

Executive Summary

Since its founding in 1949, the People's Republic of China (PRC) has employed military force in defense of China's security and territorial integrity. In many such instances, Beijing implemented a calculus of threat and retaliation signals intended first to deter an adversary from taking actions contrary to Chinese interests by threatening the use of military force and, if deterrence failed, to explain and justify Beijing's resort to military force.

This deterrence calculus was applied in each of the major instances in which Beijing has resorted to military force—in Korea in 1950, in the Sino-Indian border dispute in 1961–1962, in the Sino-Soviet border dispute in 1968–1969, and in China's attack on northern Vietnam in 1979. It was also applied in instances in which Beijing's effort at deterrence apparently succeeded and China ultimately stopped short of using military force. Examples include China's responses to the intensifying American combat effort in Vietnam in 1965–1968 and to the 1991 debates in Taipei about delimiting the Republic of China's sovereignty claims.

Beijing implements this deterrence calculus by a carefully calibrated hierarchy of official protests, authoritative press comment, and leadership statements. If the crisis persists and Beijing perceives its interests are not satisfactorily taken into account, its statements escalate in level and may include at first implicit and thereafter increasingly explicit warnings that it may use military force to achieve its goals. This approach has been employed consistently despite the sweeping changes in the PRC's place in the international order, the proliferation of foreign policy instruments at its disposal, the more complex crisis decisionmaking process and domestic political environment, and the dramatic evolution in the Chinese media over the decades.

Significant improvements in China's military capabilities, particularly in the People's Liberation Army (PLA) naval and air arms, have enhanced Beijing's ability to press its territorial claims in the South and East China Seas. Chinese actions, often in response to challenges by other claimants, have raised regional tensions. Moreover, Beijing has at times hardened its objections to U.S. military exercises, aerial surveillance, and intelligence collection in China's exclusive economic zone and in international airspace off its coasts. Aggressive maneuvers by Chinese military aircraft, fishing vessels, and civilian agency ships have led to serious incidents, including a collision between a PLA Navy (PLAN) fighter and a U.S. Navy reconnaissance aircraft that led to the death of the PLAN pilot.

The question for U.S. policymakers is whether improving military capabilities will lead Beijing to substitute sudden or surprise attack for the politically calibrated deterrence signaling it has employed prior to its past use of force. This study assesses the problem in four ways.

It first reviews China's use of force since 1949 to determine the motivations driving Beijing's employment of military coercion. Second, it assesses China's crisis decisionmaking process and crisis management. Third, it assesses the prospects for China's more aggressive use of military coercion in Asia's emerging security environment. Finally, Beijing's signaling of China's intent to employ military coercion is assessed in detail using a series of crisis case studies covering the years 1961–2004.

Although China's military capabilities are continuing to improve and its standing and involvement in the world have changed quite dramatically, this study concludes that the traditional calculus of threat and retaliation statements remains a central tool in Beijing's array of foreign policy and security instruments for responding to and managing tensions and disputes.

The historical instances where China has used military power can be divided into those cases when Beijing has employed significant military force and those cases when lesser military coercion has been employed. As one would anticipate, the forces employed reflect the immediacy of the perceived threat, the importance of the interest being threatened, and the capabilities of the opposing military forces.

Deterrence signaling has been more systematically and directly applied when Beijing has perceived a major military threat or strategic trend placing a high value interest in jeopardy. This includes all four of the Taiwan cases examined (in 1991, 1995–1996, 1999, and 2003–2004).

China's recognition of the power asymmetry between itself and the United States partially explains why none of the post–Korean War crises involving the United States evolved into direct military conflict. Chinese and American scholars agree that one characteristic of Sino-American crises is China's consistent policy of seeking to avoid a military confrontation with the United States even as it employed or threatened the use of military force.

This record does not, however, necessarily transfer to a potential Taiwan crisis. Here, some Chinese hold the view that whereas Taiwan involves a core interest for China, it is only of marginal strategic interest to the United States. Consequently, China should not be fearful of employing military force to deter Taiwan's *de jure* independence because the United States could well decide that a war with China over Taiwan is simply too costly given the island's low strategic value to the United States.

This view of the asymmetric importance of Taiwan to China and the United States reflects a broader Chinese perspective on past Sino-American crises. From a Chinese perspective, Sino-American crises did not occur in locales where core U.S. security interests were at stake. Whether in Korea, China's offshore islands, Vietnam, or Taiwan, China's interests were under greater threat because the locales were on or near China's national boundaries. More-

over, in crises over the offshore islands and Taiwan, China's territorial integrity and national sovereignty were at stake. These perceived asymmetries of interest contribute to China's view that U.S. policies and strategies are similar to those conducted by imperialist and hegemonic powers in the past.

This same perspective of asymmetric interests applies to China's maritime territorial claims in the South and East China Seas. Whereas Beijing recognizes a U.S. interest in freedom of navigation, any U.S. involvement in how these territorial disputes should be settled is unacceptable because the disputes do not involve U.S. strategic interests. For Beijing, these territorial disputes are sovereignty issues extending back to the 19th century when Japanese and Western imperialists began their violations of China's sovereignty. In China's view, they are not a matter where the United States has any legitimate interest.

Despite its commitment to the restoration of its own sovereignty over islands in the South and East China Seas, Beijing is reluctant to employ direct military coercion when its claims are challenged. These disputes do not constitute a direct threat to Chinese security, and the political, economic, and security consequences of a military confrontation between China and its neighbors, including those with mutual defense treaties with the United States, are evident. Beijing's resolve to avoid a military confrontation is particularly manifest with regard to the United States. Given the potentially grave consequences, if China does consider using military force, Beijing is almost certain to employ the same deterrence calculus it has maintained since the founding of the People's Republic. It would do so to minimize the possibility that it will have to use the military force on which the deterrence calculus ultimately rests and to reduce the costs if force is used.

China's application of the deterrence calculus in a future crisis would likely have the following characteristics:

- *Systematic integration of political and diplomatic action with military preparations as the signaling escalates through higher levels of authority.* Such preparations are often, if not always, overt and integrated into the political and diplomatic messages designed to deter the adversary from the course of action Beijing finds threatening.
- *Stating why China is justified in using military force should this prove necessary.* The message targets both domestic and international audiences. In essence, Beijing declares that it confronts a serious threat to its security and interests that if not terminated will require the use of military force.

- *Asserting that the use of military force is not Beijing's preferred resolution to the threat it faces, but one that will be forced upon it should the adversary not heed the deterrence warnings sent.* In short, Beijing's signaling strategy seeks to grant China the moral high ground in the emerging confrontation. Such an argument supports China's self-identification as a uniquely peaceful country that employs military force only in defense and when provoked by adversaries threatening its security or sovereignty. Presumably, Beijing believes that asserting the moral high ground in a confrontation can ease international response to any military action China might take and thereby reduce the political costs of employing military force.
- *Emphasizing that China's forbearance and restraint should not be viewed as weakness and that China is prepared to employ military force should that be necessary.*