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## Escalation in North Asia: A Strategic Challenge for Australia

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# The Centre of Gravity series

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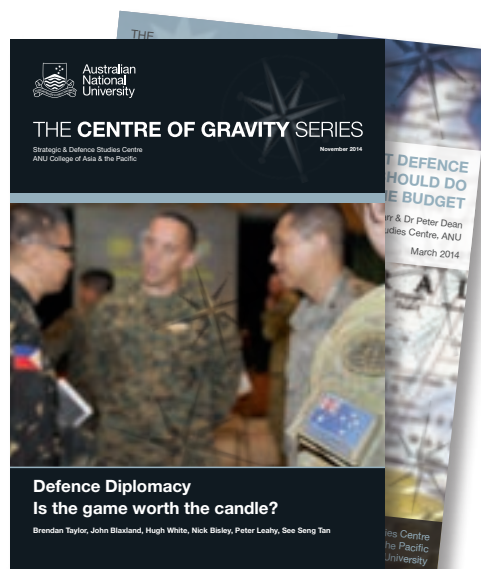
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## Author bios

Robert Ayson has been Professor of Strategic Studies at Victoria University since 2010 and is an adjunct professor with the Strategic and Defence Studies Centre. He has held academic positions with the ANU, Massey University, the Centre for Strategic Studies, the University of Waikato, and official positions with the New Zealand government. Professor Ayson has a particular interest in how we think about strategic competition and cooperation, including the management of armed conflict. This work ranges from exploring the ideas of Hedley Bull and Thomas Schelling to evaluating New Zealand and Australian responses to the changing Asia-Pacific balance between China and the United States.



Desmond Ball is an Emeritus Professor in the Strategic and Defence Studies Centre at the Australian National University, Canberra. He was Head of the Centre from 1984 to 1991. In 2014 he was awarded the Order of Australia, and the Australian National Universities highest award, the Peter Baume award. He is credited by former US president Jimmy Carter as helping the US avoid nuclear conflict during the cold war. He has published extensively on issues of strategy, Australian defence and intelligence policy, Asia-Pacific security and Thailand's border patrol force.



# Escalation in North Asia: A Strategic Challenge for Australia<sup>1</sup>

Robert Ayson and Desmond Ball

## Executive Summary:

- > Political competition and a lack of crisis management mechanisms could make it very hard for China and Japan to resist escalatory pressures in the very plausible event of a minor armed clash in the East China Sea.
- > Japan's reluctance to use force may be less extensive than some assume and its connections to US strategy and C4SIR systems increase the prospect of early American participation.
- > Command and control vulnerabilities could mean serious pre-emption pressures if Beijing thought a larger conflict was possible. American attacks on the PLA's conventional war-fighting systems could create perverse incentives for China to use its nuclear weapons early while it was still confident in its physical ability to do so.

## Policy Recommendations:

1. Australian planners should assume that China and Japan may not be able to continue avoiding minor hostilities over their conflicting East China Sea claims.
2. Australian planners should also assume that initial hostilities between Japan and China could easily escalate into a much more serious conflict, potentially involving the United States and possibly crossing the nuclear threshold.
3. Australian policymakers and decision-makers should encourage their Chinese and Japanese counterparts to treat the Sino-Japanese relationship as an adverse partnership involving common as well as competing interests.

Australian policy-makers may have been breathing a little easier in the knowledge that Xi Jinping and Shinzo Abe seem likely to break their duck in meeting each other at the November 2014 APEC Summit. The leaders of China, Australia's leading trade partner, and Japan, Australia's leading security partner in East Asia, have had very little in the way of constructive interaction. Their respective countries have struggled for anything good to say about each other over the East China Sea. A sign that their relationship may be thawing a little, and that talks have also resumed between Japan and China on a possible maritime hotline, is not only good news for Canberra. It is also welcome news for Washington which has been pressing for more give than take in the most important bilateral relationship within East Asia. The United States wants few things less than to be sucked into an escalating conflict between its major Asian ally in Japan and its peer competitor in China.

But before Australia, the United States and the Asia-Pacific region as a whole exhale in a collective sigh of relief, Sino-Japanese strategic tensions are not going to dissolve because of a series of new meetings. In this *Centre of Gravity* paper, we argue that China and Japan could still find themselves in a rapidly escalating armed conflict once the initial shots have been fired. This scenario is most likely to happen in their East China Sea dispute. We also suggest that while America's alliance connections with Japan may -in the cold light of day- be a barrier to war in Asia, these same links may in an already difficult situation between China and Japan become fuel for that conflict's further intensification.



Moreover, even if political relations between Japan and China improve markedly, reducing one possible cause of conflict, there may still be military-technical incentives for both sides to escalate even an unintentional minor conflict. And when the United States is brought into the picture, the possibility of that escalating war having a nuclear dimension may also rise considerably, not least because China may fear that it needs to use its own nuclear systems as early as it can. For Australia, very little of this is reassuring. Its planners may need to recognise that any ideas of supporting Japan and/or the United States in a small North Asian conflict could involve Canberra in a catastrophically escalating war.

### Minor Sino-Japanese Hostilities are Quite Plausible

In 2013 the Australian government joined Japan and the United States, its Trilateral Strategic Dialogue partners, in expressing concern about the use of coercion to change the status quo in maritime Asia. This comment was widely interpreted to be pointed at China, which later in the year announced a new Air Defence Information Zone, drawing further criticism from Australia, Japan and the US, along with concern from Korea and others. But it would be wrong to see North Asia as a wild-west town with just one potential gunslinger. All of the major powers, and specifically China, Japan and the United States, are involved in the ongoing peacetime deployment of air, naval and intelligence assets as they seek to keep an eye on each other's activities and signal their strategic capabilities and intentions.

A number of near misses in the last year and a half have illustrated the potential for these efforts to coincide in potentially hazardous fashion. These include the early 2013 incident when PLA ships locked their fire-control radars onto a Japanese helicopter and then a Japanese destroyer. A year later, the USS Cowpens was reportedly forced to take evasive action to prevent a collision with a Chinese landing ship that stopped in its path. And in August 2014, the United States and Chinese governments traded accusations about an incident when a Chinese jet fighter aircraft appears to have intercepted an American maritime patrol aircraft in an especially provocative fashion.

There is no guarantee that China and Japan will be able to keep their bilateral military interactions in the East China Sea below the threshold of armed violence, even if it is their continuing preferences to do so. This event would not necessarily ruin Asia's long record for the avoidance of major interstate wars. The downing of a plane or the sinking of a coastguard vessel would not automatically spell the beginning of a catastrophic conflict. But Asia's relative peace has induced a tendency to assume that war of almost any sort is largely unthinkable because it would be so costly, including for economic reasons. It is important to question any prevailing assumptions that this logic will remain robust in a serious Sino-Japanese crisis which could well be just around the corner.

**It would be wrong to see North Asia as a wild-west town with just one potential gunslinger.**



There may also be a corresponding assumption that Japan would not be the first to use force because of long-standing constitutional and moral restraints. Again this should be questioned. Some years back, when the transformation of the Japanese Coastguard (JCG) was already becoming evident, Richard Samuels observed that in contrast to the Maritime Self Defense Force (which ‘is denied authority to fire on enemy ships unless fired on first’) the JCG ‘is now allowed by law to initiate armed conflict under conditions that are vaguely defined and easily justifiable in retrospect. Local commanders are now authorised to use force under the conditions of “justifiable defense” and during an “emergency.”’<sup>2</sup>

## Perverse military-technical incentives for rapid escalation could be viciously destabilising.

currently discussing. There is little sign that Sino-Japanese strategic relations constitute what Coral Bell once called an adverse partnership which the Cold War superpowers had already begun to develop by the time they found themselves in the Cuban Missile Crisis. The absence of a similar mutually chastening experience is probably one reason today’s North Asia lacks a ‘consciousness between the dominant powers, that they have solid common interests as well as sharp conflicting interests.’<sup>4</sup>

### Something Small May Escalate Very Quickly

Whatever the evolving atmospherics of the Xi-Abe relationship, it is difficult to avoid the view that Japan and China are locked in one of Asia’s closest approximations to a zero-sum-game over status and prestige. An ascendant China is bad for Japan’s status and a more vital Japan is a direct challenge to China’s aspirations. These dynamics play out in their East China Sea contest. And even if an improved political environment in North Asia can be reached with more amicable Japan-China relations, perverse military-technical incentives for the rapid escalation of conflict could still be viciously destabilising in the event of even a minor outbreak of violence.



M. Taylor Fravel has argued that China tends to restrict its use of force in territorial disputes to situations when its claim is weak.<sup>3</sup> But this limitation is of little comfort whenever the Senkaku/Diaoyu dispute is seen as one of those weaker claims.

Should minor hostilities eventuate, either accidentally or by design, a good deal would then depend on the political temperature of the Sino-Japanese relationship. In the event of any public coverage, nationalist sentiment in both countries would likely put both governments in a difficult position, even if restraint was their preferred option. The paucity of ongoing political contact between China and Japan at the highest level (in contrast to Sino-US relations under Xi and Obama) might make an agreement on restraint harder to agree, as would the absence of the maritime communications mechanism that the two countries are

Perhaps the most pernicious of these escalatory dynamics is the duality of China’s strategic predicament. On the one hand China’s growing assertiveness in the East China Sea is a sign of greater national confidence that the People’s Republic now has the power to revise the regional conditions that it has hitherto had to put up with. On the other hand, China’s growing military presence in Asia’s maritime theatres is the visible tip of a military iceberg characterised by severe vulnerabilities in C4SIR—Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance— and inexperience in operating effectively beyond the first island chain. If Beijing thought for some reason, rightly or wrongly, that a more significant use of force against the PLA by Japan was imminent, the pressures to preempt by way of China’s own escalation would be very significant. If Japan’s knowledge of China’s military weaknesses were accompanied by a Chinese

underestimation of Japan’s surveillance power, any hint of Chinese breakout could be a very hazardous moment in their strategic relationship. In an excellent study, Avery Goldstein has pointed to the real dangers of crisis instability between the China and the United States.<sup>5</sup> But more scholarly and official attention needs to be directed to crisis instability problems between China and Japan.

Of course it cannot be expected that any such escalating Sino-Japanese conflict will necessarily remain between the two of them. The United States, Japan's alliance guarantor, will likely face some very early decision points about whether to enter the fray. In some senses at least, a degree of American involvement seems almost automatic. There are intimate links between Japan's and America's armed forces and C4SIR systems in North Asia, including their cooperation in underwater Sound Surveillance Systems (SOSUS) facilities.<sup>6</sup> It is difficult to imagine Washington having anything less than a front seat in the evolving violent drama. This raises the costs of China's escalation in a way that might first be thought to generate great caution in Beijing; for the disablement of Japanese systems is also likely to impinge on America's military eyes and ears in Asia.

China would need to think twice about escalating a bilateral conflict with Japan because of the distinct possibility of direct US military involvement. But knowing the resources that Japan's ally could bring to bear, China could in fact face incentives to escalate very quickly against Japan *before* America made that fateful decision. And if for some reason Beijing believed that the United States was unlikely to come good on its confirmation that the Mutual Security Treaty applies to Japan in the context of Senkaku/Diaoyu Islands, the deterrence of Chinese escalation could in fact be weakened. There is at least some speculation that China might exploit an emerging crisis with Japan in an attempt to force the United States to blink.<sup>7</sup>

Beijing could well be uncertain about what Washington would do. But in the pressure and confusion of an already serious crisis, China's leaders only need to think that American involvement is a possibility to face some additional escalatory pressures. The PLA would be operating in the knowledge that its vulnerable C4SIR systems would be among the very first targets of American military action to defend its alliance partner. China would therefore face at least two types of escalatory pressures. The first one is more general: to use what forces it has available over which it may lose effective command should its control systems be disabled. In this way the possibility of American involvement may, through China's pre-emptive moves, become an absolute certainty. The second pressure is more specific: China would find it too tempting not to target American C4SIR systems including America's satellite capabilities.

## China could face incentives to escalate against Japan before America decides.





## A Nuclear Exchange is Also Possible

In this sequence, the move from a small and even accidental use of force involving China and Japan to a much more serious and damaging triangular conflict with United States participation suddenly seems plausible. By no means is it too much to imagine China's early resort to anti-satellite attacks, its exploitation of asymmetric advantages with its growing missile capabilities to target America's aircraft carriers, and an acceleration in Chinese cyber-attacks for military purposes. Nor in response, or in anticipation, is it implausible to envision devastating American and Japanese attacks against China's C4SIR and missile systems. All three parties would very likely be aiming to keep this escalating exchange in the conventional domain (and only two of them have nuclear weapons that might be used). But there are strategic and material factors which suggest that nuclear escalation is less unlikely than some might wish to presume.

An outwardly confident but inwardly vulnerable China may resort to nuclear threats against Japan as a form of intimidation. That would immediately require America's closest attention. Nuclear weapons remain for China the great equaliser. But this also means that as prized assets, China may want to use its nuclear weapons early if it feels that its ability to retain the capacity to do so is at risk. Two material

issues surface here to make this hugely destabilising situation possible. The first is that China lacks separate tactical and strategic C4SIR systems. This raises the prospect that American (and Japanese) conventional attacks designed to degrade China's control of its conventional forces may also reduce Beijing's confidence in its ability to retain a nuclear deterrence capability. China may face a horrible dilemma such that if it wants to retain a nuclear option, it has to use it early rather than as a last resort. The second is that, because of basing arrangements, China may assume that an American conventional attack will also remove some of its land based nuclear missiles and sea based nuclear systems. This is also a perverse incentive to nuclear escalation.

**China may want to use its nuclear weapons early if it feels the capacity is at risk.**



## Things for Australian Planners to Ponder

At least four factors mean that Australia is increasingly connected to North Asia's evolving strategic situation. The first is its identity as Japan's second closest security partner (behind the United States) and the intensification of the Trilateral Strategic Dialogue. The second is the steady increase in Australia-US strategic cooperation for advanced maritime combat missions in Asia. The third is the trend in ADF capability development which increases Australia's value as an operational partner in Asia for both the United States and Japan, and which provide Australian decision-makers with new options for involvement. These include air warfare destroyers, advanced combat aircraft and early warning aircraft and other sensor-rich systems. The fourth is the growth in China's maritime military capabilities and willingness to deploy them for purposes of regional influence. This factor, in combination with the others, increases the possibility of unsettling interactions between the Australian and Chinese armed forces by both accident and design.

All of these points do not necessarily mean that escalating hostilities between Japan and China would be enough to drag Australia into the fray. But in light of the ANZUS connection, the chances of Australian participation would grow should the United States become involved in an initially Sino-Japanese escalatory process. The possibility that its leading ally might become involved significantly and relatively early, especially given the pressures on China to pre-empt, is reason alone for Canberra to watch the evolving Sino-Japanese contest with great interest and concern. But even if Australia had a choice to remain on the sidelines, an intensifying conflict in North Asia, bilateral or trilateral, conventional or also nuclear, could be devastating for Canberra's strategic, diplomatic and economic interests. Australian planners should therefore be very careful not to assume that China and Japan will be able to keep their East China Sea competition tense rather than violent. A small spark could so easily build to a wider conflagration, and Asia's decades-long experience of geopolitics without major power war would be over.

**Australia is increasingly connected to North Asia's evolving strategic situation.**



## Policy Recommendations:

1. Australian planners should assume that China and Japan may not be able to continue avoiding minor hostilities over their conflicting East China Sea claims.
2. Australian planners should also assume that initial hostilities between Japan and China could easily escalate into a much more serious conflict, potentially involving the United States and possibly crossing the nuclear threshold.
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## Endnotes

- 1 This paper is based on Robert Ayson and Desmond Ball, 'Can a Sino-Japanese War Be Controlled?', *Survival*, 56(6), December 2014/January 2015.
- 2 Richard J. Samuels, "'New Fighting Power!': Japan's Growing Maritime Capabilities and East Asian Security", *International Security*, 32(3) (Winter 2007/08), p. 96.
- 3 M. Taylor Fravel, 'Power Shifts and Escalation Explaining China's Use of Force in Territorial Disputes', *International Security*, 32(3) (Winter 2007/08), p. 82.
- 4 Coral Bell, *The Conventions of Crisis, A Study in Diplomatic Management* (Oxford: Oxford University Press, 1971), p. 50.
- 5 Avery Goldstein, 'First Things First: The Pressing Danger of Crisis Instability in U.S.-China Relations', *International Security*, 37(4), Spring 2013, p. 50.
- 6 See Desmond Ball and Richard Tanter, *The Tools of Owatsumi: Japan's Ocean Surveillance and Coastal Defence Capabilities*, (Canberra: ANU Press, 2015), forthcoming.
- 7 See Yawei Liu and Justine Zheng Ren, 'An Emerging Consensus on the US Threat: the United States according to PLA officers', *Journal of Contemporary China*, 23(86), (2014) p. 270.





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