



## Chess on the High Seas: Dangerous Times for U.S.-China Relations

By Michael Mazza

*The Obama administration's hopes that its warmer approach to Beijing would yield a more fruitful Sino-American relationship have been disappointed. Rather than adopting a more cooperative bearing, Beijing has become increasingly assertive over the past year. Recognizing the resulting detriment to U.S. interests and Asia-Pacific peace and security, the Obama administration is now pushing back. This new direction may convince Beijing to reconsider its recent assertive policies, but for now, the United States and China have entered a period of tense relations, raising the odds of a true crisis. Particularly worrisome is Chinese media coverage of this summer's quarrels, which has been nationalistic and anti-American in tone and content. Such coverage makes conflicts more difficult to resolve, as the Chinese regime cannot afford to look weak in the eyes of an incensed citizenry. Policymakers in both countries should be aware of this dynamic as they approach any additional disputes in the coming months.*

Beijing opposed Washington on a number of fronts in recent months. China's response to the March 26 sinking of the *Cheonan*—essentially siding with the North Koreans—was not encouraging. After the international team investigating the sinking announced on May 20 that a North Korean submarine had indeed been responsible, China refused to accept the report's conclusions and instead simply “noted the investigation results.”<sup>1</sup> China then proceeded to block efforts by South Korea (ROK), which the United States supported, to have the United Nations Security Council adopt a resolution. Instead, China only agreed to a watered-down presidential statement, which did not condemn or even place blame on North Korea. Chinese news coverage of the *Cheonan* sinking was no better. The *Harbin Daily* reported that “the investigative process and results are suspicious. In recent years, both sides of the peninsula have at times attacked each other.”<sup>2</sup>

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But perhaps more concerning to U.S. officials than China's refusal to censure Pyongyang was Beijing's attempt to dictate the location and character of combined U.S.-ROK military exercises.

### Key points in this Outlook:

- The United States and China have clashed over maritime exercises, with Beijing opposed to Washington asserting its right to exercise in international waters.
- The Chinese media responded with a stream of nationalistic, anti-American reporting—portraying the United States as an imperial power.
- Despite China's confidence, there are signs of internal weakness in the People's Republic, with social unrest on the rise.
- The United States should prepare diplomatically and militarily for a potential crisis.

When it was reported that the United States might send the USS *George Washington*, an aircraft carrier, to the Yellow Sea to exercise, China reacted strongly. “China has expressed grave concern to relevant parties over the issue,” said Chinese foreign ministry spokesman Qin Gang on July 8. “We firmly oppose foreign military vessels and planes’ conducting activities in the Yellow Sea and China’s coastal waters that undermine China’s security interests.”<sup>3</sup> This statement is indicative of China’s new assertiveness: the *George Washington* had operated in the Yellow Sea as recently as last fall without any such Chinese objection.

China matched its foreign ministry statements with a display of military muscle. In early July, the People’s Liberation Army (PLA) Navy held live-fire drills in the East China Sea. The drills, which involved frigates, submarine chasers, and minesweepers, showcased China’s advanced missile fast-attack craft, which can attack covertly and at long ranges.<sup>4</sup> The Jamestown Foundation reports that “these ultra-fast catamarans are designed to fire cruise missiles at carriers in ‘hit-and-run’ attacks.”<sup>5</sup> The PLA followed this exercise with a military supply drill, code-named Warfare 2010, in the Yellow Sea later in the month. According to the English-language *China Daily*, “The drill was aimed at improving defense capabilities against long-distance attacks. . . . The exercise focused on transporting military supplies for future joint battles.”<sup>6</sup> In both cases, Beijing denied any connection to the potential U.S.-ROK Yellow Sea exercises.

Meanwhile, Beijing stirred up media criticisms of the exercises. Writing for the *Southern Daily*, the official Guangdong Province Communist Party newspaper, Shen Dingli, a prominent Chinese international relations scholar, issued a subtle threat to the United States on July 2:

To say that U.S.-ROK exercises in the South China Sea constitute a threat to China might be an overstatement, but to deploy an aircraft carrier—a naval weapon with such strong power projection capabilities—to exercise near China’s waters is absolutely not a friendly act. . . . China cannot feel especially happy about the U.S.-ROK exercises, but it need not necessarily feel nervous either. First, the U.S.-ROK exercises will not dare to

enter China’s exclusive economic zone. . . . Second, the PLA has a definite ability to defend itself and possesses the means to deal with foreign naval ships coming to attack us. Third, with each passing day, American and Chinese power are becoming more balanced, and China is developing even stronger offensive power.<sup>7</sup>

Shen, who in another article compared the planned U.S.-ROK Yellow Sea exercises to the Soviet Union’s attempt to position nuclear missiles on Cuba in 1962,<sup>8</sup> then explained the connection between Chinese East

China Sea naval exercises and the U.S.-ROK combined exercises—while simultaneously asserting that no such connection existed. And for good measure, Shen issued a subtle warning to the Koreans as well:

If, in the future, American aircraft carriers enter the Yellow Sea, I’m afraid South Korea will be less rather than more secure. Although China’s East China Sea naval exercises are

probably not directly related to U.S.-ROK naval exercises, they do send a message: China is determined not to allow any foreign operations to succeed that might threaten China.<sup>9</sup>

In further arguing that Beijing should not echo Washington’s “outmoded maritime imperialist policy” in competing with American “hegemonism,”<sup>10</sup> Shen sounds a familiar refrain by accusing the United States of neo-imperialism. A June 28 opinion piece on the *Southern Daily* website expounds on this theme at length:

American grand strategy has clearly unfolded before our eyes during these first ten years of the twenty-first century, as American troops have launched several wars in succession in order to seize and control energy sources, to protect the U.S. position of global leadership, and to protect U.S. global interests. In East Asia, the U.S. has already clearly classified China as a potential enemy; in recent years’ U.S.-ROK and U.S.-Japan military exercises, China has naturally been the supposed enemy, and this is no secret. . . . The Chinese people are making all attempts to join hands with America, but Americans are, with smiling faces, injuring China by underhanded means.<sup>11</sup>

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Though the Department of Defense (DOD) decided not to hold the first post-*Cheonan* U.S.-ROK exercise (several are planned) in the Yellow Sea, it did issue a strongly worded response to the Chinese. China is “a regional power . . . whose opinion we respect and consider,” said DOD spokesman Geoff Morrell at a press briefing on July 14. “But this is a matter of our ability to exercise in the open seas, in international waters. Those determinations are made by us, and us alone.” He continued: “Where we exercise, when we exercise, with whom and how, using what assets and so forth, are determinations that are made by the United States Navy . . . by the Department of Defense, by the United States government.”<sup>12</sup> And contrary to Chinese objections, the U.S.-ROK joint statement of July 20 promised that additional exercises would occur in the Yellow Sea.<sup>13</sup> A subsequent DOD statement indicated that the *George Washington* will join those exercises.<sup>14</sup>

## Anti-imperialist Rhetoric

Following on the heels of the post-*Cheonan* dispute, Washington and Beijing are now involved in a diplomatic *contretemps* over the South China Sea. While China’s claim of sovereignty over the South China Sea is nothing new, its strong assertion of that claim is. Earlier this year, Chinese officials explained to their American counterparts that Beijing considers sovereignty over the sea to be one of its “core interests,” along with Taiwan, Tibet, and Xinjiang. As far as Beijing is concerned, its core interests are not to be interfered with by foreign powers.

While attending the Association of Southeast Asian Nations (ASEAN) Regional Forum in Hanoi, Secretary of State Hillary Clinton expressed the United States’ intention to interfere. She proposed establishing a multi-lateral mechanism for negotiating a settlement of the region’s territorial disputes. This proposal marked a change in direction for the United States, which has long remained aloof from the South China Sea disputes. Especially notable was the proposal’s opposition to China’s long-held and consistently stated position that it would only negotiate territorial disputes on a bilateral basis. With this proposal, the United States surprised China not only by inserting itself into the South China Sea disputes, but also by implicitly—if not explicitly—siding with the ASEAN states.

Following her remarks at the forum, Clinton explained to the press that “the United States, like every nation, has a national interest in freedom of navigation, open

access to Asia’s maritime commons, and respect for international law in the South China Sea.” Clinton then enunciated the American position with respect to the disputes:

While the United States does not take sides on the competing territorial disputes over land features in the South China Sea, we believe claimants should pursue their territorial claims and accompanying rights to maritime space in accordance with the UN convention on the law of the sea. Consistent with customary international law, legitimate claims to maritime space in the South China Sea should be derived solely from legitimate claims to land features.<sup>15</sup>

In other words, while Washington has no position on sovereignty claims to the sea’s islands and atolls, it does not recognize Chinese claims to the entirety of the South China Sea, which are not “derived solely from legitimate claims to land features.”

The Chinese response was predictable. A report on the Chinese foreign ministry website noted that Clinton’s “seemingly impartial remarks were in effect an *attack* on China and were designed to give the international community a wrong impression that the situation in the South China Sea is a cause for grave concern.”<sup>16</sup> On July 30, according to a report on the Chinese defense ministry website, defense ministry spokesman Geng Yansheng insisted that “China had ‘indisputable sovereignty’ over islands in the South China Sea and the surrounding waters.”<sup>17</sup>

Just as they had in the run-up to the U.S.-ROK exercises, the Chinese media quickly spoke out on the South China Sea issue. Xinhua, China’s official news agency, played up the anti-imperialist rhetoric in its reporting on the diplomatic standoff. In a July 27 editorial, two staff writers explained U.S. intentions:

In the 19th century, the British empire adopted the tactics of “divide and rule” to fight powers in the European continent. Nowadays, the United States is resorting to the same old trick when dealing with some disputes and conflicts in the international arena. By claiming U.S. national interests in the South China Sea, Washington intends to expand its involvement in an ocean area tens of thousands of miles away from America. Obviously, Washington’s strategy is to play the old trick again in the South

China Sea, in its bid to maintain America's "long-held sway" in the western Pacific Ocean.<sup>18</sup>

The writers then provided some advice to their neighbors in Southeast Asia: "Asian countries should display wisdom in resolving the issue through direct friendly consultations, and should be on guard against being used as a chess piece paving the way for outside involvement."<sup>19</sup>

The *Global Times*, one of China's more hawkish newspapers, warned the ASEAN states in a similar fashion:

Historical experience demonstrates that when a region becomes the front line for a game of chess or the site of a seesaw battle between great powers, the only ones sacrificed are the small countries in the middle. . . . The other South China Sea countries should be clear: if they let the South China Sea situation worsen, none of them will be able to bear the consequences as well as China will.<sup>20</sup>

Beyond intimidating the ASEAN states, these warnings assure the Chinese population that the troubles in the South China Sea emerged through no fault of Beijing's. Once again, China is the victim, preyed upon by countries near and far.

As with the Yellow Sea exercises, media coverage of the South China Sea dispute has evinced an anti-imperialist bent. In fact, a *Global Times* article quotes Shen as arguing that the Yellow Sea and South China Sea flare-ups are connected: "America viewed Chinese opposition to Yellow Sea exercises as a challenge to its maritime hegemony, and has consequently adopted this approach to the South China Sea in order to thwart China's maritime claims. This is also to warn China not to challenge the U.S.-led maritime order."<sup>21</sup>

In a July 28 "Exclusive Military Report," the *Global Times* expanded on this theme:

America's primary interest in the South China Sea is to make that body of water an arena for American hegemony. . . . The greater the trouble between China and South China Sea countries, the easier it will be for America to contain China's rise. . . . All empires lack the strength to directly control the whole world; they always want to manufacture regional conflicts and thus amplify their control.

Washington wants to reenact this old play in Southeast Asia, and is now waiting to see whether anyone will fall into its trap.<sup>22</sup>

In short, during the two most recent U.S.-China spats, the Chinese media provided a stream of nationalistic, anti-American, and anti-imperialist reporting, designed to stir up nationalistic and anti-American sentiment. The United States, the rhetoric goes, is no different from the European and Japanese imperial powers that exploited Asian countries in the nineteenth and twentieth centuries; sooner or later, Beijing will stop Washington's meddling, by force if necessary.

## Weak China, Strong China

Why have the Chinese felt so comfortable ramping things up recently? As noted earlier, U.S. policy during the first year of the Obama administration opened the door to more

assertive Chinese behavior. Deputy Secretary of State James B. Steinberg explained the new policy, "strategic reassurance," in a September 2009 speech at the Center for a New American Security:

Strategic reassurance rests on a core, if tacit, bargain. Just as we and our allies must make clear that we are prepared to welcome China's "arrival" . . . as a prosperous and successful power, China must reassure

the rest of the world that its development and growing global role will not come at the expense of [the] security and well-being of others.<sup>23</sup>

Washington tried to do its part to reassure China. Clinton announced that the United States and China should not allow concerns about human rights to interfere with the relationship. President Barack Obama delayed meeting with the Dalai Lama; when the two finally did meet, the president did not show the Tibetan spiritual leader the same respect as his predecessors had. The president's November 2009 trip to China was also aimed at reassuring Beijing. He did not object when the Chinese censored his town-hall-style forum, and in the joint statement that resulted from the trip, Obama acquiesced to Hu Jintao in the language on both Taiwan and India. This year, arms sales to Taiwan did not include what Taipei needed most—new F-16s—and the

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White House held back the annual DOD report on China's military power for months, for fear that publicizing certain information on PLA modernization would be too provocative.

In short, Beijing has seen a Washington that is willing to make concessions without expecting anything substantial in return. At the same time, the relative economic performance of the two countries during and following the international financial crisis—with China weathering the storm much better than the United States—convinced China that its political and economic systems are superior and that the United States is on the decline. And beyond that, oft-stated concerns within the United States that China owns too much American debt may have convinced Chinese policymakers that Washington is in fact beholden to an ascendant Beijing. Small wonder, then, that China variously opposed the United States at Copenhagen, at the Security Council, and in the Yellow and South China seas. China has not held up its end of the deputy secretary of state's "tacit bargain."

Yet, as confident as China is externally, there are some growing signs of internal weakness—a potentially dangerous combination. The ruling Chinese Communist Party (CCP) no longer relies on communism for its legitimacy; Marxism is a thing of the past. The regime instead derives legitimacy from appeals to nationalism and from its success in building a stronger, economically vibrant China. Because of ever-present concerns about public perception of its legitimacy, the central government cannot afford to appear weak when dealing with Washington.

And these concerns have been mounting. In 1993, there were 8,700 instances of social unrest in China. This number rose to 40,000 in 2000, to 87,000 in 2005, and to 230,000 in 2009. Social unrest in 2005 may have involved as many as 5 million participants; 40 to 50 percent of the incidents in 2005 occurred in the countryside, the spawning ground of the last Chinese revolution.<sup>24</sup>

Civil disturbances occurred for a variety of reasons, from labor disputes to economic degradation, from official corruption to the lack of democratic institutions. These disturbances have not been taken lightly.<sup>25</sup> "By the end of the 1990s," argues Kathy Le Mons Walker, a historian of modern China, "the mounting frequency and militancy of the protests and risings prompted the central leadership to acknowledge its growing lack of

credibility and to state publicly that the social unrest in the countryside was threatening it[s] rule."<sup>26</sup> This is to say nothing of the recent unrest in Tibet and Xinjiang, regions where Beijing has largely failed to convince non-Han populations of the legitimacy of its rule.

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The Chinese population, then, is not the docile citizenry it is sometimes portrayed to be. To deal with these disturbances, the regime has focused its efforts not only on addressing concerns and suppressing vocal resistance, but also on redirecting the anger of a piqued populace toward more acceptable targets. This generally means the Japanese: in 2005, the sixtieth anniversary of the end of World War II, the airwaves were filled with anti-Japanese doc-

umentaries, and the government tolerated anti-Japanese riots. But the regime can also direct anger at the United States or the West as a whole. The CCP presents itself as having delivered China from Japanese and Western subjugation and as continuing to protect the People's Republic from future imperial depredations.

This self-portrayal has become increasingly important as concerns for the Chinese economy mount. While China survived the international financial crisis *relatively* unscathed—and gained greater confidence as it watched free-market economies struggle—its future economic growth is no sure thing. The Chinese government appears to target an annual economic growth rate of 10 percent, claiming that a high rate of growth "is needed to absorb new labor market entrants" (that is, avoid domestic unrest). But during the latter half of 2008, when economic growth slowed to 6.5 percent, "Chinese media reported 20 million lost jobs among migrant workers alone." To paraphrase economist Derek Scissors: if, in the Chinese economic model, 6.5 percent growth means over 20 million lost jobs, something must be wrong with the model.<sup>27</sup>

There is, moreover, a growing consensus that a housing bubble exists in China and that it is getting ready to pop. Beijing is aware of this risk and has been manipulating the economy in hopes of assuring a soft landing. But should real estate values plummet, the resulting economic dislocation could be severe: the central government has no experience dealing with a true domestic economic crisis, and its ability to deftly navigate such straits is in doubt. Even as Beijing works to forestall such an outcome (and recent data suggest that the economic planners *might* be succeeding), the CCP may increasingly

emphasize the one leg of its legitimacy over which it has the most control: its nationalistic credentials.

## A Coming Crisis?

As discussed, the Communist regime's increasing assertiveness in recent months has been matched by state-sanctioned, somewhat jingoistic media coverage. This type of coverage makes what is already a tense environment potentially explosive. The government's use of the media to paint a picture of an aggressive United States out to get China may limit Beijing's freedom of action in the event of a crisis. And if the Chinese economy does stumble, the CCP may find it necessary to play up external threats to ensure its survival at home.

Though U.S.-China ties tensed during the summer, the relationship's underlying fundamentals—economic interdependence and the desire to avoid conflict—remain strong. Last year, U.S.-China trade was valued at \$366 billion; in 2009, the United States was China's top trading partner, while China was America's second largest.<sup>28</sup> The United States is one of China's most important sources of foreign direct investment.<sup>29</sup> And of course, China is the largest foreign holder of American debt, owning \$843.7 billion in U.S. Treasury securities.<sup>30</sup> Leaders in both capitals recognize that their countries would have much to lose from a Sino-American conflict.

But times are ripe for a crisis that could truly strain Sino-American relations. An incident akin to the 1999 Chinese embassy bombing, when American B-2 bombers accidentally bombed China's embassy in Belgrade during the NATO Yugoslavia campaign, or the 2001 Hainan incident, when a U.S. EP-3 spy plane collided with a Chinese J-8 fighter and made an emergency landing on Hainan, would be particularly difficult to manage right now. Considering the reported exchange of gunfire between Chinese and ASEAN navies in the South China Sea in recent months, recent Chinese naval and air drills in the Yellow, East China, and South China seas, additional upcoming U.S.-ROK exercises around the Korean peninsula, and ongoing U.S. surveillance operations off China's coastline, the potential for an accident at sea or in the air is greater than usual.

If Beijing is not quick to control the messaging following such an accident—difficult given potentially differing PLA and foreign-ministry interests—the government may find itself reacting to public opinion rather than shaping it. And a populace that has been fed a diet of anti-American propaganda will conclude that any accident involving Chinese loss of life or equipment was a willful U.S. action intended to contain or “hold down” the People's Republic.

In managing such a crisis, China's leaders would be careful not to give the impression that they are backing down to the United States; with a Chinese leadership pressured to act defiantly, there is the potential for rapid escalation of tensions. With more room to maneuver and armed with an understanding of the political dynamic in China, Washington should be able to tolerate tough Chinese talk while providing Beijing with an opportunity to resolve the situation without losing face at home.

Still, the courses of such crises are difficult to predict. The 1999 Belgrade embassy bombing, which followed months of Chinese media condemna-

tions of the NATO campaign in Yugoslavia, led to anti-U.S. and anti-NATO rioting in China. The U.S. embassy as well as American consular buildings throughout China were damaged, and Ambassador James Sasser and his staff were trapped in the embassy for a number of days. In 2001, the EP-3's emergency landing on Hainan led to the eleven-day detention and interrogation of the American crew and an intelligence coup for the Chinese.

The PLA in 2010 is a much more capable force than it was just a decade ago, and a more confident one. Growing numbers of Chinese officers are eager to test their mettle and put their new tools to use. In the event of a crisis, an angry citizenry in combination with an increasingly assertive PLA and a possibly faltering economy might make for a new and different political dynamic within China, one in which the CCP feels pressured to burnish its nationalist credentials. One hopes that the leadership in Beijing is capable of responsibly navigating a crisis in the face of such a dynamic. The United States would do well to prepare—diplomatically and militarily—should that not be the case.

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## Notes

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