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# Decoding China's Approach to Escalation & De-Escalation in the South China Sea

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This study attempts to assess China's escalation and de-escalation strategies toward the Philippines in the South China Sea. It assesses and identifies patterns of Chinese behaviour, tools of escalation and mechanisms China deploys to de-escalate, and its objectives in shaping power dynamics a certain way across theaters. Such a study has the potential to understand the drivers of Chinese behaviour and inform policy.

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## 1 Executive Summary

This study assesses China's escalation and de-escalation strategies vis-à-vis the Philippines in the South China Sea. The assessment reveals the following about the Chinese toolkit and patterns of behaviour in the South China Sea territorial dispute:

### 1.1 China's Proximate Objectives

China's proximate objectives in escalating tensions with the Philippines in the past few years revolve around its displeasure with four factors:

- The Philippines' involvement of an international agency (the Permanent Court of Arbitration) in the South China Sea territorial dispute
- The Philippines' enhancing partnership with the US, including through a renewed Mutual Defence Treaty (MDT)
- Heightened domestic insecurity driven by a perception that the world is becoming increasingly hostile for the Asian power
- The perceived legitimacy of China's historical claims on disputed island territories in the South China Sea, which pre-date the establishment of maritime laws surrounding 'Exclusive Economic Zones' (as they apply to the rights of the Philippines under the UN Convention on the Law of the Seas)

### 1.2 The '4-D' Strategy

Subsequently, China's efforts to meet its objectives and mitigate its threat perception have revolved around a '4-D' strategy:

- **De-legitimisation** of claimant states like the Philippines' rights and territorial integrity through official documents and narratives
- **Dealing in 'carrots'** through the establishment of supportive political constituencies within states involved in territorial disputes, and accepting the establishment of diplomatic mechanisms for de-escalation, or 'elite co-option'
- **Deterrence** through deployment of coercive measures involving naval power projection
- **Drawing of 'red lines'** which claimant states must not cross in order to maintain peace and tranquility in disputed areas

## 2 Introduction

The People's Republic of China continues to deploy an aggressive foreign policy towards its neighbourhood, and shape the status quo into a new, tense normal. Hence, it becomes pertinent to examine Beijing's escalation and de-escalation strategies in various theaters of the Indo-Pacific, especially on disputes pertaining to territoriality and sovereignty. Such an examination has the potential to inform diplomatic policy vis-à-vis the Asian power.

This study attempts to assess China's escalation and de-escalation strategies toward the Philippines in the South China Sea (as of January 11, 2025). It assesses and identifies patterns of Chinese behaviour, tools of escalation and mechanisms China deploys to de-escalate, and its objectives in shaping power dynamics a certain way across theaters, given a gap in literature. Such a study has the potential to understand the drivers of Chinese behaviour and inform policy.

## 3 Background

The China-Philippines dispute in the South China Sea is essentially a political conflict regarding the territorial ownership over features such as the Second Thomas, Scarborough, and Sabina shoals, and

the resources around them. It has been the Chinese position that these disputed regions have been part of Chinese territory since ancient times.

As per a White Paper<sup>1</sup> issued by the Chinese State Council Information Office (SCIO) in July, 2016, “China is the first to have discovered, named, and explored and exploited Nanhai Zhudao and relevant waters, and the first to have continuously, peacefully and effectively exercised sovereignty and jurisdiction over them.” This indicates that the Chinese claim over the islands goes as far back as the 2nd BCE (or over 2000 years ago). It has solidified its claims through official maps, wherein it depicts over 90 per cent of the South China Sea area as lying within its ‘9-dash-line’ territory.

However, the Philippines contends that Chinese claims impinge on its enjoyment and exercise of sovereign rights with respect to the living and non-living resources of its exclusive economic zone (EEZ) and continental shelf, under the provisions of the United Nations Convention on the Law of the Seas (UNCLOS).

### 3.1 The Legal Faultline

Hence, at the heart of the dispute is a fundamental faultline. While UNCLOS guarantees that the areas around the disputed shoals (within 200 nautical miles of the Philippines’ coast) are part of the island nation’s EEZ, China objects to such an assertion on historical grounds. It must be noted, in this regard, that the Philippines’ claims have the legal backing of the UNCLOS Permanent Court of Arbitration (PCA), which, in its landmark 2016 ruling, stated clearly that the Chinese 9-dash-line has no legal basis, and that China’s obstruction of fishing or oil and gas exploration activities by Filipino vessels is in contravention to its obligations under the Convention.

### 3.2 Ongoing Conflict

China and the Philippines have long been embroiled in an under-the-threshold conflict in the South China Sea. In the past two years, Chinese coast guard (CCG) vessels deployed in the area around

the disputed Second Thomas Shoal, in the Spratly Islands, have increasingly engaged in threatening manoeuvres to deter the movement of Philippine ships in the region.

Largely, the latter are vessels used for rotation and resupply (RORE) missions in collaboration with the Philippine Coast Guard (PCG). For many of them, the destination is the BRP Sierra Madre, a Philippine warship deliberately run aground on Second Thomas Shoal since 1999 to assert the island country's claim over the feature.

**BRP Sierra Madre Background**The BRP Sierra Madre was gifted to the Philippine Navy by the US after it was deployed as US Navy ship Harnett County in World War II and the Vietnam War. After China took over Mischief Reef in 1995, former Philippine President Joseph Estrada directed the military to intentionally run aground the BRP Sierra Madre on the Second Thomas Shoal in 1999. Today, it serves as the Philippines outpost on the Shoal. It is no longer seaworthy, and its structural integrity is under question due to rust and age. But it continues to receive constant replenishment for servicemen onboard.

The Philippine civilian supply vessels mostly include<sup>2</sup> the Unaizah Mae class of boats, or the M/L Kalayaan, and are assisted by Parola-class patrol boats, such as BRP Cabra.

The disputes starting at Second Thomas Shoal, however, have quickly spread to other areas of the South China Sea.

*Figure 1: Location of BRP Sierra Madre / Prepared by the author using Google Earth Pro*

### 3.3 Recent Diplomatic Efforts

After months of instability in the South China Sea region, caused by regular skirmishes between Chinese and Philippine vessels around the Second Thomas Shoal, the two sides engaged in diplomatic negotiations in July 2024. During the ninth meeting of the China-Philippines Bilateral Consultation Mechanism (BCM) on July 2, the two sides “reached an understanding of principles and approaches that will be observed by both sides in order to avoid misunderstanding and miscalculation.”<sup>3</sup>



The two sides also conducted a second BCM meeting on September 11, and as per the Chinese readout, the issue under discussion was the Sabina Shoal. China, at this meeting, stressed the “urgent need” for the Philippines to withdraw its vessels from the shoal. Soon after, in what some in the Philippines viewed<sup>4</sup> as abandonment, the island nation withdrew its BRP Teresa Magbanua from Sabina shoal, after a five-month deployment starting April.

Nomenclature Warfare With no clear political winners in the China-Philippines contestation, the two sides also engage in nomenclature warfare to assert claims over the disputed islands. As evident from Chinas 2016 white paper, it refers to the South China Sea in most official documents as Nanhai Zhudao, and complements the usage with the assertion that China was the first to name and explore the Sea. The Philippines, on the other hand, claims its sovereignty over the area it refers to as the West Philippine Sea, which are parts of the South China Sea that lie within the countrys EEZ. Since the Second Thomas Shoal is also at the center of the conflict, it is often referred to in Chinese rhetoric as the Rénài Jio and by the Philippines as Ayungin Shoal. Similarly, the Chinese refer to the Sabina Shoal as Xianbin Jiao in all official documents, while the Philippines refers to it as Escoda Shoal. The Scarborough Shoal is similarly referred to as Huangyan Dao by Beijing and Bajo de Masinloc by Manila. These are attempts at creating official records and setting narratives straight and the campaign accompanied by powerful public diplomacy wins.

### 3.4 Escalation Following Maritime Zones Act

The peace was short-lived, however. On November 7, 2024, Philippines President Ferdinand Marcos signed into law the ‘Maritime Zones Act’,<sup>5</sup> to firmly express the island nation’s sovereign rights in its internal waters, Exclusive Economic Zone, and contiguous waters in the South China Sea. Expressing support for the legislation, the US hailed it as a move to align domestic law with international consensus created by the 2016 Arbitral Ruling of the Permanent Court of Arbitration (PCA), as well as the 1982 UN Convention of the Law of the Seas (UNCLOS) itself.<sup>6</sup>

In response, on November 10, 2024, China’s Ministry of Foreign Affairs published a map drawing the baselines of its territorial sea adjacent to the Scarborough Shoal. Further, the Foreign Ministry referred to the 2016 ruling as “illegal.” While significant, these developments are only the latest in a

line of responses and counter-responses to the South China Sea dispute.

With this context in mind, this paper aims to assess the latest events and developments in the South China Sea, and shed light on the Chinese approach to escalating and de-escalating tensions in long-standing dispute over features of the Sea.

## 4 What Manoeuvres has the CCG Engaged In?

There are three main flashpoints in the South China Sea that pertain to the China-Philippines dispute. Each of these has seen great churn in the past few years.

### 4.1 Second Thomas Shoal

The Second Thomas Shoal has emerged as a prominent region of contention between China and the Philippines. It is also the oldest site of conflict between them, considering that the Philippines Navy has grounded the BRP Sierra Madre on the submerged reef since 1999, in response to China's occupation of the Mischief Reef in 1994. Barring a ramming and water cannon incident in November 2021, China's main approach to what it perceives as an unlawful act by the Philippines has been to lodge continued formal complaints. This was largely the case until October 2023.

More recently, since October 2023, the CCG has resorted to ramming into PCG ships accompanied by civilian RORE vessels if they approach the Second Thomas Shoal. Additionally, since November 2023, the CCG has regularly used water cannons to blast Philippine supply ships and harass personnel on board. When water cannons were similarly used against Philippine RORE vessel Unaizah Mae-4 on March 5, 2024, they shattered the vessel's windshield and injured four Filipino fishermen.<sup>7</sup>

In mid-May 2024, the Philippines changed tact and deployed aircraft to approach BRP Sierra Madre, conducting airdrop of food supplies. However, Chinese vessels eventually intercepted the airdrop. Out of the four food packets dropped, CCG rigid hull inflatable boats (RHIBs) caught one and dropped it into the sea. Subsequently, personnel on board Sierra Madre were accused of pointing guns at the

RHIBs, to which Philippine Armed Forces Chief of Staff Romeo Brawner said, “The pointing of the guns, we are denying that any of our soldiers pointed deliberately their guns to any of the Chinese in the RHIBs, but we will not deny the fact that they were armed because the BRP Sierra Madre is a commissioned Philippines Navy ship.”<sup>8</sup>

*Figure 2: Location of Second Thomas Shoal / Prepared by the author using Google Earth Pro*

#### 4.1.1 The June 17 Incident

In what was the most daunting incident of Chinese power projection near the Second Thomas Shoal, on June 17, 2024, a Chinese Coast Guard vessel rammed into and boarded a Philippine Navy inflatable boat, and further used knives and axes to damage the vessel and destroy equipment.<sup>9</sup> Seven Filipino servicemen were injured, and one lost his thumb too.

There was debate<sup>10</sup> in the Philippines on whether this event met the armed attack requirement to invoke its Mutual Defence Treaty with the US. But as per the interpretation of former Filipino Supreme Court Associate Justice Antonio Carpio, since there was no use of firearms, the MDT could not be invoked. Further, Philippines’ Executive Secretary Lucas Bersamin said that the government was not yet ready to classify this as an armed attack, given that it could have been a “misunderstanding.” This is indicative of the fact that even though the island nation may have renewed its MDT with the US, there are still anxieties surrounding its invocation given China’s continued use of aggression and military coercion.

Since then, the Philippine Navy has maintained that its Magbanua has been able to keep CCG vessel 3304 out of the shoal’s waters for long. This was the case until January 11, 2025, when CCG’s 5901 ‘Monster’ vessel was again intercepted by the PCG in the waters.<sup>11</sup> In the meantime, disputes in other areas, specifically the Scarborough and Sabina shoals, have become more prominent.

## 4.2 Scarborough Shoal

The dispute between China and the Philippines surrounding the Scarborough Shoal also goes back in history. In 1935, China published a map for the first time claiming Scarborough and other regions of the South China Sea as part of its territory.<sup>12</sup> More recently, since 2012, there have been Coast Guard vessel clashes, fishing bans from China, suspension of tourism, and domestic protests in the Philippines with regard to actions related to the Scarborough Shoal.

*Figure 3: Location of Scarborough Shoal / Prepared by the author using Google Earth Pro*

However, incidents have escalated in the past two years. On December 11, 2023, for example, a major water cannon blasting incident<sup>13</sup> was undertaken by the CCG and the Chinese Maritime Militia (CMM) against three civilian Bureau of Fisheries and Aquatic Resources (BFAR) vessels. The cannon was fired at least eight times, obstructing the Datu Sanday, Datu Bankaw, and Datu Tamblot from completing a humanitarian replenishment mission for 30 Filipino fishing vessels.

Similarly, on April 30, 2024, CCG ships, in collaboration with numbered boats of the CMM, blasted water cannons at PCG BRP Bagacay and BFAR's BRP Bankaw.<sup>14</sup> This came in response to the two ships conducting a humanitarian mission for Filipino fishermen engaged in regular livelihood activities in the region. The CCG performed similar water cannon blasting manoeuvres on October 8, 2024, against Filipino vessels bringing supplies to fishermen near the Shoal.

*Water cannon incident involving CCG Vessel 3305 and PH Civilian BFAR Vessels Datu Sanday, Datu Bankaw, and Datu Tamblot (11 December 2023) / Philippine Coast Guard on Facebook*

## 4.3 Sabina Shoal

The latest region of contention between the two, as highlighted above, has been the Sabina Shoal. BRP Teresa Magbanua was deployed in April amidst concerns that Chinese vessels were decimating the coral population in the Sabina Shoal area to make way for land reclamation, to build artificial islands. Starting early July, the CCG also began targeting the vessel, starting by first deploying the

world's largest coast guard vessel, the CCG 5901, to monitor Magbanua.<sup>15</sup> Even after the July 2 BCM meeting, China did not leave the Sabina Shoal issue alone.

By mid-August, the CCG again began using water cannons to attack Philippine supply vessels. In fact, after speculation that a proverbial ceasefire had been reached at the meeting, the CCG rammed<sup>16</sup> into a Filipino vessel on August 19, 2024. The incident left 3-foot-long holes in two of Manila's vessels surveilling the area. Then, on August 31, 2024, the CCG 5205 rammed into the hull of the Magbanua three times, causing structural damage to the vessel.<sup>17</sup>

*Figure 4: Location of Sabina Shoal / Prepared by the author using Google Earth Pro*

Regular Chinese interceptions then forced the Magbanua to withdraw in September. The Philippines, however, contended that this was not a retreat, but rather a humanitarian decision, as the crew aboard Magbanua required medical attention. PCG Spokesperson Jay Tarriela also vowed to “sustain presence over these waters.”<sup>18</sup> However, given the timing of the withdrawal, right after the tenth BCM meeting, where China expressed concerns over the Magbanua's deployment after making aggressive attempts to displace it, the Chinese are likely to consider the Philippines' decision to withdraw, a small victory.

#### 4.4 A New Hotspot?

More recently, as tensions escalated despite 2 BCM meetings, BFAR reported on October 11 that a Chinese “maritime militia” boat sideswiped one of the Philippines' two vessels deployed near Thitu Island in the Spratlys.<sup>19</sup> It also sustained dents. It is evident from this incident that Beijing was attempting to assert power and express discontent with the Joint Military Exercise Sama Sama, being conducted during this time period between the Philippines and allied nations in the South China Sea.

*Figure 5: Location of Thitu Island / Prepared by the author using Google Earth Pro*

## 5 Proximate Causes - Why Now?

In the past decade, China's perception of its external environment has become drastically negative. At the 2023 Central Foreign Affairs Conference, Xi Jinping iterated that the world was in a period of “turbulence and transformation,” and called on officials to demonstrate “fighting spirit” and “reject all acts of power politics and bullying.”<sup>20</sup> This perception has primarily been exacerbated by the ongoing economic, technological, and ideological contestation between China and the US, which has led Beijing to view the world from the prism of national security, and safeguarding its interests against an onslaught from the Washington-led West.

Xi Jinping's own foreign policy legacy revolves around achieving the “Great Rejuvenation of the Chinese Nation,” wherein securing territorial integrity and sovereignty is vital. In this context, the dispute with the Philippines over claims in the South China Sea has been exacerbated in the past few years. More specifically, four primary objectives are driving China to escalate tensions with the Philippines in the past few years.

### 5.1 Four Driving Factors

The first is the perceived legitimacy of China's historical claims on disputed island territories in the South China Sea, which pre-date the establishment of maritime laws surrounding ‘Exclusive Economic Zones’ (as they apply to the rights of the Philippines under the UN Convention on the Law of the Seas). The second, is the enhancement of domestic insecurity driven by a perception that the world is becoming increasingly hostile to the Asian power. This necessitates, in Beijing's perception, the need to safeguard its national interests and territorial integrity against external pressures and challenges – this is commonly articulated in its decade-long ‘overall national security concept’.<sup>21</sup>

The third is its displeasure with the Philippines' involvement of an international agency (the Permanent Court of Arbitration) in the South China Sea territorial dispute in 2016, which has especially motivated China's aggressive manoeuvres to assert rights in the South China Sea. And the fourth is the Philippines' enhancing partnership with the US, including through a renewed Mutual Defence

Treaty (MDT). This directly relates to China's competition with the US, and the insecurity stemming from it.

## 5.2 Strategic Objectives

In this light, the immediate objectives Beijing hopes to achieve from its escalation and de-escalation strategies in the South China Sea is to reassert authority and exercise control over territories it claims as its own, while preventing smaller powers such as the Philippines from inviting international/ extra-regional powers such as the UN and the US to meddle in regional affairs. The PLA Navy's continued deployment aims to create a new normal in the South China Sea, where Chinese assertion and power projection becomes a commonly accepted affair over time.

As will be evident from the discussion on China's toolkit in the subsequent section, it has failed to achieve most of these objectives.

\_\_Figure 6: A Length-based comparison of Filipino and Chinese vessels most sighted/ deployed in disputed South China Sea areas (Image sources at the end\*\*\*)\_\_

## 6 Resolving the Deadlock – the Chinese Approach

In the face of continuing tensions in the South China Sea, China and the Philippines have made multiple efforts to manage the differences. The Chinese approach to de-escalation, in this regard, rests on four D's – de-legitimisation, dealing in 'carrots', deterrence through deployment ('sticks'), and drawing of 'red lines'.

As discussed above, the 'deterrence through deployment' pillar involves the projection of significant military force by the CCG as well as the Chinese maritime militia, to restrict the Philippines' access to disputed areas. It has had limited success as a strategy. Instead, it has led the Philippines to not only expand its military presence in the region, but also revive its Mutual Defence Treaty (MDT) with

the US. In this regard, the sub-sections below discuss the remaining three pillars of China's approach in some detail.

## 6.1 De-legitimisation

China's claims to disputed features in the South China Sea stem from the perceived historicity of sovereign rights and entitlements. To overcome the legal frailty of its historic claims, China has launched a campaign to de-legitimise both the Philippines' claims as well as the PCA ruling. The rhetoric and language China has resorted to, in this regard, consistently emphasises the following points:

- China has full historical and legal basis for its sovereignty over the Nansha Islands and their adjacent waters. (Foreign Ministry Spokesperson's Press Conference, 2019)<sup>22</sup>
- The Philippines' unilateral initiation of arbitration is an act of bad faith. (SCIO White Paper, 2016)
- The PCA tribunal has willfully expanded its power and included territorial and maritime delimitation disputes, which are "clearly outside of its mandate." (Statement by the Chinese embassy in Dominica, 2016)<sup>23</sup>
- The Philippines is a pawn of the United States, and a tool of its hegemony. (Defence Ministry Spokesperson's Press Conference, 2024)<sup>24</sup>

### 6.1.1 The 'Four Noes' Policy

In this regard, China's line of argument seeks to nullify the Philippines' decision to seek international arbitration by not only critiquing the unilateral nature of the move, but also by claiming that it is instigated by/at the behest of external powers such as the US. Further, to de-legitimise the PCA's legal procedure, China has adopted a 'four noes' policy – no acceptance, no participation, no recognition, and no implementation ().<sup>25</sup>

In addition, to make the case that China's position has garnered international recognition, at a Press



Conference in June 2014, Foreign Ministry Spokesperson Lu Kang claimed that 60 countries have expressed support for the Chinese cause, as opposed to “seven or eight countries that hold the opposite position.”<sup>26</sup>

### 6.1.2 DOC Invocation

Finally, to drive home the point about ‘bad faith’ in the Philippines’ unilateral move, Chinese officials have often quoted paragraph 4 of the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC),<sup>27</sup> which encourages party-states to resolve territorial and jurisdictional disputes through “friendly consultations and negotiations by sovereign states directly concerned.” States party to the DOC include China, and the 10 member countries of the Association of Southeast Asian Nations (ASEAN).

However, it is noteworthy that neither is the DOC binding, nor does this specific clause disenfranchise party-states from seeking mediation beyond the consultative mechanisms recommended in the DOC (such as through the PCA). In this regard, Chinese rhetoric has also emphasised the “strong binding and regulatory force”<sup>28</sup> that the DOC carries in resolving disputes in the South China Sea.

## 6.2 Dealing in ‘Carrots’

The Philippines’ decision to lodge a case against the Chinese government at the PCA in 2013, under the Presidency of Benigno Aquino III, led to a drastic deterioration in the relations between the two countries. However, around the time the PCA delivered a judgement favouring the Philippines, Rodrigo Duterte had assumed the presidency. His approach towards China was friendlier than his predecessor. In fact, in a speech he made in December 2016, Duterte argued, “In the play of politics, now, I will set aside the arbitral ruling. I will not impose anything on China.”<sup>29</sup>

### 6.2.1 The Duterte Opening

Duterte's decision to ignore the ruling instead of using it to extract concessions from China, opened up significant room for diplomatic manoeuvring for Beijing. Hence, instead of accepting the ruling and retracting claims from the South China Sea, Chinese officials adopted a display of benevolence by appreciating Duterte. In fact, in press remarks made by Foreign Minister Wang Yi in March 2016, he said, "Since President Duterte came into office, he has appropriately handled the South China Sea issue and actively improved relations with China. The Philippines has extended a hand of friendship, so of course, China has embraced it with open arms."<sup>30</sup>

China hence deployed the 'carrots' of its 'carrots and sticks' approach to dealing with the dispute, by generously "accepting" the truce proposed by Duterte.

### 6.2.2 Bilateral Consultation Mechanism

Further, in May 2017, the Chinese proposed the establishment of a Bilateral Consultation Mechanism (BCM) with the Philippines to "handle disputes in an appropriate manner," and encourage amicable handling of diplomatic ties. In subsequent coverage, Chinese state media referred to the launch of the BCM as "Philippines' agreement on adherence to the China-championed 'dual-track' approach,"<sup>31</sup> which calls for negotiations both between the directly concerned parties, and between China and the ASEAN through the DOC and a prospective, binding code of conduct.

It is important to note here that as per the statements made by Philippine Foreign Affairs Secretary Albert del Rosario in January 2013,<sup>32</sup> the Philippine government had "exhausted almost all political and diplomatic avenues for a peaceful negotiated settlement of its maritime disputes with China." Therefore, it felt the need to draw international attention to the issue by creating legally binding obligations on China to resolve disputes. This indicates that from the Philippines' perspective, previous negotiations on the South China Sea issue since 1995 yielded no significant results, and there was no additional room for diplomatic innovation.

China's departure from the 'dual track' approach hence became an important contributing factor to the Philippines' decision to create a 'triple-track' approach by involving international authorities. China's proposal for a BCM, in this regard, came too late and could have perhaps helped manage the relationship before the Philippines moved the PCA.

### 6.2.3 BCM Outcomes

Since 2017, the BCM has held nine meetings, of which the first seven meetings opened up avenues for cooperation between the two sides on a range of issues<sup>33</sup> – joint exploration and development of offshore oil and gas, marine scientific research and environmental protection, fisheries cooperation, and political security of maritime claims. Each of these issue areas was also assigned a technical working group at the second BCM in 2018; however, they have yielded negligible results due to legal differences surrounding ownership of oil and gas resources and fisheries.

Since the 8th BCM in January 2024, any deliberations surrounding cooperation and collaboration on these issue areas have been overshadowed by the situation around the Second Thomas Shoal.<sup>34</sup> In fact, at the eighth BCM, China also lodged a protest with the Philippines over its show of support to Taiwan through “wrong words and deeds,” even though the Taiwan issue is well outside the scope of the BCM's mandate.

### 6.2.4 Takeaways from the Ninth BCM

Most recently, in a bid to resolve the tensions surrounding the Philippines' RORE missions, China proposed a 9th BCM meeting in July 2024. The meeting took place on July 2, 2024, in Manila, and was co-chaired by Chinese Vice Minister of Foreign Affairs Chen Xiaodong and Philippine Foreign Undersecretary Theresa Lazaro.

The differing perceptions of the agreement reached at the meeting are evident from the two sides' post-facto statements. As per the statement issued by the Philippines Department of Foreign Affairs (DFA), the two sides “reached an understanding of principles and approaches that will be observed by

both sides in order to avoid misunderstanding and miscalculation in the conduct of the Philippines' lawful and routine rotation and resupply missions to the BRP Sierra Madre in Ayungin Shoal.”<sup>35</sup>

The Chinese statement claimed:<sup>36</sup>

“Both sides agreed that maintaining peace and stability in the South China Sea is in the interests of China and the Philippines, and also the common goal of countries in the region. The two sides had a candid and constructive exchange of views on the situation in the South China Sea, especially regarding the control of the Ren'ai Jiao situation. China reaffirmed its sovereignty over the Nansha Qundao and its adjacent waters, including Ren'ai Jiao, as well as its sovereign rights and jurisdiction over the relevant waters.”

Each party's statement attempts to clarify their respective stances on their maritime rights and entitlements in the South China Sea. From the Philippines' perspective, it is China that is causing “miscommunication and miscalculation” regarding the nation's lawful RORE activities. From the Chinese perspective, the Philippines is violating Chinese sovereignty and jurisdiction by continuing such activities. In this regard, the common element in both statements was that neither side agreed to concede their positions on the dispute, or believed that the principles and understandings concluded would prejudice said positions moving forward.

### 6.3 Drawing ‘Red Lines’

The Chinese approach to de-escalation in the South China Sea has regularly underscored a vital ‘red line’ that the Philippines must not cross – the involvement of third parties. As discussed above, China's strategy, either in the form of the de-legitimation of the Philippines' actions or through the proposal of a BCM, fundamentally revolves around the principle that the two sides must resolve their differences between themselves.

As highlighted in a statement made by Wang Yi in June 2016, China's consistent position has been that it “does not accept any means of dispute settlement imposed on it; nor does it accept any recourse to third party settlement.”<sup>37</sup> He further argued that “the door of China-Philippines bilateral negotiation

is always open.” In this regard, the Philippines’ decision to move the PCA was seen by China as a fundamental violation of a ‘red line’, as it unilaterally internationalised the issue without engaging in dispute resolution on China’s terms.

### 6.3.1 Specific Red Lines on Sierra Madre

Further, China has also delineated ‘red lines’ on specific disputes such as the one over BRP Sierra Madre. These specific red lines have been highlighted in a recent Foreign Ministry statement on China’s ‘three-point principled position’:<sup>38</sup>

- China still requires the Philippines to tow away BRP Sierra Madre and restore ‘Ren’ai Reef’ to its original state of “being uninhabited and without facilities.”
- Before the Philippines tows away the stranded warship, if it needs to provide daily necessities to the ship’s residents, China is “willing to, out of humanitarian considerations,” allow it to carry out the supply transportation “after notifying China in advance and conducting on-site verification.”
- If the Philippines transports a large amount of construction materials on board and attempts to build fixed facilities and permanent outposts, China will never accept it and will resolutely block it.

It is precisely the demand for this prior notification and on-site verification that nullified the agreements reached at the 9th BCM. China’s “three-point principled position,” unacceptable to the Philippines, invited a stark response from its Foreign Affairs Department. The statement issued by the Department in response to the Chinese Foreign Ministry spokesperson’s remarks clarified that any such demand for a “prior notification” is inaccurate, and that the BCM concluded with a “clear understanding” that neither side will compromise on national positions.<sup>39</sup>

### 6.3.2 Military Response to Red Line Violations

In retaliation, China's approach has been to step back to square one, by amping up military deployment in the region. In early August and late September, 2024,<sup>40</sup> the PLA Southern Theater Command conducted joint air and sea patrols near the Scarborough Shoal, intending to test real-time strike capabilities.<sup>41</sup> Then again, on October 1, 2024, the PLA Navy conducted National Day Drills in the region.

The timings of these exercises also coincided with the Philippines' joint military exercises (though not always in the South China Sea), with stakeholders such as the US, Australia, Japan, and Canada (including the Sama Sama, the MASA, and the Balikatan). The most recent of such exercises was held between the Philippines, the US, and Japan on December 7.

*Table 1. Military Patrols/ Drills/ Exercises by PLA and joint forces including the Philippines in the South China Sea in 2024 (excluding confrontation between Chinese and Philippine/ US vessels in the period)*

## 7 Conclusion

It can be inferred from China's approach to escalation and de-escalation in the South China Sea, that its most preferred strategy is resorting to belligerent tactics to create deterrence against smaller military powers such as the Philippines. On a broader level, neither has China's engagement in de-legitimisation of the PCA tribunal's process garnered a ruling in its favour, nor has its emphasis on engaging in direct bilateral negotiations inhibited the Philippines from internationalising the issue.

There is some success in engaging with the BCM to allow room for diplomacy regardless of the leader in power in the Philippines; however, China's choice between carrots or sticks is largely determined by the incumbent dispensation's willingness to negotiate on Chinese terms.

*Table 2. A succinct and subjective assessment of the outcomes of China's strategies and objectives in*

*the dispute with the Philippines in the South China Sea*

## 7.1 Strategic Assessment

In the seven years since the BCM was established, the Mechanism has seen little success in fulfilling its initial agenda of enabling “proper handling” of disputes bilaterally by creating room for cooperation.<sup>42</sup> However, the above-mentioned developments indicate that the BCM may prove to be the right platform to avoid escalatory ladders and leave lines of communication open in an otherwise uncertain and hostile environment.

The Mechanism demonstrates great potential for preventive diplomacy, and keeps deliberations on bilateral cooperation ongoing despite the existence of the maritime dispute. Nonetheless, with Duterte stepping down as President in 2022, Manila has reinstated its firm position on the South China Sea issue, and the BCM has seen little success in fulfilling its initial agenda.

## 7.2 China’s Strategic Shortcomings

From the Chinese perspective, a fundamental rethink of strategy is in order. Neither its deterrence tactics vis-à-vis an aggressive military posture, nor its proposal for a BCM with the Philippines, have kept tensions at bay. In fact, the most important red line the Chinese urge the Filipinos to not cross, which is to go beyond bilateral mechanisms and involve third parties in dispute resolution, has already been breached — most prominently with the involvement of the PCA.

Further, the renewal of the Philippines’ Mutual Defence Treaty with the US, as well as the conduction of a host of joint military exercises in the South China Sea between actors like the Philippines, the US, Canada, Australia, and Japan, indicates the shortcomings of China’s military deterrence. It is that there is little it can achieve just through brute force.

In this regard, Beijing must prepare to face a vehement and assertive Manila, which can no longer be manipulated by a simple carrots and sticks approach.

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## Endnotes

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