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# The Domestic Sources of China's Maritime Assertiveness Under Xi Jinping

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## Abstract

Under Xi Jinping, China has undertaken major organizational reforms that have led to a more coordinated maritime policy, better enabling the military, coast guard, and maritime militia to synchronize their actions on the water. However, as this report demonstrates, problems with policy fragmentation have yet to be completely resolved. One implication is that, during a crisis scenario, the difficulty of reigning in these maritime actors could undermine efforts by China's leaders to de-escalate tensions. This report also suggests that, while these organizational reforms seem to have helped the Chinese Communist Party to tighten its control over maritime policy, Xi's efforts to consolidate his personal authority have also played a major role in shaping the incentive structure under which China's foreign policy and maritime actors operate. In particular, his ideological indoctrination and anti-corruption drives have bolstered bureaucratic and professional incentives to behave assertively in the maritime realm.

## Implications and Key Takeaways

- To limit the risk of crisis escalation in the maritime domain, U.S. military and political leaders should preserve off-ramps and avoid inflammatory actions and rhetoric that risk boxing China's leaders into maintaining an aggressive response.
- The United States should distinguish between PLA and gray-zone actors and should utilize economic and diplomatic tools to impose costs on the specific actors responsible for aggressive behavior.
- U.S. leaders should resist the temptation to use ostensibly less provocative white hull vessels to confront the CCG, which operates in the vicinity of the PLA navy.
- The U.S. military should work with the PLA to establish a faster and more reliable crisis communication system that takes into account the various internal political factors that could make senior Chinese officers reluctant to pick up the phone during a crisis.

- Senior military officers on both sides should ensure the continuation of high-level dialogues, and interlocutors should emphasize the role of coast guard and militia vessels in discussions about operational safety and risk reduction.

## Introduction

While China's maritime assertiveness precedes the rise of Xi Jinping,<sup>1</sup> China has taken an even more proactive stance in defending its offshore sovereignty claims. Since becoming general secretary of the Chinese Communist Party (CCP) in 2012, Xi has repeatedly emphasized the need to "resolutely safeguard our sovereignty."<sup>2</sup> His "China Dream" and nationalist agenda have stoked popular passions and the belief that an increasingly more powerful China ought to take a firm and resolute stance in its territorial disputes. Moreover, the COVID-19 pandemic appears to have heightened the leadership's desire to showcase their willingness to push back against foreign challenges.<sup>3</sup>

Since Xi Jinping came to power, the CCP has sought to centralize its foreign policy, with Xi unabashedly appointing himself "chairman of everything."<sup>4</sup> Yet despite his efforts to dominate the decision-making process, the many sub-national actors involved in shaping Chinese foreign policy outcomes continue to act with discretion. With respect to the maritime domain, Xi has overseen major organizational reforms to tighten the Party's control over key maritime security actors.

These changes have yielded a more coordinated maritime policy and have coincided with the increased convergence of China's maritime actors around more assertive behavior. However, Xi has yet to fully overcome the challenge of policy fragmentation. Individual actors still prioritize narrow bureaucratic and professional interests, and the domestic political climate unique to the Xi era contributes to their increased assertiveness. The intensely nationalistic political environment that he has cultivated provides certain maritime actors with an opportunity to push their own hardline agendas, while his efforts to consolidate power have created professional incentives for others to burnish their patriotic credentials.

This policy report provides an overview and assessment of the CCP's efforts under Xi to strengthen its grip on maritime policy. The first section focuses on key organizational reforms. Section two provides an in-depth look at recent attempts to streamline and bolster two key maritime security actors: the coast guard and the maritime militia. Section three looks at the behavior of these actors during a 2014 standoff between China and Vietnam in the South China Sea. The fourth section discusses how Xi's consolidation of power has shaped the bureaucratic and professional incentives of China's foreign policy

and maritime actors. The concluding section discusses the implications and provides policy recommendations for the United States.

## I. Organizational Reforms

As China's global reach has expanded, so too has the number of domestic actors with foreign policy interests.<sup>5</sup> This has made it possible for a diverse set of actors—such as those representing the Party, state, and military, as well as various sectoral and regional interests—to influence foreign policy decisions and outcomes.<sup>6</sup> The top leadership has relied on these disparate actors to interpret and implement broad foreign policy directives. As a result of the decentralization and pluralization of China's foreign policy-making process, subnational actors have exercised considerable discretionary power and have sought to advance their narrower self-interests. However, the discretionary power of foreign policy actors has led to bureaucratic stove-piping and discord, frequently impeding China's ability to send clear signals to foreign audiences. These problems were particularly pronounced during Hu Jintao's tenure (2002-12), when the CCP became defined by growing fragmentation and factionalism.<sup>7</sup>

To combat the infighting and lack of bureaucratic coordination under his predecessor, Xi Jinping has sought to recentralize foreign policy under the leadership of the Party. In doing so, Xi has also strengthened his personal authority. Under his watch, the CCP has expanded the use of “top-level design,” or the use of general blueprints into which more detailed sub-plans are incorporated.<sup>8</sup> While initially applied to economic policymaking,<sup>9</sup> the concept has also been extended to diplomacy and foreign policy.<sup>10</sup> These efforts to recentralize foreign policy are reflected in the creation of the National Security Commission (NSC) in January 2014, as well as the upgrading of the Leading Small Group (LSG) on Foreign Affairs to the Central Commission on Foreign Affairs (CCFA) in March 2018. The designation of the CCFA, a Party institution, as the decision-making center for foreign policy is consistent with the 19th CCP Central Committee's declaration that “the Party is in charge of the overall situation in foreign affairs.”<sup>11</sup>

With respect to the maritime domain, an organizational overhaul was well overdue. The lack of cohesion among China's maritime actors was widely regarded as a liability that could prevent China from achieving its objective of

becoming a “maritime great power.” In 2012, the CCP, in a move to coordinate China’s various maritime actors, established the Central LSG for Protecting Maritime Rights and Interests, which was led by Xi Jinping. Its members included high-ranking officials from the Ministry of Foreign Affairs, Ministry of Public Security, Ministry of Agriculture, State Oceanic Administration, and the PLA Navy.<sup>12</sup> However, due to increased tensions in both the East and South China Seas, the CCFA, created in 2018, absorbed the responsibilities of this LSG. As described in the Central Committee’s plan announcing the change, the decision to abolish the LSG was made to “better coordinate the resources and manpower of diplomatic and maritime departments.”<sup>13</sup>

## II. Maritime Actors

The broad reforms that were made to China’s foreign and maritime policy apparatus have had major implications for China’s various maritime security actors. While there are numerous state- and non-state actors involved in China’s maritime domain, this section focuses on how the Xi administration’s centralization efforts have affected the China Coast Guard (CCG) and maritime militia. These two actors are of particular importance given the key role they play on the frontlines of China’s maritime disputes.<sup>14</sup> As this section demonstrates, the CCP’s efforts to improve the efficacy and synchronization of the CCG and maritime militia have thus far been modestly successful.

### The China Coast Guard (CCG)

The China Coast Guard was established in mid-2013 as part of a major bureaucratic overhaul to consolidate China’s previously separate and rival maritime law enforcement forces.<sup>15</sup> This move involved the unification under the CCG of four of China’s “five dragons,” or the various agencies previously responsible for maritime law enforcement.<sup>16</sup> The lack of coordination among these “dragons,” which had overlapping responsibilities, was seen as an impediment to consistent and effective maritime law enforcement.<sup>17</sup> Captain Zhang Junshe, a researcher at the PLA’s Naval Military Academic Research Institute, described the reorganization as the creation of an “iron fist” that would replace the ineffective operations previously overseen by these balkanized forces.<sup>18</sup>

The 2013 organizational overhaul, however, failed to synergize China's maritime law enforcement forces, largely because oversight of the CCG was shared by two competing agencies: the State Oceanic Administration (SOA) and the Ministry of Public Security (MPS).<sup>19</sup> While the SOA was officially put in charge of the CCG, state media reported that the MPS had the authority to give "operational guidance."<sup>20</sup> Adding to the confusion about the chain of command, Meng Hongwei, a vice-minister of the MPS, was put in charge of the CCG. In terms of Party ranking, Meng outranked the head of the SOA, Liu Cigui, fueling an intense power struggle between the two leaders and impeding cooperation between the SOA and MPS.<sup>21</sup> Moreover, while SOA oversight suggested that the CCG was a civilian agency, the involvement of the MPS muddled this designation. For example, the MPS tended to staff the CCG with personnel from the People's Armed Police (PAP), a paramilitary organization that was at the time under the command of the MPS.<sup>22</sup>

In 2018, in yet another effort to improve the efficacy of China's maritime law enforcement forces, the CCG was placed squarely under the command of the People's Armed Police (PAP). This move came after the PAP was put under the leadership of the Central Military Commission (CMC) earlier that year.<sup>23</sup> Personnel changes, such as the appointment of PLA Navy Rear Admiral Wang Zhongcai as commander of the CCG, further solidified the military's (and Xi's) authority over the coast guard.<sup>24</sup> This change in leadership came as two generals who served on the CMC were purged and after Meng Hongwei was relieved of his duties. In late 2018, Meng went missing and was later charged with corruption and other crimes.<sup>25</sup> As one senior researcher noted, given that the "Party commands the gun," ultimately transferring the oversight of the coast guard to the CMC also served the purpose of tightening the CCP's control over China's maritime law enforcement forces.<sup>26</sup>

The decision to put the CCG under military rather than civilian control is significant because it paves the way for its potential participation in combat operations with the PLA Navy (PLAN) during wartime. Moreover, this action was seen as conducive to inter-service coordination. Previously, as a senior Chinese maritime security researcher observed, due to unclear responsibilities and overlapping tasks, the PLAN often "assumed some tasks that should have been undertaken by the Coast Guard."<sup>27</sup>

Ensuring that the CCG (and not the PLAN) remains on the frontlines of rights protection in contested waters is important to China's wager that its use of white hull ships will minimize the risk of crisis escalation with foreign vessels. However, as Ryan Martinson has observed, despite these organizational changes, interoperability between the CCG and PLAN remains weak and intelligence sharing between the two appears to be situational.<sup>28</sup> The CCG has yet to be integrated into a PLA theater command, further hindering collaboration between these two actors, especially on-shore. As Martinson notes, the 2020 edition of the *Science of Military Strategy*, an authoritative textbook published by the PLA's National Defense University, urged the CCG to "strengthen and refine the system and mechanisms for joint early warning, joint command, and joint operations with the navy" – suggesting that the problem had yet to be rectified.<sup>29</sup> Similarly, as Jin Yongmin, the director of the Shanghai Academy of Social Sciences' Ocean Strategy Center, noted, "We have a structure and framework, but differentiation of duties is still not clearly defined."<sup>30</sup>

In January 2021, in an effort to further synergize China's maritime law enforcement forces, the National People's Congress standing committee passed a new Coast Guard Law. The new law serves the purpose of standardizing the CCG's operations. As Luo Shuxian notes, even after the establishment of the CCG in 2013, its legal foundation continued to be based on the legal codes that had separately guided the four "dragons" that comprised the new maritime law enforcement entity. As a result, considerable confusion remained about when and how the CCG was authorized to use force.<sup>31</sup>

While intended to rectify this problem, the Coast Guard Law's provocative provisions have been a source of regional concern. The law gives the CCG legal authority to take "all necessary means," including firing on foreign vessels when foreign actors violate China's national sovereignty and sovereign rights.<sup>32</sup> Although China is not alone in permitting its coast guard to use force against foreign vessels, a fact that Chinese state media was quick to point out, observers have warned of its potential to escalate incidents at sea. Furthermore, although the new law provides a common legal basis for China's maritime law enforcement actors, the ambiguous language of the law still gives these actors considerable discretion when determining when and how to use force.<sup>33</sup> For example, the law says that CCG personnel can use hand-held firearms when trying to stop "unlawful activities," but does not specify what



activities count as “unlawful;” it also permits the use of ship- and air-borne weapons when “handling serious violent incidents” at sea, but does not clarify what constitutes a “serious violent incident.”<sup>34</sup> Moreover, the law’s provisions apply to China’s “jurisdictional waters,” which are not defined and thus, with respect to the South China Sea, could be interpreted as referring to the entire body of water within the “nine-dash line.”<sup>35</sup>

### **Maritime Militia**

While China’s maritime militias have operated in contested waters for decades, the frequency and scope of their activities have grown under Xi Jinping. These militias are comprised of civilian personnel, many of whom are fishermen, who also serve as an auxiliary force of the PLA.<sup>36</sup> They are key participants in China’s effort to establish and maintain control over peacetime activities in disputed waters, especially the South China Sea. To do so, they engage in three types of operations: 1) maintaining China’s presence in disputed waters; 2) escorting Chinese oil and gas survey vessels and drilling rigs in disputed waters; 3) and assisting in maritime law enforcement by expelling foreign fishing and survey ships from waters that China claims.<sup>37</sup> Over the last decade, the militias have operated alongside military and law enforcement vessels in several high-profile standoffs with other regional claimants, including the 2012 Scarborough Shoal standoff with the Philippines and the 2014 oil rig standoff with Vietnam.

In 2013, Xi Jinping visited Hainan province’s Tanmen township, signaling his intent to give the maritime militia a larger role in maritime rights protection. The township is home to the Tanmen Maritime Militia Company, which was intimately involved in the 2012 Scarborough Shoal standoff, which ended with China effectively gaining control of the area. Tanmen militia vessels were trapped by Philippine forces in the disputed lagoon after being apprehended for illegally poaching giant clams.<sup>38</sup> During his trip to Tanmen, Xi commended the militia for their role in protecting China’s sovereignty claims.<sup>39</sup> He also urged them to “learn how to use modern equipment and improve their working capabilities,” and said that they should not only focus on fishing, but should also “collect information and support the construction of islands and reefs.”<sup>40</sup> Xi’s visit was followed by a drive to expand and professionalize the maritime militia.<sup>41</sup>

As Luo Shuxian and Jonathan G. Panter put it, Xi's trip "unleashed a nationwide push to build the militia into a genuine third arm of China's 'PLA-law enforcement-militia joint defense' maritime sovereignty defense strategy."<sup>42</sup>

Oversight of the maritime militia was simplified as part of major organizational reforms to the PLA that began in early 2016. Under the Central Military Commission (CMC), defense mobilization was elevated to the National Defense Mobilization Department (NDMD).<sup>43</sup> The NDMD was one of 15 functional departments that were created to improve the CMC's ability to serve as a "connecting link" in the military leadership and command system. The NDMD was put in charge of overseeing provincial-level military districts and the PLA's mobilization work, which involves leveraging quasi-civilian actors like the maritime militia to defend China's sovereignty claims. While these reforms have streamlined the military's control over the maritime militia, the militia is still subject to the "dual-responsibility system" in which local civilian leaders are involved in overseeing militia work. Thus, while the NDMD formulates policies for how the provinces should support national defense efforts, civilian leaders at the provincial level and below are then tasked with implementing these policies through the funding and building of militia forces, which are then trained and commanded by local PLA commands.<sup>44</sup>

Although the organizational structure described above appears to tie the maritime militia closely to the military's senior leadership, local military and civilian leaders have retained considerable autonomy in organizing militias. For example, Guangxi province's "Maritime Militia Construction Plan for 2020" was formulated by members of the provincial-level National Defense Mobilization Committee, which is jointly overseen by the Guangxi provincial military district and the provincial civilian government.<sup>45</sup> As Andrew Erickson and Conor Kennedy note, "militias are not built in a cookie cutter fashion, directed from national-level leadership; rather, they are organized with two things in mind: the local populace and their industrial or institutional capacity; and what requirements they are intended to satisfy."<sup>46</sup>

The maritime militia is a key way by which local civilian authorities may influence outcomes in the maritime domain. Leaders of coastal provinces have a vested economic interest in the South China Sea's fishery and hydrocarbon resources, and thus lobby the center for more financial support for the maritime militias that operate in their jurisdictions.<sup>47</sup> Local governments also see

the center's financial support as an opportunity to assist the local fishing industry by using the funds to upgrade the militia's fishing trawlers.<sup>48</sup> For local officials and the maritime militia, the current nationalistic political climate only fuels these incentives to support a tougher maritime policy and engage in assertive behavior.

Greater efforts under Xi Jinping have been made to increase funding for the maritime militia, such as through subsidies for fuel and the construction or outfitting of vessels, as well as for the training and compensation of personnel.<sup>49</sup> Local governments supplement central government funding, with some municipal governments even providing one-time bonuses to militia members for operating in "specially designated waters" in the South China Sea.<sup>50</sup> These bonuses incentivize militia personnel to participate in maritime rights protection activities. However, local resources are often not enough to make up for the shortfall in funds provided by the center.<sup>51</sup> The inadequate compensation reportedly drives many militia personnel to pursue commercial fishing at the expense of militia duties.<sup>52</sup> But at the same time, nationalistic calls to uphold Chinese sovereignty work to mitigate the temptation to deprioritize militia work.

### **III. HYSY-981 Standoff**

The CCG and maritime militia, together with the PLA, have participated in several high-profile incidents involving foreign vessels in contested waters. The 2014 HYSY-981 standoff, sparked by the operation of a Chinese oil rig in waters also claimed by Vietnam, took place amidst the CCP's drive to centralize and coordinate its maritime security actors. While more recent incidents would offer a better assessment of these efforts, publicly available information is limited. Nevertheless, the HYSY-981 standoff is informative because of the heavy involvement of the CCG following the consolidation of maritime law enforcement forces, as well as the maritime militia during a period of rapid expansion. This section therefore focuses on the 2014 standoff, which is the most recent incident about which there is substantial information. As this section shows, despite the party's efforts to tighten its grip over the various actors involved in China's maritime security, these actors still appear to have pursued their own bureaucratic and professional interests.

The HYSY-981 standoff involved China's defense of the Haiyang Shiyou-981 (HYSY-981) oil rig in a confrontation with Vietnam in waters near the disputed Paracel Islands in the South China Sea. The standoff was the most severe Sino-Vietnamese crisis since 1988, when armed forces from the two sides clashed over control of Johnson Reef. In early May 2014, the HYSY-981 oil rig, China's first deep-water semisubmersible drilling platform, was moved into waters that Vietnam considers its exclusive economic zone (EEZ).

While the expedition was directed by the state-owned China National Petroleum Corporation (CNPC), the decision to move the oil rig into Vietnam's EEZ was approved at the highest level. However, the proposal to do so was relayed to the top by then State Councilor Yang Jiechi, who at the time headed the office that serviced the Central Leading Small Group for Protecting Maritime Rights and Interests.<sup>53</sup> As Linda Jakobson notes, whereas Yang's predecessor had refrained from passing on similar proposals, which were championed by Hainan provincial officials, Yang "made the decision because safeguarding China's rights has been elevated in the transformed political climate under Xi, and Yang wanted to show his nationalist credentials."<sup>54</sup>

Hanoi responded by dispatching vessels to intercept the oil rig, prompting China to send in both national and provincial coast guard vessels, fishing boats, and navy ships. Violent clashes ensued, with each side claiming that their ships had been rammed by vessels belonging to the other. The most serious of these clashes involved the sinking of a Vietnamese fishing boat.<sup>55</sup> At the height of the standoff, as many as 130 Chinese vessels were reportedly spotted at the site.<sup>56</sup>

The presence of PLAN vessels suggests that the maritime law enforcement and militia ships involved in protecting the HYSY-981 were operating under unified military command, reflecting a coordinated effort by the PLA, CCG, and maritime militia.<sup>57</sup> As Jakobson notes, the reasonably efficient inter-services response was due to the PLAN's leading role in orchestrating the response,<sup>58</sup> which was facilitated by the consolidation of China's disparate maritime law enforcement forces under the CCG. The majority of vessels that participated in the defense of HYSY-981 were militia ships, also reflecting a high level of coordination between the PLA and its reserve forces. However, as Luo Shuxian and Jonathan Panter note, militia members' dissatisfaction with

the compensation they are given for participating in maritime rights protection activities—reportedly 500 RMB per day—“created substantial difficulty for China in mobilizing the militia” during the standoff.<sup>59</sup> Yet those that participated did so despite being poorly compensated, suggesting that they were acting according to other, likely nationalistic, incentives.

Although China's actions at sea during the standoff with Vietnam were relatively coordinated, its broader response during the bilateral crisis was far less seamless. Yang Jiechi, despite having relayed the proposal to move the HYSY-981 into Vietnam's EEZ, was sent to Vietnam in June to co-host a bilateral meeting with his Vietnamese counterpart. His visit to Vietnam reflected the leadership's desire to de-escalate tensions and end the crisis, as well as its concern and possible dissatisfaction with how the standoff was unfolding. The Ministry of Foreign Affairs (MFA), which the State Council oversees, also appears to have been kept in the dark about the aggressive actions undertaken by Chinese vessels during the course of the standoff.<sup>60</sup> When asked at a press conference about the sinking of the Vietnamese vessel, MFA spokesperson Hua Chunying replied that she was “not aware of the situation.”<sup>61</sup>

China's effort to reduce tensions with Vietnam was further bolstered by the early departure of the HYSY-981. The oil rig left the area on July 15, despite previously announcing that it would operate there until mid-August. Although the MFA publicly insisted that the oil rig left the area early because it had finished its work ahead of schedule and “had nothing to do with any external factors,”<sup>62</sup> its early departure allowed Vietnam to claim that it had successfully expelled the rig.<sup>63</sup> Fortunately for China's leaders, an incoming typhoon provided an opportunity to “save face” while removing the oil rig. But the decision also appears to have been a deliberate effort to mend relations with Vietnam, as it coincided with China's release of 13 Vietnamese fishermen that it had previously detained.<sup>64</sup> Just prior to withdrawal of the oil rig, on July 11, the U.S. Senate passed a resolution that condemned China's coercive and destabilizing actions and urged it to remove the oil rig.<sup>65</sup> And on July 14, President Obama told Xi in a phone conversation that he wanted the “constructive management of differences.”<sup>66</sup> While China's leaders were eager to repair relations with Vietnam in the wake of growing U.S. and regional pushback, it was important to China's leaders to avoid any perception of caving to external pressure.

However, even after China signaled its intention to de-escalate tensions, the PLA continued to provoke Vietnam. On August 23, the PLAN South Sea Fleet organized a large-scale joint exercise in the Beibu Gulf involving Navy, Air Force, maritime law enforcement, and maritime militia vessels. The joint exercise, which focused on protecting a drilling platform from foreign armed fishing boats,<sup>67</sup> risked undermining Xi Jinping's August 28 meeting with Le Hong Anh, a special envoy of the general secretary of Vietnam's Communist Party. Xi's desire to repair ties with Vietnam was made clear in the meeting with Anh, in which Xi called for joint efforts "to put the bilateral relationship back on the right track of development."<sup>68</sup>

Since the HYSY-981 incident, Xi has worked to further consolidate his authority, including over China's maritime security actors. Thus, the PLA, as well as the CCG and maritime militia, might now be more vigilant about exercising restraint when top leaders signal their intent to de-escalate crises at sea. But so far, the extent to which China's maritime security actors are willing and able to coordinate their actions with other foreign policy actors, such as the MFA, is uncertain. More recent clashes – including a 2019 standoff with Vietnamese vessels near Vanguard Bay in the Spratlys, as well as a 2020 standoff with Malaysian vessels near Borneo – have, luckily, not escalated to the same degree as the HYSY-981 incident. Nevertheless, the nationalistic political environment that Xi has continued to foster only makes it more difficult for the CCP leadership to discipline and rein in those foreign policy actors who are proactive in safeguarding China's sovereignty claims.

#### **IV. Explaining Maritime Assertiveness: Professional Incentives to Act Tough**

The HYSY-981 standoff has been described as an "inflection point" in China's assertiveness in the South China Sea.<sup>69</sup> Unlike earlier crises in which China's assertive behavior was largely reactive, the HYSY-981 incident was a crisis of China's own making, having started with a calculated decision to move the oil rig into contested waters. In the initial stage of this standoff, actors with a stake in China's maritime policy converged around more assertive behavior. Moreover, the organizational changes adopted under Xi Jinping appear to have led to improved coordination among the PLA, CCG, and maritime militia,

allowing China to practice using coercion more effectively on the water. At the same time, however, the standoff also revealed continued coordination problems between these actors and the MFA, as well as the difficulty of ensuring that, during a crisis, these actors can be reined in even after top leaders signal that diplomacy should take precedence.

Why have China's foreign policy actors, including those with a stake in maritime policy, converged around more assertive behavior? China's assertiveness in the South China Sea, particularly in the period since China adopted many of the organizational changes described in this report, is often attributed to Xi's ambitious strategic objectives.<sup>70</sup> However, while assertive behavior is certainly consistent with Xi's emphasis on defending China's sovereignty, he has not delineated the precise steps that China's foreign policy actors must take. Rather, they are still expected to use discretion in determining how to carry out his agenda. In other words, Xi has outlined the broader strategic context, but the decentralized nature of the incentive structure under which subnational actors operate influences the specific actions they take.

Even as Xi Jinping has amassed greater personal power, China's foreign policy actors have continued to use their discretionary authority to pursue their bureaucratic and professional interests. In the Xi era, however, these interests have tended to align with a more assertive foreign policy posture. In the maritime domain, the heightened nationalism fueled by Xi provides political cover for the PLA, CCG, and maritime militia to push their own interest in proactively advancing China's sovereignty claims.<sup>71</sup> For each of these actors, a tougher stance would in turn help to justify their requests for greater financial and political support to bolster their capabilities.

Additionally, the steps that Xi has taken to increase his personal power have created professional incentives for others to shore up their patriotic credentials. In today's political environment, foreign policy actors, particularly those who may not have had hawkish preferences to begin with, now have incentives to demonstrate their loyalty and ideological conformity by safeguarding China's interests from foreign challenges. The CCP's implementation of an ideological indoctrination campaign, which has been a key part of Xi's effort to impose ideological conformity and discipline on the bureaucracy,<sup>72</sup> has only intensified these incentives. As part of this campaign, CCP cadres must participate regularly in "Xi Jinping Thought" seminars, and some have also

been required to participate in self-criticism sessions, a throwback to the Mao era.<sup>73</sup> According to Minxin Pei, “virtue”—or loyalty to the Party—is now prioritized ahead of merit and technocratic skills.<sup>74</sup>

Fear of becoming implicated in Xi’s anti-corruption campaign, which has simultaneously involved the removal of political rivals and potential challengers, has heightened the stakes for cadres at all levels of power to avoid making political mistakes. Under these circumstances, officials are likely to believe that it is safer to err on the side of being too patriotic rather than not patriotic enough. Furthermore, the increased scrutiny under which officials are operating makes it tempting for them to seek political cover by appealing to nationalism. This dynamic was evident during the HYSY-981 standoff. CNPC, which directed the expedition into Vietnam’s EEZ, did so amidst corruption probes into the company’s senior leadership. Targeted CNPC officials included the sister-in-law of Zhou Yongkang, China’s former oil czar and security chief, who in 2014 became and the most senior official to have been taken down on charges of corruption.<sup>75</sup> As Bill Hayton notes, “CNPC’s management might have regarded a mission to fly the flag in disputed territory as a way of currying favor with the Politburo and saving their skins.”<sup>76</sup>

## **V. Conclusion and Policy Recommendations**

This report demonstrates that there have been improvements in maritime policy coordination under Xi Jinping, but also reveals that problems with policy fragmentation have yet to be completely resolved. In particular, organizational reforms adopted by the Xi administration have improved the ability of the PLA, CCG, and maritime militia to synchronize their actions on the water. However, whether they are willing and able to coordinate their actions with other important foreign policy actors, like the Ministry of Foreign Affairs, is questionable. Even more problematically, there is reason to be skeptical about whether, during a crisis scenario, these maritime security actors would refrain from undermining efforts by China’s leaders to de-escalate tensions.

Fragmentation in China’s foreign policy is not unique to the maritime domain. For example, when China has attempted to coerce important foreign economic partners, the central government has often relied on local government officials to target foreign businesses for inspections, withhold licenses,



and carry out other types of informal sanctions.<sup>77</sup> However, local leaders who depend on these foreign economic partners as a source of local economic growth go to considerable lengths to protect these commercial relationships, complicating the center's punitive efforts. Additionally, local leaders in peripheral provinces have also proven capable of shaping China's bilateral relations with its neighbors by pursuing narrow interests that often diverge from national interests.<sup>78</sup> In a similar vein, subnational actors, through their pursuit of narrow commercial interests, have also contributed to the Belt and Road Initiative's haphazard expansion.<sup>79</sup> Yet while foreign policy is often executed in a decentralized fashion, because China's maritime policy has immediate implications for its "core interests," it is a domain where we would be most likely to see China behave as a unitary actor. This report shows, however, that this is not the case, even despite recent organizational reforms that have helped the CCP to tighten its control over maritime policy.

This report also argues that Xi's efforts to consolidate his personal authority have played an important role in shaping the behavior of China's foreign policy and maritime actors. Specifically, his ideological indoctrination and anti-corruption drives, combined with heightened nationalism, have bolstered bureaucratic and professional incentives to behave assertively in the maritime realm. While Xi and other top leaders have championed a more proactive approach to defending China's maritime claims, they also wish to preserve room for maneuver and want to avoid further provoking a counterbalancing coalition. However, the leadership's ability to walk this fine line is compromised by the belief held by China's maritime actors that they will be rewarded for aggressively defending China's sovereignty claims.

China's maritime assertiveness, especially the intimidation of foreign vessels by the coast guard and maritime militia, are detrimental to the United States' interest in maintaining peace and stability in the East and South China Seas. Because China's more proactive attempts to safeguard its offshore sovereignty claims have coincided with bold moves by Xi Jinping to strengthen his grip over the party, government, military, and society, the confrontational behavior of China's various maritime actors tends to be viewed as part of a well-orchestrated and ambitious grand strategy to displace American leadership in the Indo-Pacific. The findings of this policy report, however, suggest that it is premature to treat China as a unified actor, including in the maritime domain.

For the United States, the tendency to attribute each aggressive move by Chinese maritime security actors to revisionist strategic intentions helps to justify the adoption of an unqualifiedly zero-sum approach to countering Chinese assertiveness in the maritime realm. In the political climate that has come to define the Xi era, a zero-sum strategy by the United States is even more likely to prompt China's many foreign policy and maritime actors to double down in demonstrating their patriotic credentials. To minimize the risk of the U.S.'s China strategy becoming a self-fulfilling prophecy, Washington needs to be more precise in its assessment of China's strategic intentions. This requires abandoning the incorrect assumption that Xi Jinping's China is a monolithic actor and recognizing the domestic political incentives that motivate China's foreign policy actors.

A careful consideration of the roles and incentives of China's various foreign policy and maritime actors yields the following recommendations for U.S. policymakers:

- While countering acts of Chinese aggression is important, to limit the risk of crisis escalation in the East and South China Seas, U.S. military and political leaders should remain cognizant of the importance of preserving off-ramps. China's leaders, as well as its foreign policy and maritime actors, are under immense pressure to demonstrate to internal and external audiences their willingness to standup to foreign challenges. As such, during a maritime confrontation or standoff, U.S. leaders should avoid inflammatory actions and rhetoric that risk boxing China into an escalatory stance.
- The United States should adopt a calibrated response to acts of Chinese aggression, distinguishing between PLA and gray-zone (i.e., CCG and militia) actors. The United States should utilize economic and diplomatic tools to impose costs on the specific actors responsible for these aggressive acts. For example, the United States could adopt sanctions that target the commercial interests of maritime militia units involved in harassing foreign vessels.
- The United States should limit the activities of the U.S. Coast Guard in the Indo-Pacific. U.S. leaders should not assume, as their Chinese

counterparts do, that relying on coast guard vessels to assert national interests in disputed waters will diminish the risk of crisis escalation. U.S. leaders must avoid the temptation to use ostensibly less provocative white hull vessels to confront the CCG, which operates with the knowledge that the PLA navy is not far away. This is even more so the case in light of the organizational changes that have brought the China Coast Guard more firmly under the PLA's leadership.

- The United States military should work with the PLA to establish a faster and more reliable crisis communication system. To ensure that communication mechanisms function effectively, efforts to improve these systems must take into consideration the various internal political factors that could make senior Chinese officers reluctant to pick up the phone during a crisis.
- Senior military officers on both sides should also ensure the continuation of high-level dialogues like the Military Maritime Consultative Agreement working group. Given the organizational reforms that have streamlined the PLA's command over the CCG and maritime militia, interlocutors should emphasize the role of coast guard and militia vessels in discussions about operational safety and risk reduction.

*The views expressed are the author's alone, and do not represent the views of the U.S. Government or the Wilson Center.*

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