rights in the South China Sea must be defined and pursued in a careful and sophisticated manner, and strongly object to the hard-liners' tendency to either maximize China's claimed rights or maximize its power in the region.

Strategic Means

The moderates are not, in principle, opposed to necessary assertiveness for safeguarding reasonable rights. Indeed, Yan argues that assertiveness—or indeed war itself—is not a criterion against which to judge the wisdom of a rising power's strategy. The key criterion is whether a particular approach can be morally justified and brings international support.⁶⁸ Establishing credible deterrence based on measured assertiveness, as the pragmatists argue, can be useful if a proper balance can be achieved between deterrence against regional challengers and amity with key states whose support is important for China's rise.

The moderates favor a strategy of judiciously balancing the goals of protecting rights and improving relations with key regional states. While gradually enhancing its physical presence in the South China Sea, China must work hard to devise institutional means to manage disputes and stabilize relations. Institutions receive scant attention from the hard-liners and the pragmatists, as their strategies of assertiveness are power-based, albeit to different degrees. But institutions are central to the moderates' diplomatic strategy for improving China's relations with ASEAN. They argue that China must take more seriously the negotiation of a Code of

⁶⁷Li Jinming, "Nanhai duanxuxian de falü diwei: lishixing shuiyu, jiangyuxian, yihuo daoyu guishuxian?" ["The legal status of the South China Sea dotted line: Historic waters, boundary line, or islands attribution line?"], *Nanyang wenti yanjiu* [Southeast Asian Affairs], no. 4 (2010): 22–29.

⁶⁸Yan, "Zhengzhi lingdao yu daoguo jueqi anquan," 12.

Conduct (COC) on the South China Sea in order to repair relations and build trust with ASEAN members.⁶⁹

Among the three camps, the moderates are the most sensitive to diplomatic costs (measured in terms of the loss of foreign support for China's rise) and the least tolerant toward the deterioration of the regional security environment. They are also the most sensitive to other countries' concerns and anxieties about China's rise. China should not try to recklessly maximize its self-interest but rather should aim at reasonable and legitimate interests—or “enlightened self-interest.” Because of these sensitivities, the moderates attach great importance to the role of effective diplomacy in achieving equitable compromises between China and other claimant states. Chinese diplomacy since 2009 has fallen short, however, because it has failed to provide a compelling strategic narrative and promote effective communication with the outside world.

Policy Influence and Assessments

Between the late 1990s and 2008, China adopted a largely institutionalist approach to the South China Sea disputes reflective of the moderates' thinking. As described in the first section of this article, China's diplomatic efforts focused on negotiating and implementing the DOC as well as improving relations with ASEAN countries, especially in the economic domain. But because of the widespread perception that this approach failed to protect Chinese interests, the moderates lost their influence and were in fact silenced for several years after 2009. It was only after 2014, when the diplomatic costs incurred by Chinese assertiveness became apparent, that the moderates regained their voice.

Although the moderates have not had such dramatic policy impact as that of the pragmatists on the Scarborough Shoal incident or that of the hard-liners on island building, they have been regaining influence in new diplomacy promoted by the Ministry of Foreign Affairs. In August 2014, Foreign Minister Wang Yi proposed “dual-track thinking” for dealing with South China Sea disputes. That is, territorial disputes should be peacefully resolved through friendly negotiations between the claimant countries, while peace and stability of the South China Sea region should be maintained by both China and ASEAN countries. The significance of this

⁶⁹Yan Yan, “Jiasu nanhai xingwei zhunze cuoshang keburonghuan” [Expediting negotiation on a South China Sea Code of Conduct], 24 January 2017, accessed at http://www.nanhai.org.cn/index.php/Index/Research/review_c/id/191.html, 16 March 2017.

proposal is its acceptance of, for the first time, a multilateral approach to the South China Sea problem.⁷⁰

Somewhat ironically, Beijing is still insisting on the DOC as the fundamental institution for managing tensions and is committed to expediting the process of negotiating a COC. During a series of ASEAN-centered foreign ministers' meetings in Vientiane in late July 2016, Beijing succeeded in getting ASEAN to issue a new joint statement on the full and effective implementation of the DOC.⁷¹ In August 2016, China and ASEAN agreed to reach a framework for the COC by mid-2017.⁷² During the China-ASEAN summit at the East Asian Summit in September 2016, the two sides also agreed to apply the Code for Unplanned Encounters at Sea to the navies of China and ASEAN countries operating in the South China Sea and approved guidelines for a China-ASEAN hotline for use during maritime emergencies. The Foreign Ministry clearly wants to put South China Sea diplomacy back on track, and it is returning to a revamped version of the institutionalist approach practiced in the 2000s.

Because they always have the larger picture of China's rise in mind, the moderates criticize island building in the Spratly Islands as a strategic mistake. If China's goal is to militarily control the South China Sea, building these islands will not necessarily give China such control, nor will such control necessarily require the building of these islands. The key reason for their opposition, however, is that island building is turning most regional states against China in security matters and is driving them to embrace a stronger U.S. presence as the only viable means to check China's rising power.⁷³ China is thus losing crucial political support for its rise, and the contradictions between its South China Sea policy and other key foreign policy initiatives such as the so-called Belt and Road Initiative (BRI) are becoming increasingly obvious. Believing that island building has already done enough damage, the moderates would not support reclaiming the Scarborough Shoal or establishing a South China Sea Air Defense Identification Zone as part of an offensive strategy to expand

⁷⁰Feng Zhang, "Assessing China's South China Sea Policy, 2009–2015," *East Asian Policy* 8 (July/September 2016): 100–109, at 104.

⁷¹Foreign Ministers of ASEAN Member States and the People's Republic of China, "Joint Statement of the Foreign Ministers of ASEAN Member States and China on the Full and Effective Implementation of the Declaration on the Conduct of Parties in the South China Sea," 25 July 2016, accessed at <http://asean.org/storage/2016/07/Joint-Statement-on-the-full-and-effective-implementation-of-the-DOC-FINAL.pdf>, 26 September 2016.

⁷²Ben Blanchard, "China, ASEAN Aim to Complete Framework of South China Sea Rules Next Year," Reuters, 17 August 2016, accessed at <http://www.reuters.com/article/us-southchinasea-china-idUSKCN10S0DQ>, 26 September 2016.

⁷³Author interview with a leading scholar in Beijing, September 2016.

Chinese control over the region. Xue Li, an expert at the Chinese Academy of Social Sciences and an influential moderate voice, argues that China is unlikely to pursue aggressive militarization or turning the U-shaped line into a national boundary line because doing so would be detrimental to its long-term interests. For Xue, the BRI and China's regional diplomacy command higher priorities in Chinese foreign policy than the South China Sea, and China must preserve its relations with Southeast Asian countries because those relations are an integral part of China's regional policy and will be key to the success of the maritime leg of BRI.⁷⁴

As for the U-shaped line, given the clear inclusion of historic rights in the latest official claims, the moderates' position of the line as an islands attribution line has lost force. Like the hard-liners, they do not have much influence over an emerging consensus about defining the line as both a historic rights line and as an islands attribution line, as promoted by the pragmatists.

Intellectual Foundations

The moderates derive their intellectual inspirations from a combination of Western liberal international relations theories and indigenous Chinese theories based on traditional Chinese thought. Western liberalism stresses the role of international institutions and norms, economic interdependence, and globalization in China's engagement with the outside world. Neoliberal institutionalism, a prominent liberal theory, argues that even under the condition of international anarchy, international institutions, defined as "sets of rules that stipulate the ways in which states should cooperate and compete with each other,"⁷⁵ provide information, shape expectations, highlight common interests, and provide transparency about state behavior. They may convince self-interested states that sustained cooperation produces benefits for all parties involved, while defection in pursuit of relative gains results in reciprocal punishments.⁷⁶

⁷⁴Xue and Xu, "How the US Misjudged the South China Sea."

⁷⁵This definition is from the offensive realist John Mearsheimer's critique of institutionalist theory but is accepted by leading institutionalists as a useful definition. See John J. Mearsheimer, "The False Promise of International Institutions," *International Security* 19 (Winter 1994–1995): 5–49; and Beth A. Simmons and Lisa L. Martin, "International Organizations and Institutions," in Walter Carlsnaes, Thomas Risse, and Beth A. Simmons, eds., *Handbook of International Relations* (London: Sage, 2002), 192–211, at 194.

⁷⁶Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984); Robert M. Axelrod and Robert O. Keohane, "Achieving Cooperation under Anarchy: Strategies and Institutions," *World Politics* 38 (October 1985): 226–254; and Robert O. Keohane and Lisa L. Martin, "The Promise of Institutional Theory," *International Security* 20 (Summer 1995): 39–51.

Institutionalist theory is most useful for explaining Chinese policy between the late 1990s and 2008, when China adopted a largely institutionalist approach to the South China Sea disputes. Losing influence after 2009, it has been regaining some ground since 2014. But it is unlikely to dominate policy thinking as it had in the 2000s, as it will now need to contend with the powerful arguments of the pragmatists and the hard-liners.

A more interesting intellectual source for the moderates are traditional Chinese philosophy and political theory. This is clearest in the moral realism of Yan Xuetong. Drawing on ancient Chinese thought, Yan argues that China should strive to become a world power of humane authority. This requires China to establish friendly relations with a wide range of countries around China's periphery. A basic principle of such a strategy of humane authority is refraining from bargaining over narrow material interests with medium- and small-sized countries. Great power diplomacy, for Yan, should aim at seeking the "great transformative efficacy of things and events" (*da shi*) by giving up narrow interests.⁷⁷ That is why he ranks strategic relations with Southeast Asian countries a more important interest for China in the South China Sea than sovereignty and maritime rights.

CONCLUSION

The three camps of the pragmatists, hard-liners, and moderates do not exhaust the diversity of Chinese views on the South China Sea (see Table 1 for a summary of the key differences). But they are broadly representative of the debates—sometimes in public, more often in private—taking place inside China about the country's South China Sea policy. Broadly speaking, the pragmatists have had the upper hand in driving top-level decision making since the 2012 Scarborough Shoal incident.⁷⁸ The influence of the hard-liners and moderates has been more modest, but certainly not absent. The hard-liners were instrumental in the decision to build islands in the Spratly Islands, and the moderates have been promoting an institutionalist diplomacy centered on the DOC and the COC.

Establishing the exact causes of China's South China Sea policy will require solid empirical research that is beyond the scope of this article. I argue, however, that the three schools of thought capture a good deal of the actual strategic thinking currently informing Chinese policy. Indeed, actual policy has reflected the influence of these different approaches at

⁷⁷Yan, *Shijie quanli de zhuanji*.

⁷⁸This is a claim made in Zhou, "Between Assertiveness and Self-Restraint."

TABLE 1
Major Fault Lines in Chinese Debates on the South China Sea

<i>Points of Contention</i>	<i>Schools of Thought</i>		
	<i>Pragmatists</i>	<i>Hard-liners</i>	<i>Moderates</i>
Strategic goals	Protecting sovereignty and maritime rights with limited disruption to regional stability	Maximizing Chinese rights and establishing Chinese control	Obtaining support from Southeast Asian countries for China's rise while reasonably protecting its rights in the South China Sea
U-shaped line	Historic rights line	National boundary line	Islands attribution line
Strategic means	Deterrent assertiveness	Opportunistic assertiveness	Strategic balance
Risk propensity	Medium	High	Low
Intellectual foundations	Rationalism	Active defense doctrine and assertive nationalism	Liberalism and traditional Chinese thought
Policy influence	Strong	Modest	Modest

different times. This makes one wonder whether China has developed a coherent South China Sea strategy at all,⁷⁹ especially given that the various protagonists—and political leaders by implication—are unable to reach a national consensus about a clear rank ordering of China's national interests in the region.

This research has important implications for understanding the nature of China's South China Sea policy and its possible future evolutions. Internal debates show that diverse actors and interest groups inside China are trying to impose their particular understanding of China's positions and roles in the South China Sea. At the heart of the debate, even if the protagonists do not fully appreciate it, is the fundamental question of China's identity as a rising power. All of the protagonists are nationalists to varying degrees, in the sense that they all want to protect China's national interests in the South China Sea. But they cannot agree on whether China's fundamental interests lie in sovereignty and maritime rights, regional stability and strategic support from regional countries, material power capabilities, or political influence and authority. The hard-liners are the most self-interested, and their strategy of opportunistic assertiveness will turn China into an aggressive and isolationist great power with little regard for the outside world. The pragmatists want China to be on good terms with the outside world. Rationalist in their cost-benefit calculation, however, they are ready to sacrifice a good degree of

⁷⁹Zhang, "Assessing China's South China Sea Policy," 100–109.

regional goodwill for the achievement of perceived rights in the South China Sea. The moderates, in contrast, want to present China as a responsible rising power in order to gain foreign trust and support, and are consequently prepared to accept reasonable compromises in maritime disputes in order to ensure the success of the overall national task of China's rise.

The debate is likely to rage for a long time to come, creating policy uncertainties along the way. But the outside world need not despair because it also has a role to play in shaping its trajectory. It will be important, for example, for the policies of other countries—ASEAN members and the United States in particular—to help raise the importance of the moderates in Chinese decision making, turning them from a minority view to a majority consensus. In this process of the mutual constitution of identities and interests, they can create favorable conditions for shaping China's policy toward a more conciliatory and cooperative direction.

The future of China's policy toward the South China Sea will depend on the intellectual and policy competition among the pragmatists, hardliners, and moderates. The dynamics of that competition, in turn, will be affected by the relational strategic interactions between China, the United States, and other countries in the South China Sea. Regional security and cooperation are possible, as are confrontation and conflict. The situation is inherently fluid because fluidity, change, and unintended consequences speak to the nature of international politics in the South China Sea, as elsewhere.