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Transcript

CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **Robert Ross**

Episode 88: Are China's New Naval Capabilities a
Game Changer?

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Haenle: Bob Ross, thank you very much for being with us today on the China in the World podcast. Thank you for being in Beijing for the 7th Annual U.S.-China Strategic Dialogue between leading American and Chinese thinkers.

Ross: Thank you Paul, it's my pleasure to be here.

Haenle: We've had the two presidents meet at Mar-a-Lago, and coming out of that I think people were quite surprised. The U.S. administration moved from a very confrontational, kind of zero-sum approach with Donald Trump talking about the importance of a positive relationship and a constructive relationship. This has reassured our friends here in China, and I think many Americans feel that the relationship is in a better place. But you've talked this week—and I think it's very important—about the fact that fundamental disagreements between the United States and China—especially here in the Asia-Pacific—have not gone away, and that you believe China's rise is driving a lot of these fundamental disagreements, and I wanted to give our listeners a sense of your analysis here. What is the United States concerned about? What are the Chinese complaints? Why is this happening?

Ross: Well our discussion of rising powers and instability stem from a fundamental observation that when countries were weak or second rank powers, they didn't have a seat at the table when we divided up the regional order. But as they rise, they want the regional order to be commensurate with their power, and so they want change. Well the regional order in East Asia for the last seventy years since World War II reflected American dominance in maritime East Asia. Indeed, America replaced the colonial powers on China's maritime periphery. China wasn't at the table and had little choice but to accept that strategic order because they didn't have a navy. It didn't mean it liked it, but it didn't have a choice. Well now China is building a navy and it wants the strategic order to reflect its new capabilities. It's not a status quo power. And it should be clear that what China objects to is American alliances around its periphery and American bases around its periphery. And no great power, no rising power, would look at that strategic environment and think it satisfactory. China would like to expand its influence on its periphery in South Korea, in the Philippines, in Singapore, and say we don't want America to dominate those countries and have the ability to dominate our waters.

Haenle: When people talk about China as a rising power, they mostly talk about the greater economic power, but you talk a lot about China's navy and their enhanced naval capabilities.

Ross: If you look at the rise of Chinese economic power—which has obviously been very significant—China is now the major market for practically every East Asian country, but for many years that never translated into strategic influence—that required a buildup of the Chinese navy, and that began about four or five years ago as China began rapid production of submarines and surface ships so that in three or four years China will have a larger navy than the United States. Some feel that it already has more submarines than the United States. They have a 400-ship navy and that gives China the ability, despite gaps in technology, to basically make it difficult, if not impossible for the American navy to operate in the South China Sea during hostilities. That's very new.

Haenle: What does this do in terms of the potential for the United States and China to come into conflict, or more? Is this a possibility given this changing naval capability on the Chinese side?

Ross: Well we have to remember that these kind of great power conflicts don't reflect immediate issues, so people might ask well would there be war over Taiwan, or war over South Korea... well it's much like World War I, the assassination of the Archduke Ferdinand didn't start World War I, there was pressure building among the great powers. So as China rises it'll increase the tension in the U.S.-China relationship as it becomes more and more difficult for each side to get along as their power approaches parity. So, anything could lead to war, but at the same time war is anything but inevitable. No great power war is inevitable, structural causes determine nothing, so that it's also equally plausible, if not more likely, that our leaders will have the wisdom to adjust to these new realities so that we can maintain a peaceful region as China rises and America adjusts. But that's the challenge our leaders face is to have the wisdom, the foresight, to show the flexibility and adjustment necessary to keep the peace.

Haenle: One of the things the United States side will have to respond to of course is what you describe as this Chinese growing confidence. We have a much more confident leader in Xi Jinping. How do you see this confidence sort of demonstrated in the region? What kind of things have changed in addition to this growing naval capability? What other kind of things have you seen?

Ross: Well China now feels more confident to defend its interests because it understands that with the growth of its navy, America will be more cautious in response. So, whereas in the past these small countries of South China Sea might challenge Chinese sovereignty and China might have a passive response in the era of peaceful rise, today China says, "Stop. No more." South Korea has excessive—by their standards—cooperation with the United States, China adopts economic sanctions and coercive diplomacy. The problem is as China uses its new capabilities, to adopt coercive diplomacy or to show less restraint, America sees it as a challenge to its security and to its alliance system. In that respect, we might like to think that region is win-win, but there's a lot of zero-sum politics going on out there.

Haenle: How about this proposal by President Xi Jinping for a new type of great power relationship? This has to be a part of this growing confidence and approach with the United States. This seems fundamentally different in terms of how it dealt with the United States in the past.

Ross: Well there are a number of dimensions to this. The very fact that Xi Jinping called China a great power is a new concept. Not a rising power, not peace and development, but a new type of great power relations. And this, yes, exemplifies the new Chinese confidence. The second part of this is, who wouldn't want a new type of great power relationship? The wars in the past or anything that we do not want to repeat in the future. So, it's sort of like mom and apple pie, it's not a particularly meaningful concept because we all welcome it. But the third part of this is that implementation is difficult and so the irony is that as Xi Jinping was calling for a new type of great power relationship, he was building islands in the South China Sea. He was challenging Philippine and Japanese sovereignty over disputed territories. And so, the conflict between his pronounced goal of greater cooperation ran into conflict with greater Chinese confidence and a desire to reorder the region.

Haenle: From your perspective, how to-date has the United States—and I guess this is the Obama administration—responded to this growing confidence on the Chinese side?

Ross: I think the challenge the Americans experienced from the rise of China to the U.S. alliance system caused the United States to overreact in ways that were designed to reassure the region that we could be depended on and to signal to China, “Don’t think you can challenge us at will.” And so much of our policy was boisterous diplomacy without rectifying or adjusting to the changing military balance. So as the Chinese navy continued to grow, America didn’t try and compensate with anything but diplomacy. So, in the end that diplomacy wasn’t successful because the region saw the underlying military balance continued in China’s favor.

Haenle: Are you advocating then in that case that the Obama administration should have responded by beefing up its military capabilities?

Ross: Well I guess there are a number of things. One, we did things that looked like containment, so for example missile defense for South Korea when it was totally ineffective to defend South Korea, the only reasonable intention seemed to be containing China. We developed defense ties with Vietnam when that was going to be useless because the Vietnamese are so close to China they couldn’t afford to alienate China. So, it seemed counter-productive to single out China in our efforts to establish a defense relationship on Chinese borders. So, on the one hand what the Obama administration should have done was say, “Well what’s important?” Well perhaps the Philippines is important, perhaps Australia is important, perhaps Singapore is important, and do what’s important and not provoke China with policies that were ultimately going to fail. But the third part was, if you’re not going to try and rectify the naval trends and the naval imbalance, well then, your challenges to China are inevitably going to fail and you’ll pay a price with no benefit. So that’s the challenge for the United States. If you are not going to reorder your domestic welfare benefits, if you’re not going to get the defense budget into line, if you’re not willing to just print money, well then, the price of resisting the rise of China will far outweigh the benefits. An adjustment would be wiser than resistance. Now Americans haven’t had this conversation, we don’t want to discuss the difficult choices of accommodating the rise of China and the trend of China becoming the number one naval power. But that’s something that needs to be discussed.

Haenle: Early on after President Trump was elected, Peter Navarro and Alex Gray did an article in I think Foreign Policy magazine, which was distributed to a number of us and I’m sure you saw it and read it, talked about peace through security, building up our navy in response I think to China’s growing capabilities. Do you see that as a possibility with the Trump administration?

Ross: Well according to the Congressional Budget Office, an independent analytical wing of the U.S. government of congress, in order to simply reach 308 ships...

Haenle: And they were advocating what, 355?

Ross: 355. Simply to reach 308 ships, the navy’s budget would have to increase one-third over the average of the past 30 years. We don’t know where that money is coming from. To reach 355, they’d have to increase 60 percent. So perhaps to maintain a balance 355 ships might be

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worthwhile but it's not clear it's even possible. And if it was and the United States built up to 355 ships, well the Chinese just might build faster. And the unfortunate reality for the United States is their military is leaner and meaner than the United States'. Their overall budget has a very small social welfare program, their personnel benefits in their military are very low, so their ability to compete in terms of defense budgets is far greater than U.S. ability.

Haenle: How do you see countries in the region responding to this power transition that we're witnessing and how does that affect the United States?

Ross: Well the political science literature suggests that countries prefer to balance than bandwagon, and I think this is fundamentally in the stake. If you go back to read Hans Morgenthau and some of the classics, it was the great powers balance, and the small powers accommodate, and that's what we're witnessing in East Asia. As the balance begins to change in the United States and China, the small powers are less confident in America's ability to defend them. And when that happens, they're less willing to alienate the other great power because the cost could be very high. So, we see in the case of South Korea, even the Philippines under Duterte, Malaysia recently, Vietnam, all saying I have to accommodate Chinese security or China's retaliation against us will be very costly and America will not be able to offset it. And that's what small powers are going to do and again the underlying change will be an erosion of the American alliance system and perceptions of the United States' reduced security, which will put pressure on the United States to respond, and that's where we're likely to see Chinese impatience and American lack of restraint, and that's the danger in a power transition.

Haenle: If you had one piece of advice for this new Trump administration in dealing with these strategic issues in the Asia-Pacific, what would it be?

Ross: Take a very hard look at America's budgetary restraints. Figure out what we can realistically do in response to the rise of China and on the basis of that realism, develop policies that would incur the least cost and the most benefit for the United States. Going back in history, it's been widely recommended—that Americans consider what's called the Lippmann Gap: keep your ambitions, keep your objectives in line with your capabilities. And if American relative capabilities are shrinking in East Asia, it may be necessary to reduce our ambitions and to reduce our objectives. But what the Trump administration needs to do is first take a hard look at just how much we can afford to pay in order to compete with China and then take the corresponding actions.

Haenle: Bob Ross, thank you very much for being with us today and in China with us this week.

Ross: My pleasure. Thank you very much.

Haenle: Come back and visit us again.

Ross: Thank you.