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To cite this article: Andrew S. Erickson & Adam P. Liff (2015): Installing a Safety on the 'Loaded Gun'? China's institutional reforms, National Security Commission and Sino-Japanese crisis (in)stability, Journal of Contemporary China, DOI: [10.1080/10670564.2015.1075713](https://doi.org/10.1080/10670564.2015.1075713)

To link to this article: <http://dx.doi.org/10.1080/10670564.2015.1075713>



Published online: 26 Oct 2015.



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## Installing a Safety on the 'Loaded Gun'? China's institutional reforms, National Security Commission and Sino–Japanese crisis (in)stability

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### ABSTRACT

As China's active assertion of its claim to the Senkaku/Diaoyu Islands has increasingly crowded the surrounding waters and airspace with military and paramilitary forces, the risk of a Sino–Japanese crisis has reached unprecedented heights. Neither side wants conflict, but the increased frequency and proximity at which vessels and aircraft encounter one another means that overall risk has grown proportionately. Were a miscalculation or even an unintended low-level incident to occur, de-escalation would hinge on each side's respective internal crisis management capabilities and political leaders' ability to communicate expeditiously. This article analyzes China's side of the ledger. Specifically, it assesses the extent to which institutional reforms since the 2001 US–China EP-3 crisis have ameliorated longstanding weaknesses in China's crisis management capabilities and its ability to communicate via hotlines with Japan. While significant issues and obstacles to further urgently needed improvements remain, with the establishment of a Central National Security Commission (CNSC) and other recent reforms, Beijing may finally be achieving modest improvements. Bilaterally, however, no Sino–Japanese crisis hotline exists to date.

Since Tokyo's September 2012 'nationalization' of the Senkaku/Diaoyu Islands, Beijing's use of military and paramilitary forces to challenge Japan's decades-old effective administration has introduced a major source of uncertainty and risk into a volatile flashpoint between the world's second- and third-largest economies. Specifically, China's unprecedented operations increase the likelihood of an unintended incident in the surrounding waters or airspace. While neither side seeks conflict, how capable China and Japan are of rapidly and effectively preventing such an incident from escalating is a crucial, yet rarely-asked question. This is particularly true given the noxious state of Sino–Japanese political relations, infrequency of high-level dialogue, presence of nationalism potentially affecting leaders' domestic political calculations, policy decision-making processes considered relatively slow and consensus-oriented, and the longstanding absence of bilateral crisis hotlines.

The question of how capable the two sides are at managing a crisis effectively is not merely an academic one. By 2014, circumstances in the East China Sea had become sufficiently volatile for influential

commentators to call it the 'greatest geopolitical danger in the world'.<sup>1</sup> Meanwhile, high-ranking Chinese military officers have cautioned that even the slightest carelessness by either side could spark an unintended conflict, often employing a popular Chinese idiom referring to a loaded gun accidentally firing during a routine cleaning [*ca qiang zouhuo*]. They call for crisis management mechanisms to prevent 'misfires in the East China Sea'.<sup>2</sup> Needless to say, conflict—even unintended—between China and Japan over the uninhabited islands could be catastrophic for both countries, regional stability and the global economy. The US military would also be involved.<sup>3</sup> Beyond characteristics unique to the Senkaku/Diaoyu situation, history provides additional grounds for taking seriously the risks of possible escalation, however unintended or ill-advised. A voluminous literature in political science demonstrates that territorial disputes are major sources of interstate violence and conflict—indeed, they are the primary cause of most modern wars.<sup>4</sup>

In this volatile context, better understanding the efficacy of Beijing's and Tokyo's crisis management capabilities is crucial. The maturity of relevant institutions has direct implications for the likelihood and severity of military conflict between them.

Though an unintended crisis could erupt between China and Japan, military conflict is absolutely not preordained. Most importantly, neither side's leaders *want* a war. Yet the efficacy and maturity of domestic political institutions and crisis management mechanisms will be crucial in preventing low-level incidents, and ensuring they do not escalate to conflict if they occur. Beyond contemporary policy relevance, these issues also have implications for academic literatures in international security studies, comparative politics and area studies—specifically on Chinese and Japanese foreign policy decision-making and domestic political institutions, civil–military relations, US relations with both countries, coercive diplomacy and crisis management.

This article builds on a small but influential literature to analyze China's side of the bilateral ledger in the context of recent institutional reforms—most notably the 2013 establishment of China's first-ever Central National Security Commission (CNSC).<sup>5</sup> Beijing's relatively low transparency—especially concerning national security decision-making—frustrates efforts to draw decisive conclusions. This article draws on available publications and interviews with knowledgeable interlocutors in Beijing, Washington and Tokyo. It assesses implications for Beijing's external crisis management capabilities of recent domestic institutional reforms, in particular CNSC's November 2013 establishment. These reforms are part of President Xi's increased focus on institutional capacity building and prioritization of national security affairs relative to his predecessors. They are consistent with other, more specific trends, including centralization of foreign and security policy-making and rationalization of the military–civilian sides of relevant bureaucracy. They also suggest leaders' recognition of existing institutional weaknesses.

In establishing CNSC, Xi has succeeded where his predecessors failed, overcoming strong resistance within the Chinese Communist Party (CCP) to consolidating power in a single leader. Previously, leaders rejected efforts to establish a National Security Council (NSC), including those by Presidents

<sup>1</sup>Bremmer: 'China–Japan 2014's most dangerous spat', *ChinaRealTime*, (8 January 2014), available at: <http://blogs.wsj.com/chinarealtime/2014/01/08/bremmer-china-japan-2014s-most-dangerous-spat/> (accessed 12 June 2015).

<sup>2</sup>钱利华 [Major General Qian Lihua (PLA, Ret.)], '中日有望尽快启动“海空联络机制”, 防止擦枪走火' ['China and Japan expected to begin "sea–air contact mechanism" immediately to prevent misfires'], *Xinhua*, (3 March 2015), available at: [http://news.xinhuanet.com/politics/2015lh/2015-03/03/c\\_1114508059.htm](http://news.xinhuanet.com/politics/2015lh/2015-03/03/c_1114508059.htm) (accessed 12 June 2015).

<sup>3</sup>Obama says pact obliges US to protect Japan in islands fight', *The New York Times*, (24 April 2014), available at: <http://www.nytimes.com/2014/04/25/world/asia/obama-asia.html> (accessed 12 June 2015).

<sup>4</sup>Monica Toft, 'Territory and war', *Journal of Peace Research* 51(2), (March 2014), pp. 185–198.

<sup>5</sup>For English-language studies, see Michael Swaine, Zhang Tuosheng and Danielle F. S. Cohen, eds, *Managing Sino–American Crises: Case Studies and Analysis* (Washington, DC: Carnegie, 2006); Wu Xinbo, *Managing Crisis and Sustaining Peace between China and the United States* (Washington, DC: United States Institute of Peace, 2008); Richard Bush, *The Perils of Proximity: China–Japan Security Relations* (Washington, DC: Brookings, 2010); Zhang Tuosheng, 'Chinese military crisis behavior', in Jae Ho Chung, ed., *China's Crisis Management* (London: Routledge, 2012); David M. Lampton, 'Xi Jinping and the National Security Commission: policy coordination and political power', *Journal of Contemporary China* 24(95), (2015), DOI: [10.1080/10670564.2015.1013366](https://doi.org/10.1080/10670564.2015.1013366); Alastair Iain Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China*, A Working Paper (2015).

Jiang Zemin and Hu Jintao, as threatening the consensus-based approach of China's preeminent decision-making body—the Politburo Standing Committee (PSC). In addition to potentially strengthening the paramount leader's role in crisis management, CNSC may facilitate both Party–People's Liberation Army (PLA)–State and interagency policy coordination—long considered major weaknesses in China's foreign policy-making.

## I. Motivating the study: minimizing risks

Especially since 2010, China's increasing employment of military and paramilitary forces to assert vast sovereignty claims has unsettled its neighbors and the United States—an ally or security partner of most disputants. Circumstances are particularly worrisome in the East China Sea. China and Japan are East Asia's two largest economies, and each has a powerful military. Both enjoy close economic ties with the United States, and each other. Yet in recent years the Senkaku/Diaoyu Islands have evolved into a symbolic and substantive bilateral flashpoint. Reasons are manifold, involving history, identity, sovereignty and strategic value.

Since Japan's central government's September 2012 'nationalization' of three of the islands, Beijing has made unprecedented efforts to establish 'shared' administrative control. It actively challenges Tokyo's decades-old effective administration by sending Coast Guard vessels into Japan's administered territorial waters, while PLA Navy (PLAN) warships watch-over nearby. In November 2013, Beijing declared an Air Defense Identification Zone (ADIZ) in airspace overlapping the islands—and Japan's own, decades-old ADIZ. As fighter aircraft activity increases, so do scrambles from both sides, with jets sometimes operating in close proximity. The result: in the East China Sea waters and airspace, increasingly-numerous Chinese military and paramilitary forces are actively asserting China's claim. Neither side seeks conflict or has fired a shot, and the likelihood of any single encounter escalating to war remains low. Yet the heightened frequency with which these encounters occur increases the overall risk of a miscalculation or low-level accident that could foment a crisis that neither sought. Were either to occur, to prevent escalation much would hinge on their respective internal crisis management capabilities, as well as their leaders' ability and willingness to communicate rapidly to defuse tensions diplomatically.

Key questions about China's relevant capabilities include:

- Is Beijing actively adopting institutional measures to minimize risk and the likelihood that even an unintended, low-level incident could escalate?
- Internally, how effectively can China's political institutions manage an external crisis of the sort possible in the East China Sea? Have China's leaders implemented reforms to significantly enhance crisis management? In particular, what role is China's newly established CNSC likely to play?
- Externally, how capable is Beijing of rapidly and effectively managing a crisis diplomatically? Regarding the East China Sea, is China working with Japan to implement and reliably employ bilateral crisis management mechanisms to maximize the likelihood that escalation can be prevented diplomatically?

The available evidence reveals grounds for concern. Past external incidents, including those roughly analogous to what could occur in the East China Sea, most notably the 2001 Sino–American EP-3 crisis, show Beijing's internal policy coordination system and diplomatic crisis response measures to be relatively slow, poorly coordinated and incomplete. Recent reforms notwithstanding, structural and cultural factors inherent to CCP and government decision-making appear to remain significant obstacles. In short, despite the rapid expansion of China's foreign policy profile and its military and paramilitary entities' operational scope in recent years, internal and externally-oriented institutions crucial to effective crisis management—including CNSC—remain relatively immature and *ad hoc*. Specific to an East China Sea scenario, bilateral crisis management mechanisms with Japan do not exist—despite Tokyo's nearly decade-old effort to establish bilateral hotlines.

Two silver linings, however, also emerge from the analysis. Internally, recent institutional reforms (e.g. CSNC) suggest prospects for significant progress if CCP leaders are willing to spend the requisite political capital to implement further changes. Externally, after a two-year freeze initiated by Beijing in September 2012, negotiations with Tokyo on maritime and aerial hotlines restarted in January 2015.

## II. Lessons from post-Cold War Chinese crisis management

This section examines recent crises, near-crises and other risky interactions involving China that are most relevant to a possible East China Sea scenario. For the purposes of this article, we define a crisis as an interstate incident that threatens to escalate to a higher level, including but not limited to military conflict, if not managed carefully.<sup>6</sup>

### *China–US crisis management*

The richest case studies to date involve incidents between China and the US. The most significant in terms of real-world impact, and most similar to a possible East China Sea scenario, was the 2001 EP-3 crisis. This fatal collision between a Chinese fighter jet and a US reconnaissance aircraft operating in international airspace revealed Chinese internal and external crisis management weaknesses. Chinese leaders' inability to rapidly acquire *accurate* intelligence from the military, interagency coordination problems, political refusal to answer urgent communications from US officials, and a norm of consensus decision-making within PBSC, apparently exacerbated an already tense Sino–American standoff.

**2001 EP-3 crisis.** Throughout spring 2001, PLAN fighter jets repeatedly scrambled to intercept unarmed US propeller surveillance aircraft operating predictably in international airspace over the South China Sea. PLAN pilots approached US aircraft dangerously quickly, closely and unpredictably. Of 44 intercepts, then-Secretary of Defense Donald Rumsfeld documents, 'six involved Chinese planes coming within thirty feet of US aircraft and two involved Chinese planes coming within ten feet'.<sup>7</sup> At 9:15 a.m. local time on 1 April, China's forty-fifth intercept ended tragically, when J-8 fighter pilot Wang Wei collided fatally into a US EP-3 reconnaissance aircraft ~70 miles from Hainan Island. At 9:33, the severely damaged EP-3 made an emergency landing at Hainan's Lingshui Airport, where armed soldiers surrounded it.<sup>8</sup> The 24 US crew-members and their aircraft were detained incommunicado.

Chinese leaders and institutions apparently were ill-prepared for this sort of crisis. The PLA did not inform civilian leaders of what happened for hours, and when it did the data were flawed—possibly manipulated to mask the fighter pilot's (and therefore the PLA's) culpability. The PLA's monopoly on intelligence apparently allowed it to conceal the collision's cause and the fact of the EP-3's mayday calls.<sup>9</sup> Coupled with civilian leaders' incomplete situational awareness, this distorted public perceptions and Beijing's response—exacerbating the crisis. Beijing's first public statement contained major factual errors. It blamed the lumbering US propeller aircraft for crashing into the darting Chinese fighter jet—a physical impossibility, as Ambassador Joseph Prueher told Assistant Foreign Minister Zhou Wenzhong.<sup>10</sup> In the context of the nationalist outcry it helped to create, the PLA's monopoly on intelligence apparently forced civilian leaders to accept its word. Because of their limited institutionalized oversight of the PLA,

<sup>6</sup>For a review of related definitions, see Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China*, pp. 19–21.

<sup>7</sup>Donald Rumsfeld, *Known and Unknown: A Memoir* (New York: Penguin, 2012), p. 313.

<sup>8</sup>Shirley Kan et al., *China–US Aircraft Collision Incident of April 2001* (Washington, DC: Congressional Research Service, 10 October 2001), p. 10.

<sup>9</sup>James Mulvenon, 'Civil–military relations and the EP-3 crisis', *China Leadership Monitor* 1(1), (Winter 2002), pp. 1–11, available at: [http://www.hoover.org/sites/default/files/uploads/documents/clm1\\_JM1.pdf](http://www.hoover.org/sites/default/files/uploads/documents/clm1_JM1.pdf) (accessed 12 June 2015).

<sup>10</sup>Interview with Joseph Prueher, 2007.

civilian leaders were incapable of independently confirming what had actually happened on 1 April. (This flawed interpretation of crisis causation remains China's official narrative.)

Diplomatically, Beijing's ignoring of multiple phone calls from high-level US officials for two days immediately following the incident (e.g. almost immediately from the US Embassy Beijing, and later by Secretary of State Colin Powell to Foreign Minister Tang Jiaxuan) further exacerbated the situation.<sup>11</sup> 'We were simply unable to establish proper communications with the Chinese leadership for several days', National Security Advisor Condoleezza Rice recalled. 'That first night, Colin couldn't get the foreign minister to return his phone call.'<sup>12</sup> President Bush later told his advisors that the failure of Chinese officials to respond to repeated high-level US contact in the early stages of the crisis left a lasting impression on him.<sup>13</sup> Particularly unsettling to US officials, including Prueher,<sup>14</sup> was the fact that their calls were ignored despite years spent deepening engagement with PLA leaders; the Defense Consultative Talks and January 1998 Military Maritime Consultative Agreement (MMCA) these efforts had yielded; and the presidential hotline established in May 1998—all intended by US officials *precisely to keep communications channels active to defuse crises*.<sup>15</sup> While Prueher first met Zhou 12 hours after the collision, repeated US requests for information on the crew's condition were rebuffed for the first 24 hours. Together with heavy media coverage, this raised the domestic political stakes in Washington.<sup>16</sup> Bush himself recalled: 'The Iranian hostage crisis was at the forefront of my mind.'<sup>17</sup> Only around midnight on the night of 3 April did US officials gain access to the crew through a 40-minute supervised visit.<sup>18</sup>

The delay in direct communication between US and Chinese leaders appears attributable to Chinese internal institutional deficiencies—especially poor coordination among military, diplomatic and Party leaders. Also problematic was PBSC's norm of consensus decision-making, since a crisis this severe required direct PBSC involvement. Several PBSC members reportedly were predisposed and unreachable;<sup>19</sup> no institutionalized means for delegating their authority existed.<sup>20</sup>

Beginning in the afternoon of 1 April, several Chinese leaders (primarily from PBSC) met to discuss China's response.<sup>21</sup> Convened by Chinese President Jiang Zemin, PBSC decided that the Ministry of Foreign Affairs (MFA) should issue an official statement rapidly, coordinate a working-level interagency process, and lead negotiations with the US. On 2 April, PBSC reconvened.<sup>22</sup> To limit any damage to bilateral relations, it crafted bifurcated policy guidelines: China would return the EP-3 crew before the 15 April Easter holiday and return the aircraft (in pieces) later.<sup>23</sup> On 3 April, PBSC completed the guidelines. Before leaving for Latin America with Vice Premier Qian Qichen, Jiang charged Vice President Hu Jintao with implementation.<sup>24</sup> Hu was National Security Leading Small Group (NSLSG) Deputy Chair. As the only Central Military Commission (CMC) Vice Chair also on PBSC, Hu was also the only Party leader able to give orders to the PLA in Jiang's absence.

On the evening of 4 April, Tang summoned Prueher. Tang claimed (erroneously) that the EP-3 had violated the United Nations Convention on the Law of the Sea (UNCLOS) and MMCA. Tang demanded a halt to US reconnaissance flights over China's exclusive economic zone (EEZ) and an apology as conditions for the US crew's return. In response, Prueher himself produced a translation of a Chinese military

<sup>11</sup>Data in this paragraph were verified on 17 May 2015 with an expert at the US Embassy during the EP-3 crisis.

<sup>12</sup>Condoleezza Rice, *No Higher Honor* (New York: Broadway, 2012), p. 47.

<sup>13</sup>Discussion with former administration official, 13 May 2015.

<sup>14</sup>Discussion with military officer who interviewed Prueher, 16 May 2015.

<sup>15</sup>Shirley Kan, *US-China Military Contacts: Issues for Congress* (Washington, DC: Congressional Research Service, 10 February 2012), pp. 23–25.

<sup>16</sup>Dennis Blair and David Bonfili, 'The April 2001 EP-3 incident: the US point of view', in Swaine *et al.*, eds, *Managing Sino-American Crises*, pp. 380–382.

<sup>17</sup>George W. Bush, *Decision Points* (New York: Broadway, 2010), p. 426.

<sup>18</sup>Kan *et al.*, *China-US Aircraft Collision Incident of April 2001*, p. 3.

<sup>19</sup>Swaine *et al.*, *Managing Sino-American Crises*, p. 34.

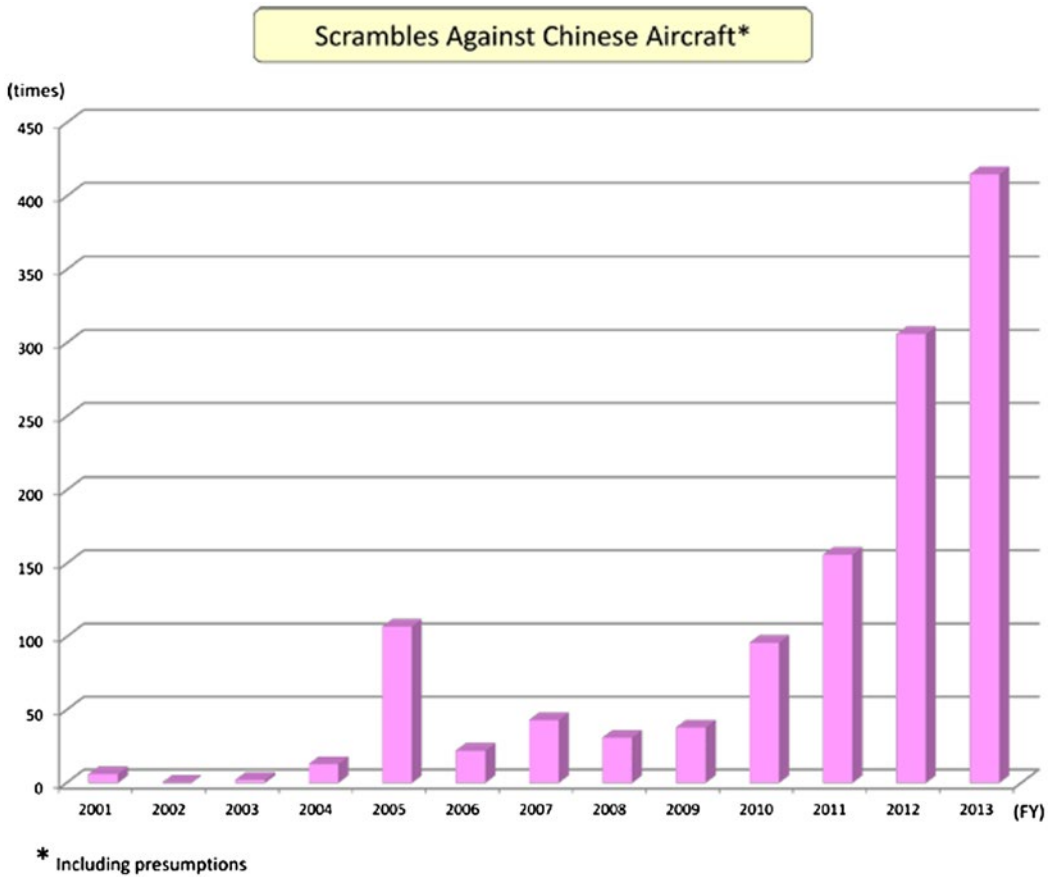
<sup>20</sup>*China Security Report 2013* (Tokyo: National Institute for Defense Studies, January 2014), p. 7.

<sup>21</sup>Bush, *The Perils of Proximity*, p. 241.

<sup>22</sup>*China Security Report 2013*, pp. 26, 28.

<sup>23</sup>吴建民 [Wu Jianmin], '2001 年中美撞机事件' ['The 2001 China-US aircraft collision incident'], in 外交案例 [Case Studies in Diplomacy] (Beijing: 中国人民大学出版社 [Renmin University Press], 2007).

<sup>24</sup>*China Security Report 2013*, p. 27.



**Figure 1.** Airspace encounters. Source: *China's Activities Surrounding Japan's Airspace*, (Ministry of Defense, Japan), available at: [http://www.mod.go.jp/e/d\\_act/ryouku/](http://www.mod.go.jp/e/d_act/ryouku/) (accessed 12 June 2015).

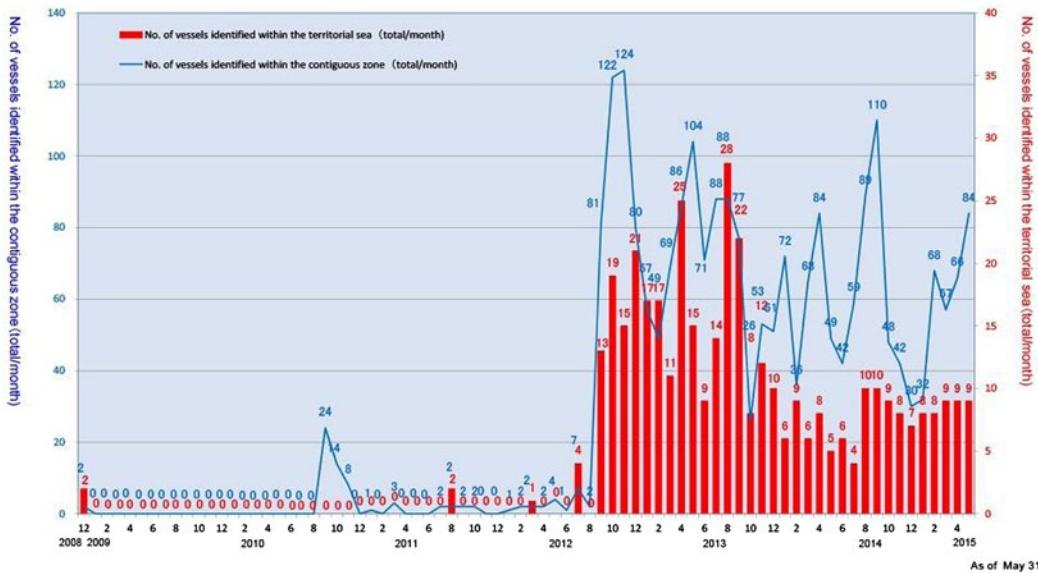
international law manual documenting consistency between UNCLOS and Washington's position on the legality of surveillance and reconnaissance operations in and above international waters/airspace even if also in or above a nation's EEZ.<sup>25</sup> Though the first Chinese demand was therefore a non-starter in Washington, in a personal letter to Qian later that day Powell expressed 'regret' over Wang Wei's disappearance. In a statement the following day, Bush emphasized the importance of US–China relations and expressed 'regret' over the loss of Wang and his aircraft.

In Zhang Tuosheng's analysis, the key to resolution was 'separating the handling of the crew and the plane'.<sup>26</sup> Over 11 rounds of negotiations with Prueher, Zhou insisted that Beijing required a stronger apology than 'regret' to end the crisis, but that specific wording was flexible. 'Sorry' was insufficient; 'very sorry' proved acceptable. On 11 April, Prueher wrote to Tang that he and Zhou concurred that 'very sorry' was equivalent to 'apologize' in Chinese. Based on this understanding, Bush and Powell both declared that they were 'very sorry' about China's 'missing pilot and aircraft' and for the EP-3's 'entering of China's airspace and the landing [that] did not have verbal clearance'. Beijing published Washington's 'apologetic letter' in which it 'expressed its sincerest apologies'. On 12 April, Beijing released the EP-3's crew; after further negotiations, it allowed US technicians to return the plane to the US in pieces by 5 July.<sup>27</sup>

<sup>25</sup>Interview with Ambassador Prueher, 2007. The manual Prueher referenced was 赵培英 主编 [Zhao Peiying, chief ed.], 当代军人国际法基础 [Foundations of International Law for the Modern Soldier] (Beijing: PLA Press, 1996), ISBN 7-5065-3171-2.

<sup>26</sup>Zhang, 'Chinese military crisis behavior', p. 50.

<sup>27</sup>Kan et al., *China–US Aircraft Collision Incident of April 2001*, pp. 7–8.



**Figure 2.** Maritime encounters. Source: *Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response*, (Ministry of Foreign Affairs of Japan, 31 May 2015), available at: [http://www.mofa.go.jp/region/page23e\\_000021.html](http://www.mofa.go.jp/region/page23e_000021.html) (accessed 12 June 2015).

While the crisis was resolved diplomatically, a peaceful conclusion was hardly guaranteed. Indeed, 24 Americans and a US Navy reconnaissance plane containing sensitive technology and information had been detained by China for 11 days. President Bush could have adopted more coercive measures. He rejected recommendations by Secretary Rumsfeld to suspend military contacts.<sup>28</sup>

While Washington and Beijing have avoided a repeat of the 2001 collision and PLA pilots behave more professionally than 14 years ago, the persistence of provocative approaches by Chinese fighters towards US reconnaissance aircraft in international airspace over the South China Sea risks possible reoccurrence. Several specific incidents also suggest that the PLA remains willing to provide political leaders with narratives seemingly at odds with the facts. A case-in-point: in August 2014, an armed PLAN J-11 aircraft buzzed a US Navy P-8A and revealed its weapons during a provocative barrel roll over it.<sup>29</sup> Despite Washington's release of detailed photos, PLAN Commander Wu Shengli insisted that such evidence was insufficient.<sup>30</sup>

### China–Japan crisis management

Since September 2012, general trends of increasing military and paramilitary activities near the Senkaku/Diaoyu Islands, coupled with a series of specific dangerous incidents, have significantly increased the risk of a Sino–Japanese crisis. To assert its claim, Beijing has adopted measures that increase the probability of a miscalculation or unintended incident, such as a collision in the air or in the water. Even if neither side desires conflict, increasingly crowded waters and airspace mean that, without effective internal and bilateral crisis management mechanisms in place, escalation is a serious concern.

<sup>28</sup>Rumsfeld, *Known and Unknown*, pp. 312–315.

<sup>29</sup>Department of Defense Press Briefing, (22 August 2014), available at: <http://www.defense.gov/Transcripts/Transcript.aspx?TranscriptID=5493> (accessed 12 June 2015).

<sup>30</sup>吴胜利 [Wu Shengli], '只要美军抵近侦查 中方必定拦截' ['As long as US military conducts close surveillance, China's military must intercept'], *Phoenix TV*, (18 September 2014), available at: <http://v.ifeng.com/mil/arms/201409/0120cca0-4407-49f2-8a4a-3daae146c121.shtml> (accessed 12 June 2015).

**Disturbing trend lines in the air and on the sea.** Available data reveal significantly increased activity of Chinese and Japanese fighter jets near the Senkaku/Diaoyu Islands. Despite the existence of a *de facto* dispute since the early 1970s, a sharp, monotonic increase in Japan Air Self-defense Forces' (JASDF) scrambles against approaching Chinese planes has occurred since 2010, with a significant surge in 2012 (Figure 1). Between 2009 and the end of 2013 JASDF scrambles increased ten-fold—from less than one per week (40 per year) to nearly ten per week (more than 400). By the last quarter of 2014 scrambles had reached the highest level since record-keeping began in 1958.<sup>31</sup> In fiscal year 2014, JASDF scrambled 464 times against Chinese planes.<sup>32</sup>

Since September 2012 the waters surrounding the islands have also become increasingly crowded. Maritime trends—quantitative and qualitative—evinced growing Chinese risk-acceptance in pursuit of its sovereignty claim. Most notably, China sends government vessels directly into Japan's *de facto* territorial waters—387 cases between September 2012 and May 2015 (Figure 2). Japan deploys its own Coast Guard ships to intercept.

Chinese government vessels made no such incursions between 1971 and 2008. The next three years witnessed only a single incident. Yet Beijing's activities since September 2012 and its apparent efforts to use government vessels to establish a 'new normal' of shared administrative control significantly increase the risk of incidents at sea. Since peaking at 28 in August 2013, the number of vessels entering Japan's *de facto* territorial waters has decreased to an average of nine per month. From a risk management perspective, this is a positive sign. But seen from Tokyo, Beijing's efforts remain provocative, hazardous and a clear departure from the pre-September 2012 *status quo*.

China's maritime incursions, and Japan's intercepts, involve Coast Guard forces—not military platforms. The vigor and proximity at which these maritime law enforcement platforms approach each other can be dangerous, however. Naval vessels often watch and/or patrol nearby. Even if the probability of any single maritime incursion escalating to a conflict remains low, their increasing frequency and proximity since 2012 raises the overall risk of a low-level clash that could escalate.

**Specific incidents.** Beyond these general trends, specific incidents and developments since September 2012 raise additional concerns about East China Sea crisis instability—in particular, the risk that provocative behaviors may result in miscalculation, an unintended clash and crisis escalation if not managed effectively.

**2013 PLA fire-control radar incidents** In 2013, two dangerous incidents resulting from PLAN actions reportedly occurred. On 30 January, a Chinese Jiangwei-II-class frigate painted Japan Maritime Self-Defense Force (JMSDF) destroyer *Yudachi* with its fire-control radar. The risk of escalation was high; the JMSDF commanding officer would face strong incentives to respond in-kind as a defensive measure—an act that could have prompted a dangerous game of chicken. In this instance, fortunately, the Japanese destroyer chose not to respond in-kind. Regrettably, this incident reportedly was not an isolated act: on 19 January, a Chinese Jiangkai-I-class frigate engaged fire-control radar against a helicopter from JMSDF destroyer *Onami*.

Fire-control radar directs a naval ship's weapons systems to track moving targets automatically—the last step before actually firing. JMSDF's Chief of Staff, accordingly, said of PLA oversight: 'One has to question a military system that leaves (such) authority in commanders' hands even when they are not in a dire situation'. A Japanese media report stated that Beijing admitted fault privately, but China's government publicly disavowed the incidents. The event raised concerns about China's judgment, rules of engagement and real-time decision-making processes.<sup>33</sup>

<sup>31</sup>Tim Kelly and Nick Macfie, 'Japan says jets scrambling at record pace to counter Chinese, Russian intrusions', *Reuters*, (20 January 2015), available at: <http://www.reuters.com/article/2015/01/21/us-japan-china-russia-idUSKBN0KT0KT20150121> (accessed 12 June 2015).

<sup>32</sup>Japan scrambles fighters 943 times in FY 2014, 2nd highest on record', *Kyodo*, (16 April 2015), available at: <http://english.kyodonews.jp/news/2015/04/347425.html> (accessed 12 June 2015).

<sup>33</sup>*China Security Report 2013*, pp. 38–39.

### 2013 Air Defense Identification Zone (ADIZ)

Further deepening concerns about Sino–Japanese crisis stability was Beijing's abrupt November 2013 announcement of an East China Sea ADIZ extending over 300 miles from Chinese territory, overlapping nearly 50% of Japan's existing ADIZ (established in 1969) and, most importantly, encompassing the Senkaku/Diaoyu Islands.

While Beijing's declaration was legal, the manner of its announcement raised significant concerns. The ADIZ was declared abruptly and unilaterally without advanced consultation with affected countries (especially Japan), just as bilateral tensions over the islands reached a post-normalization peak. Some evidence suggests that once Xi approved the ADIZ the PLA announced it without even consulting MFA,<sup>34</sup> implying significant internal and external coordination issues on matters concerning China's military decision-making. Most importantly, Beijing claimed a right to take 'emergency defensive measures' against all aircraft in the zone, an ambiguity suggesting the PLA might treat international airspace partially as territorial airspace and use force against aircraft ignoring its orders.

As noted above, both China and Japan are regularly scrambling fighters in now-overlapping ADIZs, further increasing risk. Beyond general trends, several specific incidents in the airspace surrounding the islands are particularly problematic. Prior to the ADIZ announcement, on 13 December 2012, a China Maritime Surveillance Y-12 surveillance aircraft entered the islands' 12-nautical-mile territorial airspace.<sup>35</sup> Though not reentering island airspace, these aircraft have approached at least 13 times since.<sup>36</sup> Additionally, since the ADIZ announcement Chinese military aircraft—including Su-27 and J-10 fighters, JH-7 fighter-bombers, Y-8 airborne early warning aircraft and Tu-154 intelligence collectors<sup>37</sup>—have 'expanded their scope of operations'.<sup>38</sup> In June 2014 both governments claimed harassment in international airspace of reconnaissance aircraft by the other side's fighter jets within several dozen meters. On multiple occasions in 2014 Chinese Su-27 fighters approached within several dozen meters of Japanese reconnaissance aircraft in international airspace.<sup>39</sup> PLAN helicopters have also maneuvered dangerously close to Japanese ships.<sup>40</sup>

### III. Assessing China's crisis management weaknesses

The above overview raises concerns not only about the risk of an unintended clash in the waters or airspace surrounding the islands, but also the extent to which China is capable of effectively managing crises—both internally and diplomatically. The 2001 EP-3 incident in particular highlights several longstanding Chinese crisis management problems. Before assessing the extent to which recent institutional reforms may ameliorate these problems, however, we offer a more systematic diagnosis based on available data. The following issues seem most salient.

First, the current locus of decision-making—PBSC—seems not to function effectively in crises. Procedures appear excessively *ad hoc*, and slow. PBSC's normative preference for collective decision-making is an obstacle to prompt, effective crisis management—for which rapid response is crucial. Without a decisive leader, in a high-stakes crisis the 'buck' may not stop anywhere quickly enough. Moreover, PBSC's absolute authority means that in a crisis lower-, but still high-, level officials

<sup>34</sup>'Old scores and new grudges', *Asia Report 258* (Brussels International Crisis Group, 24 July 2014), p. 13, available at: <http://www.crisisgroup.org/en/regions/asia/north-east-asia/china/258-old-scores-and-new-grudges-evolving-sino-japanese-tensions.aspx> (accessed 12 June 2015).

<sup>35</sup>*Joint Staff Press Release*, Ministry of Defense (Japan), (9 April 2014), pp. 6, 9 and 14, available at: [http://www.mod.go.jp/js/Press/press2014/press\\_pdf/p20140409.pdf](http://www.mod.go.jp/js/Press/press2014/press_pdf/p20140409.pdf) (accessed 12 June 2015).

<sup>36</sup>*China's Activities Surrounding Japan's Airspace*, (Ministry of Defense, Japan), available at: [http://www.mod.go.jp/e/d\\_act/ryouku/](http://www.mod.go.jp/e/d_act/ryouku/) (accessed 12 June 2015).

<sup>37</sup>*Ibid.*

<sup>38</sup>*Joint Staff Press Release*, p. 1.

<sup>39</sup>Reiji Yoshida and Mizuho Aoki, 'Japan, China trade claims over latest aerial provocation', *Japan Times*, (12 June 2014), available at: [http://www.japantimes.co.jp/news/2014/06/12/national/politics-diplomacy/chinese-fighter-jets-fly-close-japanese-planes-officials-say/#.VPysK\\_nF98E](http://www.japantimes.co.jp/news/2014/06/12/national/politics-diplomacy/chinese-fighter-jets-fly-close-japanese-planes-officials-say/#.VPysK_nF98E) (accessed 12 June 2015).

<sup>40</sup>James J. Przystup, 'Japan–China relations', *Comparative Connections*, (July 2010), available at: [http://csis.org/files/publication/1002qjapan\\_china.pdf](http://csis.org/files/publication/1002qjapan_china.pdf) (accessed 12 June 2015).

may refrain from acting—including utilizing a crisis hotline—without clear instructions from superiors.<sup>41</sup> Finally, very few of PBSC's top leaders have significant military or foreign affairs experience, yet are entrusted with the most important decisions in these domains.

Second, poor coordination and information sharing among PLA, Party and government institutions (especially MFA) appear to be significant issues. Information is always linked to power in bureaucracies, but stove-piping is particularly severe within China's system—balkanization of foreign policy decision-making especially worrisome. Most importantly, because civilian oversight of the military occurs only at the highest level—the CMC—the PLA has both considerable freedom to maneuver and influence decision-making. Lack of lower-level civilian oversight suggests PLA officers can control information flow to protect personal and institutional interests, even massaging facts à la EP-3. The PLA lacks direct participation in decision-making, but can shape policy indirectly, i.e. through CMC General Office and PLA General Staff Department (GSD): by providing information to the paramount leader (CMC Chairman and Communist Party of China Central Committee/CPCCC General Secretary), and thence to PBSC; and by making policy recommendations, i.e. through submissions to, or meetings with, civilian leaders. Though evolution of civil–military relations has largely eliminated military leaders' personalistic input, it has increased their professional assessments' importance.<sup>42</sup> Moreover, the Party, not the State, commands the gun. Accordingly, the PLA is loyal to the CCP—and thus has incentives to manipulate information to protect it. Meanwhile, government ministries lack any authority over the military. China's military does not answer to, or provide information directly to, even China's Premier, number-two leader and State Council (SC) head.<sup>43</sup> And it certainly does not answer to MFA—which is often left to clean up the mess diplomatically. Indeed, as the EP-3 incident demonstrates, MFA weakness is a major institutional deficiency in Chinese crisis management. Chinese diplomats sometimes learn of PLA actions with significant diplomatic consequences days, if not weeks, after the fact—from foreign media reports. Recent examples include a 2007 anti-satellite weapon test and the 2013 fire-control radar incidents. Greater coordination with MFA before the PLA's roll-out of the East China Sea ADIZ surely would have limited the international backlash—which apparently surprised Chinese leaders.

Third, although civilian leaders chair the CMC and other key decision-making bodies, they are spread extremely thin. Xi Jinping is the most important case-in-point. It is unrealistic for China's paramount leader to micromanage foreign policy, much less the entire military. Yet he is the sole civilian on the CMC. Even the most capable leader may not manage crises effectively if overburdened and distracted. This may explain why Beijing's responses are often slow and why its first reaction is often to limit communications until a strategy is formulated. Also problematic is the unconstructive tendency of top leaders to sometimes sever high-level dialogue to express political displeasure—often when political tensions are already high. China's leaders did exactly this with Tokyo between September 2012 and November 2014—precisely as Beijing adopted unprecedentedly provocative measures to assert its claim and crisis risk peaked.

Finally, the fact that Chinese foreign and security policy-making has not typically been a top priority of reform-era CCP leaders exacerbates institutional weaknesses. Prioritization of economic growth and domestic political stability means foreign policy suffers from poor central coordination and oversight, and is often reactive. Leaders tend to prioritize political decisions as part of a whole-of-government approach, with diplomatic consequences secondary. Chinese decision-makers use information manipulation, propaganda and popular mobilization to stabilize domestic opinion and pressure foreign counterparts. Such domestic political calculations may even dis-incentivize conciliatory measures and tie their hands diplomatically. China's Japan policy is a case-in-point: the Party has for decades used anti-Japanese propaganda to bolster domestic legitimacy.

<sup>41</sup>Bush, *The Perils of Proximity*, pp. 231–232.

<sup>42</sup>Swaine et al., *Managing Sino–American Crises*, p. 52.

<sup>43</sup>Nan Li, *Chinese Civil–Military Relations in the Post-Deng Era* (Newport, RI: Naval War College, 2010), pp. 26–30 and 33–34.

#### IV. Lessons learned? China's internal crisis management capabilities: progress and prospects

To what extent have recent institutional reforms ameliorated these deficiencies and improved China's crisis management? In particular, what specific weaknesses might CNSC help address? Theoretically, a US-style NSC could significantly enhance China's ability to manage crises by further centralizing *active* executive civilian control over foreign and security policy decision-making; facilitating interagency coordination and intelligence sharing through regular consultations and strategic planning across national security-relevant bureaucracies (including the PLA); and serving as a control tower for direct communications with executive branches (and NSCs) in other countries, particularly Japan and the United States.

In this section, we analyze recent institutional reforms most relevant for China's external crisis management capabilities. The natural dividing line is autumn 2012, when Xi assumed power amidst a host of broad institutional reforms that he has since championed further. Although Xi's predecessors created and modified key institutions, especially the NSLSG, the effects of these reforms appear to be modest. Chinese sources also suggest some *ad hoc* National Security Advisor (NSA)-esque role-playing by former State Councilor Dai Bingguo, but this may not have outlasted Dai himself.<sup>44</sup>

##### *Jiang and Hu eras: NSLSG and failed efforts to establish a Chinese NSC*

Efforts to address China's aforementioned institutional deficiencies have at least a two-decade history. Noteworthy attempts include Jiang Zemin's failed 1997 and 2002 efforts to establish an NSC, which fellow leaders rejected as threatening consensus-based decision-making and, ultimately, Party control. A 2004 effort also failed. These developments paralleled growing interest among key research organizations in crisis management.<sup>45</sup>

Jiang Zemin proposed establishing a US NSC-like institution in 1997. The issue arose again following the 1999 Belgrade bombing.<sup>46</sup> While Jiang's NSC proposal failed, leaders recognized that problems existed. After 1999, task force and coordination mechanisms were established, although their relationship to key decision-making bodies (e.g. PBSC) is uncertain.<sup>47</sup> In a September 2000 compromise, an NSLSG was established based on the existing Central LSG on Foreign Affairs (FALSG).

LSGs provide information and recommendations to the CPCCC, and help formulate and coordinate policies. Specifically, they facilitate Politburo policy decisions, assessment of significant events or long-term trends, and interagency coordination. *Ad hoc* groups, formed to address transient issues, may be dissolved if an issue is resolved. Yet LSGs' memberships are too large and diverse to support effective real-time crisis decision-making. Additionally, they lack independent authority to make decisions and are typically convened on an *ad hoc* basis.<sup>48</sup>

NSLSG has contained some features somewhat reminiscent of a US-style NSC. It has involved high-level officials from across Party and military lines. Nevertheless, most managers were merely seconded from relevant Party, State and PLA offices. NSLSG's major shortcoming concerning crisis management appears to be that it was charged with emergency coordination only on an *ad hoc* basis, and was not a standing body with daily responsibilities, regular meetings or fixed participants conducting regular advance planning sufficient to handle crises demanding rapid response. Furthermore, NSLSG has lacked legal standing and independent decision-making authority, lacked authority over the PLA, and had to report to PBSC—which it could only advise. Yet PBSC's own horizontal coordination limitations

<sup>44</sup>Some Chinese government sources credit Yang Jiechi with this role today. Interviews, Beijing, January 2015.

<sup>45</sup>Michael Swaine, 'Crisis management', *CFISS-Pacific Forum CSIS Workshop*, Beijing, 4–5 November 2013, p. 10, available at: [http://csis.org/files/attachments/131104\\_Session8\\_MSwaine.pdf](http://csis.org/files/attachments/131104_Session8_MSwaine.pdf); Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China* (accessed 12 June 2015).

<sup>46</sup>You Ji, 'China's Council of State Security', *East Asian Policy* 6, (2014), pp. 58–59.

<sup>47</sup>Swaine et al., *Managing Sino-American Crises*, p. 53.

<sup>48</sup>*China Security Report 2013*, p. 9.

frustrated quick, decisive resolution of external security challenges.<sup>49</sup> Finally, NSLSG has not been a point-of-contact for foreign counterparts. All these factors appear to have limited its significance as a crisis management reform. Still needed: a dedicated, standing NSC.

Reportedly in conjunction with National Defense University and Academy of Military Science research,<sup>50</sup> in 2002 Jiang once again called for an NSC.<sup>51</sup> He failed again, however. Both his efforts were dismissed as threatening the post-Deng principle of collective checks-and-balances leadership by granting the paramount leader excessive authority, circumventing PBSC authority, and risking the emergence of a rival decision-making center and leadership fragmentation that could even threaten the one-Party system. Jiang's decision to remain CMC Chairman for two years after relinquishing other positions to Hu Jintao posed additional problems for chain-of-command by raising questions about whether he or Hu would control crisis decision-making. Establishing an NSC thus proved politically impossible through 2004.<sup>52</sup>

Yet calls for an NSC-like institution persisted. In 2003, a think tank affiliated with China's Ministry of State Security (MSS) proposed a crisis management general staff mechanism with general staff, implementing agency and information hubs.<sup>53</sup> The issue reemerged at the 16th CPC's 4th Plenary Session in 2004, where an NSC based on China's existing NSLSG was proposed.<sup>54</sup> This compromise effort failed, however. For the next eight years, Hu continued the consensus-based decision-making approach and did not establish an NSC. His low-key governing approach allowed problems to fester.<sup>55</sup>

### ***Xi era: institutional reforms and CNSC's establishment***

Xi's post-2012 active consolidation of power marks a clear break with what was widely seen as Hu Jintao's 'caretaker' approach. Buoyed by growing consensus among elites that institutional reforms were needed to more effectively address China's increasingly 'complex' international strategic environment, Xi rapidly consolidated his control over foreign and security policy-making. Of particular relevance to Sino-Japanese crisis management, he has presided over the unification of four of China's foremost civil maritime organizations into a China Coast Guard (CCG) and chairs a new Protection of Maritime Rights and Interests LSG. CCG offers Japan's Coast Guard a clear single frontline counterpart with which to communicate—at least theoretically—although there remains no high-level bilateral communications mechanism.

Potentially most important in overcoming longstanding Chinese institutional deficiencies in crisis management, however, is CNSC. An institution composed of personnel with national security policy expertise and tasked explicitly with discussing national security issues regularly, *before* a possible crisis, could function more effectively—or at least rapidly provide PBSC with rapid situational and policy option assessment.

By establishing CNSC in November 2013, Xi succeeded where his predecessors failed, overcoming strong intra-Party resistance to consolidation of power in a single leader. How might CNSC strengthen China's ability to manage crises rapidly and effectively? The US NSC, which is *relatively* proficient at real-time crisis management and interagency policy coordination, offers a salient model. Widely regarded as the 'gold standard', its full-time staff with security and foreign policy expertise focuses on big-picture thinking; consolidates decision-making in a strong civilian/political executive; transcends stove-piping across bureaucracies by assembling key players for regular meetings to share intelligence and brainstorm policy responses to crises; facilitates coherent, long-term national strategy formulation; manages crises in support of that strategy; and offers a direct link to foreign executive branches in crisis—a channel that can be crucial when tensions rise and normal diplomatic channels are ineffective.

<sup>49</sup>You, 'China's Council of State Security', pp. 62 and 66.

<sup>50</sup>Thanks to You Ji for this insight.

<sup>51</sup>*China Security Report 2013*, p. 10.

<sup>52</sup>You, 'China's Council of State Security', p. 60.

<sup>53</sup>Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China*, p. 31.

<sup>54</sup>*China Security Report 2013*, p. 10.

<sup>55</sup>You, 'China's Council of State Security', p. 57.

**China's CNSC: reasons for establishment.** In recent years—due in no small part to tensions with Japan in the East China Sea—an elite consensus apparently emerged in Beijing that in an increasingly volatile world China must overcome bureaucratic sectionalism to respond more effectively to new, quickly-changing, potentially disruptive events. Major drivers include lessons learned from post-Cold War crises, the emergence of new domestic and external threats—especially terrorism—and the perceived need to respond more effectively to negative foreign reactions to China's growing power and policies. Military and information technology, e.g. social media, have also introduced new variables and increased the speed at which crises can escalate.

Within this context, Xi moved decisively. In his April 2014 speech to CNSC, he acknowledged manifold factors, stating, 'China now faces the most complicated internal and external factors in history'. Xi outlined an expansive mandate for CNSC, delineating 11 broad categories in traditional and non-traditional dimensions: political, homeland, military, economic, cultural, societal, scientific and technological, information, ecological, natural resource, and nuclear security. While CNSC's mandate appears domestically- and non-traditionally focused, Xi's wording suggested balance with external, traditional factors.<sup>56</sup>

In May 2015, Beijing's first white paper on military strategy further implied future reforms in this direction:

the national security issues facing China encompass far more subjects, extend over a greater range, and cover a longer time span than at any time in the country's history. Internally and externally, the factors at play are more complex than ever before. Therefore, it is necessary to uphold a holistic view of national security [and] balance internal and external security ....<sup>57</sup>

**Organizational structure and current status.** CNSC has been situated organizationally and authorized to develop and implement strategy, formulate plans and policies, and research important issues. How often Xi attends its meetings is unclear, but he has reportedly addressed it several times.<sup>58</sup> According to a January 2014 Politburo decision, CNSC 'will answer to the Political Bureau and its standing committee, [and] will be the CPCCC agency responsible for decision-making, deliberation and coordination on national security work'. Specifically, CNSC

will be in charge of 'making overall plans and coordinating major issues and major work concerning national security'. The responsibilities of the commission will include construction of the rule of law system concerning state security, research, resolving major issues of national security, setting principles and policies, as well as stipulating and implementing strategies ....<sup>59</sup>

For all its unprecedented nature, however, China's CNSC appears to be shaped and limited by consensus. Its top-three leadership replicates China's overall leadership.<sup>60</sup> Xi is Chair, while Premier Li Keqiang and NPC Standing Committee Chair Zhang Dejiang are deputies. As SC head, Li plays a crucial role in internal-external and traditional-nontraditional policy coordination. An SC General Duty Office, established in 2006 and now reportedly incorporated into CNSC, advises him, operating 24–7–365.<sup>61</sup> As PBSC members, the three may enjoy sufficient authority to move crisis decision-making out of the inefficient PBSC while preserving what are seen as important checks and balances in Party politics.

Thus, CNSC's high-ranking leadership may allow it to play a major role in security policy decision-making, including military affairs. Acting head Li Zhanshu, Secretary General of the CPCCC General Office, and deputy Cai Qi manage its daily operations. Li reportedly holds unofficial meetings at the General

<sup>56</sup>Zhu Ningzhu, 'Nat'l security matter of prime importance: President Xi', *Xinhua*, (15 April 2014), available at: [http://news.xinhuanet.com/english/china/2014-04/15/c\\_133264574.htm](http://news.xinhuanet.com/english/china/2014-04/15/c_133264574.htm) (accessed 12 June 2015).

<sup>57</sup>中国的军事战略 [China's Military Strategy] (Beijing: State Council Information Office, PRC, 2015), available at: [http://www.81.cn/dblj/2015-05/26/content\\_6507373.htm](http://www.81.cn/dblj/2015-05/26/content_6507373.htm) (accessed 12 June 2015).

<sup>58</sup>Interview, Beijing, January 2015.

<sup>59</sup>'Xi Jinping to lead National Security Commission', *China Daily*, (24 January 2014), available at: [http://www.chinadaily.com.cn/china/2014-01/24/content\\_17257409.htm](http://www.chinadaily.com.cn/china/2014-01/24/content_17257409.htm) (accessed 12 June 2015).

<sup>60</sup>Fang Yang, 'Experts hail "authoritative" NSC', *Global Times*, (17 April 2014), available at: <http://www.globaltimes.cn/content/855084.shtml> (accessed 12 June 2015).

<sup>61</sup>You, 'China's Council of State Security', p. 66.

Office.<sup>62</sup> While not foreign affairs experts, both reportedly enjoy close relations with Xi, and his 'close trust'. Li travels with Xi frequently, and plays a crucial role in important visits. His meeting with Putin in March 2015 helped lay the groundwork for Xi's May visit to Moscow.<sup>63</sup> Li does not typically meet with foreign officials, however, instead referring them to MFA and the SC.<sup>64</sup> Li enjoys considerable authority in this position. As a Politburo member he outranks all foreign affairs officials, even the highest-ranked one: State Councilor Yang Jiechi. Although Li does not outrank uniformed CMC members, his Party portfolio as Xi's CNSC manager may grant him authority over them.<sup>65</sup> As one PLA officer states, 'The NSC is already above PLA control'.<sup>66</sup>

While CNSC's full membership remains secret, the next rung of authority is probably populated by Standing Committee members—PBSC members and State Councilors responsible for key aspects of security affairs. CNSC reportedly has a Standing Committee with 17–18 principals representing major agencies responsible for Xi's 11 security areas, including the Ministry of Commerce, National Development and Reform Commission, MSS, Ministry of Public Security (MPS), People's Bank of China, Taiwan Affairs Office, and the Hong Kong and Macao Affairs Office, as well as small working groups.<sup>67</sup> CMC Vice Chairman General Fan Changlong is also apparently a member.<sup>68</sup> Under Li in the SC, MPS Minister Meng Jianzhu likewise probably plays a vital role, as domestic stability is ensured by the People's Armed Police, under joint SC–CMC control.<sup>69</sup> Politburo member Wang Huning, director of the CPC's Policy Research Office, is reportedly a member too.<sup>70</sup> Finally, ministerial leaders functionally representing manifold security-related agencies comprise the working level. One foreign expert claims that 'they have set up an intelligence bureau, but not much more structurally, and they are interviewing/recruiting academics/scholars to be advisors'.<sup>71</sup> Xi apparently leads an informatization and Internet security LSG within CNSC.<sup>72</sup> Other logical stakeholders from China's official foreign policy process include:

- agencies under direct Party control, including the CPC International Department (ID) and Central Propaganda Department (CPD);
- agencies under the SC, including MFA, MSS and Xinhua; and
- the PLA.

China's CNSC members likely include officials similar to those previously associated with FA/NSLSG (or at least their department representatives).<sup>73</sup>

For all this concrete progress and future potential, however, CNSC still faces significant constraints. Some Chinese sources even assert that CNSC remains merely a consulting vice convening and decision-making body: 'China's NSC cannot make policy, but makes policy proposals to Party leaders'.<sup>74</sup> At a minimum, it appears to be one of many organizations Xi uses for information-gathering. Academics and other specialists have reportedly been tasked with assisting on such issues as India policy, maritime issues, the 2014 Sino–Japanese 'Agreement to Improve Bilateral Relations', and discussions leading up

<sup>62</sup>梁蓬飞, 吴旭 [Liang Pengfei and Wu Xu], '我国和平时期军事力量建设运用稳步推进' ['China steadily pushes forward military forces' peacetime building and use'], 解放军报 [Liberation Army Daily], (20 December 2014), available at: [http://www.81.cn/jfjbmapp/content/2014-12/20/content\\_96837.htm](http://www.81.cn/jfjbmapp/content/2014-12/20/content_96837.htm) (accessed 12 June 2015).

<sup>63</sup>Jane Perlez, 'As Russia remembers war in Europe, guest of honor is from China', *New York Times*, (8 May 2015), available at: <http://www.nytimes.com/2015/05/09/world/asia/as-russia-remembers-war-in-europe-guest-of-honor-is-from-china.html>.

<sup>64</sup>Discussion with US diplomat, January 2015.

<sup>65</sup>Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China*, p. 33.

<sup>66</sup>Interview with PLA analyst, January 2015.

<sup>67</sup>Interview with regional government official, January 2015.

<sup>68</sup>Interview, Tokyo, January 2015.

<sup>69</sup>You, 'China's Council of State Security', p. 66.

<sup>70</sup>Interview, Tokyo, January 2015.

<sup>71</sup>Email interview, January 2015.

<sup>72</sup>Wu Peng, 'Closer look: Xi's leadership of top economic group follows pattern', *Caixin Net*, (20 June 2014), available at: [english.caixin.com/2014-06-20/100693367.html](http://english.caixin.com/2014-06-20/100693367.html) (accessed 12 June 2015).

<sup>73</sup>*China Security Report 2013*, p. 10.

<sup>74</sup>Interview, Beijing, January 2015.

to the APEC summit.<sup>75</sup> CNSC has apparently pulled staff from MSS, MPS, MFA, CPD and the PLA's 2nd and 3rd departments.<sup>76</sup> Yet even daily office affairs are still tasked to another body—China's foreign affairs bureaucracy (e.g. the CPCID).<sup>77</sup>

The CNSC is a work-in-progress. Budgeting and office location and organization remain key issues. Informed Chinese analysts expect CNSC to become more broadly operational over the next few years. In particular, a robust debate about its future evolution—including the extent to which it should be involved in foreign policy and international security issues—is clearly underway. China has revised its national security law and adopted at least the outlines of a National Security Strategy with an international component.<sup>78</sup> 'The adoption of the New Guideline on National Security Strategy indicates that CNSC has been gradually well-developing', China Arms Control and Disarmament Association senior consultant Xu Guangyu stated. 'Previously, different departments formulated separate security plans, creating coordination problems.'<sup>79</sup>

Suggestive of its 'work-in-progress' nature and prospects for significant expansion of its mandate beyond domestic security, CNSC appears to be gradually absorbing other bureaucratic elements and their staffs, including the reportedly now-defunct NSLSG<sup>80</sup> and Zhou Yongkang's former Political Legal Committee.<sup>81</sup> Indeed, these existing LSGs appear incapable of providing serious bureaucratic competition for China's CNSC. As a PLA officer declares, 'in the future, they will all be integrated in China's NSC'.<sup>82</sup> Several likely candidates for further absorption are those LSGs most directly responsible for foreign and domestic security affairs.<sup>83</sup> Of these, FALSG's mandate overlaps most closely with CNSC. The Taiwan Work LSG, with similar membership, is also closely related.<sup>84</sup> Protection of Maritime Rights and Interests, Taiwan, Diplomacy and Public Security LSGs also have significant roles. A senior specialist states, 'some LSGs still exist, but should integrate at least somewhat into the NSC, especially the ones involved in external affairs.'<sup>85</sup>

Despite present limitations, at least some Chinese stakeholders are championing CNSC's evolution into a robust US NSC-like organization. One US official the authors interviewed believes Chinese leaders have a vision for making CNSC an effective and influential organization, 'but are still trying to figure out how to implement it'. A PLA officer states,

Beijing has a clear vision. It wants its NSC to be similar to Washington's. The NSC is already above PLA control. Integration is the trend. The NSC will be responsible for both internal and external affairs, and engage directly with foreign counterparts.<sup>86</sup>

CNSC may ultimately be headed by a true NSA, with one analyst going so far as to posit possible designation of a [current US NSA] Susan Rice-like person in two years.<sup>87</sup> While the road ahead appears long, the obstacles are many and debate no doubt persists, current limitations on CNSC's composition and roles should not automatically be projected into the future.

<sup>75</sup>Interview with US diplomat, January 2015.

<sup>76</sup>Interview, Beijing, January 2015.

<sup>77</sup>Two separate interviews, Beijing, January 2015.

<sup>78</sup>'China adopts national security strategy guideline', (23 January 2015), available at: [http://china.org.cn/china/2015-01/23/content\\_34640926.htm](http://china.org.cn/china/2015-01/23/content_34640926.htm) (accessed 12 June 2015).

<sup>79</sup>吴斌 [Wu Bin], '徐光裕少将: 国安委运作逐渐走向成熟' [Major General Xu Guangyu: CNSC operations gradually maturing], 南方都市报 [Southern Metropolis Daily], (24 January 2015), available at: [http://epaper.nandu.com/epaper/A/html/2015-01/24/content\\_3380300.htm?div=-1](http://epaper.nandu.com/epaper/A/html/2015-01/24/content_3380300.htm?div=-1) (accessed 12 June 2015).

<sup>80</sup>马浩亮 [Ma Haoliang], '港媒称张春贤系国安委成员' [Hong Kong media say Zhang Chunxian becomes CNSC member], 大公网 [Ta Kung Net], (7 March 2014); Johnston, *The Evolution of Interstate Security Crisis Management Theory and Practice in China*, p. 33.

<sup>81</sup>This point was contested by another PLA analyst. A scholar maintains that it was instead downgraded. Separate interviews with two PLA analysts and a civilian scholar, January 2015.

<sup>82</sup>Interview with PLA analyst, January 2015.

<sup>83</sup>*Ibid.*

<sup>84</sup>Jiang headed all three groups, as did Hu.

<sup>85</sup>Interview, Beijing, January 2015.

<sup>86</sup>Interview with PLA analyst, January 2015.

<sup>87</sup>Interviews, Beijing, January 2015.

**(Limited) progress and remaining obstacles**

Despite recent reforms with implications for China's national security policy decision-making and crisis management, including CNSC's creation itself, many limitations and obstacles remain. The opacity of Chinese decision-making means that many details remain unknown, but the available evidence suggests that a distracted leadership, under-institutionalized national security policy decision-making, and resistance from the PBSC and PLA may continue to frustrate efforts to transform CNSC into a robust, externally-oriented institution sufficiently mature to inspire confidence in China's crisis management capabilities.

For any country's NSC to function effectively, top political leaders must value it. Although CNSC's mandate may evolve to become the central locus of national security policy decision-making and external crisis management, there is no hard evidence it enjoys such favor. Xi ostensibly heads it, but as the 'Commander-in-Chief of everything' his responsibilities and distractions are manifold—and mostly domestic. At least for now, Xi may prioritize CNSC as a means to reform domestic security organizations, combat corruption and consolidate his power.<sup>88</sup>

China's CNSC remains an under-institutionalized work-in-progress. CNSC, a Chinese scholar states, 'is not fully established, and does not play an important role at the current stage. It is powerful enough to do something, but how to do it?'<sup>89</sup> A significant new organization's emergence, particularly one with an integrative mission, inevitably raises questions of how it will interact with existing bureaucracies, either in coordination or competition. For years PBSC was an obstacle to CNSC's establishment, despite having no clear security expertise and relying on consensus-building, unsuitable characteristics for an institution tasked with high-stakes crisis management. (Under Xi, PBSC includes no PLA representatives.) Yet PBSC remains China's decision-making locus. CNSC's still-limited capabilities may be explained partially by a need to carefully balance its role with PBSC's.

The other major institution with a mandate potentially overlapping CNSC's is the organizationally-powerful PLA, which seems poised to resist anything undermining its direct line to Xi through the CMC and its external security affairs role. These factors exacerbate communication breakdown among/ between top leaders and working level personnel, particularly across the civil–military divide. Even PLA officers acknowledge coordination problems with CNSC and how the PLA's direct line to Xi through the CMC 'makes it hard for China's NSC to be fully-fledged'.<sup>90</sup> The PLA's desire to maintain its control over military intelligence, relative lack of civilian oversight, and lead external security affairs responsibility may be another major factor in CNSC's largely-domestic focus to date.<sup>91</sup>

Furthermore, to function effectively, CNSC needs staff from other agencies (e.g. the PLA and intelligence bodies). Whether staff of sufficient quality and number will be seconded willingly remains uncertain, however. Dubious loyalty to CNSC and high turnover are also possible problems.<sup>92</sup>

Externally, Beijing has yet to position CNSC as the organizational counterpart of other nations' NSCs—especially those with which it may have to manage crises in the near future—particularly Japan and the US. Yang Jiechi is apparently a CNSC member, yet has only met with the Japanese and US NSAs in his capacity as State Councilor.<sup>93</sup> It appears that high-level foreign officials from Japan and the US have not met Li Zhanshu. On the other hand, Chinese officials and experts have been reaching out to current and former foreign NSC officials for advice as part of a long-term effort to learn from foreign practices and help inform Chinese bureaucratic developments.<sup>94</sup> Yet these Chinese interlocutors are often not

<sup>88</sup>Yun Sun, 'China's new "State Security Committee": questions ahead', *PacNet* 81, (14 November 2013), available at: [http://csis.org/files/publication/Pac1381\\_0.pdf](http://csis.org/files/publication/Pac1381_0.pdf) (accessed 12 June 2015).

<sup>89</sup>Interview, Beijing, January 2015.

<sup>90</sup>Interview with PLA analyst, January 2015.

<sup>91</sup>孟祥青 [Meng Xiangqing], 建设国安委 [Establishment of the National Security Commission], 中国国家安全研究报告 (2014) [Annual Report on China's National Security Studies (2014)] (Beijing: 社会科学文献出版社 [Social Sciences Academic Press], 2014), p. 121.

<sup>92</sup>Interview, Beijing, January 2015.

<sup>93</sup>Interview, Beijing, January 2015.

<sup>94</sup>Interviews, Washington, August 2015; Tokyo, January 2015.

directly connected to Xi and CNSC. For example, in 2013 retired State Councilor Dai Bingguo reportedly traveled to Washington to learn about its NSC, yet Dai is considered to have strong ties to Hu, not Xi.<sup>95</sup>

Finally, the authors are aware of no written policy documents (a key measure of influence in PRC bureaucracy) indicating CNSC's future evolution from a purely advisory body to one authorized to make policy decisions. Remaining institutional/political cultural blocks, including lack of a robust interagency coordination process, thus appear to significantly limit CNSC's efficacy for external crisis management—at least for now.

## V. Developments in Sino–Japanese bilateral crisis management capabilities

High-level diplomatic channels and crisis hotlines can play crucial roles in crisis management by imposing political firebreaks on military escalation.<sup>96</sup> China and Japan have a shared interest in ensuring robust emergency communication channels exist and remain open regardless of political winds. Though in the past two decades China has established hotlines with many countries, none exist with Japan despite its proximity, economic importance to China, heightened risks of an East China Sea crisis, and seven years of Tokyo-championed negotiations to establish one. The countries were poised to sign an agreement in summer 2012,<sup>97</sup> but after the islands' 'nationalization' that September Beijing cut off dialogue and refused to meet with Japan's prime minister for over two years. Thus, exacerbating institutional deficiencies is Beijing's apparent willingness to suspend high-level dialogue for political reasons, even as its own policies raised the risk of a crisis to unprecedented levels.

Fortunately, in November 2014 high-level Sino–Japanese dialogue resumed with a bilateral summit. In January 2015, the parties restarted working-level negotiations and agreed to launch a three-part 'Sea–Air Contact Mechanism', including a hotline, annual meetings, and common radio frequency ship and aircraft communications near the islands. Though talking is good, no formal agreement has yet been signed, much less a date for implementation set.

Three major potential impediments remain. First, as the EP-3 incident and other Sino–American interactions suggest, establishment, implementation and actual use are three different issues. Second, China may be trying to use hotline negotiations to extract Japanese concessions, not because it regards such mechanisms as inherently positive. Third, given domestic political priorities, in the event of an actual crisis anti-Japanese nationalism could constrain Beijing's willingness to employ new mechanisms precisely when needed most.

Given current military and paramilitary operational trend lines in the East China Sea, the absence of mature bilateral crisis management mechanisms is a serious cause for concern.<sup>98</sup>

## VI. Conclusion

Particularly since September 2012, manifold reasons exist for concern about a possible East China Sea crisis and China's ability to prevent escalation should one erupt. Even though neither side desires military conflict over the Senkaku/Diaoyu Islands, the risk of even an unintended one remains unnecessarily high.

Despite persistent internal weaknesses, several recent Chinese reforms provide grounds for cautious optimism. Although China's limited transparency prevents decisive conclusions, available evidence suggests that top leaders have long recognized that institutional weaknesses exist. Recent institutional reforms, especially CNSC's 2013 establishment, may gradually enhance Beijing's ability to coordinate

<sup>95</sup>Interview, Tokyo, January 2015.

<sup>96</sup>Adam Liff and Andrew Erickson, 'Crowding the waters: the need for crisis management in the East China Sea', *Foreign Affairs*, (23 March 2015), available at: <https://www.foreignaffairs.com/articles/east-asia/2015-03-23/crowding-waters> (accessed 12 June 2015).

<sup>97</sup>*Report on the Japan–China Maritime Navigation Safety Dialogue 2013–14* (Sasakawa Peace Foundation; Nanjing University; Peking University, October 2014); James Przystup *et al.*, 'Japan–China maritime confidence building and communications mechanisms', *PacNet* 67, (20 August 2013), available at: <http://csis.org/files/publication/Pac1367.pdf> (accessed 12 June 2015).

<sup>98</sup>Liff and Erickson, 'Crowding the waters'.

internally and respond to external crises. More powerful than his recent predecessors, as CNSC head Xi may be able to circumvent PBSC's collective decision-making mandate and function more presidentially. Though no bilateral crisis management hotlines exist, China and Japan are negotiating possible maritime and aerial components.

Nevertheless, longstanding issues concerning China's crisis management capabilities persist. Despite its potential, CNSC remains a work-in-progress, its precise composition and mandate undetermined. Less than two years after its establishment it appears domestically-oriented, under-institutionalized and confronting major political-bureaucratic headwinds—especially from the PBSC and PLA. Key players' aspirations aside, CNSC does not yet clearly represent a significant institutional reform with respect to external crisis management generally, or a possible Sino-Japanese crisis specifically.

Despite China's rapidly expanding international role, presence and interactions with foreign governments, longstanding institutional obstacles to further reforms remain. Top Chinese leaders still do not seem to prioritize foreign policy in general, or internal policy coordination in particular. PBSC remains the locus of major political decision-making, yet its members lack significant foreign affairs or military expertise. Conversely, the highest-level military decision-making body—the CMC—has only one civilian member—Xi. The frontline player in a possible military crisis—the PLA—is likely to resist any reforms undermining its direct line to Xi, preeminent external security affairs role or relative freedom from direct civilian oversight outside the CMC, especially in operational matters. Meanwhile, though rapid, effective diplomacy can mean the difference between diffusion and escalation, China's key diplomatic player—the MFA—remains bureaucratically weak relative to Party bodies, especially the PLA. It is often sidelined when its input should be most valued.

Before CNSC's establishment, Chinese institutions best situated to play a coordinating 'NSC-style' role in a crisis—especially LSGs—proved diffuse, weak and *ad hoc*. Unless Xi expends major political capital to overcome bureaucratic opposition and stove-piping (especially civil-military), CNSC's primary portfolio may remain domestic/non-military affairs for the foreseeable future. It may be hamstrung at the working level (particularly in interactions with other nations), and unlikely to function effectively as a diplomatic pipeline during actual crises.

In short, there is no clear evidence that CNSC yet constitutes a major institutional reform likely to have significant implications for external crisis management in the East China Sea or elsewhere.

1. CNSC appears focused on preventing terrorism, separatism and domestic unrest.
2. Xi's attention is likely too diffused to effectively run the CNSC he chairs formally. Its efficacy will depend on prioritization.
3. Xi, not a dedicated NSA, heads CNSC. Japanese and US NSAs or other officials continue to lack an obvious counterpart with which to diffuse crises with China diplomatically.
4. Fundamental internal coordination obstacles to timely, effective crisis management discussed earlier appear largely unaddressed.
5. Accordingly, China's CNSC is unlikely to be effective at the working level (particularly in interaction with other nations) during an actual crisis.

Yet CNSC is less than two years old and a work-in-progress. Coupled with China's opacity concerning security policy decision-making, its incipient nature means that numerous uncertainties about CNSC's current and future role remain. Beijing and any party to a potential crisis with China have shared interests in ensuring crises are resolved rapidly and peacefully. Toward this end, the international community should encourage China to increase national security decision-making transparency. Meanwhile, analysis of CNSC and other crisis management-relevant institutions should be updated as new conditions and data emerge.

## Acknowledgements

An earlier version of this article was presented at a conference on 'China's National Security Commission: Theory and Practice' at the University of Hong Kong in January 2015. The views expressed here are the authors' alone. For valuable feedback on

earlier drafts, they thank Thomas Christensen, Alastair Iain Johnston, and audiences at Princeton and Harvard; interlocutors from the US NSC and other government offices, summer 2014; hosts at the National Institute for Defense Studies, Tokyo, November 2014; experts at Japan's NSC and other government offices, January 2015; organizers and participants at the University of Hong Kong conference, January 2015; experts at government institutions and think tanks, Beijing, January 2015; and several anonymous reviewers.

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