The China Coast Guard
Shifting from Civilian to Military Control in the Era of Regional Uncertainty

Ulises Granados

Abstract

As part of the restructuring of state organizations announced in March 2018, it is known that the China Coast Guard (CCG), previously controlled by the State Oceanic Administration, is coming under the administration of the People’s Armed Police (PAP) from the Central Military Commission (CMC). As a paradigmatic shift from a joint civilian–military control (State Council–CMC) to a purely military one, the reorganization of the CCG, only five years from the latest reshuffling, seems to reveal an the party’s increasing control over the military as outlined in the September 2017 CCP Central Committee and also the intention by the Chinese central government to provide the CCG with more flexibility and authority to act decisively in disputed waters in the East and South China Seas if needed. This article inquiries into the causes, logic, and likely regional consequences of such a decision. Amid the upgrading of insular features in the Spratlys, the deployment of bombers in the Paracels, and overall modernization of China’s naval capabilities, the article also explores plausible developments in which the PAP-led CCG, irregular maritime militias, and People’s Liberation Army Navy forces might coordinate more effectively efforts to safeguard self-proclaimed rights in littoral and blue-water areas in dispute.

Introduction

During the last eight years, East China Sea (ECS) and South China Sea (SCS) waters have been the setting of increased Chinese civil and naval activity that have altered the balance of power among Northeast Asian and Southeast Asian states, trying to cope with a more robust projection of Chinese maritime power. For China, possessing maritime power, as Michael McDevitt points out, includes a large coast guard, a world-class merchant marine and fishing fleet, shipbuilding capacity, and an ability to harvest from the sea marine resources. And while since at least 2014 the world has witnessed a People’s Liberation Army Navy (PLAN) projecting its presence around the globe (reaching the Mediterranean, the Horn of Africa, Latin America, and the South Pacific), the protection of sovereignty rights and ocean spaces close to the mainland and at its near seas through law
enforcement should be considered as one of the main elements of China’s maritime power for years to come. As China maintains territorial disputes in the maritime realm over sovereignty in the Senkaku Islands (Diaoyu) in the ECS, in the Paracels, Spratlys, and Scarborough Shoal in the SCS, and jurisdictional rights over maritime sectors in both seas, ocean management system, including law enforcement at sea, has become of paramount importance for China.

As a response to this need to safeguard economic interests at sea and protect self-proclaimed sovereignty rights in both the ECS and the SCS under what Beijing perceives to be a current hostile regional environment, China has engaged since 2013 in extensive reforms of its overall ocean management system. In March 2013, Beijing announced its plans to further centralize and reform China’s maritime law enforcement agencies by merging several authorities from ministries into a renewed State Ocean Administration/National Oceanic Administration (SOA) under the Ministry of Land and Resources. Broadly speaking, the decision was taken to improve national legislation as well as to better protect and use maritime resources and territory.

However, only five years later, several internal causes—including uncertainty over clear assignation of responsibilities, the extent of involvement of the China Coast Guard (CCG) in law enforcement operations, as well as external ones—mainly regional responses to civilian and naval Chinese activities in both seas, eventually led to profound changes in China’s ocean management system. In March 2018, the central government decided to put the CCG under the administration of the People’s Armed Police (PAP) under the direct command of the Central Military Commission (CMC). By revealing thus an increasing Communist Party of China (CPC) control over the military as outlined during the September 2017 Central Committee, such a new reshuffle also demonstrates the intention by the Chinese central government to provide the CCG with more flexibility and authority to act decisively in disputed waters in the East and South China Seas at a time when regional and nonregional actors continue to challenge China’s activities at sea.

The article first analyzes the context, causes and prevailing problems framing the 2013 initial ocean management system reform in China when the upgraded SOA and its CCG as a centralized law enforcement body emerged. Second, the economic logic of the reform, a logic that has prevailed after a second reorganization in 2018, is also analyzed at three levels, namely as a decision responding to short-term economic strategies, as part of a long-term oceanic strategy, and as a manifestation of legal and security policies envisioned for the last three decades to protect maritime interests and rights. The third section then reviews relevant causes and events that ultimately led to the 2018 second reorganization of the
CCG, including the increasingly manifest role of maritime militias whose activities have clearly overlapped those of the CCG and the more dominant role of the CPC and the military since the beginning of the second term of Pres. Xi Jinping. The fourth section focuses attention on the geopolitical dimension of the reforms and the regional implications of China’s assertive behavior, including ongoing responses and security arrangements by the United States, Japan, India, and Australia with partners and allies in Southeast Asia. A general conclusion explores potential scenarios of a new, invigorated ocean management system that nonetheless may be responsible for more instability in the SCS and the ECS.

The Reformed SOA

Two important events were paramount in shaping the need for a reformed SOA and a more active role of the CCG as an integral part of China's current oceanic strategy. The first was Japan's nationalization of three islands in the Senkaku/Diaoyu group in the ECS in 2012 after Tokyo Metropolitan Government Governor Shintaro Ishihara started a campaign to purchase these islands from a private individual owning the property deed. The second was the standoff between China and the Philippines in Scarborough Shoal in the SCS in 2012 following the Philippine Coast Guard's arrest of several Chinese fishermen working in the area. This incident is particularly relevant as China Maritime Surveillance (CMS) and Fisheries Law Enforcement Command (FLEC) ships reportedly orchestrated the standoff. It was mainly this incident that later triggered Philippine legal action in initiating arbitral proceedings at the Permanent Court of Arbitration (PCA) at The Hague in early 2013.

There were relevant reasons for implementing the ocean management system reform. First, there existed a need to speed economic development profiting from the coastal areas and further develop the marine economy. Second, there was a desire to create a higher level, stronger agency that integrates resource management and offers systematic services to the development of marine economy and to safeguard rights and interests at sea. And third, there was an imperative to reduce implementation costs of marine-related legislation.

Above all, the reform recognized the existence of severe bureaucratic problems. Before 2012 there were around 17 agencies and ministries involved in maritime management in China, which brought overlapping legal and jurisdictional functions and conflicts that impeded coordination. The deliberations on reform in 2012–2013 were the result of a rather long debate originated more than a decade before. In 1998, there was a debate on whether to set up a National Oceanic Administration Council. In 2003 came another proposal by the Chinese Society of Oceanography to create a modern law enforcement agency. Eventually, nine
years later, on 4 March 2012, Admiral Luo Yuan proposed in the Chinese People’s Political Consultative Conference the creation of a coast guard to confront maritime disputes. The same year the Leading Small Group on Maritime Rights (中央海洋权益工作领导小组) was established.

Until 2012, China’s main agencies and official bodies involved in marine management were the Ministry of Land and Resources, the Ministry of Agriculture, the provincial governments, the General Administration of Customs, the Ministry of Public Security, the Ministry of Transport, the State Oceanic Administration, the Ministry of Foreign Affairs, the Ministry of Environmental Protection, the National Tourism Administration, several state-owned oil companies, and the PLAN. Among them, however, the main five law enforcement agencies, four of them involved in the later overall restructuring, were the following: (1) the Chinese Coast Guard Administration, under the Ministry of Public Security; (2) the Customs Anti-Smuggling Bureau, under the General Administration of Customs; (3) the China Marine Surveillance, under the State Oceanic Administration; (4) the Fishery Law Enforcement Command, under the Ministry of Agriculture; and (5) the Maritime Safety Administration, under the Ministry of Transport.

On 14 March 2013, during the first Plenary Session of the 12th National People Congress, the “Transformation Plan of the Agencies and Functions of the State Council” (国务院机构改革和职能转变方案) was discussed and adopted. Article 5 defined the restructuring of the new SOA, carrying out law enforcement activities under a new CCG under the dual authority of the Ministry of Land and Resources and the Ministry of Public Security. Because of the Transformation Plan, four agencies, namely a Maritime Border Police, the General Administration of Customs, the China Marine Surveillance, and the Fishing Regulation Administration, moved under the authority of a new SOA, while the Ministry of Transport assumed authority over the Maritime Safety Administration. The new coast guard thus emerged from the above four agencies.

As the main maritime law enforcement agency, the CCG territorial areas were later defined, emulating the PLAN fleets’ areas of responsibility along China’s littorals. Three divisions for the CCG were created: the North Sea Branch, the East Sea Branch, and the South Sea Branch, as well as 11 CCG commands and flotillas in coastal provinces, autonomous regions, and municipalities under the Central Government (Tianjin and Shanghai). The highest consultative organ of the SOA was the State Oceanic Commission (国家海洋委员会), whose main functions were to formulate development strategies and to coordinate relevant oceanic matters and decisions to be assumed by the SOA. Unfortunately, there is no substantial public information on the State Oceanic Commission.
The Economic Logic of the SOA/CCG Reform

For China, the 2013 reorganization of the SOA, and later the 2018 second re-shuffle, follows an economic logic that, as mentioned above, has paid more attention to the defense and economic development of those marine areas susceptible to state control. In these areas, particularly in the SCS and the ECS, law enforcement has been deemed essential for economic development and economic security at several levels.

First, a better control of the coastal regions through a more effective CCG had in mind an overall economic strategy enshrined in China’s 13th Five-Year Plan (FYP) 2016–2020.8 The reorganization of the law enforcement agencies has the overall objective of fostering and protecting the marine economy as well as safeguarding China’s maritime rights and interests with the goal of turning China into what has been stated as a strong maritime country. As Ryan Martinson posits, such a maritime transformation meant an increase in the importance of the ocean in a state’s grand strategy.9 A stronger SOA is thought to enable China to reach objectives specified in the 13th FYP. In line with the overall goals of building what Beijing calls a moderately prosperous society, the CPC has bet for a medium-high rate of growth for the next years, a better coordinated development between inland and coastal regions, and an overall improvement in the quality of the environment and ecosystems, including marine ones, among other goals.10

Chapter 41 of the 13th FYP, entitled “Widen Space for the Blue Economy,” states, “We will . . . safeguard China’s maritime rights and interests, building China into a strong maritime country. . . . We will . . . support Hainan in using South China Sea resources to develop a distinctive marine economy.”11 As stated in the document, a new CCG should ultimately be instrumental in better safeguarding maritime rights and interests. The FYP further states,

“We will effectively safeguard China’s territorial sovereignty and maritime rights and interests. We will strengthen the capabilities of maritime law enforcement organizations, deepen historical and legal research on maritime issues, coordinate the use of different measures to safeguard and expand China’s maritime rights and interests, see that maritime torts are properly handled, and ensure navigational freedom and maritime safety within waters under China’s jurisdiction. We will take an active part in the establishment and protection of the international and regional maritime order, improve dialogue and cooperation mechanisms with neighboring countries regarding maritime issues, and promote pragmatic maritime cooperation. We will further improve mechanisms for coordinating marine affairs, strengthen the top-level design of maritime strategies, and formulate a basic maritime law.”12
Second, the reorganization of the SOA and the law enforcement functions through the CCG should be viewed as part of Beijing’s long-term oceanic strategy to ultimately develop China into a strong marine economy and a maritime world power, using the CCG for the civilian mandate of marine safety and security, playing a similar role of those assigned to the PLAN—defense and China’s off-shore interests. During the plenary session of the 8th National Congress of the CPC on 8 November 2012, Pres. Hu Jintao highlighted the overall goals involving relevant maritime policies: “We should enhance our capacity for exploiting marine resources, develop the marine economy, protect the marine ecological environment, resolutely safeguard China’s maritime rights and interests, and build China into a maritime power.”

Third, the reform of the SOA and its CCG in the 2013 Transformation Plan was perceived as part of a series of legislations and security policy measures to better secure coastal territory through military and civilian law enforcement. Both the 2013 White Paper on Defense and the 2015 White Paper on Military Strategy included directives for the armed forces to protect its maritime border areas:

“To safeguard border, coastal and territorial air security, and protect national maritime rights and interests… …China will resolutely take all necessary measures to safeguard its national sovereignty and territorial integrity.”

“It is thus a long-standing task for China to safeguard its maritime rights and interests.”

From a legal perspective, relevant legislation to protect marine areas has already been passed since at least the early 1990s, including the following: the 1992 Law of the People’s Republic of China on the Territorial Sea and Contiguous Zone, covering the Senkaku/Diaoyu Islands; the 1992 Maritime Law of the People’s Republic of China; the 1996 Declaration on the Baselines of the Territorial Sea, including the Paracel Islands in the South China Sea; the 1998 Law on Exclusive Economic Zone and Continental Shelf; the 2009 Marine Islands Protection Law and its program approved in 2012; the 2011 Approved Regulations for the Use and Development of Marine Habited Islands; the 2012 Declaration of the Government of the People’s Republic of China on the Baselines of the Diaoyu Island and its affiliated islands; and the 2016 Approved Regulations for the Use and Development of Marine Non-Habited Islands.

An Armed CCG: The Militarization of the Agency

One of the main questions related to the second CCG 2018 reform is whether after 2013 it served better than its envisioned purpose. It was believed that a strong civilian CCG would serve to mitigate conflict at sea or avoid direct military
confrontation with other states in the SCS and ECS. And yet, in the five years of the SOA’s existence, events in those two maritime regions seem to have called not only for a unified CCG for law enforcement but also for a fully armed CCG with stronger and more direct links with the military.

Both in the ECS and the SCS, Chinese fishermen, maritime militia, and CCG activities increased since the SOA reform, revealing a rather clear pattern of assertiveness. In 2014, reports indicated that Chinese boats fishing illegally in Japanese waters reached a peak, when the Japanese coast guard ordered Chinese vessels to leave the area around the Senkaku Islands on 208 occasions. The number of incidents involving Chinese fishermen and coast guard vessels entering Japanese-claimed waters has continued to rise since 2015 and dramatically so by mid-2016.

Figure 1. South China Sea. The US Coast Guard Cutter Morgenthau and China Coast Guard vessel 2102 steam alongside each other during the transfer of the fishing vessel Yin Yuan, 3 June 2014. The Morgenthau crew was patrolling in support of Operation North Pacific Guard, the US Coast Guard’s component of a multilateral fisheries law enforcement operation designed to detect and deter illegal, unreported, and unregulated fishing activity.

Roughly at the same time, China started what has become known as the most extensive land reclamation in the SCS, seven islands and reefs, while in spring 2014, the Chinese state-owned China National Offshore Oil Corporation moved its Hai Yang Shi You 981 oil platform to waters near the disputed Paracel Islands in the SCS, resulting in Hanoi attempting to prevent the platform from establish-
ing a fixed position. Moreover, amid the PCA’s ruling of 12 June 2016 in favor of the Philippines, the Chinese government seemed to have ordered stronger civilian and naval presence in both the SCS and the ECS. Between 5–9 August that year, reports indicated that CCG ships, including the CCG 35102 and about 230 fishing vessels, sailed near the Senkaku area, while by 17 August, around 300 fishing vessels and 28 patrol ships reportedly reached the outside of the territorial waters of Senkaku Islands. By October 2016, the number of Chinese incursions in the ECS Senkaku area had surpassed 30 ships.

Coinciding with President Xi’s reelection, pertinent changes were prepared for the 13th National People’s Congress in early March 2018 that involved not only a dramatic change in China’s oceanic management system but also revealed Xi’s tighter grip as the leader of the CPC over the state institutions in charge of protecting maritime areas. During the Congress, the State Council Institutional Reform Plan (深化党和国家机构改革方案) was unveiled, with extensive restructuring plans of the central government, leaving the State Council with only 26 ministries and commissions. Among these proposals were the dissolution of the fledgling five-year-old SOA, moving its responsibilities to other ministries and agencies, including a change of command in the CCG from a civilian SOA to the Central Military Commission (CMC). Following these changes, the main current institutions with authority over ocean activities are as follows:

1. A brand new Ministry of Natural Resources (after the dissolution of the Ministry of Land and Resources), in charge of oversight of the development and conservation of marine resources, surveying, and geological exploration of the seabed;
2. The Ministry of Ecology and Environment, which will assume the functions of marine environment protection, a task until 2018 delegated to the SOA. Additionally, some responsibilities for the enforcement of environmental laws for oceans were assigned to this ministry from the CCG;
3. The Ministry of Agriculture and Rural Affairs, which oversees aquaculture and wild capture fisheries;
4. The Ministry of Transport, in charge of administration of China’s fishing fleet and inspection and supervision of fishing vessels; and,
5. A new CCG under the authority of the People’s Armed Police (PAP).
A central part of this restructure came in the realm of maritime security. Between 2013 and 2018, the tasks of patrolling and law enforcement in the ECS and the SCS comprised three levels: (1) a military blue-water PLAN force, (2) the civilian “white hull” CCG, and (3) when necessary, a “low profile” green fleet-Chinese militia organized within the PAP.

To downgrade the level of escalation between China and its neighbors’ law enforcement agencies—both in the ECS in the Senkakus and in the SCS in the Spratlys and Scarborough Shoal—Beijing had until now privileged the presence of its white-hull CCG as a civilian force. However, at the same time, when deemed necessary, Chinese provincial authorities have ordered the presence of its maritime militia, considered an integral part of a three-pronged trident, to harass or thwart external actors’ operations, such as freedom of navigation operations (FONOP) by the US Navy in the SCS since 2015. This means that even though the CCG is supposed to be the supporting soft power in safeguarding maritime areas, leaving the PLAN presence mainly as a hard support for the CCG to contain possible escalation, in fact there remains in the middle an irregular military force, the maritime militia, in charge of taking escalatory measures not suitable for either the PLAN units or CCG regular law enforcement.

It is important to underline that the CCG, alike the maritime militia, had been considered as a purely civilian force under civilian command for patrolling maritime zones under self-recognized national jurisdiction (territorial sea, contiguous zone, and exclusive economic zone.) Albeit a civilian force, however, since 2013 the CCG’s law enforcement capabilities have been upgrading. For example, in December 2015, the CCG 31239 ship and two more entered the waters near the Senkaku Islands, reportedly armed with weapons. Later, in February 2016, the CCG 31241, 2102, and 2305 ships were also spotted near the Senkaku Islands. Thus, even before being placed under military command in 2018, the CCG firepower has developed steadily. Both CCG and “fishermen” maritime militia’s incursions have continued. Currently, the CCG force is comprised of more than 200 vessels, including the massive 12,000-ton CCG 3901 spotted in the SCS in 2016 and the CCG 2901 operating in the ECS since 2015, making this law enforcement fleet the largest in the world.
As has become evident, the scope of CCG law enforcement ships activities, including the potential of use of force when necessary, have increased. However, like the maritime militia, command and control of the CCG was not under the military and rules of engagement seemed to be rather confused for a civilian force—even under a unified SOA. It is amid the growing importance of the CCG and the maritime militia, both with different chains of commands, that the March 2018 reorganization of functions was framed. Based on the March 2018 Plan, during the session of the Standing Committee of the National People’s Congress, a resolution was finally passed on 22 June 22 specifying the authority and responsibilities of the reshuffled CCG. Among them are the following: (1) cracking down on illegal activities at sea, (2) safeguarding security and order of maritime operations, (3) protecting the marine environment and ecosystems, (4) regulating the fishing industry, and (5) coordinating and training local governments’ maritime law enforcement. Now, the distinction has been solved between civilian and military command during law enforcement operations in disputed areas largely considered as core interests.

More importantly, with the dissolution of the SOA, the CCG has been effectively transferred to the CPC under the authority of the PAP—under the direct command of the CMC, along with the PLA and the militia. This decision means that the CPC and its Secretary General Xi Jinping may be the ultimate decision maker, as chairman of the CMC, of any action in both maritime areas. The transfer of the CCG from the defunct SOA to the PAP came into force 1 July 2018.

The Geopolitical Dimension

Before the 2018 restructuring, the consequences of the reorganization of China’s institutions in charge of ocean affairs, mainly the SOA and its CCG, became manifest as explained above in more aggressive law enforcement activities in the ECS and the SCS. In response, several regional and nonregional actors have reacted to quickly cope with such an assertive China. The regional geopolitical dimension of the 2013 reorganization, the subsequent activities in both maritime areas (mainly the massive construction of artificial installation at the Spratlys under the protection of CCG and PLAN forces), and the new 2018 CCG reorganization involve a regional geopolitical dimension with extensive repercussions for several regional and extraregional stakeholders.

First, there is a growing presence of US naval forces in the region in the form of FONOPs and through deeper naval cooperation between Washington and its allies in the region. The United States has been challenging what it considers China’s excessive maritime claims, and by July 2018 had conducted a total of 11 FONOPs in the SCS off the Paracels, the Spratlys, and Scarborough Shoal (see table 1).
Table 1. Obama, Trump Administrations’ FONOP, South China Sea

<table>
<thead>
<tr>
<th>Date</th>
<th>USS ship</th>
<th>Area (S:Spratlys, P:Paracels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 May 2015</td>
<td>P-8A Poseidon</td>
<td>(Overflight) Fiery Cross (S)</td>
</tr>
<tr>
<td>18 July 2015</td>
<td>P-8A Poseidon</td>
<td>(Overflight) Spratlys</td>
</tr>
<tr>
<td>27 October 2015</td>
<td>Lassen</td>
<td>Subi, Mischief (S)</td>
</tr>
<tr>
<td>29 January 2016</td>
<td>Curtis Wilbur</td>
<td>Triton (P)</td>
</tr>
<tr>
<td>10 May 2016</td>
<td>William P Lawrence</td>
<td>Fiery Cross (S)</td>
</tr>
<tr>
<td>21 October 2016</td>
<td>Decatur</td>
<td>Triton, Woody (P)</td>
</tr>
<tr>
<td>February 2017</td>
<td>Carl Vinson strike group</td>
<td>South China Sea</td>
</tr>
<tr>
<td>24 May 2017</td>
<td>Dewey</td>
<td>Mischief (S)</td>
</tr>
<tr>
<td>2 July 2017</td>
<td>Stethem</td>
<td>Triton (P)</td>
</tr>
<tr>
<td>10 August 2017</td>
<td>John S. McCain</td>
<td>Mischief (S)</td>
</tr>
<tr>
<td>10 October 2017</td>
<td>Chafee</td>
<td>Paracels</td>
</tr>
<tr>
<td>21 January 2018</td>
<td>Hopper</td>
<td>Scarborough Shoal</td>
</tr>
<tr>
<td>23 March 2018</td>
<td>Mustin</td>
<td>Mischief (S)</td>
</tr>
<tr>
<td>27 May 2018</td>
<td>Antietam, Higgins</td>
<td>Tree, Woody, Lincoln, Triton (P)</td>
</tr>
<tr>
<td>30 Sep 2018</td>
<td>Decatur</td>
<td>Spratlys</td>
</tr>
<tr>
<td>26 Nov 2018</td>
<td>Chancellorsville</td>
<td>Paracels</td>
</tr>
<tr>
<td>7 Jan 2019</td>
<td>McCampbell</td>
<td>Paracels</td>
</tr>
<tr>
<td>11 Feb 2019</td>
<td>Spruance, Preble</td>
<td>Mischief (S)</td>
</tr>
<tr>
<td>6 May 2019</td>
<td>Preble, Chung Hoon</td>
<td>Gave, Johnson (S)</td>
</tr>
</tbody>
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Moreover, to bolster interoperability in the Indo-Pacific, the US, Indian, and Japanese navies already participate on a permanent basis since 2015 in the upgraded Malabar Exercise in the Indian Ocean and Western Pacific. Washington has also been pressing Australia, Japan, and India to participate in FONOPs in the SCS amid the recently revived “Quad”—so far to no avail. Similarly, the US–Taiwan overall relationship has entered into a new phase of cooperation since the beginning of the Trump administration, when the US president approached the Tsai Ing-wen government in early December 2017; recently the US Congress eventually resolved differences over the National Defense Authorization Act for 2019 which included provisions for supporting Taiwan’s defense and cooperation between the militaries of both countries.

Second, Tokyo has received reassurances from Washington over the US–Japan security alliance in the ECS, while at the same time, there are clear cooperation schemes in place between Japan and the Philippines, India, and Malaysia in the SCS. As a direct claimant in the Senkaku Islands dispute, Tokyo has obtained since 2012 clear assurances that the Senkaku area falls under the 1960 Security
Treaty area as agreed in the 1972 Okinawa Reversion Treaty and is therefore subject to collective defense by the United States in case of potential hostilities by China. This is particularly important for Japan, as Chinese fishermen, fishermen-disguised maritime militia, CCG, PLA vessels, and even submarines have entered the area on a seemingly permanent basis.

In reaction to these consistent incursions of Chinese fishing boats, CCG vessels, and naval ships, Japan has increased its military budget and accelerated procurement programs over the past few years. In December 2015, Tokyo confirmed Japan was setting up antiship and antiaircraft missile batteries on 200 islands in the ECS and increasing the number of military personnel on these islands to around 10,000 over the next five years. In April 2016, 10 newly built 1,500-ton patrol ships and two helicopter-equipped patrol vessels were also deployed to patrol the Senkakus with a personnel of 606 coast guard personnel assigned exclusively to the area. Also, the Japanese Ministry of Defense budget requested for the fiscal year 2017 included around 1.6 billion USD (180 billion yen) for the purchase of stealth fighters, V-22 Osprey tilt-rotor aircraft, and Chinook twin-rotor helicopter to patrol the islands. The helicopter carrier JS Izumo (DDH-183) held its first overseas voyage in 2017, and public information reveals that the Japan Maritime Self-Defense Force (JMSDF) plans to convert its two Izumo-class warships into aircraft carriers, supporting F-35 Lightning fighters. For 2018 the Japanese Coast Guard is further deploying jets in a “24-hour patrol system” to monitor the islands, and the number is likely to increase as only four days after the CCG reorganization in force on 1 July 2018 CCG ships were reportedly intruding into the Senkaku territorial waters.

Regarding its partners with vested interests in the SCS, Japan has encouraged cooperation and hardware transfer deals, particularly with the Philippines. After the July 2016 PCA ruling in favor of Manila, Tokyo increased cooperation in the procurement of patrol vessels. In October 2016, Japan extended a 157 million USD loan for the purchase of two Philippine patrol vessels as the first part of a 204 million USD loan for the total purchase of 10 vessels. More recently, in March 2018, Japan transferred three secondhand TC-90 utility aircraft to the Philippine Navy to boost surveillance activities. With India, the alignment of interests in preserving open sea lines of communication in the region has led to the aforementioned trilateral naval Malabar Exercise with the United States (Australia has been politely excluded by India from the exercise) as well as common support for the 2016 PCA ruling against China. Moreover, as part of the JMSDF decision to promote a free-and-open Indo-Pacific (FOIP), the Izumo-class helicopter carriers Izumo and Kaga were sent to the SCS and the Indian Ocean in 2017 and 2018, respectively. Malaysia and Indonesia also share a desire
for a free-and-open SCS, thus enabling Japan to advance shared agendas in the region vis-à-vis Beijing. Since November 2016, the Malaysian maritime enforcement agency acquired two decommissioned patrol boats from Japan. Later, during the visit of Malaysian prime minister Mahathir bin Mohamad to Tokyo on June 2018 and amid Kuala Lumpur’s current detachment from China and rapprochement toward Japan, Prime Minister Abe pledge further cooperation for regional peace and stability, including in the area of maritime safety by keeping a SCS free and open based on the rule of law. As part of Tokyo’s effort to promote its FOIP strategy, Japan pledge to provide 23 million USD to aid Indonesia for development of fishery facilities in remote islands, including Natuna, whose exclusive economic zone overlaps with the Chinese U-shaped line.

Third, the Chinese civil and naval presence in the SCS has led India and even Australia to assume greater roles in balancing Beijing’s power against its South-east Asian neighbors (Vietnam and the Philippines in particular) on both the security and diplomatic fronts. In 2017, as part of Delhi’s current Act East Policy and hoping to become an arms exporter, India started talks with Vietnam for the sale of Akash short-range surface-to-air missiles, and in 2016, Prime Minister Narendra Modi’s government announced a 500 million USD credit line to Vietnam to buy patrol boats. During Modi’s March 2018 visit to Hanoi, the two countries bolstered this bilateral cooperation with further agreements on nuclear energy, trade, and investment—and particularly in the areas of defense and security. Providing support to the Philippines in the aftermath of the 2016 PCA ruling against China, India concurred with Vietnam that the United Nations Convention for the Law of the Sea should be the legal reference to implement international legal obligations and peacefully settle territorial disputes in the SCS. Similarly, Australia has deepened its security cooperation with the Philippines. In line with Canberra’s 2017 Foreign Paper, which highlighted the need to keep an uninterrupted trade route for the flow of Australian goods, Australia has pursued deeper strategic security arrangements with Manila. In 2015, the Philippine Navy acquired five ships from Australia, and in March 2016, Australia delivered three heavy landing craft to the Philippine Navy. Additionally, Australian Navy ships regularly visit Philippine ports in the SCS, which has provoked sharp reactions from the PLAN since late 2017. Reports indicate that in April 2018 three Australian warships were challenged in the SCS on a patrol mission after leaving port in Subic Bay, Philippines.
Conclusions:
China’s Maritime Law Enforcement in the Coming Years

In 2013, amid the first reorganization of the civilian maritime agencies, there was some optimism that even though China’s maritime security policy seemed very assertive by then and unlikely to change in the following years, using CCG would help demilitarize the conflicts in the ECS and the SCS, as well as avoid direct military confrontation with claimant states. However, as shown throughout this article, the level of escalation and potential conflict—either by civilian, quasi-civilian or naval in nature—in the ECS and SCS hotspots in the Senkakus, Paracels, Spratlys, and Scarborough Shoal steadily grown since 2015. A fully armed CCG is largely in charge of patrolling waters outside the exclusive economic zone and territorial waters off the Senkakus, around artificial installations recently built in the SCS, and at Scarborough Shoal—blocking economic activities of Philippine fishermen. This improved CCG fleet, as recognized by other countries such as the United States and Japan, will afford China the capability to continue patrols in areas claimed in both maritime areas in conflict, helping the PLAN to strengthen what has been called the “strategic triangle” area connecting Woody Island in the Paracels, artificial installations in the Spratlys, and Scarborough Shoal off the Philippines.

Moreover, partly as a reaction of the regular FONOPs conducted by the US Navy, as a response of being uninvited to the 2018 RIMPAC Exercise and amid a more visible presence of other countries’ navies in the region, an increasingly modernized PLAN force put on its latest show of force. In 2018 it staged naval live-fire drills and formation maneuvers in the SCS between 24 March and 11 April and again 5–7 July, while in mid-July in the ECS it staged a six-day live-fire exercise to test combat strength against Taiwan. Now, the CCG, maritime militia and PLAN units, all three under the direct command of the CMC, seem much better coordinated to face threats in those maritime areas contested by other countries and that are deemed essential for China’s long-term development strategy. In late June 2018, President Xi reportedly told US Secretary of Defense James Mattis that China will not yield “even one inch” of territory in the SCS.

Unfortunately, the future of both maritime regions’ stability remains murky as the full effects of the latest maritime agencies’ reform are yet to be known. In the SCS, even though in November 2017 China and the Association of Southeast Asian Nations states started negotiations on the details of the long-awaited Code of Conduct (CoC) and by August 2018 a single draft was put forward with an agreement to finalize it within three years starting from 2019, it is unclear whether China will accept any compromise to the document that would weaken regular law
enforcement activities by the CCG, its maritime militia, or the PLAN. It is also unclear whether the current Xi administration will engage in land reclamation in Scarborough Shoal like in the Spratlys, despite public commitments not to do it.

As the CCG and maritime militia have been the advance forces in the Paracels and Spratlys, it is rather logical they will play a leading role in the eventual upgrading of Chinese posts at Scarborough Shoal in the future. It goes without saying, of course, that any action China pursues in the SCS seen as hindering freedom of navigation and damaging the ecosystem would surely be met at several levels of opposition from stakeholders. It remains to be seen, thus, to what extent the CCG—and maritime militias—activities will harmonize with a future CoC in the prevention and management of incidents at sea, a possible area of negotiation that, as Ian Storey believes, will likely be included in the future.\textsuperscript{59} Overall, political will in Beijing to de-escalate tensions in the SCS, rather than the upgrading of the CCG, is likely to be crucial for the stability of the region.

In the ECS, an upgraded CCG presence is most likely to continue posing a risk to stability and has been the cause, together with the North Korean threat, for the current rise in arms spending in Japan and increase in human resources at the Japan Coast Guard. Massive incursions of “fishing boats” guarded by CCG and PLAN vessels, like the one reported in August 2016, are likely to repeat. Moreover, as events in the Senkakus and the SCS are somehow related and Chinese behavior and responses in one scenario have repercussions in the other region, it is likely that the overall SCS dispute will have a direct impact in the ECS. As China demands the United States and Japan refrain from further involvement in the SCS dispute and downplays calls for a FOIP, Beijing’s assertiveness is likely to exacerbate tensions with Tokyo in the Senkakus in the form of an increase in the number of sea and air incursions around the islands. This in turn may trigger further escalation from Japan, either in the form of a possible participation of JMSDF in FONOPs along with the US, French, British, or Australian forces in the SCS or by shifting defense in the Senkakus from the Japanese Coast Guard to the JMSDF.

A final note: as relevant as the 2013 and 2018 reforms are, and as ominous as its regional implications are for the future, China’s ruling party and government continue to bet on peace and development to achieve the status of a truly maritime power and a fully developed nation by about 2049. Long-term economic maritime strategies, such as that envisioned for the Silk Route Initiative, only advance through regional cooperation, and that is why Southeast and Northeast Asian neighbors should expect a less confrontational China. It should be in the supreme interest of China to guarantee the freedom of passage and overflight in those areas, and it should be in the interest of all parties involved to de-escalate tensions in those disputed territories. Probably this will give perspective to those
calling for a more aggressive response against China’s actions and will shape policy making in Beijing among those inclining to ignore years of diplomacy dealing with an increasingly turbulent maritime Asia.

Dr. Ulises Granados

Dr. Granados is a professor of international studies and coordinator of the Asia Pacific Studies Program at the Instituto Tecnológico Autónomo de México. He holds and bachelor of arts in international relations from Universidad Nacional Autónoma de México, a master of arts in Asia and Africa studies from El Colegio de México, and a PhD in history for the University of Tokyo.

Previously, Dr. Granados served as an instructor at several Japanese universities, including Daito Bunka University, International Christian University, Sophia University, and Utsunomiya University. He was also an associate professor at the University of Tokyo and served as a news anchor at the international service NHK World in Japan. He regularly organizes symposia and conferences, authors academic works, and appears regularly as a news analyst on Indo-Pacific issues.

Notes

4. Ibid.
12. Ibid., 118.


18. According to Japan Coast Guard, in 2015 there were a total of 99 Chinese boats incursions into Japanese-claimed waters around the Senkakus, which only increased by mid-2016 to 135 occupying 70 percent of total fishing areas in the whole East China Sea: http://www.upi.com/Top_News/World-News/2016/10/10/Report-Japan-to-deploy-enhanced-patrol-boats-to-deter-Chinese-vessels/9331476124548/.


22. Andrew Erickson and Connor M. Kennedy, “China’s Fishing Militia Is a Military Force in All But Name,” War is Boring, 9 July 2016, https://warisboring.com/chinas-fishing-militia-is-a-military-force-in-all-but-name/. According to Erickson and Kennedy, the maritime militia, disguised as local fishermen, has been the main protagonist of incidents in the South China Sea in 1974 at the Paracels, the 2009 harassment of the USNS Impeccable, 2011 incidents of two Vietnamese hydrographic vessels, the 2012 Scarborough Shoal incident against the Philippines, and the 981 oil rig incident against Vietnamese vessels in 2014.


26. The People’s Armed Police itself was placed under a unified control of the Communist Party of China Central Committee and Central Military Commission as of January 2018.


38. “Chinese Vessels Intrude into Japanese Waters around Senkakus”, Mainichi, 4 July 2018, https://mainichi.jp/english/articles/20180704/p2g/00m/00m/081000c.


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