## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>iii</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>iv</td>
</tr>
<tr>
<td>Acronyms and Abbreviations</td>
<td>vi</td>
</tr>
<tr>
<td><strong>Introduction</strong></td>
<td></td>
</tr>
<tr>
<td>China’s New Assertiveness</td>
<td>2</td>
</tr>
<tr>
<td>Possibility of Crisis Management with China</td>
<td>3</td>
</tr>
<tr>
<td><strong>China’s External Crisis Management System</strong></td>
<td></td>
</tr>
<tr>
<td>Centralized Decision-Making in a Pluralistic Society</td>
<td>6</td>
</tr>
<tr>
<td>From Leading Small Groups to State Security Committee</td>
<td>9</td>
</tr>
<tr>
<td>Toward a Unified Coast Guard Command</td>
<td>12</td>
</tr>
<tr>
<td><strong>China’s Concept of Crisis Management</strong></td>
<td></td>
</tr>
<tr>
<td>Crisis Management to China</td>
<td>16</td>
</tr>
<tr>
<td>Chasing Conflicting Targets</td>
<td>18</td>
</tr>
<tr>
<td>Politics of Crisis Management</td>
<td>21</td>
</tr>
<tr>
<td><strong>Chinese Foreign Policy Crisis Behavior</strong></td>
<td></td>
</tr>
<tr>
<td>The 2001 EP-3 Incident</td>
<td>26</td>
</tr>
<tr>
<td>Toward Accident Prevention</td>
<td>29</td>
</tr>
<tr>
<td><strong>Conclusions</strong></td>
<td>36</td>
</tr>
</tbody>
</table>

**Column**  The Role of Chinese Think Tanks in Foreign and Security Policy Making  8
**Column**  The Fire-control Radar-lock by a PLAN Vessel  38
Preface

Distributed widely in Japan and overseas, the *NIDS China Security Report* analyzes China’s security policy and military trends from the mid- to long-term perspective. From the inaugural issue released in April 2011, a series of reports has attracted keen interest from Japanese and overseas research institutions and the media and provided increasing opportunities for dialogue with experts and research institutions based on the analysis in the reports. We hope to continue to make a contribution to facilitating policy discussions concerning China in Japan and other countries, and to broadening opportunities for dialogue, exchange, and cooperation in the field of security and defense between Japan and China.

This fourth issue focuses on crisis management in China. The report begins with an overview of the Chinese mechanisms for decision-making and execution for international crisis management and shows how Beijing regards unified decision-making as important. Reviewing some research on Chinese crisis management, the report considers Beijing’s intellectual process and concepts that lie behind deciding their behavior in crises. Then the study analyzes how Beijing is preparing to prevent the occurrence of external crises and how they react to an actual crisis, with a particular focus on Sino-U.S. relations as a case. This report carried out analysis with reference to open source resources, including media reports and research materials. The authors would like to thank a number of scholars from many countries and regions including China for sharing their views and valuable insights.

The views expressed herein are those of the authors and do not necessarily represent those of the Ministry of Defense or the Government of Japan. This report was authored by Masayuki Masuda, Yasuyuki Sugiura and Shinji Yamaguchi. Editorial work was conducted by Yoshiaki Sakaguchi (editor-in-chief), Akihiro Ohama, Shuji Sue, Naoki Tohmi, Masayuki Masuda, Rira Monma and Akira Watanabe.

January 2014

*NIDS China Security Report* Task Force
National Institute for Defense Studies, Japan
Executive Summary

China’s External Crisis Management System

As a diversifying society has emerged in China, state-owned enterprises, local governments, think tanks, and public opinion have become important actors that can influence Beijing’s foreign and security policies, along with the Communist Party of China (CPC), the government and the People’s Liberation Army (PLA). Nonetheless, this does not mean the decentralization of decision-making authority. The decision-making for important issues is exclusively made by the CPC Politburo Standing Committee. The collective leadership system at the Standing Committee, however, might impede swift decision-making. The PLA has no official authority to directly take part in decision-making at the Politburo Standing Committee, whereas does influence it through providing information and policy recommendations. The leading small groups are in charge of providing information and recommendations, and coordination and formation of policies under the leadership of the Politburo Standing Committee. The authority of the groups relies on the status and responsibility of the political leader who concurrently heads the Party, the state and the military. China’s maritime law enforcement agencies were merged into the State Oceanic Administration/the China Coast Guard in June 2013. However, its organization structure is complicated and the internal relationship of the agents remains unclear. Almost nothing is currently clear about the State Oceanic Commission as the policy coordination body and about the Leading Small Group on the Protection of Maritime Interests reportedly established in the latter half of 2012.

Concept of Crisis Management to China

China’s crisis management aims at preventing an escalation while maximizing its national interests. Three sets of characteristics can be found in the Beijing’s crisis management: adherence to principles and flexibility at the same time; the pursuit of self-righteousness and initiatives; and the primacy of political decision. First, Beijing stands firm on issues related to their principles such as sovereignty and territorial integrity and hardly anything is compromised. However, China often behaves in a relatively flexible manner, unless these principles are breached. Second, Beijing tries to keep the appearance that the opponent, not China, is always wrong in a crisis, while taking the initiative in its actual conduct. Third, Beijing strives to properly use military, diplomatic and economic tools during a crisis. In addition, the primacy of politics is established in Beijing’s crisis management concept; therefore, political decisions are very important in realizing these characteristics.
Chinese Foreign Policy Crisis Behavior

The handling of the 2001 EP-3 incident is regarded in China as one of the most successful cases in Chinese crisis management. Beijing consistently stuck to the principle that the U.S. side should bear full responsibility and make apologies, and to maintaining China’s legitimacy, while Beijing was flexible in its actual behavior. Nevertheless, not only top leaders but also working sections could not properly communicate with each other in the immediate aftermath of the incident. Thus, how to establish and ensure an emergency communication mechanism is an issue to be addressed in crisis management with China. Washington and Beijing have discussed safety standards and procedures for military activities in peace time in the framework of Military Maritime Consultative Agreement (MMCA). However, Beijing has been focusing on restricting U.S. military operations in its own Exclusive Economic Zone (EEZ) in MMCA meetings. In addition, the shift of responsibility from PLA Navy (PLAN) to maritime law enforcement agencies in order to conduct disruptive actions against foreign military activities in the waters close to China gives rise to a new challenge for regional countries including Japan as well as the United States; namely, how to approach China’s maritime law enforcement agencies and move towards sharing safety standards with them?
Acronyms and Abbreviations

BCD  Border Control Department
CBMs  confidence building measures
CCG  China Coast Guard
CFIS  China Foundation for International and Strategic Studies
CICIR  China Institute of Contemporary International Relations
CMC  Central Military Commission
CMS  China Maritime Surveillance
CPC  Communist Party of China
CUES  Code for Unalerted Encounters at Sea
EEZ  Exclusive Economic Zone
FALG  Foreign Affairs Leading Small Group
FLEC  Fisheries Law Enforcement Command
GAC  General Administration of Customs
GSD  General Staff Department
IISS  International Institute for Strategic Studies
INCSEA  Incidents at Sea Agreement
JMSDF  Japan Maritime Self-Defense Force
KMT  Chinese Kuomintang
MMCA  Military Maritime Consultative Agreement
MSA  Maritime Safety Administration
NATO  North Atlantic Treaty Organization
NDRC  National Development and Reform Commission
NPC  National People’s Congress
NSC  National Security Council
NSLD  National Security Leading Small Group
PLA  People’s Liberation Army
PLAN  People’s Liberation Army Navy
PRC  People’s Republic of China
SAREX  Search and Rescue Exercise
SARS  Severe Acute Respiratory Syndrome
SMS  Special Mission Ships
SOA  State Oceanic Administration
UNCLOS  United Nations Convention on the Laws of the Seas
UNSC  United Nations Security Council
WPNS  Western Pacific Naval Symposium
WTO  World Trade Organization
Introduction

China’s New Assertiveness
Possibility of Crisis Management with China
China’s New Assertiveness

Based on Deng Xiaoping’s strategic concept of “Taoguang Yanghui (hide capabilities and bide time)” Chinese leaders have become increasingly cognizant of the need to maintain a sound international environment. This concept aims at the gradual increase of China’s comprehensive national power while avoiding direct conflicts with other major powers. The idea of “the path of peaceful development” that China has proclaimed has also been regarded as consistent with this policy direction.

Beijing, however, has become increasingly assertive about national interest from the end of the 2000s against the backdrop of changes in the global power balance favorable to the country. As the global financial crisis became evident in late 2008, Chinese leadership, diplomatic authorities and the People’s Liberation Army (PLA) have been bolstering claims, since 2009 in particular, on China’s “core interests” with little room for compromise, and demanding with a stronger tone that other countries should “respect through concrete actions” China’s core interests (italic is a new expression frequently used since 2009).

In 2007, the Chinese government decided to initiate regular patrols in the South China Sea by the then China Maritime Surveillance (CMS) of the State Oceanic Administration (SOA) under the banner of “rights protection” (weiquan). In addition, for the protection of Chinese fishing vessels and personnel in the South China Sea, the Fisheries Law Enforcement Command (FLEC), an organ of the Fisheries Management Bureau under the Ministry of Agriculture, has also enhanced its “rights protection” activities. Since 2009, it has been frequently reported that under these “rights protection” activities, Beijing has taken aggressive actions against the vessels of other countries in disputes.

One of the recent examples is the two-month long (from April to June 2012) confrontation between government vessels of China and the Philippines over the disputed Scarborough Shoal (Huangyan Island) which both countries claim their jurisdiction. Beijing intensified diplomatic, economic and military pressure on Manila. Furthermore, Chinese government vessels remained in and around the shoal and Chinese fishing boats continued operation even after the Philippine government ships retreated from the shoal in June. This effectively means China’s new occupation of the islands, while the Chinese government said it was an action of “keeping effective jurisdiction” over the islands.

This new assertiveness might increase the possibility of some crises arising between China and other nations in this region. At the 12th International Institute for Strategic Studies (IISS) Asia Security Summit (Shangri-La Dialogue) in May 2013, Nguyen Tan Dung, the prime minister of Vietnam, while avoiding naming China, remarked “Somewhere in the region, there have emerged preferences for unilateral might, groundless claims, and actions that run counter to international law and stem from imposition and power politics.”

Japan’s national defense whitepaper Defense of Japan 2013, released in July 2013, states “In regard to the issues on conflicting interests with its surrounding countries, including Japan, China has attempted to change the status quo by force based on its own assertion, which is incompatible with the existing order of international law. The attempts have been criticized as assertive and include risk-related behavior that could cause contingencies. Thus, there is concern over its future direction. ” In other words, for countries in this region, the way they deal with actual or potential crises involving China is an important challenge of their national security.
Possibility of Crisis Management with China

These threat perceptions and possible responses of the regional countries mean a deterioration of security environment for China as well. For instance, Yu Hongjun, Vice Minister of the International Department of the Communist Party of China (CPC) Central Committee, clearly pointed out security concerns for China: the issues in the South China Sea; the discord between Japan and China over the Senkaku Islands; the “re-balance” of the U.S. to Asia Pacific region. Based on this understanding, there are some arguments that crisis management is a critical matter for China as other countries. When it comes to Sino-American relations, Chinese President Xi Jinping stated “the two sides need to find a new way to manage their difference.” He also mentioned that China should “seek effective methods for appropriately controlling and resolving the issue” of the discord between Tokyo and Beijing over the Senkaku Islands. Moreover, Chinese Premier Li Keqiang announced “the two sides should control and settle their differences in the South China Sea.” As a result of these statements of the leadership, Chinese scholars have begun to discuss the way of crisis management in these types of situations.

Nevertheless, despite China’s change, international society, neighboring countries in particular, regard China’s actions as being quite inconsistent. China sometimes stands firm against other countries and even undertakes dangerous actions with the PLA, while at other times (or same time) it shows a fairly moderate attitude. For example, while maritime law enforcement agencies behave provocatively in the South China Sea, diplomatic authorities emphasize the importance of a “sound international environment” and a “win-win relationship.” These contradictory posture of China force neighboring countries to question whether and how they can manage a crisis with China.

Why does China take these contradictory approaches, a harsh and flexible stance simultaneously when it faces actual or looming crises against other countries? One possible explanation is the loss of effective control by the CPC leader over actors in terms of China’s foreign- and security- policy-making process and their implementation; the contradictions and inconsistency in Beijing’s external behavior might be interpreted as a result of lack of governance. If this is the right explanation, the problem is the ability of the Party to control each policy-execution body, and it must be taken into consideration in order to manage crisis situations with China. Therefore, first and foremost, analysis of the Chinese systems and mechanisms for decision-making or coordination is necessary.

On the other hand, the explanation that the external actions conceived by China already include some contradictory factors and features is also feasible. According to this explanation, China maximizes its profit through wielding an uncompromising attitude or a calm attitude according to the situation at the time. Of course, this hypothesis could be considered correct only on the assumption that China’s policy-making is highly centralized to the top leaders of the Party. To prove the validity of the hypothesis, one must examine fundamental questions such as what is a crisis for China and what action China considers rational.

In this report, we argue that the latter hypothesis is to the point in comparison with the former. NIDS China Security Report 2012, released in December 2012, stressed that while the number of actors involved in the decision-making process is increasing, final decisions regarding important policy issues are made by the Party’s leadership, especially the CPC Politburo Standing Committee. That is, China’s external behavior is basically controlled by the Party leadership; contradictory factors in China’s actions reflect to a considerable degree the intentions of the party leaders.

These Chinese domestic mechanism and dynamics of policy making are important not only for analyses of China’s behavior in an external crisis but also, in a broader sense, for considering Chinese strategic direction. The international community pays close attention to how China exercises its growing power and influence in dealing with conflict or dispute. Neighboring countries in particular are concerned about whether this ever-more assertive country is abandoning the strategic concept of “Taoguang Yanghui” or its recent behavior is basically just a response to crises and there is no
fundamental change in its strategy. Analyses of China’s behavior in crises will offer some insights to help understand its strategic trends in a larger context.

*NIDS China Security Report 2013* first outlines China’s domestic mechanism to deal with external crises, and shows that its systems and mechanisms for decision-making are centered on the party leadership. The report then attempts to ascertain the features of China’s crisis management concepts by reviewing research in China to reveal its paradigm as a prerequisite to deal with international crises. Based on the findings, the report offers case studies on China’s responses to crises, including, the 2001 EP-3 incident and the U.S.-China Military Maritime Consultative Agreement (MMCA) mechanism.
China’s External Crisis Management System

Centralized Decision-Making in a Pluralistic Society
From Leading Small Groups to State Security Committee
Toward a Unified Coast Guard Command
Centralized Decision-Making in a Pluralistic Society

The People’s Republic of China (PRC) has maintained a one party ruling system under the Communist Party of China (CPC) since the PRC’s foundation in October 1949. The Constitution of the PRC explicitly stipulates that nation building must be conducted “under the leadership of the CPC.” Meanwhile, pluralistic society has, to some extent, emerged in China as a result of the economic growth associated with the “Reform and Opening Up” policy, the participation to the international economic system, highlighted by the membership of the World Trade Organization (WTO) and the development of communication tools such as the Internet. As such, this change has influenced Chinese foreign and security policies.

Currently, the highest decision-making authority is centralized to the Central Committee of the CPC, in particular the Politburo Standing Committee; however, it is believed that the number of actors who can influence the leadership’s decisions is increasing more than ever before. These actors can be divided into two types: ones who are officially authorized to engage in decision-making, and those who are unofficially engaging.

The former type includes: (1) agencies under the direct control of the Party, such as the Policy Research Office, the General Office of the CPC, the International Department of the CPC, and the Propaganda Department of the CPC; (2) the State Council’s agencies, for instance the Ministry of Foreign Affairs, the Ministry of State Security, and the Xinhua News Agency; and (3) the People’s Liberation Army (PLA). These agencies are traditional actors in the Chinese foreign and security policy, and they engage in the decision-making process through the provision of information and policy recommendations via official channels of each agency.

The latter type of actors are: (1) Chinese experts and think tanks; (2) state-owned enterprises including huge defense companies; (3) local governments; and (4) the public opinion and debates on the Internet. These actors are relatively new, gaining influence on the policies with the growing pluralistic society. Little has been known about the route through which these actors communicate their interests or expectations to decision-makers. In particular, it is difficult to demonstrate to what extent Chinese public opinion, heavily tinged with nationalism, influences foreign and security policy. Chinese leadership and diplomatic authorities admit, however, that public opinion is influential in its foreign and security policy.

This strong influence can also be observed in the crisis management process. For example, faced with the unintentional bombing of China’s Embassy in Belgrade by the U.S.-led NATO forces in May 1999 and the EP-3 collision incident in April 2001, the leadership of the CPC sought for the normalization of diplomatic relations between China and the United States, while giving due consideration to public opinion in both cases. Domestic factors have increasingly become constraining regarding decision-making in external crisis management policies by the current Chinese leadership.

Nevertheless, the increase in the number of influential actors involved in the foreign and security policies along with the diversification of society does not mean the decentralization of authority of decision-making. The decision-making for important issues is exclusively made by the Politburo Standing Committee of the CPC, consisting of 7 members, and by the Politburo of the CPC, consisting of 25 members (including 7 members of the Politburo Centralized Decision-Making in a Pluralistic Society

The People’s Republic of China (PRC) has maintained a one party ruling system under the Communist Party of China (CPC) since the PRC’s foundation in October 1949. The Constitution of the PRC explicitly stipulates that nation building must be conducted “under the leadership of the CPC.” Meanwhile, pluralistic society has, to some extent, emerged in China as a result of the economic growth associated with the “Reform and Opening Up” policy, the participation to the international economic system, highlighted by the membership of the World Trade Organization (WTO) and the development of communication tools such as the Internet. As such, this change has influenced Chinese foreign and security policies.

Currently, the highest decision-making authority is centralized to the Central Committee of the CPC, in particular the Politburo Standing Committee; however, it is believed that the number of actors who can influence the leadership’s decisions is increasing more than ever before. These actors can be divided into two types: ones who are officially authorized to engage in decision-making, and those who are unofficially engaging.

The former type includes: (1) agencies under the direct control of the Party, such as the Policy Research Office, the General Office of the CPC, the International Department of the CPC, and the Propaganda Department of the CPC; (2) the State Council’s agencies, for instance the Ministry of Foreign Affairs, the Ministry of State Security, and the Xinhua News Agency; and (3) the People’s Liberation Army (PLA). These agencies are traditional actors in the Chinese foreign and security policy, and they engage in the decision-making process through the provision of information and policy recommendations via official channels of each agency.

The latter type of actors are: (1) Chinese experts and think tanks; (2) state-owned enterprises including huge defense companies; (3) local governments; and (4) the public opinion and debates on the Internet. These actors are relatively new, gaining influence on the policies with the growing pluralistic society. Little has been known about the route through which these actors communicate their interests or expectations to decision-makers. In particular, it is difficult to demonstrate to what extent Chinese public opinion, heavily tinged with nationalism, influences foreign and security policy. Chinese leadership and diplomatic authorities admit, however, that public opinion is influential in its foreign and security policy.

This strong influence can also be observed in the crisis management process. For example, faced with the unintentional bombing of China’s Embassy in Belgrade by the U.S.-led NATO forces in May 1999 and the EP-3 collision incident in April 2001, the leadership of the CPC sought for the normalization of diplomatic relations between China and the United States, while giving due consideration to public opinion in both cases. Domestic factors have increasingly become constraining regarding decision-making in external crisis management policies by the current Chinese leadership.

Nevertheless, the increase in the number of influential actors involved in the foreign and security policies along with the diversification of society does not mean the decentralization of authority of decision-making. The decision-making for important issues is exclusively made by the Politburo Standing Committee of the CPC, consisting of 7 members, and by the Politburo of the CPC, consisting of 25 members (including 7 members of the Politburo
Standing Committee). Among others, it is not the Politburo, but the Politburo Standing Committee which seems to retain the highest authority for decision-making on foreign and security policies. The Politburo Standing Committee holds expanded meetings as needed to build consensus among leaders. In this way, although the society becomes pluralistic, decision-making on critical issues is as centralized as ever.

That said, currently, there is no overwhelmingly charismatic leader like Mao Zedong or Deng Xiaoping among the seven members of the Politburo Standing Committee. Therefore, in the Politburo as well as the Politburo Standing Committee, decisions on important issues are made under the collective leadership system. This collective leadership system in the Politburo Standing Committee is characterized by such mechanisms as “the collective mechanism with divided responsibilities among individuals,” “the group study mechanism” and “the collective decision-making mechanism.” As a matter of fact, each member of the Standing Committee also serves as the highest executive in important organizations including the Central Committee of the CPC, National People’s Congress, State Council of China, Chinese People’s Political Consultative Conference, Central Military Commission (CMC), Central Commission for Discipline Inspection of the CPC, and the CPC Propaganda Department, based on a collective mechanism with the division of responsibilities among individuals. Each member of the Standing Committee brings and discusses views and information of the organization of which they are in charge, and they make a consensus and a unified decision.

Through the group study mechanism, each member of the Standing Committee tries to understand other members’ views on important issues to smoothly reach a consensus with each other. The solidarity and coherence of the Central Committee of the CPC is emphasized in the collective decision-making. Even if there is a disagreement within the members of the Standing Committee, it will never be revealed to the outside. The leadership of the Party stresses the solidarity of the Central Committee and the unified decision-making, under the principle that the minority follows the majority. Fragmentation within the leadership of the Central Committee must be avoided.

This strict collective leadership system, however, might impede quick decision-making to manage an international crisis. For example, in the 2001 EP-3 aircraft collision, the PLA reported to the Standing Committee immediately after the incident, whereas no quick instructions were given for the branches concerned. This is because of the absence of all the members of the Standing Committee and the committee did not delegate authority in anticipation of such accidents to other specific senior officials. On the other hand, in the area of foreign and defense policies, the Standing Committee members are said to be inclined to follow the opinion of the paramount leader who serves as the General Secretary of the CPC, President of the PRC and Chairman of the CMC.

For instance it seemed that Hu Jintao himself drafted the paper expressing China’s official position toward North Korea’s nuclear test in October 2006 since no other members of the Politburo Standing Committee wanted to bear the final responsibility of the matter. In wartime, under the guidance of the paramount leader who also serves as the General Secretary of the CPC, President of PRC and Chairman of the CMC, the CMC will take direct responsibility for military operations while reporting to the Politburo Standing Committee as needed. As of December 2013, Xi Jinping, as the General Secretary of the Party, President of the PRC and Chairman of the CMC, is taking the central role in decision-making process of the Politburo Standing Committee for foreign and security policy.

Meanwhile, the PLA does not have a member in the Politburo Standing Committee of Xi Jinping’s regime as was the case in Hu Jintao’s regime; the PLA has no official authority to directly take part in important decision-making process at the highest level in the Party. Moreover, General Fan Changlong and General Xu Qiliang, the Vice Chairmen of the CMC, are the only two who can represent the PLA among the 25 members of the Central Committee at the Politburo of the CPC. In this sense, the PLA does not hold a superior position against political leaders who represent party organizations or government agencies. Thus, it is likely that the PLA’s direct influence on the decision-making process itself for external crisis management
The Role of Chinese Think Tanks in Foreign and Security Policy Making

International and domestic attention is starting to focus on the expanding roles played by Chinese think tanks and research institutions and their growing influence in China’s diversifying society. It has been pointed out in some recent research that their roles have been expanding as Beijing increases its involvement in international society.

China’s think tanks are roughly classified into three types. First, research institutes within the Party, government or People’s Liberation Army (PLA), such as the Central Policy Research Office of the Central Committee of the Communist Party of China (CPC), the National Development and Reform Commission (NDRC)’s Department of Policy Studies, the PLA Academy of Military Science, and the PLA National Defense University. Second, government-affiliated research institutes such as the Chinese Academy of Social Sciences under the State Council, China Institutes of Contemporary International Relations (CICIR) as a think tank of the Ministry of State Security, or those under the direct authority of local governments including the Shanghai Institutes for International Studies. Third, non-governmental research institutes, such as those in universities and private research institutes. Nevertheless, given the financial support from the public organizations including the CPC, the government or the PLA, none of them can be said to be an independent organization.

The roles of think tanks include formulation of information, intelligence and policy proposals as well as shaping domestic public opinion and spreading international propaganda. Furthermore, think tanks exert an influence indirectly on the CPC leaders’ decision making and the policy drafts made by the government agencies through, for example, writing internal reports and attending closed sessions; participating in open research conferences inside and outside China; exposure in domestic and foreign media; and contribution to domestic and foreign major academic journals. Above all, the “group study” of the Politburo of the CPC, which has been held regularly from the Hu Jintao era on, provides experts with a valuable opportunity to directly present their opinions to decision makers. The theme of the study is selected by the Central Policy Research Office of the CPC Central Committee under the guidance of the General Office of the CPC, while the other necessary arrangements, including selecting suitable participants, are made by each department concerned. For instance, on July 31, 2013, some experts including Gao Zhiguo, director of the China Institute for Marine Affairs under the State Oceanic Administration, lectured in a Politburo group study session chaired by the General Secretary Xi Jinping in order to discuss “maritime power” strategy. Based on these lectures, Xi emphasized on the occasion of this study the importance of safeguarding maritime rights and interests and stated that China would never abandon its “legitimate rights and interests” while adhering to the path of peaceful development.
to attend the expanded meeting of the Politburo Standing Committee, which is summoned depending on the situation in a crisis. Furthermore, it is believed that PLA officials can directly submit policy recommendations or meet to convey their views to civilian leaders. The General Office of the CMC and the PLA General Staff Department (GSD) seem to play a crucial role in the process of these provisions of information and policy recommendation.

In fact, during the 1995-96 Taiwan Strait crisis, the information and policy recommendations provided by the PLA are considered to have played significant roles. It is also frequently pointed out that information provided by General Xiong Guangkai, the Deputy Chief of the GSD, who earned Jiang Zemin’s deep trust, played a remarkable role in dealing with the 1999 Embassy bombing incident and the 2001 EP-3 incident.

Thus, while the PLA’s authority to directly engage in decision-making process at the Politburo Standing Committee of the CPC is limited, the PLA appears to be able to provide military intelligence and policy recommendations exclusively to the paramount leader. Given these points, the PLA is one of the important actors who can exert a certain degree of influence on the direction of the process on international crises policy.

From Leading Small Groups to State Security Committee

The Politburo Standing Committee of the CPC and the Politburo of the CPC have advisory bodies known as “leading small groups.” The groups seem to be under the direct control of the Central Committee of the CPC, and the members are selected from relevant sections of the party, the government and the PLA depending on issues a group is responsible for. Their concrete responsibilities are considered to be providing information and recommendations, and coordination and formation of policies.

The leading small groups have been established traditionally in the decision-making process of the CPC. For example, the CPC established the groups for finance and economy, politics and law, foreign affairs, science and technology, and culture and education under the direct leadership of the Central Committee and the General Office of the CPC. Later, all the groups except the Cultural Revolution Group were disbanded in the chaos of the Great Cultural Revolution; however, they have been restored one after another since 1980s.

At present, there are leading small groups in the Central Committee in the fields of finance, diplomacy, Taiwan, and public security. However, it does not mean that all these groups have the same character and duties. The groups are divided into two types: a standing body to deal with long-term agendas, including the Finance and Economy Small Leading Group, and an ad hoc body to deal with short-term issues such as the Small Leading Group for the preparations of the Beijing Olympic Games.

There are three leading small groups involved in foreign and security issues: (1) the Foreign Affairs Leading Small Group (FALG); (2) the Taiwan Work Leading Small Group; and (3) National Security Leading Small Group (NSLG). The memberships of these three groups are considered to be largely overlapping. Among the three, the FALG operates in one with the NSLG. It is pointed out that the major responsibilities of the groups are (1) important policy decisions with the approval of the Politburo or members of the Politburo Standing Committee, (2) judgment on a major event or long-term trends based on various reports, (3) inter-agency coordination among the Party, government and the PLA, and (4) international crisis management.

The members of the groups on foreign and security issues have not been officially revealed. Nonetheless, according to available literature, the FALG/NSLG is headed by the General Secretary of the CPC Central Committee who holds concurrently the President of the PRC and the Chairman of the CMC, with the Vice President of the PRC or the Premier of the State Council as his deputy. The director of Central Foreign Affairs Office, the
administrative organ of the FALG/NSLG, is a Vice Premier-rank member of the Central Committee from the Ministry of Foreign Affairs; at the moment, Yang Jiechi is believed to hold the position. Other members of this leading small group appeared to include the Vice Premier/State Councilor for Foreign Trade, the Minister of Foreign Affairs, the Minister of the International Department of the CPC, the Minister of State Security, the Minister of Public Security, the Minister of Commerce, the Director of State Council Hong Kong-Macao Office, the Director of State Council Overseas Chinese Affairs Office, the Minister of National Defense, the PLA Deputy Chief of Staff for Foreign Affairs and Intelligence, the Head of Party Publicity Department, and the Director of the Propaganda Office of Central Committee and Information Office of the State Council.

It is said that the Taiwan Work Leading Small Group is now headed by the General Secretary of the Party, holding concurrently the rank of President of the PRC and the Chairman of the CMC, with the Chairman of the Chinese People’s Political Consultative Conference as his deputy. The director of its administrative organ is believed to be one of the Central Committee members from the Ministry for Foreign Affairs equivalent to the Vice Premier. Other members of this group include the relevant Vice Premier/State Councilor for Taiwan affairs, Executive Secretary of the Party Secretariat, Head of the Party United Front Work Department, Minister of State Security, Director of the State Council Taiwan Affairs Office, Chair of Association for Relations across the Taiwan Strait, Head of the Party Publicity Department, Vice Premier/State Councilor for Foreign Trade, Vice Chairman of the Chinese People’s Political Consultative Conference, Vice Chairman of the CMC, and PLA Deputy Chief of the General Staff for Foreign Affairs and Intelligence.

As administrative offices for the these leading small groups, the role played by the Foreign Affairs Office and the Taiwan Work Office are also important. The Foreign Affairs Office replaced the former State Council Foreign Affairs Office in 1998. One of the Central Committee members from the Ministry of Foreign Affairs or Party International Department, who is equivalent to Vice Premier, has served as the Director of the Foreign Affairs Office. The staff of the office consists of the personnel from the Ministry of Foreign Affairs and the International Department of the CPC. Given the fact that the Foreign Affairs Office serves as the administrative organ of the FALG and NSLG, diplomatic bureaucrats can influence China’s foreign and security policy to some degree. On the other hand, the Taiwan Work Office and Taiwan Work Office of the State Council are basically a single organization having the same person as the director. These offices are in charge of various general administrative work, including drafting and management of documents, arranging meetings, collection, management and delivery of information, and survey and research.

The leading small group’s role in foreign and security policies was said to be strengthened in the Jiang Zemin era. That Jiang himself held the three concurrent posts of the chairman of the FALG, NSLG and Taiwan Work Leading Small Group is said to have made the groups important. Also, Hu Jintao, successor of Jiang Zemin’s position as the triple director, is considered to have enhanced the number and roles of the staff of the groups.

Meanwhile, it has been pointed out that the enlarged membership of the leading small groups might make inter-agency coordination more difficult. As a leading small group is just an advisory body for the CPC based on the party’s notice or decision without authority and capacity accruing from legal foundation, it heavily depends on the director's authority and power in the CPC in order to play the multiple roles mentioned above, including policy recommendation. Furthermore, the leading small groups cannot make any policy decisions by their own for important fields such as foreign and security policies. They need to obtain an approval from the Central Committee of the CPC and the Politburo Standing Committee in particular as the only authorities to make such decisions.

Considering these limitations of the leading small groups, China has discussed the establishment of an agency equivalent to the National Security Council (NSC) of the U.S. China appeared to establish the NSLG with a view to develop it into the NSC in the future. Since then, it is believed that Jiang Zemin proposed the establishment of an agency equivalent to the NSC in the Beidaihe Conference in 2002,
and it was raised again two years later in the Fourth Plenary Session of the 16th CPC Central Committee to establish an agency based on the NSLG.

Against this backdrop, it was decided to found the State Security Committee in the Third Plenary Session of the 18th CPC Central Committee in November 2013. According to a communiqué issued after the session, the purpose of this committee is to improve China’s national security system and strategy to safeguard the country. General Secretary Xi Jinping pointed out that China had to establish a powerful agency to consolidate and control all national security activities in the relentless foreign and domestic security environment. He then explained that such establishment would strengthen the centralized and unified leadership in the national security field and it was an urgent business.

The activities of the State Security Committee remain unclear. Hua Yiwen states in his commentary in the People’s Daily (the overseas edition) that the background for the foundation of the State Security Committee is the still-deteriorating international and domestic security environment. According to the article, the concept of national security is now constituted with not only traditional security elements such as diplomacy, national defense, and military but also factors in a broader scope such as economics, finance, energy, information, and society. Then he continues to describe that the existing FALG and/or NSLG are informal and ad-hoc organizations and are not able to play any important role as the core agency in routine national security duties; furthermore, they do not have the ability, budget, and manpower to deal with serious emergency situations and to establish, coordinate, and execute a comprehensive national security strategy. He indicates that Beijing must establish an agency that coordinates many related departments with a strong leadership and power to deal with severe and complicated national security issues.

On the other hand, Professor Meng Xiangqing, Deputy Director of the Strategic Research Institute at the PLA National Defense University, puts it in the PLA Daily that the lack of coordination at high-levels for non-traditional security issues including counter-terrorism is the motive behind the foundation of the committee. He argues that the non-traditional threats such as social instability, economic or financial crises, environmental destruction, and problems of ethnic independence movements are increasing in China’s current national security environment, while the traditional threats against China’s territorial sovereignty and maritime interests are not easing. He states that Beijing requires coordination at the highest level for unified command and action among related departments. This is because China is facing an internationalization of domestic national security issues and vice versa, and therefore a mistake in dealing with domestic problems will degrade Beijing’s stand point externally, while a mistake with foreign issues will cause internal social instability. He concludes in the article that this committee will greatly improve Beijing’s quick response capability.

These articles appeared in China’s official media suggest that the reason for the decision to found the Committee in the Third Plenary Session would be, with a new national security strategy, to establish a unified leadership and to institutionalize the policy coordination among relevant national security departments in order to realize swift and comprehensive action against diverse, internal and external threats to China’s national security.

It is not certain whether the State Security Committee will be a similar organization to the NSC of the U.S. Although there has been talk of establishing an NSC-like body for coordinating national security policy for over a decade in China, it has not been established before because there has been a concern that the NSC would transfer the authority of decision-making on foreign and security policies from the Politburo Standing Committee to one individual, the General Secretary of the Central Committee; the NSC might result in the transformation of the current collective leadership system. Furthermore, if the NSC is established as a government agency, not a party body, there is a risk that the fundamental principle of the Chinese political system that the government is led by the Party might be changed. Therefore, it had been pointed out that it was quite difficult to found it as a government agency.

While who heads this new State Security Committee is still not unveiled, Xi is considered as the most likely prospect. If he does take the helm of the Committee, his power foundation in national
security policy will be reinforced. In any case, further research would be required on the members of the committee, its role, and the national security strategies it will develop.

## Toward a Unified Coast Guard Command

The Chinese government announced at the National People’s Congress (NPC) in March 2013 that it would establish the State Oceanic Commission as the high-level coordination body and a renewed State Oceanic Administration (SOA) consolidating the organizations and responsibilities of the previous SOA, the China Maritime Surveillance (CMS) under SOA, the Maritime Police of the Border Control Department (BCD) of the Ministry of Public Security, the China Fisheries Law Enforcement Command (FLEC) of the Ministry of Agriculture, and the General Administration of Customs (GAC). The SOA will enforce the maritime law under the name of the China Coast Guard (CCG). The responsibility, organization, and formation of the new SOA were announced in June 2013, and the department of CCG was established within the SOA. The newly established department of CCG as the headquarters of the CCG and the CCG Command Center is in charge of drafting the systems and measures for the enforcement of maritime law, proposing various regulations, coordinating the joint command of the maritime law enforcement activities by the CCG units, and training the units of CCG. In this way, China has consolidated its previously divided maritime law enforcement agencies into a single organization, except for the Maritime Safety Administration (MSA) of the Chinese Ministry of Transport.

However, the organization structure of the SOA and CCG is complicated. First, the regulations for the governance of the oceans and the law enforcement are drafted by the SOA, and they will be finally authorized and announced by the Ministry of Land and Resources after its examination. On the other hand, the maritime law enforcement activities implemented under the name of the CCG require the operational guidance of the Ministry of Public Security. Second, Liu Cigui, the director of the previous SOA, was moved sideways to the new SOA as the director and the party secretary of the SOA, and Meng Hongwei took a newly added office of the vice director of the SOA and the deputy secretary of the party while serving as the vice minister of the Ministry of Public Security, which is regarded as ministerial level. In addition, Meng assumed the role of director of the CCG, while Liu took the office of its political commissioner. Since the director of the SOA is ranked as equivalent to the vice ministers, Meng who holds a ministerial-level position becomes superior to Liu who holds the vice-ministerial-level post unless he is designated as ministerial-level. Thus, little is known about the newly established SOA and CCG including their oversight organizations and authority.

The relationship between the newly refined SOA/CCG and the PLA Navy (PLAN) remains unclear. Professor Liang Fang of the PLA National Defense University points out that the PLAN, which has cooperated with the former CMS and FLEC, will be able to provide more efficient support than before to the SOA by virtue of the unification.

There have been few reports of the actual activities or status of the State Oceanic Commission until now. Nothing is currently clear other than that the Commission is responsible for planning and coordinating the national strategy for oceanic
China’s External Crisis Management System

Toward a Unified Coast Guard Command

Li Guoqiang, researcher from the Chinese Academy of Social Sciences, indicates that the State Oceanic Commission is composed of several ministries including agriculture, transport, environmental protection, science and technology, as well as the SOA. Liu Shuguang, the deputy director of the Institute of Maritime Development, the Ocean University of China, explains that the State Oceanic Commission is not an independent body, but a policy coordinating mechanism. Furthermore, it is still unknown about the PLA’s involvement in the State Oceanic Commission, and about the relationship between the commission and the existing PLA-led National Committee of Border and Coastal Defense.

A Chinese-Hong Kong paper, Wenweipo, and some Western media reported that the Central Committee of the CPC newly established the Leading Small Group on the Protection of Maritime Rights and Interests in the latter half of 2012 as the principal group responsible for maritime rights and interests, and some Chinese media also mentioned the existence of the group. Reportedly, the group is composed of the SOA, the Ministry of Foreign Affairs, the Ministry of Public Security, the Ministry of Agriculture, and the PLA, and Xi Jinping took the post of chair. However, these reports must be carefully examined because other official media such as the People’s Daily, the official organ of the CPC, and the PLA Daily, the official organ of the PLA, have not reported anything about the group as of December 2013. In addition, it also needs to ascertain whether the leading small group, if it truly exists, is a standing body like the FALG/NSLG, or an ad hoc body formed in response to growing international attention to China’s maritime advances. Meanwhile, this kind of leading small group attests, if it truly exists, that the leadership of the Party recognizes maritime rights and interests as a pressing issue.

Thus, the Chinese maritime law enforcement agencies are now in the process of consolidation. Nevertheless, the actual status such as the competent authority and the progress of integration are not currently clear. Details about the State Oceanic Commission established for high level coordination also remains largely unknown. Furthermore, it is still uncertain whether the leading small group on protection of maritime rights and interests actually exists. However, these moves seem to indicate that the Chinese leadership recognizes the importance of maritime issues. There are three important points that must be paid some attention. First, which one of the four merged agencies will lead the operation of SOA/CCG? Second, who are the members of the State Oceanic Commission, and how does the PLA participate? Third, what kind of relationship SOA/CCG will establish with China’s leadership? Moreover, who, among the members of the Politburo Standing Committee, takes responsibility to lead these agencies?

This consolidation and reorganization of Chinese maritime law enforcement agencies should be a concern for the countries around China, including Japan, as it will strengthen the capabilities of the agencies. In addition, the new CCG, which incorporated the former Maritime Police of the BCD, seems to be authorized police power at sea that CMS and FLEC did not possess. At the same time, from the viewpoint of crisis management of neighboring countries, the consolidation of China’s divided agencies, that is, the unification of a counterpart for these countries, enables smooth communication between their and Chinese maritime agencies.
China’s Concept of Crisis Management

Crisis Management to China
Chasing Conflicting Targets
Politics of Crisis Management
Crisis Management to China

Quite a few leading Chinese researchers argue that China’s crisis management in the foreign affairs context is an activity to maximize the national interests as Beijing simultaneously eschews war. Zhang Tuosheng, director of the research department at the China Foundation for International and Strategic Studies (CFISS) and the authority of research into crisis management in China, explains that the purpose of crisis management is to avoid an escalation to military confrontations while Beijing pursues its interests and then gradually alleviates the crisis. It is fair to say that his view is shared among Chinese experts and People’s Liberation Army (PLA) officials and captures the basic features of the Chinese concept of crisis management.

Professor Xia Liping, Dean of the School of Political Science & International Relations at Tongji University, states that Chinese culture defines the word “crisis” as “a possible disaster or danger,” and at the same time regards the word “ji” in crisis (weiji) as expressing the presence of “opportunity.” According to this definition, a crisis can become “a favorable turn” by effectively dealing with it. From this viewpoint, crisis management to China is “a policy and means to avoid dangerous conflicts while realizing the favorable turn.” Xia compares this Chinese perception with that of the U.S. As he puts it, there are three academic explanations of crisis management in the U.S.: firstly, crisis management aims at a peaceful settlement of conflicts; secondly, it is a process to victory and therefore the purpose is to force the adversary to make a significant concession in order to enhance U.S. interests; thirdly, it aims for both. Xia points out that while Washington tends to take the second position when it deals with a crisis with middle or small power countries, it takes the third when coping with other great powers.

Professor Li Yunlong of the Central Party School of the Communist Party of China (CPC) studies the concept of crisis management in detail. He asserts that an international crisis has the features of peace and war at the same time, since it lies in between. Thus, the first purpose of crisis management is a peaceful settlement; whether war could be avoided is the question of vital importance. The second purpose is victory. Based on this explanation, a crisis is the opportunity to advance national interests; successful crisis management is measured by the maximum compromise by the opponent. Li notes these two objectives are pursued in crisis management. Crisis management is to control a crisis to prevent precipitating a war, and at the same time to protect the important interests of the country. These double purposes necessitate dual means to accomplish them. Li stresses the fundamental way to manage a crisis is properly using “coercion” and “negotiation,” and “crisis management is a technique to resolve conflicts and accomplish national interests through coercion and negotiation.” The duality of crisis management can be observed in some arguments of PLA officials and researchers in the military. Sun Xuefu of the General Staff Department argues in an article in the PLA Daily, “a military crisis brings not only danger or threats but also some kind of chance. […] Although chances exist in military conflicts, they are thickly veiled, difficult to find, and will vanish in a blink.” Moreover, Zheng Jian, a researcher of the PLA Academy of Military Science, defines an international crisis as “bargaining between two opposing parties centered on diplomacy.” Furthermore, a PLA study into crisis management regarding the Taiwan Strait lists four objectives to be achieved through crisis management: stopping the escalation towards war and solving the crisis through peaceful means; pursuing their interests to the maximum extent possible; removing the source of the crisis; maximizing their interests by changing the situation through utilizing the crisis. As such, the general point is largely consistent with the views of Zhang Tuosheng and others.

PLA officials and researchers in the military use “deterrence of war” and “crisis control” as analogous concepts. These are regarded as part of Beijing’s military strategy, and the PLA and the PLA-related media tend to use these terms. An article published in the military newspaper China National Defense News (Zhongguo Guofangbao) argues, for example, that “Controlling a military crisis is an activity to tilt the balance in its favor by using several means in order to protect national interests.” The article also points out five principles for the achievement of
such a goal: first, to pursue limited interests; second, to distinguish an accidental event and a genuine conflict of interests; third, to focus on prevention of a crisis; fourth, to wield various means in a comprehensive manner; and finally, politics must control the actions.

The way to deal with crises is a crucial issue within the PLA as well. For instance, as China’s defense white paper, *China’s National Defense in 2002* puts it, China’s strategic guideline “stresses the deterrence of war” and “the PLA, by flexibly employing military means and in close coordination with political, economic and diplomatic endeavors, improves China’s strategic environment, reduces factors of insecurity and instability, and prevents local wars and armed conflicts.” Meanwhile, *China’s National Defense in 2006* states, about the same subject, that the PLA will “work for close coordination between military struggle and political, economic, diplomatic, cultural and legal endeavors, use strategies and tactics in a comprehensive way, and take the initiative to prevent and defuse crises and deter conflicts and wars.” Furthermore, the 2008 edition of the White Paper explains the guideline “lays stress on deterring crises and wars,” and the PLA “works for close coordination between military struggle and political, diplomatic, economic, cultural and legal endeavors, strives to foster a favorable security environment, and takes the initiative to prevent and defuse crises, and deter conflicts and wars.” Thus, as these revisions of the White Paper show, the PLA comes to place more emphasis on the prevention, restriction and elimination of crises.

All these make it clear that it is difficult to detach China’s crisis management from other issues, since the scope of its concept is quite broad and overlaps with many other behavioral concepts for crises such as “coercion.” This suggests that it is necessary to consider Beijing’s overall approaches to international crises in order to understand China’s crisis management.

Crisis management itself is rather a new concept for China; the first research on the subject appeared in the 1990s, and some research was introduced in the early 1990s from the U.S. One of the earliest works in the field was Hu Ping’s publication, *Analysis of International Conflicts and Study of Crisis Management* in 1993. Then in the 2000s, research in this field flourished. The CFISS and Carnegie Endowment for International Peace started collaborative research on crisis management between the U.S. and China, and published their works in 2006. Thus, recently, the research on crisis management has been burgeoning in China.

It was not an international crisis but the Severe Acute Respiratory Syndrome (SARS) epidemic in 2003 that triggered the spread of the term “crisis management.” Faced with severe domestic and international criticism regarding the government’s incompetent handling of the situation, Beijing recognized the countermeasures for SARS-like event and crisis as a matter of “crisis management.” This kind of crisis management is called “public crisis management,” which deals with non-traditional security issues, and it is conceptually differentiated from “international crisis management,” which controls interstate conflict or crisis. This report covers only the latter; above all foreign crisis management through which a nation deals with frictions and crises with other nation(s) over national interests.

What are the reasons behind China’s embrace of the concept of crisis management? The first reason is that Beijing experienced a wide range of international crises from the latter half of the 1990s to the beginning of the 2000s. Namely, the 1995-1996 Taiwan Strait Crisis, the 1999 bombing incident of the China Embassy in Belgrade and the 2001 EP-3 incident made responses to international crises actual policy priorities.

The second reason is that crisis management for
Beijing is consistent with Deng Xiaoping’s principle “Tao guang yang hui” (hide capabilities and hide time). China must avoid confrontations and military disputes with existing great powers. It must not make concessions, however, on the national interests of principles such as sovereignty by excessively sticking to the avoidance of war. Therefore, China came to emphasize crisis management as a way to avoid an escalation to war and simultaneously to pursue its interests.

Zhang Tuosheng suggests that a nation confronting an international crisis with possible military escalation can choose a military response or crisis management. China experienced several military conflicts such as the Korean War and the Sino-Soviet Border Conflict owing to Beijing’s past tendency to adopt military measures. Zhang goes on to say that military confrontations involving China, however, have substantially decreased, especially since the start of Deng Xiaoping’s reform and opening up policy.

Furthermore, the necessity to prevent the spillover of a crisis from one single problem into other areas is emphasized. In an article in the People’s Daily written by Yuan Peng of the China Institute of Contemporary International Relations for example, he states crisis management is important in the relationship between Washington and Beijing so that the overall relationship between them will not be negatively influenced by a single problem.

The third reason is a change of China’s decision making system. There were some charismatic leaders like Mao Zedong or Deng Xiaoping in the past, and their opinions were so important that almost all critical decisions were made by them especially during a crisis. However, because there is no such leader nowadays, the decision-making system in Beijing is more pluralistic and institutionalized. Zhang points out that building a theory for crisis management is becoming much more critical in the absence of charismatic leaders who can exclusively make the important decisions.

Viewed in this light, crisis management in China is not developed systematically enough, given the concept of “crisis management” is a relatively new concept.

However, it does not mean Beijing has never experienced crisis management. The CPC has faced various crises since the Sino-Japanese War and Chinese Civil War, and those experiences are reflected in Beijing’s current approach to crisis management. The People’s Republic of China (PRC) also has vast experience in crises from its foundation – some of them ended up as wars, while others did not. They include the Korean War, the 1st to 3rd Taiwan Strait Crises, the Sino-Indian border conflict, the Sino-Soviet border conflict, and the Sino-Vietnam War, as well as the accidental bombing by NATO forces of the Chinese Embassy in Belgrade, the EP-3 incident, and the Chinese trawler /Japan Coast Guard cutter collision incident near the Senkaku Islands in 2010. These experiences constitute the basis for the Chinese concepts and principles on crisis management.

### Chasing Conflicting Targets

Aiming for compatibility between two mutually contradictory factors is one of the characteristics of China’s crisis management. This seems to result from the fact that China’s crisis management is implemented with the two objectives of preventing an escalation and maximizing its national interests.

Three sets of characteristics could be found from research into Beijing’s crisis management: firstly, adherence to principles and flexibility at the same time; secondly, the pursuit of legitimacy (or self-
righteousness) and the initiative; thirdly, the primacy of politics and the comprehensiveness that utilizes politics, diplomacy and the military.

For the first point, as is often pointed out, although Beijing stands firm on issues related to their principles including sovereignty and territorial integrity, China behaves relatively flexibly and makes some concessions, unless these principles are violated.

The joint study carried out by Professor Wang Jisi of the School of International Relations at Peking University and Xu Hui of the National Defense University claims that the prime guiding principle of Beijing is the integration of strategic principles with tactical flexibility. In an international crisis, Beijing’s official stance is ethically tinged, and therefore, its discourse is unyielding and strong-worded. In particular, the principle of sovereignty and territorial integrity has almost no room for compromise. Nonetheless, Beijing does not always take uncompromising actions as its words imply. Rather, it often takes a prudent attitude.

Drawing the “dixian” (bottom line) as the strict minimum requirement is the key for Beijing to make its principles and flexible attitude compatible with each other. China can compromise to some extent as long as the outcome is above the dixian. This suggests that the targets in a crisis are set in a phased and restricted way. Hence, debates on crisis management in China regard it as important to search for a solution to which the other side can consent, but without compromising China’s principle.

Meanwhile, it is not considered to be always necessary to forge a complete common understanding with the opponent about China’s principles. Wang Jisi and Xu Hui argue that in the past political or military crises between Washington and Beijing, they have never approved of the interpretation of the other party about the incidents. What is important for China is that it can interpret incidents in a way that does not alter Beijing’s position on principles regardless of whether the opponent accepts such interpretation. By taking this stance, it is argued, China can not only preserve its principles and overcome the crisis with some self-restraint, but can also keep the right for further demands and activities in their hands.

These points are also emphasized by some of the PLA officials. Cheng Xiaodong and other researchers stress in an article in Guofang (National Defense) Magazine that Beijing will make no compromise on the issues of principles: territorial sovereignty and the reunification problem; the fundamental issues for the long-term development and prosperity of the country; and the critical issues that affect regime stability and ethnic solidarity. However, they can make compromises as necessary to the extent where the principles would not be violated. The literature indicates that Beijing can de-escalate a crisis by making a concession if it can take a realistic attitude, establish “dixian,” set a restrained target and accomplish the objective without falling below the line.

According to Zheng Jian of the PLA Academy of Military Science, it is important, first, to establish a limited target and “dixian” in order to keep both the adherence to principles and the flexibility; second, not to overly concentrate on the conflict of morality or principles but of interests; third, to keep flexibility and be cautious in taking any action that may result in an irreversible escalation; fourth, to be self-restraining to some degree when the situation has no relation to China’s important interests; and finally, to consider approaches acceptable to the opponent.

The second characteristic of Beijing’s crisis management is to pursue legitimacy and take the initiative at the same time. The pursuit of legitimacy means that it is important to keep the appearance that the opponent, not China, is always wrong in a crisis, and that China for that purpose, searches for domestic and international support for its position. The issues of the principles are deeply involved in the pursuit of legitimacy. That is, Beijing considers that the principles which China protects are always legitimate rights and a cause of the crisis is the violation of such legitimate rights; the liability for the crisis always lies with the opponent and China is a passive victim.

Professor Wu Xinbo of the School of International Relations and Public Affairs, Fudan University, points out four features of China’s external crisis management: first, focus of its concerns on the liability issue; second, emphasis on sovereignty and national dignity; third, persistence with symbolic style; fourth, integration of principles.
and flexibility.

China has tended to emphasize ethical self-righteousness according to its principles. For instance, Wang Jisi and Xu Hui insist that Beijing firstly politically assesses a crisis, which is followed by its consideration of whether the legitimacy coincides with justice for China. In other words, Beijing decides political legitimacy from the viewpoint of China’s principles, including sovereignty, territory and national unity.

In addition, Beijing has recently appealed for legitimacy by invoking international laws. Professor Zhang Rui of the PLA Dalian Naval Academy proposes in his article on crisis management in maritime confrontations that when a dispute on maritime issues develops into a crisis through the intervention of a great power, Beijing should initially analyze the reasons and causes of the intervenor. Then, he argues, it should undermine the intervener’s legitimacy by effectively employing international laws and finally promote China’s legitimacy.

Beijing also places importance on explaining its legitimacy to domestic society and the international community. Cheng Xiaodong of the PLA National Defense University and others argue that it is crucial for Beijing to seek broad support from the international community by sufficiently mobilizing several political and diplomatic means, which include, for example, expression of China’s stance at the United Nations Security Council (UNSC) and announcement of official statements.

Besides, Beijing does not always show passiveness in its actual conduct. Instead, it is emphasized that China takes the initiative and that passive behavior should be carefully avoided. That is, recognizing that its legitimate rights are violated, China tries to make proactive responses while forestalling any attempts by other countries to seize the initiative in a crisis.

Indeed, these characteristics seem to be similar to “active defense strategy,” which is one of the Chinese military’s strategic concepts. In “active defense strategy” it is important to combine strategic defensive positions and tactical offensive operations. This stands as the same way of thinking as the aforementioned approach to keeping both righteousness and initiatives.

The third point of China’s crisis management is that China utilizes force and negotiation, or in other words, the mixture of the use of military, political, and diplomatic approaches. Comparing the actions taken by the U.S. and China, Xia Liping insists that Beijing tends to deal with the opponent through force and negotiation; namely, Beijing takes a reciprocal approach by employing negotiation for negotiation, or military force for military force.

Zheng Jian of the Academy of Military Science notes that political, military, and diplomatic pressure, or, in some cases, restricted military force is effective to promote negotiations. He concludes that when temperate measures have no effect on gaining concessions, Beijing should resort to economic and/or military sanctions. Hence, force and negotiation are inseparable.

The achievement of political ends has top priority when Beijing deals with a crisis, and the military is just a means for achieving the ends. Xia Liping explains, “Crisis management in international politics is the comprehensive use of political, military, diplomatic, economic and other means and they could be more effective if they are facilitated by diplomacy.” Beijing tries to protect its interests without provoking war through force and negotiation by properly using political, military, economic, and diplomatic assets.

Among them, military measures need to be used prudently. Beijing thinks that military power must not be employed without due consideration or in order to define political and diplomatic objectives, despite its strong coercive effects.

Thus, China thinks military means should be strictly controlled by politics. Zheng Jian of the Academy of Military Science emphasizes that it is necessary to continuously control the military dimension to have an efficient negotiation in international crises. Professor Xu Jia of the PLA Foreign Language Institute argues in his article in the PLA Daily that the military must self-consciously obey orders and abide by the rules as the actions and disposition of the military could be particularly sensitive matters in the information age.

Literatures show that the nature of Chinese crisis management is consistent with Mao Zedong’s principle “On just grounds, to our advantage, and with restraint” (youli, youli, youjite). Originally, Mao expressed the principle of the CPC to fight against
the Chinese Kuomintang (KMT) in 1940 in “youli, youli, youjie”; meaning “we are to be reasonable, advantageous, and exercise moderation.” However, this slogan has also been frequently cited to connote “maintain legitimacy, chase actual interests, and pursue limited objectives” in the context of crisis management. Perhaps, Wang Jisi and Xu Hui’s study, for example, explains how Chinese crisis management has followed the slogan. Faced with NATO’s bombing of the Chinese Embassy in Belgrade in 1999 and the EP-3 incident in 2001, Beijing began by proclaiming its legitimacy “on just grounds,” strongly blaming the U.S. for violating China’s sovereignty and territorial integrity, and placed Washington in an “unjust position.” This was followed by the demand that Washington admitted its mistakes and apologizes for what it had done. Then, since Washington made a concession that was not totally satisfactory but acceptable for Beijing as a diplomatic success (“to our advantage”), Beijing’s attitude became conciliatory “with restraint” and the crisis calmed down.

Politics of Crisis Management

How does China concretely manage crises? First and foremost, it should be noted that China has a tendency to stress the importance of the political relationship before taking concrete actions to manage a crisis. China’s mechanism to manage a crisis might not function in a deteriorating political relationship. Wang Jisi and Xu Hui point out “It is needless to say that the most important factor to prevent and manage Sino-American crises is the political relationship between them. In other words, the improvement of the political relationship is a prerequisite to facilitate communication, reduce misunderstandings, restrain confrontation, and reach mutual agreement between China and the U.S.” In light of the aforementioned characteristics, there is little possibility for Beijing to promote crisis management when the political relationship with the opponent, or to be precise, its own principle, is compromised. Regardless of whether China’s principle is accepted by the opponent, it is difficult for China to facilitate crisis management unless its claim is at least maintained.

There are three concrete methods for crisis management according to some studies in China. The first is to communicate information and intentions. It is important to maintain a line of communication in crises when mutual distrust and hostility grows. The concrete method for this communication can be personal letters exchanged between the heads of state, telephone conversations, or official routes through diplomatic or intelligence agencies. Hotlines between heads or leaders at various levels, an emergency contact mechanism, a special envoy, and track II diplomacy are also included.
as a result of improved communication mechanisms to convey information and intention. For instance, they point out that the EP-3 crisis in 2001 was better managed than previous cases, based on the lessons learned from the embassy bombing incident in 1999. Beijing sent some definite signals to Washington to intentionally maintain adequate communication lines and there were some improvements to guide domestic public opinion.

Furthermore, some consultations or conferences between the conflicting parties are required to alleviate crises. These dialogues could be formal or informal.

The second are coercive measures. As previously noted, because the Chinese concept of crisis management incorporates something similar to coercive diplomacy, various coercive measures are included in the concrete means. These measures are used to make the opponents behave favorably to China, for example, to enter into negotiations and to take advantage of the negotiation process. They include actions from announcing strong discourse and statements, canceling leaders’ visits or conferences, and imposing economic sanctions, to strengthening the activities of the maritime law enforcement agencies to insist on territorial jurisdiction, and the PLA’s demonstrative activities and exercises.

The third is propaganda. China produces skillful propaganda to obtain domestic and international support, which it regards as very important. Namely, it is emphasized that China “will immediately communicate the situation of the military crisis and its recognition and fundamental principle for the crisis to the UNSC to obtain sympathy and support in the UN. Furthermore, China will declare political statements to the international society explaining its recognition of the crisis and the fundamental principles to deal with it.”

Moreover, it is said that measures to deal with domestic public opinion have become more significant owing to its increasing influence in recent years. Zhang Tuosheng notes, “the Chinese government increasingly regards it as important to pay attention to the tide of public opinion and to guide it in crises.” Wu Xinbo points out the growing public concern about international incidents, and explains the government faced difficulties prohibiting demonstrations and struggled to lead public opinion during the 1999 embassy bombing incident.

However, it must also be noted that the CPC has been traditionally manipulating public opinion and mobilizing people in international crises to show its determination and to strengthen its domestic support.

Thus, what is clear from the analysis of China’s crisis management concept is, first of all, the importance of politics. The characteristics of China’s crisis management show the importance of political decision making. Namely, the “bottom line” that must be achieved in its approach to “stick to principles and keep flexibility” is determined politically. Indeed, there is no objective standard for it. Political decisions are also needed for its approach to “legitimacy and initiatives,” in which China keeps the position of a passive victim while taking actions with initiatives. As for “comprehensiveness,” Beijing tries to control crises by utilizing various assets including military, diplomatic, and economic ones. Wielding these assets and factors would need political judgments and decisions.

Because of the comprehensive nature of crisis management, it is not sufficient to see only the military aspect in order to comprehend Beijing’s actions in a crisis; aspects other than the military, such as diplomatic and economic means should also be carefully observed. Beijing’s actions without military means do not necessarily mean the action is conciliatory. That Beijing could employ any other means to pursue their interests must be remembered.

The second point of the Chinese concept of
crisis management is a requirement to concentrate decision making authority and control of military force. The characteristics of China’s concept of crisis management seem to be consistent with that of its political system in which agencies and sectors of the military and foreign affairs are under the leadership of the CPC. Hence, the perceptions and policy tendencies of the Chinese leadership must be thoroughly examined in order to interpret Beijing’s actions in international crises.
China experienced several international crises from the end of the Cold War such as the 1995-1996 Taiwan Strait crisis, the 1999 embassy bombing incident, the 2001 EP-3 incident, and the 2010 Senkaku boat collision. The handling of the EP-3 incident, which occurred in airspace above international waters about 70 miles southeast of Hainan Island on April 1, 2001, is regarded in China as one of the most successful cases of crisis management. This section overviews the action taken by Beijing in this case, and then reveals its characteristics.

Chinese leaders held a meeting in the afternoon of the day of the incident, and decided upon an initial policy to deal with the incident. They concluded first that the Ministry of Foreign Affairs should take responsibility for working level coordination among the agencies concerned as well as negotiations with the United States. Second, it decided to make the Ministry of Foreign Affairs quickly declare China's stance in light of the fact the U.S. Pacific Command had already released the first announcement, six hours after the incident. The announcement, posted on the command’s web site, said:

In international waters, a U.S. Navy EP-3 maritime patrol aircraft on a routine surveillance mission over the South China Sea was intercepted by two People’s Republic of China fighter aircraft. There was contact between one of the Chinese aircraft and the EP-3, causing sufficient damage for the U.S. plane to issue a ‘Mayday’ signal and divert to an airfield on Hainan Island, People’s Republic of China (PRC).

This announcement meant the instigator of the incident was China. It is likely that the Ministry of Foreign Affairs was requested in the meeting to make it clear that the responsibility for the incident was not with China.

In fact, that night, the Foreign Ministry Spokesperson gave a full account of the mid-air collision. He stated, “On the morning of April 1, a U.S. EP-3 reconnaissance plane flew southeast of China’s Hainan Island.” Therefore, “two F-8 fighters [were sent] to follow and monitor the U.S. plane. At 9:07 a.m., the Chinese planes made a normal flight in an area 104 kilometers from the baseline of Chinese territorial waters. [...] the U.S. plane suddenly veered at a wide angle towards the Chinese planes. The U.S. plane’s nose and left wing rammed the tail of one of the Chinese planes, causing it to lose control and plunge into the sea. [...] relevant Chinese departments immediately sent search-and-rescue planes and ships to look for the pilot.” “[We are] deeply concerned about Wang’s safety.” He further added, “The U.S. plane entered Chinese airspace without approval, and landed at Lingshui Airport in Hainan at 9:33 a.m.” He emphasized that the Chinese fighters were properly tracking and monitoring the EP-3 in accordance with international practice and pressed “the U.S. side to face up to the fact, bear full responsibility” The Party leadership held another meeting on April 2 to share and confirm the position of this statement on U.S. responsibility. Furthermore, Chinese leaders established a policy called “renji fenli” (to deal with the aircraft and its crew separately); Beijing intended to return the crew on Hainan Island to the U.S. earlier than their aircraft. Beijing aimed at an early settlement without any deterioration of the Sino-U.S. relationship through this policy. Wu Jianmin, former Chinese ambassador to France, remarks that Chinese leaders set April 15, Easter Day, as a definite time limit to let the crew members go home. They feared that if Beijing kept the crew members in custody during
this important festival, the American people would feel antipathy towards China, resulting in a negative effect on Sino-American relations.

On April 3, Chinese leaders finalized its policy guidelines that China would engage in “a resolute struggle against the erroneous behavior” of the U.S. but also plan a swift resolution considering “the overall situation of Sino-American relations.” Jiang Zemin issued instructions to Vice President Hu Jintao to take charge of dealing with the incident before departing for a six-country trip to Latin America with Vice Premier Qian Qichen and others on April 4.

Foreign Minister Tang Jiaxuan summoned Joseph W. Prueher, the U.S. ambassador to China, in the evening of April 4 to explain China’s standpoint regarding the incident in accordance with the final policy direction decided by the Chinese leadership. Tang stated first that the U.S. Navy aircraft had “violated relevant provisions of the United Nations Convention on the Law of the Seas (UNCLOS)” and had “also damaged the relevant consensus on avoiding dangerous military activities at sea reached between China and the U.S.” in May 2000. He then pointed out that Washington should have a high regard for the “facts” in Beijing’s announcement. He went on to demand an apology from Washington for the mistake and insisted that it would be a precondition for handing over the crew members. He also demanded the U.S. “to stop dispatching its reconnaissance aircraft to the vicinity of the Chinese coast.”

There was almost no chance that Washington would accept this request because they had already stated the “facts” differed from Beijing’s. Washington maintained its firm and uncompromising position, saying it could not apologize for something that was not its fault. Nonetheless, Washington tried “to find a face-saving way out for the Chinese” (Condoleezza Rice, then Assistant to the President for National Security) to avoid escalating the crisis. To that end, the U.S. Secretary of State Colin Powell expressed “regret” over the missing Chinese pilot in a personal letter to Chinese Vice Premier Qian Qichen on April 4. The U.S. President George W. Bush also expressed “regret” the next day over the missing pilot and the loss of Chinese airplane, while appealing to the importance of the U.S.-China relations.

Then eleven rounds of negotiations over the wording were held between Ambassador Prueher and Assistant Foreign Minister Zhou Wenzhong after April 5, since Beijing did not accept the word “regret” as an apology. Beijing made no concession on Washington’s “required” apology, whereas it was flexible about the way it could be carried out. Rice remarks in her memoir that Beijing sent a signal to Washington that if the U.S. “would send a letter that said that we were sorry” for the loss of the Chinese pilot, “we could end the crisis.” This was nothing but a suggestion by Beijing that it was showing a flexible attitude by not insisting on the word “apologize.” Washington initially chose the word “regret,” then “sorry,” and finally “very sorry” through repeated negotiations.

Foreign Minister Tang Jiaxuan received the letter from Ambassador Prueher on April 11, after a common understanding had been formed in the Ministry of Foreign Affairs that the wording “very sorry” was equal to a Chinese word meaning “apologize (daoqian).” Both President Bush and Secretary of State Powell stated they were “very sorry” over the Chinese “missing pilot and aircraft” and “the entering of China’s airspace and the landing [that] did not have verbal clearance” in the letter. China’s official news agency, Xinhua, identified this letter as Washington’s “apologetic letter” and reported immediately that the U.S. government “expressed its sincerest apologies.” Because of this letter, Beijing allowed the 24 crew members detained on Hainan Island to leave China the next day.
What is clear from China’s handling of the crisis are that, first, Beijing consistently stuck to the principle that the U.S. side should bear full responsibility and make apologies, and to maintaining China’s legitimacy. Second, Beijing was flexible in its actual behavior to realize the first point mentioned above; that is, they accepted the wording “very sorry” as an apology. It should be stressed here that Beijing did not necessarily want Washington’s full consent to China’s principles and legitimacy. The U.S. side stated it was “very sorry” for the loss of the Chinese pilot’s life but did not apologize for it being their fault. While some U.S. officials frequently emphasized this, there was no sign indicating that this raised concerns for Beijing. This means that the critical matter for both sides was to help the other party maintain its position. Third, the Ministry of Foreign Affairs could behave flexibly with the virtue of the definite guideline, the “renji fenli,” for a swift resolution, which was the concrete expression of the underlying policy of “considering the overall situation” by the top leaders.

Furthermore, it was a distinctive institutional feature that decision making on policy and guidelines was highly centralized to the Central Committee of the Party. Some prior research and media reports argue that Hu Jintao played a significant role as the deputy chair of the National Security Leading Small Group (NSLG), which was established in 2000 to reinforce the national crisis management system after the NATO bombing of the Chinese Embassy in Belgrade in 1999. That is to say, the authors of these studies and reports understand that Hu took overall command of the situation as the deputy chair of NSLG in which the Communist Party of China (CPC), the government, and the People’s Liberation Army (PLA) participated.

The guidelines and policies, however, were discussed and basically decided upon in the Standing Committee of the Politburo. There are relevant descriptions in the biography of Zhang Wannian, then vice-chairman of the Central Military Commission (CMC); immediately after the incident “Jiang Zemin convened the Politburo Standing Committee, and the Committee discussed and made decisions on the policy and principles regarding the incident.” This seems to be portraying the situation inside Beijing from April 1 to April 3. Li Peng, who was second in the Party ranks, wrote an outline of the incident in his diary of April 2, which suggests that some kind of meeting on the incident was held on the day. There was little possibility of his being a member of NSLG or, in another name, the Foreign Affairs Leading Small Group (FALG), because he was the Chairman of the Standing Committee of National People’s Congress (NPC) at that time. All these things indicate that the policies to deal with the incident were decided in the Standing Committee.

Of course, this is not to say that Hu did not play any role. In fact, he seemed to make decisions on individual cases according to the Politburo Standing Committee’s policy when Tang Jiaxuan reported on the progress of negotiations with the U.S. to him. In addition, the nature of this incident, a collision between two military aircraft made Hu’s involvement necessary. The incident was not just a diplomatic matter but a military affair in which the PLA was involved as a directly concerned party. Apart from the General Secretary of the CPC Central Committee and the Chairman of CMC Jiang Zemin, the only leader in the Standing Committee of the Politburo who could issue orders to the PLA was Hu as the Vice-Chairman of the CMC. It is against this backdrop that Hu was responsible for dealing with the incident. Indeed, some military memoirs and media reports in China mention that Hu issued some orders to the PLA regarding the incident.

This highly centralized decision making system resulted in a delay in the initial external response to the incident. Although the Secretary of State Powell tried to contact Foreign Minister Tang Jiaxuan immediately after the incident, the attempt failed. Washington and Beijing lost contact with each other for two days following the incident, except for the protest to Ambassador Prueher presented by Assistant Foreign Minister Zhou Wenzhong. Hence, top leaders could not properly communicate with each other for one week in the aftermath of the incident.

Communication between top leaders at the initial stage is of vital importance to prevent the escalation of crises. Despite the establishment of a hotline between the heads of the U.S. and China by 2001, it did not function. In China, it is difficult to contact working sections, such as diplomatic authorities unless the Party Central Committee decides on the
policy to deal with the matter. Chinese memoirs on this incident always stress the fact that each subordinate organ’s response was based on the decisions of the Party’s leadership. Thus, how to establish and ensure an emergency communication mechanism with government and military departments as well as top leaders is an issue to be addressed in crisis management with China for any other countries.

## Toward Accident Prevention

In addition to responses after incidents, the prevention of military accidents which could cause crises is a key issue of crisis management with China. For countries in the region and the U.S., averting military-related contingency with China in peacetime is an important policy challenge, considering the rapid modernization of Chinese sea power as well as air power and their expanding sphere of operations.

As frequent confrontation of naval and/or air forces of the U.S. and China had been witnessed in the area near China since the early 1990s, Military Maritime Consultative Agreement (MMCA) was concluded in January 1998 between the U.S. Department of Defense and the Ministry of National Defense of the PRC. Since then, Washington and Beijing have discussed safety standards and procedures to avoid military incidents.

Washington came to recognize the necessity to prevent unforeseen military-related contingencies when the aircraft carrier USS *Kitty Hawk* and a Chinese *Han*-class nuclear submarine squared off in the Yellow Sea in October 1994. The *Kitty Hawk*, on routine patrol in “international waters” in the Yellow Sea, encountered the *Han*-class submarine, and the U.S. dispatched S-3 Viking antisubmarine patrol aircraft to watch the movement of the submarine. In response, China sent two fighter jets. The volatile stand-off continued for nearly 70 hours. While the situation finally settled down with the departure of the *Han*, Beijing followed up the incident with a warning, issued to the U.S. Naval Attaché, that the PLA would open fire in a similar incident in the future.

In the wake of this incident, Washington asked Beijing to build a framework to avoid such incidents with the Incidents at Sea Agreement (INCSEA) between the United States and the Soviet Union in 1972 in mind as a model. Moreover, the leaders in Washington and Beijing, having experienced bitterer confrontation during the Third Taiwan Strait Crisis, both came to perceive the significance of avoiding an accident and preventing escalation. The U.S. Defense Secretary and the Chinese Defense Minister reached an agreement to start a dialogue to avoid an unforeseeable contingency at sea in December 1996. The dialogue between defense officials started based on this agreement, and in October 1997, the top leaders in Washington and Beijing confirmed their intent to establish “a consultation mechanism to strengthen military maritime safety, which will enable their maritime and air forces to avoid accidents, misunderstandings or miscalculations.” Consequently, the U.S. Defense Secretary and the Chinese Defense Minister signed the MMCA in January 1998.

The U.S.-China MMCA Mechanism is composed of the following three frameworks. The first is annual meetings in which the delegation of each party is led by a two-star flag officer. The second is the working groups to study and discuss agenda
items agreed at the annual meetings. The head of the delegation is a senior navy captain in this meeting. The last is special meetings for the purpose of consulting on specific matters of concern relating to the activities at sea of their maritime and air forces.

The first annual meeting was held in Beijing in July 1998. The delegations exchanged briefs on their national laws and regulations governing military operations at sea and agreed to convene a series of working groups to discuss maritime navigation safety issues. In the first working group meeting held at the end of the year, the international communications standards, the laws of the sea, and maritime safety and navigation were discussed. Then, when the second working group met in Qingdao in May 1999, the agreed-upon points culminated in the publication of the *Study of Sino-U.S. Maritime Navigation Safety, Including Communications*. Nonetheless, the PLA postponed all military exchanges including the MMCA meetings and halted discussions with the U.S. after the NATO bombing of the Chinese Embassy in Belgrade on May 8. A written agreement was prepared in the MMCA working group meeting, which resumed in March 2000, and was presented in the second annual meeting in May 2000. Another agreement about the avoidance of dangerous maritime military actions was concluded in this annual meeting.

Notwithstanding these efforts, the EP-3 collision incident in April 2001 revealed the weakness of these efforts. It was the international rules about maritime safety and navigation, and communication that were discussed in the working group, and which had already been signed by Washington and Beijing. Furthermore, they agreed that military ships and aircraft in the vicinity of each other should avoid hazards according to international regulations, and specified the regulations in the second MMCA annual meeting. The agreement reads, “when military airborne vehicles encounter each other in international airspace, both sides should properly observe the current international law and practices, and pay due regard to the flight safety of the other side so as to avoid dangerous approaches and possible collisions.”

The wording “due regard” is used in the Convention on International Civil Aviation (Chicago Convention) Article 3 (d), whose meaning had also been discussed during the MMCA. The delegation representing the U.S. in the MMCA working group at that time said “their [Chinese side’s] recognition could well have prevented the EP-3E and F-8 accident.”

This does not mean, however, that China had no intention of avoiding maritime accidents. The EP-3 incident resulted in an MMCA special meeting in September 2001 that focused on principles and procedures for the safety of military aircraft and vessels operating in the vicinity of each other. These points were subsequently discussed in the next working group meeting. Furthermore, quite a few Chinese diplomats and PLA officials continuously recognized the significance of the MMCA to be a mechanism for “military aircraft and military vessels’ avoidance of accidents, misunderstanding or misjudgment” for both sides, referring to the Joint U.S.-China Statement in October 1997. In addition, while U.S. reconnaissance aircrafts’ operation and Chinese fighter jets’ air intercepts frequently occurred in the airspace off the coast of China, the PLA conducted these intercepts “in a much more professional and safe manner” after the incident, according to a U.S. Navy officer. Moreover, direct confrontation between naval vessels of China and the U.S. has substantially diminished after the incident.

However, it is not easy to achieve a common standard for maritime military safety for China and the U.S. An official of PLA Navy (PLAN) comments that the actual state of maritime navigation safety falls far short of achieving completion. He points out two fundamental difficulties: first, “there is a fairly large discrepancy” in security interests, and strategies and operating methods of the navy between China and the U.S.; second, “the different understanding of general principles of international maritime law and treaties.” Beijing emphasized in MMCA special and working group meetings resulting from the EP-3 incident that “the presence of U.S. reconnaissance aircraft and Special Mission Ships (SMS)” in the Chinese Exclusive Economic Zone (EEZ) presented threats to their national security, and demanded a halt to the reconnaissance operations rather than making a safety standard.
Beijing, from the beginning, takes the position that all foreign military planes and military vessels can enjoy the freedom of over-flight and navigation in the EEZ as long as there is no conflict of interests with the coastal state. Thus, Beijing asserts that prior permission from the coastal state is required for military activities in the EEZ. From this standpoint, the activities of the U.S. military without Beijing’s prior permission would be seen as a “reconnaissance operation” that threatens China’s national security. On the contrary, the U.S. considers that UNCLOS provides that the EEZ is “international waters” for free navigation and over-flight of any countries. That is to say, Washington takes the position that the coastal state’s jurisdiction in the EEZ, which Beijing insists on, has an effect only on resource development, and therefore has no effect on military activities. Washington and Beijing are thus on a different wavelength regarding military activities in the EEZ. Meanwhile, the PLAN vessels operate within the U.S. EEZ around Guam and Hawaii without prior permission from the U.S. Hence, Beijing’s deeds do not necessarily match its words.

It is also noteworthy that while it was difficult to explicitly agree on safety standards with the U.S., Beijing assigned obstructive actions to two maritime law enforcement agencies, the China Maritime Surveillance (CMS) of the State Oceanic Administration (SOA) and the China Fisheries Law Enforcement Command (FLEC) of the Ministry of Agriculture (at the time), in order to avoid military accidents or confrontations. Yu Zhirong, former senior official of CMS East China Sea Branch, remarks that “faced with an increasingly acute struggle over maritime interests between China and the U.S. and a severe environment for the protection of those interests, a high level decision-making body decided that the CMS should inherit the PLAN’s duty to respond to U.S. Navy vessels conducting military surveillance missions within the area of Chinese jurisdiction.” He goes on to say that Jiang Zemin, the General Secretary of the Central Committee of CPC at the time, demanded to “stick to the principle to protect China’s maritime rights and interests and prevent the situation worsening” for maritime law enforcement agencies. While Yu does not state the time of this decision, it seems to be around 2001 from the context of his writing. However, the shift of responsibility from PLAN to maritime law enforcement agencies progressed slowly because most of the vessels of the maritime agencies were too old for such tasks and only a few vessels had the proper capacities to cover the vast EEZ.

The idea that Beijing should use not only the assets of CMS but also the well-equipped fleet of other law enforcement agencies such as FLEC was emerging during the second half of the 2000s from several PLAN officials. Professor Feng Liang, one of the Chinese delegates for the MMCA working group, argued that the maritime law enforcement agencies should be used in peacetime to avoid direct military confrontations while decreasing the direct use of the PLAN. Li Xingguang, president of the PLAN Military Court, asserted, with an explanation from China’s standpoint for foreign military activities in the EEZ, that China should reinforce the jurisdictional control in the EEZ, responding to military actions by such countries as the U.S. One of the measures for that is strengthening the maritime law enforcement activities, whereas he did not refer to the role of the PLAN.

In fact, most of the interruptions against U.S. military activities in the Chinese EEZ have been mainly carried out by law enforcement agencies or fishing boats from 2005, not the PLAN. The vessels and aircraft of the Chinese law enforcement agencies are said to have enhanced their armament after the establishment of the China Coast Guard in June 2013. Nonetheless, there is little possibility that any disruptive actions by them should cause a severe situation including a large-scale military confrontation because of their lighter armament compared to the PLAN.
However, some CMS officials pointed out that the administrative instructions and operational procedures to exercise the right of hot pursuit provided by UNCLOS Article 111 and the Article 12 of PRC Law on China’s the Exclusive Economic Zone and Continental Shelf were not yet established at the time. As a result, dangerous actions by such groups as maritime law enforcement agencies frequently occurred. Professor Feng also indicated that the problem was that the maritime law enforcement agencies were not so sensitive to some external fierce responses derived from their activities.

A typical example is the March 2009 _Impeccable_ incident. On March 8, an intelligence collection ship of the PLAN, a CMS patrol vessel, a FLEC patrol vessel, and two trawlers harassed the USNS _Impeccable_, a U.S. oceanographic ship, which was conducting operations in the waters approximately 120 km south of Hainan Island. In this incident it was the FLEC patrol vessel and the trawlers that played a central role. _Yuzheng 302_ was dispatched by the Ministry of Agriculture South China Sea Fishery Bureau to execute a mission to track, monitor, and drive away the USNS _Impeccable_, and started chasing and watching. Later, the two trawlers also sent by the South China Sea Fishery Bureau arrived at the site and dropped pieces of wood in the water directly in the _Impeccable_’s path and aggressively closed to approximately eight meters under the command of _Yuzheng 302_. The U.S. government pointed out such obstructive actions violated international laws and made a protest to the Chinese government about the “unprofessional maneuvers by the Chinese vessels.” Although there was a PLAN intelligence collection ship, she did not take part directly in the obstruction.

Michele Flournoy, Under Secretary of Defense for Policy, raised the question of China’s dangerous actions and stressed the importance of the MMCA as a mechanism to handle such issues at the U.S.-China Defense Consultative Talks in June 2009. In response, General Ma Xiaotian, Deputy Chief of PLA General Staff Department emphasized China’s standpoint regarding “reconnaissance operations” by U.S. vessels in China’s EEZ. Both parties agreed to hold an MMCA special meeting on the theme of maritime safety and “freedom of navigation” in China’s EEZ. The meeting was held in Beijing at the end of August. China stressed “the root cause of military and security problems in the airspace and sea between China and the U.S. is the latter’s frequent reconnaissance and surveillance operations in and above China’s EEZ,” and “the fundamental solution to the problem” had to be “the reduction and halt of the reconnaissance operations by the U.S.”

It is difficult to discuss the problems about other agencies and actors than the navy in MMCA meetings. Air forces can participate in MMCA as well as navies, since the agreement on MMCA of January 1998 stipulates the need for promoting common understandings regarding activities undertaken by their respective _maritime and air forces_ when operating in accordance with international law, including the principles and regimes reflected in the United Nations Conventions on the Law of the Sea.” Nevertheless, China has been thinking of the MMCA as a framework for cooperation between navies from the beginning. In fact, the head of the Chinese delegation has been consistently a Deputy Chief of Staff of the PLAN. Moreover, basically, other Chinese participants have exclusively been PLAN officials.

In recent years, Beijing has been attempting to reidentify the scope of the MMCA in a broader context. A bilateral search and rescue exercise (SAREX) of the U.S. Navy and the PLAN was conducted in two phases off San Diego and in the South China Sea in September and November 2006, respectively. While this exercise was based on a proposal by Washington, Admiral Liang Guanglie, Chinese Minister for National Defense, appreciated
the exercise as an effort of the MMCA that “has enhanced exchanges between the two navies.” There seems to be a desire in Beijing behind this high commendation to make the MMCA a framework to discuss maritime security issues in a broader context as well as technical issues such as procedures for maritime safety and navigation.

A PLAN official notes that there are three measures to ensure maritime safety and navigation: The firstly, building mutual confidence in the military field; secondly, seeking a consensus on international laws; and thirdly, taking concrete steps at the place to avoid dangerous approaches and collisions, and in the vicinity, establish communication to confirm the intentions of one another to prevent accidents. He also says that building confidence in the military field is the essential prerequisite for the accident prevention mechanism to function.

Another expert regards the maritime “crisis prevention mechanism” as a part of the “mutual confidence mechanism for maritime security” and defines the latter as “an aggregation of frameworks to build confidence and generate dialogue and cooperation, as well as a series of norms, agreements, and arrangements.” Based on this understanding, some of the Chinese experts argue that the substance of the MMCA should be developed in two contexts. The first is to give a more concrete shape to procedures to ensure maritime navigation safety and flight safety; however, a pessimistic view about this idea still permeates in China. The second is to widen the scope of naval cooperation to nontraditional security to form an overall cooperation mechanism and build confidence in the military. In fact, the Chinese side proposed in the MMCA annual meeting held in Qingdao in the end of February 2008 to “add positive elements for the improvement and development of relations between the two militaries” as a basic principle for the MMCA.

Beijing has been focusing on restricting U.S. military operations in its own EEZ. As a result, the MMCA’s function as confidence building measures (CBMs) to prevent accidents through establishment of common safety standards is in relative decline in China’s understanding. This is changing MMCA’s character into a naval framework of cooperation in nontraditional security affairs, on which agreement and cooperation are relatively easy to achieve. In addition, that the main organization for disruptive actions against foreign military activities in the waters close to China is shifting to maritime law enforcement agencies raises a new challenge for neighboring countries as well as the U.S.; namely, how to approach these new actors and move towards sharing safety standards with it?
Conclusions
Conclusions

The word crisis is generally defined as a dangerous and difficult situation requiring critical decisions to be made. A crisis for a nation is an emergency situation threatening a country’s core structures such as sovereignty, systems of the state, and economic development. Among these crises, a national security crisis means there being the increased possibility of a critical situation such as a military conflict, which directly threatens sovereignty and national interests. Crisis management in this context is defined as actions to remove these types of crises and escalation risks.

China has been unveiling lately an attitude in which it makes no compromise on its “core interests,” along with its increasing national power in recent years. Against an actual or potential risk detrimental to the “core interests,” Beijing will remove such risk with all available means. Besides this rather defensive logic, it is noteworthy that the Chinese way of perceiving a crisis has the strong tendency to take it as an opportunity to pursue its own interests. For China, therefore, “crisis management” is controlling crisis escalation while simultaneously following national interests as much as they can.

In pursuing these multiple objectives, flexible responses are permitted insofar as China can maintain its fundamental ground on issues like sovereignty. Furthermore, China tends to claim the legitimacy of its actions through blaming the other party for causing the crisis and thereby putting itself in a passive position. However, China, at the same time, seeks to take the initiative in its response to a crisis. That is, a crisis itself contains, in China’s understanding, the achieving of two conflicting goals at the same time. In order to materialize these thoughts in response to an actual crisis, China needs to properly use a wide range of means, which is considered to be a matter of political leadership. The actual decision-making system in China is centralized. Despite the diversification of actors involved in policy making and implementation, China’s response to a crisis is basically under the control of the Party’s leadership.

These conceptual features can be observed in China’s actual actions. In the Sino-American aircraft collision incident in 2001, Beijing stood firm against Washington, demanding an apology. At the same time, instead of sticking to “apologize,” China accepted the words “very sorry” as an “apology” from the United States, aiming to rapidly solve the problem to maintain the “overall situation” of Sino-America relations. China sought to make its principles and flexibility compatible in its response to the incident. Moreover, in the discussions with the U.S. about a safety standard of military operations based on the U.S.-China Military Maritime Consultative Agreement (MMCA), China simultaneously pursues two different targets: the prevention of a military accident and the restraint of U.S. military activities in China’s Exclusive Economic Zone (EEZ).

The concepts of crisis and external behavior of China offer some insights into crisis management between the countries in this region including Japan and the international community and China.

Firstly, crisis management with China is possible. China deeply understands the necessity of crisis management especially in the context of preventing a crisis situation from escalating into a military confrontation or clash. That China’s decision-making is centralized to a considerable degree contributes to promoting dialogue or discussion with China on crisis management.

On the other hand, as repeatedly noted in this report, China tends to regard a crisis as an opportunity to pursue its interests, and tries to implement this policy in the middle of an international crisis management situation. Thus, a possible form of crisis management with China would be the prevention of an accident or simple misunderstanding escalating into a military confrontation, and it is difficult to restrain China’s pursuance of its own interests. In a policy toward China, therefore, one must always prepare the means and functions of engagement and deterrence in addition to crisis management.

Secondly, while assuming China’s pursuance of its own interests, there is the need to influence its policy preferences. Although China’s decision-making still maintains its features as a highly centralized system, the number of actors involved
in the policy making process is certainly increasing. These actors may not be directly involved in the process, whereas they provide the Chinese leadership with information and/or suggestions in order to shape policy preferences. Accordingly, it is possible that having discussions on crisis management with Chinese officials and experts has an indirect influence on the formation of the policy preferences of China. It is against this backdrop that the track 1.5 and/or track 2 dialogues as well as the track 1 dialogue and discussion are of great importance.

Thirdly, a multilateral framework to share a safety standard for the operation of armed forces and maritime law enforcement agencies with China should be emphasized. A lesson to be learned from the experience of the U.S.-China MMCA is that even though both countries aimed to achieve a shared understanding of the safety standards of military operations, the mechanism considerably depends on political relations between the two countries. The Japan-China defense exchange tends not to function adequately as the political relationship deteriorates. This is a reason why it is important to discuss and share with China the safety standards of military operations within a multilateral practical framework, which is less susceptible to political confrontation. For example, countries in the region including Japan should actively utilize the Western Pacific Naval Symposium (WPNS), which the People’s Liberation Army Navy (PLAN) has joined, and which is establishing an international standard in terms of the safety measures when naval and civilian ships and aircraft encounter one another.

Finally, it is worth noting some implications the analysis of this report for Japan-China relations. In its dealing with Japan over the Senkaku Islands, China actively takes an offensive posture to pursue its own interests of breaking Japan’s effective control over the islands through sharply increasing activities of the maritime law enforcement agencies within Japanese territorial waters. China simultaneously claims the legitimacy of its actions by asserting that the Japanese government’s acquisition of the ownership of the islands in 2012 has undermined the “overall situation” of Japan-China relations. This could be regarded as typical behavior by China to maintain legitimacy and to take the initiative at the same time, as pointed out in the report.

Given these Chinese actions, it is essential to build a multi-layered mechanism for crisis management between the two countries. The defense authorities of Japan and China agreed there should be a maritime communication mechanism that consists of three levels, 1) annual meetings and working-level discussions, 2) a high-level hotline between the two authorities, and 3) communication among ships and aircraft. In addition to the early implementation of this mechanism, engagement with Chinese maritime law enforcement agencies must be strengthened. Thus, not only is a mechanism for the defense authorities to prevent the situation over the islands from escalating into a military incident necessary, but also continuing meetings on maritime issues at senior official level of related ministries and building an accident prevention mechanism between the maritime law enforcement agencies of both countries are becoming urgently needed.

The 3rd annual Western Pacific Mine Countermeasures Exercise (WP-MCMEX) in Malaysia focuses on enhancing cooperation among Western Pacific Naval Symposium (WPNS) navies and maritime safety. (U.S. Navy photo)
Japanese Defense Minister Itsunori Onodera gave an extra press conference on February 5, 2013 to reveal that a People’s Liberation Army Navy (PLAN) Jiangwei II-class frigate had directed its fire-control radar at the Japanese Maritime Self-Defense Force (JMSDF) destroyer Yudachi in the East China Sea around 10 a.m. on January 30. He also added that a PLAN Jiangkai I-class frigate beamed what is believed to be fire-control radar towards a helicopter mounted on JMSDF destroyer Onami around 5 p.m. on January 19.

The fire-control radar of a warship is activated before the use of weapons to target other ships or aircraft. Defense Minister Onodera denounced the “very abnormal” acts and said that “this could have put us in a very grave situation if things went wrong.” Because this was the “most abnormal case consisting of two consecutive dangerous incidents,” Tokyo made the matter public and lodged a formal protest to Beijing through diplomatic channels.

Immediately after the announcement by Tokyo, some Chinese military experts argued that the radar-lock was a “legitimate self-defense action” against surveillance patrols by JMSDF vessels and aircraft opposing the PLAN vessels. For instance, Huang Dong, chairman of the Macao International Military Society, stressed that the Chinese frigates might have had no choice but the radar-lock because of the continued monitoring by the Japanese vessels and helicopter, while admitting that a fire-control radar beam is something that is used immediately before firing commences and is thus very threatening in peace time. He added that a fire-control radar-lock generally required “permission from an upper authority” because of its risky nature.

Nonetheless, the Chinese Ministry of National Defense denied that the PLAN vessels had locked fire-control radar on a Japanese destroyer and helicopter. China’s statement, issued by the Ministry’s Information Office, said, “The PLAN vessel, while conducting routine training in waters in the East China Sea, found itself closely followed and monitored by the JMSDF destroyer Yudachi. Radars on the vessel were kept at normal observation and alert levels, and its fire-control radar was not activated.” The statement further insisted that Japan’s long time and close-in monitoring and surveillance of China’s naval ships and aircraft is the root cause of air and maritime safety issues between China and Japan.

This denial would imply that Chinese military leaders understood the radar-lock was a threatening activity and it was not acceptable according to international customs. Basically, not taking any dangerous action against approaching ships and/or aircraft in peace time is an established rule. The Incident at the Sea (INCSEA) Agreement between the governments of the United States and the Soviet Union in 1972 provides that “Ships of the Parties shall not simulate attacks by aiming guns, missile launchers, torpedo tubes, and other weapons” to “ships of other Parties,” and other international agreements have similar stipulations. Furthermore, the Code for Unalerted Encounters at Sea (CUES) developed...
by the Western Pacific Naval Symposium (WPNS), in which China takes part, offers safety measures including that ships shall not beam their fire-control radar at ships of other Parties.

Although the CUES is a voluntary code, radar-locking by the PLAN vessel would undermine China’s position against Japan and in international society; it is a transgression of accepted international practice. Such recognition seems to exist in Chinese military, given its cautious statement about the possibility of “international opinion being misled” by “the false argument that Tokyo propagates to disgrace the PLA’s normal actions to maintain its preparedness for war.”