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Security Nexus Perspectives

## CHINA'S GRAY ZONE OPERATIONS IN THE YELLOW SEA

By **Chungjin Jung\***

### Introduction

The People's Republic of China (PRC) elected a new leader, Xi Jinping, at the 18<sup>th</sup> Chinese Community Party Congress in 2012 and adopted a new national development strategy goal of 'building a maritime power.'<sup>2</sup> PRC then declared an Air Defense Identification Zone (ADIZ) over the East China Sea (ECS) in 2013 and created artificial islands from reefs in the South China Sea (SCS) in 2014 to expand maritime rights to those seas. Similar activities have developed in multiple forms over the past decade. Military experts name these PRC's [gray-zone operations/activities](#) and have studied their characteristics.

*The gray zone is an operational space between peace and war, involving coercive actions to change the status quo below a threshold that, in most cases, would prompt a conventional military response, often by blurring the line between military and nonmilitary actions and the attribution for events. (RAND)*

The U.S. Navy, Marine Corps, and Coast Guard released a new strategy, [Advantage at Sea: Prevailing with Integrated All-Domain Naval Power](#), in Dec. 2020 in which it says, "Today, PRC employ all instruments of their national power to undermine and remake the international system to serve their interests. Each conducts various malign activities incrementally, attempting to achieve their objectives without triggering a military response. It backs its revisionist activities with regionally powerful militaries and obscures their aggressive behavior by mixing military and paramilitary forces with proxies. China's attempts to control natural marine resources and restrict access to the oceans have negative repercussions for all nations." Further, the three services say, "they [need to begin acting more assertively](#) to push back against gray-zone operations China is already conducting today." Their strategy emphasized integrated all-domain naval

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<sup>2</sup> Lee Ji-Yong, Analysis of the Results of the 18th National Congress of the Communist Party of China and the New Leadership's Domestic and Foreign Policy Direction, Analysis of Major International Issues 2012-37, National Academy of Diplomacy, 2012.

power, strengthened alliances and partnerships, and a modernized future force to defend national interests.

Due to China's aggressive behavior and intransigent responses to its neighboring countries and the United States, security experts worldwide focus considerable attention on the ECS and SCS. On the other hand, the waters of the Yellow Sea (Korea calls it the West Sea), the region where PRC's North Sea Fleet patrols, are relatively quiet. That is because China has not yet vehemently claimed its national interest in the Yellow Sea.

However, there is a potential conflict between the Republic of Korea (ROK) and the PRC over the Yellow Sea. The reason is that the maritime border separating the two countries' exclusive economic zones (EEZ) is not clearly defined. Given China's recent firm and uncompromising stance on maritime sovereignty and rights, it is unclear what offensive actions China will take against Korea in the future.

### **ROK-PRC maritime boundary talks**

The United Nations Convention on the Law of the Sea (UNCLOS) took effect in 1994, and the concept of an EEZ of 200 nautical miles emerged. Korea and China have been in working-level contact for the Yellow Sea maritime landscape planning since 1996. They have held [official negotiations since 2015](#) (including two vice ministers, eight director-general-level).

However, despite numerous working-level contacts and official negotiations, no specific agreement has been reached on maritime boundary plans between the two countries. The two governments have so far not even officially announced their particular positions on the boundaries of EEZs. The South Korean Ministry of Foreign Affairs considers the importance of maritime boundary planning, and pushes for negotiations to maximize national interests based on international law.

With the maritime boundaries undefined, the PRC's attempts to interpret international law only in its favor, without clear grounds, can cause great confusion. In particular, China's position is that coastal countries should control even the simple passage of other countries' warships and military aircraft within the EEZ. It is all the more worrisome that uncertainty on EEZ boundaries in the Yellow Sea could lead to a conflict of military and security interests between the two countries, beyond their just competing for economic interests.

### **China's stance on military activities in the EEZ**

Generally, in Articles 58 and 87 of [UNCLOS](#), the EEZ is recognized as an open sea except for certain economically significant activities underwater, such as fishing and seabed mining. Therefore, all ships and aircraft have freedom of navigation within the EEZs of other countries. China, however, interprets Articles 58(3) and 88 of the UNCLOS differently, claiming that it is authorized to regulate military activities of other

countries within its EEZ. In addition, China contends that all activities by foreign vessels within its EEZ should abide by Chinese laws.<sup>3</sup>

China has continued its provocative actions against U.S. military assets operating in its EEZ. Such actions involve Chinese civilian, government, or military assets shadowing or intercepting U.S. military assets operating in China's EEZ, sometimes in a [dangerous or unprofessional manner](#). China claims that the U.S. military's activities in its EEZ violate the UNCLOS "peaceful purpose" obligation and threaten China's security and sovereignty.

For the past decade, China frequently has demanded the eviction of Korean warships and Coast Guard patrol ships operating west of 124°E longitude. Similarly, China has continually demanded the eviction of Korea's oceanographic research ships from Korea's southern and western coasts, where their contested EEZs overlap. In effect, these demands indicate that China claims most of the Yellow Sea within its jurisdiction.<sup>4</sup>

Meanwhile, various Chinese maritime forces, including fishing vessels, government ships, maritime survey ships, and the Navy, operate increasingly frequently in all parts of the Yellow Sea. Notably, the increased activity of Chinese naval vessels is noticeable. Data from the [Korean National Assembly](#) that the Korean Joint Chiefs of Staff submitted in 2020 show the number of Chinese warships near the Korean Peninsula increased from 96 in 2015 to over 290 in 2019. According to [South Korean naval officials](#), non-combat naval vessels such as landing craft and small sea vessels were mainly active in the past, while the number of Chinese frigates and combat ships weighing more than 7,000 tons has increased significantly.

As a result, there is a growing concern in Korea that China will include the entire Yellow Sea in its EEZ, monopolizing both fish stocks and underground resources such as natural gas resources that may exist in the continental shelf around the Korean Peninsula. Given their interpretation of foreign military ships operating in others' EEZs, it is also worrying that China will try to drastically reduce the operational area of the South Korean military. This would clearly dramatically escalate military tensions between the two countries and increase the likelihood of a South Korean kinetic response.

### **Characteristics of China's Gray zone operations at Sea**

In 2019, several researchers at the RAND Corporation in the United States [released a report](#) analyzing China's gray zone operations at sea and suggesting how to respond to the threats. Researchers said, "China's unique brand of gray zone measures involves the use of civilian fishing vessels, a [people's armed forces maritime militia](#) or a group of civilian fishermen who receive military training and coordinate their actions under state and military guidance. Moreover, China also uses government vessels (coast guards) to assert administrative control over disputed island features and the maritime zones that those features create." The types and drivers of [China's gray zone activities](#) fall into seven categories.

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<sup>3</sup> Kim Young-won, International Legal Review of Military Activities in the Exclusive Economic Zone (EEZ): Conflict between the US and China in East Asia and Implications for Korea, JPI Policy Forum 2017-16, Jeju Peace Research Institute, 2017.

<sup>4</sup> Kim Dong-Wook, Difference in Perspectives on Yellow Sea Issues, KIMS Periscope, Korea Institute of Maritime Strategy, 2016.

1. **Military Intimidation**: The use of military assets to convey the threat of a potential military attack or a risk of military escalation. Examples include: Troops massed at contested borders, large-scale exercises, threats of force, and provocative actions.
2. **Paramilitary Activities**: A broad array of maritime paramilitary assets whose platforms or operators blur the distinction between civilian and military. Examples include Maritime law enforcement and People's Armed Forces Maritime Militia.
3. **State-affiliated Businesses**: China is co-opting state or state-affiliated bodies and state-owned enterprises, such as state-owned energy and engineering companies, as strategic tools to advance Chinese interests in disputed areas.
4. **Manipulation of Borders**: China is doing covert and overt actions to alter the status quo or delineate territorial or maritime disputes. Such tactics include building artificial islands and dual-use facilities on those islands to change the status quo in the SCS.
5. **Information Operations**: Activities using cyber, media, and propaganda mechanisms against regional states to justify China's claims to sovereignty or uphold its actions' moral authority. In the international sphere, such activities include discrediting or disputing other countries' sovereignty claims over islands and maritime space in the ECS and SCS, and coordinating campaigns to get nonaligned countries to support China's position on disputed territory. Domestically, this involves bolstering China's claims to disputed maritime features and maritime space in the ECS and SCS through public education, textbooks, and media, and discrediting international tribunal judgments and UNCLOS principles in the Chinese media.
6. **Legal and Diplomatic Measures**: Legal narratives, scholarship, and diplomatic overtures legitimize its stance on territorial disputes and undermine claims by other states. In many cases, China has sought to carve out exceptions within the existing rules-based order to advance or protect its interests. Examples of such gray zone tactics include: declaring an Air Defense Identification Zone (ADIZ) in the ECS, regulating fisheries to strengthen administrative control over disputed areas under the pretext of protection of marine life, and funding research on alternative approaches to international law.
7. **Economic Coercion**: Using trade, aid, investments, and threats of sanctions, China influences state behavior in contested regions. Examples include: banning imports of rare earth metals to Japan in light of a Chinese fishing captain's detention in 2010, and banning fruit imports from the Philippines during the 2012 Scarborough Shoal standoff.

### **The present and future of china's gray zone Operation in the yellow sea**

Ostensibly, there is no conflict or dispute over the EEZ in the Yellow Sea between Korea and China. However, in light of the above seven categories of China's gray zone operations, it seems that China is already engaged in gray zone activities or is preparing for operations from a long-term perspective. To date, China has tried to keep these activities small enough that the Korean government and the people do not feel threatened. Table-1 shows the results from analyzing/predicting the present and future of China's gray zone operations in the Yellow Sea based on the seven categories of process. These analysis and prediction estimates derive from several informal exchanges with former and current ROK Navy and some military experts.

**Table 1:** China’s gray zone operation in the Yellow Sea

Categories		Present	Future possibility
Military intimidation	Troops massed at contested borders	Medium	Medium
	Large-scale exercises	Medium	Medium
	Threats of force	Low	Medium
	Provocative actions in China’s EEZ	Low	Medium
Paramilitary activities	Maritime law enforcement	Low	Medium
	People’s Armed Forces Maritime Militia	Medium	High
Co-opting of state-affiliated businesses		Low	High
Manipulation of borders		Medium	High
Information operations		Medium	High
Legal and diplomatic measures		Low	High
Economic coercion		Low	High

**Military Intimidation:** The Chinese Navy is steadily enlarging its range of activities and increasing the number of its warships in the Yellow Sea. It also regularly conducts large-scale maritime military exercises around the Shandong peninsula and off the coast of Shanghai. Long-distance navigation training flights consisting of long-range bombers (H-6), fighters, and reconnaissance planes frequently flew around the Korean Peninsula, reaching Ulleng-do Island of the East Sea. In addition, there are frequent moves to restrict the activities of the Korean Navy in waters west of 124°E longitude. There is a high possibility of accidental military clashes between the two countries in narrow waters. If tensions between the two countries increase in the future, China might act provocatively against a South Korean warship operating in waters west of 124°E longitude, as it did with a U.S. military ship.

**Paramilitary Activities:** Illegal fishing by Chinese boats has continued in waters near Korea; despite the crackdown by the Korean Coast Guard and government protests, the number has increased every year, depleting coastal fish stocks. In particular, recently, Chinese illegal fishing boats have formed large-scale fleets, and have systematically and violently resisted the crackdown activities of the Korean Coast Guard, causing unnecessary casualties. Although not officially confirmed, the systematic behavior of Chinese fishing boats raises suspicions that the people’s armed forces maritime militia may be involved. In the future, if the Chinese government unilaterally mandates its preferred boundaries of the EEZ, it likely will strengthen the Chinese Coast Guard’s enforcement in the area. Also, the Chinese people’s armed forces maritime militia probably will become more organized and aggressive.

**State-affiliated Businesses:** The Chinese government will explore and collect resources and build various undersea communication infrastructures in the future of the Korean Peninsula, using companies like China National Offshore Oil Corporation (CNOOC) and [China Communications Construction Company](#) (CCCC). Moreover, if South Korea stops or protests these actions, China likely will respond in other ways by using other means of gray zone activities.

**Manipulation of Borders:** Unlike the South China Sea, the Yellow Sea has few places to build artificial islands or install maritime facilities to support its territorial claims. Therefore, China currently has only fixed buoys for marine observation in the Yellow Sea. However, Ieodo (Socotra Rock, Chinese name Suyanzhao) is highly likely to be subject to future disputes between the two countries. Ieodo is an underwater reef located 80 miles from Mara-do in Korea and 133 miles from Tong-Dao in China. South Korea established and operated a comprehensive marine science base on this reef on June 11, 2003.

Currently, Korea and China share the view that “Ieodo is not subject to territorial disputes because it does not have its territorial waters and EEZs as an underwater reef.” However, China considers Ieodo part of its territory; for example, China claimed on its official website (China Oceanic Information Network, 海洋信息网) in December 2007, “Ieodo is a Chinese territory as a part of Chinese continental shelf that developed in the East China Sea and as a part of China’s EEZ.” Also, on March 3, 2012, Liu Ci-Gui (刘赐贵), director of China’s National Maritime Bureau, told the official Xinhua News Agency that “Ieodo is locating in China’s waters and China will conduct regular patrols with surveillance ships and aircraft.”<sup>5</sup> Therefore, there appears to be a substantial possibility that China may try to remove the Korean structure installed on Ieodo and establish its own to claim jurisdiction in the future.

**Information Operations:** Many internet sites or users in China claim that China’s EEZ must include most of the Yellow Sea and Ieodo. If the Chinese government announces a clear position on the Yellow Sea, they will actively support the government’s position. They will spread out various materials supporting the government’s position to the Chinese people, refute South Korea’s claims, and persuade the people of neighboring countries in unison.

**Legal and Diplomatic Measures:** China has long studied and applied three types of warfare, legal, psychological, and public opinion. It has mainly prepared logical grounds through legal action and maximized public opinion and psychological warfare through intelligence operations. Similar methods are likely to be used for the Yellow Sea. Based on domestic laws, the Chinese Coast Guard can strengthen the crackdown on Korean fishers within the EEZ claimed by the Chinese government. China can also declare an additional air defense identification zone (ADIZ) as it does in the ECS. This would further heighten tensions and conflicts between Korea and China.

**Economic Coercion:** Representative examples of China’s financial means to pressure South Korea include sanctions against Lotte and a ban on tourism to South Korea when the U.S. Forces Korea deployed THAAD in 2015. Because Korea is highly dependent on China, China can use its economic pressure card in the Yellow Sea maritime boundary negotiations.

## Conclusion

The increase in Chinese warship activity in the Yellow Sea threatens to incrementally change the status quo and make it a fait accompli to gain an advantage in Yellow Sea maritime boundary planning. From a long-

<sup>5</sup> Jin Haeng-Nam, Exploring the Current Status and Solutions of Ieodo Problems, JPI Policy Forum 2012-02, Jeju Peace Research Institute, 2012.



term perspective, it is to China's advantage to intentionally delay the maritime boundary planning negotiations and expand the activity space little by little while the boundaries are ambiguous.

China has already carried out gray zone operations in the ESC and SCS against Japan and Southeast Asian countries, and has also come into conflict with the United States around the issue there. A larger-scale gray zone operation in the Yellow Sea by the PRC would challenge Korea's authority and Korea could not adequately address such challenges without relying on allies for influence and military assistance.

Korea's mid-to-long range goal should be to respond to China's gray zone operations appropriately, and to obtain favorable results in maritime boundary planning negotiations with China. To this end, Korea should establish long-term response strategies and operational plans to integrate all national capabilities. At the same time, Korea should concentrate the nation's diplomatic powers to develop clear logic to respond to China's dubious claims, and should draw on international cooperation while neutralizing China's attempts to change the status quo in the Yellow Sea.

However, the priority is to work with China to finalize the Yellow Sea maritime border as soon as possible. In this process, South Korea and China should try to mutually respect the interests of coastal countries as defined by the UNCLOS and ensure the freedom of the seas demanded by the international community. In addition, the two countries should communicate appropriately so that misunderstandings and misjudgments do not lead to catastrophic consequences. The two countries should also both maintain flexible stances directed toward active cooperation.

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