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### ***Session IV: South China Sea: What Issues and Whose Core Interest?***

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## Cooperative Deterrence/Compellence? ---- The Huangyan Island and the Game of the South China Sea

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On April 8, 2010, a Philippine navy surveillance plane spotted eight Chinese fishing vessels anchoring in a lagoon at the Huangyan Island (or the Scarborough Shoal), a reef that is located in north of the Nansha (or Spratly) Islands and is in dispute between China and the Philippines. The Philippines quickly sent its largest warship, the BRP Gregorio del Pilar, a decommissioned Hamilton-class patrol ship which Manila recently purchased from the United States at a discounted price, to the scene. On April 10, Pilipino soldiers from the warship boarded the Chinese fishing vessels and attempted to arrest Chinese fishermen on allegation of “illegal fishing”. The Philippine attempt, however, was thwarted by two Chinese maritime surveillance ships, *Zhongguo Haijian 75* and *Zhongguo Haijian 84*, as the Chinese maritime surveillance vessels intercepted and positioned themselves between the Philippine navy ship and the Chinese fishing boats. The encounter triggered a standoff between Manila and Beijing that has lasted for about two months.<sup>1</sup> On June 5, Beijing and Manila agreed to withdraw their governmental vessels from the lagoon of the Huangyan Island, temporarily alleviating the intensive standoff between the two states.<sup>2</sup>

The Huangyan Island standoff is among the most recent development of a series of long-standing maritime territorial disputes in the South China Sea between China and some of ASEAN countries, particularly the Philippines and Vietnam. The incident drew China and the Philippines close to a real military conflict and highlights the fragility, complexity and perils of the so-called South China Sea issue. In this paper, I will first look at China’s crisis management behavior, shedding a light on China’s decision making process during the Huangyan Island standoff. Secondly, I’ll examine the impact and constraint of public opinion on China’s policy options during the Huangyan Island standoff. Lastly, I will propose the idea of “Cooperative Deterrence / Compellence” as a way of thinking progressively about the possible peaceful resolution of the South China Sea disputes. Specifically, I make the following arguments: 1) in theory, “*Gezhi zhengyi, gongtong kaifa*” (Shelving Differences, and

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<sup>1</sup> “Philippine Warship in Standoff with Chinese Vessels,” The Associated Press, April 10, 2012; Han Yong and Guan Xiangdong, “Duizhi Huangyan dao” (Standoff over the Huangyan Island), *Zhongguo xinwen zhoubao* (China Newsweek), No. 16, May 14, 2012, p. 28.

<sup>2</sup> “Fei cheng liangguo gongwuchuan cong huangyan dao houche” (Ph Claims Governmental Vessels from Both Countries to Withdraw from the Huangyan Island), *Huanqiu shibao* (Global Times), June 6, 2012, p. 16.

Pursuing Joint Development) remains the best outcome China and the region can hope and possibly achieve in the South China Sea; 2) part of the problem of the South China Sea challenge stems from the fact that all other players have defected from the “cooperation game” of joint development, thus rendering all parties increasingly trapped in a “prisoners’ dilemma”; 3) to get all parties out of the prisoner’s dilemma and back to the cooperation game, China may employ what I call “Cooperative Deterrence / Compellence” to “deter” all other parties from defection and changing the status quo, and “compel” other players to come back to the “cooperation game” as epitomized in the proposal of “shelving differences, joint development”. In doing so, China needs to combine both reassurances with credible deterrence/compellence, and provide “positive inducements” by taking the lead in producing a code of conduct in the South China Sea and making practical proposals for joint development. “Cooperative Deterrence/Compellence” shares commonalities with the concept of “coercive diplomacy” but also differs in significant aspects. Specifically, partly because of the asymmetrical power gap between China and the Philippines other claimant countries and partly because of the more limited goal of “cooperation”, Cooperative Deterrence/Compellence (CD/CC) does not have to put emphasis on the use of force. To achieve the main goal of the “Cooperative Deterrence/Compellence” strategy, namely bringing “defecting parties” back to the cooperation game, it is of crucial importance for China to reach mutual understanding with the United States at the strategic and conceptual levels, which is a key stakeholder in the South China Sea issue.

### *I. The Huangyan Island Standoff and China’s Crisis Management*

Both Chinese and foreign analysts have noted the lack of coordination among various maritime enforcement agencies. The so-called “Nine Dragons Stirring up the Sea” (*jiulong naohai*) or (“Five Gragons Stirring up the Sea”, *wulong naohai*, depending on how many agencies one counts) has hampered China’s efforts to pursue effective maritime law enforcement. Indeed, a recently released International Crisis Group report suggests that “conflicting mandates and lack of coordination” has “stoked tensions in the South China Sea”.<sup>3</sup>

The Huangyan Island standoff proves to be a good case for us to closely look at China’s decision-making process and behavior in crisis times. The preliminary examination below shows that, surprisingly, China seems to have “pulled off” better

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<sup>3</sup> Stephanie T. Kleine-Ahlbrandt et al., “Stirring Up the South China Sea (I)”, International Crisis Group Report No. 223, April 23, 2012 (<http://www.crisisgroup.org/~media/Files/asia/north-east-asia/223-stirring-up-the-south-china-sea-i.pdf>)

than analysts would predict. Although challenges remain, there is more reason for optimism than pessimism

On April 9, China's two marine surveillance ships, Haijian 75 and Haijian 84 spotted the BRP Gregorio del Pilar as the latter was approaching the Huangyan Island. Uncertain of the Philippine navy ship's intention, the two Chinese marine surveillance ships remained guarded while patrolling the waters near the Huangyan Island.

Both marine surveillance ships belong to the China Marine Surveillance Headquarter (*Haijian zongdui*) under the State Oceanic Administration. No. 75 and No. 84 indicate the division the ships belong to. "7" stands for Division No. 7, and "8" stands for Division No. 8, both of which are under the South China Sea Marine Surveillance Corps (*nanhai haiqu zongdui*). Since 2006, China marine surveillance ships had been given the order to carry out periodic patrols of three sea areas, namely the North China Sea area, the East China Sea area, and the South China Sea area.<sup>4</sup>

When the Pilipino sailors boarded the Chinese fishing boats, a Chinese fisherman send the signal for help through the newly equipped satellite telephone, thanks to the Hainan provincial government's efforts in 2011 to install the Beidou Satellite Communication System on more than 3000 fishing boats across the province, which has cost 60 million *yuan*. As soon as receiving the signal for help, Haijian No. 75 and Haijian No. 84 immediately reported the incident to the South China Sea Marine Surveillance Corps, which then reported to the China Marine Surveillance Headquarter. Then the incident was reported to the State Oceanic Administration, and finally to the Ministry of Foreign Affairs (MFA). The MFA then quickly brought the incident to the attention of the top leadership. A temporary "command post" was set up at the China Marine Surveillance Headquarter, and a "forward command post" at the South China Sea Marine Surveillance Corps to deal with the crisis. Soon an approval from the top leadership was given via the MFA, and Haijian No. 75 and Haijian No. 84 were dispatched to the Huangyan Island. At 5:00 pm, April 10, the two marine surveillance ships arrived at the scene and positioned themselves between the Philippine navy ship BRP Gregorio del Pilar and the Chinese fishing boats.<sup>5</sup>

The signal for help sent by the Chinese fisherman was also received by "Yuzheng 303", a fishery law enforcement ship stationed at the Mischief Reef, 300 nautical

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<sup>4</sup> Han Yong and Guan Xiangdong, "Duizhi Huangyan dao" (Standoff over the Huangyan Island), *Zhongguo xinwen zhouban* (China Newsweek), No. 16, May 14, 2012, p. 28; Cai Yanhong, "Jiekai Zhongguo haijian yu Zhongguo yuzheng shenmi miansha" (Unveil the Secret Veil of China Marine Surveillance and China Fisheries Law Enforcement Command), *Fazhi ribao* (Legal Daily), April 27, 2012.

<sup>5</sup> Han Yong and Guan Xiangdong, "Duizhi Huangyan dao" (Standoff over the Huangyan Island), *Zhongguo xinwen zhouban* (China Newsweek), No. 16, May 14, 2012, p. 28

miles north of the Huangyan Island. Yuzheng No. 303 arrived at the scene on April 11, joining the flotilla of Haijian No. 75 and Haijian No. 84. On the morning of April 12, the BRP Gregorio del Pilar withdrew from the Huangyan Island, to be replaced by a Pilipino coast guard patrol boat. On April 13, 8 Chinese fishing boats left the Huangyan Island, under the escort of a marine surveillance ship.<sup>6</sup>

On the diplomatic front, a trio of so-called “detachment of women” (*niangzi jun*) plays the key role. Vice Foreign Minister Fu Ying, a senior MFA official who is ranked as the No. 3 vice foreign minister and in charge of the portfolio of Asian affairs as well as border and oceanic affairs, plays the crucial role of coordinating works among different governmental agencies and leading the diplomatic interactions with the Philippines. Chinese ambassador to the Philippines Ma Keqing carries out the role of making representations and communications bilaterally, and reporting situation on the ground back to Beijing on a daily basis. Chinese ambassador to Association of Southeast Asian Nations (ASEAN) Tong Xiaoling leads the diplomatic initiative in engaging other regional players at ASEAN-based multilateral platforms.<sup>7</sup>

Some evidence seems to indicate that there were close interactions and coordination between the MFA, the Bureau of Fisheries Administration under the Ministry of Agriculture (MOA), provincial and local governments, as well as the military.

On April 15, with assignment notification issued by the Fisheries Administration Bureau of the South China Sea Area under the MOA, Zhongguo Yuzheng No. 44061 departed the Zhanjiang Port for a 50-day patrol mission of the Nansha (Spratly) area. A sail-setting ceremony was staged at the port. Notably, Deputy Chief of Staffs of the South China Sea Fleet of the PLAN Rear Admiral Zhang Wendan was present, giving the military’s endorsement and support to the mission. Joining him were Mayor of Zhangjiang City of Guangdong Province Wang Zhongbing and Head of the South China Sea Corps of China Fisheries Administration Zhu Yingrong, who also concurrently carries the title of Deputy Inspector of the Fisheries Administration Bureau of the South China Sea Area. Yuzheng No. 44061 is under the command of the Zhangjiang Division of the Guangdong Provincial Fisheries Law Enforcement Command and is in fact among the most advanced and well-equipped fisheries law enforcement vessels in Guangdong. It was dispatched to the Nansha area in 2010,

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<sup>6</sup> Ibid.

<sup>7</sup> Huang Yingying, “Dui feilvbing jiaoshe de buzhi ‘niangzijun’—zhuangfang Zhongguo zhu dongmeng dashi Tong Xiaoling” (There Is Not Only a ‘Detachment of Women’ That is Making Representations with the Philippines: An Exclusive Interview with Chinese Ambassador to ASEAN Tong Xiaoling), *Guoji xianqu daobao* (International Herald Leader), June 15-21, No. 643, 2012, p. 32; “Biography of Fu Ying,” <http://www.fmprc.gov.cn/chn/pds/wjb/zygy/fuying/>, accessed on June 15, 2012.

setting a precedent for a Guangdong provincial fisheries law enforcement ship to patrol the Nansha area.<sup>8</sup> Apparently, the dispatching of Yuzheng No. 44061 that is in direct command of provincial fisheries law enforcement command to Nansha would involve coordination between the central and local fisheries law enforcement command, as well as among the fisheries law enforcement command, the provincial/local government, and the military. Interestingly, reportedly, there is also close “interactions” and coordination between the marine surveillance agency and the Chinese navy. It is noted that the sea areas that the marine surveillance ships China sent were all within the firing range of Chinese navy’s missiles.<sup>9</sup>

On April 15, the same day Yuzheng No. 44061 set the sail to embark on the 50-day patrol mission of Nansha, Vice Foreign Minister Fu Ying summoned the Philippine charge de’Affaires for an emergency meeting and made representations regarding the Huangyan Island standoff. During the meeting, Fu urged the Philippine side to stop “mislead(ing) the public opinion,” “respect China’s territorial sovereignty” and “not to take actions that will escalate the situation”.<sup>10</sup>

On April 18, Fu Ying again summoned the Philippine charge de’Affaires. On the same day, the Fisheries Administration Bureau of the South China Sea Area dispatched Yuzheng No. 310, the most advanced and well-equipped fisheries law enforcement vessel in China, to the Huangyan Island. Departing Guangzhou city, Guangdong province, Yuzheng No. 310 arrived in the Huangyan Island area two days later, replacing Yuzheng No. 303.<sup>11</sup>

To be sure, the lack of effective coordination among various agencies remains a challenge for China. And some heavy-weight voices have advocated proposals for addressing such a problem. In March 2012, former Party Secretary of Fujian Province Chen Mingyi, who is currently standing member of the China People’s Political Consultative Congress (CPPCC), proposed that China should elevate the State Oceanic Administration that is now under the Ministry of Land and Resources) to become Ministry of Oceanic Affairs (*guojia haiyang bu*), and establish a National

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<sup>8</sup> Cui Caixin et. al, “Zhongguo yuzhengchuan fu nansha huyu, jiang shixing 24 xiaoshi shoujiao zhiban” (China Fisheries Administration Vessel Sent to Nansha to Carry Out Mission of Protection of Fishing, Will Implement 24/7 Shift to Protect Reefs), *Nanfang Ribao* (The Southern Daily), April 16, 2012.

<sup>9</sup> Han Yong and Guan Xiangdong, “Duizhi Huangyan dao” (Standoff over the Huangyan Island), *Zhongguo xinwen zhouban* (China Newsweek), No. 16, May 14, 2012, p. 28.

<sup>10</sup> Zhang Weiran and Zhang Xiaoning, “Waijiaobu jinji yuejian Feilvbin zhuhua shiguan linshi daiban” (MFA Summons Charge de’Affaires of the Philippine Embassy for an Emergency Meeting), China News Agency, April 18, 2012.

<sup>11</sup> Liang Ganghua, “Zhongguo zui xianjin yuzheng chuan dida huangyandao haiyu” (China’s Most Advanced Fisheries Law Enforcement Vessel Arrives at the Huangyan Island), April 20, 2012, The Xinhua Daily Telegraph, p. 4, [http://news.xinhuanet.com/mrdx/2012-04/21/c\\_131542047.htm](http://news.xinhuanet.com/mrdx/2012-04/21/c_131542047.htm), accessed on June 15, 2012.

Oceanic Affairs Committee (*guojia haiyang weiyuanhui*), bringing together agencies from economic, military, diplomatic, science and technology, and law enforcement, etc. Similarly, Major General Luo Yuan of the Chinese Academy of the Military Sciences advocated the establishment of China's National Coast Guard (*guojia haian jingbeidui*), integrating "nine dragons" into an effective and unified maritime law enforcement force.<sup>12</sup>

## II. *To Teach the Philippines a Lesson? Soaring Nationalist Public Opinion and the Chinese Government's Dilemma*

In this section, I'll briefly discuss China's public's reaction to the standoff and the dilemma the Chinese government is facing.

It is widely recognized that the rising nationalism in China has hamstrung Chinese government's foreign policy making process, rendering MFA's oftentimes more cooperative foreign policy preferences difficult to materialize. The outbreak of the Huangyan Island standoff has generated an outburst of nationalist sentiment in China that has probably complicated the situation and constrained the Chinese government's policy options.

*The Global Times*, a leading international affairs newspaper in China reported on May 2 the results of a nation-wide survey.<sup>13</sup> When asked about whether or not they would "support military counterattacks against provocations and invasion China encounters in the South China Sea", 78.5 percent of the surveyed public gave a positive answer, whereas only 16.6 percent said no. When it comes to the question of what approaches China should take to protect its maritime territory in the South China Sea, 46.2 percent of the surveyed public believe that China should "adopt resolute measures to gradually restore actual control of the majority of the islands and reefs", 28.6 percent opine that China should "do whatever it takes to take back all the islands occupied by the Philippines and Vietnam as soon as possible", whereas only 14.6 percent would choose to "maintain the status quo and ensure that the situation will not further deteriorate", and 7.2 percent advocate the moderate or pacifist view that China should "let nature take its course (*shunqi ziran*) and not to get into fierce confrontations with the Philippines or Vietnam over the sovereignty of islands and reefs".<sup>14</sup>

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<sup>12</sup> Jiang Xun, "Haishixing, wanshixing, minzuxing" (If Maritime Affairs Prosper, Everything will Prosper, and so do the Whole People), *Xinmin zhoubao* (Xinmin Weekly), p. 35.

<sup>13</sup> The survey was carried out in 7 cities from April 25 to 28, 2012, by the Global Public Opinion Research Center that is affiliated with the Global Times. For methodological details, see Duan Congcong, "Eighty Percent of the Public Support Military Counterattacks against Provocations in the South China Sea", *Huanqiu shibao* (The Global Times), May 2, 2012, p. 3.

<sup>14</sup> Ibid.

The Chinese public's anger is even more evident in the cyberspace. At “Waijiao xiaolingtong” (Diplomatic Little Smart), the MFA's official micro-blog (or *weibo*, the Chinese version of Twitter) that has attracted millions of followers since its launch in April 2011, Chinese netizens' frustration and anger are all too evident to ignore. From April 11 to May 31, *Waijiao xiaolingtong* has posted 33 weibo messages concerning the Huangyan Island standoff, most of which are recaps of the MFA's daily press conferences and the Chinese government's official statements and stances on the standoff. The MFA's repeated mentioning of “diplomatic negotiations and consultation to resolve the issue”, however, is sneered at by the Chinese netizens. On average, each of the 33 weibo post attracts more than 100 comments from the netizens, and altogether there are 3440 comments following *waijiao xiaolingtong*'s weibo posts concerning the Huangyan Island standoff. As an interactive social media, *waijiao xiaolingtong* provides a better venue than polls for observing Chinese public's reactions to the Chinese government's statements and actions. In general, the netizens' expressed opinions as reflected in the 3440 comments posted on the *waijiao xiaolingtong* can be roughly divided into four categories. Among the 3440 comments, 1675 (or 48.7 percent) are scathing satires of the perceived soft stance taken by the MFA, 1080 (or 31.4 percent) are calling for sending troops to teach the Philippines a lesson, and only 72 comments (or 2.1 percent) represent rational voices supporting diplomatic approach to resolve the dispute, with other 613 comments are about mockery of the Philippines or debates/squabbles among the netizens.<sup>15</sup> The online comments netizens posted on *waijiao xiaolingtong* are by no means scientifically designed survey results, but the data are compatible with and complementary to the nation-wide survey conducted by the *Global Times*.

Indeed, some of the comments might be worth highlighting for their bluntness and harshness. For instance, after seeing the MFA repeatedly issuing “protest” against the Philippines, one netizen made a sarcastic comment: “the Ministry of Foreign Affairs' name and the reality do not tally, and the MFA should be re-named the Ministry of Protests”.<sup>16</sup>

On May 9, *waijiao xiaolingtong* posts a recap of the MFA's daily press conference in which the MFA spokesman urged the Philippines to stop “inflaming the public's emotion,” “not to further damage bilateral relations”, and “seriously respond to the concerns of the Chinese side, and come back to the correct path as soon as possible”. A netizen responded with the following scathing satire, filled with bitterness and anger: “Currently China's position at the Huangyan Island issue is a bit like this: someone slaps on your face, and you say ‘you dare to do it again?’; then comes the

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<sup>15</sup> Data compiled by the author.

<sup>16</sup> Data compiled by the author.



second slap and all you do is still to repeat what you've just said. This is no longer a tragedy, it is a farce.”<sup>17</sup>

On May 14, *waijiao xiaolingtong* reports on the daily press in which the MFA spokesman urged the Philippine side to “stick to diplomatic negotiation to resolve the current situation” and “not to take any measures that will escalate and complicate the situation.” A netizen commented: “incompetent diplomacy. No wonder our fishermen always get rounded up. To be a little tougher someday, and do they dare to act like that? It is because you always denounce and protest and know only about spitting at other with saliva, they treat you like a non-existence.”<sup>18</sup>

On May 17, another netizen expressed disapproval of the MFA's diplomatic approach and expectation of the military to take more forceful moves in the following comment: “the MFA should shut up, and it's the turn of the Ministry of Defense now. There have been several months of exchange of verbal barbs, and I've got visual fatigue now.”<sup>19</sup>

As a Chinese analyst points out, public opinion serves as a “double-edged sword” for Beijing: whereas the Chinese government can use it to pressure other countries for compromises, the nationalist public also greatly constrains China's policy options.<sup>20</sup> As the above brief examination shows that the Chinese government would have to face a great deal of public pressure to insist on resolving the standoff through diplomatic channels.

Although more evidence is needed to gauge the extent to which public opinion has constrained and shaped the Chinese government's policy options in the Huangyan Island standoff and how, a preliminary first-cut look at the case seems to reveal that some of the signature measures taken by the Chinese government in responding to the standoff are indeed consistent with the expressed preferences of the public. For instance, as the *Global Times*' nation-wide survey shows, the pacifist view of avoiding confrontation (7.2 percent) and the passive approach of doing nothing/maintaining status quo (14.6 percent) are clearly minority voices in the public opinion spectrum, and the preferences of both views indeed are not reflected in the Chinese government's actual policy choices. *The Global Times* survey also shows that roughly half of the public (46.2 percent) would support the Chinese government to “adopt resolute measures to gradually restore actual control of the majority of the islands and reefs”. In responding to the Huangyan Island standoff, the Chinese government has taken several measures: i.e., to begin weather forecasting of the

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<sup>17</sup> Data compiled by the author.

<sup>18</sup> Data compiled by the author.

<sup>19</sup> Data compiled by the author.

<sup>20</sup> Stephanie T. Kleine-Ahlbrandt et al., “Stirring Up the South China Sea (I)”, p. 27.

Huangyan Island (and for that matter, of the Diaoyu Islands); to improve the living conditions of more than 600 fishermen who reside on Xisha Islands (Paracel Islands), and to begin developing tourist routes to Xishao Islands.<sup>21</sup> These measures are meant to enhance China's actual control of islands and reefs in the South China and substantiate China's sovereignty claim, and are in fact consistent with the public's preferences. The Chinese government's challenge is, of course, how to deal with the substantial portion of the public's desire to use force to "counterattack" perceived provocations and invasion in the South China Sea.

### III. *Cooperative Deterrence/Compellence: China's Game of the Huangyan Island Standoff*

In this section, I'll briefly discuss China's strategic behavior during the Huangyan Island standoff through the lens of what I call "Cooperative Deterrence/Compellence" (CD/CC).

Deterrence is defined as the use of threats by one party to dissuade another party from initiating some course of action by convincing the latter that the costs of non-compliance will outweigh expected benefits.<sup>22</sup> Thomas Schelling coins the term compellence to distinguish it from deterrence. Schelling makes a classical distinction between compellence and deterrence: that is, compellence is an action "intended to make the adversary do something" whereas deterrence is an action "intended to keep him from starting something". In other words, while deterrence can be conceptualized as a "form of preventive influence" that aims to prevent another party from undertaking a course of action, compellence aims to "compel the target to take a new action or to stop or undo an action already underway".<sup>23</sup> To be sure, as scholars note that it is not always easy to tell deterrence and compellence from each other in practice, and real policy may involve both simultaneously.<sup>24</sup> And China's actions during the Huangyan Island standoff in fact reflect elements of both deterrence and compellence. For the most of its part, China aims to "compel" the Philippines to change what it perceives to be provocative behavior, such as Manila's claim to bring

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<sup>21</sup> Xielai, "Tianqi yubao, buyu, haidaoyou, yige dou bunengshao" (Weather Forecast, Fishing, and Tour of Islands—Leaving No One Behind), *Guoji xianqu daobao* (International Herald Leader), p. 11.

<sup>22</sup> Robert Jervis, "Rational Deterrence: Theory and Evidence," *World Politics*, vol. 41, no. 2 (January, 1989), pp. 183-207; Robert Art, "The Four Functions of Force," in Robert Art and Kenneth Waltz eds., *The Use of Force: Military Power and International Politics*, Lanham, Maryland: Rowman & Littlefield, 1999, p. 142. Thomas Schelling, *Arms and Influence*, New Haven: Yale University Press, 1966.

<sup>23</sup> T. V. Paul, Patrick M. Morgan, and James Wirt zed., *Complex Deterrence: Strategy in the Global Age*, Chicago and London: The University of Chicago Press, 2009, p. 37.

<sup>24</sup> Paul, Morgan, and Wirt zeds., *Complex Deterrence*, p. 37.

the Huangyan Island dispute to the International Tribunal Court for arbitrary, its decision to change the name of the shoal from Scarborough Shoal to Panatag Shoal, its threat to impose economic sanctions against China, and its inflaming of Philippine public opinion, etc. Meanwhile, Beijing also aims to “deter” Manila from “intervening in normal fishing activities” of the Chinese fishermen, or otherwise escalating the crisis.

However, Beijing’s deterrence or compellence may be labeled as “Cooperative Deterrence/ Compellence” since its deterrence or compellence strategy is distinct from “traditional or classical deterrence/ compellence”. As Paul, Morgan and Wirtz note, adjectives will oftentimes be important as a way to distinguish different forms of concepts such as security or deterrence.<sup>25</sup> Therefore, adding the adjective “cooperative” to deterrence / compellence will help illustrate how deterrence/compellence can be applied to promote cooperation game.

First, unlike the classical deterrence/compellence, Cooperative Deterrence/Compellence does not put an emphasis on the threat to use force or actual limited use of force. The gigantic power disparity between China and the Philippines reduces the need for China to rely on the threat to use force to compel Manila to back down.<sup>26</sup> To be sure, that does not mean a CD/CC strategy doesn’t need the threat of use of force. It still does.

Second, the goal of Cooperative Deterrence/Compellence strategy is “cooperation”. That is to say that CD/CC is aimed at deterring another party (the Philippines) from “defecting” from cooperation, and/or compelling it to come back to the cooperation game of joint development. The goal of CD/CC is much more limited and restricted than that of conventional deterrence/ compellence, and is much less zero-sum in nature. The success of a CD/CC does not result in a zero-sum, winner-take-all outcome. In this sense, Cooperative Deterrence/Compellence requires a considerable level of strategic restraint from the initiator.

China’s strategic restraint is indeed manifest throughout the standoff. And China’s approach to the incident is consistent with CD/CC. It does not emphasize the use of force, and has refrained from sending People’s Liberation Army Navy (PLAN) forces to the scene. Instead, China has only relied on the Haijian and Yuzheng law enforcement forces to deal with the Philippine coast-guard and navy ships. As Tong Xiaoling, China’s Ambassador to ASEAN, put it, such measures not only manifest

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<sup>25</sup> Ibid.

<sup>26</sup> The Philippines’ alliance relationship with the United States does change significantly China’s calculations and increase the difficulty for China, but it does not change the structure of the game.

China's "uncompromising attitudes toward territorial sovereignty", but also "adequately show China's good will of not using force to resolve the issue".<sup>27</sup>

### Coercive Diplomacy and Cooperative Compellence

Since coercive diplomacy is considered a form of compellence, it will be important and analytically useful to make distinctions between coercive diplomacy and cooperative compellence. Coercive diplomacy, as defined by Alexander George, is "forceful persuasion": the attempt to get an actor to change its behavior through either the threat to use force or the actual use of limited force. Therefore, it does share some commonalities with cooperative compellence. However, as Robert Art notes, one of its "essential features, and often its only feature" of coercive diplomacy is the threat or the limited use of force.<sup>28</sup> In fact, the threat to use force is not at the core of China's strategy in dealing with the Huangyan Island standoff. The PLA largely remains on the backstage (unlike the case of the Philippines), and China has refrained from *actually using* the naval vessels to engage the Philippine coast guard and naval ships. Rather, it is the MFA that carries the show and China puts diplomatic negotiation as a priority. And part of the reason that China can afford not to emphasize the threat to use force in its cooperative compellence strategy is because of the asymmetrical power gap between Beijing and Manila.

China's use of "quasi economic sanctions", such as the restrictions imposed on imports of Philippine bananas, citing custom quarantine inspection rules, as well as curtailing Chinese tourist groups bound for the Philippines, may be considered a form of what Robert Art calls "peaceful compellence", meaning actions that "do not cause physical harm but that require the latter to pay some type of significant price until it changes its behavior".<sup>29</sup> From a broader perspective, such moves fall into the category of "Cooperative Compellence" and are demonstrative use of CC by China during the Huangyan Island standoff.

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<sup>27</sup> Xu Song, Chen Yuming, Zhao Yeping, "Huangyandao shijian sida jiaodian" (Four Focal Points of the Huangyan Island Incident), *Zhongguo qingnian bao* (China Youth Daily), May 10, 2012.

<sup>28</sup> Robert Art, "Coercive Diplomacy", in Art and Waltz eds., *The Use of Force*, p. 163.

<sup>29</sup> Art, "The Four Functions of Force," p. 143.

## How can a CD/CC strategy Work? –The Challenges of Executing a Successful CD/CC Strategy

### ---Dealing with the Outside Player: the United States and the Extended CD/CC Game

The Philippines' alliance relationship with the United States does change significantly China's calculations and increase the difficulty for China to pursue a successful CD/CC strategy, but it does not fundamentally change the logic of the game (albeit the structure of the game is extended). Adding the United States into the structure of the game will make an extended CD/CC game, in some way like the extended deterrence.

But here is also some significant difference. For extended deterrence to work, it is of critical importance to make a defender's extended deterrent threat against a potential attacker credible.<sup>30</sup> But an extended CD/CC is in reverse order. For an extended CD/CC to work, in addition to maintain a credible deterrent capability, it is of equally if not more importance for the initiating state (China) to communicate its intention of pursuing cooperation to the outside power, usually allied with the target state (the Philippines). In other words, in the Huangyan Island CD/CC game, China will have to convince the United States (or itself should actually understand) that they both share interests in preventing military conflict from breaking out over the Huangyan Island, and that Washington should avoid over-emboldening the Philippines.

Indeed, the United States policy makers keenly understand the perils inherent in the standoff and have tried hard to strike a balance between maintaining U.S. credibility and not emboldening the Philippines to provoke a military conflict. The United States has repeatedly stated that it does not take a position in sovereignty disputes in the South China Sea. Despite the fact that the Philippines has repeatedly tried to get U.S. commitment to come to its rescue if it runs into a military conflict in the South China Sea, Washington has refrained from giving such a commitment to Manila. On April 30, the Philippines and the United States held the first ever "two plus two" consultations, bringing their foreign affairs/state and defense secretaries together. And recently the Philippine President Aquino III paid a visit to the United States. However, the United States has reiterated that it would not take a position in sovereignty disputes in the South China Sea and has carefully avoided making any commitment to defending the Philippines if the latter were to be embroiled in a

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<sup>30</sup> Paul K. Huth, *Extended Deterrence and the Prevention of War*, New Haven and London: Yale University Press, 1988, p. 1.

military confrontation with China in the South China Sea.<sup>31</sup> During Philippine President Benigno Aquino III's recent visit to the United States, the U.S. side again carefully avoided making any commitment to the defense of the Philippines should a conflict break out in the South China Sea. Indeed, during their brief appearance for the press corps following Aquino's visit to the Oval Office, Obama even failed to mention China.<sup>32</sup> Jeff Bader, who recently stepped down as senior director of Asian affairs at the National Security Council in the Obama administration, explained that the United States the U.S.-Philippines Alliance Treaty has never meant to protect the disputed islands in the South China Sea, and the United States does not take a position in any sovereignty claims.<sup>33</sup> Bonnie Glaser, senior research fellow at the Center for Strategic and International Studies, acknowledged that the Obama administration has deliberately taken an ambiguous posture on the U.S. defense obligation under the U.S.-Philippine Military Treaty. Glaser even went to reveal her belief that if a limited military conflict breaks out between the Philippines and China, the United States will be unlikely to directly intervene.

---- Using "Self-Reliance Development" (*zizhu kaifa*) to Push for "Joint Development"

For China, a successful CD/CC strategy in the South China Sea will have to achieve the twin goals of "deterring" other claimant countries from further "defecting" from the cooperation game of joint development, and at the same time of "compelling" them to come back to the cooperation game. To do so, China would have to resist the temptation to pursue a zero-sum, winner-take-all outcome and be willing to provide positive inducements, as part of forceful persuasion, to "compel" other claimants such as the Philippines and Vietnam to come back to the cooperation game.

Beijing, Manila, and Hanoi actually once came close to the cooperation game of joint development, as China proposed. In September 1994, China and the Philippines signed an agreement to conduct joint research and development of the oil and gas resources in the South China Sea. Again in March 2005, China, the Philippines, and Vietnam signed a trilateral agreement for joint exploration of oil and gas resources in an agreed area of 140 thousand square kilometers in the South China Sea. As the first step, national oil and gas companies from three sides had carried out the job of

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<sup>31</sup> Roy C. Mobasa, "US Won't Take Side in Ph-Ch Feud," *The Manila Bulletin Newspaper*, May 1, 2012, <http://mb.com.ph/node/358517/u>, accessed on June 17, 2012.

<sup>32</sup> Remarks by President Obama and President Aquino of the Philippines After Bilateral Meeting, June 8, 2012, <http://www.whitehouse.gov/the-press-office/2012/06/08/remarks-president-obama-and-president-aquino-philippines-after-bilateral>, accessed on July 17, 2012.

<sup>33</sup> Exclusive interview with Jeff Bader, *Cankao xiaoxi* (Reference News), May 15, 2012, <http://world.cankaoxiaoxi.com/2012/0515/37938.shtml>, accessed on June 16, 2012.

collecting the seismic data in the agreed area. The tripartite agreement, the first of its kind in history, however, was stalled largely because of the domestic political opposition coming from the Philippine side.<sup>34</sup> Since then, the Philippines (and for that matter, Vietnam also) has increasingly “defecting” from the cooperation game, thus rendering all parties increasingly trapped in a “prisoner’s dilemma”. For instance, Manila moved unilaterally to develop an area of 10 thousand square kilometers out of the agreed area, in collaboration with Western oil companies.

Reportedly, a group of influential former officials and experts has recently concluded a strategic study of the South China Sea issue in which they proposed the idea of “using self-reliance development (*zizhu kaifa*) to push for joint development”. The report has been submitted to the Chinese government and was well received by concerned governmental agencies. Taking advantage of China’s newly developed deep-sea exploration technology, China will “no longer wait for others to join us for joint development”. Rather, China will base its strategy on self-reliance, unilateral development so as to compel others to agree to joint development. Specifically, the report lays out three methods: 1) to draw a red-line for perceived behavior by other claimant countries that has encroached China’s sovereignty rights. Once the red-line is crossed, China should immediately take resolute counter-measures; 2) to “intervene” in other claimant countries’ illegal exploration work within sea areas that is within China’s jurisdiction so as to compel them to stop their infringement behavior; 3) to use unilateral, self-reliance development (*zizhu kaifa*) in disputed sea area so as to compel other claimant countries to come to terms with “joint development”.<sup>35</sup>

Indeed, the idea of “using *zizhu kaifa* to push for *gongtong kaifa*” is very much consistent with the logic of CD/CC strategy. Interestingly, some former high-ranking U.S. officials have seconded the idea of China taking the lead in jointly developing the South China Sea. In a recent track II dialogue on U.S.-China relations, former Deputy Director of the Central Intelligence Agency (CIA), retired four-star Admiral Bobby Ray Inman suggested that China should take a leadership role in the South China Sea issue by “creat(ing) a framework for joint development of resources in the South China Sea, from which all Asian nations can benefit”.<sup>36</sup>

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<sup>34</sup> Shi Jiazhu, *Haiquan yu Zhongguo*, pp. 100, 106; Wu Shicun, *Nansha zhengduan de qi yuan yu fazhan*, p. 200; Interviews with Chinese analysts with knowledge of the agreement, May, September 2010, Beijing.

<sup>35</sup> Li Mingshan, “Zhonghaiyou nanhai kaifa zhanlue huzhi yuchu” (CNOOC’s Strategy of South China Sea Development is Set to Emerge), *Fenghuang zhoukan* (Phoenix Weekly), pp. 81-82.

<sup>36</sup> Chen Yiming, “Mei tuiyi shangjiang huyu Zhongguo daitou kaifa nanhai” (U.S. Retired Admiral Appeal China to Take the Lead in Developing the South China Sea), *Huangqiu shibao* (Global Times), June 12, 2012, p. 3.

Now China seems to have prevailed in the Huangyan Island standoff, but a good CD/CC strategy would require China to exercise strategic restraint, resist the temptation of pursuing a more expansive goal, and consolidate the advantageous position and use it to “compel” the Philippines to come back to the cooperation game of joint development. Domestic nationalist sentiment will be a big constraint and challenge for China’s CD/CC strategy. For the CD/CC strategy to work, it is also very important for China to reach a strategic understanding with the United States, given the structure of an extended CD/CC game.