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Prepared Statement of Name

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Mr. Chairman and Members of the Commission, it is a pleasure to appear before you today, and I thank you for inviting me to discuss the vital subject of China's approach to managing natural resources. At the Center for a New American Security, where I am senior advisor and senior director of the Asia-Pacific Security Program, we are following both China and natural resource issues. Earlier this month, we released a major report on the South China Sea, where we tried to look at that body of water "in the round," and we have also created an online web hub of information on both the East and South China Seas.¹ I have been asked specific questions about these littoral seas, and drawing on these research activities I will attempt to address them while placing them in strategic context.

Let me begin by relating several recent incidents that are illustrative of broader trends. Then I will provide answers to each of the specific questions asked of me. First, consider the following incidents last year:

- On December 12, the captain of a Chinese fishing vessel stabbed two South Korean coast guard officers who had boarded the vessel for illegally fishing in South Korean waters in the Yellow (West) Sea. One of the South Korean officers died. South Korean Coast Guard commandos have been fining Chinese fishing vessels with increasing regularity, more than 470 times last year, which is at least 100 times more than in 2010.²
- Also last month, after a 6-hour chase, Japan's coast guard arrested a Chinese fishing captain for trying to collect coral in waters 4 kilometers from Japanese islands near Nagasaki Prefecture.³ Virtually the same thing happened the month before in the same waters. These captains are fined about \$4,000 and released.
- On December 2, the Philippine navy, coast guard and environment department arrested six Chinese fishermen for poaching endangered sea turtles near the Philippine island of Palawan, an activity that has nabbed hundreds of poachers who have been caught over the past decade. Two months earlier, the Philippine navy seized 25 small Chinese fishing boats in the same vicinity.⁴
- On July 5 of last year, armed Chinese naval personnel reportedly beat a Vietnamese fisherman and threatened other crewmembers with their automatic rifles and batons. The incident occurred off the contested Paracel Islands during China's annual mid-May through July fishing ban during spawning season; the ban covers both Chinese waters and waters that Vietnam believes are its own.⁵

1. Describe China's fishing activities in and around regional seas off its coast (the Yellow Sea, the East China Sea, and the South China Sea). What are the environmental, economic, diplomatic, and security impacts of Chinese fishing in these waters?

These recent incidents collectively describe a growing trend regarding fishing activities in and around China's eastern seaboard. This is nothing new. As Robert Kaplan and I discussed in our CNAS report on the South China Sea, Chinese fishermen have enjoyed de facto fishing rights in these waters for centuries.⁶ But the problem appears to be getting worse. However, one challenge is the absence of comprehensive and authoritative data. MIT Professor Taylor Fravel elaborates on this problem:

“...reliable information about the competition over maritime rights is hard to find.... Most information comes from media outlets in the various claimant countries. In China and Vietnam, these media outlets have direct or indirect ties to the state.... Although Vietnam and the Philippines appear to have increased their reporting of events in the South China Sea since 2009, China has not. Confrontations involving Chinese ships, especially Chinese fishermen, are almost never reported in the Chinese media, most likely because the government wants to avoid the criticism that it is not doing enough to protect its citizens.”⁷

One reason to believe the problem is intensifying, however, has to do with the rising demand and diminishing supply of fishing stocks in these littoral seas, which takes me to the second question.

2. How integral are fish resources to the territorial disputes in the South China Sea or East China Sea? What fishing resources are at stake for China and other countries involved in territorial disputes?

The South China Sea is “one of the most biologically diverse marine areas in the world.”⁸ Fish stocks there are a multi-billion-dollar industry and account for as much as one-tenth of the global catch.⁹ National policies, both subsidies and the enforcement of domestic fishing laws, are creating regional tensions. As my colleague Will Rogers has written, China's fishing ban during spawning season, while undertaken to protect fish from being overexploited, sets up an annual fight with Vietnamese fishermen.¹⁰

Fish protein is more than 22 percent of the average Asian diet, significantly higher than the global average of 16 percent.¹¹ As Asians become both more prosperous and more numerous, the demand on fish increases. Thus, Asians are consuming more of the world's fishing stocks, of which roughly one-third is “overexploited, depleted or recovering,” according to the United Nations.¹² The United Nations Food and Agriculture Organization cautions that the production of most fish resources in the western South China Sea have either been depleted or are in decline.¹³ Moreover, as Vietnam's population increases, perhaps growing 25 percent by 2050, the heightened demand for fish will aggravate existing tensions.¹⁴

A key point is that fishermen do more than fish. They are civilian instruments of power that help stake out legal claims and establish national maritime rights. As Taylor Fravel writes in the CNAS report, “fishermen will often justify operating in disputed waters through their country's claims to maritime rights. Chinese fishermen operate in the southern portions of the South China Sea near Indonesia and Vietnam, for example, while Vietnamese and Philippine vessels operate in the northern portions near the Paracel Islands.”¹⁵ It is also worth noting that as fish migration patterns change, it is entirely possible that

areas of maritime contestation will also migrate. For instance, a recent United Nations study observed that cold-water fish species may decline as warm-water species migrate north because of climate changes. Consequently, this is likely to be a catalyst for increased confrontation between China and its neighbors over fishing rights.¹⁶

Of course, fishing resources in the East and South China Seas are by no means the only contested resource. Competition over hydrocarbons (both petroleum and natural gas) and minerals are also part of an increasing bid for both competition and potential joint ventures. While it remains uncertain whether the South China Sea will become a “second Persian Gulf,” as some Chinese appear to believe, the jockeying for claims and the dispatching of various civilian and even military maritime vessels are often driven by resource concerns.

3. To what extent can fishermen of China and other claimant countries be characterized as proxies in these disputes? How does Beijing view the role of Chinese fishermen (or those of other claimant countries) in asserting its territorial claims?

China's neighbors generally believe fishing expeditions in disputed waters are the result of a conscious national policy emanating from Beijing. However, indications suggest that the Chinese government does not wield effective control of the interagency, and the highly fragmented division of labor across the country leads to action not necessarily intended by political leaders. The absence of a strong interagency process within China – at least in the absence of a crisis that forces whole-of-government cooperation – leaves plenty of ambiguity about how much the Chinese government encourages fishing in troubled waters.

One thing is clear: Chinese officials are deliberately using civilian maritime law-enforcement vessels, rather than the People's Liberation Army Navy—to enforce China's maritime rights and fishing laws. Whereas China resorted to using warships over Mischief Reef territorial disputes in the 1990s, the recent assertiveness of China in these waters has been prosecuted largely with civilian instruments of power. According to Taylor Fravel, the Chinese Bureau of Fisheries Administration within the Ministry of Agriculture is responsible for supervising “...fishing in the disputed waters...” and enforcing “...its domestic fishing laws.” The Bureau divides “...patrols and other law enforcement activities...among regional fisheries administrations, including the Yellow Sea and Bohai Gulf Region Fisheries Administration, the East Sea Region Fisheries Administration and the South Sea Region Fisheries Administration.”¹⁷ In the South China Sea, Fravel adds, Bureau “vessels escort Chinese fishing boats when they operate in disputed waters. The escorts provide aid to the fishing boats, but also exercise Chinese jurisdiction over these waters (thus supporting China's claims to maritime rights) and protect Chinese fishermen when they are challenged by vessels from other states.” The Chinese vessels also aim “...to prevent foreign ships from operating within China's EEZ [Exclusive Economic Zones] by boarding and inspecting these vessels, levying fines and confiscating catches and equipment, as well as by expelling ships from waters claimed by China.”¹⁸

Significantly, China is using its civilian law-enforcement fleet as a de facto arm of naval power. China's civilian maritime law enforcement fleet is large and well-equipped, especially relative to neighboring nations. For instance, the 200 or so patrol vessels that comprise the China Maritime Safety Administration

(MSA), often are used to confront the naval and coast guard fleets in the East and South China Seas. According to Dr. Michael Auslin of the American Enterprise Institute, “Armed MSA ships regularly accompany private Chinese fishing vessels in East Asian waters and have been involved in numerous confrontations with the naval and coast guard forces of other nations.”¹⁹

As Auslin makes clear, the PLA Navy occasionally interferes in support of Chinese fishermen. Recent Chinese maritime assertiveness has included not only interference with U.S. survey ships and warnings to the United States Navy not to conduct exercises within its 200 nautical mile EEZs, but also “confrontations with neighboring naval forces, primarily while intervening on behalf of private Chinese fishing boats caught fishing illegally in foreign territorial waters. These actions are tied to demands for greater regulatory rights over larger maritime tracts and seem to correspond with previously expressed desires to control waters up to the first island chain.”²⁰

4. How do Chinese fishing activities impact maritime security and freedom of navigation in the region? Are there any clear implications for U.S. interests?

China has shown a clear level of restraint in its recent assertiveness in the East and South China Seas. Not only has China sought to avoid any serious open conflict, but it has also generally refrained from deploying warships in its confrontations with neighboring states. In contrast to China’s willingness to deploy warships to the South China Sea during the 1990s, the recent “competition over maritime rights in the South China has not become militarized.... China is responding with improved civil maritime enforcement capacities,” but it is avoiding “more provocative measures, such as using naval forces to enforce its claims.”²¹ According to Fravel, “relying on these civilian agencies appears to be a deliberate choice and suggests that China has sought to limit the potential for escalation through how it chooses to assert and enforce its claims to maritime rights.”²²

Singapore-based South China Sea expert Ian Storey generally agrees with Fravel on this point in his chapter of the CNAS report. Dr. Storey argues that “China is not likely to try to resolve disputes in the South China Sea through military force, as the costs of doing so would greatly outweigh the benefits.” Rather, Chinese officials will be “...emphasizing their commitment to peace, stability and cooperation while simultaneously asserting their jurisdictional claims and expanding China’s physical presence in the South China Sea.”²³

Fravel suggests that “...the United States must balance efforts to maintain stability in the South China Sea with actions that could inadvertently increase instability, such as becoming more involved in trying to resolve the dispute – an action that many regional states would interpret as a move away from the traditional U.S. policy of neutrality in territorial disputes.”²⁴

5. Are there any specific cooperative bilateral or multilateral measures to ensure sustainable and secure fishing practices in contested areas of the East China Sea or South China Sea? How effective are these measures? Do you have any recommendations to this end?

Let me make a couple of generalizations based on my research and my experience. The Chinese are not really interested in creating agreed-upon rules of the road in the South and East China Seas. Rather, they

would like to push out others. This is not to say that China is not willing to cooperate, providing that cooperation enhances or certainly does nothing to diminish Chinese influence. And the Chinese generally prefer bilateral mechanisms over multilateral mechanisms in their negotiations on maritime practices in regional seas.

Experts disagree about how much cooperation China might be prepared to undertake. Some China analysts see more hope than analysts who look at these problems from the perspective of China's neighbors. For instance, Dr. Fravel notes that "China has signed fishing agreements with most of its neighbors; some of these agreements create joint fishing zones for fleets from both countries." Peter Dutton of the U.S. Naval War College, for instance, has proposed a "multilateral fishing organization...using the Northwest Atlantic Fisheries Organization as a model," and Fravel thinks this that China could well contemplate such a scheme.²⁵

But Ian Storey, an expert on Southeast Asia, notes that China opposes discussing maritime disputes in multilateral forums, such as the ASEAN Regional Forum and the East Asia Summit. Rather, "Beijing utterly rejects the role of third parties in the dispute, particularly the United States, which it has accused of interference or 'meddling'...the PRC also rejects international legal arbitration, partly because this would involve a multilateral institution but also because China does not have a strong case."²⁶ Storey adds that "...no substantive negotiations between China and any of the Southeast Asian claimants have occurred during the past two decades..." Because of this dismal record, "Southeast Asian claimants do not like China's insistence on a bilateral approach. Because China is the strongest party involved, others fear that it is trying to 'divide and rule' and that China would leverage its power in any bilateral negotiation. Moreover, China only supports bilateral negotiations when it is one of the parties."²⁷

In looking ahead to leadership of the Association of Southeast Asian Nations, there are reasons to wonder whether ASEAN will continue to be as diligent about maritime issues in the next few years as it has been in the past couple of years. In 2010, Vietnam chaired the process, and last year, Indonesia was in the ASEAN chairmanship role. Both countries have strong track records with respect to maritime issues. This year, however, Cambodia is in the chair, and it has made clear that it does not have a strong stake in maritime disputes or issues. As Dr. Storey notes, "The Hun Sen government has close political and economic links to the PRC and will not want to risk damaging those ties over the Spratlys.... In 2013, Brunei takes over the rotating chairmanship. Although Brunei is a claimant state, it has never taken any major initiatives on the South China Sea, and it lacks the political clout of ASEAN's larger members. Myanmar and Laos will occupy the chair in 2014 and 2015, respectively. As with Cambodia, both countries are close to China and do not see the South China Sea as a priority."²⁸

Despite this sobering institutional assessment in Southeast Asia, there are two basic convictions widely shared in the region: almost all countries want to preserve U.S. engagement and presence; and virtually none wishes to jeopardize its economic ties with China. These dual realities will frame the larger strategic context as fishing disputes and other forms of maritime competition continue to rise in the East and South China Seas.

Biography

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Patrick Cronin is a Senior Advisor and Senior Director of the Asia-Pacific Security Program at the Center for a New American Security (CNAS). Previously, he was the Director of the Institute for National Strategic Studies (INSS) at National Defense University and has had a 25-year career inside government and academic research centers, spanning defense affairs, foreign policy, and development assistance.

Dr. Cronin served more than two years at the London-based International Institute for Strategic Studies (IISS), where he was the Director of Studies, Editor of the *Adelphi Papers*, and Executive Director of the Armed Conflict Database. Prior to joining IISS, Dr. Cronin was Director of Research and Senior Vice President at the Center for Strategic and International Studies (CSIS) in Washington, D.C.

In 2001, he was confirmed by the Senate to the third-ranking position at the U.S. Agency for International Development. While serving as Assistant Administrator for Policy and Program Coordination, Dr. Cronin led agency, interagency, and international policy deliberations, as well as the interagency task force that helped design the Millennium Challenge Corporation (MCC). From 1998 until 2001, Dr. Cronin served as Director of Research at the U.S. Institute of Peace.

Dr. Cronin spent seven years at the National Defense University, arriving at INSS in 1990 as a Senior Research Professor covering Asian and long-range security issues. He was the founding Executive Editor of *Joint Force Quarterly*, and subsequently became both Deputy Director and Director of Research at the Institute. He received the Army's Meritorious Civilian Service Award upon his departure from NDU in 1997. He has also been a senior analyst at the Center for Naval Analyses, a U.S. Naval Reserve Intelligence officer, and an analyst with the Congressional Research Service and SRI International. He was Associate Editor of *Strategic Review* and worked as an undergraduate at the *Miami Herald* and the *Fort Lauderdale News*.

Dr. Cronin has taught at several universities. He was an adjunct professor at Georgetown University's Security Studies Program, The Johns Hopkins University's Paul H. Nitze School of Advanced International Studies (SAIS), and the University of Virginia's Woodrow Wilson Department of Government.

He read International Relations at St Antony's College, University of Oxford, where he received both his M.Phil. and D.Phil. degrees, and graduated with high honors from the University of Florida. His

publications include: *Global Strategic Assessment, 2009: America's Security Role in a Changing World* (NDU Press 2009); *Civilian Surge: Key to Complex Operations* (co-editor with Hans Binnendijk, NDU Press 2009); *The Impenetrable Fog of War: Reflections on Modern Warfare and Strategic Surprise* (Praeger 2008); *The Evolution of Strategic Thought: Adelphi Paper Classics* (Routledge 2008); and *Double Trouble: Iran and North Korea as Challenges to International Security* (Praeger 2007).

¹ Both the report and the Flashpoints web portal are online at www.CNAS.org. The author wishes to thank his CNAS colleague Daniel Katz for his assistance in preparing this testimony. In addition, the Flashpoints web portal would not be possible without the additional help of various colleagues but especially Will Rogers and Zachary Hosford.

² Paula Hancocks, "South Korea: Chinese Fishermen Kill Coast Guard Member," CNN, December 12, 2012, <http://www.cnn.com/2011/12/12/world/asia/south-korea-china-stabbing/index.html>; and "High-Seas Stabbing of Korean Commando Worsens Ties with China," Chinh's News, December 12, 2011, <http://chinhdangvu.blogspot.com/2011/12/high-seas-stabbing-of-korean-commando.html>.

³ "Japan Coast Guard Arrests Chinese Fishing Boat Captain," Japan Update, Okinawa, December 23, 2011, <http://www.japanupdate.com/?id=11695>.

⁴ "Six Chinese Arrested for Illegal Fishing," *The Manila Times*, December 5, 2011, <http://www.manilatimes.net/index.php/news/regions/12587-six-chinese-arrested-for-illegal-fishing>.

⁵ "Vietnam: Chinese Soldiers Attack Fishermen," AP News, July 14, 2011, <http://asiancorrespondent.com/60001/vietnamese-chinese-soldiers-attack-fishermen/>. Also see Nguyen Dang Thang, "Fishing for a Grey Zone?," *The Diplomat*, July 23, 2011, <http://the-diplomat.com/asean-beat/2011/07/23/fishing-for-a-grey-zone/>.

⁶ Patrick M. Cronin and Robert D. Kaplan, "Cooperation from Strength: U.S. Strategy and the South China Sea," in Patrick M. Cronin, editor, *Cooperation from Strength: The United States, China and the South China Sea* (Washington, D.C.: Center for a New American Security, January 2012), 14.

⁷ M. Taylor Fravel, "Maritime Security in the South China Sea and the Competition over Maritime Rights," in Patrick M. Cronin, ed., *Cooperation from Strength*, p. 36.

⁸ Will Rogers, "The Role of Natural Resources in the South China Sea," in Patrick M. Cronin, ed., *Cooperation from Strength*, 89.

⁹ Will Rogers, "The Role of Natural Resources in the South China Sea," in Patrick M. Cronin, ed., *Cooperation from Strength*, 90; and Ian Storey, "China's Bilateral and Multilateral Diplomacy in the South China Sea," in Patrick M. Cronin, ed., *Cooperation from Strength*, 55.

¹⁰ Will Rogers, *Cooperation from Strength*, 89.

¹¹ *Ibid.*, 90.

¹² "Rising Wealth of Asians, Fishing Subsidies Straining World's Fish Resources, UN Experts Say," Associated Press, January 24, 2012, <http://www.3news.co.nz/Rising-wealth-of-Asians-strains-world-fish-stocks/tabid/1160/articleID/240612/Default.aspx>.

¹³ Will Rogers, "The Role of Natural Resources in the South China Sea," in Patrick M. Cronin, ed., *Cooperation from Strength*, 90.

¹⁴ *Ibid.*, 93.

¹⁵ Fravel, *Cooperation from Strength*, 37.

¹⁶ Rogers, *Cooperation from Strength*, 91.

¹⁷ *Ibid.*, 37 and Michael Auslin, *Security in the Indo-Pacific Commons: Toward a Regional Strategy* (Washington: American Enterprise Institute, December 2010), 47, <http://www.aei.org/files/2010/12/15/AuslinReportWedDec152010.pdf>.

¹⁸ *Ibid.*

¹⁹ See Auslin, *Security in the Indo-Pacific Commons: Toward a Regional*, 12.

²⁰ *Ibid.*, 15.

²¹ Fravel, *Cooperation from Strength*, 33.

²² *Ibid.*, 42, 44.

²³ Storey, *Cooperation from Strength*, 53.

²⁴ Fravel, *Cooperation from Strength*, 34.

²⁵ *Ibid.*, 46.

²⁶ Storey, *Cooperation from Strength*, 57.

²⁷ *Ibid.*, 59.

²⁸ *Ibid.*, 64.