

# IMPROVING RISK REDUCTION AND CRISIS MANAGEMENT IN US-CHINA RELATIONS

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## EXECUTIVE SUMMARY

The U.S.-China relationship has descended to its lowest point since normalization in 1979. In this climate, the militaries of the two countries nevertheless continue to operate in ever greater proximity in the maritime, aerial, cyber, and space domains.

Two decades ago, Beijing and Washington peacefully resolved a collision between two aircraft belonging to their respective countries in the South China Sea. But as mutual trust has eroded and working-level ties have frayed, the probability that a repeat incident could be similarly resolved is low, and the risk that it could instead escalate into a military clash is at its highest point in 50 years.

Since the end of the Cold War, the United States and China have invested in a series of rules, institutions, and communication mechanisms to manage the risk of conflict. Unfortunately, these have fallen short and rarely been used, in large part because of a lack of interest, initiative, and follow-through by Beijing. While China is still unlikely to fully participate in these efforts, there may be some reason for cautious optimism: Beijing is less worried that these mechanisms will reveal China's weaknesses as its military has modernized; Xi has indicated interest in risk reduction and crisis management; U.S.-China military interaction is increasingly global; and Xi may be more confident in his control over the People's Liberation Army (PLA) than his predecessors, and perhaps more comfortable allowing them to participate in U.S.-China efforts. Despite these promising signs, prospects for progress are admittedly still limited.

Even so, in the period ahead, the United States and China will need to signal consistently their interest in these mechanisms and their willingness to sustain them even as political tensions rise. Both governments will need to expand rules and

institutions designed for the maritime domain to include China's Coast Guard and its Maritime Militia, not just the Chinese Navy, and they will also need to make existing codes of conduct significantly more detailed. A similar approach will need to take place in space and cyber domains, where the United States and China have almost no crisis communications mechanisms or codes of conduct – and these efforts may eventually be extended to emerging technologies too. Finally, the United States and China need more interaction at the very highest levels of leadership in order to start and sustain these efforts and even at the most narrow operational levels in order to build “operational trust” and familiarity with standard operating procedures. While it may be difficult to address the causes of growing U.S.-China rivalry, these mechanisms might be able to bound the competition and manage its consequences.

## THE PROBLEM

The United States and China face two major problems with respect to risk reduction and crisis management: (1) the growing risk of a clash and inadvertent escalation between the militaries of each country; and (2) the absence of adequate rules, institutions, and communication mechanisms to manage such risks.

First, the two countries have clearly entered a period of intensifying strategic competition if not outright confrontation. As mutual trust erodes and the two countries operate in greater proximity in the maritime, aerial, cyber, and space domains, the risk that an unmanaged crisis or accident could escalate into military and cyber conflict is perhaps greater now than it has been at any point since rapprochement. The causes of growing U.S.-China rivalry are multifaceted, and admittedly the two countries' differing interests in East Asia – whether in the Taiwan Strait or the South and East China

Seas — are difficult to bridge. For that reason, a key focus for the bilateral relationship and for this memo is on how to manage the consequences rather than the fundamental causes of deteriorating ties.

This leads to a second major problem in the relationship: even as the risk of crisis escalation grows, the institutions to manage it are woefully inadequate, especially in comparison to the robust and institutionalized crisis management and arms control mechanisms that existed between the United States and the Soviet Union during the Cold War. In most cases, the mechanisms in place between the United States and China are substantially weaker than the U.S.-Soviet mechanisms they emulate. For example, the Military Maritime Consultative Agreement (MMCA) and U.S.-China 2014/2015 MOUs on aerial and naval incidents are not as binding, detailed, operational, or effective as the U.S.-Soviet Incidents at Sea Agreement. Moreover, the U.S. and China lack a conscious effort at the command level to reduce the risk of inadvertent war, which was the focus of the landmark U.S.-Soviet Agreement on the Prevention of Dangerous Military Activities. Finally, Washington and Beijing also lack anything resembling the robust U.S.-Soviet bilateral arms control process, and crisis communication mechanisms remain comparatively undeveloped.

Even after three decades of effort, U.S.-China mechanisms provide little utility. Three separate sets of annual talks have provided little substantive engagement. Crisis communication mechanisms are rarely used even in actual crises such as the 1999 Belgrade Bombing, the 2001 EP-3 incident, or in the dozens of near-misses in the South China Sea that have occurred in the intervening years. Indeed, China rarely makes use of its crisis communications lines with India, the Philippines, Japan, or Vietnam, to say nothing of the United States. Agreements on “rules of the road” for naval and aerial incidents are neither binding nor effective at reducing dangerous behavior and do not apply to China’s Maritime Militia and Coast Guard. The United States and China lack a bilateral arms control process and have seen limited agreements in the cyber domain abrogated. In sum, there is no framework to effectively manage escalation risks emanating from conventional challenges like intercepts or emerging challenges in new domains.

## OBJECTIVES

A key objective for the United States and China within this domain should be establishing rules, institutions, and communication mechanisms adequate to the task of managing risks and limiting escalation.

China has been the primary impediment to progress on risk reduction and crisis management, but there are some reasons for cautious optimism, particularly because some of the leading obstacles to forward momentum may be eroding as the U.S.-China relationship becomes less asymmetric and more contentious than in the past, producing a possible moment of opportunity. Beijing has indicated it will stop holding the entire military relationship hostage to the ebbs and flows of political ties. And while China still relies on dangerous intercepts to impose risk on U.S. operations near China’s coast (a way of deterring U.S. close-in reconnaissance or freedom of navigation operations), the increasingly global rather than regional pattern of U.S.-China military interactions is creating symmetrical foundations for risk reduction. In short, the United States and China have equivalent interests outside of Asia in managing crisis risks. Other obstacles are also abating. Beijing’s fear that engagement will reveal conventional inferiority has diminished now that its military is a peer U.S. competitor. The Party’s reluctance to devolve crisis management authorities to the military may diminish now that Xi has better consolidated control over it than his predecessors. Finally, Beijing’s concern that U.S.-China mechanisms would evoke unflattering Cold War comparisons is now moot given the relationship’s adversarial turn.

## RECOMMENDATIONS

- **Consistent signaling and reciprocity:** The United States has often been inconsistent in its efforts to build a military relationship with China. At times, it has been overenthusiastic and provided access or information that is not reciprocated while at other times it has cut off exchanges, creating unmet expectations or enabling the relationship to be used as leverage. Clear signaling, an insistence on reciprocity, and careful alignment of U.S. public statements and actions should be starting points for any military relationship. Both sides should commit that risk

reduction and crisis management efforts will not be linked to other bilateral issues and will be sustained irrespective of political tensions.

- **Maritime rules of the road:** China's Coast Guard and Maritime Militia are not covered by existing U.S.-China agreements on incidents at sea. Accordingly, the United States and China should revise existing U.S.-China MOUs and attendant annexes to apply to China's Coast Guard and Maritime Militia and work to incorporate them into present U.S.-China maritime dialogues, including the MMCA. Moreover, China should indicate whether existing agreements like CUES and COLREGS also apply to its Coast Guard and Maritime Militia. Not only should these forces be covered by previous agreements, but any future agreements should apply to them, as well. Finally, both sides should work to make the MMCA and U.S.-China MOUs as detailed as the U.S.-Soviet Incidents at Sea Agreement they consciously emulate.
- **Space and cyber as priorities:** The U.S. and China appear to lack any mechanism covering space and infrequently discuss cyber issues, but these are precisely the domains to which a kinetic conflict will promptly escalate given their indispensable role in supporting military operations. To give these domains their due, the Joint Staff Dialogue could be refocused on them; alternatively, a mechanism similar to the MMCA could be created for these domains that would help produce a bilateral code of conduct. Similarly, agreements limiting peacetime interference in the other side's command and control networks (which the U.S. and Soviet Union negotiated in 1989) could be a part of this effort. And both sides could launch bilateral hotlines to deescalate crises in space.
- **Emerging technologies:** During the Cold War, U.S.-Soviet agreements eventually expanded

to cover newer categories as laser weapons and interference with command and control networks. Now, the United States and China need a similar set of agreements that might deal with escalation risks in new strategic and technological domains ranging from lethal autonomous weapons to bioweapons enabled by gene-editing technologies. Both sides could consider a new, high-level dialogue for emerging technologies or, alternatively, repurpose a portion of existing dialogues, such as the Joint Staff Dialogue launched in 2017, to address these issues.

- **Operational trust:** Dale Rielage defines operational trust as “the expectation, usually between militaries, that another service is safe, competent and reliable in conducting operations,” particularly in close proximity.<sup>1</sup> Working to facilitate operational trust through more routine engagement — particularly outside of Asia — may reduce risks of inadvertent crises within Asia and familiarize each side with the other's standard operating procedures.
- **Leader-level emphasis:** No effort will be successful without the express approval of President Xi Jinping. Accordingly, any agenda for risk reduction and crisis management is more likely to be meaningfully pursued on the Chinese side if it is incorporated with greater regularity into leader-level meetings or into whatever institutional mechanism succeeds the U.S.-China Diplomatic and Security Dialogue.

## REFERENCES

- 1 Dale C. Rielage, “An Imperative to Engage,” *Proceedings*, April 2015, <https://www.usni.org/magazines/proceedings/2015/april/imperative-engage>.