China's Troubled Waters

How are China's ongoing sovereignty disputes in the East and South China Seas likely to evolve? Are relations across the Taiwan Strait poised to enter a new period of relaxation or tension? How are economic interdependence, domestic public opinion, and the deterrence role played by the US likely to affect China's relations with its counterparts in these disputes? Although territorial disputes have been the leading cause for interstate wars in the past, China has settled most of its land borders with its neighbors. Its maritime boundaries, however, have remained contentious. This book examines China's conduct in these maritime disputes in order to analyze Beijing's foreign policy intentions in general. Rather than studying Chinese motives in isolation, Steve Chan uses recent theoretical and empirical insights from international relations research to analyze China's management of its maritime disputes.

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Maritime Disputes in Theoretical Perspective

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Preface

China's unsettled maritime frontier has been in the news lately. Its disputes with Japan in the East China Sea and with several Southeast Asian countries in the South China Sea have caused occasional confrontations that threaten to destabilize their respective relations. In addition to these disputes, Taiwan's fate has been the subject of a long-standing controversy that has the potential of involving the United States in a military conflict with China. Almost all existing studies on these maritime disputes involving China have adopted an idiographic approach. In this approach, an analyst undertakes a qualitative study that focuses on the more unique or specific aspects of the situation or actor being studied. There is usually little interest in reaching beyond this case in order to either discern patterns from similar past episodes (whether those involving the same actor or others) or situate this case in a broader comparative context.

This book takes an opposite tack. It analyzes China's maritime disputes in the context of its own other border conflicts and that of cross-national patterns. It takes advantage of existing literatures following the nomothetic approach, which emphasizes attention to classes of events rather than specific episodes. This approach is interested in empirical generalizations. It does not need to be just based on statistical analyses and can involve, for example, comparative case studies pertaining to the same actor (at different times) or different ones (whether at the same or different times). There is an especially large body of quantitative research undertaken by international relations analysts who rely on standard data sets collected systematically over many years and for many countries. This research points to empirical patterns that are statistically compelling and highly relevant to policy considerations. As a result of this research, we now have a much better understanding about a number of topics, such as those processes and conditions affecting territorial settlement or escalation to war, the interactions of domestic politics and foreign relations, and the success or failure of attempts at extended deterrence.

I plan to introduce evidence from this research tradition in order to inform our understanding of China's maritime disputes, which have been

typically studied without the benefit of drawing on this store of knowledge. At the same time, I hope to apply knowledge about the Chinese case to interrogate several popular theories of international relations, such as democratic peace and power transition. These intentions in turn mean that this book will not dwell on descriptive accounts or journalistic narratives of "who did what to whom." An emphasis on detailed or thick description is the hallmark of the idiographic approach of analysis, privileging the uniqueness of the actor or situation under analysis. As already indicated, I pursue the nomothetic approach, which emphasizes patterns of behavior and classes of phenomena, or empirical generalizations for members of an aggregate group. This approach is obviously contrary to the practice of "slow journalism" presenting descriptive narratives. The orientation and emphasis I have chosen here argue that the substantive, policy, and theoretical issues addressed in this book pertain to more than just China and its maritime disputes. They have broader implications for making causal attributions and policy inferences about other countries as well.

To illustrate implications for causal attributions, consider the problems posed by idiosyncrasy and irrelevance. The former arises when an alleged cause can produce different outcomes (such as when X can be followed by both Y and non-Y). The latter occurs when both the presence and absence of an alleged cause can produce the same outcome (that is, when both X and non-X can be followed by Y). Of course, sometimes a cause–effect relationship inferred from an isolated case at a particular time can be disconfirmed and even reversed when a larger sample is analyzed. In analyzing contested sovereignty involving China, one sometimes encounters these challenges to valid causal attribution.

Take, for example, three popular causal variables often cited in discourse on China's disputes with its neighbors: nationalism, democracy, and power shifts. Chinese nationalism is frequently mentioned as an important motivation behind this country's territorial disputes. Yet how can this constant factor account for variations in Beijing's behavior, such as its persistent pursuit of reunification with Taiwan *and* at the same time, its recognition of Mongolia's independence and concessions of large tracts of land to Moscow, land that was lost by the Qing dynasty to Czarist Russia? Chinese nationalism in and of itself also cannot account for how Beijing has reacted differently to popular sentiments in various episodes pertaining to China's maritime dispute with Japan in the East China Sea and in its discrepant management of two near-crises with Washington: the US bombing of the Chinese embassy in Belgrade in 1999 and the collision between a US spy plane and a Chinese fighter off Hainan Island in 2001 (Weiss 2014).

Democracy has also often been suggested as the key determinant of future Sino-American relations (e.g., Friedberg 2011). Although the democratic peace theory demonstrates that democracies do not fight each other, there is also good reason to expect that *ceteris paribus*, the larger a selectorate (Bueno de Mesquita *et al.* 2003), the smaller a leader's negotiation space to reach a foreign deal. More intense intra-elite competition and more influential public opinion (which often tends to be more nationalist than elite opinion) are likely to impede rather than enhance a government's (including China's) ability and willingness to compromise on salient foreign policy issues. Of course, Taiwan's democracy has also been routinely invoked as an important reason motivating US support for it. Yet this support has clearly predated Taiwan's democratization, and thus does not appear to be conditional upon this variable. In fact, US support has waned over time even as Taiwan has become more democratic.

As for power shifts, although many recent analyses have dwelled on China's relative gains in military and economic capabilities, and have inferred from this development that Beijing will therefore adopt a more assertive and even coercive foreign policy, the historical association between these variables has tended to point in the opposite direction. As Taylor Fravel (2008: 9) has remarked, "China has been much more willing to use force when its bargaining power has declined, not strengthened." Beijing's foreign policy was much more bellicose when it was weaker in the 1950s and 1960s, and it has become more conciliatory and cooperative when it has become stronger in the recent past. Moreover, when Beijing has resorted to force in the past, it has fought the strongest adversaries (e.g., the US, the USSR, India, Vietnam), but has often settled its border disputes with those neighbors who were much weaker than China and on terms generally more favorable to these weaker neighbors (e.g., Afghanistan, Burma, Laos, Nepal). Indeed, when China has enjoyed the strongest military advantage, such as in recovering its sovereignty over Hong Kong and Macao, it has taken time to negotiate a peaceful settlement rather than resorting to force to impose a unilateral resolution (Fravel 2008). Therefore, when the People's Republic has enjoyed greater relative power in a dispute, it has been less inclined to use force – a tendency that clearly contradicts the expectation of those who worry that a stronger China will be a more aggressive China. Extrapolating from his study of imperial China, Yuan-kang Wang (2011: 208) has suggested that a more powerful China will be more assertive and more inclined to pursue an offensive strategy. Naturally, Beijing's recent behavior does not exclude this possibility when China becomes even stronger in the future. Rather, the examples just presented

remind us to be cautious in accepting mono-causal explanations, and to scrutinize the logic and evidence behind common assertions before accepting them.

As for this book's general implications for policy inference, consider the question of how one can discern a state's future intentions. Given its rising capabilities, foreign analysts and officials are naturally becoming more interested in learning about how Beijing will be disposed to use its capabilities. Historically, states have acted toward extant or aspiring hegemons not so much based on their assessments of these countries' power but rather based on their perceptions of these countries' intentions or motivations. Will these powerful countries apply their strength in a restrained and even benevolent way, or will they use it wantonly for selfish aggrandizement? This distinction between capabilities and intentions is critical for explaining why, contrary to the expectation of balance-of-power theorists, most major states (e.g., Britain, France, Japan, and even China in the 1970s and 1980s) had supported the stronger US during the Cold War against its weaker adversary, the USSR. Naturally, in order for a state to be seen as a threat to others, it must have both the requisite capabilities and intentions. It is, however, far more difficult to determine the latter than the former. Although discourse on international relations and on China is replete with distinctions between supposed revisionist and status-quo powers, satisfied and dissatisfied states, and defensively and offensively minded states, such inferences of intentions are only rarely substantiated by consistent logic or systematic evidence.

Beijing's conduct in its border disputes can be especially informative about its general foreign policy disposition, as territorial conflicts have historically been the most common reason for states to fight. If China pursues mutual accommodation in these conflicts even after its capabilities have improved, this behavior tends to communicate a peaceful disposition. Conversely, if it resorts to coercion, this behavior will point to an aggressive disposition. Beijing has concluded border agreements with most of its continental neighbors, but its maritime frontier remains unsettled. Jurisdictional disputes in the East and South China Seas have occasionally roiled its relations with Japan, Vietnam, and the Philippines. Even though relations across the Taiwan Strait have improved significantly in recent years, this case of contested sovereignty presents the most likely situation for a large armed conflict and one that could potentially involve the United States. Studying China's conduct in these maritime disputes is therefore pertinent to a practical concern for conflict mitigation in addition to providing an analytic leverage to gauge Beijing's foreign policy intentions in general. I am specifically interested in those conditions that are likely to affect the persistence, escalation, or

settlement of China's maritime disputes, which constitute the dependent variable of this analysis if you will. At the same time, China's behavior in these disputes sheds light on a larger question. It serves as a window to study Beijing's general disposition in conducting its foreign relations, and this book is therefore not *just* about its maritime disputes.

Declining to treat China as *sui generis*, I argue in this book that we can look to general theories of international relations, cross-national patterns of behavior, and historical parallels to advance our understanding of the Chinese case. For instance, if we treat the dispute over Taiwan's future as a secessionist movement seeking self-determination, how often have such efforts succeeded historically? And if we consider Taiwan's disputed status as a matter of geostrategic concern from Beijing's perspective, what can we learn from comparable cases such as Cuba for the US and Cyprus for Turkey? Can we draw any lessons from past episodes of both escalation and settlement (e.g., the Falklands/Malvinas War, contested sovereignty over the Svalbard archipelago) about the prospects for ending China's maritime disputes in the East and South China Seas? Because the US plays a critical role in protecting Taiwan and others involved in disputes with China, what can international relations research tell us about those conditions that can contribute to or detract from a successful attempt at extended deterrence? Similarly, can we gain any insights from those theoretical perspectives that seek to link domestic politics to international conduct, and economic interactions to political cooperation?

Generally speaking, the dynamics and incentives illuminated by perspectives such as those just mentioned suggest that Beijing is likely to bide its time and refrain from resorting to violence in order to impose a settlement in its maritime disputes. Its current and most likely posture for the immediate future can be best described as "reactive assertiveness" (International Crisis Group 2013 at www.crisis.group.org/~/media/Files/asia/north-east-asia/245-dangerous-waters-China-japan-relations-on-the-rocks.pdf; Li 2011, 2012 has used "non-confrontational assertiveness" to describe this general posture). It is disposed to postpone the resolution of its disputes and continue normal relations with its counterparts, but will push back forcefully if in its view its counterparts have sought to alter the status quo unilaterally. Significantly, this characterization puts Beijing in the role of a defender that seeks to deter unwanted initiatives from others, not a role that it is customarily assigned to in much of the current discourse, which depicts it as a revisionist challenger to the existing international order.

My interpretation and prognosis recognize that China is gaining increasing military and economic capabilities. This ongoing change will obviously give it more influence in the Asia Pacific. Significantly and

contrary to conventional wisdom, a stronger and thus more confident China is likely to be less inclined to use force. This proposition is in line with Fravel's (2008) conclusion from his study of China's dispute behavior, suggesting that regime insecurity and weakening bargaining position have inclined Beijing to use force in the past. International relations research has shown territorial disputes and sovereignty contests to be the most common cause motivating militarized interstate disputes, whose increasing incidence is often a precursor to war. This research also shows that increasing commercial ties tend to dampen interstate conflict. China's peaceful settlement of most of its territorial disputes, the rising levels of economic interdependence among the disputing countries, and Beijing's general disposition to wait for conditions to mature rather than forcing issues right away should augur for continuing peace and stability in the region. There will of course be occasions when tensions will rise and tempers flare. But it is questionable that a rising China will necessarily threaten its neighbors and destabilize the region.

Naturally, this view contradicts the expectations of offensive realism and power-transition theory, both of which predict that a rising China will be expansionist and a source of instability in interstate relations. Indeed, the logic of my argument suggests that so long as Beijing expects to sustain its upward power trajectory, it will likely continue to act as a conservative power motivated largely by a desire to preserve its gains. It will be content to set aside its quarrels for the time being, or will even be disposed to compromise in ways that tend to favor its weaker counterparts. Conversely, a China in trouble or disarray – one whose growth begins to sag and whose leaders are besieged by popular discontent – is likely to be more risk-prone in trying to prevent or reverse its perceived losses. Such a China will be more insecure and more bellicose. This expectation conforms generally to the prediction of prospect theory based on the pioneering work of Nobel laureate Daniel Kahneman and Amos Tversky (1979, 2000). This work has shown that people experiencing a setback are inclined to take risks seeking to reverse their loss whereas those who have made recent gains tend to eschew risk-taking.