

CHAPTER 11

US Pivot to Asia and China's Strategic Dilemma and Response

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Introduction

China faces multiple external threats. The most strategic one, as Beijing perceives it, is the US pivot to Asia that has visibly squeezed China's strategic space in Asia.¹ China's diplomatic environment has thus taken a somewhat negative turn when its rise is at a critical moment of vulnerability: it is rising but has not risen to a level powerful enough to constrain the superpower's freedom of action. US accommodating tolerance may have run thin with the power shift in Asia.² In a way, the US tightening of pressure on Beijing is behind "envelope-pushing" by some regional countries for practical gains in sovereignty disputes with China before the latter becomes "unchallengeable." Beijing's scope of strategic choice in response to the US pivot and neighborly encroachment of its perceived vital interests will further shrink before it is better able to handle them.

I elaborated on China's top three security concerns at a NIDS conference in 2010, namely: an emerging coalition building vis-à-vis China in the regional security realm, the likelihood of the PLA being dragged into multiple battle-fields simultaneously, and the worsening crisis in the Korean Peninsula. World strategists see the US pivot to Asia as the primary driver for this evolutionary trend in response to China's rise as a security challenge to the US's leadership.³ Since the 2010 NIDS conference, China's security environment has been worsened due to territorial disputes around its land and maritime borders, worsening in a sense that some of them may escalate to a military level. Thus Beijing's security concerns of an emerging anti-China

¹ Officials in the State Department announced that the word pivot would be changed to rebalance officially on March 21 2013. For instance, in his speech to Asian Society on March 11 2013, Obama's national security advisor Tom Donilon did not mention pivot but used rebalance throughout. See his speech, *US rebalances Strategic Focus toward Asia-Pacific*, US Embassy New Release, Canberra, March 25, 2013. In my paper, however, I still keep using pivot as I see it a more realistic way to depict US Asian policy.

² Hugh White, "Power Shift: Australia's Future Between Washington and Beijing," *Quarterly Essay*, No. 39, 2010.

³ Randall Schriver and Xiaoyu Pu, "After Unipolarity: China's Visions of International Order in an Era of US Decline," *International Security*, Vol. 36, No. 1, 2011.

“encirclement,” and a two-front armed confrontation remain valid, especially in a forced reaction to conflicts in the East and South China Seas (ESCSs). North Korea’s third nuclear test was a clear testimony of continued adventurism by Kim Jong-un leadership in total disregard to the concern of world community. His further provocative acts, such as rocket and nuclear tests, will sustain tension in the Korean Peninsula. Another round of North-South armed clashes cannot be ruled out.⁴

Beijing blames the US pivot to Asia as the cause of its precarious security stance in Asia. The reactivation of territorial disputes in the ESCSs erodes China’s regional leadership standing. As pointed out by an American scholar, “If read between lines of Clinton’s ARF speech, it implies that the US contests and will potentially seek to block China’s claim- the realization of China’s claim in the SCS.”⁵ Yet these disputes are only symptoms of structural Sino-US contentions, which is foundational not only to the bilateral troubles, but the tension in the region as a whole.⁶ Therefore, this paper identifies Beijing’s perception of an unavoidable evolution of a bipolar confrontation in the region’s security realm as its top worry in the years ahead.

Related to this is Beijing’s secondary security concern: unpredictability of the open-ended ESCS disputes. Consequently, occasional standoffs become inevitable and may cause accidental armed sparks.⁷ Beijing has been in a constant mood of crisis management. Its worry intensifies when it perceives that the territorial issues have been leveraged as part of US geo-political coalescing to inhibit China’s rise. To the extent that Beijing regards the disputes as affecting its “core national interests,” it has adopted counter-measures against other disputants that further stimulate US involvement and stress Sino-US relations.

⁴ Beijing condemned the test in a strongest term since the North’s first test in 2006. It unprecedentedly reached an agreement with Washington over the wording of UN Security Council Resolution 2049. The test further convinced Beijing about the nature of Kim Jong-un government and pushed it closer to launching its own unilateral sanctions against Pyongyang. Comments by China’s North Korea specialists Zhang Jianguo and Shen Dingli in *Yihu Debate*, the Phoenix TV, March 23, 2013. “Pyongyang would think that Beijing was afraid of punishing North Korea if Beijing opted not to impose sanctions,” *Global Times*, February 18, 2013; and You Ji, “Kim Jong-un’s Power Consolidation and Worsening Sino-DPRK Relations,” *East Asian Policy*, No. 1, 2013.

⁵ Professor Dan Lych’s remark in a USC US-China Institute Documentary, *The South China Sea: Troubled Waters*, September 14, 2010.

⁶ Nick Bisley, “Geopolitical Shift in Australia’s Region Toward 2030,” *Security Challenge*, Vol. 5, No. 1, 2009, pp. 15-36.

⁷ The Chinese Academy of Social Science (ed.), *Global Political and Security Report* (the Yellow Book), Beijing: China Social Science Publishing House.

In correlation, the implication of Beijing's top security worries to the defense sector is its countermeasures against Washington's military re-posturing and redeployment in Asia, which aims at China's potential moves in resolving disputes by force. For instance, the Pentagon's Air-Sea Battle (ASB) concept has been seen as operationalizing the military elements of US hedging strategy against China.⁸ It puts enormous pressure on PLA transformation and represents Beijing's third security concern in the years ahead.⁹

US Squeeze on China's Strategic Space in Asia

Chinese diplomats and generals have defined the current state of Sino-US relations as in a critical moment and at a cross-roads.¹⁰ Their American colleagues also share this assessment. US leaders and strategists have long debated on how to depict US-China relations in the era of power shift and whether to regard Beijing as a strategic competitor or collaborator. An answer is not easy, as the two countries are tied in a most complicated interdependent relationship in the post-Cold War world. America needs China's support in managing a number of regional security threats, such as the DPRK's provocations. At the same time, it has been vigilant on China taking a nationalist course in its process of rise. For quite some time, Washington has seen effective US leadership over regional affairs rest on two asymmetric foundations: the support of its allies, especially from Japan, and Chinese cooperation over key security issues. Characterizing it differently, a US-centered alliance is valued as essential for maintaining regional peace, but US-Chinese collaboration as necessary for crisis prevention and management. Accordingly, the US has swayed in-between and away from the two extremes of containment and partnership in dealing with Beijing. This has provided a strategic space for China to maneuverer in a West-dominated world order. As Thomas Christensen pointed it out, no country has benefitted from America more than China in the last three decades.¹¹

⁸ James Dobbins, "War with China," *Survival*, Vol. 54, No. 4, 2012, pp. 7-24.

⁹ Rear admiral Yin Zuo's comments in the program *Military Decoding*, Beijing TV, August 23, 2012.

¹⁰ Xiao An (晓岸), "中美关系只能前进不能后退" (The only way for Sino-US relations is to move forward, not backward), *Global Times*, February 27, 2012.

¹¹ Thomas Christensen, "Posing Problems without Catching Up: China's Rise and Challenge to US Security Policy," *International Security*, Vol. 25, No. 4, 2001.

Beijing has enormously cherished a working relationship with Washington, which it defines as the cornerstone of all of its diplomacy.¹² Generally speaking, China's US policy has been built upon two pillars: non-confrontational, which is crucial for China to maintain its global strategic space as mentioned earlier, and firm on a few key core national interests such as regime stability, sovereignty integrity, and Taiwan. Beijing has long been confident that it is able to keep a dedicated balance between meeting US challenges and cooperating with America over world affairs. Basically, this judgment is derived from the fact that all China's core national interests are non-US vital interests. And their quarrels are mostly via the third party. Therefore, Beijing sees little likelihood of direct Sino-US military confrontation.¹³ Beijing's assessment on regional security at the beginning of 2012 was that the US pivot to Asia has not fundamentally undermined its external strategic environment, although rising US pressure on China continues to hurt Chinese security interests.¹⁴ Such an evaluation informs China's reactive assertiveness in handling territorial disputes with its neighbors, because the US would not fight a war with China over a group of rocks. The only scenario of a Sino-US war is still about Taiwan.¹⁵ More fundamentally, the PLA believes that US hedging strategy against China is still defensively offence-oriented, and not yet in any preemptive mold. It is a strategy more of "offensive deterrence" than one of "confrontational offense".¹⁶

This is behind Beijing's determination to materialize a strategic opportunity period to 2020 when its GDP reaches parity with America.¹⁷ By IMF estimates, China's economic size will be about \$US24.6 trillion vis-à-vis America's \$US23.3 trillion in that year, although China lags far behind in per capita terms. Then it would be in a much better position to manage the US' squeeze on China's strategic space, as it is able to invest over \$US300 billion annually in military modernization. To this

¹² This was reiterated by China's new premier Li Keqian in his first news conference after being confirmed as premier on March 17 2013. Similar rhetoric was exchanged between Obama and Xi Jinping in Obama's telephone to Xi to congratulate his presidency on March 15, 2013.

¹³ Senior colonel Han Xudong (韩旭东) of PLA National Defense University, "当前东亚不会有大规模战争" (No major war would be anticipated in East Asia), *Global Times*, September 21, 2012 p. 14.

¹⁴ General Ma Xiaotian (马晓天), "Thoughts on the new changes in China's current external security situation," *Study Times*, January 2, 2012, p. 1.

¹⁵ James Thomson, "US Interests and the Fate of Alliances," *Survival*, Vol. 45, No. 4, 2003-2004 P. 214.

¹⁶ Rear admiral Yang Yi (杨毅), "周边安全需要全方位战略," *Global Times*, October 26, 2012, p. 12.

¹⁷ After US pivot to Asia Hu Jintao issued a series of instructions to the PLA with a central theme of "taking maximized effort to preserve and protect China's strategic opportunity period." "2012. 动员准备应在使命任务拓展中加快转型" (Transformation of national mobilization should be accelerated in fulfilling broadened missions and tasks in 2012), 中国国防报 (Newspaper for Chinese national defense) January 12, 2012, p. 3.

end, Beijing has kept low in interacting with the US as a key foreign policy principle since the 1990s, concretely implemented in a way of not challenging US global and regional leadership.

Until July 2010 Obama used “strategic reassurance” as a positive depiction to guide interaction with Beijing. Yet the latter’s strong reaction to US arms sales to Taiwan in December 2009 and its “neutrality” in the “Cheonan sinking” convinced key US policy makers that Beijing was bent on playing a revisionist game in the regional balance of power.¹⁸ For instance, when Gates wrote a letter to General Liang Guanglie in March 2010 expressing hope to visit China, the Chinese Ministry of Defense (MoD) politely replied that the time was not convenient, but it also extended a welcome-to-visit signal to him in the not so distant future. In May, Gates had another message to the MoD, about hoping to visit Beijing before the Shangri-la Dialogue. He may have believed that the first Chinese decline was not a real decline. Yet the PLA again said that time was not convenient. This infuriated Gates and probably helped resolve Washington’s hesitation toward whether to announce the pivot in the forthcoming ARF meeting in July or not. Yet from the PLA perspective, Gates was indeed welcome but if this happened too soon, it would make the suspension of the military ties a mockery, which was politically unacceptable.¹⁹

More generally, China’s new economic and military power increasingly erodes US global dominance. Washington has formulated Plan B against potential Chinese acts of game change. The announcement of a “US Pivot to Asia” in July 2010 signaled the end of US debate on China’s position in the bilateral relations—it was now fundamentally identified as a peer competitor to America. Soon a substantial package of counter-measures was put in place to reduce China’s strategic space. These include: coalition-building among concerned parties especially among US allies, persuasion of China’s traditional partners to re-balance their relations with China and the US, i.e., Burma and Cambodia, the promotion of the Trans-Pacific Partnership (TPP) as a way to offset China’s rising economic dominance in the region, and the force redeployment and enhancement around key maritime passes.

¹⁸ Elizabeth Economy, “The Game Changer: Coping with China’s Foreign Policy Revolution,” *Foreign Affairs*, Vol. 89, No. 6, 2010, pp. 142-153.

¹⁹ Information from both Beijing and Washington sources, July 2011. Yet Beijing’s desire to improve bilateral relations are genuine. This can be seen by the quick resumption of mil-to-mil relations after a year of suspension.

The Air-Sea Battle (ASB) concept is designed to operationalize the various combat doctrines and war-game plans with China as the target.²⁰

This new reality worries Chinese strategists, who conclude that when the GDP of a rising power accumulates to 60% of that of the incumbent hegemon, it approaches the limit of the latter's tolerance in accommodating a rival.²¹ As US hedging against China intensifies and becomes more specific, it is harder for Sino-US contention to be managed. This will substantially undermine China's two pillars to sustain a minimum working relationship with Washington—non-confrontational in dealing with US pressure but firm in protecting Chinese core national interests, as mentioned earlier. More concretely, as the US pivot to Asia adversely affects China's vital interests such as sovereignty claims in the ESCSs, the room for non-confrontation vis-à-vis America is accumulatively narrowed, as Washington is compelled to take sides. Facing mounting nationalism at home and sovereignty standoffs abroad, Beijing's assertive reaction has become a strategic necessity, not a policy choice. This in turn makes America more inclined to constrain China through enhanced coalition building with its allies/partners and military deployment in the region.

Xi Jinping has deepened China's recent reactive assertiveness against US offensive pivot in a belief that a passive approach, which characterized his predecessor's diplomacy, would eventually back Beijing in a corner. Xi's team sees reactive envelope-pushing as the only way to maintain or restore the status quo in regional territorial disputes. The status quo best serves Beijing's long-term strategic interests with its rapid rise in power. In contrast, other disputants may feel that a long-lasting status quo may render their claims more difficult to realize against a rising China. For instance, as the PLA's capability grows over time, the US may become more hesitant to intervene due to the mounting cost. So from the Chinese perspective, their upping the ante collectively in ESCSs may be a rational choice, but also poses a grave threat to Beijing, as acts of envelope-pushing may trigger a domino effect and ruin the already fragile status quo. Domestically, territorial matters have generated enormous nationalist pressure that no CCP leader can take lightly because its shaky legitimacy is at further stake. It is logical for other claimants to think that if US-

²⁰ Andrew Krepinevich, *Why AirSea Battle*, Center for Strategic and Budgetary Assessment, 2010.

²¹ Paper by Professor Wang Yigui (王义桅) from the Tongji University in the international conference *Sino-US relations: issues and challenges in the next five years*, Beijing Foreign Affairs University, November 21, 2012.

centred collective offensive produces enough international pressure, it would force the Chinese to budge. To Xi Jinping, however, no matter how huge international pressure it is, it is still smaller than domestic backlash if Beijing does not adequately meet the external challenges.²²

The recent upward spiral of territorial disputes further consolidates the trend of bipolar regional realignment.²³ Such a trend rests on two conditions. The first is the structural strife between two top powers, driven by their mutual mistrust and ideological, strategic, and political differences. Secondly, the making of bipolarity parallels evolutionary hierarchical power restructuring. However, this paper argues that if a bipolar order indeed arises on a world scale in a distant future, which is now still not apparent by most indicators, it would take place in Asia at an earlier date.²⁴ And this would be a typical kind of bipolar order as compared with the historical ones.

First, bipolarity takes place exclusively in the security realm where it is an a la carte disorder. In other areas, i.e., economic, interdependence, and integration, it is the name of the game. Secondly, the bipolar realignment is not a linear course. Now, realignment is reflected by the gradual change in balance of power, starting in the economic realm. Thirdly, there is a clear difference between a bipolar regional order and bipolar realignment. The former indicates that the relationship between two opposing camps is largely confrontational across the board, but in the latter, the relationship is confrontational only on an array of specific issues around which they mobilize support from relevant countries. Fourth, if in the end a bipolar regional order takes a structured shape, it would be an asymmetric one. The hegemon enjoys effective leverages by itself and the support from its allies. Yet, the competing power does have advantages in certain areas of influence, such as geographic vicinity and its centrality in the regional market.

²² Xi Jinping's speech to the third Politburo study session on January 28, 2013. The key sentence is "nobody should expect us to swollen the fruit of sovereignty encroachment." *Xinhua News*, January 29, 2013.

²³ See for instance, Henry Kissinger's new book *On China*, Penguin, 2011. In his answer to a question of how he saw emerging global multipolarity, Professor Stephen Walt of the Harvard University said he believed that global multiplicity was kind of inevitable, but he would rather see it in the lenses of a rising Sino-US bipolarity. His lecture on *America and Asian Alliance* at RSIS, Nanyang Technological University, January 14, 2011.

²⁴ In his answer to a question of emerging global multipolarity, Stephen Walt of Harvard University said that multiplicity is inevitable but he would rather see it in the lenses of a rising Sino-US bipolarity. His lecture on *America and Asian Alliance* at Nanyang Technological University, January 14, 2011.

What underlines this strategic realignment is Sino-US structural conflicts of interests that give rise to structural power competition.²⁵ The Pivot to Asia facilitates strategic coalescing in the region, as America finds it more and more burdensome to pressure Beijing alone. Nye's advocacy of "constraining China's rise through regional countries" has been an effective formula for Obama's Asian policy.²⁶ Some regional states are eager to bandwagon on the pivot. The Abe government has taken new measures to upgrade the Japanese-US alliance in the direction of transforming the alliance from a commitment of mutual security, to one that operationalizes concrete actions against a common threat. A similar evolution has happened in security cooperation between the US and its regional partners. Even US-Vietnam relations have been enhanced to highlight selective military coordination.

Both China and the US are still debating whether the US and China are destined to an inevitable confrontation.²⁷ To Beijing's comfort, Washington has not determined what to do with its primary rival. Put in another way, its conclusive depiction of China as a peer competitor has not been translated into any long-term policy, as it did to its previous peer rivals, i.e., the USSR. The Pivot to Asia is basically preventative and entails only initial blueprints that are in need of substantiation. The US China policy is currently ad hoc without definite and ultimate objectives. Certainly, Washington has bottom-lines vis-à-vis Chinese behaviour in the region and globally, and Beijing knows where they are. Therefore, it has been very careful not to trespass the US "red-line," unless the issue involves PRC state survival. In most cases, Beijing's reactions to US challenges are short of irreversible confrontation but are effective enough to protect its core interests, as Washington finds these interests non-essential to its own vital interests. So Beijing gets away with its assertive reaction.

To an extent US indecision is also deprived from constant assessment of the cost and effect in facing up China. Today Sino-US economic interdependence has so deepened that there is no easy way for Washington to pressure China militarily. This interdependent relationship is part of a much larger systematic interdependent

²⁵ Aaron L. Friedberg, "The future of U.S. - China Relations: Is Conflict Inevitable?" *International Security*, Fall 2005.

²⁶ Joseph Nye, "The Future of American Power: Dominance and Decline in Perspective," *Foreign Affairs*, Vol. 89, No. 6, 2010, pp. 2-13.

²⁷ Pei Minxin, "Why Sino-US conflict is inevitable," *Diplomat* (Japan), February 28, 2012.

relationship in Asia whose asymmetric economic ties with Beijing have weakened their security cooperation with the US over issues against China, as regional states would endure collateral economic damages.²⁸ This has provided Beijing with shelter in interacting with Washington. Beijing is confident that if it can have another decade of non-confrontation with America, it would be in a better position to answer to US pressure. Yet in the immediate future, Beijing will find itself in a narrower space in pursuing its security initiatives that clash with the interests of its neighbours.

In Coping with the ASB Pressure

As far as Beijing is concerned, Washington's strategic thinking on China as its peer competitor has been in an initial stage of evolution, namely still evolving in-between conceptualization and operationalization. Put differently, the new depiction will not uplift the bilateral rivalry to the level of military hostility for quite some time in the future. Even though it will eventually acquire a significant dose of military uncertainty in the bilateral relations, it will not rise to a combat gear easily, as the cost of such a development is extremely high to both sides and globally.²⁹

The grave ASB threat

On the other hand, from its current state of visible military weakness vis-à-vis the US, Beijing does have serious concern over the direction of Sino-US military competition. This concern is specifically reflected by PLA preparation for the future war in an anti-ASB mould.³⁰ The source of Beijing's ASB worry lies in that, according to PLA interpretation, the concept operationalizes the military element in America's overall hedging strategy against China. It is not preemptive yet but entails a highly visible design of combat offensiveness. The US ASB advocates envisage prospects of waves of US precision strikes against China's continental targets, of

²⁸ Comments by Zhang Yunling of Chinese Academy of Social Science in the annual NPC meeting. On March 16, 2013, *Xinhua News*, March 17, 2013.

²⁹ There is a general consensus among China's strategists that an armed confrontation with the US is unthinkable. Even the nationalist scholars and soldiers share this view. For instance Major General Jiao Liang from the air force rebuked the view of a Sino-US war, see his article in People's Net, "Whether China and the US would fight a war," November 18, 2010. Outside China there has been a debate whether there would be a war in Asia, mainly referring one between China and the US. Most analysts would not think a war is likely, i.e., Barry Desker and Hugh White debate in *Survival*. Richard Bitzinger and Barry Desker, "Why East Asian War is Unlikely," *Survival*, Vol. 50, No. 6, 2008.

³⁰ Xi Jinping's issued the call to the PLA to accelerate war preparation and combat readiness in his first inspection of the troops of the Guangzhou Military Region as the new commander-in-chief in December 2012. Now the PLA has stepped up its combat training against specific war ASB scenarios.

a sea blockade of Chinese commercial ships on a global scale, and of region-wide military encirclement around Chinese borders.³¹ The cost/effect of such operations is overwhelmingly in favor of the US as the stronger initiator.

According to PLA analysts, the ASB pattern of war is built upon new and advanced capabilities. To Chinese war planners, the ASB drives US weapons upgrade according to catered targets, well-designed war-game plans, and specific types of combat engagement against which the PLA is ill-prepared for. For instance, China is vulnerable to the proposed blockade of Chinese sea-lane communications in key water ways in the world.³² America's new weapons under development will frustrate China's sustained efforts to narrow the capability gap. Concretely, the X-37B and X-47B programs help the US military to maintain its substantial technological edge in aerospace warfare. The US future capabilities in realizing global strike in two hours will render China's homeland air and missile defenses to be ineffective. The PLA's generational gap with US military will thus further widen, not the other way round as many analysts believe.³³

The combination of a new combat guidance and new capabilities presents a major threat to Chinese national defense in that it is an effective design against and operational response to the PLA's anti-access and area denial (2A/AD) warfare. For instance, US precision strikes against PLA 2A/AD assets, i.e., the command and control hubs, conventional or nuclear missile batteries, information warfare centers, and air and naval bases, will consolidate US air and sea control within the two island-chains in the West Pacific. This would allow US carrier groups to project power in China's near-sea areas relatively freely.³⁴ In short, ASB may worsen an action-reaction oriented arms race between China and America in which the former has been and will continue to be in an inferior position. China's security challenges in this process may worsen before they are relatively eased beyond a period of time in which China's similar weapons systems gradually become operational with

³¹ Andrew Krepinevich, *Why AirSea Battle*, Center for Strategic and Budgetary Assessment, 2010.

³² Ibid

³³ See for instance, *US Department of Defense Annual Report on the PLA to the Congress*.

³⁴ Thomas Mahnken, "China's Anti-Access Strategy in Historical and Theoretical Perspective," *Journal of Strategic Studies*, Vol. 34, No. 3, 2011, pp. 299-323.

continued increase in financial and material inputs.³⁵

PLA response

To the PLA supreme command, the US ASB threat is both grave and realistic but not yet immediate. The ASB pattern of war is capability-based, but key ASB weapons will not be available in the near future. US budgetary austerity will prolong the process in which the ASB is being translated from a theoretical guidance to practical capabilities.³⁶ This leaves breathing time and room for the PLA to seek strategic responses, also through catered capabilities that would deliver asymmetric counter-measures. To risk a level of simplicity, these measures are embedded in two types of MAD (mutually assured destruction) capabilities of nuclear and aerospace, intended to deter US pre-emptive strikes against key Chinese political and military targets at home.

Building a minimum but reliable nuclear retaliatory capability is both for symmetric and asymmetric counter-value purposes. Symmetric is in the sense that without weapons systems that can reach the continental America Pentagon, it will not be constrained to think of ASB application against Chinese homeland assets. Consequently, MAD capability is essential for preventing Sino-US nuclear exchange. On the other hand, in PLA asymmetric nuclear mentality, the effect of US destruction of China is 1,000 times equivalent to that of the Chinese destruction of the US once. Therefore, there is no need for nuclear parity.³⁷ Here the key word is "reliable." Under US overwhelming nuclear superiority and China's own resources constraints, the PLA has to design its nuclear strategy in a way of assuring both reliability of its second strike, and of no excessive investment in expanding its nuclear arsenal.³⁸

³⁵ For instance, China has made rapid progress in developing spaceplane, unmanned aviation vehicles and fifth-generation combat aircraft. See Andrew Erickson, "Shenlong 'Divine Dragon,' Takes Flight: Is China Developing it Spaceplane?" *China Sign Post*, May 4, 2012.

³⁶ Michael Horowitz, "How defense austerity will test US strategy in Asia," *NBR Analysis Brief*, August 7, 2012.

³⁷ Remarks by major general Peng Guangqian. "PLA Generals' View on Sino-U.S. Relations," Phoenix TV, June 29, 2004.

³⁸ On this balance, see You Ji, "Nuclear Power in the Post-Cold War Era: China's Evolving Nuclear Strategy," *Comparative Strategy*, Vol. 18, No. 3, August 1999; and Taylor Fravel and Even Medious, "China's Minimum Nuclear Deterrence," *International Security*, Fall 2009.

The PLA has made visible progress in nuclear sophistication. In the last decades, it has gradually succeeded in transforming its intercontinental nuclear force from silo-launch based to mobile-launch based. Now, the bulk of its new DF-31 and DF-41 missile brigades are operating on railway and highway mobility, and this has substantially improved their survivability in a major nuclear exchange. The PLA's confidence in reacting to US nuclear strike has grown steadily.

Ultimately, survival of China's nuclear force is a number's game and is guaranteed by sea-launched retaliation. In this combination, a truly operational SSNN force may possess about five or six strategic nuclear submarines, each capable of launching 12 Julang-2 ICBMs. If each missile carries three nuclear warheads, the total number of warheads would exceed 200, a number that would guarantee high survivability for China's nuclear force. Yet, there is a protracted R&D and equipping process for 096 Class to become fully operational. In addition, although China's R&D of an indigenous strategic bomber moves ahead rapidly with its long-range transport aircraft program, it still has a long way to go.³⁹ Therefore, the weak air and sea legs of the PLA nuclear force do not make it a reliable triad. Yet given China's powerful R&D capability and its enormously available resources, it is only a matter of time for this triad to materialize, probably in about one decade. By then, it will not only be expensive for the Pentagon to employ ASB warfare against the PRC homeland, but also for US military intervention in regional conflicts.

The employment of a nuclear MAD threat is the last resort for the PLA to deter US strikes against Chinese territory, but it is very costly. Space MAD deterrence is a better option for Beijing for the same purpose. America's overt dependence on space exposes its soft-underbelly. This gives the PLA an opportunity to realize its ultimate intention vis-à-vis US power: to reduce absolute US military superiority against China to one that is relative so that Washington's resolve to contain China would be compromised.⁴⁰ US space dominance is the symbol of its absolute superiority. Yet it is exactly in this domain that US weakness emerges. The PLA space strategy is

³⁹ Yuan-20, the PLA's strategic transport aircraft of 220 tons has concluded laboratory trial and will soon begin air trial. Accessed from the PLA.net., December 27, 2012. The adapted airframe and turbofan engines can be used for its strategic bomber program.

⁴⁰ You Ji, "The Evolution of Beijing's Military Strategy toward Taiwan," in Yufan Hao & Bill K P Chou (eds.), *China's Policies on its Borderlands and the International Relations*, Singapore: World Scientific, 2011, pp. 163-198.

informed by a defensive posture but with an offensive plan: it is easier and cheaper to conduct the star war in way of attack than defense. Also, an aerospace strike is technologically less demanding for a cost-effective result and does not cause human casualties.⁴¹

In a similar mentality, the PLA aerospace doctrine is comparable with its nuclear one. The benchmark for it to contemplate a space action is when China's satellites are attacked, and more seriously, when its homeland is subject to a Kosovo type of direct bombardment, which is viewed as threatening state survival. An aerospace first strike is also a last resort in a hierarchy of possible military reactions to US ASB warfare, which is dependent on space "eyes and ears." To assist an A2/AD operations space strike is easier than to attack carrier battle groups. It may take various forms carefully weighed, from show and threat of force to its actual employment, and from some symbolic attack to paralysis of a large system.⁴² Attacks on China's homeland would remove major psychological and physical taboos for aerospace retaliation, which is regarded more as self-defense than as a pre-emptive strike. Given US refusal in signing any international treaty for peacefully using outer space, space militarization is inevitable, requiring the PLA to possess minimum but reliable retaliatory capabilities.⁴³

In a star war, the PLA does not anticipate survival of its own space assets. However, it follows the same logic in hypothesizing nuclear warfare mentioned earlier. In the near-to-medium future, the PLA seeks space denial from the earth, as it is confident that no pre-emptive strike can eliminate its land-based space-strike means. China can mass-produce Dong Feng rockets capable of space strike at a low cost. Its mini-satellite R&D has made qualitative progress, and once it becomes operational, it can deliver fast deployable ASAT capabilities. Space assets are vulnerable to all powers. Yet their reliance on them is asymmetric. If ASAT warfare occurs, the result is MAD to all parties. The dire consequences, as the PLA hopes, can pursue its adversary not to start the war in the first place, as only the US is qualified to initiate

⁴¹ Yang Xuejun (杨学军) and Zhang Wangxin (张望新), *优势来自空间 论空间战场与空间作战* (Superiority comes from the space: theory of space battle-field and operations), Beijing: National Defense Industry Press, 2005.

⁴² Cai Fengzhen (蔡凤震) and Tian Anping (田安平), *空天一体作战学* (The study of integrated air and space warfare), Beijing: The PLA Publishing House, 2006.

⁴³ This is the view by senior colonel Hu Siyuan, professor of the PLA National Defense University. 长江新闻号 (Daily News Analysis), Hubei Satellite TV, February 25, 2013.

it from a position of strength. From the PLA's perspective, the ASB is integral to star war, as it cannot be pursued without space support. Space war is not fightable, but it remains a cost-effective asymmetric method of combat engagement if China is dragged into such an ASB war. Militarily, the PLA would confine its strike to low earth and geosynchronous satellites that over-fly Chinese skies with a limited goal of denying or weakening its adversary's one-way battle-field transparency against PLA troops. The US space assets that assist C4ISR hubs in ASB operations against China's homeland would be specially targeted. Yet the PLA would carefully weigh the serious consequences of initiating any space actions to prevent massive US retaliation. On the other hand, when such a desire is no long sustainable, it would strike with resolve.⁴⁴

China has prioritized space development in the last three decades with impressive progress in military application. In December 2012 its Beidou GPS system became operational. It delivers effective positioning and terminal guidance capabilities for the PLA. According to Chinese researchers the Beidou system improves the accuracy of PLA short-to-medium range ballistic missiles from 40 meters to five.⁴⁵ China was 30 years behind the US in developing modern combat aircraft and satellites, but it is about two years behind the US in putting a space plane into orbit.⁴⁶ In short the PLA's course in countering US military superiority is clearly and sensibly set. Over time its space power can evolve into a significant counter-weight to US forward deployment in Asia.

Crisis Prevention and Management of Territorial Disputes

When summarizing 2012's Asian security situation, Chinese specialists of regional international affairs named the maritime challenge in East and South China Seas (ESCSs) to be the primary one for China, mainly as a result of sovereignty disputes. They predicted that the challenge would sustain over a long time ahead. In the East

⁴⁴ Yuan Jingwei (袁静伟), *空天一体作战研究* (Research of aerospace operations), Beijing: the PLA National Defense University Press, 2005, p. 134.

⁴⁵ Liu Heping's comments in "直播港澳台" (Direct broadcast to Hong Kong, Macau and Taiwan), *Shenzhen Satellite TV*, December 28, 2012.

⁴⁶ Andre Erickson and Gabe Collins, "Shenlong 'Divine Dragon' Task Flight: Is China Developing its First Spaceplane?" *China Signpost*, No. 58, May 4, 2012; and John Reed, "Closing the Tech Gap: China's Spaceplane," *Defence Tech*, May 14, 2012.

China Sea, for instance, it was impossible for either China or Japan to back down from their territorial positions. As a result, their standoff would become routinized, although mostly in the form of a low intensity rift.⁴⁷ Therefore, how to prevent the ESCS stalemate from evolving into a crisis has been Beijing's top concern in its diplomacy right now. This concern was testified by a new central agency to coordinate all maritime security affairs in China in 2012. The fact that the agency is headed by Xi Jinping shows how seriously the Beijing government regards the ESCS disputes. Given the occasional but continuing standoffs between the disputants that may spark military accidents, the maritime sovereignty challenge is no longer just diplomatic. To Beijing, it has significant components of national security.⁴⁸

2012 was the year China changed its passive style in responding to maritime territorial disputes. It has moved to a pro-active gear in asserting its claims. Xi Jinping has been instrumental in effecting such a change with a one-plus strategy to protect China's core national interests since he took charge of Beijing's foreign affairs in 2012. Generally speaking, this strategy is one of retaliation rather than up the ante in ESCSs disputes.⁴⁹ In the game of envelope pushing, if the initiator move one inch, Beijing would act by moving one-plus. If the initiator makes two inches, Beijing would make it two-plus.

Concretely, China responded to the Philippine navy's arrest of Chinese fishermen in April 2012 with the creation of a semi-permanent presence of patrol in the area that it had not been able to do in the past. When Vietnam promulgated its maritime territorial law in June, Beijing established the Sansha Municipality in charge of South China Sea affairs a few days after, a government office that China formed five years ago but never made it official for fear of escalating Spratly tension.⁵⁰ Now, Beijing seized the opportunity. When Tokyo nationalized Senkaku/Tiaoyu Islands in September 2012, Beijing immediately announced the maritime boundary and base-points around the islands, and carried out relatively routinized patrol of the surrounding waters, again

⁴⁷ “中国周边安全局势面临四大挑战” (The top four security challenges in China's periphery), 中国青年报 (Chinese youth daily), December 28, 2012, p. 1.

⁴⁸ You Ji, “The PLA and Diplomacy: Unrevealing Some Myths about Civil-Military Interaction in Chinese Foreign Policy-Making,” forthcoming *Journal of Contemporary China*, Vol. 23, No. 83, 2014.

⁴⁹ Deputy vice minister Zhang Zhijun's speech to the 8th Blue Hull Forum in Beijing on December 27, 2012.

⁵⁰ Major general Jin Yinan (金一楠), comments in *National Defense Skyline of the Voice of China* (中国之声), August 9, 2012.

something it was unable to do previously. In all these events, China was reactive but its reaction was one step further in pressing sovereignty claims. This level of assertiveness is unprecedented, although implemented in a reactive manner.

The question for Beijing is what alternative it has versus the changed rules of the game. Washington made itself a key stakeholder of the ESCS disputes through shifting from its previous position of ambiguity to that of partial clarity, e.g., supporting ASEAN claimants' call for a collective approach vis-à-vis China, basing resolution on international law, and extending the coverage of US-Japan defence treaty to Senkaku/Diaoyu in more clear terms. In the South China Sea, Washington as a key setter of the new rules emboldened some ASEAN states in facing up to Chinese assertive responses, and thus made the Spratly dispute fully internationalized and multi-national.⁵¹ Now, the focus of dispute is less on islands than on waters where resources exploration leads to the erection of permanent features and results in de facto control of areas in dispute. In turn, de facto control can be translated into legal possession. China's worry is that under the circumstance, it would practically lose its claim. In addition law reinforcement by some countries has been stepped up with naval involvement, and thus hardened their sovereignty claims. This evolution puts Beijing under huge nationalist pressure at home. If this trend deepens, use of force would eventually become inevitable, which undermines China's re-rise. Therefore, if the reactive assertiveness could pre-empt other claimants' further action, especially naval action, it would be a cost-effective way of crisis management, saving actual military action in the end, although the price for such assertiveness is high and hurts China's charming diplomacy.⁵² This charming diplomacy is a pre-condition for Beijing's success in persuading ASEAN to adopt a China policy based on cooperation, rather than balance of power in the last decade. It now risks collapse, as seen from ASEAN's strong reaction to Beijing's relentless pressure on Cambodia in July 2012 to omit mentioning the Spratly issue in the communiqué of the annual ASEAN summit meeting. On the surface, it may give people an impression of Chinese gains but strategically it undermined Beijing's long-term relations with Southeast Asia.⁵³

⁵¹ This is key part of Clinton's "Asian pivot" strategy announced in ASEAN+6 meetings in Hanoi in July 2010. Subsequently she reiterated many times that the US had crucial interests in the SCS.

⁵² Joshua Kurlantzick, *Charming Offensive: How China's Soft Power Is Transforming the World*, New York: Yale University Press, 2007, pp. 129-132.

⁵³ Even Beijing's ASEAN specialists cast doubt of such a "gain." They believed that the price paid was so high that it was not worth it.

On the other hand, Beijing's "One-plus strategy" differs an irredentist policy. It entails no plan to take the disputed islands by force. In fact short of ejection of other claimants from their occupied islands by force, ESCS disputes remain tactical and largely free of military confrontation. This is why China does not see the probability of any sizeable armed rifts in the ESCSs if it does not make such a move itself, despite the on-going stand-off there. In fact under tremendous US pressure and domestic difficulty, what Beijing really hopes to see in the ESCS is restoration of the status quo of the period between 2001 and 2009. The status quo in the ESCSs is essential to China's "strategic opportunity period" which is conditioned on a period of no war for China's re-rise. If nobody stirs the boat, ESCS dispute remains low in Beijing's diplomatic priority.⁵⁴

If US re-balancing acts over ESCS disputes help some states affirm their stance on territorial claims, China has toughened its reaction under domestic pressure. The nature of conflict has changed and risen to a strategic height when the linkage between the sovereignty game and domestic politics leaves little room for compromise. Under the diplomacy of ambiguity, the territorial disputes can be shelved for other practical benefits, such as trade and investment. Now, the sovereignty issues are core national interests, defined by domestic politics. Occasional standoffs are only a natural outcome, but magnify the danger of accidental fire. One irresponsible act by an irresponsible ship captain in a maritime faceoff may inflict irreversible damage onto the whole efforts by concerned parties to ease tensions.⁵⁵ This has been the primary concern in Beijing's play of hard-ball. Its official assessment of Asian maritime security in the years ahead warns that some armed rift with Japan should not be excluded.⁵⁶

Beijing's rationality behind the "One-plus strategy" is that in-between US support of other claimants as a way to constrain China and US reluctance to confront China

⁵⁴ You Ji, "China's Response to the Deadly Triangle: Arms Race, Territorial Disputes and Energy Security," *CLAWS Journal*, Summer 2010, pp. 35-52; also major general Zhu Chenghou's speech to the *International Forum on the South China Sea Dispute*, organized by Asian Society and National University of Singapore, New York City, March 14-15, 2013.

⁵⁵ According to Professor Li Mingjiang of the RSIS, the Nanyang University of Technology, both Chinese and Filipino captains in the Spratly standoff in April 2012 acted according to their personal judgment of the circumstances rather than following orders from above. His talk to the conference "The Domestic Sources of Chinese Foreign Policy," Singapore, October 15, 2012.

⁵⁶ The Chinese Academy of Social Science, (ed.) *Global Political and Security Report*, p. 125.

militarily, China has much larger room for manoeuvring than other disputants. Indeed China has achieved gains in the ESCSs through a measure of assertiveness and got away with it, testifying the meaning of “China is a major power” —the words foreign minister Yang Jiechi told ASEAN counterparts in July 2010.

Even so, Beijing knows that its best interests are served by not crossing certain red lines in exercising assertiveness. Primarily, Beijing is keenly conscious about the danger of militarizing tension that would draw decisive US intervention. This is the reason why China has not used its navy in meeting the maritime challenges. So far, it follows a formula of “the civilian law reinforcement holding the first line of defence and the navy is behind.”⁵⁷ In the East China Sea, Beijing has restrained itself in sending large numbers of fishing boats to the Senkaku/Tiaoou areas lest uncontrollable tension escalation. It did mobilize a number of these ships near the areas in October 2012 but cancelled the game. Xi’s new government ignored pressure by nationalist strategists to dispatch PLA aircraft to escort civilian planes to the island areas because this would escalate tension to a military level, something Beijing does not want to see happen.⁵⁸ Xi vetoed advice to target Japanese economic interests in China as a way of forcing Tokyo to retrieve the purchase action. There is basic mutual understanding to control the standoff within certain limits. For instance, Tokyo has not taken action to expel Chinese surveillance ships coming near the Senkaku/Tiaoou areas.

Secondly, firm counter-measures notwithstanding, Beijing’s ESCS policy is still oriented toward crisis prevention and management. The calculated assertiveness serves a number of purposes: primarily for domestic consumption, for pre-empting further moves by other disputants, and for leaving space for political negotiations with them in order to restore the status quo in the area. Regional diplomats have observed that both China and ASEAN claimants have realized that they had stretched

⁵⁷ Major general Xu Yan, “Several decades of Sino-Pilipino disputes in the South China Sea,” *Study Times* (学习时报), May 21, 2012

⁵⁸ PLA aircraft enters Japan’s Air Defense Identification Zone once in a while. The latest happened on January 10, 2013. Western analysts see this as a turn for the situation to get worse. Michael Cole, “Japan, China Scramble military jet in the East China Sea,” *The Diplomat*, January 11, 2013. PLA analysts argued that the entry was meant to respond to Japan’s talk of firing warning shots against Chinese surveillance planes and its tailing of PLA warships at a close range when the ships go through the narrow passes near Japan’s island. It is also what the PLA learns Russians’ attitudes to the idea of ADIZ. They uphold that the aircraft entry into the ADIZ is not a change in Beijing’s non-use-force Senkaku/Diaoou policy. Such behavior only demonstrates “an attitude” and does not happen too often. I tend to agree to such characterization but worry if this becomes routinized.

their actions further than necessary and sought ways to retreat.⁵⁹ The coming to power by Abe and Xi opened a window of opportunity to foster a middle ground for strategic communications, a middle ground that exists and Beijing defines as the three-No assumption: no inhabitation in the islands, no resource exploration in the surrounding waters without prior mutual agreement, and no militarization of the disputes (naval deployment in the islands). This was in congruence with the DPJ purchasing guidance, and is not in visible conflict with the policy of LDP government today. Although not much progress has been made so far, the mutual will and intention is there to guide the action that takes time. If such mid-ground can be materialized into some mutual understanding, in written form as the Chinese prefers, room would be enlarged for negotiations for Chinese surveillance ships to enter the Senkaku/Diaoyu areas in frequencies proportional to Japan's island nationalization. This may pave way for a mutually acceptable acquiescence based on the 1972 bilateral mechanism. The Chinese have left such hope and space open. Yet Xi has to solicit PLA support for his early power consolidation, which is his priority at the moment. It is not clear whether allowing PLA aircraft to enter the ADIZ in January 2013 was his own idea or his acceptance of a PLA request. Either way, this tests his ability to coordinate PLA demand for toughening China's territorial position on the one hand and pursuits of rational diplomacy to cool the dispute on the other, which is a strategic question to be followed up on.

In the SCS, Beijing has long and reluctantly accepted the fact that the Spratly disputes have been internationalized. This is an important fact upon which Beijing signed the Sino-ASEAN Declaration of Conduct in 2002 and currently negotiates the document of Code of Conduct (CoC). If sovereignty disputes can be shelved following the status quo principle and politics of ambiguity, it is not impossible for an abiding CoC to be arrived as a mechanism for crisis prevention, which is surely not satisfactory to all, but acceptable to them at a minimum level. International think-tanks can help the disputants to design an acceptable plan for dividing the benefits of resources extraction.⁶⁰ There are certainly obstacles for this to materialize, and the most serious one for the time being is continued standoffs in the ESCS, like one

⁵⁹ Oral information from senior Singapore diplomats in Singapore, October 2012.

⁶⁰ There is an international consensus that Spratly disputes could not be resolved legally as so much is at stake for all parties. The only way to prevent tension escalation is to shelve the disputes and manage conflicts. Australian foreign minister Bob Carr's keynote speech to CSIS, March 22, 2013, Washington D.C.

between China and Philippines in April 2012. To avoid such incidents, it is necessary for every party to discipline the people in charge of front-line law reinforcement at the spot. In April 2012 both the Chinese captain and the Filipino commander were much on their own to cause the standoff.⁶¹ The disputants need also to avoid doing things that could evolve into standoffs, such as arrests of people or unilateral exploration of resources in disputed areas. It is important to point out that the Hainan Provincial Law to protect Chinese maritime interests does not cover the Spratly areas where China has not promulgated maritime basic boundary and points.⁶²

Eventually, however, un-institutionalized crisis management is not good enough to ease existing stalemates. The security hazards lie in the fact that concerned parties try to test their opponents' bottom-line in the form of envelope-pushing. In doing so, they may cross the red-line without knowing it.⁶³ The mentality of relative gains has been allowed to influence political leaders for too long, and the longer the conflict lingers, the more difficult it would be managed. The change of guard in Beijing and Tokyo dose present opportunities for the two countries to work out necessary concessions, probably on the basis of the 1972 mechanism of acquiescence as suggested by Professor Akio Takahara of Tokyo University. After all, the two countries are close neighbours and share vital international responsibilities of economic leadership and peace-making. They must endeavour to find a soft-land solution or an exit for their current impasse.

Concluding Remarks

This paper prints a relatively gloomy picture of the security situation in East Asia where major power rivalry has reached an intense stage amidst deepening territorial disputes. At the core of this negative developmental trend is mounting Sino-US rivalry in Asia, although America is on an offensive with a re-balancing strategy. If they cannot formulate strategies to accommodate their structural differences, Sino-US relations will remain tense, making all regional states nervous. This has been

⁶¹ Professor Li Mingjiang's speech to an international conference at RSIS, the Nanyang University of Technology, November 15, 2012.

⁶² Rear Admiral Zhang Zhaozhong's comments in *Focus in the News Today*, China Central TV-4, November 25, 2012.

⁶³ Rear admiral Yin Zhou's comments in *Focus in the News Today*, China Central TV-4, January 10, 2013.

Beijing's primary security concern, as US pivot to Asia continues to squeeze China's strategic space in the region. In a way, Washington's identification of China as a peer competitor will increase the risk of confrontation in the years ahead.⁶⁴

On the other hand, in protecting its core national interests, China does enjoy critical breathing time and space for manoeuvring. The US also realizes that any armed confrontation with China would be disastrous to both of them and regional stability. Therefore, Washington has to work out a delicate balance between pressurizing China and not doing it in an excessive way.⁶⁵ As far as Chinese strategists see it, America's goal in East Asia is to pursue a level of controllable tension. Some tension between China and regional states due to territorial disputes is desirable to constrain China and highlight regional security dependence on the US. Yet, if tension gets out of hand, it may drag US troops into an unnecessary battle with another nuclear power over something that is not vital to US interests. This is not what Washington hopes to see. In addition, US leadership is about consolidating Asian stability, but intensified pressure on China would stimulate strong Chinese response, which would undermine regional stability. This is not only at odds with key US interests, but would also arouse worries of regional states, especially those without territorial disputes with China. Under such rationality, Beijing is confident that it has enough room to exercise reactive assertiveness vis-à-vis envelope-pushing by other claimants in the ESCS, although it is also very careful not to over-react to its disadvantage. This subtle game will continue to play out in the years ahead with chances of accidental armed flashes, which is another top security concern of Beijing. Yet without ejecting other disputants from their occupied islands by force, the standoff in surrounding waters would be basically tactical rather than strategic, as they would unlikely trigger a large armed confrontation. Then, concerned parties will be compelled to find ways for crisis prevention first, followed by construction of a more durable stability mechanism.

The impact of the above mentioned power politics on the defence sector is grave and worsening. A resultant arms race is deepening with the effect of the "deadly triangle." Resources, growth, and territorial disputes reinforce each other to generate

⁶⁴ "Sino-US risk will worsen in the next five years," *Global Times*, November 23, 2012.

⁶⁵ *RAND Report: US President Can Maintain US-China Peace through Dedicatè Deterrence*, RAND, November 6, 2012.

pressure on every party not to retreat from their claims.⁶⁶ Therefore, in responding to a new round of arms build-up and power shift, the US is operationalizing its military re-posturing and re-deployment in Asia in the form of AirSea Battle with China as its potential target. China has then stepped up its combat readiness for anti-access and area-denial warfare in its near seas area. Gradually, this bilateral action-reaction-driven power rivalry will be further radiated outward over time. Other countries in the region have no choice but to follow this trend. The deadly triangle will cycle in an upward spiral to the worry of all in Asia.⁶⁷ Yet unfortunately, everyone has to face up to this security reality.

⁶⁶ Kent Calder, *Asia's Deadly Triangle-How Arms, Energy and Growth Threaten to Destabilise Asia Pacific*, London: Nicholas Brealey Publishing, 1996.

⁶⁷ You Ji, "China's Response to the Deadly Triangle: Arms Race, Territorial Disputes and Energy Security," *CLAWS Journal*, Summer 2010.