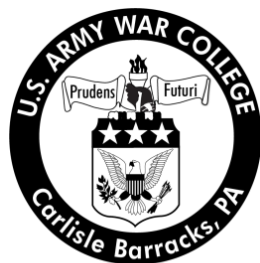


Civilian Research Project Senior Service College Fellow

Prevent, Promote, and Hedge: US Military Power in the South China Sea

by

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United States Army War College
Class of 2012

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REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.					
1. REPORT DATE (DD-MM-YYYY) 15-05-2012		2. REPORT TYPE Civilian Research Paper		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Prevent, Promote, and Hedge: US Military Power in the South China Sea				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) LTC Brian J. Stokes, U.S. Army				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) United States Institute of Peace 2301 Constitution Avenue SW Washington, DC 20003				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) US Army War College 122 Forbes Ave Carlisle, PA 17013				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT DISTRIBUTION A: UNLIMITED					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT The South China Sea is likely the first place where China's growing military capabilities and desire for international status will square with the United States' pivot to Asia. The outcome of US-China interactions within the South China Sea will indicate the direction of the broader US-China relationship. Over the last two decades the US has developed a "conengagement" policy that combines containment and engagement to address uncertainties in the evolving US-China relationship. A military strategy that similarly addresses these uncertainties follows from the consideration of four models which describe how China may respond to US military activities. By considering these models the US can determine a set of military activities in the South China Sea that balances between conflict prevention, promoting trust between the United States and China, and hedging against a potential adversary.					
15. SUBJECT TERMS Security Assistance, Engagement, Shaping Operations					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT UNLIMITED	18. NUMBER OF PAGES 34	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFIED	b. ABSTRACT UNCLASSIFIED	c. THIS PAGE UNCLASSIFIED			19b. TELEPHONE NUMBER (include area code)

USAWC CIVILIAN RESEARCH PROJECT

**PREVENT, PROMOTE, AND HEDGE:
US MILITARY POWER IN THE SOUTH CHINA SEA**

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ABSTRACT

AUTHOR: LTC Brian J. Stokes

TITLE: Prevent, Promote, and Hedge: US Military Power in the South China Sea

FORMAT: Civilian Research Project

DATE: 22 May 2012 WORD COUNT: 5, 922 PAGES: 34

KEY TERMS: Security Assistance, Engagement, Shaping Operations

CLASSIFICATION: Unclassified

The South China Sea is likely the first place where China's growing military capabilities and desire for international status will square with the United States' pivot to Asia. The outcome of US-China interactions within the South China Sea will indicate the direction of the broader US-China relationship. Over the last two decades the US has developed a "congagement" policy that combines containment and engagement to address uncertainties in the evolving US-China relationship. A military strategy that similarly addresses these uncertainties follows from the consideration of four models which describe how China may respond to US military activities. By considering these models the US can determine a set of military activities in the South China Sea that balances between conflict prevention, promoting trust between the United States and China, and hedging against a potential adversary.

PREVENT, PROMOTE, AND HEDGE: US MILITARY POWER IN THE SOUTH CHINA SEA

Zalmay Khalilzad introduced the term “conengagement” to describe the emerging US policy towards China in his 1999 RAND issue paper “Congage China”.¹ With the current administration’s recent emphasis on the Asia-Pacific region, the media has increasingly used this term to describe the current US policy towards China.² Typically, the term describes the dichotomy between a military strategy of containment and economic and diplomatic strategies of engagement.³ There is, however, a wide range of activities that a peacetime military can perform, some falling into the containment category while others would be better described as engagement. The US has developed a military strategy of conengagement to simultaneously prevent conflict, promote partnership, and hedge against the possibility of an adversarial China in the South China Sea region.⁴ This conengagement strategy results from the consideration of several divergent models which describe how China, with its growing military capabilities and security interests, may choose to relate to the United States.

The first model, “Partnership from Strength,” asserts that US military activities portraying strength encourage a US-China partnership, while US actions that can be perceived as weakness or lack of resolve will lead to adversarial relationship. Based on this model the value of specific military activities is determined by perceived strength or weakness. With the second model, “Partnership from Trust,” the opposite holds true. This model asserts that traditional US military activities generate anxiety and should be avoided because they prevent a US-China partnership from forming. Only those activities which build mutual trust should be undertaken. Based on this model the value

of military activities can be assessed on a scale with the perceived level of antagonism at one end and potential for confidence building at the other.

The final two models, “Inevitable Partner” and “Inevitable Adversary,” propose that US military activities will not affect the outcome of the US-China relationship. They contend that the forces at play between the US and China are greater than the influence of peacetime military activities. Pessimists argue that an adversarial relationship is inevitable, while optimists argue the inevitability of a US-China security partnership. Based on the Inevitable Partner model the value of US military activities is assessed based on whether or not they contribute to an efficient and effective regional security partnership. In the Inevitable Adversary model, US military activities are assessed depending on whether or not they place the US in an advantageous position with respect to an adversarial China.

Subscribing to only one of the above particular models fails to account for uncertainty. True, a policy maker could appear more decisive by subscribing to a particular model and implementing the corresponding policies, but doing so would assume a high level of risk. Especially uncertain is the relationship between the US and China that may emerge as a result of the dynamics of the South China Sea. A conengagement policy that gives consideration to each of the models reduces the risk of undesirable outcomes. The resulting strategy uses military strength to prevent aggression, military engagement to promote trust, and maintains military advantages to hedge against China as a potential adversary.

Significance of the US-China Relationship

The relationship between the United States and China is of great importance to both countries and the world. It impacts the global economy, the international security

environment, and potentially human rights opportunities for millions of people. The economies of the US and China are inextricably intertwined. China and the US are the world's two leading economies; together they account for almost a third of the world's Gross Domestic Product.⁵ China is the United States' second largest trading partner behind only Canada,⁶ and the US is China's leading trading partner.⁷ China is second only to the US in annual military spending in the world. In 2010 the United States' military expenditures were \$687B while China's military spending was \$114B.⁸ China and the US are two of the world's nuclear powers with warhead stockpiles estimated to be 240 and 9,400 respectively.⁹ The US and China are 2 of the 5 permanent members of the United Nations Security Council. The significance of the relationship between these two countries follows from the leading role they play on the world security stage.

The United States' goals of advancing human rights, individual freedoms, and democratic principles are also at stake with respect to the US-China relationship. Based on the size of its population China presents an enormous opportunity for the US to advance those objectives. It is the world's most populous country with 1.3 billion residents accounting for 19% of the world's population.¹⁰ These idealistic goals will be especially challenging for the US as China remains extremely sensitive towards any attempt by foreigners to influence its internal policies. This sensitivity stems from the domination of China by western powers throughout the 19th century.¹¹

Interests, Ambiguity, and Insecurity; The US-China Relationship in the South China Sea



Figure 1. South China Sea Claims¹²

The South China Sea region serves as a bellwether for the broader US-China relationship.¹³ It is a dynamic region where populations, maritime claims, emerging power, economic growth, resource competition, and shifting alliances come together. The threat of major combat may be greater on the Korean peninsula or in the Taiwan straits than in the South China Sea. However, these flashpoints have for the most part remained static while the US-China relationship regarding the South China Sea continues to evolve.¹⁴ The South China Sea is likely the first place where China's growing military capabilities and desire for international status will come face to face with the United States' pivot to Asia. Thus, events in the South China Sea will steer the broader US-China relationship.¹⁵

The US-China competition for dominance in the South China Sea will likely intensify. Neighboring countries will also play a role as the Philippines and Vietnam

have increased their efforts to secure their own claims in the South China Sea. All the while, China continues investing in a more capable coast guard and navy.¹⁶ The anticipated rise in security related activities involving China, US partners, and US allies will delineate the relationship between US and China in the region.

The US has several interests in the South China Sea region. Among them are conflict prevention, maintaining a US-led international order, and promoting economic growth. This interest in the South China Sea region is also part of the larger Asia-Pacific shift emphasized in speeches by the US President during his 2012 visit to Australia,¹⁷ key documents from the White House,¹⁸ and the statements of other government officials.¹⁹

Conflict prevention is a US national security objective described in the National Security Strategy²⁰ as well as a military objective established in the National Military Strategy.²¹ It has been emphasized by the Chief of Naval Operations²² and the Army Chief of Staff.²³ Conflict prevention is especially relevant in the South China Sea as long disputed maritime claims have resulted in skirmishes in the past. Related objectives include maintaining the rules-based international order and US regional leadership.²⁴ These objectives will be tested as China and other countries vie for a favorable resolution of their competing maritime claims.²⁵ Finally, US economic interests include its direct trade with partners in the region and ensuring the flow of oil from the Middle East to and through the region. A disruption in this flow would have a major impact on the global economy.

China, too, has regional economic interests; it has lucrative trading partners and depends heavily on oil transported from the Middle East. It also has an economic

interest in the sea's fishing grounds as well as its undeveloped oil and natural gas reserves. China considers access to the resources of the South China Sea as vitally important to support its large population and growing economy.

The US and China also have strong mutual interests in the South China Sea. Among them are trade and maritime commercial shipping. In 2009 the US trade with the South China Sea region totaled \$150B while China's trade within the region totaled \$178B.²⁶ A consequence of this shared economic interest is a shared interest in the security of shipping lanes throughout the South China Sea and, more specifically, through the Straits of Malacca. The Straits are a critical link between oil suppliers and oil consumers, which include China²⁷ as well as US allies, Japan and Korea.²⁸

One of the major issues that will frame China's relationship with the US is China's "Nine Dash Line" claim that runs through the South China Sea. The Nine Dash Line claim was first seen on maps produced by the Nationalist government in 1947. The maps delineate China's maritime boundary with a series of dashes that encompasses nearly all of the South China Sea. The dashed lines persisted on the maps printed by China's Communist Party beginning in 1949. While the China's government remains unclear about the exact meaning of the dashed line, in 1992 it enacted a law which specified China's sovereignty over all of the features and islands contained within the line.²⁹ In 2009 it submitted an objection to Malayan and Vietnamese maritime claims to the United Nations, maintaining that it had sovereign rights and jurisdiction in the South China Sea.³⁰

Opposition to China's claim solidified as other countries in the region with overlapping claims unified behind the Association of Southeast Asian Nations (ASEAN).

The ten countries that make up ASEAN persuaded China to accept the Declaration on the Conduct of Parties in the South China Sea in 2002 as a means of relieving tension and checking China's growing naval power.³¹ The series of confidence building measures and dialogues that constituted the Declaration did not extinguish the region's tensions; China pressured oil companies to stop exploration off Vietnam's coast in 2007 and used fishing boats to harass the US Navy's *Impeccable* in 2009.³² During Secretary Clinton's visit to Vietnam in 2010 for the annual U.S.-ASEAN post-ministerial meeting she stated the US perspective on the issue.

The United States, like every nation, has a national interest in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea. We share these interests not only with ASEAN members or ASEAN Regional Forum participants, but with other maritime nations and the broader international community.³³

While China's Nine Dash Line claim is one of the central sources of international tension in the region, there are two more fundamental issues that drive US-China tension. The first is China's opposition to the level of US military involvement in the greater Asia-Pacific region. During his January 2012 visit to Australia President Obama announced the basing of US Marines at Darwin and US plans to have a larger role in the region.³⁴ China's response was mainly muted, but some defense officials took offense to the intrusion into the Asia-Pacific. They charged that the US-Australia agreement "does not help to enhance mutual trust and cooperation between countries in the region, and could ultimately harm the common interests of all concerned" and added that "any strengthening and expansion of military alliances is an expression of a Cold War mentality."³⁵

The acceptance by the Philippines of an expanded US naval presence in the region was similarly received. A January 2012 article in China's nationalist paper

Global Times' recommended that China sanction the Philippines in order to punish them and signal to other South China Sea countries that they should not balance China by siding with the US.³⁶ China remains particularly concerned with western interference, a lingering result of its domination by western powers through the 19th century³⁷ and a central factor in this struggle for regional leadership.

The second source of friction stems from China's historical fear of encirclement by neighboring countries. China perceives many of the US efforts to support its partners and allies in the region as a containment strategy intended to thwart its ascendance. Where the US views support to its allies and partners in the South China Sea region as a means to encourage stability and prevent conflict, China could easily perceive it as encirclement and respond aggressively. Dr. Henry Kissinger, for example, attributes China's involvement in the Korean War and its attacks on Vietnam in 1979 to its traditional fear of encirclement.³⁸

The level of US military involvement and China's perception that the US is trying to contain it are broader issues reflected within South China Sea tensions. These concerns serve as the foundation for China's geostrategic goal of establishing a first island chain maritime security belt. This belt would encompass all of the South China Sea essentially in alignment with the Nine Dash Line.

While the First Island Chain strategy and Nine Dash Line claim have existed for decades, it is only recently that China's military has begun to field the capabilities needed to realize the strategy or enforce the claim. The current modernization may signal the beginning of a naval expansion similar to the Soviet naval expansion during the Cold War, an effort that emphasized area denial and the use of the navy for military

diplomacy.³⁹ A second possibility is that China will implement an area denial strategy through more cost-effective, long-range, land-based anti-ship missiles. A third possibility is that China will implement its First Island Chain strategy in a way that allows commercial and military navigation to continue in accordance with international maritime norms. Chinese nationalist pressure will make it difficult for the government to make any concessions with respect to its Nine Dash Line claim or to forgo the opportunity to act as a military power commensurate with its economic clout.⁴⁰

Three US-China Security Outcomes in the South China Sea

Generally there are three possible outcomes related to the US-China security relationship in the South China Sea region. The first is that two countries establish a security partnership designed to protect common interests; second, they remain security competitors with an ambiguous relationship; or third, they become adversarial. It is important to consider how desirable or undesirable these possibilities are in order to make decisions which weigh the potential benefits, risks, and costs associated with US activities in the region.

In 2005 China's Zheng Bijian and the United States' Robert Zoellick described a blueprint for achieving an ideal US-China partnership. Zheng asserts in his article, "China's 'Peaceful Rise' to Great-Power Status," that as a rising nation China intends to avoid the fate of Germany which led to WWI and that of Japan and Germany which led to WWII.⁴¹ Zoellick in his response encourages China to become a "Responsible Stakeholder" that not only benefits from the world order but actively participates in maintaining it.⁴² The concepts described in these documents would result in a US-China security partnership.

As security partners China and the US would work together to maintain the region's shipping lanes and benefit by leveraging each other's strengths. In order for this partnership to emerge, China and its neighbors would need to resolve their maritime disputes through a mutual agreement. Additionally, China and the US would cooperate with other partners in the region to prepare for and respond to disasters, address non-state threats, and improve regional stability through confidence building and transparency.

Another possible outcome is a continuation of the ambiguity and competition that define today's South China Sea region. China, the US, and other regional security forces would continue their "shadow boxing," jockeying for military advantage as described by former Philippine president Fidel Ramos.⁴³ As China's military capabilities grow and its intent remains unclear little progress would be made toward resolving the competing claims in the South China Sea. In this outcome, mutual distrust and occasional confrontation would persist between the US and China.

A third and least desirable outcome is an adversarial relationship. Lines would be drawn between the US and China similar to the way they were drawn between the US and the Soviet Union during the Cold War. One of those lines would cut through the South China Sea. China and the US would compel each state in the region to pick a side, competing vigorously to win them over and establish a dominant sphere of influence. US and Chinese forces aligned on either side of the line would militarize the South China Sea region creating a standoff similar to the Iron Curtain formed by US and Soviet forces arrayed across Europe.⁴⁴ Regional and global economies would be devastated as trade would no longer flow freely across the newly drawn line.

Using Military Power to Affect the US-China Relationship

Policy makers contend with four competing models about how US military activities in the South China Sea will affect the US-China relationship. The first is that US military activities encourage a US-China partnership. The second asserts the opposite; US military activities discourage a US-China partnership. Both the third and fourth maintain that US military activities will not affect the relationship; it is inevitable that they will become adversaries or it is inevitable that they will become partners.

The first three models all support the possibility of a US-China partnership. Supporters of the partnership models cite strategic documents released by China, such as “China's 'Peaceful Rise' to Great-Power Status”⁴⁵ in 2005 and “Stick to the Path of Peaceful Development”⁴⁶ in 2010 as evidence that a partnership is possible. They also highlight China’s naval support to counter-piracy efforts in the Gulf of Aden beginning in 2008 and its contributions to humanitarian assistance as examples of China’s willingness to take on the role of a responsible stakeholder in the international community. The fourth model contends that China and the US are destined to become adversaries based on the fundamental nature of international relations.

Partner from Strength

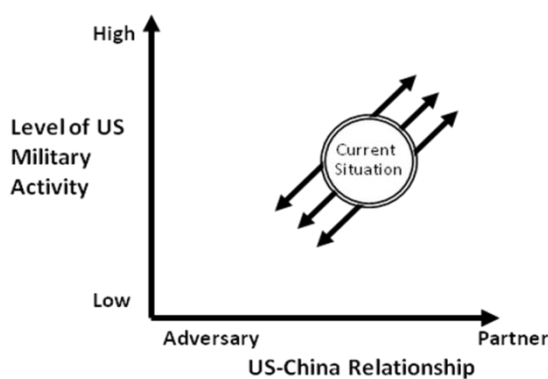


Figure 2. Partner from Strength Model

The Partner from Strength Model asserts that, by demonstrating strength and resolve, the military activities of the United States and its partners will encourage China to pursue a security partnership with the US. Advocates of this model believe that China will be pragmatic and avoid actions that put them at risk of costly confrontations. They argue that the strength of the US with its allies and partners will prevent China from adopting an adversarial posture and compels it to embrace a security partner relationship.⁴⁷ Conversely, this model suggests that China would perceive any reduction in US military activities as a lack of resolve or weakness. A perception of weakness would embolden China to behave aggressively towards its neighbors and obstruct US interests.⁴⁸ Supporters of this model emphasize the need for strength to counter to China's increasing military spending, its focus on anti-ship missiles, and its nascent aircraft carrier force.⁴⁹ They also see China's public deliberations regarding whether or not the time has come for it to begin asserting its military power⁵⁰ as evidence that strength is needed to encourage a partnership.

Partner from Trust

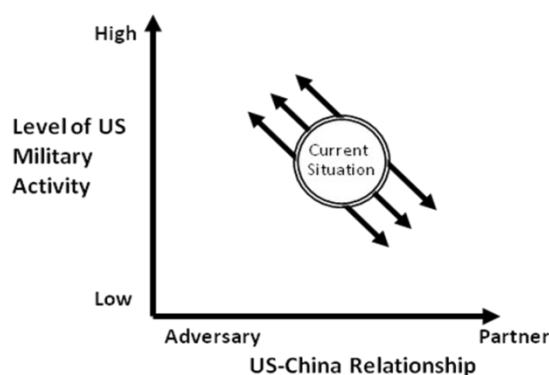


Figure 3. Partner from Trust Model

Where the first model suggested that a US-China partnership follows from robust US military activities in the region, in the Partner from Trust model the opposite holds

true. Supporters of this model contend that China will perceive US military activities as threatening and this perception will lead to an adversarial relationship. Advocates warn of the possibility of a US-China Cold War characterized by anxiety, misunderstanding, mistrust, and military escalation.⁵¹ On the other hand, they believe that China does not seek regional hegemony and is willing to accept US leadership because it benefits from the US contribution to regional security.⁵² They further contend that a US-China security partnership is attainable if the US promotes trust. This can be achieved by increasing confidence building measures and reducing US military activities that aggravate China's historical fears of encirclement or Western interference.

Inevitable Partner

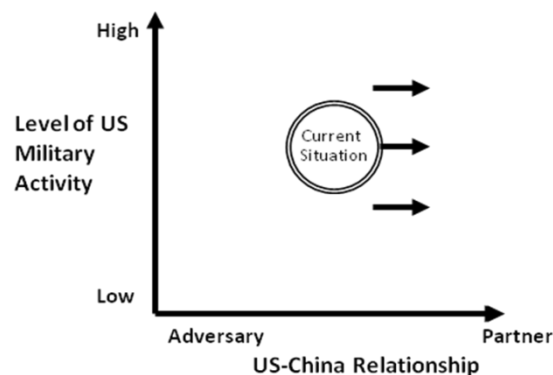


Figure 4. Inevitable Partner Model

While the first two models contend that US activities can affect the evolution of the US-China relationship, the third and fourth models suggest they cannot. The Inevitable Partner model maintains that China will become an increasingly responsible stakeholder because of the high priority it places on economic development.⁵³ Trade and economic interests will dominate the evolution of the relationship and eventually a security partnership will develop regardless of US military activity. A closely related

idea is that neither the US nor China will allow their relationship to become adversarial because it would result in mutually assured economic destruction.⁵⁴ Analysts suggest that the shift in power from Great Britain to the US in the 19th century serves as an example where a rising power and status quo power achieved a partnership⁵⁵ when their shared interests proved greater than their security rivalry.

Inevitable Adversary

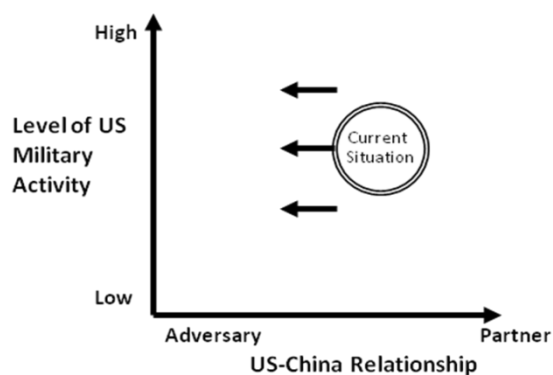


Figure 5. Inevitable Adversary Model

The Inevitable Adversary model asserts that, regardless of any efforts, the US-China relationship will inevitably become adversarial. John Mearsheimer is the most vocal proponent of this thinking and argues that rising powers and status quo powers are destined to have an adversarial relationship.⁵⁶ Accordingly, the US, having achieved regional hegemony, should block the rise of China before it becomes a peer competitor.⁵⁷ Aaron Friedberg asserts the incompatibility of China's authoritarianism and the US democratic principles will perpetually poison US-China relations.⁵⁸ The military activities associated with this model are those that hedge against an adversarial China by checking its rise. It also includes activities that establishes and maintains a US advantage at every opportunity. Advocates of this model frequently point to

Germany and Japan as historical examples of rising powers that enter into adversarial relationships and conflict with status quo powers.

Components of a US Military Strategy

This paper focuses on the military element of national power in order to simplify the analytical discussion. The purpose of focusing on a single element of power is not to suggest its predominance but to establish a clear framework based on possible outcomes, underlying models, and the potential for unintended consequences. This approach highlights the risk associated with military activities that may be offset by another military activity or the application of another element of national power - diplomatic, economic, or information.

The US has a broad range of activities that it can use to employ its military power in sensitive but non-conflict environments such as the South China Sea region. These steady state activities include US Pacific Command's shaping operations, the Department of Defense's global force posture,⁵⁹ as well as non-Department of Defense security cooperation. These activities can be categorized as military presence, military to military contact, and the development of foreign and US military capabilities.

<u>Presence</u>	<u>Contact</u>	<u>Capability Enhancement</u>
Basing Stationing Access Agreements Right of Navigation Reconnaissance Survey Operations Military Exercises	Military Exchanges Combined Training Military Education Dialogues Conferences Crisis Management	Financing Military Sales Support Combined Training US Capabilities

Table 1. Types of Military Activities

One of the methods for influencing nations is simply through military presence. A number of military activities can be used to establish a presence in order to influence behavior or ensure that the US is in an advantageous position in the event of hostilities. The most official and consequential is basing. Basing is the result of formal agreements between governments, such as Article VI of the Status of Forces Agreement with Japan. It grants the US the legal authority to permanently locate military forces and conduct military operations from a host country's territory.⁶⁰ Less formal agreements allow forces to be stationed in a country on a temporary, rotational basis. They can also allow ships or planes special access to portions of a port or airfield for resupply, refueling, and basic maintenance. Singapore, for example, has agreed to allow the US to station several Littoral Combat Vessels at its port and to make a pier available for US aircraft carrier visits. The Littoral Combat Vessels will remain in the region for extended periods of time using their port in Singapore for resupply and maintenance.

The US also has the ability to project power into a region and establish a presence without relying on nearby basing or access agreements. This can be done for extended periods of time using maritime assets like aircraft carriers or submarines, or for shorter periods using long range aircraft. Although disputed by China, most countries acknowledge that international laws and conventions permit military activities such as reconnaissance, oceanic surveys, or military training exercises in international waters. Thus, the US military often views transiting the South China Sea as both a powerful assertion of US support for the navigation rights of all countries⁶¹ and a simple logistical maneuver. In support of this and other missions, five of the eleven US aircraft carriers are based on the US west coast and a sixth is based in Japan.⁶²

Military to military contact is another type of military activity available to the US. Military to military contact includes military exchanges where members of one country's military serve in the US military while a members of the US military serve in the foreign country's military. Military education is a similar concept that provides the members of foreign militaries with opportunities to attend formal US sponsored education programs.⁶³ Military education includes technical training such as language programs as well as professional development courses like the Senior Service College. Another opportunity for military to military contact is through combined training exercises. Combined training exercises can be very effective as they provide, in addition to military to military contact, an opportunity for the US military to have a presence in a region and for the US to help develop an ally or partner's military capabilities.

A third category of military activities is the development of US or partner capabilities. The US builds its own capabilities by developing and fielding advanced weapon systems, providing manpower to its forces, establishing doctrine, and training the forces. The US can also help develop another country's military capabilities through combined training exercises, as mentioned previously, or by equipping it with US hardware. The hardware can either be purchased by the host nation or financed by the US with funds specifically allocated by Congress. This hardware compatibility, in turn, encourages further military to military contact and cooperation.

Policy Making in Light of Competing Models

While experts may favor a particular model, most would agree that there is a great deal of uncertainty regarding how the US-China relationship will evolve. Aaron Friedberg goes so far as to suggest that multiple models may be correct in that they reflect some of the causal mechanisms at work.⁶⁴ A conengagement strategy that takes

into account the various models and considers the possibility of unintended consequences is the best way to address the high degree of uncertainty.⁶⁵ Military activities intended to prevent conflict draw upon the Partner from Strength model, military activities intended to promote trust draw upon the Partner from Trust model, and military activities intended to hedge are derived from the Inevitable Adversary model.

There are many examples of current US military activities that draw from each of the three models. The pivot to Asia entails a US military strategy that includes a deeper involvement with ASEAN countries, robust naval activity with allies and partners, and the stationing of US Marines in Australia in an effort to prevent conflict and encourage China to move towards security partnership with the United States.⁶⁶ The US also maintains a position of neutrality in the region's maritime disputes, seeks military to military engagements with the Chinese, and actively communicates that its military activities in the region are not designed to contain China but are efforts to promote a partnership through trust. At the same time the strategy includes the fielding of high tech fighter aircraft, development of an air-sea battle doctrine intended to address China's growing military capabilities, and maintenance of a nuclear deterrent as hedges against an adversarial China.

In many cases the military activities from each of the three categories - presence, contact, and capability enhancement - naturally align with a specific model; presence with Partner from Strength, contact with Partner from Trust, and capability enhancement with Inevitable Adversary. However, this alignment does not always hold, and in some cases activities may support more than one model. For example, presence activities may support conflict prevention and the Partner from Strength model while also serving

as hedges against an adversarial China. Military to military contact with the Chinese can promote trust and the Partner from Trust model by providing an opportunity for military officials to establish relationships with one another. At the same time they can support the Inevitable Adversary model by providing insight into the capabilities and tactics of China's military should the relationship become adversarial. A combined training exercise is an example of a military activity designed to enhance capabilities supporting both the Partner from Strength model and the Inevitable Adversary model.

More frequently an activity has value with respect to one model while creating risk from the perspective of another. For example, developing a security relationship with Vietnam and helping them develop their military capabilities may support the Partner from Strength model; however, it creates risk from the perspective of the Partner from Trust model. The following questions are based on the models and are useful for assessing the benefits, costs, and level of risk associated with particular activities.

- Does it increase the cost of any alternative other than partnership for the Chinese?
- Does it risk being perceived as hostile or threatening by the Chinese?
- If the US and China are destined to be partners, does this option have any utility or would it be wasteful spending?
- Does this activity help build the trust needed for a US-China partnership?
- Is there a risk that the Chinese may interpret it as an appeasement and become more adversarial?
- If the US and China are destined to be adversaries, does it give up a US advantage?

These questions provide a methodology for making informed decisions about cost, benefit, and risk associated with possible alternatives. By highlighting risk they also facilitate the consideration of risk mitigating activities. For example, reducing US military presence near the Chinese coastline may be coupled with an increase in

combined training exercises. The reduction supports the Partnership from Trust model, but, when viewed from the Partner from Strength perspective, it is seen as a lack of resolve that encourages Chinese aggression. Increasing combined training exercises with allies and partners in the region would serve to mitigate that risk. Diplomatic or economic activities may also serve to mitigate risk as part of a more holistic approach to the US-China relationship. This balancing of activities that support different models can create ambiguity regarding US intentions which needs careful management.

In order to develop a strategy, policy makers will have to decide how much credence to place on each model. This subjective assessment should be continuously updated based on direct observations and reassessment of the causal forces at work. Deciding how to interpret Chinese actions, in particular their military activities, within the context of the four models is very important. This interpretation should correlate to an adjustment to US military activities. Experts and analysts need to dedicate attentions to these concepts to ensure that the US-China relationship is effectively managed.

Risk and Value Perspectives

The following two figures show how value and risk assessments based on the models and supporting questions can be plotted on a two dimensional graph. Value for both of these figures corresponds to potential for encouraging a US-China partnership. Risk, on the other hand, corresponds to the potential for leading to an adversarial US-China relationship. The activities shown in the figures and their assessments are illustrative. The chosen activities represent an example activity from each of the three categories, presence, contact, and capability enhancement. Plotting the activities on a graph based on their value and risk assessments show clearly how the activities compare with one another. This visualization makes it easy for policy makers to confirm

their assessments or make adjustments. It also highlights the potential value-risk tradeoff associated with each activity.

Figure 6, shown below, illustrates an assessment for three possible military activities. The considered activities include a reduction in US patrols off China's coast, a combined multinational search and rescue training exercise to include Chinese forces, and US – Chinese military dialogue. Their vertical placement represents their assessed value with respect to encouraging a US-China partnership through trust. Their horizontal placement shows their relative risk based on the Partnership from Strength perspective. The Partnership from Strength model suggests that activities that may be interpreted as demonstrating a lack of US resolve encourage aggressive behavior which may lead to an adversarial relationship. The position of the activity, "US patrol reduction," indicates that it has a high value and a high risk. In this case policy makers may consider another activity such as a combined military exercise to mitigate the risk, or they may decide that the risk is unacceptable.

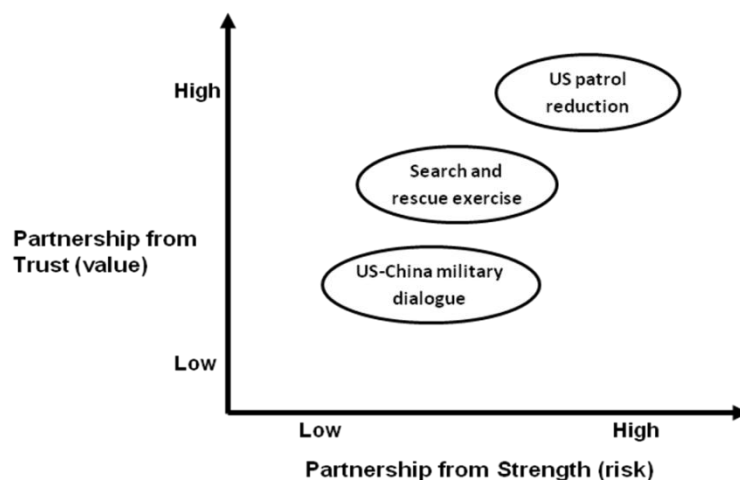


Figure 6. Value / Risk – Trust / Strength Assessment

Figure 7, shown below, applies the same methodology to three different military activities from slightly different perspectives. Activities are plotted according to their value for encouraging partnership from the perspective of the Partnership from Strength model and their risk of leading to an adversarial relationship from the perspective of the Partnership from Trust model. The assessed activities include the stationing of US Littoral Combat Vessels (LCV) at Singapore’s port, a combined US-Philippines oil platform seizure training exercise, and the sale of US military equipment to Vietnam. In this example the activity, “Military sales to Vietnam,” appears in a high value / high risk area of the graph. In this case policy makers may decide that the risk is unacceptable unless the activity is coupled with some risk mitigation activity.

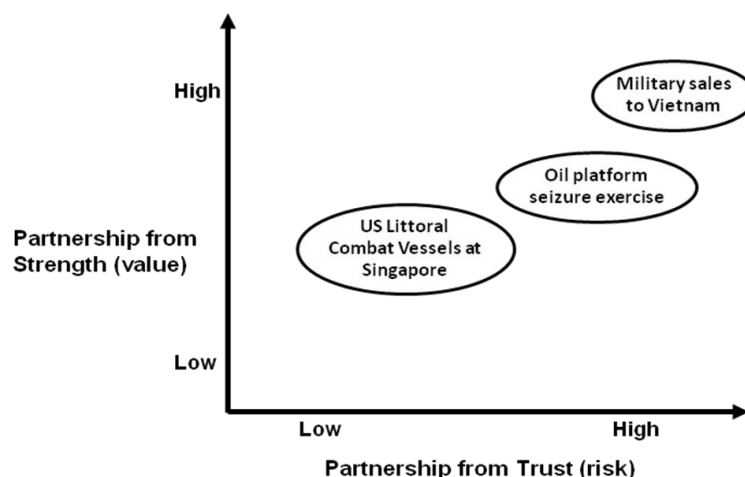


Figure 7. Value / Risk – Strength / Trust Assessment

Considering the different perspectives of the models helps policy makers recognize the possibility of an unintended consequence resulting from specific activities. In particular they help identify the risk of inadvertently encouraging an adversarial relationship between the US and China. Many high payoff activities will also carry high risk. This risk is most pronounced in an environment where an adversarial relationship

is assessed to be severely undesirable and its likelihood is considered to be a real possibility. The strategy that emerges in a high risk environment may do little to resolve the ambiguity of the US-China relationship and more to manage it. Such an approach has its shortcomings; it may send confusing signals to the Chinese which are subject to further misinterpretation. It may also prove more difficult to explain the apparent inconsistencies to the US Congress or the American taxpayer.⁶⁷ Managing ambiguity and limiting risk with incremental steps towards a partnership may well be the best strategy for now. Dr Henry Kissinger described the importance of ambiguity in the US-China relationship as follows in his 2011 book, *On China*:

This balance between American and Chinese imperatives illustrates why ambiguity is sometimes the lifeblood of diplomacy. Much of normalization has been sustained for forty years by a series of ambiguities. But it cannot do so indefinitely. Wise statesmanship on both sides is needed to move the process forward.

Conclusion

Tensions in the South China Sea have grown in significance as a result of the United States' increased emphasis on the Pacific and China's growing military capabilities.⁶⁸ These tensions could force the US and China to address the ambiguity of their relationship. The US military strategy for addressing the tension in the South China Sea should follow the engagement policy which has developed over two decades in response to the high level of uncertainty⁶⁹ regarding the US-China relationship. This military strategy needs to carefully manage the ambiguity of the relationship by striking a balance between conflict prevention, promoting trust between the United States and China, and hedging against a potential adversary.

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