

Center for Strategic and International Studies

TRANSCRIPT  
Online Event

**“Pulling Back the Curtain on China’s Maritime Militia”**

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FEATURING  
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Jude Blanchette: OK. I think we've got a minimal critical mass here, so I'm going to start. Good afternoon, everyone, and thank you for joining us. My name is Jude Blanchette, and I'm the Freeman Chair in China Studies at CSIS. And it's my pleasure to be moderating today's discussion on China's maritime militia.

If folks actually go to the CSIS website right now you will find a just-released report, "Pulling Back the Curtain on China's Maritime Militia," which is a joint report from the CSIS Asia Maritime Transparency Initiative working with the Center for Advanced Defense Studies. And today I'm really delighted to be joined by two of the report's principal authors.

We have comrade Greg Poling, who is my colleague at CSIS, is a senior fellow for Southeast Asia and the director of the Asia Maritime Transparency Initiative.

And also delighted to be welcoming Tabitha Mallory, who is the founder and CEO of the China Ocean Institute.

And we're going to hear – we're going to hear comments from Greg and Tabitha first, but then also really delighted to be joined by Yun Sun, who is a senior fellow and co-director of the East Asia Program and director of the China Program at the Stimson Center. Yun has agreed to – she's waded through the report and she's here to give some commentary and feedback after initial comments.

I'm going to turn it over to Greg in a minute, but just to run through some quick logistics here, with Yun and Greg and Tabitha they're going to speak for a total of, you know, maybe 25 to 30 minutes, and then about 1:30 we're going to open up for Q&A. There is a question button that folks can click, and I would recommend at any point during the conversation if you are sufficiently provoked or outraged or otherwise have a constructive question, type it in there. I'll be monitoring those. And then, when we get to the open question-and-answer period, I'll try to get through as many of these as possible. So welcome input from folks at any time.

And so we've got a lot to get through and I won't delay any further. So, with this, let me turn it over to Greg.

Gregory B. Poling: Well, Jude, thank you so much. I really appreciate your help moderating this. Thank you to Yun for taking the time to be a discussant. And thanks especially to Tabitha not just for being here today, but for helping with this whole yearlong saga of this project.

I also want to thank my colleague Harrison Prétat, who was one of the other co-authors – he's with the Asia Maritime Transparency Initiative at CSIS – as

well as the great team over at the Center for Advanced Defense Studies which helped us.

Let me go ahead and start sharing my screen. And I'm going to run through just a few slides and try to give a very, you know, Reader's Digest brief overview of what is, I will admit, a very dense report. And so I encourage everybody who is interested to dive in and let us know what you think. We are quite confident that it is the most comprehensive survey of the Chinese maritime militia in the South China Sea that is currently available.

And I want to say up at the top that this was made possible by a generous grant from the State Department's Global Engagement Center, which we were very lucky to receive and has really made possible this, I think, data-driven effort to pull back the curtain on what has mostly been anecdotal stories for many years now about the maritime militia.

So one of the key findings of the report, naturally, is where the militia operates. Who exactly are they? As I said, we have anecdotal stories going back decades now. And it's clear that China's maritime militia has been operating at sea in the South China Sea since at least 1974, when they took part in the operation to seize the western half of the Paracel Islands from the then-Republic of Vietnam forces. And over the course of several decades, most militia activity was centralized in Hainan. Famously, Tanmen village had a model maritime militia which engaged in operations around Scarborough Shoal and elsewhere. There were other model maritime militia units at various ports in Hainan.

What we discovered over the course of this research, though, is that there's clearly been an effort to professionalize and build out the militia over the last eight years, coinciding with Xi Jinping's elevation to power. And so many on the call might remember that in 2012, China took control of Scarborough Shoal from the Philippines in an operation that involved a heavy presence of militia units from Tanmen Village.

In 2013 after taking power as general secretary and president, Xi Jinping went down to Tanmen and he thanked the Tanmen militia for their service. They put Xi Jinping and the militia men up on billboards all across China. State media had a field day, and Xi encouraged other militia units all across coastal provinces in China to model themselves on the Tanmen militia, and that seems to have been a real watershed. After that, suddenly there's more money. There's more top level support for the militia, and we get this huge effort to modernize and expand.

So today, the militia in the South China Sea breaks down into two general groups. We have a fleet known as the professional maritime militia. We refer to them as MMFVs – maritime militia fishing vessels – in our report.

We did a direct translation of the Chinese term for these vessels, and they are centralized in Hainan province.

Hainan province also happens to have the legal jurisdiction over all the South China Sea under Chinese domestic law. Almost all these vessels now seem to be registered to Sansha City, which is on an island in the Paracels. But they operate out of ports all along Hainan, four in particular, including Tanmen and Danzhou and others. And so it seems likely that a big chunk of the older militia that we've read about since the '80s and '90s has been either renamed or brought under the control of this larger Sansha militia force. And as Tabitha will talk about, these are more directly funded and controlled by the People's Liberation Army, and in the case of those on Sansha, they are explicitly managed and in most cases owned by the Sansha Fisheries Development Corp., which is a state-owned company. So when we think of the direct state militia, we're talking about the Hainan province militia, the professional maritime militia fishing vessels.

We then have this larger and newer fleet, the Spratly backbone fishing fleet, which we refer to as SBFVs in the reports – Spratly backbone fishing vessels. Again, a direct translation of the Chinese. These are commercial vessels, or at least were at one point commercial vessels, which have been retrofitted and brought into this new militia fleet or, in some cases, they are vessels that were purpose built for service in the Spratly backbone fleet by otherwise commercial operators. So owners in provincial ports along Guangdong who may have previously been engaged in commercial fishing but are now mostly engaged in militia work.

They operate almost entirely out of five ports, which you see here is Zhanjiang, Maoming, Yangjiang, Taishan, and Jiangmen. And, again, as Tabitha will talk about, these are mainly commercial operators. They are engaged in militia activity, of course, because they're nationalistic and they want to do their patriotic duty but also because they are very well incentivized to do so. They get paid well. It's a good way to make money. In many cases, it's an easier way to make money than actually fishing would be.

And in most – the biggest difference between these two fleets seems to be that the professional maritime militia registered in Sansha City and operating from Hainan province is engaged most directly in the state assertions of sovereignty. So when you see vessels harassing Malaysian or Vietnamese oil and gas operations or protecting Chinese survey ships, basically, anytime that they are confronting foreign law enforcement or navy vessels, it is likely to be one of these professional maritime militia vessels. They're better equipped. They're better trained. They're directly under state control.

The Spratly backbone fleet operating from Guangdong doesn't usually engage in direct confrontations with foreign law enforcement and navy. That's not really their job. In fact, they're encouraged not to do that. Their job is to be a reserve force. They go out. They ride at anchor in the Spratly Islands for well over 200 days a year. By definition, in order to get their subsidies they serve as intelligence collection assets for the PLA Navy. They fly a flag, right? Just by being there, they normalize the idea of Chinese presence. And they deny access to fishing grounds and other areas for regional coastal states.

And so if you look at the deployment at the Whitsun Reef this spring where you had hundreds of Chinese boats just hanging out, not really doing anything until the Vietnamese and Filipinos tried to drive them off, those are the Spratly backbone fleet. That's mostly what they do. They just get in the way and assert Chinese presence.

In addition to the opening sections of our report, which identify the history of the militia and where they operate from, we have a pretty compelling survey of how they're funded, which Tabitha will talk about, and who owns them, particularly in the case of the Spratly backbone fleet. And this is the piece of the work that our colleagues at the Center for Advanced Defense Studies did and I will do a very poor man's job of summarizing some of their findings. I encourage you to, again, have a look at the report where they really dug in.

The Hainan fleet, I think, is a different beast. It is mostly state owned and very clearly linked to the Chinese government. The Spratly Backbone fleet, as I said, are commercial actors who have been incentivized to take part in militia activity. And what's really somewhat surprising for us I think, setting out this report, was just how easy it was to identify all of this ownership data.

The team at the Center for Advanced Defense Studies looked at 169 of the confirmed militia boats that we identify in that report. And they found ownership data on 96 of them pretty easily. Of those 96, 40 of them were human beings – just the direct owner of the boat, which was quite easy to find. The other 56 were companies or fishing cooperatives, but only one or two steps removed from the ultimate beneficial owner. Meaning that nobody here is trying to hide who they are or what they're doing. These aren't illicit networks we have to peel back dozens of layers of shell companies. These are just men and women engaged in a commercial enterprise, who are very well-paid to do so, and don't really see anything wrong with what they're doing and so see no reason to hide it.

This is a decentralized network. In most cases, each person only – or, each fishing cooperation company only owns one, two, three boats. There are a

few examples of larger operations. One that dive into, the C4ADS dove into quite deeply in the report, is the Taishan Fancheng Fisheries company, which owns nine of the largest, most modern Spratly Backbone vessels that we've seen, which the ships – the so-called Yue Tai Yu fleet, which has been very active in the South China Sea for years. And their ultimate beneficial owner is a very well-heeled businesswoman, who served on the National People's Congress. But that's somewhat the exception. Most of these are just kind of local business operators who are going about their business, because the state incentivizes them to do so.

The last thing I want to talk about, before I turn it over to Tabitha about the funding, is what we learned from the Whitsun Reef deployment in the middle of this operation. Because the point of this research was not just to provide a profile of the militia. It was to develop a methodology that others could then the use to continue to dive deeper. The value of the militia, the reason that Beijing uses it, is because it has a degree of deniability. In any given instance, Beijing can always claim that a specific vessel was just a commercial operator, and therefore China is not responsible for its actions. And we wanted to prove that it is possible, and actually quite easy, to distinguish militia vessels from real fishing vessels most of the time.

And the deployment at Whitsun Reef really helped in this because the Philippine Coast Guard and the Vietnamese Coast Guard both went out and started photographing the hull numbers of these, at one point, more than 200 Chinese vessels that were present at Whitsun Reef, which made it possible – once they shared those pictures with the press – for researchers like our team and others around the world to dive in and learn more about these vessels. It proved that no matter – while remoting sensing data, the kind of satellite imagery and AIS analysis that we do, and the analysis and trends of open sources is a necessary component of this, it's ultimately insufficient. At the end of the day, you do need a physical human being to go out and take a picture of all these vessels if you're going to build a compendium of militia vessels, but that doing so is possible.

And one of the other lessons that we learned is that for many, many years we had believed that most of these Chinese militia vessels were disabling their AIS, this is the transponder signal that all vessels over 300 tons are obligated to turn on when they travel internationally. And that's because when you look at these vessels on commercia AIS platforms they tend to disappear a few miles from port. And then you don't see them again until they return to port. What learned at Whitsun Reef is that they're not turning them off. They have weaker, short-range, class-B transceivers, as they're called, which can't be picked up by satellite.

And that's because they have no reason to upgrade to the more expensive class-A transceivers, because as far as they're concerned, they're operating in

China's domestic waters. They're not traveling internationally. Nothing in Chinese domestic law requires them to have the more expensive transceivers. But when you get close enough to them, as the Filipinos did and as the Vietnamese did when they were patrolling Whitsun Reef, you can see all of them on AIS. Which means that it wouldn't be that difficult to combine this on-site photographing and video evidence with AIS data, if one were to build transceivers out in the Spratly Islands or just do frequent enough patrols.

And so Whitsun Reef really broke open this research for us. It accounted for the majority of ships we ultimately positively identified. And if you look at the back of the report, you will find a detailed methodology on how we distinguish militia vessels from non-militia vessels, and then a list of 122 confirmed militia boats, and another 52 boats that are likely militia boats. So 174 in total, and in many cases who owns them, who operates them, and so on. And we really hope that others will pick up this methodology, develop it further, and continue to build out that list.

And now maybe I'll turn it over to Tabitha to talk a bit about where all this money is going. Tabitha?

Tabitha Mallory: Great. Thanks, Greg.

I also want to echo Greg in thanking the whole team at CSIS for organizing this project, this event, to Jude for moderating, and to Greg, Harrison, and the rest of the members of the team, including C4ADS, for all the work on the project over the past year, and to Yun for discussing. I also have – and also to the audience for being here today.

I also have some slides. I want to pull those up. There we go. So I'm going to be talking about the financing and subsidization of China's maritime militia. And we'll be focusing just on the South China Sea maritime militia. And just for some context, I want to point out geographically where these vessels come from. They're – the ones that are operating in the South China Sea come from the South China Sea Administrative Area, which is indicated by that blue line. So everything kind of underneath that in the South China Sea belongs to the vessels that are registered in Guangdong, Guangxi, and Hainan, which are these provinces here. Guangxi's is actually an autonomous region but operates as a province.

And then, just as an aside, above that we also have the East China Sea and Yellow Sea areas, which are their own administrative areas. And they have their own maritime militia police as well, but they don't get as much attention.

So I'll be talking about these kind of two components of the fleet that Greg already discussed, the maritime militia fishing vessels and the Spratly backbone fishing vessels. And we're going to spend a little bit more time on the Spratly backbone fleet. But I will talk a little bit about the maritime militia fishing vessels.

As Greg said, this is the kind of arm of the maritime militia that is more professional, kind of built with military funding, with militia operations in mind from the outset, responsible for the more aggressive physical confrontations. And the ships themselves are really kind of, you know, built with this purpose too. They have weapon storage facilities, large water cannons, as we see in the photo there. And they receive militia operations funding. This comes through the PRC militia operations ordinance, and that is run by the PLA general staff department.

So each one of these vessels costs about 21 million yuan, or \$3.25 million, to construct. And then they will be outfitted with all the communications, navigation, and safety equipment that they would need for military operations. And I'm not going to go into too much detail about this, but they do receive funding for their operations, salary, training, pension. And in some cases these programs are also subsidized by local governments.

And so there's a lot of variation here. It depends on the province. It depends on, you know, whether it's through an enterprise, for example. A full-time maritime militia crew member would be funded through the military. But if they're just serving as part-time crew, they might be subsidized through a provincial-level program. So there's more details in the report on that.

So now, turning to the Spratly backbone fishing vessels, as Greg mentioned, this is a subset of the domestic commercial fishing fleet. And so the definition of this fleet is any steel-hulled vessel that weighs more than 200 tons and is longer than 35 meters. So some of them really are fishing vessels. And, you know, in China there's been a trend towards the building of fiberglass-hulled vessels because they're lighter so they're more fuel-efficient. But the steel-hulled vessels are really the ones that are necessary to serve in the Spratly backbone maritime militia part because they are more able to defend themselves.

These vessels fish in specially designated waters, so that's south of that 12-degree north latitude line. So that includes the Spratly features. And then some of them are recruited into the maritime militia. Again, there's a lot of ambiguity here. That's kind of the point. We're not 100 percent sure which ones are serving the maritime militia and which ones are just the fishing vessels themselves.

And we're seeing also some evidence that, you know, at the outset what was happening was a lot of these already-existing commercial fishing vessels were kind of being recruited to serve in the militia, but now there is some evidence that, with these new vessels that are being constructed, you know, there is some coordination with the local military command in order to, you know, at the outset when they're being constructed make sure that they kind of meet certain minimum specifications to serve as militia vessels.

And it's – you know, it's – in the report we've got some more detail about how to differentiate between the ones that are serving as just fishing vessels versus the ones that are actually, you know, engaging in military – in militia operations. And so, for example, one of those that's really interesting is if you look at the number of crewmembers on some of these fishing vessels, that can be an indication, you know, as to whether it's serving as just fishing or militia. And so a regular large fishing vessel – say, you know, a trawler – might need about 15 crewmembers to operate to, you know, pull up the nets and engage in those fishing operations. But a vessel that's serving as a maritime militia vessel would need fewer crew, so maybe it would only have five or six crewmembers as opposed to 15. And so that's an indication, you know, if you don't need the number of crew to actually operate the vessel as a fishing vessel, then it's probably doing something else.

And we used a lot of primary Chinese sources to, you know, find this information, so we figured that out by looking at the lists of crewmembers who were insured to – you know, by these fishing companies to serve on these vessels. You know, it's not that expensive to get your crewmembers insured. It's required by the government. And so if you're only, you know, insuring, you know, a small number of vessels compared to other vessels that are regular fishing vessels, that's a pretty good indication.

There's also some other indications like, you know, do these vessels travel in formation with each other, according to certain patterns, numbers. So that's all in the report, so I encourage you to look at that.

As Greg mentioned, they are instructed not to confront foreign vessels. There's not a lot of information about this. We found this from a speech that a local government officer gave just saying that, you know, really the purpose of the Spratly backbone fleet is to kind of provide backup. But they're outfitted with military communications equipment. I will talk about that more in a moment.

And these vessels are permitted to operate in the Spratlys during China's annual fishing moratorium. A lot of you have probably heard about this moratorium. It's, you know, maybe four months long, throughout the summer, during which all of the other fishing vessels in China are really, you know, halted in port, not fishing. And so a pretty good indication that the

vessel is a Spratly backbone fleet is if they are still operating during that summer moratorium.

So let me talk a little bit more now about the subsidy programs for the Spratly backbone fishing vessels. I'll start out with the fuel subsidies.

So among the – you know, the set of Spratly backbone fishing vessels – there's maybe about 500. If they measure over 55 meters long and have an engine power of at least 1,200 kilowatts, they will receive double fuel subsidies. So China provides regular domestic fuel subsidies for its fishing fleet all across China, and then there's also a special program for vessels who are serving in the backbone fleet. They get about – for the largest vessels, they get about 24,000 yuan a day. This is if they're operating at least 280 days out of the year. That's about \$3,700 a day.

And so I've got a little chart there showing – so, you know, kind of some of the good news if you're following any of the, you know, debate about fishery subsidies in the WTO, China's subsidies program has decreased since 2014. So it went from a total of about 24 billion yuan in 2014 to a total of about 9.2 billion yuan in 2019, so it's decreased. I think this is good news for a lot of the coastal fishing vessels around China that are – you know, it makes it profitable for them to fish, which is exceeding sustainability. But if you look at the amount that the Spratly backbone fleet gets, it's a pretty high percentage. So that third bar right there, 2.87 billion yuan, is what – is a subset of that 9.2 billion that the Spratly backbone fleet got in 2019. So it's a pretty significant share. And then we looked at how much the Spratly backbone fleet is getting from those two budgets, and the – you know, the source for the – you know, the special program for the Spratly backbone fuel subsidy really, you know, far outweighs the share that it gets from the domestic fuel subsidies program.

So then there are also vessel construction subsidies that the fleet is eligible for. These come both from the central government. They will cover up to 30 percent of construction costs or up to about 4 million yuan, or about \$600,000. That's a translation in English, in the original Chinese on the left there, for all the vessel sizes. And then this amount might be further supplemented by the provincial government. So, for example, in Guangzhou, where Taishan is – or, sorry, Guangdong province, where Taishan is, they provided 2 million Chinese yuan for each vessel, so kind of 50 percent of what the central government provided. And this – you know, as an example, they did this for 57 Spratly backbone fishing vessels that they built in 2014 – or, sorry, '17. That was announced in 2017.

And so we did the kind of back-of-the-envelope calculation and figured that there's maybe about 2.6 billion yuan, about \$400 million, in direct subsidies that are provided toward the construction of the Spratly backbone fleet. So

about 500 vessels. This is both from central government plus the matching from the provincial government. And then, on top of that – so those are direct subsidies.

On top of that, these vessels can also receive indirect subsidies through loan interest subsidies from the government which will offset the cost of getting preferential loans from the policy banks, usually. China has three big policy banks, and the government will cover 70 percent of – up to 70 percent of the loan interest for five years for companies that choose to get loans from there.

So, also, there are subsidies for communications, navigation, and safety equipment. There's also the name in Chinese of that program. And so what this funding does is installs or upgrades a whole host of communications systems on these vessels, from, you know, all types of radios to, you know, satellites; the new BeiDou satellite system, terminals for that; AS equipment; satellite phones; and other fisheries-monitoring equipment.

So there's been a lot of interest in the command and control for the Spratly backbone fleet, and so we kind of dug around in Guangdong province's sources and found – there's not a lot of information about this, but we found that in this – there's a source on the bottom right-hand side of the screen. It was like a(n) evaluation report on Guangdong province's spending for 2016. We found that in November of 2016 the provincial military command established a people's armed forces department within the provincial ocean and fisheries bureau, and then they have set up a fisheries safety communication and command system. And that integrates the fisheries monitoring and enforcement authorities with the provincial military command.

And then both this, you know, people's armed forces department and the ocean and fisheries bureau will jointly manage the offshore and maritime militia battalions. There are five of them that feature the Spratly backbone fishing vessels plus fisheries law enforcement personnel. And they alluded to, you know, the division of tasks and duties for the day-to-day management of the maritime militia, but there was unfortunately not any detail about what that – you know, what those tasks were and how that worked.

So finally, another kind of set of subsidies programs for salary and recruitment for crew. There is a one-time bonus. This seems to be for vessels. So, you know, a company would get a one-time bonus for having its fishing vessel engage in this, but there could be some also just for the – for crewmembers. There's not a lot of mention of how much these are, but we did find – we often see it alluded to, often alongside the mention of the fuel subsidies programs for the Spratly fleet. But we did find one mention that in 2011 a vessel would get 35,000 yuan, about \$5,000, for operating around Scarborough Shoal or in the Spratly features.

And then there are some military veteran recruitment programs to get crew to serve. This seems to be both for the Spratly backbone fleet and the kind of more professional maritime militia. And for example, there's a clip of an article on the left-hand side there. There's a new Spindrift Program that was launched last year in Guangxi province or autonomous region. And so this is a partnership between Guangxi and a shipping company called Guangxi Hongxiang Shipping Company, and they after this program hired a hundred veterans. So, you know, the idea is that if you are hiring veterans, they've already had military training so it's easier just to kind of bring them up to speed with the requirements for service as a maritime militia crewmember. So they hired a hundred veterans after this program and 60 were placed on domestic fishing vessels, and interestingly, 40 on distant-water fishing vessels. These are vessels that operate outside of China's near seas, on the high seas and in the EEZs of other countries outside the South China Sea. But that's a whole 'nother issue, so another story.

So I'll stop there, and thank you very much for your attention.

Mr. Blanchette: Great. Thank you, Tabitha and Greg. Those are really – that was a really fascinating peek into the report. Again, as both Greg and Tabitha said, there's a lot more additional details, including everything they've talked about, further in the report. So recommend folks dig deeper into that.

Let me now turn over to Yun Sun, who has very generously agreed to take some time out of her undoubtedly very busy schedule to offer some comments and feedback. So, Yun, let me turn it over to you.

Yun Sun: Thank you, Jude. And thank you, Greg and Tabitha, for the invitation to be the discussant on this panel. I read your report with great admiration. It was 80 pages of wisdom and new information that has hardly been identified in the circle. And I really have just good things to say about the report. I think I have already seen some questions in the Q&A. I feel that most of the questions are adequately addressed in the report.

But just let me – let me make a few comments, and maybe discuss some of the policy implications of this – of this report. So to begin with, in China – I think the audience – some of the audience might be aware of this. In China, there is this saying about China's policy and practice in the South China Sea, starting from almost – well, 20 years ago. And the saying goes like this: The Ministry of Agriculture is protecting our territory and defending our national security. And it is the Bureau of Fishery that is pushing our frontiers and expanding our territory in the maritime domain. And in Chinese it's – 保家卫国农业部，开疆扩土渔政局。

So the meaning of this, almost like a psalm or proverb in the – in the Chinese South China Sea domain, is that the Ministry of Agriculture has been using policy planning and policy implementation to push towards the actual management or control by China of the South China Sea, and the Bureau of Fishery has been using the Chinese fishermen, and to a certain extent the maritime militia, to push forward China's maritime rights, and also the maritime claims, in the South China Sea.

We all know that this has been China's policy. But because of the gray nature of this issue and of this field, and because of the ambiguity and the deniability of this policy, there's simply a vast lack of clarity. And as a result, consequently, researchers – it is very difficult for researchers to reach definitive and conclusive assessment about who they are, how big they are, how dangerous they are, the exact relationship between the Chinese government and the exact nature of their operational goals and their patterns.

And that's why this report is so rare and, in my view, so important. Because this is pioneer work. And it is dealing a major blend in this – in this field. And that's a question of how the maritime militia in China has been operating. And the answers have relied on a vast – I can read it from every page – a vast amount of primary sources to piece together a basic picture about China's maritime militia. I believe they have used field research as well as a lot of almost exhaustive primary language sources.

And this really gets into the methodology question that, for anyone who is working on China, the methodology is becoming a challenge, because how do we know what we know about China, right? And the Chinese government has developed a habit of using speculation to – or, using – calling our research or the non-Chinese scholars' research as speculation, to undermine their credibility. And the most recent example is the hypersonic glider that China was testing this summer. And Hu Xijin, the editor in chief of Global Times, said about basically: Unless Chinese government substantiates it one way or the other, otherwise all this foreign analysis are speculative.

Well, actually not. Just like this report has pointed out, satellite imagery, photos, as well as open-source information that comes from China itself – there are indisputable evidence. And for the reality that we're dealing with today between U.S. and China, with the travel restriction and basically the severance of physical contacts for the policy communities on both sides, it seems this report has set an example, and a great demonstration, in fact, for how studies of Chinese behaviors can be done in this era of difficulty, and how to achieve credible and authoritative conclusions based on hard evidence. Rather than in the past I've seen a lot of the researchers we all relied on field research, interviews, conversations. But now those are simply – well, either non-feasible or not credible.

So I see one question in the audience is about how to define maritime militia. And I think that's a great question. And if you read the report, the authors have raised six indicators to point to the definition of maritime militia, such as open-source report in China, their behavior pattern, whether they are – they actually conducted fishing, whether they receive a government subsidy, and their physical features. So again, I think these are all hard evidence that cannot be disputed.

But I'm sure a lot of – I'm sure there will be voices saying, well, this is not definitive. But my reaction would be that, well, definitive in this field hardly exists these days because, well, nobody can be exhaustive in terms of this type of research. But the most important is that all these conditions that – these indicators – they're necessary, but not sufficient. And there's no way for them to be sufficient. And that's the field we're dealing with.

Like, for example, a fishing boat received Chinese government funding and they meet the physical features, does that mean that they're absolutely – we're absolutely sure that they are maritime militia? We can only say that, well, it meets the conditions of – the features of maritime militia. But it does point to one issue, which is China's gray zone operation is not static. And the identity of these players in the gray zone operations are not static. They're dynamic. They can change back and forth. And I will say that for a country – a black box country like China, the ability to piece together a rough picture is already more than we can ever get.

So that's really my strongest feeling after reading this report. But then, of course, one area that probably would deserve future studies is the organizational structure and the interaction between the maritime militia and the government actors. Because unlike other – for example, the paramilitary gray zone operations, we're looking at basically two sets of players. There are civilian players and then there's – civilian government agency players, and there's military players.

But the maritime militia is more complicated. It actually involves four sets of entities and players. There is the private individual, there are private sector companies, there are civilian government agencies, and then last but not least there is also the PLA, the military. So these four actors, I feel that if we put it in a game series scenario, then four players certainly has escalated the number of factors, or independent variables. And it probably would exert some interesting studies down the road.

Last but not least, in terms of the policy implications, Greg asked me to think about, well, what does it mean for policy, and especially the counterstrategy to counter this type of gray zone operation by China. Well, because of China's pure size and the financial resources available, it would be very hard

for other countries to imitate this strategy – like countries in Southeast Asia – to offset the Chinese approach. And to use military means to counter the maritime militia, who basically pose themselves as private fishing vessels, is also going to be operationally difficult.

And at one point, we had hoped that we could use norm, such as negotiation between China and ASEAN, like the negotiation of the code of conduct, to limit or to manage this type of gray zone operations. But the problem there is that, well, China could drag its feet, China could pull out, China could undermine or water down whatever agreement there can be reached. And that's, I mean, unsatisfactory as well.

I mean, bilaterally or unilaterally from the U.S. perspective, there has been plenty of sanctions imposed on Chinese entities and Chinese individuals related to the land reclamation in the South China Sea. So potentially if we identify the maritime militia as one such threat actors in the South China Sea undermining, for example, our freedom of navigation, our national interest in the region, I think sanctions could potentially be an approach to be – to be explored.

But last but not least, I want to raise this question that, of course, the authors talked about, how this – how maritime militia is being operated. But it also begs the question, what is the origin of this approach? In other words, why does China rely on maritime militia to achieve its goals? Is this a sign of China's position of strength, or is this a sign of China's position of weakness, or it doesn't really matter and this is just how China approaches things based on the concept of people's war – 人民战争的汪洋大海?

But the concept of people's war originated in the revolutionary years, when CCP was the insurgency and the resistance. And I would like to – so the question that I would like to pose is, do you think that China's national power constitute a determining variable of this maritime-militia strategy, meaning that while you're trying to become stronger, it will see that this strategy is more costly than beneficial, either through its reputational risk or through its – or through its actual financial – risk of financial cost to it?

So, then again, a terrific report. I encourage everybody to read this report, or at least its executive summary, and you will get a very clear sense as for how China operates its maritime militia. Kudos. Great work. Thank you.

Mr. Blanchette: Thanks for those predictably great and really provocative comments and questions. And, in fact, Yun, you scooped me, because the question I was going to ask you was how do you see the military evolving as China's military modernization continues to evolve and as Chinese national power evolves? Does the militia – does its utility dwindle, or is it such an effective gray-zone sort of tool in the toolkit that, even if its role will evolve, but, you know,

China is now blending, you know asymmetric, guerrilla-style gray-zone warfare with traditional hard-power – you know, increasing hard-power capabilities like the hypersonic glide vehicle?

But let me actually ask – you know, first direct a few questions to Greg and Tabitha to give Yun a chance to catch her breath here. You know, Greg, the – and for Tabitha as well – I think the question I had was a little bit building off of Yun’s comment about where further research could be done.

When I was reading the report, and especially when I got to the section, I think, you know, Tabitha might have drafted on the composition and the amount of the subsidies, and to some extent how surprisingly generous they were.

My immediate thought was, again, understanding that the Chinese people are amongst the most savvy entrepreneurs in the world, how many, quote-unquote, members of the militia were playing all angles in terms of, you know, being a part of the militia but also, you know, exploiting the system for everything it’s worth.

And so the question I was going to ask was, do we know anything about the qualitative level of compliance and levels of coordination between the, quote-unquote, militia and whether that’s the PLA or provincial authorities? In other words, what is the kind of quality of the communication and process here? Or is this much more of a scattered, decentralized and, I would imagine, at times dysfunctional enterprise? That’s just a general question for – maybe I’ll go to Greg first and see if Tabitha has any comments.

Mr. Poling:

Well, thank you. I will defer to Tabitha on most of this. I’ll just say that I don’t – I think we should expect to see a considerable difference in kind of the discipline and dedication of militia work between the professional maritime militia in Hainan, particularly those registered in Sansha, and those in Guangdong as part of Spratly backbone fleet, because for the former this is their job. I mean, as far as we can tell, it’s their only job. And you know, they – in the case of those on Tanmen and Baimajiang Harbor in Danzhou, I mean, they’re – they’ve been doing – these units have existed for 30, 40 years. It’s a point of local pride.

The Spratly backbone fleet is a relatively recent creation. And most of these, you know, people are entrepreneurs who have other businesses. And you would expect them to kind of jump on what seems like a pretty good business opportunity, right. The government will pay you to get eight guys to go drop anchor and sit in the Spratly islands for 280 days, and you don’t have to do anything.

Mr. Blanchette:

Thanks.

Tabitha, any comments?

Ms. Mallory: Yeah. I mean, that was a pretty comprehensive answer that Greg gave. But, you know, I think, in addition to the monetary incentives that these crew members would get for the Spratly backbone fleet, you know, there's also just an element of nationalism here. I mean, you know, they want to defend what, you know, the government is, you know, all the time saying belongs to China. And so, you know, that's also kind of a call for them to participate.

And then in terms of – I mean, I don't think we know that much about, you know, the actual, you know, substance of the communication. I'm sure someone out there knows – (laughs) – or, you know, what the process is like. But, you know, when you've got, you know, a military office in, you know, the local fisheries bureau, I mean, it certainly – it enables any kind of really communication that you might need.

So I would imagine that, you know, the actions of individual fishermen aren't being directed, managed, kind of like on a day-to-day basis. But it seems like there's potential to coordinate if necessary.

Mr. Blanchette: One of the questions which overlapped with one I had, so I'm going to try and merge these a little bit, was trying to think about what role the militia might play in a potential military conflict. And do we know if there's any direction that would be coming to them about how and who they might operate with in such a situation? And there's a whole spectrum of potential kinetic scenarios we can imagine. So I'll just leave it sort of generic to see if we have any sort of thoughts or conclusions about how they might slot in or not in a South China Sea conflict or Taiwan Strait.

I'll open this to Greg first, then go back to Tabitha.

Mr. Poling: Yeah. So I think, in any intentional incident, the Spratly backbone fleet would be pulled back or would be used only as a reserve force, providing some ISR support and the like. It's pretty clearly not their job to get into run-ins with local law enforcement and the navy.

The professional maritime militia, though, is very different. I mean, as we detail in the report, the professional maritime militia were those units mostly used in the 2014 standoff with Vietnam over the Haiyang Shiyou 981 in which they were the outer ring of the China cordon around the oil rig and were the ones bumping and ramming Vietnamese boats.

The professional maritime militia out of Hainan are also those who have been responsible for the harassment of USMS survey vessels, most spectacularly the Impeccable in 2009. And they – I mean, they're trained to

do this, right. They wear uniforms. They get small-arms training from the PLA, as others like Andrew Erickson, Ryan Martinson, Conor Kennedy up at the Naval War College have shown. They fall under command and control of the PLA and CCG in specific operations.

So I would expect that, if necessary, they would serve as armed combatants. And the U.S. would presumably treat them as such.

Mr. Blanchette: Tabitha, any –

Ms. Mallory: Yeah. So, you know, I think – I hope I'm not scooping some of the questions in the Q&A here that you were going to ask. But, you know, I think maybe kind of a variation of this question is, you know, what is the end game? You know, if we were to kind of think through, you know, what might happen, sure, escalation, what the military might do, but what's China's end game here? What's its strategy? And there's a couple of questions kind of related to this, like what's the ultimate goal of the PRC and South China Sea? And, you know, is it motivated by the domestic economy or food security, or is it more a geopolitical effort?

And so what I would say to that is, you know, China certainly wants to have control over the South China Sea. And I would say that, you know, the motivation at this moment is more geopolitical because it wants to, you know, gain that control. But ultimately, you know, kind of the initial motivation in, you know, say, like around the 1980s, when China was realizing that, you know, closer to shore, its coastal waters were heavily depleted of its fisheries, you know, there was a lot of thinking kind of accelerating through the '90s, especially after China ratified UNCLOS, and the rest of the world did, for the most part, except the U.S.

And then into the first decade of the 2000s, you know, there's this kind of thinking about, you know, China's need for resources and, you know, its strategies to kind of meet, you know, not just, you know, in terms of food security, but also more broadly, and also, you know, with the ocean as kind of a source of input for the domestic economy.

And so, you know, right now China is using the Spratly backbone fleet. They're probably not really thinking so much, you know, in terms of fisheries sustainability for the fleet right now. But, you know, I think the number-one priority is gaining control and then, you know, kind of ultimately it is with, you know, the desire to, you know, have access to resources. I mean, I think there's also some security implications, too, kind of like South China Sea as security perimeter, but I think that's kind of the plan.

Mr. Blanchette: Could I direct a question to, actually, all three of you? And maybe, Yun, I'll start with you. And it's the question that you asked, which is: Should we

think of this as a – as a temporary, transient, asymmetric tool that is essentially plugging a hole where future development of China’s naval military capabilities will make obsolete? Or does this speak to a sort of more permanent part of China’s, you know, holistic gray and non-gray capabilities? Which is another way of – Yun, the question that I had written down previously to ask you was, you know: Do you see the, you know, maritime militia’s influence waxing or waning as China’s military modernization continues? So, Yun, I’d like to pose that to everyone to answer from whatever angle they’d like to, but could I start with you?

Ms. Sun: Sure. Great. Well, thank you for the – for the very insightful question. And I enjoyed

Mr. Blanchette: Well, it’s your – it’s your question, so.

Ms. Sun: It’s my question. So thank you for reframing my – rephrasing my question.

Well, essentially, one argument, of course, is that, well, China uses the maritime militia or uses this type of asymmetrical approach because it cannot compete with the United States over the naval capacity; that the U.S. enjoys absolute naval power predominance in the – in the domain. So since China doesn’t – cannot counter U.S. militarily directly, it has relied on gray-zone operations such as maritime militia to offset the military advantage that the U.S. has. Like, OK, U.S. can potentially have a confrontation with the Chinese PLA Navy vessel, but what are the chances of U.S. going after a group of Chinese fishery or fishing vessels in the – in the South China Sea? So I think that’s one logic.

But the counterargument, of course, is that, well, wait, China actually started using maritime militia to advance its territorial claims in the South China Sea back in 1974, and that was way before U.S. was even deeply involved in the – in the region. And among the Chinese general public, of course, there is a perception that both Vietnam and the Philippines, as well as Indonesia and Malaysia are also using their own strategies similar to the Chinese maritime militia to assert their claims in the – in the South China Sea. And I think there is a very strong sense in China, well, because China has maritime militia, it sees the fishermen from all these other countries are their paramilitary militia as well.

So I mean, what interests me is that, well, as China’s prestige grows and China’s military modernization progresses, then will China consider the reputational risk and cost associated with the maritime militia as more significant compared to the benefits they’re really getting? And of course, as long as China still sees the United States as a primary opponent in the South China Sea, I think China will continue to employ the maritime militia strategy down the road. But, say, if in the future – this is hypothetically – if there is a

day that U.S. and China confrontation no longer is a big scenario in the – in the South China Sea, then I think that Chinese use of the maritime militia will have to be reduced because it's just – it just looks terrible when China, as the overwhelming big power, using all its fishermen to drive out the Filipinos and the – and the Vietnamese.

So I think in this sense maritime militia is, in the Chinese – based on my understanding, is not regarded as offensive attack force in the Chinese policy planning, but it is regarded as a defensive and a potential guarding force to protect Chinese claims. So for them to really go after another country's military, I think that is hardly going to – going to happen.

So I think, yeah, in the future, as long as U.S.-China competition in the South China Sea is still regarded as a main theme, we're going to see the maritime militia grow. But if that theme is being replaced by more the interregional competition, I think the role of the maritime militia will decrease.

Mr. Blanchette: Tabitha or Greg, any wildly divergent thoughts or comments from that?

Ms. Mallory: I could just add a couple of thoughts.

So, you know, I think what we're seeing here is – you know, is kind of this, like, the question of, you know, this kind of nationally directed force and what's going to happen with it. You know, I think a lot of the thinking behind this is that, you know, if you have all – in China, if you have all parts of your society kind of in service of, you know, the whole of China, you know, this will more effectively meet China's goals. And so, you know, you see this kind of attempt at more coordination.

And you know, this is manifest from, you know, things like the blue economy. So in a lot of other countries, the blue – you know, the term "blue economy" is kind of seen as a more organic development that, you know, just kind of unfolds as, you know, kind of private actors, you know, just emphasize the ocean economy more. But, you know, in China, there are really these kind of, like, top-down goals for the blue economy. It's very state-led. Same with science and technology programs. And so a lot of this is, you know, with the idea that there – you know, developments in terms of, you know, the economy and science and technology can then feed into military technology, and there can at least be some overlap and kind of synergy between the two.

And, you know, and so, I mean, really just a lot of this is, you know, civil military fusion. And that's something we see in other sectors too. And so, you know, for a long time in China, you know, there was this kind of decentralization and pluralization of actors. And the Xi Jinping administration has really worked to kind of, you know, just recentralized all of that and control it more forcefully. And so, you know, what the outcome

of this is, you know, like, will they continue to do this, I think it depends on how we respond. I mean, this is a whole new area. It's going to take some really creative thinking. I don't have the answers. You know, it's a really tough question. And I think it's good for us to think also about this outside of the South China Sea too.

Mr. Blanchette: Greg, if you can hold on answering I wanted to ask quickly – I just want to get through another few questions, and so I actually want to direct the next one to you. Which is: How are other states in the region responding? What's the discussion in the Philippines? What's the discussion in Vietnam to actions by the maritime militia?

Mr. Poling: It's mixed. So the militia is a hugely complicating factor for them, right? They know what to do about PLA Navy or CCG, even if they can't match it. They kind of know how to treat it. You know how to treat an armed combatant. For Vietnam, there's been a, I think, drive to match militia with militia, which is probably not a successful strategy. (Laughter.) So after the 2014 Hai Yang Shi You 981 standoff, the big oil rig standoff, Vietnam has its own militias, modeled on China's militia, as much of the Vietnamese Army is.

And they got their butts kicked, right? They went up against these huge steel-hulled, professional maritime militia vessels from Hainan with wooden fishing boats. And they got run over. So over the last seven years Vietnam's been pumping some money into developing its own more professionalized militia. It's at a much smaller level, and we see it being used much more judiciously. But I don't think introducing more half-trained nationalistic actors into the picture is a way to calm tensions. The Filipinos and Indonesians have both also talked about this. You've had senior defense officials on both sides float the idea that they should make their own militia.

But I don't think any of that's the answer. If you're going to get into a boat building race with China, you're going to lose. So China has the clear numerical advantage. The solution has to be thinking about how to improve diplomatic, and maybe at some point economic, costs to disincentivize the use of this gray – right, take away the value of operating in the gray zone. And that's why I think it was so effective to see the Vietnamese and the Filipinos in the spring turning to public diplomacy – photographing the militia, getting these videos, proving that these guys are all tied up for months on end, clearly not fishing. It cut through all of the misinformation nonsense that China and state media have used over the last several years to deny there is a militia. And it ultimately convinced the Chinese to leave, at least temporarily. I think that that's really the only weapon that coastal states have.

Mr. Blanchette: We're at that awkward time where there's not really enough time left to ask a question, but we still have a minute left. So let me – what I'm going to do is

just go down the line and just, in four sentences or less, any kind of closing thoughts, comments, suggestions for what to do next, areas we need to explore more? Yun, start with you. Ten seconds, any – (laughs) – you're on mute.

Ms. Sun: Sorry. I wasted my 10 seconds. (Laughter.) I want to just reiterate that this is a great report. I think anyone who is working on South China Sea should read this report, and especially pay more attention to the videos that are being discussed. So I fully recommend it. Thank you.

Mr. Blanchette: Tabitha.

Ms. Mallory: You know, I'll just end by saying that this is kind of a lesson from parenting. You know, it's really important to differentiate between the actor and the behavior, and call the behavior out as being bad. And, you know, I just want to kind of add to what Yun said about, you know, during COVID, you know, the inability for us to kind of meet our Chinese counterparts in person, that is a detriment to U.S.-China relations. And we need to kind of get that back on track. And, you know, but we just – yeah, we still need to kind of work with our Chinese counterparts on these issues. There's a lot we can do in terms of cooperation. So I just want to end on a more positive, hopeful note that that can be in the future.

Mr. Blanchette: Greg, final word.

Mr. Poling: Yeah. When we use terms like militia, Spratly backbone fleet, professional maritime militia, we're not being colorful here. Every term used in the report is a direct translation of official Chinese language, right? All the vessels that we identified as militia vessels, how they got on that list of 122, is either because they're named as militia vessels in Chinese sources or because they were present at a confirmed militia deployment. So while there's a whole lot of supporting indicators, kind of reasons that you might want to take a close look at a boat, we're not making any leap of logic in who got on that list of 122. And I think that shows that if we could do it sitting here in Washington or in Seattle, then certainly counterparts in the region can identify definitively who is and is not a member of the militia.

Mr. Blanchette: Great. Yun Sun, Tabitha Mallory, Greg Poling, this has really been a really fantastic discussion. I recommend everyone go to [CSIS.org](https://www.csis.org), where you can find the full report as well as Greg's email, so you can send him angry comments or other criticisms or feedback. But really appreciate everyone's time, really appreciate the discussion, and look forward to seeing everyone in person or at a future CSIS event. Thank you very much.

Mr. Poling: Thank you, everybody.

Ms. Sun:

Thanks! Bye.