

The sources and prospects of U.S.-China security competition

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The U.S.-China power transition is the defining factor in U.S. and Chinese security policy. This is a great power competition between revisionist China and status-quo America. It is taking place in a region of critical importance to each country's national security. China and the United States are developing security policies to adjust to their changing fortunes in the regional balance of power, with consequences for heightened competition. As the power transition deepens, as China continues to rise and develop capabilities that challenge U.S. maritime hegemony in East Asia, U.S.-China tension will continue to intensify as each great power seeks to maximise its security. The fundamental challenge for each country is to manage this competition to avoid a spiraling conflict and a greater risk of war. Central to avoiding conflict escalation is mutual restraint in managing their conflict over Taiwan.

China: The revisionist power

Since 1949 China has been a dissatisfied power. Given the presence of first the United States and then the Soviet Union on its borders, its revisionism was simply the expected reaction to its untenable security environment. As a continental power with a long coast line, Chinese security required its interior borders and coastal waters be free from the strategic presence of a great power. Throughout the Cold War, to realise territorial security, China fought the Korean War, the Sino-Russian War, and the Sino-Indian War and it participated in the three wars in Indochina. Following the U.S. defeat in Indochina and then the collapse of the Soviet Union and

its retreat from Indochina, China achieved its objective—securing dominance along its entire mainland periphery. It had established a sphere of influence on mainland Southeast Asia, military domination of its borders with its neighbors in Central Asia and with Russia in Northeast Asia, and developed sole political influence in North Korea. Moreover, with the normalisation of U.S.-China relations in 1979, China secured the withdrawal of U.S. military forces from Taiwan.

But at the end of the Cold War, China had yet to achieve coastal security. United States remained the hegemonic power throughout maritime East Asia and its navy could sail with impunity in Chinese coastal waters. Secure U.S. access to the air force and naval facilities of its regional security partners, South Korea, Japan, the Philippines, Singapore and Malaysia, amounted to maritime encirclement of Chinese territory. Thus, at the end of the Cold War, China was still a dissatisfied power. Nonetheless, it was too weak to challenge the post-Cold War maritime security order. It required a prolonged period of economic and technological modernisation both to consolidate its continental security and to develop the capabilities to challenge the U.S.-dominated maritime status quo. This was the strategic foundation of China's post-Mao economic strategy of the 'Four Modernisations,' in which defence modernisation ranked fourth, and of its diplomatic strategy of 'peaceful rise.'

Under Xi Jinping's leadership, China's has embarked on a new security strategy. Confident in its economic and technological capabilities, over the past ten years China has strengthened its naval capabilities to challenge U.S. maritime hegemony. By 2015, through the rapid development of modern submarines and missile destroyers and of advanced aircraft, China had developed qualitative and quantitative maritime forces that approached parity with the U.S. military in East Asian seas. Moreover, its conventional land-based missiles put at risk U.S. access to its security partners' naval and air facilities throughout the region. China is now an East Asian maritime power that exercises sea control in the South China Sea and challenges American war-fighting capabilities throughout East Asia.

Possessed with advanced military capabilities, China is intent on revising the U.S. hegemonic security order, just as it revised the continental security order during the Cold War. Its purpose is clear; primarily relying on its advanced air and naval capabilities, it seeks to erode American security partnerships and its spheres of influence throughout maritime East Asia and realise security on China's coastal perimeter.

China has cautiously but effectively wielded its new maritime capabilities. Its policies are reminiscent of Theodore Roosevelt's policies of 'walk softly, but carry a big stick' and 'gunboat diplomacy.' China's 'big stick' is its naval power. Policy makers throughout East Asia do not need to be reminded of China's advanced naval capabilities. Their leaders are fully aware of the shifting U.S.-China naval balance and the implications for China's war fighting capability and for U.S. hegemony and the value of U.S. defence commitments. Thus, the Chinese Navy 'walks softly;' it stays in the background of regional security affairs, while its coast guard and its large but unarmed fishing fleets establish Chinese maritime presence in the vicinity of U.S. security partners. Given the disparity of naval power between China and U.S. security partners, many of which have only the most rudimentary naval capabilities, China's has relied on its coast guard for gunboat diplomacy. The weaker powers know that sailing just behind the coast guard is the Chinese Navy and that their security requires that they keep the Chinese Navy at a safe distance from their territories.

As the United States developed security cooperation with Vietnam and supported Philippine challenges to Chinese territorial claims and strengthened U.S.-Philippine military cooperation, China constructed its artificial islands in the South China Sea and developed military facilities on these islands. China had thus strengthened its forward presence to enable more frequent and larger air force and naval operations near U.S. security partners. Its objective is to enhance the PLA's (People's Liberation Army's) coercive capabilities to compel the South China Sea countries to reconsider security cooperation with the United States.

Chinese revisionist objectives are clear in its use of coercive diplomacy against South Korea, Vietnam and the Philippines. In the case of South Korea, Seoul ignored Chinese warnings and agreed to deploy the U.S. terminal high altitude area defense (THAAD) missile defense system. Although THAAD cannot contribute to the defense of South Korea, it serves U.S. interests in consolidating the U.S.-South Korean alliance and in enhancing U.S. missile defence capabilities via-a-vis China. China retaliated by carrying out coercive economic sanctions and heightened military activities in the Yellow Sea. At stake for China was South Korean alliance cooperation with the United States against China.

Similarly, in its gunboat diplomacy against Vietnam in 2014 regarding resource exploration in the vicinity of the Paracel Islands and against the Philippines from 2012-2016 regarding the 2012 Scarborough Shoal incident and the Philippines submission of its Exclusive Economic Zone claim to the Permanent Court of Arbitration (PCA) China's foremost concern was not the sovereignty disputes, but that both countries had expanded strategic cooperation with the United States to challenge China's claims; they had contributed to U.S. policy against China. As in the case of South Korea, China used coercion and heightened tension to compel both countries to accommodate China's interest that they not cooperate with U.S. China policy.

China has made great strides in eroding the U.S. alliance system within East Asia and realising greater maritime security. With the exception of Japan, the maritime countries in East Asia, in a clear break from the post-World War II security order, no longer proclaim themselves as committed American security partners. Rather, despite the existence of treaty agreements and their long-time partnerships with the United States, governments from South Korea to Malaysia insist that they will not take sides in the U.S.-China competition; they are moving toward equidistance between China and the United States. With the exception of Japan, they no longer challenge Chinese territorial claims, they are developing military cooperation with China, they are developing closer economic cooperation with China than with the United States, and they express concern that the U.S. policy toward s China

contributes to regional instability.

America: The containment power

East Asia may be a less vital region for the United States than for China, but it has long been viewed by U.S. policymakers as critical for U.S. security. The United States views the balance of power in East Asia the same way as it views the balance of power in Europe—its security has required that these ‘flanking’ regions remain divided among the great powers so that a hegemon cannot develop and extend its presence across the oceans to challenge American security in the Western Hemisphere. Since World War II, because no European power could balance the Soviet Union and no East Asian power could balance China, U.S. security required American strategic presence in both Europe and East Asia.

But as the distant power, the United States required reliable security partners to provide access to regional facilities for forward positioning of military capabilities, including soldiers and platforms. Because East Asia is a maritime theater, during the Cold War the United States required access to the air force and naval facilities of the local powers. In the aftermath of the Korean War, this led the United States to negotiate alliances with South Korea, Japan, the Philippines, and Thailand and to build a regional network of military bases. Concern for the stability of these alliances propelled the United States to wage war against communist armies in Indochina, lest a Chinese-led communist victory result in the fall of the ‘dominoes’ to communism and the United States lose its role in the regional balance of power.

Thus, since the Chinese Communist Party assumed power in 1949, a bedrock of U.S. national security has been its East Asian alliance system and the string of air and naval bases extending from South Korea to Malaysia that have encircled Chinese coastal waters. But the rise of China and its expanding maritime capabilities and the corresponding relative U.S. decline (for every rising power there is a declining power) challenges the stability of the U.S. alliance system and thus undermines a

fundamental bedrock of U.S. security, regardless of Chinese intentions. With the exception of Japan, the local powers are navigating the changing U.S.-China balance of power by accommodating Chinese security interests to avoid Chinese hostility and the risk of repeated crises by moving toward equidistance between the United States and China. In the zero-sum world of great power security politics, this movement toward equidistance by American security partners amounts to the erosion of the U.S. alliance system and reduced U.S. security and to heightened U.S. concern over the prospect of Chinese regional hegemony.

Rising China's challenge to U.S. great power presence in East Asia informs U.S. military operations in East Asia, its policy toward the South China Sea territorial disputes, and its Taiwan policy. These policies reflect a U.S. effort to establish its resolve to contain the rise of China and thus reassure U.S. security partners of its alliance commitments to maintain its role in the regional balance of power.

America's naval operations in the South China Sea, including its freedom of navigation operations (FONOPs), aim to reassure its allies of its resolve to uphold its defence commitments. Whereas each year the U.S. Navy conducts multiple unpublicised FONOPs throughout the world's oceans, it only uses frequent and highly publicised operations and overflights to challenge Chinese claims. Former Secretary of Defense James Mattis stated that the United States will 'demonstrate resolve through operational presence in the South China Sea.' During the administration of former President Donald Trump in 2019 and 2020, U.S. ships maneuvered close to China's artificial islands ten times each year, more than double the rate of the administration of former President Barack Obama. In the first five months of 2020, U.S. aircraft, including B-52 bombers, carried out 40 flights near Chinese waters, more than three times the pace of 2019.

U.S. policy on the South China Sea territorial disputes also aims to establish U.S. resolve. Whereas in the past the United States expressed no interest in the dispute, in 2010, as it launched its pivot to Asia, then Secretary of State Hilary Clinton supported the position of the other claimants that there should be multilateral

negotiations to resolve the dispute, rather than bilateral negotiations. The Obama administration also challenged the extent of Chinese maritime claims and it encouraged the Philippine challenge to Chinese claims at the Permanent Court of Administration to bolster Philippine confidence in U.S. support of its resistance to Chinese pressure.

U.S. transits of the Taiwan Strait similarly aim to signal U.S. resolve. In 2021, the Central Intelligence Agency and the Department of State reported that there were no indications of an increased likelihood of a Chinese attack on Taiwan. Chairman of the U.S. Joint Chiefs of Staff General Mark Milley said that China lacked the capability to invade Taiwan and that he had not observed Chinese intent to use force. Taiwan's National Security Bureau Director-General Chen Ming-tong testified that the likelihood of war was 'very low' and he said that the geography of Taiwan made a Chinese invasion unlikely. The 2020, U.S. Department of Defense *China Military Power* explained that China had increased its military activities near Taiwan for deterrence, 'to signal Taiwan.' Nonetheless, in July 2018, despite no change in Chinese intentions or its offensive capabilities vis-à-vis Taiwan, the Trump administration began frequent naval transits through the Taiwan Strait. After a year of no transits, in 2018, the navy made three transits; in 2019 it made nine transits; in 2020 it made 13 transits. After many years of infrequent incursions since 1996, China began its uptempo incursions into Taiwan's ADIZ in late 2020. The Biden administration has maintained a pace of one transit per month.

America adjusts: The Indo-Pacific strategy

Trends in U.S. security policy suggest a likelihood of a power transition war; declining powers are frequently tempted to launch a preventive war, rather than concede decline. Thucydides analyses this dynamic in his account of Sparta's decision to invade Attica at the beginning of the Peloponnesian Wars in the fifth century BC. But even as U.S. diplomacy challenges the rise of China in East Asia, American defence policy is carrying out strategic retrenchment from East Asia. This

is the essence of the Indo-Pacific strategy and of the 'Quad,' its diplomatic complement.

Compelled by the decline of U.S. capabilities inside East Asia and reduced access to regional naval and air facilities, the United States is strengthening security partnerships on the periphery of maritime East Asia with Australia, India and Japan (the other Quad countries) and it is developing new basing facilities throughout the Indian Ocean and the Western Pacific. Over the past five years, with India the United States has reached multiple defense and arms sales agreements and initial access to Indian-developed military facilities on the Andaman Islands in the Bay of Bengal. The U.S. base at Yokosuka on Japan's east coast offers the U.S. Navy logistical support outside the East China Sea in the Western Pacific. In 2015, the United States and Japan strengthened planning for war-time cooperation and they have positioned undersea anti-submarine detection capabilities in the channels between the Nansei Islands and the Pacific Ocean.[1] The United States is also upgrading the military facilities on Wake Island and Tinian Island and in the Federated States of Micronesia.

Australia plays an especially critical role in the Indo-Pacific strategy. Since the Obama administration, the United States has expanded defence. From 2008 to 2018, Australia was the second largest recipient of U.S. arms sales and it has long been the satellite communication hub for U.S. operations in East Asia. In 2012, the United States expanded its access to military facilities in Australia, and in 2014, the Obama administration signed the U.S.-Australia Force Posture Agreement. The agreement called for increased U.S. military presence at Australia's Darwin air force base in the Northern Territory, including rotational deployments of U.S. Marines, and enhanced U.S. communication facilities. It also called for expanded runways and ramp space at the Learmonth and Tindal air bases, contributing to U.S. Air Force and Navy operations in the Indian Ocean. In 2021, Australia budgeted US\$580 million dollars to upgrade four northern military bases and agreed to rotational U.S. aircraft deployments in Australia. Washington has supported Australian expansion of military facilities on Cocos Island in the Indian Ocean, south

of Indonesia, and in Papua New Guinea on Manus Island.

The 2021 Australia-United Kingdom-United States (AUKUS) partnership reflects the growing importance of Australia in the U.S. security policy. U.S. and U.K. cooperation in the development of an Australian nuclear-powered attack submarine might or might not contribute to Australian military capabilities. But the importance of AUKUS lies in its contribution to consolidated U.S.-Australian security cooperation. The mutual U.S.-Australian security commitment implied in the AUKUS agreement cements a long-term strategic relationship.

The Indo-Pacific Strategy enables the United States to encircle the South China Sea with a string of military facilities stretching from Micronesia to the east coast of India. Together, these facilities contribute to a U.S. access denial capability directed at the Chinese navy. China's rise may deny the U.S. Navy access to the South China Sea, but U.S. capabilities deployed in the Indian Ocean and the West Pacific in proximity to the exit points from East Asian waters may enable United States to contain the Chinese Navy within East Asia.

The Taiwan problem

The Indo-Pacific Strategy suggests the potential for U.S. accommodation of the rise of China in East Asia. Nonetheless, other trends in U.S.-China relations suggest the possibility of greater tension and hostilities. The most unsettling trend is heightened conflict over Taiwan. As part of its effort to contain the rise of China, the U.S. has significantly eased its post-1979 constraints on U.S.-Taiwan unofficial relations and it has developed security ties with Taiwan. In so doing, despite its insistence that it maintains its 'one-China policy,' it has undermined the U.S.-China understanding that has contributed to stable cross-strait relations.

In addition to increasing naval transits of the Taiwan Strait, the Trump administration agreed to sell Taiwan missiles that can reach the mainland, the first such sale since 1979, and it reportedly sent Admiral Michael Studeman, director of

intelligence of the Indo-Pacific Command to Taiwan for consultations. During the Biden administration, the director of U.S. National Security Council met with his Taiwan counterpart, the first such meeting since 1979, and the United States signed a quasi-official memorandum of understanding with Taiwan on a quasi-military agreement for coast guard cooperation and it officially declared that Taiwan is a critical and indispensable partner in U.S. security policy in East Asia, implicitly opposing unification of Taiwan with the mainland. During the Biden administration the United States, for first time since 1979, invited a Taiwan representative to attend the inauguration of the American president; upgraded the level of U.S. officials' contacts with Taiwan officials; and began using military transports for U.S. officials visiting Taiwan for the first time 25 years. It has also opposed countries breaking relations with Taiwan and recognising the People's Republic of China as the government of China, contrary to America's own policy toward Taiwan.

With these initiatives, the United States is ostensibly supporting democratic Taiwan against the threat posed by China as it prepares to attack Taiwan and forcibly unify it with the mainland. But, as mentioned earlier, in 2021 the Central Intelligence Agency, the Department of State, the Chairman of the U.S. Joint Chiefs of Staff General, the U.S. department of defense and the Taiwan ministry of defense, and the Taiwan national security council all reported that they had not detected indications of an increased likelihood of a Chinese attack on Taiwan. In 2022, public fear of war with China declined in Taiwan.

American policy toward Taiwan reflects its efforts to contain the rise of China. The United States will not recognize *de jure* Taiwan independence, but the trend in U.S. policy necessarily causes concern in Beijing that growing U.S. political and military support for Taiwan could encourage pro-independence initiatives by nationalist Taiwan leaders. China will become especially sensitive to U.S. policy as the Taiwan presidential January 2024 draws near. Concerned that nationalist leaders might declare support for Taiwan independence and thus provoke mainland use of force, the mainland might well create a crisis to compel the United States to cease increasing support for Taiwan. This calculus informed Beijing's decision to launch

the 1996 Taiwan confrontation.

The escalation of Chinese air and naval activities near Taiwan is a policy of deterrence to prevent a Taiwan declaration of independence, rather than a preparation for a war of unification. But the trend of greater U.S.-Taiwan cooperation has continued. Moreover, the United States and China are now involved in a spiral of escalation; as China seeks to deter U.S. policy and suggest the possibility of use of force for unification, the United States responds with heightened support for Taiwan, raising the likelihood of a confrontation. Because the United States cannot know where the mainland red line is, there exists potential for costly miscalculation. A U.S.-China confrontation over Taiwan during the power transition will be more difficult to manage than the 1996 confrontation. Now that China has advanced military capabilities and the United States resists decline, both countries will resist compromise, contributing to crisis escalation.

Should there be a Taiwan crisis, the prospects for de-escalation are less today than in the past. For China and the United States, the power transition heightens the importance of reputational interests. For China, its need to preserve its reputation as a great power on par with the United States would inhibit it from backing down. Equally important, the domestic legitimacy of the Chinese Communist Party depends on a strong policy toward Taiwan and the United States. For the United States, its interest in maintaining its reputation as East Asian great power able to compete with China and thus prevent the full disintegration of its security partnerships would similarly inhibit compromise. U.S. defence officials make clear that military support for Taiwan is necessary to maintain American credibility to defend its allies throughout East Asia. In these circumstances and as the power transition deepens, crisis escalation and naval conflict are increasingly conceivable.

Managing the Taiwan issue has become the urgent task for the United States and China. Mutual restraint will be necessary to prevent a continued spiral of tension and increased risk of war. China must restrain its deterrence signals to avoid feeding U.S. perceptions of Chinese intent to unify Taiwan by force; the United

States does not question China's resolve to go to war should Taiwan declare independence. As the United States seeks to deter mainland use of force, it must restrain its support for Taiwan lest it persuade Chinese leaders that the United States is encouraging Taiwan independence, regardless of its intentions; and Washington should be confident that China fully understands the risk of U.S. intervention should Chinese use force against Taiwan. In the absence of mutual restraint, there will be heightened tension, greater likelihood of miscalculation, and increased risk of war.

[1] Paul Midford, "Japan's Approach to Maritime Conflicts with China in the East China Sea and Prospects for Renewed Conflict Management and Resolution," *International Security Studies*, no. 12 (2021).

Image: An MV-22B Osprey flies part USS America during an exercise in the South China Sea, 2020. Credit: U.S. Indo Pacific Command/Flickr.