

Asia's maritime confidence crisis

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The Diplomat

27 June 2011

To the casual observer, recent security tensions in Asian waters might seem a storm in a Chinese teacup. The spectacle of opposing vessels – often motley flotillas of civilian patrol boats, fishing trawlers and survey ships – jostling near contested reefs, rocks and islets in the South and East China seas is the kind of activity that was likened back in Cold War days to a game of 'nautical chicken'. Surely, in an age of economic interdependence and nuclear weapons, this petty posturing would not lead to great-power war.

Yet such wishful thinking ignores the real dangers of Asia's China-centric maritime incidents. In the absence of effective mechanisms for crisis-management and confidence-building, these events are increasing in frequency and intensity. The harassment by Chinese civilian vessels of the *USNS Impeccable* in 2009 presaged a serious set of encounters in 2010, including North Korea's sinking of the *Cheonan* and a diplomatic crisis between China and Japan over the ramming of a Japanese customs vessel near the disputed Senkaku/Daiyou islands.

Though major power tensions have eased somewhat in 2011, encounters have continued. Chinese helicopters have continued to 'buzz' Japanese naval units, even in the sensitive period following Japan's earthquake and tsunami. In March, a Philippine survey ship was shadowed and harassed by Chinese patrol boats, eliciting formal diplomatic protests from Manila. More recently, in May and June, Chinese patrol boats have allegedly severed seismic cables aboard Vietnamese vessels operating near disputed territories in the South China Sea. Washington has weighed in, particularly with signals of reassurance to its ally Manila – prompting Chinese warnings about fanning flames and getting burned.

At the weekend [JUNE 25-26], Sino-US and Sino-Vietnamese talks seem to have put a lid on the simmering tensions. And the chance that such incidents will lead to major military clashes should not be overstated. But each encounter involves risks, however small, of miscalculation and casualties. As the number and tempo of incidents increases, so does the likelihood that an episode will escalate to armed confrontation, diplomatic crisis or possibly even conflict. An accumulation of incidents could also play into a wider deterioration of relations among major powers, with dangerous implications for regional peace and stability.

The mystery of motives

Due in large part to the secrecy that shrouds Chinese defence policy, analysts and policymakers seeking to understand Chinese-initiated maritime incidents face the critical problem of trying to work out why each event has happened. Chinese maritime harassment, of course, may be carried out for a number of direct purposes: to intimidate, test resolve and reactions, assert territorial boundaries, collect photographic intelligence, or disrupt the activities of the target vessel, be they intelligence collection, seabed exploration or military exercises.

But is it politically motivated, instigated at the high echelons of political leadership in Beijing? Does it come from senior levels within the PLA, acting without civilian sanction or direction? Does it reflect positioning for influence in PLA doctrinal debates, or perhaps contests for career advancement? Is it essentially a decision by a local PLA unit commander, or indeed the spontaneous action of a reckless naval officer or pilot? Are other agencies, such as maritime auxiliaries, playing their own assertive

games? Or is there a large measure of miscommunication or simple accident at work? Almost any answer carries disturbing implications about China's ability to control the risks along its perilous maritime edge.

Beyond the proximate causes of specific incidents, Asia's increasingly contested maritime environment reflects the region's long-term power shift. Even the best-intentioned dialogue and confidence-building regime is unlikely to change the fundamental clashes of interest that affect each major powers' sense of security, prestige and economic wellbeing. Significantly, the United States sees an essential part of its Asian and global strategic role as upholding freedom of navigation – which would permit military intelligence-gathering activities – in the South China Sea and China's 200 nautical mile Exclusive Economic Zone (EEZ). Washington can thus be expected to continue surveillance operations such as those of *The Impeccable*. And China, in turn, will continue to object to those activities and at times seek to physically disrupt them – a task at which it's becoming more capable.

Regional air and naval forces – especially China's – are growing and developing formidable capabilities suited for sea denial involving rapid, decisive escalation. The changing deterrence and war-fighting strategies of China, the United States and Japan necessitate higher levels of situational awareness and involve expanded maritime patrolling and more intrusive surveillance, bringing an uncertain mix of destabilising effects. In particular, the operational imperatives of Chinese anti-access - and the regional responses to it, including Washington's notional *Air-Sea Battle* concept - entail the presence of Chinese air and naval forces in areas that overlap with the countervailing activities of US and Japanese naval forces. This greatly increases the range of circumstances for maritime brinkmanship and incidents at sea.

At the same time, shifting military balances are being accompanied by popular expressions of nationalism and confidence, again most notably in China. A major driver here, which should not be under-estimated, is a determination to erase historical memories of humiliation at the hands of foreign sea powers. The combination of more direct and sometimes strident expressions of nationalism, together with voracious demand for energy, is reinforcing the strategic importance of shipping lanes and making maritime sovereignty disputes both more salient and harder to manage.

Within the muddle of overlapping sovereignty claims in the South China Sea, China's disputes with Vietnam and the Philippines stand out. What makes these differences so vexed and liable to maritime incidents is not just the number of claimants, complex set of overlapping claims or asymmetry in power between the main actors, but also the intersection of economic, geostrategic and symbolic nationalist issues at stake.

China's territorial dispute with Japan in the East China Sea has all the same elements, with the added ingredient of mutual historical mistrust and antagonism between Beijing and Tokyo. The dispute dates back to the Sino-Japanese war of 1894–95, and plays into nationalist narratives in both countries that work against efforts at compromise.

Confidence-building: all at sea

During the Cold War, an eventual recognition of the dangers of unconstrained military interaction at sea led the United States and the Soviet Union to conclude that the risks exceeded any strategic or political benefit. Thus they took historic steps – notably concluding the 1972 Incidents at Sea (INCSEA) agreement – to limit the number and severity of such encounters.

There is no similar meeting of minds between China and other powers in Indo-Pacific Asia, and the region is ill-prepared to cope with the perils arising from incidents at sea. Asia's infrastructure of

maritime confidence-building measures (CBMs) – such as military dialogues, real-time communication channels and formalised ‘rules of the road’ – is flimsy and under-utilised.

The 1998 US-China Military Maritime Consultative Agreement (MMCA) process remains in existence, although it is essentially an agreement to hold talks on maritime issues, and not an agreement on rules of conduct at sea or an arrangement about how to handle incidents. Moreover, it has held only eight annual meetings since 1998, in part because of repeated instances of suspension of military dialogue. While it is better than nothing, it neither prevented nor helped in managing confrontations such as the EP-3 or Impeccable incidents. Likewise, a Sino-US defence hotline was announced in 2007, but this has reportedly never been employed in a crisis and there remains considerable uncertainty about the protocols for its use.

The obvious limits of Asia’s CBM regimes reflect a clash of views about the value and purpose of such instruments. The broad US position is that maritime CBMs with China can and should be pursued in order to maintain stability, especially in the context of a conspicuous and mutual lack of trust. But these should not come at the expense of the US ability to deter China from coercive action against US allies or other interests in the region. By contrast, the prevailing view in Beijing is that strategic ‘trust’ needs to be established before serious military dialogue, confidence-building and cooperation can be attempted at sea. Admittedly, there is some debate and movement on this issue within China’s policy community; the comment that ‘trust starts with engagement’ by the Chinese Defence Minister, General Liang Guanglie, at the recent Shangri-La Dialogue was a welcome change of rhetoric. But it will be difficult to dislodge hardline views, especially if any shooting starts.

Navigating the shoals

The probability of maritime conflict related to the rise of China is limited but real, and it is growing. The consequences are potentially dire. There is little likelihood in the years ahead that those dangers will be profoundly reduced by the kinds of maritime cooperation and CBMs widely advocated by Western scholars, leaders and diplomats. It is understandable that governments are instead hedging their bets and building up their capabilities and partnerships against the possibility of worst-case scenarios, despite the obvious security dilemma risks inherent in this approach. But what else can be done?

Of course, existing efforts to engage in maritime cooperation and CBMs should not be abandoned. While the likelihood of short-term benefit might be slight, there is generally little to lose by continuing to try. Attempts should also be sustained to introduce operational hotlines and mutually understood rules, codes and communication channels for managing, in real-time, interactions occurring at sea. In particular, the US and China should keep open the possibility of future negotiations on China’s stated concerns regarding US intelligence-gathering in its EEZ. Meanwhile, indirect CBMs like ship visits, bilateral exercises and counter-piracy cooperation should continue. At the same time, leaders and diplomats should continue working to generate at least some use out of regional forums such as the ARF, East Asia Summit and ASEAN Defence Ministers Meeting Plus Eight by encouraging their use as active venues for major-power security talks.

But reliance solely on the traditional CBMs is unlikely to bear fruit for many years – while the risks from maritime incidents are here and now. Therefore the United States, its allies and partners should now begin also to explore some additional means to manage risks of confrontation or escalation. These steps essentially revolve around getting our own houses in order: improving national and coalition approaches to preventing and managing security crises at sea. Such reform might involve, for instance: clarifying alliance expectations, faster and more integrated intelligence assessment across agencies, and better coordination between military and civilian institutions. Japan would be a good place to start, setting a model for China.

For many, the foregoing menu for realistic and effective maritime CBMs in Indo-Pacific Asia will be frugal fare. Even if all our modest recommendations could be enacted, they will hardly eliminate the risks of confrontation or escalation on Asia's high seas in the rocky decades to come. For the foreseeable future, hopes for comprehensive cooperation at sea among major powers in the Indo-Pacific region – something approaching a maritime concert of powers – are forlorn. There will be a continued role for capabilities to dissuade and deter and limit escalation once a crisis begins. The modest CBMs proposed above could, however, make an important if marginal difference – enough to prevent at least some incidents from escalating to crisis or conflict. And each clash averted must count for something.

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