

ICAS Bulletin

A Bimonthly Survey of Research and Analysis on China-US Relations

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Twice a month, the ICAS Bulletin updates a global audience on American perspectives regarding the world's most important bilateral relationship. Research papers, journal articles, and other prominent work published in the US are listed here alongside information about events at US-based institutions.

Highlighted Publication

Conflict and Cooperation in the Asia-Pacific Region: A Strategic Net Assessment

Michael Swaine et al,

Carnegie Endowment for International Peace, April 2, 2015

<http://carnegieendowment.org/2015/04/02/conflict-and-cooperation-in-asia-pacific-region-strategic-net-assessment/i560>

This major study was commissioned by the US Defense Department's Pacific Command (PACOM) as a follow-up report to their 2013 net assessment of China's military and the US-Japan alliance. The report assesses domestic and international variables in Asia as a whole (including Russia and India). It describes five types of potential futures and makes a series of diplomatic recommendations while identifying three possible military strategies for the United States. Four of the five future scenarios, and all of the recommendations to US policymakers center upon US-China relations.

The authors find that the dynamics in the Asia-Pacific region over the next 25 years will contain the potential to develop in "extremely negative directions," but also find that the most likely scenario for the region will be a continuation of today's mixture of competition and cooperation. The second most likely scenario identified would be an Asian cold war in which increasing competition for resources and the failure of mutual investment and trade policies create a bipolar distribution of power. The final scenarios, in order of likelihood involve: 3. effective peacebuilding and cooperation between the US and China; 4. limited, occasional hot-spot wars against a bipolar backdrop, 5. widespread regional instability unrelated to US-China relations.

The report find that the security environment in the Asia-Pacific in coming years “will be heavily—and in some cases decisively—influenced by the actions of the United States.” As such, the authors recommend diplomatic intervention to clarify strategic positions and evaluate an array of options for military planners. They recommend creating a deep strategic dialogue, originating at the Track II level, between Washington and Beijing on the operational doctrines and broad objectives of the two nations. They also recommend improving crisis management mechanisms, developing confidence building measures in military/military exchanges, and working to diminish the importance of the maritime sovereignty disputes.

In terms of military strategy, the report identifies three main options, each with advantages and clear disadvantages to the US. The most assertive option, “robust forward presence” involves the United States maintaining dominance over China through strategies that effectively mitigate the effectiveness of China’s A2AD technologies. This approach might manifest itself either through the concept formerly known as “AirSea battle” or by the alternative concept of “offshore control.” While potentially maintaining a US position of control over the region, such strategies would undermine any parallel attempts to foster mutual trust between the US/Japan alliance and China and introduce elements of crisis instability. Both approaches would also strain US and Japanese budgets and organizational capacities. A compromise strategy of “conditional offense/defense” is then evaluated. This strategy would emphasize a greater balance between deterrence and reassurance, and would achieve this by countering Chinese A2AD technologies in more limited ways. A final option would require the most severe alteration of the United States’ current security strategy. By focusing on “defensive balancing” or a “mutual denial” strategy, the US would focus only on denying any possible attack on its allies. While the report finds that the latter two strategic options are less demanding on the US and its allies, they are also critically dependent upon China responding positively to US reassurances.

Publications

US-China 21: The Future of US-China Relations under Xi Jinping (Summary Report)

Kevin Rudd

Harvard Kennedy School of Government, Belfer Center, April 2015

<http://belfercenter.ksg.harvard.edu/files/Summary%20Report%20US-China%2021.pdf>

http://belfercenter.ksg.harvard.edu/files/USChina21_Chinese.pdf?webSyncID=11e80ca3-bc4a-02b3-c08c-141c504e1cbb&sessionGUID=4e703d27-63c5-707a-61be-d359575a559d **(Chinese version)**

Former Australian Prime Minister and Asia Society Policy Institute President Kevin Rudd has released the summary report for a major study he led at Harvard’s Belfer Center. His key findings are that China will experience continuing relative stability and growth, and that the US and China harbor major mutual suspicions about the

other's strategic intentions. These tensions, in Rudd's eyes, can be overcome through a process of "constructive realism" working towards "common purpose." Rudd advocates a realistic approach to articulating potentially intractable differences between the two states, but argues that this must be tempered by constructive cooperation wherever possible. He finds that China is interested in becoming more active in the global, rules-based order, and that institutions within this order should be reformed to encourage this integration. Rudd further proposes that the East Asian Summit is the appropriate institution around which to build an "Asia Pacific Community."

Revising US Grand Strategy toward China

Robert Blackwill and Ashley Tellis

Council on Foreign Relations, April 2015

<http://www.cfr.org/china/revising-us-grand-strategy-toward-china/p36371>

The authors of this study urge the United States to pursue a more direct policy of maintaining primacy in the global system. They charge that past and current strategies enable the rise of new competitors such as China and that the US should reorient itself towards primacy in the coming century. In order to maintain this in the Asia-Pacific region, they encourage an increase in defense capabilities, and a conscious attempt to exclude China from benefitting from certain US and allied technologies.

Beyond American Predominance in the Western Pacific: The Need for a Stable US-China Balance of Power

Michael Swaine

Carnegie Endowment for International Peace, April 20, 2015

<http://carnegieendowment.org/2015/04/20/beyond-american-predominance-in-western-pacific-need-for-stable-u.s.-china-balance-of-power/i7gi>

This essay contends that US policy in the Western Pacific should abandon efforts to maintain preponderance. According to Swaine, US preponderance exacerbates Chinese feelings of insecurity and is increasingly expensive. Moreover, because China will not be able to establish preponderance in the region itself (and certainly not in other regions), a stable balance of power can be achieved. To Swaine, the key issues to achieving such stability are the most sensitive ones. As such, he recommends negotiating the non-alignment of Korea in the event of unification, discussions between China and the US on neutralizing Taiwan, and resolution of maritime sovereignty issues.

The New China Syndrome: Waiting for United States Climate Action while Pursuing Economic Growth

Christopher Sands

Hudson Institute, April 20 2015

<http://www.hudson.org/research/11231-the-new-china-syndrome-waiting-for-united-states-climate-action-while-pursuing-economic-growth>

Sands argues that the November 2014 Climate agreement between Xi and Obama has introduced a global dynamic wherein other states wait for the United States to act before curbing CO2 emissions themselves.

The PLA Navy: New Capabilities and Missions for the 21st Century

Office of Naval Intelligence, US Navy, April 2015

http://www.oni.navy.mil/Intelligence_Community/china.html

This open-source report details China's modernization in naval capabilities and describes the attending evolution of missions. It notes that China's military modernization is still focused on Taiwan reunification, but that it has a growing emphasis on sea lane protection and non-war operations in increasingly distant areas.

Events at US-based Institutions

US Rebalance to Asia Symposium

Council on Foreign Relations, April 20-21, 2015

<http://www.cfr.org/events/series.html?id=88&sort=1>

Panel: Perspectives on the Rebalance

Assistant Secretary of State Daniel Russel and Michael Fullilove of the Lowy Institute discuss the US "rebalance" (formerly known as "pivot") policy. Russel described the rebalance as a turn from US preoccupation with short-term crisis management in the Middle East to giving more attention to the region most vital to US economic vitality. He described the change as being neither sudden nor transient. He highlighted a number of steps the US has been taking in multilateral and bilateral trade and investment talks with Asian nations, including China, as part of the rebalance strategy. On the South China Sea issue, Russel described US policy as maintaining sufficient military presence to keep the peace so that the only options for disputants will be diplomatic or legal ones. Russel claimed that the US never meant to thwart the development of the AIIB, but that its policy all along has been to demand high labor and environmental standards for any development banks.

Michael Fullilove described the geopolitics of Asia as having a “19th Century” character, wherein the various states will constantly test one another’s resolve and explore opportunities for advantage. He included the United States and China in this dynamic. He noted that this environment entails a US strategy of carefully pushing back against China where necessary, but also avoiding unnecessary clashes of will. He described the US position on the AIIB as a case of unnecessary confrontation. Fullilove remarked that the US Congress, news media and public seem to be insufficiently alerted to the importance of the rebalance, which weakens the United States’ positions.

Commentary: China’s Maritime Law Enforcement Reform and its Implications to the Regional Maritime Disputes

By Hong Nong

The Chinese government announced in March 2013 its plan to centralize bureaucratic control over its maritime law enforcement agencies. It has decided to combine its separate maritime law enforcement bodies into an integrated one under the State Oceanic Administration (SOA), a part of the Ministry of Land and Natural Resources (MLR). China’s maritime law enforcement reform, implemented after years of debate on the country’s maritime enforcement capacity, has met with different responses within the country and from the region.

Suspicion within China arises from obstacles to bureaucratic reconciliation among formerly separate agencies. There are also bifurcated reactions from the neighboring countries that have disputes with China on territorial and maritime jurisdiction. Some welcome this move because they believe that a united civilian maritime law enforcement agency will reduce the risk of conflict at sea. Others question whether a unified agency will allow China to be more assertive in pursuing its interests in the territorial and maritime disputes in the East and South China Sea.

Four agencies are now slated for consolidation under the SOA: China Marine Surveillance (CMS, already under the SOA), Maritime Border Police (formerly under the Ministry of Public Security), the Fishing Regulation Administration (FRA, formerly under the Ministry of Agriculture) and General Administration of Customs (under the State Council). The fifth dragon, the Maritime Safety Administration, under the Ministry of Transport, which is in charge of navigational safety and search and rescue missions, is not listed in official statements on the merger. Sources in China suggest that the MSA strongly opposed the merger, making a strong case that it is also involved in supervising navigation in the numerous rivers in China. Aligning its civilian maritime law enforcement bureaucracy is crucial for China because its vessels are increasingly on the front lines of clashes between China and other states in the East and the South China Sea. The reform aims at enhancing China’s maritime law enforcement capacities in a more controlled and coordinated manner. Meanwhile, the reform could

significantly improve response time, reduce redundancy, strengthen communication and bolster overall command and control mechanism. Two objectives may be achieved through the merger: First, a unified force will better be able to pursue national objectives; second, it will reduce the chance that uncoordinated actions by separate commanders trigger unintended escalation and conflict at sea.

It is unclear, however, how fast these reform measures will be implemented and there are several organizational uncertainties. First, it appears that the new agency will be under the dual leadership of the SOA and Ministry of Public Security, which has traditionally exercised supervision of China's border control forces. How this dual leadership will affect the operation of the new entity remains to be seen. Second, the restructure plan also calls for the establishment of a high-level consultation and coordinating body on maritime operations, named State Ocean Commission (SOC). The composition and functions of SOC are still unclear. Whether this Commission will conflict or overlap with the Small Leadership Group is also an open question. Third, perhaps more importantly for the region, it is unclear whether the new agency will be equipped with heavy arms. The MBP, under the Ministry of Public Security, has always been armed. It is unclear whether all the boats of the new China maritime law enforcement agency will be armed. Fourth, it is also hard to predict whether the reform will be implemented without organizational obstacles from the former five dragons.

This new, integrated agency highlights the increasing importance of China's Coast Guard, as distinct from its Navy. Coast guards and navies are mandated with different responsibilities. While navies have the mandate for the defence of a country, and its interests offshore, coast guards have the civilian mandate of marine safety and security. In some countries, the coast guard has the full spectrum of responsibilities which include marine safety and homeland security; others use mainly multi-tasking of their marine services through cooperation and coordination, but with strong government strategic direction and priorities. Despite the cooperating and coordinating nature between coast guards and navies, there is a fundamental division of different missions between them. In maritime areas beyond national jurisdiction, such as on the high seas, only navies can legitimately exercise flag state responsibilities. In maritime areas within a national jurisdiction, such as Territorial Sea (TS), Contiguous Zone, or Exclusive Economic Zone (EEZ), both navies and coast guards can exercise their functions, with different missions. What is distinct is the different impact in terms of pursuing national maritime interests. Naval involvement in an incident or crisis will raise concerns about the "use of force" or be perceived as escalatory, while coast guard or other civil maritime enforcement agencies will mitigate these concerns.

The important role that China's civilian maritime agencies play has been demonstrated in the South China Sea and the East China Sea, through its engagements with the Philippines and Japan. During the Scarborough Shoals incident of 2012, observers will

recall that China engaged the Philippines with two unarmed CMS vessels, despite the fact that the Philippines vessel was the Gregorio del Pilar, a naval warship. Some have charged that China's strategy involves keeping its naval vessels "lurking in the background," but it is important to remember that they were not introduced in this case. Since 2012, China's law enforcement vessels have also taken the lead in patrolling the contiguous zone and territorial waters of the Diaoyu/Senkaku Islands, and the tempo of patrols has increased by both sides. There has also been an increased presence by military vessels from both China and Japan, but China's CMS and FRA vessels take the lead in asserting its rights in the area.

There are at least three possible strategic and security implication derived from the ongoing structural reform of China's maritime law enforcement. First, a united agency, now officially called China's Coast Guard, reflects the decision of China's leadership to enhance its maritime law enforcement capability and to transform it into a maritime power. China seems to believe that a civilian enforcement force serves to mitigate the conflict at sea and avoid direct military confrontation with other disputant states in the East China Sea and the South China Sea. The second major implication is that a stronger Chinese enforcement entity serves to promote China's rapidly growing "soft power" both in the Asia-Pacific and around the globe. The third implication is the relationship between PLA Navy and the new China's Coast Guard. The PLA Navy formerly had the capacity of only an elaborate coast guard and now emphasizes technology-intensive warfare. It shows interest in issues that are traditionally coast guards' responsibility, including search and rescue, environmental protection, and piracy.

Coast guards appear to be part of the broader regional arms race. The Philippines Coast Guard has been expanding its capabilities for the last 9 years. Japan has also built up the JCG, as a quasi-military force, and increased cooperation between military and civilian institutions. After China stepped up regular patrols of waters around the Diaoyu Islands following the September 2012 purchase, Japan increased the number of JCG vessels patrolling the islands from three to thirty. Japanese politicians agree that the JCG needs to be "reinforced" fearing that its capability will be "overtaken by the Chinese". On 26 October 2012, the JCG received from a government economic stimulus plan the largest ever disbursement of special funds, and the first specifically for territorial water patrol. This budget increases by 37% for the financial year 2013 from the previous year. A dedicated "Senkaku Islands team" was created aiming deploying ten new patrol boats to the area in the next three years.

In the East China Sea and the South China Sea, it is clear that none of the claimant states will compromise their national interest and find an easy solution to the existing territorial and maritime disputes. The growing possibility of clashes at sea is troubling, and it is urgent for all countries to make their domestic legislation on maritime law enforcement transparent and to increase the collective knowledge of each other's domestic laws and regulations.