

## **“CHINA’S MILITARY AND SECURITY ACTIVITIES ABROAD”**

### **PREPARED STATEMENT OF THE HONORABLE DAVID S. SEDNEY DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR EAST ASIA TESTIMONY BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION 4 MARCH, 2009**

Madame Chairman, Mr. Vice Chairman, members of the Commission, I thank you for inviting me to appear before you today to address a range of topics related to our views on the foreign activities of the Chinese People’s Liberation Army (PLA) and on U.S.-China military-to-military exchanges. I commend the Commission for its continued interest in these topics. I am pleased to report that I just last night returned from a trip to Asia where we formally re-started our military-to-military exchanges with China, as Secretary Clinton had announced the week before during her visit to China. I will try to keep my oral remarks brief so I can reserve more time for your questions, as I always learn a great deal from our dialogues here.

As China emerges as a power with global ambitions, it is natural, indeed expected that its military and security activities abroad will expand consistent with its capacities and strategic aims. As President Obama and Secretary Clinton have told the Chinese leadership, this administration seeks a positive and cooperative relationship with China. The United States welcomes the rise of a stable, peaceful, and prosperous China, and continues to encourage China to participate responsibly in the international system by supporting, strengthening and stabilizing the global security architecture that it has benefitted from during its economic rise. Far from seeking to contain China, U.S. policy has been one of actively involving China in the international community of nations, and in this regard the United States has done much over the last 30 years to assist, facilitate, and encourage China’s development and integration in the global system. This policy is not only in accordance with our values, but also, more importantly, in our national interest. While it is an historical fact that the rise of major powers has, in some cases, been fraught with violence and instability, with China that has not been the case. The mutual challenge that the United States and China face, along with the international community, is to ensure that global institutions are flexible enough to accommodate the expectations and needs of rising powers such as China. In this context, my testimony today will offer some perspectives on China’s growing global military engagement and its implications both for the U.S.-China relationship in particular, and global security more generally.

#### **Global Security Engagement as a Component of China’s Long-Term Interests**

I would like to highlight what I see as some of the reasons we see a rising China profile in global security issues. First, however, I would like to note that as China’s economy grows and its society has moved away from its past isolation and lack of development, it

is only natural that a country as large as China with such a wide range of economic and political interests around the world will also become involved in global military and security affairs. That has happened today. China and the United States are both countries with global interests and who need to work jointly to address common concerns. With Secretary Clinton's trip to Asia last month and upcoming opportunities for us to engage at the Presidential-level and at lower levels, we have the opportunity to take the significant progress we have made over the past thirty years and move forward to a new level of cooperation that is beneficial to the United States, to China, the Asia-Pacific region, and the world.

Some of the drivers and characteristics of China's actions are identical, or nearly so, to those associated with other nations, including the United States:

- a need to ensure access to natural resources;
- a need to be sure that routes for exports are stable and secure;
- the use of military trade and exchanges to supplement diplomacy;
- a desire to balance the influence or perceived dominance of other powerful actors; and,
- to satisfy the desire of the Chinese people for a government that protects Chinese citizens and interests abroad and that can enhance China's prestige on the world stage.

In recent years, the PLA has embarked on a transformation from a force that focused principally on domestic response and preparing for what it considers local contingencies (such as a possible conflict over Taiwan) into a more expanded set of roles that encompass a wide range of missions and activities. A key element of these changes, part of what Hu Jintao has referred to as the PLA's "new historical missions," is a more prominent role for the PLA in support of China's broader national security interests.

Some examples:

- More robust participation in U.N. peacekeeping missions and international disaster relief efforts;
- Engagement for the first time in anti-piracy efforts outside of their traditional area of operations, an extremely important effort and possibly a signal of a greater willingness on the part of China to contribute cooperatively to the international communities' responsibilities in addressing transnational threats; and,
- Increasing use and expansion of the PLA's bilateral military-to-military activities. These include high-level military diplomacy, military exchanges, the defense attaché program, foreign professional military education (PME) programs, military exercises, and, of course, arms sales – the same tool kit that the United States and others use to advance our interests abroad.

While supporting China's strategy in the long term, these activities are also meant in the short term to: build diplomatic relationships; enhance China's image and influence; promote the PRC's economic development, to include commercial and defense industries; and improve the PLA's operational capabilities.

The PLA's expansion of its military and security activities abroad poses both challenges and opportunities for countries around the world, including the United States. We need to work with China whenever we can jointly to address security issues of mutual concern. One way to mitigate against future instability or conflict is to develop common understandings and, where possible, common approaches. Our relations with allies, partners and friends, particularly in Asia, have been enabled by shared values with respect to democracy, rule of law, and good governance, but we also have a long tradition of developing important partnerships based on common interest. As China continues its path of political, economic and social development, we hope to nurture areas in which both our values and interests intersect.

Realizing greater openness and transparency in the conduct of China's foreign security engagement activities is an area where we have seen some progress, but we still have a way to go. Ongoing dialogues that we have initiated with the Chinese may help identify additional areas of common understanding and interest. The PLA's efforts to take on greater responsibility in the global security arena will create new opportunities for U.S.-China cooperation – through such cooperation our primary objectives would be to encourage China to apply its increasing capacities in the service of broadly held international security concerns such as counter-terrorism, counter-proliferation, and counter-piracy. Neither the United States nor China has an interest in actions that disturb stability, disrupt security, or endanger others.

### **The United States-China Military-to-Military Relationship**

The Secretary of Defense places a high priority on the U.S.-China military-to-military relationship. The U.S.-China military-to-military relationship continues to make progress, but as the Members of the Commission know so well, it has been challenging over the years with ups, downs, and sometimes sideways movement. I view as positive that we and the Chinese have agreed to resume our military-to-military exchanges following China's decision last year to cancel or suspend ten events in response to the U.S. notification of arms sales to Taiwan in October 2008. Prior to this, military relations had been progressing steadily, and were marked by significant, positive developments. The U.S.-PRC Defense Telephone link was established in March 2008 and has been used three times since; the first round of a nuclear dialogue was held in April; and a series of high-level defense meetings took place in the spring and summer of 2008.

In his January 28 testimony to the Senate and House Armed Services Committees, Secretary Gates indicated that the time was ripe to reinvigorate the military-to military relationship: "a new administration here, a fresh start, perhaps creates opportunities to reopen the aperture on military-to-military contacts." The Chinese agreed, as Secretary Clinton announced last month, and I can report we are moving forward in a number of areas: my talks on February 27-28, the Chinese observership in COBRA GOLD, and other exchange activities that have already taken place this year.

As I just indicated, on February 27-28 I held the annual Defense Policy Coordination Talks (DPCT) with the People's Liberation Army in Beijing. These talks were the first formal dialogue with the PLA under the new administration, and furthered the dialogue with the PRC on areas of mutual interest. This year's DPCT addressed the U.S.-China military-to-military relationship, challenges to regional and global security, and potential areas for expanding cooperation between the two militaries.

I am aware that U.S.-China counter-terrorism cooperation is a particular topic of interest to the Committee. Counter-terrorism, by its very nature, requires a holistic, inter-agency strategy, of which the military aspect is only one component. The U.S. Government engages China on counter-terrorism, and we hope to take advantage of future opportunities to work with the PLA on counter-terrorism, as they become available.

## **Region-by-Region Overview**

### China's Military Engagement in Asia

Asia is, for obvious reasons, the top strategic priority for China. In Southeast Asia, China's objectives appear primarily to be to promote its economic interests, mitigate suspicions of its intentions, extend regional influence, and balance and compete for influence with the United States and other regional players. Although secondary to its economic engagement agenda, China's military engagement with Southeast Asia is increasing, initially on disaster relief. Engagement with ASEAN has been a high priority, but China has also been seeking bilateral military engagement opportunities with all Southeast Asian nations.

According to the Defense Intelligence Agency, Burma accounted for four percent total revenue of China's arms sales worldwide from 2003-2007. Given the repressive nature of the military junta that rules Burma, this remains an issue of concern for us. We note that the Chinese did act to facilitate international community's effort to get the Burmese government to accept international humanitarian relief assistance in the aftermath of Cyclone Nargis in May 2008.

In South Asia, China has active military relations with countries such as Bangladesh and Sri Lanka, and uses arms sales, military exchanges, and other interactions to buttress and amplify its diplomatic and commercial engagement.

Pakistan is China's largest market for the export of Chinese-manufactured arms and military equipment. China's military-technical cooperation with Pakistan includes both arms sales and defense industrial cooperation. Pakistan is China's primary customer for conventional weapons, having signed over \$2 billion in defense contracts with China from 2004-2008. Recent sales to Islamabad have included JF-17 aircraft, JF-17 production facilities, F-22P frigates with helicopters, K-8 jet trainers, multiple rocket launchers, F-7 aircraft and artillery. The depth of the China-Pakistan relationship has likely yielded China a measure of influence with Pakistan's military and security services.

The focus of China's engagement in Central Asia remains economic; that being said, China's military engagement in Central Asia has been slowly increasing. Most of it occurs on a bilateral basis, but some limited multilateral military engagements also take place by means of the Shanghai Cooperation Organization. As China explores future options for benefitting from the East-West energy corridor, changing energy dynamics may also affect the sensitive balance of defense relationships currently in place between China, the Central Asian nations, and Russia.

#### Chinese Arms Sales in the Middle East

China has longstanding military relationships with Middle East countries going back decades. China's dependence on imported oil – Persian Gulf countries provide approximately half of China's oil imports – has increasingly added the driver of energy security to the reasons why China engages in the Middle East. Arms sales agreements with Saudi Arabia, Iran, Turkey and Egypt are prime examples. China signed arms agreements worth approximately \$400 million each with Saudi Arabia and Iran from 2004-2008.

Chinese arms sales to Iran is an issue that requires continued attention and dialogue. There have been several moves in the right direction, such as China's support for UN Security Council Resolutions 1737, 1747, and 1803. Broader improvement in China's non-proliferation efforts to promulgate export control laws and regulations, strengthen oversight mechanisms, and commit to respecting multilateral arms export control lists has also had a positive impact vis-à-vis Iran. There remains more for China to do to curtail its arms relationship with Iran, particularly with respect to transfers of conventional weapons and dual-use technology. We believe that China, as a responsible international actor, should not be exporting conventional arms to Iran when Iran continues to supply arms to extremist groups in countries on its borders. This volatile region and these dangerous groups need fewer weapons, not more. We continue to closely monitor and track this issue, and to communicate to the Chinese that we believe that recent business dealings with Iran are counterproductive to regional stability.

#### China's Security Engagement in Africa

Over the past decade, the PRC has expanded existing military relationships in Africa, relationships that formed when China was working to support national liberation movements, lessen Soviet influence in the developing world, and advance its own ideology, but that have today moved to a focus on developing relationships that advance China's commercial and diplomatic interests, especially with the region's energy and natural resource suppliers. Contrary to some who see a zero-sum U.S.-China competition on the African continent, there is no reason why a military or security competition should evolve between the United States and China in Africa. We have common interests in peace, stability and, most importantly, economic development in Africa. The United States certainly does not want to dominate or control African countries, and China has not pursued military activities in Africa that would bring them into conflict with us. This is an area where we can and should work together.

Within the security realm, there are many areas where U.S. and Chinese interests in Africa coincide, and potential opportunities for increased collaboration and cooperation exist. Both the U.S. and China have an interest in secure, stable African nations, because security and longer-term stability are required for sustained trade and future investment. The recent creation of U.S. Africa Command (AFRICOM) provides opportunities for DoD to dialogue, coordinate and cooperate more effectively with the PLA on African security concerns. The Department of Defense briefed the Chinese on AFRICOM at last year's DPCT, and looks forward to exploring further opportunities with the Chinese. We are also encouraged by China's growing contributions to UN-sponsored peace operations, and hope that this trend will continue, as it could have positive implications for future African peacekeeping missions.

We welcome the PLA Navy's initiative in sending a three-ship contingent to the Gulf of Aden to conduct escort and counter-piracy operations. While the focus of the development is to escort Chinese merchant vessels, the task group has also successfully intervened on behalf of a Greek and, most recently, an Italian vessel being stalked by pirates. This significant deployment, which has been on station since January 6<sup>th</sup>, is the first time that China's Navy has been dispatched for a functional mission outside of the East and South China Seas, aside from good-will cruises port calls. We are working to better integrate China in the multi-lateral counter-piracy efforts in the region. This is a topic we explored in some detail in our talks last week.

China has been proactive in pursuing a variety of avenues of military-to-military engagement with African partners. The PLA has already developed a robust program of foreign professional military education and military exchanges in Africa that have provided enrichment opportunities to thousands of African military officers. In addition, the PLA has provided assistance in demining efforts in Eritrea. We encourage such efforts to build sustainable security capacity on the African continent, but would appreciate greater transparency and coordination by the PRC as they conduct these activities.

We continue to discourage China from selling arms to Sudan and Zimbabwe. The PRC government has at times used its influence with the Sudanese government to address Darfur, yet has also continued to provide political support to Khartoum. Between 2004 and 2006, China made up an average of 90 percent of the world's small arms sales to Sudan. UN Security Council resolutions 1556 (2004) and 1591 (2005) aim to prevent the transfer of arms to Darfur, and we are concerned with the possibility that some Chinese-made arms are being used by Khartoum against civilians in Darfur.

We also are concerned about past Chinese arms sales to Zimbabwe, which strengthened President Mugabe's ZANU-PF party as it waged a violent campaign of intimidation against pro-democracy advocates. In March 2008, South African dockworkers refused to unload a PRC cargo ship carrying 70 tons of small arms and ammunition designed to support President Mugabe's regime. The ship eventually was compelled to return the military cargo back to China. As China sees the consequences of such activity, it will come to realize the value of more constructive approaches to improving the political and

economic situation in Zimbabwe. We hope to see China's positive contributions as the ZANU-PF—MDC power-sharing agreement moves forward.

### China's Security Engagement in Latin America

China's military engagement with Latin America started from a small baseline and continues to grow at a modest pace. China's military relationships in Latin America advance its growing economic interests in the region, as well as support its diplomatic interests. China not only views military engagement – including military equipment sales – as secondary in importance to economic ties and other aims, such as support in the United Nations. China also wants to avoid directly antagonizing the U.S. by providing military hardware to sensitive Latin American states. We believe that China will sell equipment in Latin America if it judges that it can benefit without instigating undue pressure from Washington. The PRC issued a Latin America policy paper in November 2008 stating that China will continue to look to the region for military exchanges in areas of training and information sharing, particularly in order to confront nontraditional security threats. We hope that Chinese military engagement in Latin America will promote stability and security, in accordance with U.S. interests in the region.

Finally, the Commission asked for information on China's non-traditional security cooperation with the United States. I have to confess that the term "non-traditional" is very elastic – I suspect that areas some define as "non-traditional," such as search and rescue and disaster relief, military medical cooperation, and cooperation on achieving a full accounting of U.S. personnel from past conflicts, are areas we define as part of our on-going relationship and are fully listed in our annual, congressionally mandated report on the state of U.S.-China military-to-military contacts and exchanges, due to Congress on March 31 each year. I have copies of last year's report here for you, but in the event that I have not been able to address this issue sufficiently in my written statement, I would be happy to address this issue in greater detail during the question and answer session.

### **Conclusion**

As China becomes an increasingly prominent actor on the global political and economic stage, China's foreign security engagement activities will continue to develop and grow. The United States should take every possible opportunity to work jointly with China to address common interests and encourage China to wield its growing power and resources responsibly. U.S.-China dialogue is crucial to this effort, due to the fragile dynamics of today's economic and security environment. Strategic miscalculations that could provoke outbreaks of regional or global conflict or instability would be extremely damaging to both China's and our interests.

Our ongoing efforts at strategic dialogue have resulted in some incremental, modest progress. I believe that we have become more successful recently at convincing the Chinese that our concerns are genuine – not simply an excuse to undermine China and its

sovereignty, but in fact issues that a responsible world power needs to consider – but, of course, there is still a long way to go.

The increasing importance of international opinion on China's military engagement, and the positive though subtle shifts in Chinese behavior that have resulted, underline for both the United States and China that not only must our relationship not be adversarial, but as Secretary Clinton and Gates have said, it must be positive and cooperative. In today's complex environment, addressing security challenges requires bilateral, regional, and global solutions. Many nations value their partnerships with the U.S. precisely because our actions toward them have resulted in substantial benefits to their economy and security. The U.S. can achieve its security objectives through proactive, continued engagement with our allies, partners, and friends. In this new Administration, we look to a new beginning to strengthen and broaden our relationship with China to our mutual benefit and that of the world at-large.



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