

China's Maritime Coercion Amid the COVID-19 Pandemic

Suyash Desai

Manoj Kewalramani

Aditya Ramanathan

Assessing PRC's motivations and threat of conflict in the South China Sea

Version 1.0

June 02, 2020

This document can be cited as "Suyash Desai, Manoj Kewalramani, Aditya Ramanathan, China's Maritime Coercion amid the COVID-19 Pandemic, Takshashila Strategic Assessment, May 2020". For any feedback, please email research@takshashila.org.in



Table of Contents

page

3

Executive Summary

page

4

*Background and recent
escalation*

page

8

*Assessing PRC's
motivations*

page

11

*Gauging the threat of
escalation*

page

15

*Gauging the threat of
escalation*



Executive Summary

This document assesses the recent escalation of coercive activities by the People's Republic of China (PRC) in the South China Sea (SCS) amidst the outbreak of the COVID-19 pandemic.

There are six explanations for PRC's recent escalation of coercive behaviour

1. Opportunistic escalation amid pandemic distraction
2. Coercing regional powers to accept *fait accompli*
3. Deterring other actors by shows of strength
4. Aiding domestic propaganda
5. Offensive Defence
6. Country/Context-specific issues

We assess that the probability for escalation of the crisis is the highest if there are collisions and accidents, declaration of an air defence identification zone (ADIZ) by the PRC or an attempt to forcefully change the status quo of the region.

Background and Recent Escalation



Why is the SCS Important?

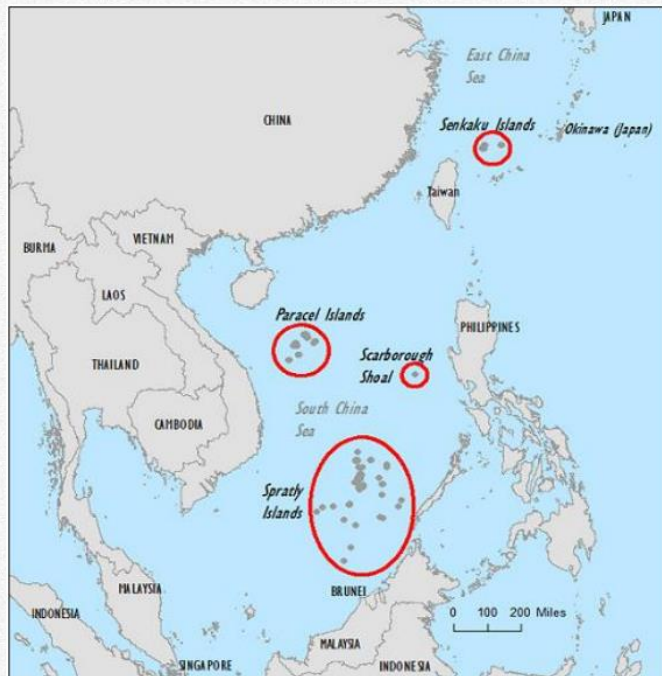


The SCS is subject to several overlapping territorial claims involving seven countries in the East and Southeast Asian regions. The seven claimants are the PRC, Vietnam, the Philippines, Malaysia, Indonesia, Brunei and Taiwan. The sea occupies a central role in the geopolitics and geo-economics of the region.

- The SCS is a key commercial waterway connecting East and Southeast Asia with Europe and Africa.
- The United Nations Conference on Trade and Development estimates that one-third of global shipping, almost a total of US\$3.37 trillion of international trade, passes through the South China Sea.
- The US Energy Information Administration estimates that the area contains at least 11 billion barrels of oil and 190 trillion cubic feet of natural gas.
- It also accounts for 10 per cent of the world's fisheries, making it a key food source for people in the region.



Why does the PRC care about the SCS?



Source: CRS report: US-China Strategic Competition in South and East China Sea, April 24, 2020.

Trade and Energy

As per the data compiled by [ChinaPower](#), in 2016, almost 80 per cent of the PRC's total oil imports passed through the SCS via the Strait of Malacca. Also, nearly 40 per cent of China's total trade in 2016 transited through the SCS. Besides trade and commerce, the PRC is also interested in the region's hydrocarbons, natural gas and fishing resources.

Military Importance

Features of SCS, both natural and manmade, act as the PRC's forward military outposts for projecting military power in the region. During a conflict, it could act as barriers for protecting the PRC's southern coast from an invasion. Moreover, the SCS and the deep waters of the adjoining Bashi Channel provide an ideal bastion for the PRC's ballistic missile nuclear submarines.

Political Significance

The PRC claims the SCS as an indivisible part of its historical territory. A compromise, therefore, is likely to have an impact on Communist Party's domestic legitimacy.



Recent Escalation

The past few months have witnessed an escalation of tensions in China's maritime periphery. Beijing has sought to project force through drills and by entering the exclusive economic zones (EEZs) of other states, doubling down on its territorial claims. Such escalation of aggression has been particularly jarring given that it coincided with China's largely successful containment of the COVID-19 outbreak by mid-March, even as countries around the world were reporting a rapid increase in infections.

12.2019	—	Indonesia protests Chinese fishing in Natuna Sea
01.2020	—	PLAN & PLAAF drills near Taiwan
02.2020	—	PLAAF jets fly past Taiwan's coast
02.2020	—	US Navy claims Chinese sailors fired military grade laser at its surveillance aircraft in W. Pacific
02.2020	—	PLAAF nighttime sortie near Taiwan
03.2020	—	PLAN anti-submarine drill in South China Sea
03.2020	—	Chinese fishing vessel collides with Japanese destroyer in East China Sea
03.2020	—	Chinese vessel hits and sinks Vietnamese fishing boat
04.2020	—	Liaoning carrier strike group sails past north Taiwan. It then conducts montlong drills in the South China Sea
04.2020	—	Chinese survey vessel Hai Yang Dizhi enters Vietnam's EEZ. From there, it moved to enter Malaysia's EEZ.
04.2020	—	PRC's Ministry of Civil Affairs reiterates sovereignty claims over the Spratlys and Paracels by establishing Xisha and Nansha districts
04.2020	—	PRC renames 80 topographical features in South China Sea
04.2020	—	Sino-US war of words after the State Department says Beijing was "exploiting the distraction" of the pandemic "to expand its unlawful claims."

Assessing PRC's Motivations



Assessing PRC's Motivations

Escalation by the PRC is likely to be useful for domestic propaganda and will support Beijing's claims of having contained the COVID-19 outbreak.

#1 Opportunistic escalation amid pandemic distraction

It is likely that the PRC senses an opportunity to assert its claims over disputed territories in its maritime periphery as key regional and interactional actors are engaged fighting COVID-19 pandemic. It's noteworthy that key US naval vessels in the Western Pacific have reported outbreaks.

#2 Coercing regional powers to accept fait accompli

Intrusions, harassment and demonstrations of force targeting regional powers could likely be aimed at furthering the PRC's territorial claims and the narrative of its predominance in the region and the futility of others balancing with the US.

#3 Deterring other actors by shows of strength

Aggressive posturing could be a deterrence mechanism amid concerns that other powers could use the distraction of the COVID-19 outbreak to coerce the PRC.



Assessing PRC's Motivations

But the escalatory measures might be strategically counterproductive in the long-term. They are likely to undermine the ongoing SCS Code of Conduct negotiations and force regional powers to pursue greater balancing with the US as well as like-minded middle powers.

#4 Aiding domestic propaganda

Displays of strength and stoking nationalism via low-grade standoffs can aid domestic propaganda amid concerns over public anger due to epidemic control measures and economic woes.

#5 Offensive Defence

The PRC aims to resist the international blowback, which is generated due to the CCP's mishandling of the COVID-19 outbreak in the initial stages. The South China Sea offensive, like others on its periphery, is one of the ways to divert the issue.

#6 Country/Context-specific issues

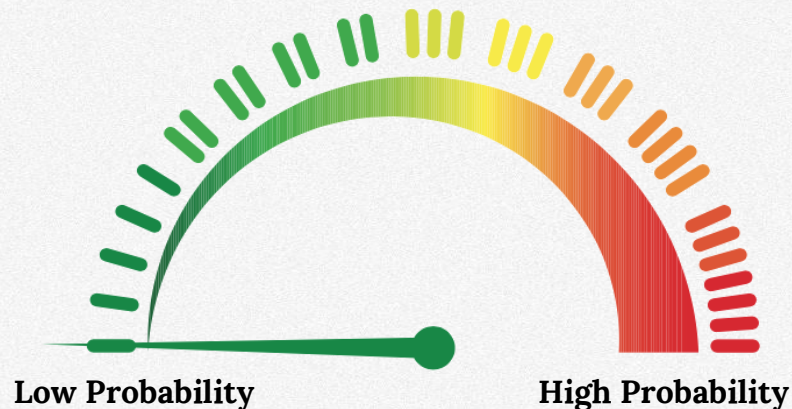
Besides the broader aim to assert its sovereignty within the disputed territories in SCS, the PRC could, possibly, have country-specific issues with individual regional actors. These issues could act as motivating factors for its coercive approach with the regional actors. The intensity of coercion would differ based on the seriousness of the issue.

Gauging the Threat of Escalation



Gauging the Threat of Escalation

Escalation Probability Meter



If the PRC were to display increased risk appetite in and around its maritime periphery, it could lead to several escalatory outcomes, both intended and unintended.




Greater risk-taking could potentially lead to miscalculations, misperceptions of intentions and accidents.

This section categorises the range of possible actions that the PRC could adopt, identifying six escalatory scenarios. We then assess the probability for each of these to lead to a broader crisis or conflict.

To map this probability we use a colour-coded meter, ranging from low (green) to high (red) probability.






Escalatory Scenarios

Type of Action	How It Could Play Out	Escalation Probability
Limited Blocking Actions	This includes a range of actions that the PRC could take to block activities of and access for other states, such as harassing merchant or fishing vessels, disrupting drilling activities and blockading access to certain features. These are measures witnessed in the past and are likely to persist. Escalation will depend on scale of blocking action.	
Declaration of ADIZ	In November 2014, the PRC established an Air Defense Identification Zone over the East China Sea. Since then, there's been much speculation about a similar action in the South China Sea or even one to cover Taiwan. Such a step will lead to US retaliation and likely sound the death knell for the Code of Conduct negotiations.	
Collisions and Accidents	Collisions between naval ships or military aircraft, especially when resulting in fatalities, can lead to rapid escalation. Given heightened tensions, high levels of distrust and lack of formal de-escalatory mechanisms, there is high likelihood that an incident like the 2001 EP3 accident could snowball into a larger crisis.	



Escalatory Scenarios

Type of Action	How It Could Play Out	Escalation Probability
Non-lethal Attacks	Over the past few months, we've witnessed incidents that would fall within this classification, such as the use of fishing vessels to ram other states' vessels. Other actions include violations of Taiwan's airspace, electronic jamming and GPS spoofing focused on land targets or naval vessels, or seizure or destruction of UAVs, UCAVs or UUVs. Since these are non-lethal in nature, the threat of broader escalation is low.	
Forceful Change of Status Quo	There's much that Beijing has already done to change the status quo in the South China Sea, such as building and militarising artificial islands. Going ahead with use of force to seize the Senkakus in the East China Sea or features in the South China Sea controlled by other claimants will likely result in conflict.	
Sabotage and Intelligence Ops	The creation of the PLASSF has allowed Beijing to consolidate and better target its cyber attacks and disinformation operations. The threat of these escalating into a larger crisis remains low, unless they intensify in scope and scape, undermining critical infrastructure or financial systems in, say, Taiwan or Vietnam. Beijing could also potentially target undersea cables as part of its efforts to coerce states.	

Conclusion



Conclusion

This document outlines the importance of the South China Sea for the PRC and highlights its opportunistic behaviour since the beginning of the COVID-19 outbreak.

Our analysis indicates a pattern to the PRC's assertion in its maritime periphery. We conclude that such behaviour might be useful for domestic propaganda purposes, but it is likely to prove counterproductive from a strategic perspective.

Based on the scenarios that identified, we conclude that the PRC's coercive activities could lead to a broader crisis or even conflict in the region.

/end