



**Testimony before the
U.S.-China Economic and Security Review Commission**

***“PLA Modernization and Implications for the
United States and Beyond”***

Dr. Kathleen H. Hicks

Senior Vice President for Asia, Henry A. Kissinger Chair, and Director,
International Security Program, CSIS

February 15, 2018

Thank you to the Commissioners for the opportunity to testify today. The Commission has asked me to focus on assessing the challenges that Chinese military modernization pose to U.S. partners and allies in the Indo-Pacific region and to provide associated recommendations to the United States Congress.

Over the past seventy years, the United States has developed an extensive alliance and partner network in Asia. For at least the past decade, the specter of China's growing military and economic power has been the central galvanizing feature of U.S. relations in the region. China's power is not growing benignly. With a decided lack of transparency in its investments and intentions, alongside a manifest series of coercive and, at times, extralegal actions in the cyber, air, and maritime domains, China has largely demonstrated a will to compete rather than cooperate. In the defense realm, the same can be fairly said of the United States.

The views of our regional allies and partners are not monolithic on China. Each has its own historical and geographic context and the degree of economic, political, and cultural ties with China varies. It is thus unsurprising that there is little serious consideration of the kind of collective military alliance the United States and European allies have through NATO.

These caveats do not, however, diminish the reality that China's regional neighbors rely on their relationships with the United States, and the military capability and capacity it brings to the Pacific region, to balance China. U.S. presence has always brought some friction, especially from the stationing and behavior of U.S. military personnel, but it is the single greatest stabilizing element in the region. We were not being fleeced in this approach; it was a carefully designed strategy aimed at protecting our economic interests in Asia, where in 2017 the United States exported \$486 billion in goods, and deterring the kinds of conflicts that killed over 100,000 U.S. servicemembers in World War II and more than 36,000 in the Korean War. Our allies have welcomed the U.S. defense department's steady rhetoric on balancing Chinese military improvements—from its 1990s declarations of a transformation to its 2010s "pivot" and "rebalance" frames to the Trump Administration's warnings of competition—but rightfully worry about our focus and commitment amid military challenges facing us in the Middle East and, now again, in Europe.

Key Regional States: Contributions, Challenges, and Recommended Focus Areas

Summarized below are the approaches of several of our key allies and partners in meeting the challenges posed by China. The assessments draw extensively on the 2016 CSIS independent report to Congress, *Asia-Pacific Balance 2025*, of which I am a co-author.¹

¹ Michael Green, Kathleen Hicks, and Mark Cancian, *Asia-Pacific Rebalance 2025* (Washington, DC: Center for Strategic and International Studies, November 2015), https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/160119_Green_AsiaPacificRebalance2025_Web_0.pdf, pp. 50-84.

Japan is critical to US strategy in Asia. The U.S.-Japan alliance is the most important foundation for U.S. military access in the region. Japan's foreign policy, in turn, is grounded in our 1960 Treaty of Mutual Cooperation and Security. Japan has increased defense spending for each year for the past six. Its National Defense Program Guidelines, set in late 2013, identified key capability needs in amphibious operations, C4ISR, ballistic missile defense, and space and cyber defense. Japan is currently revising the guidelines for the next five-year program period. Given the increased nuclear threat posed by North Korea, the upcoming Guidelines provision will codify the requirement to fund two Aegis Ashore systems, as recently approved by Abe. The demographic challenges Japan faces restrict the size of the manned force it can deploy. Investment in unmanned systems in all domains lags that of the United States and could be a natural additional area for focus, at least for intelligence, surveillance, and reconnaissance missions and logistics functions.

The greatest debate for the Guidelines revision involves whether Japan will state its intention to acquire additional strike systems, which the Abe government has assessed to be within the bounds of Japan's constitution. The United States and its other Asian allies should welcome any such decision by Japan where it is in keeping with its constitution and critical to its own defense. In those circumstances, offensive Japanese capability will contribute positively to common security goals.

The security concerns of the Republic of Korea are understandably focused on its North Korean neighbor. Equally understandable, South Korea views its alliance with the United States as foundational to the nation's existence. It has demonstrated its commitment to the alliance beyond the peninsula, deploying forces to every war the United States has fought, including Afghanistan. On peninsula, South Korea hosts 28,500 U.S. forces, works closely with the United States through the framework of Combined Forces Korea and the United Nations Command. Seoul shares significant and growing economic ties with China—its top trading partner by a wide margin—but many South Koreans are wary of the potential for Chinese dominance and seek strong and enduring U.S. leadership in the region. The most significant contributions that South Korea can make to balancing China are indirect. First, to continue providing the United States assured access and basing rights. Second, to improve its capabilities to defend against and defeat the range of North Korean threats to its existence. Third, to improve its relations with Japan to affirm the strength of the U.S. alliance network and prevent would-be adversaries in North Korea, China, and Russia from succeeding in attempts to divide it.

Australia has fought alongside the United States more often than any other ally across the globe. Its top trading partner, however, is China. These economic imperatives, combined with Australia's geographic distance from China, dampened the Australian public's concerns about its rise, at least relative to the concerns of the United States and Japan. China, however, has been working hard, if inadvertently, to increase Australian leaders' concerns. A perusal of Australian newspapers and discussions with officials reveal immense concern with growing Chinese ties in Australia and throughout Southeast Asia, most evident in the depth of its commercial presence and a wave of indicators that it is seeking to shape other nations' politics and policies to fit the Chinese Communist Party's interests. This shift in Australian viewpoint presents an opportunity

for closer collaboration with the United States on military matters. The expansion of Australia's maritime edge—measured in technological advances as well as operational expertise—redounds to the alliance in any potential contingency involving China as does Australia's ISR and facilities opportunities, such as for the dispersal of U.S. aircraft and other assets beyond the range of China's anti-access/area-denial capabilities.

Defense ties between India and the United States have grown closer in the past five years, particularly since the 2014 election of President Modi and the increased disenchantment of the United States with Pakistan. India has longstanding land border disputes with China and distrusts the strong relationship between China and Pakistan. In recent years, India has also elevated its concern with China's maritime advances into the Indian Ocean, cyber intrusions and attacks, and growing economic and political links with Myanmar, Bangladesh, Nepal, and Sri Lanka. Nearby Chinese submarine activity is particularly worrisome to India. India has consequently energized its defense cooperation with the United States and more generally sought to improve its air and naval capabilities alongside its traditional focus on ground forces. Air and maritime domain awareness as well as improved strike capabilities, including subsurface, are potential investment areas of note. Also notable is India's increased interest in being able to project this power at longer range, which would require an improved logistics tail to support it.

Taiwan faces existential concerns about growing Chinese capability. Taipei wants to preserve peace across the Taiwan Strait, which necessitates a credible deterrent posture for the island. Maintaining such a deterrent is challenged by Taiwan's geographic proximity to China, the Chinese goal of reunifying with Taiwan, and the limitations on foreign military assistance to Taiwan that follow from its disputed political status. The resulting strategy for Taiwan is to rely on defensive systems and asymmetric capabilities that make the most of its limited force and resources, all aimed at denying Chinese advantages and providing time and space for other actors, such as the United States, to come to its aid. Executing this approach will require Taiwan to improve its air defenses, the resiliency of its intelligence, surveillance, and reconnaissance, its abilities to deny Chinese amphibious landing, and growth in its munitions. In October 2017, Taiwan's president vowed to increase defense spending by 2 percent per year through 2025. Reported areas of likely investment include electronic warfare, cyber defense, advanced unmanned systems, as well as improvements to existing platforms, such as mobile missile launchers, Patriot missile defense systems, and F-16 fighters.²

Recommendations for Congress

Members of Congress singularly, and Congress collectively, can do much to strengthen the allies and partners who work alongside the United States in contesting Chinese military advances that undermine our security. Congress should focus foremost at the strategic level, amplifying messages and policies that promote the value proposition for these alliances.

² Jess Macy Yu and Greg Torode, "Taiwan plans to invest in advanced arms as China flexes its muscles," Reuters, January 11, 2018, <https://www.reuters.com/article/us-taiwan-defence-spending/taiwan-plans-to-invest-in-advanced-arms-as-china-flexes-its-muscles-idUSKBN1F00PC>.

In the United States, some, including President Trump, have expressed concern that our Asian allies and partners do not contribute sufficiently to common security. The issue of allied burden sharing has always been an important one. The United States must ensure that allies and partners are contributing effectively as their assets and position allow, including but not limited to their military investments. Yet the United States should never find itself so consumed with a narrow accounting of what allies buy that we lose sight of a fundamental security reality for the United States: our alliance and partner network in Asia is our center of gravity. It is the point of our greatest strength. Clausewitz wrote, “Where there is cohesion, the analogy of the center of gravity can be applied.... In war as in the world of inanimate matter the effect produced on a center of gravity is determined and limited by the cohesion of the parts.”³ Where the alliance system is strong, China’s ability to advance as a world power against our collective interests is most limited. Recognizing this reality, it is our alliance system that China (and North Korea) most seek to undermine. As Clausewitz says of the center of gravity, “It presents the most effective target for a blow.”⁴ The United States should not undermine itself by alienating allies and partners in such a way that it helps potential adversaries strike their deadliest blow to U.S. power.

Specific areas where Members of Congress can advance our alliances and partnerships to achieve U.S. economic prosperity and security goals in Asia include the following:

- Reinforce the 2018 Nuclear Posture Review’s emphasis on the U.S. extended nuclear deterrent. We should not signal a desire for South Korea and Japan to procure their own nuclear arsenals.
- Develop an agenda for a U.S.-led multilateral regional trade regime. At present, the Administration and Congress lack an affirmative economic message for the region. The United States must have a plan of “carrots” for allies and partners, alongside “sticks” to combat the extensive Chinese ties that threaten to undermine the endurance of our security relationships with numerous countries.
- Support the forward posture of U.S. military capabilities where prudent. Too often, the resources expended for forward posture and facilities are treated not as the strategic national investments they are, but as a net drag on domestic basing that could advance localized interests. Congress should change this a-strategic framework, which it has largely created.
- Invest in the resiliency of forward U.S. capabilities. This includes support for facilities’ hardening, investments to support next-generation concepts for missile defense, and infrastructure improvements needed to ensure effective dispersal of forces in the Pacific.

³ Carl Von Clausewitz, *On War*, edited and translated by Michael Howard and Peter Paret (Princeton, NJ: Princeton University Press, 1976), pp. 485-486.

⁴ Clausewitz, p. 485.

- Continue to insist on the host nation support agreements, status of forces arrangements, and operational flexibility needed for the United States to protect its interests and leverage its alliance and partner network effectively for common goals.
- Pursue reforms in the U.S. security cooperation toolkit to enable collective security arrangements with allies and close partners. For the countries of focus in this testimony, priorities should include better information and intelligence sharing, revisions to our technology security and foreign disclosure processes, and the routinization of exportability considerations introduced early in defense requirements and acquisition processes.