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CHAPTER 2

Maritime Insecurity in East Asia

Prem Mahadevan

Maritime tensions in East Asia derive from two factors: territorial disputes between China and its smaller neighbours, and Sino-American disagreement regarding access rights and the question of Taiwan. China is seeking to change the regional status quo by leveraging its superior military and policing capacity, and the resultant insecurity has led other powers to seek American support. Due to the growing size of Chinese naval expenditure, a doctrinal race is emerging between the US and Chinese militaries, even as diplomatic efforts are made to prevent further escalation.



A Chinese marine surveillance ship cruising next to Japan Coast Guard patrol ships in the East China Sea, in the background the Senkaku/Diaoyu islands, 24 September 2012



THE NARRATIVE OF AN AMERICAN 'STRATEGIC PIVOT' OR 'REBALANCING' TOWARDS EAST ASIA HAS ATTRACTED WIDESPREAD INTERNATIONAL ATTENTION. Asian security dynamics, particularly in the long-neglected maritime sphere, can be expected to gain more prominence in global affairs. These dynamics should not be ignored in Europe. Asia is undergoing rapid economic change and its geopolitics affects European security. It is in this region that geopolitics meets geoeconomics. It is therefore necessary to disaggregate and individually analyse the sources of current instability in East Asia.

This chapter suggests that there are two such sources: Maritime disputes between China and its smaller littoral neighbours, and broader Sino-American tensions over the status of Taiwan and the applicability of international law to the region. The security dynamic in East Asia is two-layered; one layer consists of regional actors pursuing their own agendas, while the second consists of global influences which are propelling China into a geopolitical contest against the United States. On the grand strategic level, both sets of dynamics feed into one another.

The situation in East Asia is important to Europe and the rest of the world because it represents a paradox between

integrationist and divisive impulses. East Asia is a hub of globalisation, but it is also where international power shifts are most keenly felt. Any significant escalation of regional tensions up to the point of armed conflict would potentially disrupt relations with China, the European Union's second largest trading partner. This is something an anaemic Eurozone, in particular, can ill afford. At the same time, the Sino-American deadlock over international maritime law has serious implications: Will China work within the normative framework to which European democracies adhere?

As an economic power on the rise, China is developing its military capacity to an unprecedented degree. This would not in itself provide cause for alarm. However, what is worrisome to its neighbours, as well as the US, is Beijing's lack of transparency regarding the use of this newly-acquired military strength in dealing with unresolved territorial disputes. Is China working to a fluctuating threshold, wherein its willingness to leverage military power for geopolitical advantage waxes and wanes, depending on the circumstances? Beijing's ambiguous stance on maritime disputes in the South and East China Seas, plus its implicit contestation of the right to free navigation, have generated concern that such is the case.



There are admittedly certain peculiarities in the maritime domain which do not apply to territorial disputes on land, thus complicating interpretations of Chinese behaviour. First, sovereignty at sea is graded rather than absolute. It is easy for rival claimants to be genuinely misinformed as to the legality of their negotiating positions. Second, contested features cannot be permanently occupied with ease, thus allowing for opportunistic manoeuvres by local authorities acting independently of federal officials. Third, violent engagements, should any occur, are containable by virtue of the limited number of personnel and platforms that can be deployed on-site at short notice. All these factors suggest that while maritime disputes might be more prone to escalation, they are also more easily contained than land-based disputes. China's posturing might not be intended to destabilise the region, but merely to assert that its importance to East Asian security dynamics cannot be overlooked by regional actors.

It is also not only China who is responsible for rising tensions. Its neighbours, particularly Vietnam, the Philippines and Japan, have responded to Chinese assertiveness by sending out political signals of their own. The most alarming of these, from Beijing's perspective, has been their readiness to facilitate the 'rebalancing' of US military strength

towards Asia. Although this development does not greatly alter the military power equation in East Asia, it signifies a political encroachment by the US on Beijing's sphere of influence. To a rising China convinced of its own resurrection as a great power, an expanded American presence in Asia is a sign of a deteriorating security environment, one which must be actively countered.

Even so, to begin with it was China's own assertiveness that helped to bring the US back into East Asia. For much of the 2000s, China was not viewed as a threat to the regional status quo. Its policies during the 1997 Asian financial crisis had fostered the impression that an economically powerful China might be a guarantor of regional prosperity and stability. This view only began to change after 2008, when political unrest in Tibet triggered a security panic within the Chinese political elite. Together with populist rhetoric, elite insecurity in Beijing contributed to an upsurge in expressions of Chinese nationalism, which were soon mirrored by neighbouring countries. Meanwhile, the United States itself grew wary of China after Beijing failed to respond to overtures proposing increased cooperation in global governance.

Now no longer willing to assume that China is committed to rising peacefully within the established in-



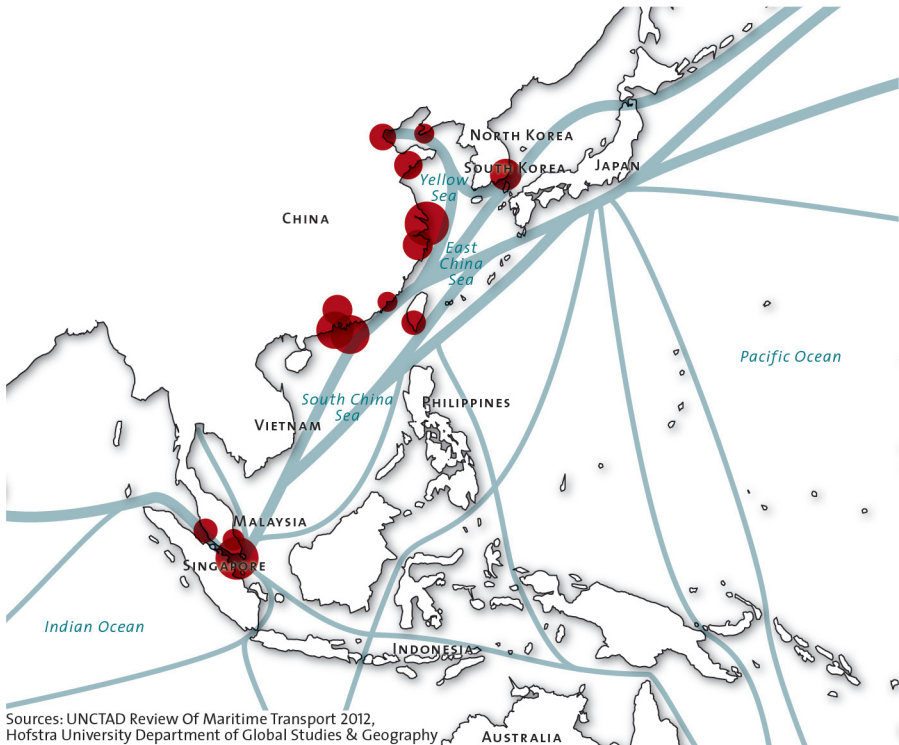
ternational order, Washington seems determined not to let East Asia slide into an exclusively Chinese sphere of influence. The Asian oceanic rim constitutes the world's most economically dynamic region, with 61% of the global population and accounting for over 50% of all commercial shipping, valued at over \$5 trillion. Its substantial reserves of oil and natural gas have the potential, if exploited, to drive regional economic growth rates even higher. For a United States struggling to cope with economic difficulties and

to dispel notions of 'declinism', Asia, and especially East Asia, is a crucial test of national strength. Failure to stand by its regional allies, and to dissuade China from invading Taiwan, would risk the collapse of the security architecture that binds the US to its key partners worldwide.

On the regional level, a steady arms build-up can already be observed, with special emphasis being given to naval capabilities. China's official defence expenditure has increased 18 times in

Main shipping lanes in East Asia

- 14 of the world's 20 top container ports 2011, size indicates throughput





the last two decades, causing concern in Japan. Tokyo has long followed a policy of keeping military spending below 1% of GDP – a policy it now seems prepared to abandon. Meanwhile, Vietnam and the Philippines have increased their own defence budgets, following worsening relations with China. At first sight, their worry appears overblown, since hostile incidents in the South China Sea – the most likely area of conflict – have involved law enforcement vessels, fishing fleets and survey ships. The navies of claimant countries have, thus far, not intervened. This is of little comfort, however, since it is believed that naval ambitions lie at the core of China's assertive diplomatic and policing stance in the Sea.

The chapter will explain how China's growing naval capabilities, being in part expressions of popular nationalist sentiment, have stoked concerns in neighbouring countries. It will also demonstrate that the United States shares these concerns, albeit for different reasons that are connected more with preserving its global preeminence and the regional balance of power. Finally, the chapter will suggest that the US and China are entering into a round of political jousting and operational planning which is likely to create a new reality in strategic affairs. Security in a rapidly militarising East Asia will critically depend on how well

regional tensions can be managed by diplomatic dialogue, rather than implied threats of force.

Chinese naval nationalism

Beginning in 2009, China's policy towards its neighbours, and, more generally, its posture towards the US, started to attract critical scrutiny. That year marked the beginning of a new assertiveness in Chinese maritime diplomacy, which drew heavily upon exceptionalist historical arguments rather than internationally-accepted legal ones. In the process, long-standing disputes in the South China Sea and East China Sea were reopened, and the United States began to be drawn into managing regional tensions.

Maritime disputes

In response to attempts by Vietnam and Malaysia to expand their exclusive economic zones, China implied that it claimed sovereignty over 90% of the South China Sea. It justified this move by citing historical rights that are not recognised by the United Nations Convention on the Law of the Sea (UNCLOS), which China ratified in 1996. Beijing has since been coy about clarifying what precisely it means by this claim, apparently preferring the flexibility conferred by political vagueness. Its suggestion that the South China Sea is a 'core' national interest has alarmed China's neigh-



bours, since such language is generally seen in diplomatic-speak as articulation of a red line, amounting to a military threat. Of late, there is a view that China's maritime claims in the South China Sea have been domestically emotionalised to a degree which limits the Communist Party's ability to contain militant street-level nationalism.

A parallel set of developments in the East China Sea has worsened Sino-Japanese relations. Both Tokyo and Beijing lay claim to five islands in the Sea, and their associated reefs. Known as the Senkaku islands in Japan, and the Diaoyu islands in China, these features are leftovers from a bilateral dispute that dates back over a century. Although the islands have been under Japanese occupation since the 1970s, China claims them on the basis of historical rights. Tensions have been simmering since 2010, when a Chinese fishing boat rammed a Japanese patrol vessel, causing a diplomatic incident. Matters then escalated sharply in 2012, when the Japanese government attempted to consolidate its control over the islands. Street protests in Chinese cities led to Japanese-owned businesses being vandalised, and led to concerns that the Chinese government was reorienting its foreign policy to pursue irredentist claims that had long been left dormant. These concerns were fuelled by the specifically naval

expression that Chinese nationalism has taken over the past decade.

China's naval build-up

Since 2002, there has been a concerted Chinese effort to build up military power at sea. The People's Liberation Army Navy (PLAN) has propelled this effort in tandem with the political leadership. Having been relegated to an auxiliary position during the period 1949–87, its job primarily to carry out guerrilla-style raids upon an adversary's ships, the service is now positioning itself in domestic discourse as essential to the stability of the Chinese regime.

Of late, the maritime domain has become a new outlet for Chinese nationalism. Following efforts by the Chinese Communist Party to re-write history books and highlight victimisation at the hands of foreign powers, the sea has come to be seen as a crucial theatre for national defence. Partly to strengthen its visibility in the domestic consciousness, the PLAN has invested in a costly carrier construction program. It acquired its first aircraft carrier in 2012 and is likely to build another two such vessels by 2020. There have been reports that, in anticipation of a continued increase in its budget, the service has drawn up plans for a separate fleet command in southern China, which will eventually comprise at least two carrier groups.



The PLAN has been helped by the Communist Party leadership's concern about energy security. According to conventional wisdom in Beijing, the navy has an important role to play in protecting Sea Lines of Communication (SLOCs) that bring oil imports to China. This argument, popularised under the term 'Malacca Dilemma', highlights China's apparent vulnerability to a wartime naval blockade focused on the Straits of Malacca. Its validity is disputed by some experts, however. Only 8.5% of China's energy supply arrives by sea. Of this, 75% transits the Straits. Blocking them would only make military sense if the United States, the sole country with the naval capacity to impose such a blockade, were to become embroiled in a protracted attritional war with China. Considering that Beijing is anyway unlikely to prevail in such a war, its fixation on Malacca as a supposedly crucial strategic chokepoint is puzzling. China would not be able to prevent American dominance of its ground, air and sea forces in Asia should a protracted war occur, irrespective of whether Malacca were to be blockaded or not. Furthermore, an energy blockade would hardly be the optimal US strategy for fighting China, as it could be easily avoided by having ships navigate around Indonesia. It would also be extremely difficult to enforce, due to the practical difficulties in verifying which of the 94,000 ships

that transit these waters yearly contain energy supplies bound for China.

Some analysts believe, therefore, that energy security is not the primary reason for Chinese naval expansion, and that the real motive is much closer to home. In addition to protecting SLOCs, the PLAN is oriented towards helping the army invade Taiwan, whose present status is guaranteed by Washington, and to securing maritime resources in the 'near seas'. The PLAN, in its internal vocabulary, treats large parts of the South and East China Seas as exclusively Chinese waters, when their status is in fact disputed by neighbouring countries. Thus, although competition over these waters has not yet been militarised, the prospect of armed conflict remains. The PLAN itself has highlighted arguments for offshore oil exploration, which would vitiate ties with China's neighbours, while showing little interest in the prospect of building up a strategic oil reserve. Sceptics argue that its motives are self-evident: Pushing for offshore exploration justifies seeking a budget increase, while a strategic oil reserve might reduce China's overall dependence on imports but would not benefit the navy directly.

The trend seems clear – the naval dimension is gaining prominence in Chinese security policy. Thus far, more



emphasis has been placed on the modernisation of existing capabilities than on overall naval expansion. Even so, the navy has increased by about 50 combatant vessels since 2005. Interestingly, most of this increase has been concentrated in the submarine fleet, a point which worries foreign analysts. Over the last seven years, the rate of submarine induction into the PLAN has more than tripled. Taken together with the expansion of China's satellite-based ocean surveillance program, the submarines indicate that the PLAN is planning an ambitious sea-denial campaign against an adversary with global reach. American analysts have little doubt as to the identity of that adversary. They tend not to be impressed by the Chinese carrier program, seeing it as little threat to the much more powerful US carrier presence in the Pacific. The PLAN's interest in submarine warfare however, has long-term portents for the American ability to intervene in East Asia. Submarines can significantly disrupt or slow the pace of naval combat operations that might otherwise be directed towards a land-based objective. This is particularly important in any scenario where the US navy seeks to interfere with a Chinese invasion of Taiwan.

Chinese assertiveness creates mistrust among neighbouring states

For China's neighbours, the implications of its naval build-up are more im-

mediate. Japan, for instance, perceives China as having grown provocative in recent years, in seeking to assert its claim over the Senkaku/Diaoyu islands. Vietnam has similar complaints over Chinese efforts to block oil exploration in the South China Sea. East Asian security experts suggest that China is following a pattern whereby it will publicly de-emphasise territorial disputes without giving up its original claims. It will meanwhile continue to build up its overall military strength and to consolidate its forward positions in contested zones accordingly. According to these experts, finding lasting solutions through negotiations will be left to future generations, when Chinese military capabilities suffice to create a new power balance, which will then form the basis for a political settlement.

China's maritime police agencies pursuing a 'forward' policy

Even more than the PLAN's modernisation drive, it has been the expansion of Chinese maritime police agencies which has contributed the most to increasing tensions. Police vessels tend to have looser rules of engagement than military ships, thus rendering them more inclined to take provocative actions. Their numbers have increased at a much higher rate than Chinese naval platforms, largely because of a ship-building boom in China. Three



agencies in particular are pushing an apparent 'forward' policy in the South China Sea: the China Marine Surveillance, the Fisheries Law Enforcement Command and the Maritime Safety Administration. Their ships, though lightly armed, are easily capable of overwhelming civilian vessels such as fishing boats and survey ships. This has one positive attribute: It suggests that hostile engagements in the South China Sea will not automatically lead to a force-on-force clash, since civilian vessels have no hope of mounting an effective resistance. On the downside, however, it also suggests that public emotions are more easily charged when Chinese maritime law enforcement agencies are perceived to be interfering with legitimate commercial activity. The core issue here is that what might be considered 'legitimate' by one country can just as easily be viewed as 'encroachment' by another.

Territorial disagreements in the South China Sea

Existing disagreements over the physical possession of island features in the South China Sea, disagreements that are already acute, have been further compounded by the exigencies of geography. Several economic zones overlap in this area, due to the limited space available for commercial activity between the Asian landmass and the 'first island chain' that lies off

its eastern coast. Since each country – China, Vietnam, the Philippines, and Malaysia – claims exclusive rights within its own economic zone, it automatically views commercial activity by others within the same stretch of water as illegitimate. Among the rival claimants, however, only China has the military and police capacity to enforce its claims in the face of direct opposition by the others.

Over the past few years, both China and its neighbours have grown more dependent on the sea for their economic prosperity. Already, 95% of Chinese trade occurs via sea lanes, while other countries are increasing the maritime component of their respective economies. Vietnam, for instance, aims to achieve a 7% increase in the maritime share of its economy by 2020. The Philippines, being an archipelagic country, sees maritime connectivity as essential not just to its prosperity but also its political unity. Accordingly, Manila has been encouraging sea-borne commerce among its coastal population. Recently, feeling pressured by Chinese vessels drawing closer to its coast, it has entered into an agreement with Japan to boost its own coastguard capability. Neither Tokyo nor Manila hesitate to admit that this cooperation is a response to Chinese pressure in the South and East China Seas. Interestingly, while



considerable attention has been paid to the presence of substantial energy deposits in these waters, the main point of contention thus far has been much more mundane: fishing rights.

Decades of over-fishing have depleted stocks in the coastal waters of littoral states, forcing fishing fleets to venture further out to sea. As each country sends more vessels further into a confined maritime space, the prospect of hostile encounters with coastguard and maritime law enforcement ships has increased. In total, five of the ten Association of South East Asian Nations (ASEAN) member states have contested each other's territorial claims and those of China. Incidents of fishermen being harassed and detained on the high seas are common. What is notable about China here, however, is that there seems to be a concerted policy by provincial governments in the country's south to push maritime claims further out under a law enforcement umbrella. Reports from the region indicate that Communist Party officials in Hainan, Guangdong and Guangxi provinces are incentivising fishermen to sail into disputed waters. It is alleged that fishing vessels are being provided with modern navigation and communications systems that allow them to rapidly obtain armed support if they meet with opposition from another country's law enforcement

vessels. The main reason behind this adventurous behaviour, it is believed, is the Communist Party's promotion system, which rewards those officials who detect and repel the largest number of maritime 'intrusions'.

The fact that there are at least eleven law enforcement agencies in China involved to varying degrees with maritime policing has led some analysts to wonder whether Beijing is fully aware of the provinces' actions. It is possible, they reason, that the central leadership of the country does not know quite the extent to which local officials are pushing forward with maritime claims. Other analysts disagree, however. They opine that Beijing is indeed fully aware but chooses to let an illusion of decentralised command prevail. In doing so, it retains the option of distancing itself from the placatory assurances that the Chinese Foreign Ministry, known domestically as the 'Ministry of Traitors', routinely gives to foreign governments. By maintaining a dichotomy in the federal/provincial distribution of power in the South China Sea, Beijing can continue to consolidate its maritime claims while exercising plausible deniability in the event that Chinese civilian or patrol ships go too far and spark a major incident.

There is thus a shared mistrust among China's neighbours regarding its in-



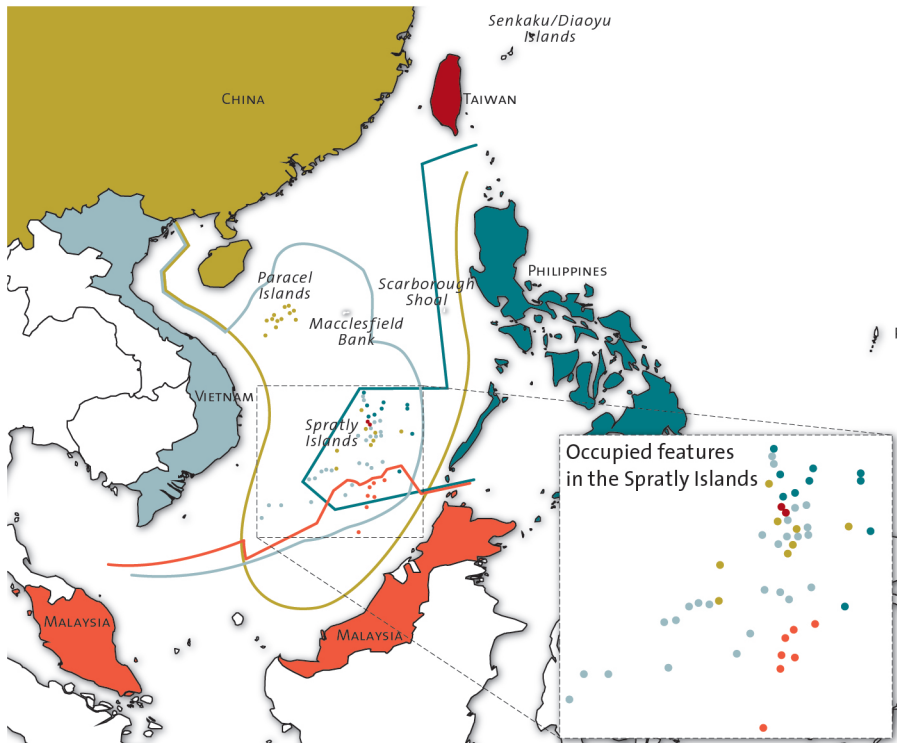
tentions. Japanese analysts claim that, since 2003, Beijing has repeatedly broken a commitment that it made two years previously – to inform Tokyo in advance whenever Chinese survey vessels entered Japanese-claimed waters. Philippine officials accuse China of renegeing on a verbal deal made in spring 2012, namely that it would withdraw fishing and patrol vessels from the Scarborough Shoal, in the South China Sea. Philippine and Chinese ships had been locked in a confrontation at the shoal

and both sides had eventually agreed to withdraw from the area. Instead, Manila claims, China maintained a presence at the shoal and demarcated the area as out of bounds to Philippine vessels. The result was a shift in the status quo, in China's favour.

Perhaps no country is more wary of China than its ideological companion, Vietnam. Although both countries are ruled by ostensibly communist regimes and thus maintain cordial inter-

Claims and occupied features in the South China Sea

- Claims
- Occupied features





party links, public hostility between them is strong. In 1974 and 1988, they clashed militarily when China seized the disputed Paracel Islands in the South China Sea. Hanoi is therefore very suspicious of ongoing Chinese efforts to consolidate control over the rest of the Sea. It holds the largest number of features in the area's second major archipelago, the Spratly Islands, and thus has the most to lose. China itself has a presence in the Spratlys, which could provide the flashpoint for a regional crisis, if one were to occur.

Events in late 2012 were alarming in this regard. In June 2012 both China and Vietnam commenced aerial patrols over the Spratly Islands. The following month, Vietnam passed a domestic law requiring all foreign vessels travelling near the islands to report to its authorities. Immediately afterwards, China announced the formation of a prefecture-level city and military district called 'Sansha' in the Paracel Islands. The aim of the district was to consolidate Chinese control over the Spratlys, Scarborough Shoal, and another part of the South China Sea called Macclesfield Bank. What was ominous about this development was that it fitted into a pattern of 'administrative adjustments' that have tended to place islands and reefs, located far from the Chinese mainland, under Chinese jurisdiction. Vietnam,

the Philippines and Malaysia are concerned because between these newly claimed features and the mainland lie a number of other features which these countries control. They are worried that by setting a claim that interlocks with and exceeds their own, China is preparing for a military land-grab. At the very least, they suspect that China is seeking to create new 'facts on the water' by stealthy encroachment, which it will later aim to legitimise during political talks.

A move by the government of Hainan, China's southernmost province, has further increased suspicion. It recently authorised its maritime law enforcement agencies to board and seize foreign vessels found within Chinese-claimed waters. Since Beijing claims 90% of the South China Sea, and up to 50% of the world's total shipping tonnage transits through these waters, the Hainan government's move has led to international concern about freedom of navigation being restricted.

Beijing seems willing to unilaterally alter the status quo in disputed waters. Such practice calls into question the validity of international maritime law, which accords at least as much legitimacy to other countries' territorial claims as China's, given the complexities of the South China Sea dispute and the inadmissibility of 'historical rights'.



Although both Vietnam and the Philippines have been reiterating their own expansive claims – Manila went to the extent of renaming the South China Sea the ‘West Philippine Sea’ – there is little doubt that China remains the only power to back up its political stance with armed might. It is this factor that, together with the Taiwan issue, has compelled Washington to enter East Asia as an offshore balancer, and strengthen the security of its regional allies.

The US as an Asian Power

The Sino-American relationship is crucial to understanding security dynamics in Asia. Both countries are economically dependent on one another, while harbouring intense suspicions of each other’s strategic aims. Both are seeking to expand their regional influence while avoiding direct confrontation. In Washington, there is palpable concern that Chinese dominance of East Asia would highlight the limits of American power, particularly given Beijing’s selective adherence to international legal norms upheld by the US. In Beijing, there is matching concern that the United States is seeking to cap China’s rise by encouraging smaller East Asian powers to balance against China. Not only does China as a civilisational giant deserve to be the regional hegemon, according to this view, but by denying it a stable periphery, the US is acting like a geopolitical spoiler.

Increasing tensions

Recent developments have only reaffirmed this view. In late 2011 and early 2012, US top-ranking officials announced that henceforth, Washington would give strategic priority to the Asia-Pacific region. Coming at a time when tensions in the South and East China Seas were leading to growing scepticism about Beijing’s pledges of a ‘peaceful rise’, the statements signaled a paradigm shift. For much of the previous decade, China had held uncontested sway over East Asia. This was due largely to its economic might, as well as US preoccupation with counterterrorism in the Middle East and Afghanistan. For their part, most East Asian states were reluctant to invite an interventionist United States into their neighbourhood. Instead, they hoped that regional differences could be settled on an intra-Asian level.

Recently, two factors have forced China’s neighbours to modify their stance and cautiously welcome American involvement. First, China has refused to countenance multilateral talks on maritime disputes. Beijing is calculating that its superior comprehensive national power can be most effective in extracting concessions if talks are held bilaterally. Naturally, the ASEAN countries most affected by such disputes seek a counterbalancing patron



to offset the disadvantages of bilateral negotiations with China. Second, ASEAN member states have grown panicky about the sheer power differential between themselves and China. The whole of ASEAN has a defence expenditure of roughly \$25 billion, in contrast to China's official defence budget of \$106 billion. This spending gap appeared because ASEAN states assumed in the 1990s that, with the Cold War over, Asia would enjoy a peace dividend. They accordingly focused on domestic security and economic development. It was felt that China would be averse to escalating tensions in the maritime realm, due to the adverse effect that this would have on its international image. The resurgence of tensions since 2009 has prompted a quiet scramble for defence capabilities and tacit security guarantees.

For its part, since 2009 the United States has hardened its stance towards China. After initial hopes of a collaborative arrangement in managing global governance problems were deflated, the Obama administration took a more cautious approach to Beijing. One of the triggers for this attitudinal shift was an incident in the South China Sea, when Chinese patrol ships forced a US Navy surveillance vessel to leave waters close to Hainan province. The American ship had been 75 miles off the Hainan coastline, which would put

it outside territorial waters, albeit also in China's Exclusive Economic Zone (EEZ). Although its presence was legal under international law, by dangerously manoeuvring close to it the Chinese patrol vessels had signaled that they considered its presence an infringement of Chinese sovereignty.

This episode highlighted a key source of friction in Sino-American relations: differing interpretations of international law. China believes that it has a right to regulate foreign military activity within its EEZ, a right not recognised by the US or the United Nations. Beijing seems to regard its own EEZ as an extension of territorial waters while treating the EEZs of Vietnam and the Philippines as high seas, where no country has exclusive economic rights. For the United States, to accept such an unbalanced set of norms would be to challenge the basis of maritime law, and to confer privileges to China which are denied to other countries. There is intractability between China's stance on international norms, which it sees as tools of Western domination but still selectively adheres to, and American insistence on a common rules-based regime. Beijing now has the political confidence to call the legitimacy of this regime into question, which is an implicit challenge to Washington on the global level.

*An American counterstrategy*

In this context, the United States is apprehensive that failing to reiterate its presence in Asia would be a sign of weakness, and one which could have wider implications. The entire US alliance system in Europe and Asia is based upon security guarantees that form the bedrock of American global dominance. Washington fears that there would be a Cold War-style domino effect if it were to abandon its three Asian allies – South Korea, Japan and the Philippines – to a Chinese sphere of influence. This is all the more important given that the United States has also provided a security umbrella to Taiwan – an entity that China seems determined to incorporate into its territory at some future stage. Failure to strengthen its Asian allies' ability to stand up to China could lead to greater humiliation later, if China were subsequently to dare the US to interfere with an invasion of Taiwan.

At the same time, however, Washington has to contend with cuts in defence spending that are likely to extend to \$500 billion over the next decade. Economic austerity as a result of the financial crisis has posed a policy dilemma for the United States: If it overspends on defence against a threat that may never materialise, it could bankrupt itself. If it underspends while the Chinese military continues to modernise

and expand, it could lose international influence and the prospects of a strong economic recovery that would accrue from trade with Asia. The solution adopted has been to create an economic framework for expanded ties with Asia, in the form of the Trans-Pacific Partnership, while isolating the US Air Force and Navy from the biggest defence budget cuts. As services which will play a decisive role in responding to any crisis in East Asia, they will be at the forefront of research and development in new weapon systems.

Henceforth, the Pacific theatre will receive priority in the allocation of newly-commissioned ships and new-generation aircraft. It is expected that when the 'rebalancing' or 'pivot' of forces from the Atlantic to the Pacific is complete, 60% of the US Navy will be based in the Pacific – a ten per cent increase from current force levels. In effect, the theatre would gain one additional US aircraft carrier, seven destroyers, ten littoral combat ships and two submarines, plus reconnaissance assets such as EP3 spy planes. Anderson Air Force Base in Guam is becoming the pivot of the 'pivot': It is the point from which the American naval build-up will make itself felt across the western Pacific. Currently, contingents from the US Marine Corps are being deployed there, in preparation for onward movement to Australia.



Just as important as the military build-up is the strengthening of security cooperation between the US and local partners in East Asia. The US has 17 military bases in Japan and 12 in South Korea, plus additional facilities in the Philippines, Thailand, Australia and Singapore. These bases would form a line of jumping-off points for the US military in the event of armed hostilities. Instead of permanently basing troops in Asian countries, which might generate friction with the host government, the US seeks to be an offshore balancer by keeping the bulk of its forces on Pacific island bases. Forward bases in East Asia proper would be activated only in the event of a major increase in tensions. In order to ensure that these forward bases are amply stocked and supported by host governments during peacetime, the US is upgrading its military and diplomatic ties with them.

In essence, the rebalancing is as much of a diplomatic gambit as it is a military manoeuvre. This gambit is designed to foster expanded contacts between Washington and its regional partners and also encourage them to cooperate more closely with each other. East Asian nations have a troubled mutual history, the result of past conflicts which remain etched in the popular memory. American diplomacy seeks, in the framework of a renewed commitment to regional stability, to pro-

mote dialogue on common security concerns. Due to its own assertiveness since 2009, China has made itself a convenient focus of such dialogues.

By making a limited and low-visibility effort to boost its presence in Asia, the US is signaling to China that it still does not wish to take sides in maritime disputes. Washington has traditionally kept aloof from points of disagreement in the South and East China Seas, while reiterating that it would stand by security commitments to its allies. This posture sends a double-edged message: China understands that the use of force against a US ally would lead to war with the US itself, while US allies understand that they cannot escalate tensions unilaterally in the expectation of unconditional support from Washington.

A doctrinal race

To break the deadlock, China has adopted a dual strategy. It is increasing engagement, including military diplomacy, with other East Asian powers such as Vietnam and Malaysia in order to prevent them jumping on the US bandwagon. As insurance against American intervention in a regional conflict however, it is also developing a war-fighting doctrine focused specifically on the United States. The doctrine principally revolves around a conflict with Taiwan, but it could



also be extended to a Sino-Japanese or Sino-Philippine clash. In any case, it represents a challenge to the American ability to project force in Asia, and is thus a challenge to the US alliance system as a whole. It is based largely on an assumption that a sudden military setback in the early phases of US intervention would shock Washington into reconsidering its strategic commitments and cause it to refrain from interfering with Chinese operations in East Asia.

China's anti-access/area denial doctrine

Having studied the after-effects of US military power in the 1991 and 2003 Gulf Wars, the Chinese military has concluded that it would be near-impossible to defeat the Americans in direct combat. To prevent Washington from interfering with an invasion of Taiwan, or intervening to help a regional ally, Beijing needs to strike US forces on the high seas. Rather than allowing the Americans to gain a local foothold, it would be better to hit them before they can be fully committed to combat, when their political will is likely to be weakest.

The anti-access/area denial (A2/AD) doctrine being developed by the People's Liberation Army feeds into this logic. Building upon Soviet thinking from the Cold War, it consists of two components: Preventing US forces from entering a combat theatre and, if

they still do so, restricting their movement thereafter. While the Soviets relied mostly on submarines to implement this doctrine, the PLA hopes to use a combination of submarines and land-based missiles. Much attention has recently focused on the Dong Feng-21, an anti-ship ballistic missile (ASBM) reportedly capable of crippling a US aircraft carrier. Some analysts have speculated that use of this weapon could be a 'game-changer', since it is difficult to stop a ballistic missile from reaching its target, once launched. However, the Dong Feng is yet to be tested in combat, leaving the question of its effectiveness open.

In any case, the US military is responding to A2/AD with a doctrine of its own. Called Air-Sea Battle, it aims to break the kill chain of Chinese missiles by preventing them from locating their targets, and if that fails, shooting them down with enhanced air defence systems. The main weakness of the Chinese doctrine is that it is dependent on oceanic surveillance – if the missile launchers cannot locate US ships, or if the missiles' own sensors can be blinded, the A2/AD doctrine would become wholly dependent on submarine warfare.

Even by themselves, submarine attacks on US surface vessels could theoretically delay the timescale of



US intervention long enough for Chinese land operations in East Asia to be successfully concluded. However, such a scenario is not guaranteed: The US submarine fleet is considerably more experienced and technologically sophisticated than its Chinese counterpart. It could thus protect the American surface fleet by tracking and pre-emptively neutralising Chinese submarines near their home waters. Here, Washington can count on local help: Its main ally in Asia, Japan, is known to excel in anti-submarine warfare. The Japanese Maritime Self-Defense Force dominates the routes that China's North and East Sea Fleets must use in order to access the western Pacific. In all probability, it would share its knowledge of the area's subsurface topography with the US navy in the event of hostilities, thus allowing Chinese vessels to be intercepted well before they can engage American warships.

The United States is also investing in stealth technology, a development which China is seeking to match through its own stealth aircraft program. If the US makes substantial investments in electronic warfare capabilities over the next decade, it will confirm that Air-Sea Battle is caught in a technological race with the A2/AD doctrine. Credible reports already suggest that an intense counter-intel-

ligence effort is underway among US and European defence research companies, in order to protect scientific secrets from espionage. It is believed that some of the Chinese military's recent technological upgrades can be credited to an intensive cyber and human intelligence program that has tracked weapons research activities in the West. China seems to be watching the US military, and adapting its own military accordingly.

In seeking to prevent the United States from intervening in a regional conflict, or an invasion of Taiwan, the PLA believes it has a psychological advantage. In its view, East Asia is geopolitically a Chinese sphere of influence, and Taiwan is merely a province of China. The China-Taiwan dispute is not over national identity per se, but political legitimacy. The US therefore has no grounds to interfere in an intra-Chinese squabble.

By attacking the US Navy before it can get near enough to launch air attacks against Chinese surface vessels, the PLA hopes to stun Washington into conceding a limited defeat rather than fighting a prolonged war over distant interests. Such an operational concept is partly born out of strategic desperation: The Chinese military knows that it has little chance of prevailing in a full-blown engagement with the US,



partly because of the latter's advantage in regional allies. War with the United States almost certainly means war with Australia, Japan, the Philippines and South Korea as well. Vietnam is also unlikely to remain neutral, due to the afore-mentioned hostility with China and the continuing dispute over the Spratlys and Paracels.

In this regard, it is worth considering whether the A2/AD doctrine is intended more as a signal of Chinese resolve to resist US interventionism rather than as a serious basis for campaign-planning. Should the doctrine ever be tested under combat conditions, the results might be surprising. This is because most of the surveillance and weapons platforms necessary for the A2/AD doctrine are not owned by the Chinese navy itself, but by the Air Force and the Second Artillery (the missile force). The doctrine is actually a multi-force concept whose implementation is likely to be guided by several organisational perspectives. This might prove either an asset or a hindrance to its effectiveness, depending on the state of inter-services harmony in China and the civilian leadership's control of the military. Given recent reports that the Chinese military leadership is becoming more assertive vis-à-vis the Communist Party, it seems plausible that the levels of joint planning and coordination

needed for A2/AD to be politically effective will be missing at the crucial moment.

That moment will in all probability come during a crisis over Taiwan. China is committed to taking control of the island, while Taiwan is opposed to reunification under a non-democratic regime. The United States has pledged to defend Taiwan from attack, while Beijing has warned that any effort to assert an alternative sovereignty by Taiwanese politicians would trigger an attack. Since this is an inherently unstable situation, it contains the seeds for a Sino-American confrontation, unless there is regime change either in Beijing or in Taipei, or a mutually satisfactory accommodation. So far, the regional peace has held, but with barely suppressed resentment on the Chinese side, and with occasional flare-ups.

China's smaller neighbours

None of China's maritime neighbours can hope to contest the PLAN's strength, and its growing capabilities emphasise the power differential in increasingly stark terms. The only viable option is to adopt a miniaturised A2/AD doctrine that focuses on submarine operations. Both Vietnam and Malaysia have, accordingly, upgraded their underwater warfare capabilities in recent years. This is in



keeping with the general pattern of naval warfare, which suggests that sea denial is becoming a more viable and cost effective strategy than sea control. This is because a ship, once hit by a torpedo or a missile, is likely to be put out of action for long enough to become irrelevant to fast-paced combat operations in an 'informatised' context. While the Chinese, therefore, are preparing to meet the US Navy in the west Pacific, ASEAN navies are preparing to meet the PLAN in the South China Sea, using its own methods.

A crucial area to watch in 2013 will be China-Japan relations, due to the recent electoral victory of the Liberal Democratic Party in Tokyo. The party is known for its assertive stance on foreign affairs. Beijing, for its part, is

showing no change in its own posture. Growing tensions have led both sides to scramble fighter aircraft in response to perceived airspace violations. It seems that domestic pressures in both countries are pulling their governments further apart. Since Japan is a treaty ally of the United States, this trend, if allowed to continue unchecked, could become another source of Sino-American tension, in addition to Taiwan and the fundamental dispute regarding the maintenance of common access rights to the South China Sea.

Even so, it needs to be emphasised that regardless of this trend towards overall militarisation of the region, maritime disputes themselves need not become militarised. This is because, with the

Navy sizes of selected East Asian powers

	Navy Personnel	Submarines	Destroyers	Frigates	Patrol and Coastal Combatants	Cruisers	Aircraft Carriers
USA*	333,248	71	61	20	28	22	11
PR China	255,000	71	13	65	211+	–	1
Japan	45,518	18	29	15	6	2	2**
Taiwan	45,000	4	–	22	87	4	–
Vietnam	40,000	2	–	2	62	–	–
Philippines	24,000	–	–	1	63	–	–
Malaysia	14,000	2	–	10	37	–	–

* 60% of US navy will be based in the Pacific

** Japan operates helicopter carriers, as distinct from the larger Chinese and American aircraft carriers

Source: IISS, The Military Balance 2012



notable exception of Taiwan, the other two potential areas of conflict – the South and East China Sea – are mostly policing problems. China has attempted to project its manoeuvres in both areas as legitimate administrative and law enforcement measures, using its superior coastguard and coastal surveillance resources. It has not yet committed the PLAN to the task of combating ‘intrusions’ in waters that it historically claims. Beijing’s game plan seems to be one of slow but persistent consolidation under a domestic legal regime that is at odds with the international legal regime. In keeping below the level of military engagement, China has allowed itself flexibility to back down if its neighbours jump on a bandwagon against it.

No easy or lasting multilateral solution

Although tensions can be managed to prevent a sudden outbreak of hostilities, it is difficult to see how maritime disputes in East Asia can be permanently resolved. The UN Convention on the Law of the Sea (UNCLOS) does not provide specific guidelines on how to deal with disputes where land features are either very small or submerged. As a result, its provisions can be interpreted in a variety of ways. China, for instance, has argued that Japanese claims to an expanded EEZ in the East China Sea are not valid,

since they are based on the presence of small, uninhabited islands. However, by this logic China’s own claims in the South China Sea would be questionable. Beijing is not concerned about the contradiction, because it sees itself as having an exceptional historical right over the Sea and its resources.

Even without this vagueness, UNCLOS cannot be applied without the consent of all parties to a dispute. China rejects the convention’s arbitration mechanism, and prefers to deal with rival claimants bilaterally. This is not an arrangement that China’s smaller neighbours are comfortable with, and they are seeking to draw in other stakeholders. Vietnam has been most active in this regard, inviting foreign companies to bid for oil exploration contracts within its EEZ. China has responded by threatening to shut down these companies’ operations in its own territory, if they go ahead and partner with Vietnam.

Divided ASEAN

The biggest disappointment of all is the failure of China, ASEAN and Japan to come to a workable arrangement among themselves. Expanding trade has not brought a lowering of tensions. Even as China-Japan trade reached a new high in 2011, public hostility between them grew more pronounced over the Senkaku/Di-



aoyu dispute. The expected peace dividend has not materialised in South East Asia, either. Even countries with a history of friendly ties with Beijing, such as Malaysia, are discreetly upgrading their security cooperation with the United States. Although the risk of conflict with China is minimal, Malaysian analysts speculate that Chinese benevolence is more tactical than enduring: Beijing does not want to face hostility on too many fronts until it has dealt with the most pressing maritime disputes.

In this situation, the United States can work to lower tensions by nudging Beijing and ASEAN to adopt a legally binding code of conduct in the South China Sea. China has so far resisted this course of action, but the possibility of even further American involvement in East Asia under the 'rebalancing' initiative might alter its strategic calculus. There has been a precedent whereby China takes a more conciliatory posture when faced by a united ASEAN: In 2002, it agreed to adopt a non-binding commitment to abjure the use of force in maritime disputes. If ASEAN states can work out a common position among themselves, China would find it hard to resist being drawn into a cooperative security framework.

At the moment, Beijing is playing upon differences between ASEAN

member states. In July 2012, it successfully prevailed upon Cambodia to block references to maritime disputes in the Annual ASEAN Meeting joint statement. After acrimonious discussions, the summit ended without a statement being issued, for the first time in ASEAN's 45-year history. Given China's economic importance and close ties to many ASEAN states, it would be quite easy for Beijing to exploit differences of opinion across political elites to its advantage.

Another option might be to bring in other stakeholders to the South China Sea, who can partner both with Beijing and the ASEAN claimants in oil exploration. Russia and India are both interested in exploring the Sea's energy reserves. As non-Western powers, their involvement might be less politically sensitive than the presence of companies seen to be legitimising a US-dominated set of norms regarding conflict management. However, this scenario is a non-starter if China persists with its stance that most of the South China Sea is 'Chinese territory' and that foreign military vessels need to seek its permission before entering these waters. Such a stance is unsupported by international law, and having ratified UNCLOS Beijing cannot escape the requirement of adhering to the convention's provisions. To grant China an exceptional status would not



only jeopardise the existing set of rules that govern maritime disputes, but also open the way for more such disputes. For the foreseeable future, it does not look as though East Asia will get to enjoy its much-awaited peace dividend.

Security in Asia: A two-level conflict

The security situation in East Asia needs to be understood on two levels: the regional and the global. Regionally, China is seeking to alter the status quo vis-à-vis its neighbours by leveraging its superior military and policing capacity to gain control over disputed waters. Globally, Beijing and Washington are being drawn into a posture of mutual

suspicion, due to the Taiwan issue and differing perceptions of what constitutes a 'fair' international regime. Both these trends come together in the form of the 'pivot' or 'rebalance' policy being pursued by the US. This policy currently enjoys the support of China's neighbours, but it is too early to say whether it will help stabilise the region. While there is limited scope for open hostilities, maritime clashes between Chinese and other East Asian police vessels and an overall increase in regional defence spending can be expected. Against this backdrop, the US can be expected to further entrench itself in Asia. ●