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## **Tailored Coercion**

### *Competition and Risk in Maritime Asia*

By Patrick M. Cronin, Dr. Ely Ratner, Elbridge Colby, Zachary M. Hosford  
and Alexander Sullivan



**Center for a  
New American  
Security**

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### Cover Image

Two P-3 Orion anti-submarine and maritime surveillance aircraft from the Japan Maritime Defense Force, left, and the U.S. Navy, right, fly over the Los Angeles-class attack submarine *USS Houston* underway in the Pacific Ocean.

(MASS COMMUNICATION SPECIALIST 3RD CLASS ADAM K. THOMAS/U.S. Navy)

## TABLE OF CONTENTS

I. Introduction	5
II. Introduction: The Contours of Tailored Coercion in Maritime Asia	8
III. U.S. and its Allies' Responses	11
IV. Responding to Tailored Coercion: The Diplomatic, Institutional and Legal Dimensions	21
V. Conclusion: The Agenda Ahead	24

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# Tailored Coercion

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By Patrick M. Cronin, Dr. Ely Ratner, Elbridge Colby, Zachary M. Hosford  
and Alexander Sullivan

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## TAILORED COERCION: COMPETITION AND RISK IN MARITIME ASIA

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By Patrick M. Cronin, Dr. Ely Ratner, Elbridge Colby, Zachary M. Hosford  
and Alexander Sullivan



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**Tailored Coercion**  
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## I. EXECUTIVE SUMMARY

By Patrick M. Cronin, Dr. Ely Ratner,  
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China is pursuing a policy of tailored coercion in the East and South China Seas that is destabilizing the Asia-Pacific region and spurring maritime competition. Although several other countries in the region are also seeking to advance their maritime and territorial claims, China's behavior has been uniquely escalatory and revisionist. This report assesses the motives behind China's increased coercion, why it might lead to maritime insecurity, and how the United States and regional actors can enhance their current efforts to mitigate conflict and preserve and augment a rules-based order in Asia.

Chinese tailored coercion involves a pattern of dialing up and dialing down coercive diplomacy and blending it with diplomacy, trade and investment, and other forms of engagement. It seeks to pressure target nations and isolate them politically so as not to spook the wider region. China is refining coercive diplomatic instruments of power to assert its maritime reach and alter the administrative status quo in the Western Pacific. This behavior is being executed through a series of policy pronouncements, domestic laws and maritime operations in and around its "near seas." This assertiveness is the product of several overlapping trends, including: Chinese triumphalism in the wake of the 2008 Olympics and the global financial crisis, growing Chinese nationalism, enhanced Chinese military and maritime capabilities, bureaucratic politics and competition, high dependence on energy imports and external responses to internal sources of instability. There is considerable debate about which of these factors are most dominant.

Chinese officials regularly avow that the country's muscular actions have been necessary responses to external provocations. They blame some combination of the U.S. rebalancing to Asia and subsequent adventurism among U.S. allies and partners who believe that they can more freely test Beijing with Washington at their back. Nevertheless, it can be

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*China's military modernization will continue to test the resolve of the United States, its willingness and ability to reassure allies and partners and deter major conflict, particularly in light of U.S. defense budget cuts, and broader questions about the future of America's role in the world.*

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said with certainty that Chinese assertiveness has at times been unilateral and – even when ostensibly in response to others' actions – has often been premeditated and highly provocative. China's actions, even if not the result of a carefully designed long-term strategy, are accumulating to form a troubling and destabilizing pattern of behavior.

This behavior, combining economic, legal and military pressure, is textbook coercive diplomacy. In practical terms, China is seeking to revise the situation in Asia through a variety of means that are designed to exert maximum influence without crossing the military threshold. Those means include proclaiming ownership over most of the South China Sea in contravention of established international law; announcing fishing regulations that could justify Chinese action against other claimants; undertaking frequent military and civilian law enforcement patrols in and around the Senkaku Islands (which are administered by Japan, but which China claims and calls the Diaoyu Islands); pressuring a Philippine withdrawal from

Scarborough Reef in the South China Sea and then achieving de facto control over the reef; suddenly and provocatively pronouncing an Air Defense Identification Zone over the East China Sea; and periodically harassing U.S. Navy ships that are engaged in peaceful passage or freedom-of-navigation deployments outside of Chinese territorial waters but within its 200-nautical-mile exclusive economic zone.

The U.S. response to increased instability in maritime Asia has occurred in the context of a U.S. policy designed to boost U.S. diplomatic, economic and military attention to and resources in the region. The policy was a response to the growing importance of Asia in the 21st century, not a direct reaction to Chinese assertiveness. The United States seeks a regional order in which disputes and crises are managed by rules and institutions rather than power and coercion. Still uncertain, however, is whether Beijing is truly interested in a regional security environment that includes anything short of eventual Chinese control of contested features in the East and South China Seas. Beijing's behavior in recent years has sent mixed messages in this regard.

The broader military and security environment in Asia sets the context for China's coercive diplomacy. The United States retains superiority in most contingencies in the Asia-Pacific theater, which has the pacifying effect of deterring outright Chinese military aggression. Nevertheless, China's steadfast pursuit of counterintervention capabilities is challenging the ability of the United States to project power into East Asia. As a result, China's military modernization will continue to test the resolve of the United States – its willingness and ability to reassure allies and partners and deter major conflict – particularly in light of U.S. defense budget cuts and broader questions about the future of America's role in the world.

China's use of tailored coercion for incremental revisionism raises similarly difficult strategic



dilemmas about how to respond proportionally and in ways that align with U.S. interests. The United States is ultimately tasked with the dual charge of deterring Chinese coercion without heightening tensions and simultaneously seeking a cooperative relationship with Beijing that avoids creating a permissive environment for Chinese assertiveness. In reality, no perfect set of policy solutions exists that can perpetually thread this needle, and U.S. policy will instead require continual adjustment.

As the United States rebalances to Asia, it will need not only to revise its forward-deployed presence and enhance its own military capabilities but also to help strengthen the ability of regional countries to more independently monitor, deter and repel Chinese coercion. At the same time, actors in the region, including the United States, are pursuing a number of political, diplomatic and legal tracks designed to support a rules-based regional order in which countries eschew the use of force to settle political disputes. These efforts include confidence-building measures on maritime security and safety, strengthening of regional institutions and mechanisms for crisis prevention and management, and attention to international law and arbitration.

In the final analysis, the U.S. approach toward the East and South China Seas will have to be multifaceted. U.S. policymakers will have to wrestle with difficult questions about how to encourage China to move toward compromise and cooperation in the maritime domain, as well as how to respond should Beijing choose to follow a different path. Presence and engagement must focus on simultaneously finding a *modus vivendi* with China while preserving U.S. influence in this dynamic region. Allies will have to do more to promote their own security while also forging a common approach for discouraging bad behavior, countering maritime coercion, and ensuring inclusive access to the region's commons.

## II. INTRODUCTION: THE CONTOURS OF TAILORED COERCION IN MARITIME ASIA

Maritime competition is on the rise in the Asia-Pacific region, increasing security risks to nations in the region and to U.S. interests. This report argues that tailored coercion by China is contributing to significant instability at sea.<sup>1</sup> It focuses on how tailored coercion is playing out in the East and South China Seas; how tailored coercion both flows from and affects the course of broader military trends; and how the United States and its allies can redouble their efforts to mitigate the risk of escalation and conflict through enhanced deterrence, as well as diplomatic and political mechanisms.

The sea has become Asia's arena for security competition, which necessarily involves the skies above the water, as well as the space and cyberspace domains that guide vessels across it. Naval, air, marine and coast guard forces, supported by critical enablers such as surveillance and mobility assets, lead the procurement lists for many of the region's littoral nations.<sup>2</sup> China's President Xi Jinping has called on the People's Liberation Army (PLA) to build a blue-water navy and be prepared to "fight and win" the nation's wars.<sup>3</sup> Japan is responding by normalizing its defense posture after decades of constitutional and self-imposed restrictions, and its new "dynamic joint defense" concept is focused on its southwestern island chain.<sup>4</sup> Meanwhile, the United States is comprehensively rebalancing to the Asia-Pacific region, in part by gradually deploying 60 percent of both the Navy and Air Force's forward-deployed assets to the region.<sup>5</sup> Moreover, the highest-quality assets are being earmarked for Asia, including America's "best destroyers ... ballistic missile defense ... airplanes ... [and] people."<sup>6</sup> Several Southeast Asian nations are seeking stealthy asymmetrical means for countering threats, especially submarines.<sup>7</sup> And virtually all of the region's nations are building new security relationships with other Asian

countries, thereby creating a network to hedge against uncertainty. These regional military-military ties are taking on an increasingly maritime bent.<sup>8</sup>

China remains at the center of regional concerns. Experts may debate whether a naval arms race is occurring in Asia, and the security seascape there is decidedly complex, with many interdependent elements. But the central driver of insecurity is an ambitious, reemerging China that is keen to exercise greater control over its periphery. China's interest in exerting more control over its maritime environs is quite natural: Its economy is critically dependent on seaborne trade, nearly all of which flows through ports abutting the East or South China Seas.<sup>9</sup> As one Australian analyst wrote, "It is Beijing's objectives, and its increasingly impatient and aggressive prosecution of them, that have generated instability at sea."<sup>10</sup>

As regional maritime security has deteriorated over the past several years, a pattern of Chinese coercive behavior has begun to emerge from a series of policy pronouncements, domestic laws and maritime operations in and around its near seas. Chinese assertiveness over sovereignty issues is the product of several overlapping trends, including Chinese triumphalism in the wake of the 2008 Olympics and the global financial crisis, growing Chinese nationalism, enhanced Chinese military and maritime capabilities, bureaucratic politics and competition, high dependence on energy imports and external responses to internal sources of instability. There is considerable debate about which of these factors are most dominant and there is evidence to suggest that Beijing is not necessarily executing a carefully designed long-term strategy. Nevertheless, the pattern of behavior is notable and requires a response, regardless of its precise origin.

Chinese officials regularly avow that the nation's muscular actions have been necessary responses to

external provocations spurred by some combination of the U.S. rebalancing to Asia and subsequent adventurism among U.S. allies and partners who believe that they can more freely test Beijing with Washington at their back.<sup>11</sup> These claims are difficult to disentangle, given the near impossibility of separating true Chinese perceptions from propaganda. What can be said with certainty is that Chinese assertiveness has at times been unilateral and – even when ostensibly in response to others’ actions – has often been opportunistic, premeditated and highly provocative.

China continues to assert its claims in a variety of coercive ways, including proclaiming ownership over most of the South China Sea (including the introduction of a “nine-dashed line” map of dubious international legality because it is not restricted to land features); advertising new fishing regulations that could justify Chinese action against the Philippines, Vietnam, Malaysia or others; undertaking frequent military and civilian law-enforcement patrols in and around the Senkaku Islands (which are administered by Japan but which China claims and calls the Diaoyu Islands); pressuring a Philippine withdrawal from Scarborough Reef in the South China Sea and then achieving de facto control over the area; suddenly pronouncing an air defense identification zone (ADIZ) over the East China Sea (directed at Japan but also covering airspace patrolled by South Korea); and periodically harassing U.S. Navy ships exercising peaceful passage or freedom-of-navigation deployments outside of Chinese territorial waters but within its 200-nautical-mile exclusive economic zone.

Whatever the source, China’s recent behavior is textbook coercive diplomacy. The idea that sovereign states should exercise subtle diplomacy backed by the threat of force is at least as old as the modern nation-state. Frederick the Great famously quipped, “diplomacy without arms is like music without instruments.”<sup>12</sup> Since 1945,

with the development of America’s leading role in global security, a vibrant and robust literature on the subject emerged to help bring theoretical rigor and empirical analysis to the subject, with a special focus on the U.S. use of diplomacy backed by the threat of force. The overall intent has been to achieve national goals without precipitating wider conflict or war.<sup>13</sup>

China’s leaders are so concerned with internal instability – and its economy is so economically interdependent with the outside world – that it seems counterintuitive that it might risk war over small, uninhabited islands. Clearly, coercive diplomacy can backfire on a state. Moreover, Chinese leaders may assume that, rather than using force outright, they can alternate the use of implied and limited coercion with diplomacy, trade and information campaigns – thereby improving on America’s own checkered history of coercive diplomacy. After all, coercive diplomacy appears more likely to have a chance of succeeding when the desired objective is limited (for instance, deterring is easier than compelling), when there is a credible capability to carry through on the threat to use force and when the target is offered not only disincentives or threats but also incentives. Of course, excessive subtlety and ambiguity could fail to send the target a sufficient signal of resolve.

As China seeks to exercise further influence over its periphery – and in the process, effectively challenge the United States’ postwar dominance in security and governance over regional rules of the road – it is increasingly seeking to use coercive diplomacy. China has been doing this with its maritime neighbors, from Japan to Taiwan to the four Southeast Asian nations that also have competing claims in the South China Sea (Brunei, Malaysia, the Philippines and Vietnam). China’s “periphery diplomacy” has been more varied and often positive toward neighbors with whom there is no pressing dispute. This group includes significant middle powers, such as South Korea and



Indonesia, and also more distant powers, such as India and Australia. China may prefer to offer South Korea trade and diplomatic benefits rather than pressure, and those investments may provide a different source of leverage. Chinese investment on Jeju Island could, for instance, help turn the Korean political debate against building a major new naval base that would stand over one of the critical chokepoints for the Chinese fleet. Similarly, China's pressure on Japan over the Senkaku Islands, which are governed as part of Okinawa Prefecture, is at least partly driven by an unstated military imperative to improve China's ability to control critical military chokepoints. Vietnam, as a country within close range of China's major (and expanding) submarine base in Hainan, is the target of deeply textured engagement and persuasion from Beijing. Meanwhile, the Philippines, a U.S. ally that is currently negotiating the potential return of U.S. rotational forces, stands directly in the way of vital chokepoints to the Pacific and has come under direct and intense pressure by Chinese maritime vessels in the South China Sea.

This pattern of dialing coercive diplomacy up and down and then blending it with diplomacy, trade and investment, and other forms of engagement suggests that China is seeking to refine coercive diplomatic instruments of power to assert its maritime reach, a policy that might be called "tailored coercion."<sup>14</sup> This more focused form of coercive diplomacy – which might have been referred to in the past as naval coercion or "gunboat diplomacy" – appears to be most coercive and least diplomatic with states where China appears to want to isolate its antagonists.<sup>15</sup> China's ultimate goal in using these tailored coercive tactics may be to harness the United States into shared governance, parity and the belief that only those two countries should be determining the rules as part of a hierarchical system resembling the balance-of-power politics of the 19th century.<sup>16</sup>

### III. U.S. AND ITS ALLIES' RESPONSES

The U.S. response to increased instability and tension in maritime Asia has occurred in the context of the U.S. rebalancing to Asia, which has aimed to boost U.S. diplomatic, economic and military attention to and resources in the region.<sup>17</sup> The policy was largely a response to the growing importance of Asia in the 21st century, not a direct reaction to Chinese assertiveness. Nevertheless, the renewal of U.S. commitment to the region naturally pushed back against Chinese coercion because U.S. engagement is predicated on resolving disputes peacefully and cooperatively. This principled approach has been eagerly met within the region.

U.S. officials have repeatedly stressed that the United States seeks a regional order in which disagreements and disputes are managed by rules and institutions, and not managed by power and coercion. As Secretary of State John Kerry stressed, regional peace requires “respect for international law, including freedom of navigation and overflight as set out in the international Law of the Sea.”<sup>18</sup> The core principles of the law of the sea and the peaceful resolution of disputes remain the bedrock of U.S. policy and are the most likely principles on which to forge a region-wide consensus.

As China's litany of coercive steps has grown over the past five years, so has the anxiety among regional security officials. During Congressional testimony in February 2014, Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel underscored “a pattern of behavior” by China that includes “an unprecedented spike in risky activity” by its maritime forces.<sup>19</sup> Although Russel was specifically referring to the East China Sea, he also openly assailed the Chinese for their expansive nine-dashed line claim in the South China Sea and for pressuring the Philippines over access to both Scarborough Reef and the Second Thomas Shoal.<sup>20</sup>

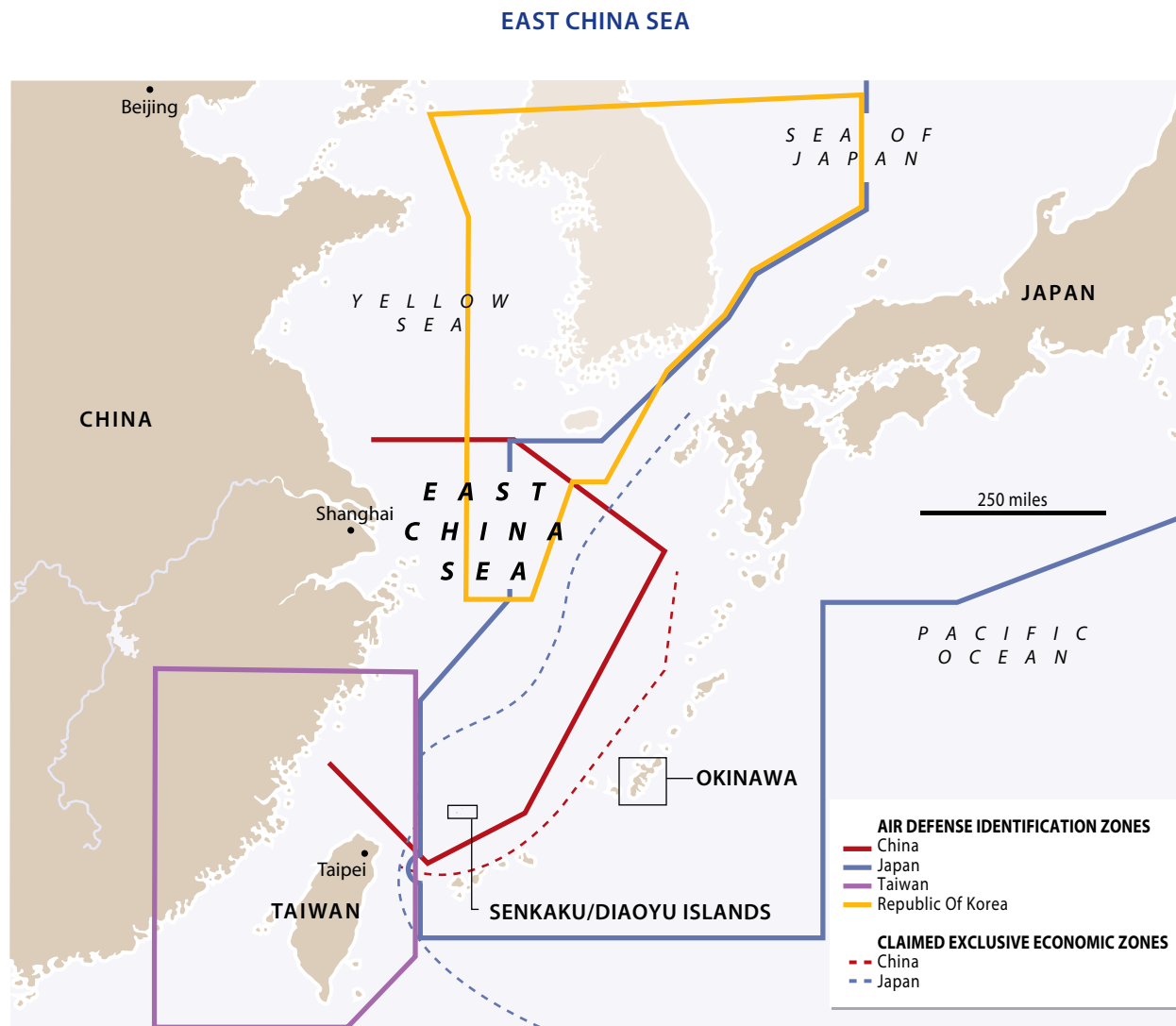
Official U.S. concerns are more muted than some of those expressed by leaders of the nations that share maritime boundaries with China. Two recent indicators of heightened tensions catalyzed by China's coercion were the historical analogies invoked by the leaders of Japan and the Philippines, both treaty allies of the United States. At Davos in early 2014, Prime Minister Shinzo Abe expressed concern that Sino-Japanese relations should avoid the tragedy that marked Anglo-German great-power relations in the lead up to the First World War.<sup>21</sup> Shortly thereafter, Philippine President Benigno S. Aquino III admonished other leaders not to appease China in the way the world appeased Hitler prior to the Second World War.<sup>22</sup>

#### Tailored Coercion in the East China Sea

The showdown between the world's second- and third-largest economies in the East China Sea is a particularly worrisome reflection of Asia's intensifying maritime competition, exacerbated by China's tailored coercion. The United States is also deeply involved, inextricably linked by both its interests in the region and its alliance with Japan. And below the surface lie natural resources – both hydrocarbons and fish populations – coveted by all the countries in Northeast Asia.

The main players – China, Japan and the United States – are contributing to significant and shifting military and paramilitary power in and around the East China Sea. To date, the United States military and Japan's Self-Defense Forces (SDF) have operated without challenge in and around the East China Sea. However, China has been steadily building its own military and law-enforcement forces and has begun to use them in new and sometimes destabilizing ways.<sup>23</sup>

U.S. and Japanese capabilities generally remain superior to those of China's still-growing military, but Beijing's strategy of carefully meted out pressure tactics seeks to prevent those superior military capabilities from playing a decisive role. Beijing has



been expanding its fleets of maritime security ships and, in the spring of 2013, consolidated most of those fleets into the China Coast Guard.<sup>24</sup> The PLA Navy continues to qualitatively and quantitatively improve its surface fleet as well, with the addition of ships well suited for both island capture and power projection. The PLA Navy is introducing amphibious assault ships in addition to launching its first aircraft carrier, the *Liaoning*.<sup>25</sup> Although that Soviet-era carrier has limited operational utility, it gives the Chinese navy the ability to effect a psychological impact on neighboring states. The

conventionally powered training carrier telegraphs China's future potential military power to the rest of the region – a message that is reinforced by reports that China has begun building its own modern aircraft carriers.<sup>26</sup>

China's coercive rhetoric and actions in the East China Sea span the legal, economic and military realms. In 2009, China submitted a claim to the United Nations Commission on the Limits of the Continental Shelf outlining an expanded – and disputed – exclusive economic zone. The following year, China reportedly threatened to withhold



critical minerals from Japan after the latter detained a Chinese fishing boat captain charged with intentionally ramming Japanese coast guard vessels near the Senkaku Islands. China interpreted the unusually lengthy detention of the captain as Japan sending a message to China about its willingness to more strongly assert its control over the islands.

Meanwhile, China's behavior with its naval and maritime enforcement vessels over this period has been designed to challenge Japan's de facto administration of the Senkaku Islands. In 2008, several vessels from China's Maritime Safety Administration entered Japan's territorial waters around the Senkaku Islands, in a glimpse of the more regular incursions to follow. In March 2011, a Chinese helicopter from the State Oceanic Administration buzzed a Japanese destroyer patrolling near a joint gas field in the East China Sea.<sup>27</sup> In early 2013, a PLA Navy frigate aimed its fire control radar at a Japanese destroyer – a dangerous action that risked sparking a military confrontation. And later that year, China flew an unmanned aerial vehicle through Japan's ADIZ near Okinawa, raising another, more complicated challenge for crisis stability and escalation control.<sup>28</sup>

In November 2013, directly before Vice President Joe Biden was to arrive in Asia, China announced that it was establishing an ADIZ over the East China Sea. Although China, like every other country, retains the right to establish such a zone, it did so in a destabilizing fashion that was widely perceived as peremptory and unilateral. Beijing failed to consult with its neighbors about the zone; intentionally covered the Senkaku Islands and, therefore, Japanese-administered airspace; and left ambiguous the PLA's response to incursions, only mentioning that the PLA would adopt "defensive emergency measures."<sup>29</sup> China has not withdrawn its ADIZ proclamation. The ADIZ announcement also follows China's general pattern of incremental

encroachment in the East and South China Seas (something that is often compared with cutting a salami one slice at a time rather than seeking to grab the whole salami at once).

Fiscal pressures in Washington have motivated some skepticism regarding U.S. staying power in Asia. In the short term, however, the United States is still pivoting toward placing greater priority on the Asia-Pacific region, including through diplomatic and military steps to bolster deterrence in the East China Sea. As mentioned above, the U.S. military is shifting its most advanced systems to Asia.<sup>30</sup> Many of these capabilities will be placed in Japan and will be integrated into a strengthened and deepened U.S.-Japan alliance. The first F-35s will deploy to Japan as well and will eventually be integrated with Japanese, and potentially South Korean, F-35s to create dramatically improved capabilities for the allies. The United States has also deployed V-22 Ospreys and the new P-8 Poseidon anti-submarine warfare aircraft to Okinawa.

Supplementing its military presence in the region, the United States has responded to Chinese assertiveness by reinforcing its treaty commitment to Japan. In a continuation of U.S. policy, senior officials in the Obama administration have repeatedly stated that the United States does not take a position on issues of sovereignty, but places importance on the presence of administrative control and asserts that Article V of the U.S.-Japan Mutual Security Treaty covers all territory that Japan administers, including the Senkakus.<sup>31</sup> The United States and Japan are also entering negotiations to revise the alliance guidelines in ways that strengthen interoperability and jointness.

Nor have the responses been purely military. In the diplomatic realm, Secretary of State John Kerry has made clear that the "United States neither recognizes nor accepts" China's recently declared East China Sea ADIZ. Although

governments have the right to declare such zones, many see China's abrupt pronouncement of an East China Sea ADIZ as an attempt to use a legal concept like a cudgel on its neighbors, particularly Japan.

Japan has reacted in two ways to China's increasing assertiveness in the East China Sea. On the one hand, it has shown restraint in how it engages Chinese military and paramilitary forces and has refrained from escalating to actions that could spark conflict. On the other hand, the Japanese government has made clear its intent to strengthen its military capabilities, external relationships and national security infrastructure to meet the China challenge.

In a policy codified by the Democratic Party of Japan's 2010 National Defense Program Guidelines, the SDF began shifting forces from the northern and central parts of the country to the southwest, with a view toward the East China Sea islands (referred to in Japan as *Nansei-shoto* or the Southwest Islands).<sup>32</sup> The Liberal Democratic Party under Prime Minister Shinzo Abe has continued this shift, and the newly revised guidelines reinforce this strategy, focusing on mobility, joint action and rapid-reaction amphibious capabilities to defend the islands.<sup>33</sup> The latest mid-term defense plan invests in transportation and refueling platforms to better sustain operations over the Nansei Islands, which stretch some 700 miles from the main islands of Japan.<sup>34</sup> The defense plans call for increasing the SDF budget for the second consecutive year, as well as the increasing the coast guard budget.<sup>35</sup> The Ground SDF are incorporating a small but potent marine capability to enhance the ability for forced amphibious entry, in the event that they need to retake islands occupied by a foreign power.

Japan is also enhancing integration and interoperability with U.S. forces. Japan's decisions to

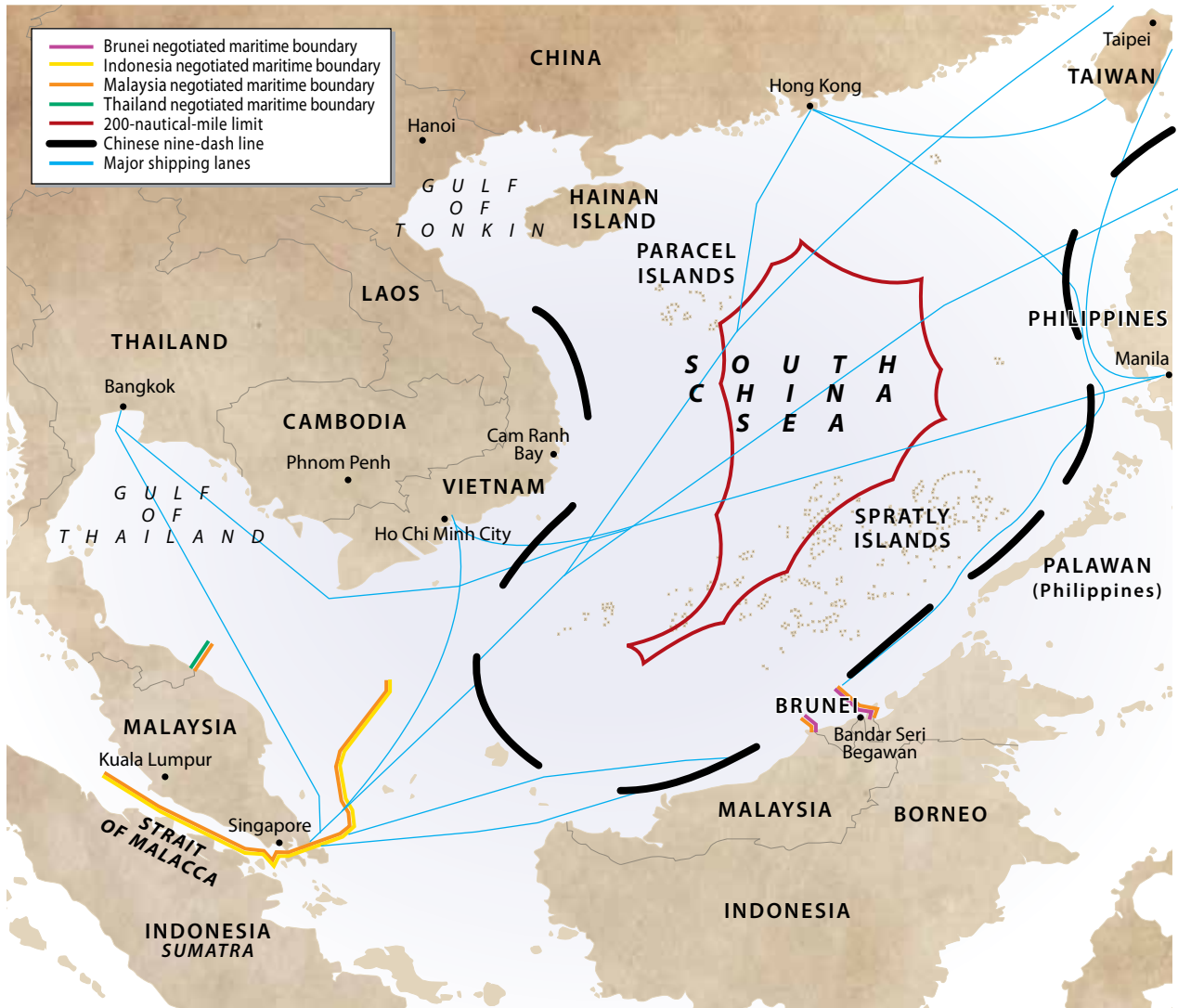
buy three Global Hawk high-altitude, long-endurance reconnaissance drones and, for the first time, to share real-time data with U.S. forces will bolster Japan's awareness of the maritime domain around the East China Sea. Furthermore, Japan is purchasing V-22 Ospreys and amphibious assault vehicles from the United States that are useful in reaching and defending remote islands such as the Senkaku Islands; the nation is also investing in asymmetry by enlarging its submarine fleet.

At the same time, the Abe administration is moving to reconsider political and legal constraints on Japan's security role, including the self-imposed proscription of collective self-defense rights.<sup>36</sup> Whether Japan will muster the resources to seriously execute these changes in its defense posture remains a question. The Japanese defense budget remains under 1 percent of gross domestic product, well below that of all other major powers; thus, procurement of new systems will only go so far toward addressing shortcomings in Japanese defense capabilities.<sup>37</sup>

Although Taiwan maintains maritime claims identical to China's, Taipei has sought to demonstrate that it is pursuing policies that are both distinct from those pursued by Beijing and not at cross purposes with those in Washington. For example, under President Ma Ying-jeou, Taiwan's government has announced its East China Sea Peace Initiative, signed a fisheries agreement with Japan and energetically denounced China's ADIZ.<sup>38</sup>

In short, Japan and Taiwan – as well as the United States as their ally – are growing increasingly concerned over Chinese coercive action in East China Sea and are taking steps to counter it. Japan has taken a resolute but restrained stance with its own considerable capabilities and Washington's support. Both Japan and Taiwan are seeking to bolster defense both independently and together.

## SOUTH CHINA SEA



### Tailored Coercion in the South China Sea

The South China Sea sits at the fulcrum of 21st-century politics and economics. This body of water connects the powerhouse economies of Northeast Asia to the Indian Ocean and beyond, providing the critical thruway for natural resources and trade that move between Asia, the Middle East and Africa. Furthermore, it harbors abundant fishing grounds and potentially enormous oil and gas reserves.<sup>39</sup> Meanwhile, Southeast Asia is rising as

an increasingly important economic and political force in its own right through myriad individual emerging powers as well as a burgeoning regional institutional architecture. The U.S. pivot to Asia is partially an effort to seize and advance these enormous opportunities.<sup>40</sup>

In part because of its growing economic and geopolitical significance, the South China Sea has become one of the most complex and fiercely contested maritime security environments in the



world. With little likelihood of resolving these disputes, efforts to enhance regional stability have largely focused on ways to prevent and manage crises. Six governments – Brunei, China, Malaysia, Philippines, Taiwan and Vietnam – lay claim to various islands, rocks and maritime zones in the sea. And though these disputes are decades old, a convergence of trends and events has brought them to the top of the regional diplomatic and military agenda.

The resurgence in contestation and coercion in the South China Sea is occurring amid rising nationalism, modernizing militaries, energy-dependent economies, maturing regional institutions and ongoing uncertainty about the rise of China and the future role of the United States. Against this backdrop, the proximate cause of recent instability and tension in the South China Sea has been increased Chinese assertiveness.<sup>41</sup> This assertiveness has come in many forms, including the harassment of non-Chinese fisherman, energy companies and military ships, as well as heavy-handed economic, military, legal and diplomatic measures to consolidate and extend Chinese control over contested areas.

China's various forms of assertiveness have been on full display since 2009. A natural starting point for the renewal of high-profile tensions in the South China Sea was the harassment of the USNS *Impeccable*, an ocean surveillance ship, by the PLA Navy and nonmilitary Chinese government vessels and aircraft in March 2009.<sup>42</sup> Months later, China announced, and then enforced, an unprecedented three-month fishing moratorium in the South China Sea during the height of the fishing season, arresting and intimidating Vietnamese fishermen. That same summer, China further asserted sovereignty over the body by submitting to the United Nations for the first time a map containing its nine-dashed line claim, which snakes along the coastlines of China's neighbors in the South China Sea.<sup>43</sup>

Amplifying the sense that China was increasingly willing to bully its neighbors, Foreign Minister Yang Jiechi told his counterparts in a discussion on the South China Sea at the Association of Southeast Asian Nations (ASEAN) Regional Forum in Hanoi in July 2010 that "China is a big country and other countries are small countries, and that's just a fact."<sup>44</sup>

High-profile incidents in 2012 further cemented regional perceptions of Chinese assertiveness. In March 2012, China responded to a standoff at Scarborough Reef with the Philippines by flooding the area with maritime vessels, pressuring Manila with various forms of economic coercion and working to isolate the Philippines in regional institutions.<sup>45</sup> The ultimate result was Chinese seizure and occupation of the disputed shoal and its surrounding waters, which were previously shared by several nations.

Beijing has further pressed its claims in the South China Sea through "lawfare," using legal and administrative measures to assert sovereignty and control.<sup>46</sup> In a direct assault on Vietnam's claims, Beijing moved in July 2012 to upgrade the administrative status of Sansha City on Woody Island in the disputed Paracel Islands, with the PLA announcing that it would establish a garrison on the island.<sup>47</sup> Although Chinese assertiveness in the South China Sea has primarily focused on Vietnam and the Philippines, other claimants, including Malaysia and Brunei, have also been subject to Chinese intimidation.<sup>48</sup>

Taken together, the historical record on maritime disputes in the South China Sea in the five years since 2009 reveals a diverse but persistent array of Chinese coercion in military, diplomatic, economic and legal domains.

While not taking a position on sovereignty disputes in the South China Sea, U.S. officials have reiterated U.S. national interests in the

maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce.<sup>49</sup> The United States has sought to advance these interests by deepening engagement with countries throughout the region, including China. As part of that effort, the U.S. military has been building partner capacity in allied and partner militaries, while seeking a more diversified force posture in Southeast Asia, including new rotational presence in Australia, Singapore and, potentially, the Philippines. Finally, the United States has committed to strengthening regional institutions in Asia, particularly ASEAN-centered institutions such as the ASEAN Regional Forum and the ASEAN Defense Ministers Meeting Plus (ADMM+) forum.

Countries surrounding the South China Sea have responded to increased instability and Chinese coercion through a variety of means to enhance their own security and that of the region. This has included indigenous military modernization to augment naval and coast guard capabilities such as maritime domain awareness and intelligence, surveillance and reconnaissance. Southeast Asian countries have also begun building stronger security partnerships with each other, as well as with major powers outside the immediate region, such as India, Australia and Japan.<sup>50</sup>

At the same time, countries throughout Southeast Asia seek positive and stable ties with Beijing, in part because they are highly dependent on China for trade. This produces a situation in which most Southeast Asian countries are unwilling to choose between the United States and China and resist initiatives that could be perceived as counterbalancing coalitions against Beijing.

Southeast Asia has also made significant strides in recent years at building a more robust regional architecture to manage security competition in the maritime domain. This has primarily occurred through ASEAN and ASEAN-centered

institutions, where the South China Sea has figured prominently in multilateral discussions. This multilateral activity has moved beyond diplomatic exchanges to include working groups and field exercises, largely through the ADMM+ mechanism.

ASEAN has also been working on and off with China over the past decade to devise a code of conduct for the South China Sea to prevent and manage potential crises, a process that the United States has endorsed.<sup>51</sup> Nevertheless, China remains unlikely to agree to enforceable measures that limit its freedom of action in the South China Sea.<sup>52</sup> Therefore, with negotiations on a code of conduct ongoing, the most likely outcome, if there is one, will be a consensus document that states basic principles without putting an effective maritime security regime in place. As a result, the region will have to pursue parallel and alternatives means, perhaps piece by piece, to strengthen stability in the South China Sea.

The future effectiveness of ASEAN will also hinge on strong leadership and relative consensus within the organization in the face of maritime disputes that could divide the grouping. Many saw Cambodia's 2012 chairmanship of ASEAN as a low point for the institution, in which political squabbles over the South China Sea and heavy-handed interference by China cast paralyzing fissures into the organization.<sup>53</sup> This was typified by ASEAN's failure in 2012 to issue a communiqué for the first time in its history, after members were unable to agree on language regarding the South China Sea.

Despite these shortcomings, however, ASEAN, the ASEAN Regional Forum, the East Asia Summit and the ADMM+ remain the most promising venues for high-level diplomacy regarding the South China Sea and for moving forward on practical initiatives to manage disputes. An important addition to the portfolio of conflict-management mechanisms is the international legal tribunal.

The Philippines has contested Chinese claims in the South China Sea at the International Tribunal on the Law of the Sea.<sup>54</sup> How the court rules and how governments respond within and outside the region will go a long way in demonstrating the potential effectiveness of this particular legal approach.

Several features of U.S. policy in the South China Sea are likely to persist in the coming years, including a continued interest in advancing the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce. The United States is unlikely to change its position of neutrality on sovereignty disputes in the South China Sea short of a dramatic change in the regional security environment. Meanwhile, Washington will remain actively engaged in ASEAN's institutions and will continue deepening security partnerships with allies and partners to diversify U.S. force posture and strengthen indigenous maritime and coast guard capabilities.

China's future approach to the South China Sea remains uncertain. Beijing has important decisions to make about how seriously it is willing to engage in negotiations over a code of conduct, whether it will abide by the rulings of the International Tribunal on the Law of the Sea, how it will use its new aircraft carrier, whether it will announce an ADIZ in the South China Sea and, more generally, how and whether it will attempt to continue advancing its claims unilaterally. The decisions of President Xi, whose consolidation of power now includes chairmanship of a new national security commission, and the top leadership regarding these issues will likely determine the tenor of disputes in the South China Sea in the decade ahead.

### **The Broader Military Context**

Not only is China's tailored coercion inextricably linked to its own military modernization and that of its neighbors, but it is also directly tied to the

continuation of American military predominance in the Asia-Pacific region. Beyond the operational effects of a reduction in the relative advantage of U.S. military capabilities, the loss of preponderance could both encourage more Chinese assertive behavior and reduce the ability of the U.S. armed forces to serve as the backbone around which regional militaries train, equip and operate.

Behind the particular disputes in the South and East China Seas lies the broader question of the military balance in the Pacific region. Since 1945, the United States has enjoyed a military predominance in maritime Asia that has underwritten U.S. leadership in the region. This landscape is, however, changing. The rise of China and the commensurate growth of its military power can challenge, and possibly undermine, U.S. military superiority in maritime Asia.

Through a focused military buildup that has been unfolding since the 1990s, China has begun developing and fielding an increasingly sophisticated military designed to counter U.S. intervention in the Western Pacific.<sup>55</sup> China seeks to accomplish this primarily through an anti-access/area denial (A2/AD) suite of capabilities designed to destroy, disable or disrupt U.S. assets essential for effective power projection into the region. Observers disagree about the exact intent of China's military buildup, but the PLA will indisputably become increasingly capable of threatening U.S. power projection forces through a wide variety of strike capabilities (such as ballistic and cruise missiles, advanced aircraft, submarines and surface vessels and antisatellite weapons) linked by sophisticated command, control and communications networks and oriented by cutting-edge intelligence, surveillance and reconnaissance (ISR) capabilities.<sup>56</sup>

The political and strategic implications of these developments are profound. The nation or group of nations with the military upper hand in maritime Asia will be able to exercise significant influence

over the regional order, especially in managing international disputes. The Chinese assertion of claims through tailored coercion raises the specter that China views dispute resolution in ways that neither the United States nor its allies and partners may find palatable.<sup>57</sup> Moreover, a tilt toward China in the military balance is likely to make regional disputes more dangerous, as conflict is more likely when military advantage is contested and uncertain than when the preponderant power is clear.<sup>58</sup>

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*The rebalance to the Pacific includes a significant, although sometimes exaggerated, military component, including the new deployment of Marines to Darwin, Australia and a commitment to dedicate a higher proportion of naval vessels to the Pacific.*

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For these reasons (among others), the U.S. military posture in the Pacific is receiving increasing attention. The rebalance to the Pacific includes a significant, although sometimes exaggerated, military component, including the new deployment of Marines to Darwin, Australia and a commitment to dedicate a higher proportion of naval vessels to the Pacific.<sup>59</sup> More concretely, the Pentagon – and particularly the Air Force and Navy – has sought to refocus on the Asia-Pacific region and on procuring and deploying the kinds of cutting-edge military capabilities necessary to maintain an advantage in the region in light of China’s

buildup. One facet of this has been the AirSea Battle endeavor, a DOD effort to redouble and coordinate initiatives across the defense establishment to overcome the growing threat posed to U.S. power projection and escalation advantage by the proliferation and growing sophistication of A2/AD networks across the globe.<sup>60</sup> Thus, while not specifically focused on China, the AirSea Battle effort is clearly motivated and shaped by the potential threats posed by China’s military buildup.

If the United States does elect to remain committed to its traditional policy of preeminence in the Pacific, Washington will need to prioritize orienting its defense investments, efforts and deployments toward the challenge posed by China’s military. In a change from the 1990s and early 2000s, the United States will be unable to commit substantial resources to constabulary or pacification initiatives in Europe or the Middle East without incurring significant costs to its posture in Asia. Choices will need to be made, some of them quite difficult.

For U.S. allies and partners, these dynamics are likely to mean a greater role in the U.S.-led defense posture than was typical in the 1990s and 2000s. To take one concrete example, a key element of U.S. military superiority in the Pacific is in the subsurface realm. Yet the U.S. shipbuilding program – even if implemented as forecast, which is not a given – will not provide enough submarines for all of the desired missions. For this reason, Washington will likely increasingly call on U.S. allies such as Japan and Australia to help redress shortfalls in the subsurface realm. Needless to say, such coordination and integration already exist to some degree, but they are likely to increase and deepen.<sup>61</sup>

The United States will prioritize building capacity throughout the region to help allies and partners more independently deter and deny Chinese coercion, particularly at lower levels of escalation.



The United States will encourage partner nations to develop such independent capabilities both because U.S. forces cannot be everywhere all the time and because Washington and allied capitals will want the option to retain U.S. military forces for deterrence higher on the escalation ladder. The United States is therefore emphasizing efforts to help allies and partners better monitor and patrol their maritime domains through enhanced ISR, unmanned systems and more capable coast guards.

The United States is seeking a more diversified Asian force posture that is politically sustainable and operationally resilient. This will complicate decisionmaking for potential adversaries by increasing both potential U.S. operating locations and the number of partners that might join a U.S.-led coalition. The rotational U.S. Marine deployment in Australia, the homeporting of littoral combat ships in Singapore and ongoing discussions about enhanced U.S. presence in the Philippines are all initial steps in what is likely to be a trend toward greater geographic distribution in the forward-deployed U.S. access in Asia.

Yet because of fiscal debates in Washington and the significant demands that matching China's buildup will place on the United States, U.S. allies and partners and others in the region are already expressing concerns about how lasting and effective the U.S. security commitment to the region will be. Indeed, recent years have already shown increased efforts by regional states to complement U.S. security provision with their own autonomous efforts and by diversifying their security relations within Asia.<sup>62</sup> Regional states can be expected to carefully watch the unfolding policy debates in the United States about how to respond to China's strategic rise – and to react accordingly.

#### IV. RESPONDING TO TAILORED COERCION: THE DIPLOMATIC, INSTITUTIONAL AND LEGAL DIMENSIONS

U.S. and regional responses to Chinese assertiveness will extend far beyond the military realm. With maritime and territorial disputes in the East and South China Seas unlikely to be resolved in the near term, regional actors will have to search for ways to prevent and manage crises while continuing to resist coercion and uphold norms like freedom of navigation and open access to the maritime and air commons. This calls for increased attention to a number of politically knotty and imperfect diplomatic and political tools, including confidence-building measures and other bilateral agreements, regional multilateral frameworks and recourse to international law.

Confidence-building measures among regional militaries can help to instill habits of communication and cooperation and to reduce uncertainty and the risk of miscalculation. These can include hotlines, joint exercises and training and military-military dialogues. The U.S.-China Military Maritime Consultative Agreement, signed in 1997, the Defense Consultative Talks and other platforms have provided a foundation for greater military-military exchanges between U.S. and Chinese military leaders.

In this vein, Asian nations are seeking more opportunities to conduct combined training in low-intensity operations addressing issues of shared concern, especially search and rescue and humanitarian assistance/disaster relief. Although such activities may not establish genuine trust between potential adversaries, they can acclimate commanders to operating in close quarters with other navies.

When incidents at sea do occur, open channels of communication are needed to dampen or prevent

escalation in the short term, and institutionalized fora are needed to address grievances after the fact. A good model for both is the U.S.-U.S.S.R. Incidents at Sea Agreement, which helped prevent the U.S. and Soviet navies from firing shots in anger for over 20 years, despite ample close encounters and a political environment of tension and suspicion. The compact provided agreed-upon procedures for real-time communication at multiple echelons, as well as establishing post-hoc information exchanges and a yearly consultation to discuss incidents and grievances.<sup>63</sup>

Today, China and the United States are both party to the 1972 International Regulations for Preventing Collisions at Sea (known more commonly as “the Colregs”), published by the International Maritime Organization. Because these regulations are adhered to by most nations and apply equally to military and civilian shipping, they provide a basis for accident-avoidance measures in and around the East and South China Seas.<sup>64</sup> China’s full accession to the Colregs gives them special salience in this arena.

Asian countries have explored similar measures in the region, including, for example, a suite of China-Japan agreements – incorporating a military hotline and a maritime dialogue – that were derailed by the Senkaku/Diaoyu crisis in September 2012.<sup>65</sup>

Nonetheless, these types of agreements have significant and obvious limitations, particularly when their implementation and efficacy fall prey to political disputes.<sup>66</sup> The Military Maritime Consultative Agreement, for instance, consists mostly of high-level exchanges of talking points, which may be valuable but do not constitute an effective crisis-management mechanism.<sup>67</sup> Possible improvements include more extensive and more frequent working-level contacts and agreements about vessel-to-vessel communication procedures between militaries.

Adding another layer of complexity, a persistent feature of Chinese coercive strategies in recent years has been to favor employing constabulary forces in contested areas (with PLA Navy vessels often over the horizon), thereby asserting administrative jurisdiction and overwhelming the other country's often-weaker response forces. This so-called "cabbage strategy" has the effect of putting coast guards on the front lines of potentially explosive situations.<sup>68</sup>

Crisis communications below the military threshold are thus becoming increasingly important. Positive developments in the region have included China's establishment of a fisheries hotline with Vietnam and an agreement between Taiwan and the Philippines agreeing to several procedures governing fisheries disputes to include forswearing the use of force.<sup>69</sup>

Confidence-building measures can also return focus to shared interests in economic development rather than allowing strategic or military tensions to dominate bilateral relations. The dispute over the Senkaku Islands and related military moves, for example, have obscured the robust history of trade and investment between the world's second- and third-largest economies. Resource-sharing agreements that govern the exploitation of fisheries, hydrocarbons and seabed minerals can serve to blunt competition and emphasize mutual benefit. China and Vietnam recently established a joint working group to explore for resources in the Gulf of Tonkin.<sup>70</sup> In April 2013, Japan and Taiwan signed a landmark fisheries agreement that had been under negotiation for 17 years and has since led to further trade pacts.<sup>71</sup>

This type of practical cooperation, where possible, can demonstrate a way forward that comports with the peaceful economic growth of recent decades. Nevertheless, it is clearly not a panacea.<sup>72</sup> One problem is that it is extremely difficult to design joint development projects (which invariably

require profit-sharing agreements) without implicitly making a statement on sovereignty through the proportional division of spoils. In addition, nations such as China may be willing to sacrifice the gains from economic cooperation in favor of political objectives or the prospect of unilateral economic advantage.

Regional multilateral institutions, especially ASEAN, can also help to develop agreements that delimit appropriate maritime behavior and ensure a rules-based approach to the advancement of claims. In September 2013, China agreed to enter consultations (not yet negotiations) with ASEAN on an enforceable code of conduct in the South China Sea – the next step following on the 2002 nonbinding Declaration on the Conduct of Parties. Although there has been some forward progress, many analysts see the move as a Chinese attempt to stall while fomenting disarray within ASEAN, as Beijing did in 2012.<sup>73</sup> Even if all parties negotiate in good faith, such agreements take time, during which conflicts can still build: ASEAN and China took 10 years to negotiate the nonbinding declaration and a further decade to agree on steps for implementation. For this reason, if Beijing and ASEAN do reach agreement on discrete maritime issues, the measures should be implemented immediately, without waiting for every other issue to be solved.

Aside from code-of-conduct consultations, ASEAN can undertake parallel discussions with regional powers that are not contiguous to the South China Sea but have a strong interest in freedom of navigation and open trade, such as Australia, Europe, India, Japan, South Korea, the United States and others. The 10-member grouping could also issue ASEAN-only interim statements of principles that articulate shared concerns.

International law can provide a pathway to resolution in the long term and a possible brake against bad behavior in the short term. The region is

currently awaiting the outcome of an important test of prevailing international maritime law in the form of the Philippines' arbitration case before the International Tribunal on the Law of the Sea. Manila has referred China's expansive nine-dashed line claim to supranational authority. In the abstract, international law levels the playing field between big and small countries and can limit maximalist claims based more on power than on principle. Flouting international laws by engaging in coercion can bring reputational costs to the offender and justify critical responses from the United States and other players.<sup>74</sup>

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*There are numerous limitations and even dangers associated with appeal to international law that could restrain nations from taking that course.*

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However, there are numerous limitations and even dangers associated with appeal to international law that could restrain nations from taking that course. First, any appeal to an international tribunal is a gamble in which the complainant could suffer an adverse judgment. This risk can also restrain like-minded countries from supporting an arbitration case because they fear legal precedents that could impact territorial claims of their own. Second, if a country has a strong case, bringing a suit could raise the immediate risk of coercion as adversaries seek to rapidly contest facts on the ground. Third, in an area like the South China Sea, where six countries claim various features, unilateral recourse to arbitration can provoke discontent even from partners; for example, the Philippines'

suit provoked some consternation within ASEAN because neighboring countries saw it as complicating relations with China.<sup>75</sup> Finally, a potential rejection of China's expansive claims by the court raises the question of China's response. Beijing has refused to participate in the proceedings. If the nine-dashed line is struck down, will China comply or defy an international treaty to which it has acceded, possibly discrediting the entire regime? The effects of a rising great power flouting a major treaty could reverberate throughout the international order in unforeseen ways. A third option is that China could withdraw the nine-dashed line and resubmit claims to individual features and the attendant maritime rights.

By and large, governments and experts understand the toolkit for mitigating maritime risks in the Asia-Pacific region. But implementing such measures will require broad consensus among the nations of the region, including China, on the necessity of enhancing rules, norms and institutions to prevent and manage crises. Although there has been some progress in recent years bilaterally and in ASEAN, a number of political and diplomatic efforts to establish a more stable regional order run directly counter to key components of China's coercive diplomacy.



## V. CONCLUSION: THE AGENDA AHEAD

The United States has vital national interests in supporting the preservation of peace and stability in maritime Asia, undergirded by respect for freedom of navigation, international law and unimpeded lawful commerce. Today, these interests are under stress from a rising China that has yet to eschew the use of coercion to achieve political ends.

U.S. policymakers must respond with sufficient resources and attention, as well as seriousness of purpose, to reflect the magnitude of the challenges ahead. Rather than proposing specific initiatives here, we have described the top priorities that must be addressed as the United States seeks to play an active and positive role in enhancing maritime security in Asia.

The specter of China's rise casts a shadow over most elements of U.S. policy in Asia. It would be incorrect to construe U.S. policy in the Asia-Pacific region as being aimed at, or centered on, China. Yet China's behavior is an inescapable element of instability in the East and South China Seas.

The United States, in turn, faces the dual charge of deterring Chinese coercion without heightening tensions while simultaneously seeking a cooperative relationship with Beijing that avoids creating a permissive environment for Chinese assertiveness. Washington will also have to decide when and how to stand up to Beijing when China attempts to coerce U.S. allies and other partners in the region.<sup>76</sup> In reality, no easy or all-encompassing policy solutions exist that can perpetually thread this needle. U.S. policy will instead require continual adjustment.

Continued efforts are thus needed to enhance the strategic dialogue between Washington and Beijing, such that respective intentions and perspectives are well understood by both sides.

Bilateral political and military relations continue to improve, but substantial opportunities remain for enhanced cooperation and collaboration on maritime issues.

Still uncertain, however, is whether Beijing is truly interested in a regional security environment that includes anything short of eventual Chinese control of contested features in the East and South China Seas. Beijing's behavior in recent years has sent, at best, mixed messages in this regard. In the context of pursuing a positive and stable relationship with China, U.S. policymakers will have to wrestle with difficult questions about how to encourage China to move toward compromise and cooperation in the maritime domain, as well as how to respond should Beijing choose to follow a different path.

Proactive and creative alliance management will be critical to achieving U.S. goals in Asia, including the achievement of a more stable dynamic with China. America's relationship with its five treaty allies in Asia – Australia, Japan, South Korea, Philippines and Thailand – remains the crucial element of its vision for peace and security in Asia. Yet the nature of the region's U.S.-led hub-and-spokes alliance system is evolving in ways that should elicit new approaches from Washington.

In each instance, U.S. allies are becoming more capable militarily, thereby creating novel opportunities for independent deterrence and defense, enhanced interoperability with the United States and a redistribution of respective roles and missions. At the same time, the allies themselves are developing increasingly robust security ties with partners in Asia. The United States can respond by searching for new ways to work with traditional allies and partners to build partner capacity and increase the effectiveness of multilateral security assistance and military exercises. Broader maritime domain awareness deserves particular focus.

These trends portend well for U.S. interests in the region. It is not inherently stabilizing for maritime disputes in Asia to be cast as U.S.-China struggles in which surrounding countries are wholly reliant on U.S. military power and political will to come to their defense. This is particularly true at lower levels of competition and coercion.

The role of U.S. allies and partners, however, extends far beyond buttressing deterrence and defense. America's security partners will also have to exercise caution and restraint to avoid tit-for-tat escalatory dynamics with Beijing. Meanwhile, the United States will have to continue modulating its security partnerships in ways that reinforce U.S. commitment without encouraging adventurous behavior.

Asian countries, particularly China, also bear responsibility for taking leadership roles in advancing confidence-building measures and other mechanisms for dispute management. This effort should be pursued through both bilateral and multilateral means. ASEAN and ASEAN-centered institutions will be critically important venues for moving regional collaboration from dialogue to collective action.

Taking a long-term perspective, U.S. policymakers should aim to push the limits of regional cooperation on maritime security from a relatively politically safe focus on nontraditional areas toward a security architecture that can manage inter-state crises and disputes. U.S. strategists will have to determine which initiatives hold the most promise and what the best avenues are for pursuing them. Simply routinizing current efforts is unlikely to be sufficient.

The ultimate efficacy of legal, diplomatic and multilateral activities will be largely determined by the ability of the U.S. military to deter – and, if necessary, defeat – aggression. For the foreseeable future, this goal will remain necessary and achievable,

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particularly when pursued in concert with allies and partners. As debates continue over the most effective means for preventing and winning a high-intensity war in Asia, U.S. strategists and defense planners will also have to consider new approaches to deal with coercion at lower levels of conflict.

U.S. strategy toward the East and South China Seas will therefore have to mirror the comprehensive nature of the broader U.S. rebalancing to Asia. In the final analysis, the U.S. approach will have to be multifaceted. Presence and engagement should focus on simultaneously finding a *modus vivendi* with China and preserving U.S. influence in this dynamic region. Allies will have to do more to promote their own security but must also be engaged to forge a common approach for discouraging bad behavior and countering maritime coercion. Furthermore, multilateral legal, diplomatic, law-enforcement and military means will be needed to ensure inclusive access to the global commons in Asia.

## ENDNOTES

1. This report is based on the Center for a New American Security's ongoing Maritime Security Project that is analyzing the varied challenges in the Asia-Pacific region. The report focuses on China's strategy; the concerns and reactions by some of China's neighbors; and U.S. responses, policy and potential courses of action. Although there is a need for a detailed blueprint for action, this report deliberately seeks to concentrate on outlining the general contours of tailored coercion in maritime Asia and the implications for the United States and its allies.
2. Geoffrey Till, *Asia's Naval Expansion: An Arms Race in the Making?* (London: Routledge, 2012); "The Submarine Race in Asia," *The New York Times*, January 7, 2014; and Wendell Minnick, "Asia's Naval Procurement Sees Major Growth," *Defense News*, May 19, 2013.
3. For instance, see Harry Holst, "Blue Means Blue: China's Naval Ambitions," *The Diplomat*, January 7, 2014.
4. Patrick M. Cronin, "Japan's New Defense Strategy," WarontheRocks.com, December 18, 2013, <http://warontherocks.com/2013/12/japans-new-defense-strategy>.
5. Chuck Hagel, "Remarks as Delivered by Secretary of Defense Chuck Hagel" (International Institute for Strategic Studies [Shangri-La Dialogue], Singapore, June 1, 2013), <http://www.defense.gov/speeches/speech.aspx?speechid=1785>.
6. Here is the complete quotation by ADM Samuel J. Locklear, III, Commander, U.S. Pacific Command: "So we'll put our very best destroyers here. We'll put our very best ballistic missile defense here. We'll put our very best airplanes here. We'll put our very best people here. . . more and more we will train our young men and women to understand relationships inside the Asia-Pacific so that we can ensure that these alliances and these partnership that have underpinned our security for many decades remain viable." The remarks were posted on the Department of Defense webpage on February 7, 2014: <http://www.pentagonchannel.mil/Video.aspx?videoid=321123>.
7. Carl Thayer, "Southeast Asian States Deploy Conventional Submarines," *The Diplomat*, January 3, 2014; <http://thediplomat.com/2014/01/southeast-asian-states-deploy-conventional-submarines/>.
8. Patrick M. Cronin, Richard Fontaine, Zachary M. Hosford, Oriana Skylar Mastro, Ely Ratner and Alexander Sullivan, "The Emerging Asian Power Web: The Rise of Bilateral Intra-Asian Security Ties" (Center for a New American Security, June 2013), especially p. 22.
9. According to one estimate, China had six or seven of the world's 10 busiest ports in 2011, depending on the metric used. American Association of Port Authorities, "World Port Rankings 2011" (2011), <http://aapa.files.cms-plus.com/PDFs/WORLD%20PORT%20RANKINGS%202011.pdf>.
10. Chris Rahman, "Revisiting the 'Asian Arms Race' Debate," the Interpreter blog from the Lowy Institute for International Policy on [www.loyyinterpreter.org](http://www.loyyinterpreter.org), September 12, 2013, <http://www.loyyinterpreter.org/post/2013/09/12/revisiting-the-asian-arms-race-debate.aspx>.
11. Ely Ratner, "Rebalancing to Asia with an Insecure China," *The Washington Quarterly*, 36 no. 2 (Spring 2012), 21-38, [http://csis.org/files/publication/TWQ\\_13Spring\\_Ratner.pdf](http://csis.org/files/publication/TWQ_13Spring_Ratner.pdf).
12. "Frederick the Great Quotes," Quotes.net, February 10, 2014, <http://www.quotes.net/quote/40455>.
13. The late Stanford University Professor Alexander George was at the forefront of rigorous thinking about what he also called "forceful persuasion" – the subtle use of diplomacy backed by an implied threat of force. He defined coercive diplomacy as an attempt to influence a state or other target to change its behavior through the threat to use force. This can include the use of demonstration shows of force or even the use of limited force. Alexander L. George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (Washington: U.S. Institute of Peace Press, 1991). For more background on coercive diplomacy, see Robert J. Art and Patrick M. Cronin, "Coercive Diplomacy," in *Leashing the Dogs of War: Conflict Management in a Divided World*, eds. Chester A. Crocker, Fen Osler Hampson and Pamela Aall (Washington: U.S. Institute of Peace, 2007), 299-318; Daniel Byman and Matthew C. Waxman, *The Dynamics of Coercion: American Foreign Policy and the Limits of Military Might* (New York: Cambridge University Press, 2001); Robert Anthony Pape, *Bombing to Win: Air Power and Coercion in War* (Ithaca, NY: Cornell University Press, 1996); Thomas C. Schelling, *Arms and Influence* (New Haven, CT: Yale University Press, 1966); and Peter Viggo Jakobsen, "The Strategy of Coercive Diplomacy: Refining Existing Theory to Post-Cold War Realities," in *Strategic Coercion: Concepts and Cases*, ed. Lawrence Freedman (New York: Oxford University Press, 1998), 61-85.
14. This phrase was coined in Patrick Cronin, "China's Tailored Coercion," WarontheRocks.com, November 25, 2013, <http://warontherocks.com/2013/11/chinas-tailored-coercion>.
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