

Costly Delaying under Gray-Zone Competition: Empirical Analysis of the Development of the South China Sea Dispute in the Post-Arbitration Era

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1. Introduction

Since the 1970s, the South China Sea (SCS) has witnessed numerous maritime clashes, with the 2012 Scarborough Shoal standoff marking the most recent tipping point, prompting new approaches, most notably, the Philippines' initiation of arbitral proceedings against China. The 2016 ruling eventually upheld most of Manila's assertions, yet it exacerbated rather than resolved underlying tensions. China's firm rejection, the Philippines' subsequent conciliatory turn under President Duterte, and the award's limited practical clarity (PCO 2018) revealed the constraints of efforts to seek a legal settlement.

Given the dim prospect of swiftly achieving a clear-cut settlement of the dispute, the SCS entered a phase of prolonged ambiguity, accompanied by a decline in academic attention—a trend hardly justified given the dispute's enduring significance as Southeast Asia's primary traditional security threat. Moreover, the SCS also constitutes a pivotal arena where great power

strategies—China's Maritime Silk Road and the United States (US) Indo-Pacific vision—directly intersect. Designated a “tier 1 threat” in Sino-US relations from 2018 to 2020¹, the contentions over sovereignty, maritime rights, and influence have grown increasingly precarious amid intensified competition.

Against this backdrop, the SCS dispute necessitates an examination of several critical questions: How has the dispute developed since arbitration? What are stakeholders' tactical preferences? Which areas and issues have gained salience? To address these questions, in the remainder of this article, a theoretical background that bridges the gray zone competition with the delaying strategy in territorial disputes is first offered. Then, the key features of an original event dataset utilized in this article are outlined. Next, the research findings are presented. The article concludes with a discussion and suggestions for future research.

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2. Gray zone Fray: the Increasing Cost of Delay

A key limitation in the literature on territorial disputes, including China-focused studies, is the disproportionate conceptualization of dispute dynamics. Specifically, the intermediate “delaying” phase—in which states engage in protracted competition to accrue relative advantages and consolidate positions without seizing or ceding territory²—has received scant attention compared to dispute escalation or settlement, despite constituting the default strategy in many disputes over extended periods (Huth 2000, 27–29). The cyclical tensions in the SCS, characterized by prolonged intervals following conventional conflicts and territorial seizures, also highlight that “delaying” constitutes a gray but persistent feature in this dispute.

Prevailing theories provide several potential explanations for China’s behavioral shift following the 2016 arbitration, which notably has not involved any seizure of features so far. From an international perspective, Carlson (2008) emphasizes Beijing’s pursuit of global acceptance that moderates territorial revanchism. Thus, the arbitration likely imposed reputational pressures, prompting restraint to preserve China’s international image. Structurally, Hyer (2015) emphasizes the impact of the evolving strategic environments, in which case the US pressure—capable of reshaping the landscape—plays a key role. Through the lens of bargaining power, case studies of Fravel (2008) imply that China reverts

from escalation to delaying once Beijing reestablishes deterrence or stabilizes claims.

An analysis of official and semi-official policy papers reveals that China’s return to a delaying strategy in 2016 arose from a convergence of heightened concerns over international reputation and consolidated position in the dispute. For instance, despite the dismissive attitude toward the arbitration, Beijing’s policy circles stressed “circle of friends diplomacy” to enhance China’s image, garnering support from “120 countries and 240 political parties” against the ruling (DPP 2017, 58; CIIS 2017, 222). This endorsement drive was so strong that it even provoked backlash from Vietnam (VietnamPlus 2016). In terms of policy direction, “fostering domestic and international public support” on SCS issues was highlighted (CASS 2017, 142). This focus grew even more pronounced subsequently, “in the SCS, China could certainly rely on its power, but it opts for alternative choices for the broader context of ‘peaceful rise’” (CASS 2018, 195).

Secondly, China recognized the relative gains accrued through escalation. While it was noted that China’s most significant achievement in the SCS was thwarting Western efforts of demonizing China, this success was, however, attributed to “China’s active diplomatic and military preparations and actions around the arbitration” (CASS 2017, 62). Moreover, China’s actions during the Scarborough Shoal incident were

considered to have “neutralized the Philippines’ long-term strategy of incremental encroachment” (CASS 2017, 128). In essence, these narratives reflect Beijing’s acknowledgment of the dividends from its escalation strategy while seeking to ameliorate the reputational costs.

Comparatively, structural factors do not appear to have been decisive. Amid the increasing involvement of the US in the SCS, China still resolved to “cooperate amid struggle,” while recognizing Trump-era frictions but asserting Sino-US relations’ resilience (CASS 2017, 68; CIIS 2017, 279). Moreover, amid Obama’s “pivot to Asia,” China’s SCS advances continued largely unabated, thereby further casting doubt on the explanatory power of structural factors.

Thus, the SCS dispute has entered into a new phase, where states struggle to strike a delicate balance between safeguarding their interests and averting crises. In this case, analysts have increasingly framed the region through the lens of “gray zone” competition, an apt analytical framework for elucidating state behaviors during the delaying period. By highlighting the hybrid, sub-threshold maneuvers that characterize this phase, the gray zone concept provides a nuanced understanding of how actors pursue advantages without triggering conventional warfare, and in the SCS, overt seizure of territory, thereby bridging the conceptual gap in traditional dispute literature and offering a logical extension to the dynamics of delaying strategy. This intermediary realm between peace and

overt adventurism essentially enables actors to advance geopolitical objectives while minimizing escalation risks and reputational costs (Mazarr 2015, 26).

The gray zone’s conceptual origins can be traced to post-Cold War strategic thought, particularly in US defense literature, where it delineates a strategic environment that is “neither fully war nor fully peace” (DoD 2010, 73), encompassing “competitive interactions... that fall between the traditional war and peace duality” (USSOCOM 2015, 1). In the SCS context, Western analysts characterize gray zone activities as a spectrum of calibrated measures spanning multiple policy domains, with emphasis on gradualism, caution, patience, and continuity (Cronin and Neuhard 2020, 11). Chinese analysts such as Hu (2024), conversely, advocate for the term’s neutrality, noting China faces similar challenges from the US and other claimants.

This dynamic, as articulated by Mazarr (2015, 68), engenders a “gray zone stalemate” wherein all parties increasingly invest in and exercise gray zone capabilities. As Chubb (2015) observed, “the most popular response around the region has been to follow suit.” This aligns with policy diffusion theory, which posits that state behaviors are interconnected, shaped by mechanisms of adaptation and emulation from external and internal sources (Gilardi 2010). With the US as the “original gray zone disruptor” (Wilson and Smitson 2016, 67) and China as the rising practitioner, regional states are incentivized to

“up the ante” in their gray zone actions.

Additionally, experiential learning and historical lesson-drawing—extensions of policy diffusion—enable states to reflect on past outcomes, refining future actions through internal feedback loops (Ziv 2017). In the SCS, this could be manifested as countries drawing lessons from their previous effective assertive actions and applying these policy elements again in future practices. Consequently, as instruments, thinking, and usage of competitive actions from the escalatory phase serve as key reference points for learning, old assertiveness feeds into the

3. The Original Post-Arbitration SCS Event Dataset

Building on prior scholarship, this study constructs an original, manually compiled post-arbitration SCS event dataset. Covering 67 months from August 2016—immediately following the SCS arbitral award—to February 2022, just before the Russo-Ukrainian conflict’s escalation, this dataset thus delineates a distinct “post-arbitration era” largely insulated from major exogenous geopolitical disruptions. Moreover, this dataset was compiled by collecting information from a variety of sources, including government publications, news searches, think tank reports, and academic sources. It covers six key SCS stakeholders: China, Vietnam, the Philippines, Malaysia, Indonesia, and the US. Also, unlike most existing works, this dataset employs monthly aggregation for finer time granularity.

Specifically, this dataset adopts the Conflict

new normalcy, thereby elevating the costs of the post-escalation delaying period in the SCS, which is further heightened by the intensification of great power politics.

Thus, this study introduces the concept of “costly delaying” to capture the core dynamic of the post-arbitration SCS. We conceptualize it both as a strategy employed by states to manage disputes without conventional conflicts, territorial seizure or settlement via concession, and as a resulting systemic condition that emerges from the interplay of such strategies, locking all parties into a state of enduring, costly deadlock.

and Mediation Event Observations (CAMEO) codebook, as its comprehensiveness is well-suited to capturing the cooperative and competitive dynamics inherent in territorial disputes. In the dataset, variables *Actor1* and *Actor2* designate the initiator and recipient of an action, respectively; *QuadClass* then categorizes actions into verbal cooperation, material cooperation, verbal conflict, and material conflict. Each event is also assigned an *Eventbasecode* and *GoldsteinScore* (ranging from +10 to -10), quantifying the action’s implications for amicability or hostility.

Extending the work of Chubb (2022), this dataset features refined location variables by introducing two new subregions: *FarNorth* and *Contiguous/Uncertain* (see Figure 1). The *FarNorth* subregion spans the northern edge of the SCS (excluding the Taiwan Strait), offshore from

Hainan Island and Guangdong Province. Beijing has no major contesting claimant here except Taipei, which controls the sole group of land features—Pratas Islands—mostly submerged reefs and atolls. Nonetheless, US maritime operations

in this area have emerged as a major source of tension with Beijing, alongside notable Vietnamese fishing activity. The *Contiguous/Uncertain* category, then, covers events in adjacent waters and areas of the SCS or unspecified locations.

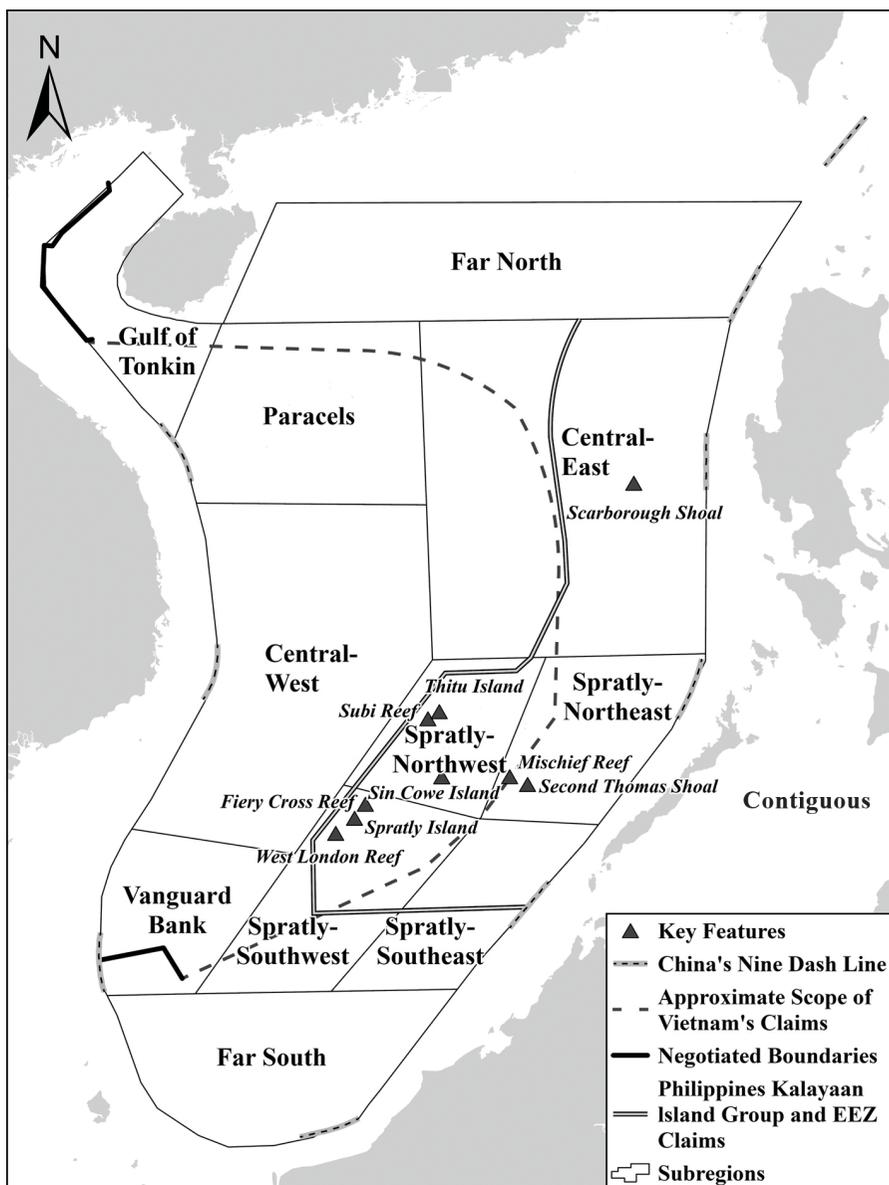


Figure 1. Approximate Subregional Divisions of the SCS

The dataset also delineates four key issue areas: *Military/Paramilitary* (involving armed forces, coast guards, and militia); *Economy* (fisheries, hydrocarbon exploration, and scientific research); *Territorial Management* (administration and development, such as infrastructure and legislation); and *Political Support* (shaping domestic and international opinion). This categorization seeks to encompass various dynamics while enhancing parsimony and improving upon more expansive frameworks in prior studies, such as Yung and McNulty's (2015) nine categories (military, paramilitary, economic, legal, coalition diplomacy, negotiation, dispute management, administrative, information) and Chubb's

4. Research Findings

4.1 Trends of Development in the SCS in the Post-Arbitration Era

The dataset comprises approximately 15,900 event entries and 7,400 core events. To illustrate the developments of the SCS dispute post-arbitration, Figure 2.1 displays the calculated results of net monthly Goldstein scores from all entries. The result indicates that November 2017 yielded the highest net score, aligning with the initiation of Code of Conduct (COC) negotiations. However, since 2020, the situation has markedly deteriorated, as reflected in the rising frequency of negative net scores. The lowest net score occurred in April 2020, amid the COVID-19 pandemic and driven by events including legal disputes among stakeholders, hydrocarbon confrontations, and China's creation of new SCS

(2022) five categories (politics, fisheries, energy, administrative, military-security).

Furthermore, the dataset accommodates multi-dyadic interactions and strategic context by assigning full Goldstein scores to primary targets of actions and half to secondary ones, reflecting intertwined claims in the SCS. Also, this dataset reflects US differential perceptions in the SCS: China's deployments of weaponry on land features and island-building are perceived as provocations to US hegemony, warranting full scores, whereas other claimants' similar actions receive reduced scores in US-related entries.

administrative districts.

While these dynamics suggest that stakeholders' dispute management has remained generally stable—were it not for the global pandemic, which disrupted positive momentum and exacerbated geopolitical tensions—monthly averaged Goldstein scores offer a contrasting perspective on the dispute's evolution. As shown in Figure 2.2, the cooperative atmosphere cultivated between 2016 and 2017 began eroding from 2018 onward, with the pandemic only further accelerating this decline. A modest resurgence in stakeholders' peaceful dispute management efforts emerged in 2021, but the situation worsened again in 2022.

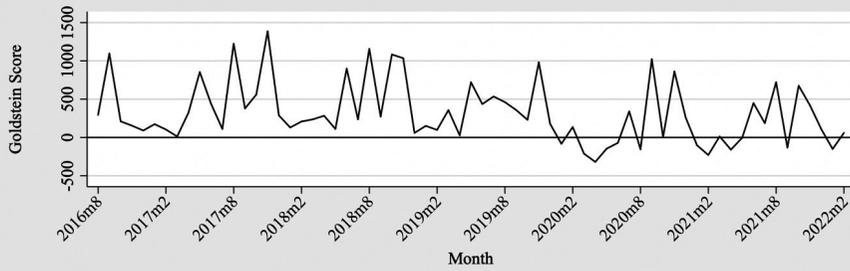


Figure 2.1 Evolution of the South China Sea Situation by Monthly Average Goldstein Score

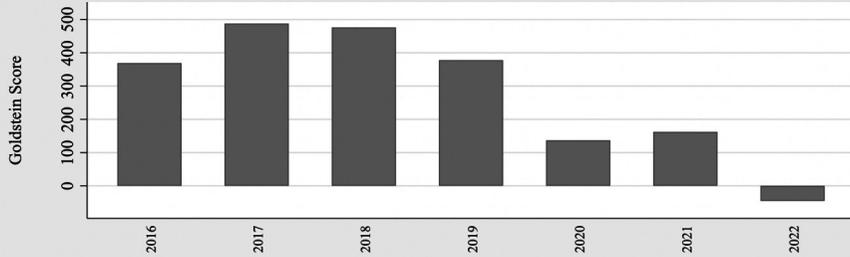


Figure 2.2 Evolution of the South China Sea Situation by Monthly Average Goldstein Score

These findings essentially highlight the fragility of the SCS situation through two key aspects. First, despite the global pandemic diverting countries' attention from stabilizing the territorial dispute, their assertiveness did not diminish correspondingly. The breadth of these tensions is also noteworthy, as even amid the global pandemic, the disputants remained committed to investing in multifaceted competition across various gray-zone domains. This suggests a persistent lack of trust and coordination among the stakeholders, whose vigilance and bellicosity prove resilient and have only become more subtle to avoid above-threshold risks. Consequently, even if a non-legally binding COC is successfully negotiated, its effectiveness in curtailing countries' propensities to prioritize their own inter-

ests over collective stability may be limited.

Secondly, behind the simmering tensions, it is also important to recognize the impact of the intensifying great power competition in the SCS. A trend of "militarization" in Washington's policy toward the SCS has been observed since 2018 (SCSPI 2024). This increasing US intervention has enabled a cycle of escalation between Beijing and Washington, while simultaneously emboldening ASEAN claimants to adopt more assertive stances toward China. In other words, the Sino-US geopolitical competition and the contentions among claimant countries now constitute two mutually reinforcing cycles of tensions in the SCS.

However, considering Washington in the SCS as a "good Samaritan" would be oversimplified.

For instance, Washington's Freedom of Navigation Operations (FONOPs) have also targeted countries besides China. Additionally, Washington's actions have increasingly become a source of discord among SCS claimants. A notable example is the divergent responses to the US-led nuclear-powered submarine initiative. In this

4.2 Countries' Tactical Preferences in the SCS in the Post-Arbitration Era

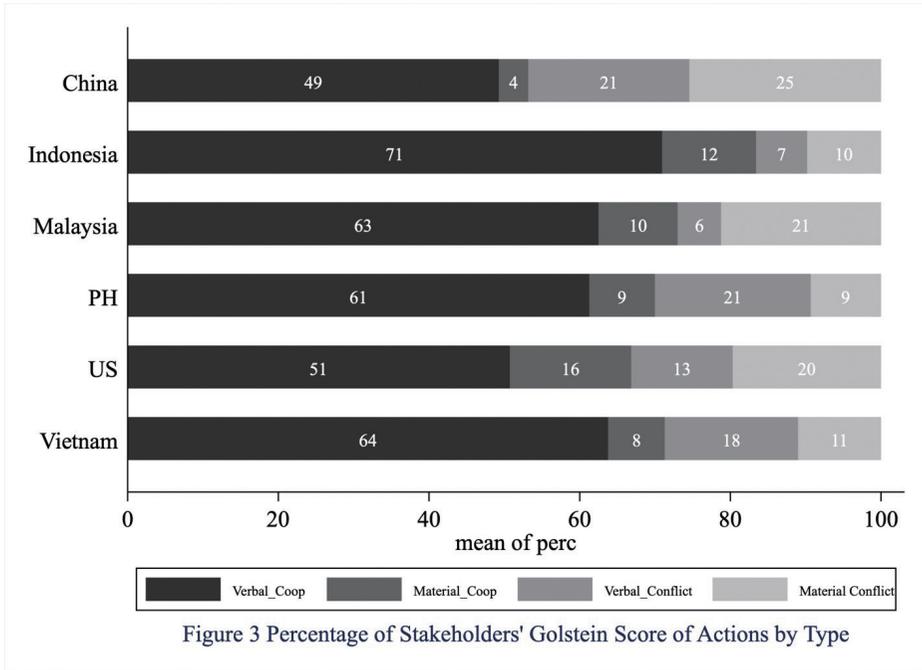
In light of the intricate interplay of state actions in territorial disputes and the structure of this dataset, "tactical preferences" in this analysis is defined as the extent to which states prioritize distinct approaches—namely, verbal cooperation, verbal conflict, material cooperation, and material conflict—in managing the dispute. To assess these preferences, this study calculates the proportion of net Goldstein scores for each action type relative to a country's total net score, rather than relying on event frequencies. This methodological decision is driven by Beijing's expansive claims, which propel it to consolidate control over a vast maritime space while simultaneously addressing challenges across the SCS and projecting goodwill to prevent escalation. A frequency-based analysis would thus likely only confirm Beijing as the most active stakeholder across all categories, offering limited insight.

The calculation results, presented in Figure 3, indicate that Indonesia and Vietnam demonstrate the highest propensity for verbal cooperation in the dispute. This tendency can be at-

light, despite frequent assertions of self-restraint, mutual trust, and ASEAN centrality, the situation in the SCS has fostered division and encouraged a policy of "every man for himself" against the backdrop of intensifying great power competition.

tributed to Indonesia's limited scope of claim in the SCS, which reduces its direct conflicts with other stakeholders, and Vietnam's historical experiences with high-risk actions, which have likely fostered a preference for diplomatic engagement. Malaysia and the Philippines follow, ranking third and fourth, respectively, in their willingness to engage in verbal cooperation. Overall, ASEAN countries, leveraging their regional platform, are well-positioned to lead efforts in fostering cooperation. In contrast, the US and China rank lowest in this category. This does not suggest a lack of interest in providing assurances within the region; rather, their resources and attention are predominantly consumed by competition.

However, one needs to be cautious regarding ASEAN's potential role as a neutral promoter of peace and stability in the region. A closer examination of events reveals that ASEAN venues also risk transforming into a "battlefield" for stakeholders to trade barbs. Since 2018, joint statements and chairperson's statements from ASEAN-related meetings have frequently ex-



pressed concerns over the SCS. This stems from both growing concerns among ASEAN countries regarding dispute management and the ramifications of US-China competition. For instance, in 2021, a foreign ministers' meeting devolved into a heated dispute, with countries asserting the arbitration, disputing claims, and condemning external interference (DoS 2021; China Military 2021).

In material cooperation, Washington reaffirms its role as the regional leader and security provider through exchanges, military exercises, and hardware supplies with regional countries to counter Beijing. Indonesia and Malaysia rank second and third, respectively, due to stable military and maritime ties with great powers and regional states. Indonesia actively initiates and

participates in maritime-related cooperation, including the Jakarta-led multilateral "Komodo" exercise and US-linked "Pacific Partnership" and "Cope West." Malaysia maintains balanced relations with both great powers, securing a littoral mission ship deal with China while joining US exercises, such as Tiger Strike and Bersama Warrior. Manila, Washington's treaty ally, ranks fourth owing to President Duterte's aversion to US military ties, leading to canceled exercises and repeated spats over cornerstones of the US-Philippines alliance such as the Visiting Forces Agreement and Enhanced Defense Cooperation Agreement. Vietnam, an emerging US partner countering China, ranks fifth. China's low ranking in this context not only underscores Beijing's imperative to enhance the provision of

regional public goods but also elucidates its apprehensions regarding containment within a US-orchestrated security network. Such concerns may serve only to exacerbate regional tensions and, if not already in effect, reinforce the perceived containment, thereby precipitating a downward spiral in the security dilemma.

In terms of verbal conflict, China and the Philippines occupy the first position in the ranking, albeit for different reasons. China's expansive territorial claims compel Beijing to constantly articulate its position. For Manila, Duterte's "independent policy" often ends in a two-way blame game of criticizing Chinese actions while denouncing Washington's "inaction". Vietnam and the US rank third and fourth due to their significant stakes in the region, often becoming embroiled in verbal conflicts to protect their interests. Indonesia and Malaysia rank fifth and sixth, owing to their limited territorial claims and tradition of silent diplomacy. However, this does not imply that Indonesia and Malaysia are not capable of generating a powerful momentum — Malaysia's unexpected move at the United Nations in 2019 asserting sovereign rights over the southern part of the SCS triggered an intense "lawfare" that subsequently involved all major stakeholders (UN 2024).

The "lawfare" evokes a sense of *déjà-vu* among analysts, highlighting the lasting significance of the 2016 arbitration. Historically, ASEAN countries have not prioritized international law as a mechanism for resolving territorial dis-

putes (Nong 2016, 4). In the post-arbitration period, however, legal measures have become a frequent feature in countries' SCS policy calculations (VNS 2019). Consequently, this weaponization of international law has enriched stakeholders' arsenals, thereby introducing a new facet to the regional conflicts.

In terms of material conflict, China remains the most active player. Due to the nine-dash line, China's actions frequently pose challenges to multiple parties simultaneously. Additionally, China utilizes a wide range of tactics to advance its interests, as different forms of maritime operations and the construction of land features have continued into the post-arbitration era. In comparison, Malaysia—despite not possessing a dominant maritime force and not actively seeking to consolidate control over land features—unexpectedly ranks as the second most assertive actor in the post-arbitration era. The US, a military superpower, occupies the third position. Vietnam, Indonesia, and the Philippines exhibit a markedly lower propensity to engage in physically assertive strategies for managing disputes.

The analysis of stakeholders' tactical preferences illuminates several issues, including the significance and challenges ASEAN faces in promoting self-restraint and cooperation, the dominance of the US-led security network, and China's activeness in both verbal and material efforts to safeguard its interests. Moreover, the persistence of old tactics into the new era underscores the ongoing erosion of trust in the

SCS, rendering the situation of “delaying” increasingly costly.

However, a deeper understanding of nuanced perspectives is needed. For instance, Malaysia’s assertiveness in material conflict serves as a noteworthy case underscoring the determina-

4.3 Locations and Issues

To examine stakeholders’ efforts in navigating through tensions and promoting stability, an important angle is to assess the degree to which verbal goodwill is manifested in or undermined by material actions across the SCS. In this light, Table 1.1 summarizes core events involving material cooperation and conflict in various subregions. The results indicate that material cooperation exceeded conflict only in the Gulf of Tonkin and contiguous/uncertain areas. In the former case, the maritime boundary demarcation between China and Vietnam has helped alleviate potential frictions. In contiguous or uncertain zones, US-led military exercises and asset transfers have strengthened Washington’s security partnerships with regional states. However, these “successful” cases also carry worrying implications. First, maritime demarcation in other subregions involving multiple stakeholders would conceivably prove a more arduous task, thereby impeding cooperative prospects across substantial expanses of the SCS. Second, Washington’s initiatives do little to mitigate great-power competition, as they are easily perceived as demonstrations of force by Beijing.

tion of minor claimants in the SCS. Yet, questions remain regarding the factors driving Malaysia’s—and, by extension, other countries’—confrontations in the SCS, as well as the specific locations of these conflicts. These matters will be addressed in the subsequent section.

Among other subregions, the Spratlys have long formed a central component of the SCS dispute, with the northwestern portion representing the most contested area, where China, Vietnam, and the Philippines assert overlapping claims and maintain physical presences. These overlapping claims and presences have generated considerable tensions, particularly regarding (para)military activities and the administration of occupied features, which emerge as the two most salient issues in the post-arbitration era (see Table 1.2). Nevertheless, the far south subregion emerged as the most “dangerous” area during the study period, despite its apparently lower escalation potential owing to geographical features unsuitable for land reclamation, sustaining a substantial garrison, or installing major facilities.

We argue that economic factors represent a major driver of conflict in the Far South subregion. Furthermore, these resource disputes may also provoke a novel “complex” response model from Beijing, integrating paramilitary and economic responses while establishing intensified physical pressure in the area. For instance, oper-

Table 1.1 Total Observed Core Events of Material Cooperation and Conflicts by Locations

Locations	Material Cooperation	Material Conflicts
Gulf of Tonkin	58	36
The Paracels	7	163
Central West	7	53
Central East	22	219
Spratly Northwest	19	260
Spratly Northeast	12	175
Spratly Southwest	12	210
Spratly Southeast	12	160
Vanguard Bank	7	86
Far South	25	284
Far North	10	119
Contiguous/Uncertain	487	392

Table 1.2 Total Observed Core Events of Conflicts by Issues

Issue	Verbal Conflicts	Material Conflicts	Total
Military/Paramilitary	1214	781	1995
Economy	615	447	1062
Territorial Management	1158	94	1252
Political Support	758	10	768

ations involving Malaysia’s Sapura Esperanza platform near the South Luconia Shoals elicited Chinese Coast Guard (CCG) deployments, culminating in a “daily presence” following Malaysia’s withdrawal (Chew 2021). From May to October 2021, China’s response to Malaysia’s West Capella rig apparently intensified, including CCG vessels and the marine survey ship Da Yang Hao (AMTI 2021). Almost simultaneously, Indonesia’s oil rig faced a similar response from CCG vessels accompanying the survey ship HYDZ 10, with CCG 6305 lingering in the area after HYDZ’s withdrawal. This response pattern, with minor variations, is also observed near the Vanguard Bank as Vietnam’s exploration since

2017 has routinely sparked coast guard confrontations, alongside China’s concurrent seismic surveys in the same area and central-western SCS, resulting in increased Chinese maritime presence in both locations (Do 2019; AMTI 2020).

Malaysia’s resolve, as demonstrated in protracted maritime standoffs, evidently accounts for its elevated propensity for material conflict. Indeed, Malaysia—as the latecomer with the ostensibly “weakest position” in the dispute—appears to have cultivated a policy stance that integrates heavy-handedness with generally subdued diplomacy (Hyer 2015, 242-243). This “silent but firm” posture enables Malaysia to

manage audience costs while consolidating its position in the dispute. However, the standoffs over energy also highlight China's policy dilemma vis-à-vis Malaysia, as the latter lacks the political, technical, and economic incentives to pursue joint maritime development with Beijing (Qi 2020, 52-54). Most notably, Malaysia's official position categorically denies the existence of any territorial dispute with Beijing, whose claims are neither based on the continental shelf nor the exclusive economic zone. Consequently, despite Malaysia's preference for prioritizing economic concerns over territorial issues (Su 2019, 51-53), Malaysia's denial inherently obstructs the advancement of dispute management, let alone resource cooperation, while instead engendering costly maritime clashes with Beijing.

On the other hand, Beijing's "complex" response model constitutes a new feature in the post-arbitration SCS, and its origins are evidently derived from prior maritime confrontations. The multi-layered deployment of different maritime units, termed the "cabbage strategy", was first articulated by retired Chinese naval admiral Zhang Zhaozhong after the Scarborough Shoal incident. In addition, Beijing's use of non-enforcement, non-military assets in a major standoff debuted during the 2014 HYSY 981 incident with Vietnam, which ended prematurely with the oil platform's withdrawal alongside its escorts.

Drawing on prior experiences, China's "complex" response model represents an integration

of its tactics, augmented by enhanced maritime capabilities yet tempered by caution. By bringing survey ships—and potentially drilling rigs or platforms (again) in the future—into the front-line, Beijing now initiates such actions only in response to a clear trigger: other claimants' unilateral resource development. This contextual approach mitigates reputational costs by framing actions as mere reciprocity in economic and scientific endeavors—a claim with partial validity. Crucially, the model offers sustained local impact via persistent CCG presence post-operation, ensuring that withdrawal does not equate to diminished Chinese influence but often enhances it.

This model's adoption highlights two key implications. First, Chinese island outposts—despite their debated wartime utility—have bolstered Beijing's logistical capacity, supporting prolonged maritime operations and presence. Second, while enhanced maritime capabilities enable these hybrid maneuvers, the model's "gray," "progressive," and "effective" traits likely also align with preferences across China's various maritime political factions. Thus, an operationally viable, institutionally supported, and diplomatically adaptable tactic has become emblematic of this "delaying" era, even though its elements originated in prior escalation phases.

Nevertheless, any maritime maneuver's success also depends on operational execution. Mobilizing diverse maritime units certainly imposes high escalation and deterrence costs on

opponents, yet the model's complexity itself could amplify Beijing's own vulnerabilities to missteps. The recent collision between Chinese naval and coast guard vessels near Scarborough Shoal illustrates these risks starkly (Torode and Lema 2025), raising concerns about potential incidents involving slower survey vessels crewed by less "battle-hardened" personnel.

As Mazarr (2015, 70) warned, "the risk of escalation... could confront the authors of gray zone strategies with outcomes for which they are ill-prepared." In the SCS context, this risk stems from the quantity, quality, and frequency of deployed assets—whether overtly or covertly—to challenge rivals and solidify one's positions. The 2021 US nuclear submarine USS Connecticut's collision with a seamount also exemplifies such perils (Lamothe 2021). Although SCS stakeholders, for diverse motives and to different extents, have sought to manage the dispute through good faith, restraint, and fortified political-military alliances, the region's "oversaturation" of maritime assets demands intensified efforts to avert further incidents.

Despite the increasing operational risks, the US military presence in the SCS significantly increased during this studied period. Although FONOPs frequently draw international attention, they constitute only a small part of US military operations in the region. Beyond regular exercises and aircraft carrier deployments, the US has conducted tactical bomber missions and extensive reconnaissance operations. These ac-

tivities have especially turned the far northern part of the SCS into a growing hotspot. In response, Beijing's actions have extended to previously less-impacted areas, as shown by the detection of Chinese drones near Riau and Sulawesi (JATOSINT 2020).

Aside from hydrocarbons and military/paramilitary factors, fisheries, another key economic resource, also represent a significant source of instability. Vietnamese fishing vessels and maritime militia have increasingly encroached into waters, claimed or not by Hanoi, including the Far North subregion (SCSPI 2020), leading to a concomitant rise in maritime incidents with law enforcement of regional countries. In response, Malaysia has launched sustained, cross-agency operations to counter illegal fishing (New Straits Times 2022). These measures further contribute to Malaysia's elevated propensity for material conflict. Similarly, Indonesia's maritime forces also frequently confront Vietnamese poachers, with some encounters escalating to mutual arrests (China Power Project 2017).

This does not imply, however, that the importance of other issues has waned in the post-arbitration period. For example, in terms of territorial management, Beijing, Hanoi, and Manila have all persisted in strengthening their control over occupied land features through infrastructure development and increased physical presence. Additionally, Manila's construction activities on Thitu Island during 2018–2019 prompted the deployment of Chinese maritime militia,

which amassed frequently in the vicinity of the feature since then. Nevertheless, none of these developments during the studied period escalated to the point of prompting US military interventions via shows of force, unlike the resource-related standoffs (AMTI 2020; Long 2020).

This analysis of the locations and issues underlying SCS conflicts reveals that tensions during this period exhibit two distinct characteristics, namely proliferation and intensification. Previously less affected areas have transformed into conflict hotbeds owing to the

5. Discussion and Conclusion

This empirical analysis, employing the original event dataset, elucidates several key dynamics in the post-arbitration SCS. First, the geopolitical situation began to deteriorate prior to the global pandemic, and the Covid only highlighted the entrenched distrust and gray-zone bellicosity of stakeholders. Second, while ASEAN's moderating role is acknowledged, it faces growing challenges amid escalating tensions involving regional and extra-regional actors. Third, despite the ongoing dispute, more involvement from China in the regional security framework is necessary. Fourth, while China exhibits the strongest inclination to assert its interests both rhetorically and materially, the resolve and willingness to take risks displayed by smaller claimant states, particularly Malaysia, warrant more attention. Finally, while tensions in the SCS have

proliferation of gray-zone maritime actions, while the SCS waters, alongside key disputed land features, have also become potential sites of costly and risky maritime confrontations. Moreover, by integrating paramilitary and economic elements, China's new "complex response" model exerts a heightened and enduring impact, intensifying disputes over maritime resources and maritime presence. These dynamics suggest that tensions have not dissipated but have instead manifested in subtler forms and become harder to control, thus posing increasingly intractable challenges for dispute management.

remained below the threshold of overt conflict, they have proliferated into previously less affected areas, driven by rising risks associated with maritime resources and external military interventions, whereas the established tactics of claimants also endure and evolve. In other words, the SCS dispute exhibits no immediate prospects for settlement, while its management is becoming increasingly challenging amid escalating great power competition and simmering territorial contentions.

As stakeholders are locked in the stalemate of "costly delaying", one potential scenario for breaking the impasse, one may argue, could entail a decline in US engagement, even as Washington maintains its commitments to allies' homeland security (Fravel and Glaser 2022). Such a situation would not eliminate Washing-

ton's regional role while likely enabling Beijing to expand its influence, compelling ASEAN states to tacitly accept Chinese dominance over critical sea lanes. In return, Beijing might offer more economic incentives to "appease" regional countries while negotiating navigational rights from a position of strength with extra-regional stakeholders, thereby fostering a new equilibrium without overt conflict. However, as both the US and China increasingly view the SCS as a litmus test for each other's broader strategic ambitions (Fravel and Miura 2020), the prospects for US retrenchment remain limited, suggesting that the current stalemate is likely to persist.

In view of this persistent impasse, two policy recommendations emphasizing inclusivity are proposed for dispute management, with a focus on security matters, which arguably present the most direct and urgent concerns. The first entails bolstering inclusivity within regional security cooperation to mitigate tensions arising from competition. This imperative is underscored by Beijing's relative lack of involvement in the regional security framework, coupled with the experience of decoupling of military engagements between Beijing and Washington amid deteriorating bilateral relations; given their substantial maritime postures, this only engenders heightened uncertainties in the SCS. Accordingly, ASEAN should adopt a more proactive role in the SCS security architecture, fostering an inclusive framework that encompasses

both China and the US and transcends superficial policy dialogues. This configuration would help alleviate China's concerns over regional marginalization while cultivating mutual trust among all stakeholders through routinized, substantive maritime collaboration, thereby repositioning the parties as "stakeholders in cooperation" rather than "zero-sum competitors" and ensuring essential lines of communication even amid great-power discord.

Furthermore, states should prioritize the development of comprehensive maritime operational protocols. Given China's new complex response model and the increasingly diverse array of assets deployed in the SCS, existing arrangements face mounting challenges. In this case, the Convention on Preventing Collisions at Sea, the expanded Code for Unplanned Encounters at Sea, and the US-China Memorandum of Understanding on Air and Maritime Encounters are either non-binding, ambiguous in specific scenarios, or limited in scope for the contemporary evolving maritime landscape. Negotiating new "rules of the road" would undoubtedly be arduous but essential, particularly for prolonged standoffs that are now prone to eliciting extra-regional military interventions. Although such protocols may raise concerns among states that rely on irregular maritime units and economic elements to advance their interests—such as China and Vietnam—Liu (2019) contends that China, as an emerging global maritime power, could benefit from a more stable, regulated,

and accessible maritime environment, just like the US.

In future research, this empirical inquiry could be extended in robust theoretical, methodological, and comparative directions. Theoretically, an immediate extension involves leveraging the dataset for analysis of maritime clashes to enrich escalation and de-escalation theories. While Nguyen (2023) offered an account of coast guard-focused SCS incidents, recent developments highlight the need to include diverse actors, especially aircraft, due to increasing operational risks. Additionally, studies could investigate clash causes and diplomatic maneuvers of states regarding maritime incidents, including third-party interventions that heighten or mitigate tensions.

Methodologically, a promising avenue entails scrutinizing “internationalization,” a key but underexplored element in policy debates. Despite

its prevalence, this indicator requires finer disaggregation: future analyses could distinguish signaling channels in states’ actions and targeted extra-regional audiences, while categorizing physical actions to capture extra-regional involvement. Such refinements would further elucidate the SCS’s protracted “costly delaying” dilemma, wherein indefinite settlement deferral imposes ongoing costs, intensified by non-claimant engagement.

Comparatively, extending the dataset across longer periods would enable longitudinal evaluations of delaying as a default strategy in territorial disputes, facilitating cross-period comparisons of its evolving drivers and performance. This approach could inform policy by delineating conditions under which delaying promotes stability or the potential for escalation, advancing nuanced frameworks for protracted disputes like the SCS.

Notes (註)

- ¹ See “Preventive Priorities Survey” of Council on Foreign Relations.
- ² “Delaying” here originally serves as an analytical term denoting a strategy that “involves doing nothing” and states “neither offer concessions nor use force” (Fravel 2008, 12). Although this original conceptualization is admittedly narrow and therefore enriched in the main text, it nonetheless encapsulates the intermediate zone that is comparatively calmer than outright escalation and the use of force.

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Costly Delaying under Gray-Zone Competition: Empirical Analysis of the Development of the South China Sea Dispute in the Post-Arbitration Era

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Connecting continental and maritime Asia, the South China Sea (SCS) hosts one of the world's most complex territorial disputes. The 2016 arbitration further complicated the situation by introducing legal ambiguity and intensifying great-power competition. Nevertheless, scholarly attention to the dispute has declined since 2016, despite the persistently high stakes. Theoretically, while conventional dispute literature emphasizes armed conflict and territorial seizure, the delaying phase—where states pursue protracted competition to accumulate advantages—has been understudied, despite being the default strategy for stakeholders.

To address this gap, this study bridges delaying strategy theory with gray-zone competition, contending that the SCS has entered a phase of “costly delaying” —a dynamic that functions both as a state strategy and a resulting systemic condition. In this phase, actors refrain from above-threshold conflict but engage in competitive actions informed by past experiences and social learning from the escalatory phase, thereby raising the baseline of tensions. Furthermore, an original post-arbitration event dataset is introduced to examine how the dispute has evolved, stakeholders' tactical preferences, and which areas and issues have gained prominence.

In summary, this study yields several key findings. First, although the global pandemic hindered cooperation and heightened regional tensions, geopolitical deterioration in the SCS predated it, beginning in 2018 amid deep-rooted distrust and animosity among countries. Second, while ASEAN enables its members to serve as vocal proponents of cooperation, this role is increasingly compromised by escalating disputes and internal divisions. Third, the Washington-centric regional security network needs more involvement from China. Fourth, although China's expansive claims drive its pronounced assertiveness, the resolve of smaller claimants—particularly Malaysia—merits attention. Finally, tensions have proliferated into peripheral areas, primarily propelled by resource competition and external military involvement. While traditional tactics persist, emerging trends such as the weaponization of international law and Beijing's new “complex response” model further underscore the precariousness of

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“costly delaying.” Given these dynamics and intensifying great-power competition, this study concludes with policy recommendations for a more inclusive security framework and maritime protocols.