

June 20, 2019

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Testimony before the U.S.-China Economic and Security Review Commission
Hearing on “A ‘World-Class’ Military: Assessing China’s Global Military Ambitions”

Panel III: Building a World-Class Military: Missions, Modernization, and Bases

Witness Questions re: “Bases, Places, and a ‘Security Guarantee’ for the Belt and Road Initiative”

Introduction:

The People’s Republic of China’s (PRC) program to develop a world-class military (世界一流军) is well underway. Among the critical challenges facing the People’s Liberation Army (PLA) in achieving this lofty but ill-defined goal is an obvious deficit in its capacity to “safeguard overseas interests.”¹ The demand generated by China’s rapidly growing portfolio of personnel, capital, and resources abroad outstrips the supply of Chinese security.² Certain security tasks may be outsourced to private or local forces,³ but it is the PLA – and principally the PLA Navy (PLAN) – that must deliver military capability to distant theaters and secure the sea lines of communication (SLOCs) between those far-flung locales and the Chinese mainland.

Becoming a “world-class military” does not mean becoming the U.S. military. Certainly, China’s objective entails fielding a force with joint capabilities that are at least competitive, if asymmetrically, with those of the U.S. and its allies. It does not, however, follow that the U.S. model of forward-deployed forces capable of global power projection for major combat operations is a requirement or even a long-term objective for the PLA. Among other contrasts, there is no evidence – nor sound logic – to support the expectation that the PLA needs to establish a large number of permanent military bases that support major combat operations abroad. This is hardly the same as saying China’s growing overseas military capabilities are unworthy of concern, but it is a distinction with a difference.

Even as Chinese analysts and planners draw inspiration from the “bases and places” concept employed by the U.S., the pattern and functions of China’s overseas facilities will remain

¹ This evolving mission is now a “strategic task” defined in the PRC State Council Information Office, “White Paper on China’s Military Strategy,” May 2015,

http://english.gov.cn/archive/white_paper/2015/05/27/content_281475115610833.htm

² One Beijing Academy of Social Sciences researcher describes a “serious structural imbalance between low supply and high demand in China’s international security market,” (Liu Bo [刘波], “Research on Private Security Companies in the Construction of the ‘Belt and Road’ Security System [‘一带一路’安全保障体系后减重的私营保安公司研究],” *Journal of International Security Studies* [国际安全研究], no. 5, 2018, p. 120). This is a clear way to express a common consideration that China does not provide military security for its overseas projects or citizens, and instead relies on local support or free-rides on U.S. security, in Afghanistan or Iraq for example.

³ A 15,000 person security force consisting of Pakistani military and paramilitary forces is tasked with providing security for Chinese personnel and assets in Pakistan (“Pakistan Army Plans New Unit To Protect CPEC Projects,” *Gulf News Asia*, 19 May 2019, <https://gulfnnews.com/world/asia/pakistan/pakistan-army-plans-new-unit-to-protect-cpec-projects-1.64050168>). For more wide-ranging discussions of the role of private and local security forces in protecting China’s overseas interests, see Cao Haifeng [曹海峰], Gong Weibin [龚维斌], “Improving the ‘Belt and Road’ Overseas Emergency Response Mechanism [完善“一带一路”境外涉我突发事件 应急管理机制],” *Chinese Cadres Tribune* [中国党政干部论坛], April 2019, pp. 63-65; Liu Bo [刘波] 2018: pp. 120-160; see also Heath, Timothy R., *China’s Pursuit of Overseas Security*. Santa Monica, CA: RAND Corporation, 2018. https://www.rand.org/pubs/research_reports/RR2271.html.

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distinctive. The American mode of overseas basing is indeed cited in Chinese writing on the PLA's need for overseas facilities. That need is now openly stated, in contrast to prior reticence or outright denials from all but the most forward-leaning voices in China.⁴ However, we should carefully distinguish when U.S. practice serves as a *model* for China vice a *justification* for PLA practice that differs along critical dimensions.⁵

Three such dimensions bear noting up front. First, **China does not have any military alliances**, nor will it in the foreseeable future (the treaty with North Korea is suspect and, at any rate, involves territory contiguous to China not suitable for overseas power projection). This fact surfaces an immediate and obvious contrast that imposes definite constraints on the PLA's overseas basing potential. America's treaty allies (66, on paper)⁶ have concluded binding agreements for mutual defense in wartime. Many allies and non-treaty partners host permanent facilities⁷ that support long-term deployments of significant numbers of military and support personnel, often with their families.⁸ There is no prospect that the largely commercial sites of most interest to the PLA at present could support such presence, nor that they would be reliable, defensible sites in the event of major conflict.

⁴ For example, PLA Air Force Senior Colonel Dai Xu has opined on the necessity for a military base for over a decade, e.g. 戴旭[Dai Xu], “中国应该建设海外基地 [China Should Establish Overseas Bases],” 环球时报 *Huanqiu Shibao*, Feb 3, 2009, <http://mil.huanqiu.com/top/2009-02/363027.html>; this has been a popular position among nationalist audiences at least since that time, e.g., Gao Youbin [高友斌], “Netizens Call for Overseas Base, Aircraft Carrier Formation to Maintain Distant Sea Rights and Interests” [网民呼吁寻求海外基地组航母编队维护远洋利益], *Global Times* [环球时报], October 21, 2009, available at <<http://mil.huanqiu.com/china/2009-10/608793.html>>. Others, including senior military officials, continued to downplay the possibility, e.g., Zhang Zhaozhong: Probability That China Builds Overseas Base Not Large” [张召忠：中国在海外建军事基地的可能性不大], *QQ.com*, January 19, 2010, available at <http://news.qq.com/a/20100119/002913.htm>. Officials resisted confirming that a base would be established until the Djibouti base was nearly opened, with the Ministry of National Defense denying reports as late as May 2016: Ben Blanchard, “China Military Declines to Confirm Djibouti Base Plan,” *Reuters*, June 25, 2015, available at <www.reuters.com/article/us-china-defence-djibouti/china-military-declines-to-confirm-djibouti-base-plan-idUSKBN0P51CV20150625>

⁵ This distinction is made explicit in some work, e.g. Sun Degang [孙德刚], “Analysis of the Conditions for the Deployment of Major Power Military Bases [大国海外军事基地部署的条件分析],” *World Politics and Economics* [世界经济与政治], no. 7, 2015, pp. 40-67; Xue Guifang [薛桂芳] and Zheng Jie [郑洁], “The Realistic Demand and Risk Response for China's 21st Century Construction of Overseas Military Bases [中国 21 世纪海外基地建设的现实需求与风险应对],” *International Outlook* [国际展望], no. 4, 2017, pp. 104-121; Sun Degang [孙德刚], “Overseas Bases Influence on the Power of Deploying Countries [论海外军事基地对部署国权力的影响],” *International Forum* [国际论坛], no. 5, 2014), Sun Degang [孙德刚], “On the Strategic Restructuring of U.S. Middle Eastern Bases Since the End of the Cold War [冷战后美国中东军事基地的战略调整],” *World Politics and Economics* [世界经济与政治], no. 6, 2016; Han Yue [韩跃], “A comparative study on the logistics support mode of Chinese and American Naval Escort Operations [中美海军远海护航行动后勤保障模式比较研究],” *National Defense* [国防], no. 6, 2017.

⁶ Douglas M. Gibler, *International Military Alliances, 1648–2008* (Washington, D.C.: Congressional Quarterly Press, 2009), <http://www.correlatesofwar.org/COW2%20Data/Alliances/alliance.htm>

⁷ The Department of Defense counts some 514, of which 24 are classified as “large sites” hosting significant capabilities and large numbers of personnel. U.S. Department of Defense, “Base Structure Report,” September 2017, <https://www.acq.osd.mil/eie/Downloads/BSI/Base%20Structure%20Report%20FY18.pdf>

⁸ Other sites, like Singapore, are not formal bases but provide logistical support for the U.S. Navy, including a dedicated berth for Nimitz-class carriers.

This **predominantly commercial character of China's overseas facilities** is a second limiting factor. For reasons explored below, this hardly precludes dual-use functions that challenge the U.S. and its allies. Nonetheless, it is not illuminating to ask whether the facilities are “commercial” or “strategic” because the answer is “yes” – *commerce is the strategy*. This is of course oversimplified, but it will not strain imagination to recognize that strategic effects may flow from the commanding commercial position in global trade and logistics that a few Chinese state-owned enterprises (SOEs) have staked out. If these facilities were to be overtly militarized, the commercial viability of many of these highly capital-intensive projects could be severely jeopardized, as would China's overall diplomatic position. There are thus clear and possibly overwhelming opportunity costs facing China as its leaders consider the choice of an overseas basing scheme to project power compared to a program of overseas commercial expansion – albeit one that unavoidably generates demands for military security.

Finally, **China's continental geography changes the geostrategic logic of overseas bases**. If the U.S. is blessed by “splendid isolation,” the PRC is cursed by difficult neighbors. Some 14 countries (several of them large and nuclear-armed) crowd China's continental periphery, whereas the U.S. enjoys the geostrategic luxury of meeting security challenges far from America's shores.⁹ Interior, not exterior, lines of communication are intrinsic to China's geographic position. This means, inter alia, that overland routes from overseas ports to China are strategically meaningful; that Chinese military power will continue to be projected largely from the land outward to sea and air;¹⁰ and that the vital SLOCs connecting China's coastal economic centers to resources and markets traverse a series of vulnerable maritime chokepoints. From the U.S. perspective, these look like grave liabilities; from the Chinese perspective, they are immutable realities that require development of “hybrid continental-maritime state” (陆海符合国家)¹¹ approach to national security.

With this context intact, we can examine some of the details of China's efforts to secure its overseas interests. This testimony follows the Commission's prompts to address (I) the emerging Chinese network of overseas bases and places, (II) the PLA's actual and possible roles and functions at these sites, (III) their viability for expeditionary operations, and (IV) their probable connection to artificial island bases constructed in the South China Sea.

⁹ 14 countries are contiguous to China, including four nuclear armed states (Russia, India, Pakistan, and North Korea). China also has eight or nine maritime neighbors (depending on how you count Taiwan), all of whom are in relatively close proximity due to the “first island chain” surrounding China's eastern flank and the Korean peninsula.

¹⁰ i.e., what Chinese military analysts often call “using the land to control the sea (以陆制海)” (See Erickson, Andrew S. and David D. Yang, “Using the Land to Control the Sea? – Chinese Analysts Consider the Antiship Ballistic Missile,” *Naval War College Review*, vol. 62, no. 4, pp. 1-34). This is the reverse of the U.S. doctrinal preference for military use of the sea and air to control the land, e.g., the U.S. Department of Defense, “Air-Sea Battle Concept: Serice Collaboration to Address Anti-Access & Area Denial Challenges,” Air-Sea Battle Office (May 2013), <https://dod.defense.gov/Portals/1/Documents/pubs/ASB-ConceptImplementation-Summary-May-2013.pdf>

¹¹ This hybridity has been an ongoing conversation in Chinese strategic circles since the turn of the century, e.g., 邵永灵 [Shao Yongling] and 时殷弘 [Shi Yinhong], “近代欧洲陆海复合国家的命运与当代中国的选择 [The Fate of Modern European Land-Sea Hybrid States and China's Choices],” *实际经济与政治 [World Economics and Politics]*, October 2000, pp. 47-52. For a good round-up of this debate, see Daniel Hartnett and Frederic Vellucci Jr., “Continental or Maritime Power: A Summary of Chinese Views on Maritime Strategy Since 1999,” *Center for Naval Analyses*, October 2007.

I. What steps is Beijing taking to build a network of military bases and other support facilities overseas and how might this evolve, including the potential for agreements on supply and support to maritime and air operations? What do China's national leadership and the PLA envision for the PLA's role in supporting the Belt and Road Initiative?

The establishment of a PLA “logistical support facility” (后勤补给设施) at Djibouti in 2017 marks a significant step towards the PLA achieving capacity to conduct out of area ground, maritime, and air operations. However, because this single outpost is not mutually supported or supplied by other sites,¹² the PLA's ability to sustain large-scale operations beyond China's immediate periphery will remain limited for the foreseeable future. The main developments to date have concerned a narrower PLA tasking to “safeguard overseas interests.”¹³ This mission-set is more modest than the development of major combat capability overseas. Instead, it demands various bespoke operations to secure, defend, evacuate, and/or convoy Chinese personnel, assets, and resources, now widely distributed around the globe. Achieving this goal is the principle driver for China's current push to establish overseas facilities and access points – that is, strategic strongpoints (战略支点).¹⁴

How will the PLA achieve the necessary logistical support for this mission to protect overseas interests? Djibouti is almost certainly not predictive of future arrangements. The agreement reached with the Djiboutian government for leasing and operation of the PLA base nearby Doraleh Multi-Purpose Port reportedly resembles the one concluded with the US.¹⁵ There are models for at least temporary status of forces embedded in China's Shanghai Cooperation Organization agreements as well as its agreements for military exercises with Russia.¹⁶ It is unlikely, however, that such an agreement would be possible or desirable at many of the other locations at which Chinese state-owned enterprises (SOEs) have established commercial presence.¹⁷ Djibouti is unlikely to serve as the model for other bases. The conditions that led to its establishment are unique and quite unlikely to be replicated. Djibouti's geographic position allows it to directly support the PLA's first regular overseas military mission (the anti-piracy escort task forces operating in and around the Gulf of Aden). Furthermore, Djibouti is the site of Japan's only overseas military installation, a crucial fact that Chinese interlocutors never fail

¹² One Chinese maritime strategist likened the PLA's Djibouti base to Imperial Germany's base at Qingdao, which was immediately seized by Japanese forces at the outbreak of World War I.

¹³ This is one of eight “strategic tasks” laid out in the 2015 Defense White Paper on China's Military Strategy.

¹⁴ See below for further explication of this concept.

¹⁵ A “status of forces” agreement is not public, but a Chinese analyst from the PLA National Defense University plausibly claims it is modeled on that of the U.S. 丰松江 [Feng Songjiang]. 2018. “现代海外军事基地发展呈现新特点” [New Features in the Development of Modern Overseas Military Bases], *世界知识 [World Affairs]*, No. 11, pp. 60-61.

¹⁶ Some scholars advocate expressly for these to serve as a model for other bases and claim that the Agreement of the Shanghai Cooperation Organization Member States on Joint Military Exercises (Article 7) and The Agreement Between People's Republic of China and the Russian Federation on the Temporary Status of Forces in the Other's Territory during Joint Military Exercises (Article 5) provide useful templates for multilateral and bilateral military basing arrangements, respectively ((Xue and Zheng 2017: 105-107).

¹⁷ Chinese legal scholars note that international law is no constraint on bilateral arrangements at the invitation of the host country. For some, it would be irresponsible for China *not* to make formal military arrangements due to its international responsibilities and obligation to protect its own interests (Xue and Zheng 2017: 116); nonetheless, even these most gung ho of advocates for overseas basing recognize that the international political environment is not ready for such a development.

emphasize.¹⁸ The confluence of these two factors made the decision to establish a base much easier from a diplomatic and operational standpoint.

More probably, the PLA will avail itself of a network of commercial facilities without any formal or overt agreements for military use. Instead, Chinese forces operating abroad will likely secure supplies and other services at SOE-owned or -operated ports and facilities – or simply call at friendly foreign ports where husbanding arrangements can be made commercially on an ad hoc or contractual basis. Such arrangements can likely be secured with increasing scale and efficiency because several Chinese state-owned enterprises (SOEs) are now among the world’s leading commercial port operators. No less than 13 of the 20 largest ports in the world are in mainland China, and Chinese SOEs have equity and/or operating leases on upwards of 70 other key ports across the globe.¹⁹ To date, only one such SOE-invested or -operated port has resulted in a Chinese military base: the PLAN base adjacent to the China Merchants Port multi-purpose port in Djibouti. There is some potential for a variety of dual-use functions at many other facilities, but only limited scope for the development of more outright military bases.

Analytically, the Belt and Road Initiative is probably not the right category for determining where and how the China will establish such support facilities overseas. For one, as a simple matter of accounting, it remains unclear how many countries are “members” and what that status entails.²⁰ A Peking University research institute lists 64 countries as “沿线国家,” or “countries along” the BRI,²¹ while the PRC State Council’s National Development and Reform Commission’s official BRI website touts some 173 agreements with 125 countries and 29 international organizations that have some (undefined) connection to the BRI.²² Many news outlets report that there are about 70.²³ Meanwhile, not all countries where China has major “overseas interests” are classified as BRI countries, nor is there yet any evidence that being so designated entails any systematic differences in military to military or other bilateral relations.²⁴

It is therefore analytically preferable to look at the locations where Chinese SOEs have established commercial outposts and the sites where the PLAN has made port-calls in order to begin making inferences about the likely demands for PLA logistical support. Pending complete collection and analysis of those data, most of which are available in open sources, a conceptual

¹⁸ Author discussions with PLA and with US military commanders who discussed the establishment of a base with PRC personnel.

¹⁹ Author’s database, collected from open sources, e.g., Lloyd’s List Maritime Intelligence and IHS Markit Sea-web.

²⁰ A country’s decision to join BRI is already a function of its existing diplomatic relationship, rendering endogenous any subsequent decision to deepen bilateral relations with China by, say, developing a commercial port.

²¹ Peking University “One Belt One Road” Data Analysis Platform [北京大学《一带一路》数据分析平台], <http://ydyi.pku.edu.cn/yxgj/index.htm>

²² “Belt and Road Portal,” PRC State Council National Development and Reform Commission, <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/86301.htm>

²³ The Economist counted 71 in April 2018: “What’s in it for the Belt-and-Road countries?” *The Economist*, 19 April 2018, <https://www.economist.com/the-economist-explains/2018/04/19/whats-in-it-for-the-belt-and-road-countries>

²⁴ Kenneth Allen, Phillip C. Saunders, and John Chen, “Chinese Military Diplomacy, 2003-2016: Trends and Implications,” China Strategic Perspectives No. 11, Center for the Study of Chinese Military Affairs, National Defense University, p. 1-3.

container better-suited to understanding where and how such logistical arrangements are likely is the “strategic strongpoint” (战略支点) overseas port.²⁵

The strategic strongpoint concept is increasingly deployed among Chinese strategists and officials to highlight the geoeconomic value of the location – its proximity to markets, resources, or SLOCs. This economic priority generates a necessity for security, largely the remit of the PLA. Importantly, this is a networked concept: a single site will not do. Mutually supporting, functionally differentiated points will afford the best possible security guarantee for China’s overseas interests.²⁶ Not all strategic strongpoints must be sites for PLAN port calls or military facilities of any kind, but rather can fall along a spectrum from friendly commercial ports of call to a full-up naval base like Djibouti.²⁷ Additionally, the strategic strongpoint is virtually never described as a platform for offensive military operations; rather, researchers portray such overseas ports as the logical sites for staging some military operations designed to “safeguard overseas interests” – especially the SLOC-protection mission.²⁸

This strategic strongpoint terminology has growing currency in authoritative official economic planning documents like the 13th Five Year Plan (2016-2020),²⁹ and the BRI’s guiding “vision” as released by several of China’s leading state agencies in 2015.³⁰ But the concept and its logic predates those BRI documents, appearing prior to the unveiling of the Initiative itself in the authoritative 2013 Science of Military Strategy, which states that the PLA:

“...must build overseas strategic strong points that depend on the homeland, radiate into the periphery, and move us in the direction of the two oceans [i.e. the Pacific and Indian Oceans]. These sites are to provide support for overseas military operations or act as a

²⁵ This is the author’s preferred translation, though “strategic support point” is also viable. See Kennedy, Conor, “Strategic Strong Points and Chinese Naval Strategy,” *Jamestown China Brief*, vol. 19, no. 6, 22 March 2019, <https://jamestown.org/program/strategic-strong-points-and-chinese-naval-strategy/>; see also Kardon, Isaac B. and Conor Kennedy, “A Base By Any Other Name? China’s Strategic Strongpoints,” in *Going Global? The People’s Navy in a Time of Strategic Transformation*, Newport: Naval War College Press, forthcoming 2020.

²⁶ For a particularly clear analysis of the varied types of mutually supporting strategic strongpoints from a scholar from the Academy of Military Sciences, see Hu Xin [胡欣], “The Expansion of National Interests and the Construction of Overseas Strategic Strong Points [国家利益拓展与海外战略支撑点建设],” *世界经济与政治论坛 [Forum of World Economics & Politics]*, No. 1, Jan. 2019, pp. 21-35.

²⁷ Indeed, another Chinese scholar from the PLA Academy of Military Science categorized Djibouti as China’s first strategic strong point. Liu Lin [刘琳], “Strategic Strongpoints and Military Diplomacy Construction Along the Belt and Road [“一带一路”沿线战略支点与军事外交建设],” *World Knowledge [世界知识]*, 26 July 2017, <http://m.dunjiaodu.com/waijiao/1562.html>

²⁸ Zhang Jie [张洁], “Maritime Channel in Southeast Asia and China’s Strategic Pivots [海上通道安全与中国战略支点的构建],” *Journal of International Security Studies [国际安全研究]*, No. 2, 2015, pp. 100-118.

²⁹ This most authoritative economic planning document charges the party-state to “actively advance the construction of strategic strongpoints along the 21st Century Maritime Silk Road, participate in the building and operation of major ports along the road, and promote the joint development of industrial clusters around these ports to ensure that maritime trade routes are clear and free-flowing,” PRC National Development and Reform Commission. 2016. “The Thirteenth Five Year Plan for Economic and Social Development of the PRC [2016-2020].” Beijing: Central Compilation & Translation Press, Part XI, Chapter 51, Section 2.

³⁰ “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road [推动共建丝绸之路经济带和 21 世纪海上丝绸之路的愿景与行动],” Issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People’s Republic of China, 28 March 2015.

forward base for deploying military forces overseas, exerting political and military influence in relevant regions. We should form a posture with the homeland strategic layout that takes account of both the interior and the exterior, connects the near with the far, and provides mutually supporting facilities.”³¹

The recent advent of BRI only compounds a shortcoming in overseas capability that the PLA has faced for at least 20 years. China’s firms have sought foreign markets and resources – and to develop the seaports that facilitate export and import – with increasing scale and tempo since becoming a net oil importer in 1993. Jiang Zemin’s “Go Out” (走出去) strategy, launched in 1999,³² is the forbear to steadily more grandiose programs pushed by Hu Jintao’s “New Historic Missions” and now Xi Jinping’s “Belt and Road Initiative” to promote China’s continued economic development. The PLA has consistently lagged behind this trend.

The flag evidently follows trade in the open, globalized economy of the early 21st century.³³ Arguably, this is because security for commerce is already fairly stable due to the overwhelming presence of the U.S. Navy and its allies and partners, and prevailing norms of “free and open” trade. Yet China is vulnerable to changes in U.S. strategy. Thus, Chinese leadership increasingly views it as a vital imperative to establish its own security backstop for its globalized commercial interests.³⁴

This mission falls primarily to the PLAN. South Sea Fleet Commander Wang Hai told the *People’s Navy* that “[w]e must closely coordinate with the Belt and Road Initiative, use multiple means to safeguard the security of strategic sea lanes in the region, and ensure that strategic capabilities can extend and radiate wherever China’s interests develop.”³⁵ He evokes the BRI not because it defines the geographic or economic scope of his mission, but because it is the surest way for PRC central leaders to market the military’s mission in a positive light.

Indeed, Xi Jinping told the first Belt and Road Forum (BARF) in May 2017 that “the Belt and Road initiative requires a peaceful and stable environment,” observing that the countries and regions it traverses “are often associated with conflict, turbulence, crisis, and challenge.”³⁶ At a 2019 address to the Central Party School, Xi proposed “improving the BRI security system [一

³¹ Shou Xiaosong [寿晓松], ed.. 2013. *战略学 [The Science of Military Strategy]*, Beijing: Military Science Press [北京: 军事科学出版社], p. 254. Henceforth “Academy of Military Sciences 2013”

³² Jiang Zemin originated the “Go Out” program in 1999, and it was expanded by Hu Jintao in 2003. The policy was explicitly linked to China’s accession to the World Trade Organization. PRC State Council Information Office. 2006. “Better Implement the ‘Go Out’ Strategy, [更好地实施“走出去”战略].”

³³ For cogent recent analysis of this pattern, see Scobell, Andrew and Nathan Beauchamp-Mustafaga, “The Flag Lags But Follows: The PLA and China’s Great Leap Outward,” in *Chairman Xi Remakes the PLA: Assessing Chinese Military Reforms*, eds. Phillip C. Saunders, et al., Washington: NDU Press, 2019, pp. 171-199.

³⁴ As a leading Chinese sea power theorist puts it: “Wherever the interests go, our security boundary must also go [利益走向哪里，我们的安全边界就走向那里],” in Zhang Wenmu [张文木], *On Chinese Seapower [论中国海权]*, Beijing: Maritime Press, 2014, p. 210-211. This is not a uniquely Chinese view on interests and security.

³⁵ “Unswervingly move toward the goal of comprehensively building a world-class navy [坚定不移向着全面建成世界一流海军目标边进],” *People’s Navy [人民海军]*, 15 June 2018, pp. 2-3.

³⁶ “Full Text of President Xi’s Speech at Opening of Belt and Road Forum,” *Xinhua*, May 14, 2017, http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm.

带一路安全保障体系]”³⁷...and “strengthening the protection of overseas interests and ensuring the safety of major overseas projects and personnel.”³⁸ BRI is the vehicle and an ex post justification of sorts for energizing a process to secure Chinese interests abroad that has been underway for some time.

The BRI also provides an administrative home for domestic reforms that will enable the PLA and private security to coordinate with the state and enterprises in providing security. The Office of the Leading Group for Promoting the Belt and Road Initiative, an “interagency” group under the State Council’s National Development and Reform Commission headed up by Chinese Communist Party (CCP) Politburo Standing Committee (PBSC) member Han Zheng proposed two security mechanisms toward this end. The first is a “security risk early-warning and monitoring mechanism,” and the second is an “emergency response mechanism.”³⁹

Neither mechanism has yet been fully articulated in a major speech nor implemented by the relevant agencies, though Central Party School researchers quickly began to elaborate the need to coordinate “front-end construction with back-end security.”⁴⁰ They recommend establishing a “‘Belt and Road’ Safety Emergency Subcommittee” under the PRC’s relatively new Central National Security Commission (中央国家安全委员会), which could help integrate the party, state, and military functions necessary to manage emergent security threats abroad. Relatedly, the Secretary General of the China Port Association, Ding Li, suggests a similar integration – in his case, a “Belt and Road national port liason mechanism” (建立“一带一路”国家港口联络机制) that would join party, state, and military leaders in a unified (but perhaps ad hoc) committee to facilitate security and coordinate policy at strategic strongpoint ports.⁴¹

Chinese leadership plainly wants to include the PLA in addressing overseas security concerns *without* giving the impression that it is “militarizing” all of its commercial facilities. This is a current and unresolved problem, and the commercial logistics facilities already established by SOEs are an overwhelmingly likely site for experimenting with ways to deter and control

³⁷ Although this prompt appears prominently in the Commission’s questions, I do not yet see evidence in open sources that this “system” has become a major theme in Chinese writing or thinking. There is evidently a centrally-funded grant for research on “Belt and Road Risks and Systematic Response” (国家社科基金项目“‘一带一路’战略风险及系统应对研究” [16XGJ010]. Beyond that, only two detailed examinations are readily available. One is by two researchers at Guizhou University, and focuses at a very generic, sloganeering level on security along the BRI (Yang Da [杨达] and Deng Yu [邓羽], “Perfecting the Collective Construction of the ‘One Belt One Road’ Security Guarantee System [完善共建‘一带一路’安全保障体系],” *Guangming Daily* [光明日报], 1 April 2019, p. 16, <http://mini.eastday.com/a/190401050446529-4.html>); a second is Liu Bo (2018) on the role of private security firms in this system (see fn 2). It is possible that this concept is simply new, but equally possible that it is one of many slogans relating to BRI that will not develop into a concerted set of policies backed by substantial resources.

³⁸ Xi Jinping [习近平], “To Prevent and Resolve Major Risks in Various Domains, Xi Jinping Has Clear Requirements [防范化解各领域重大风险, 习近平有明确要求],” *Xinhua* [新华网], January 22, 2019, http://www.xinhuanet.com/2019-01/22/c_1124024464.htm.

³⁹ Office of the Leading Group for Promoting the Belt and Road Initiative, “The Belt and Road Initiative: Progress, Contributions and Prospects,” 22 April 2019, http://www.xinhuanet.com/english/2019-04/22/c_137998357.htm

⁴⁰ Cao and Gong, “Improving the ‘Belt and Road’ Overseas Emergency Response Mechanism,” p. 63.

⁴¹ Ding Li [丁莉], “Writing a New Chapter in the Construction of the 21st Century Maritime Silk Road with the Port as a Strategic Strongpoint [以港口为战略支点书写 21 世纪海上丝绸之路建设新篇章],” *China Ports* [中国港口], no. 7, 2018, http://www.sohu.com/a/242651424_784079

emerging risks and threats to China's overseas interests. The strategic strongpoint concept is a leading contender in the debate about how to go about doing so without developing a large network of overtly military facilities. This remains a work in progress.

II. What, if any, evidence exists that China intends to use the construction, acquisition or management of commercial logistics infrastructure to develop an overseas support network for clandestine military or intelligence operations, including through the stationing of military or intelligence personnel at these facilities?

While we cannot rule out clandestine efforts to establish military or intelligence operations from China's commercial ports, open sources do not provide anything beyond speculation about such practices. The overt uses, however, of SOE-built, -owned, or -operated port facilities are worthy of attention in their own right. In particular, we should attend to the immense portfolio of overseas ports and related infrastructure designed, built, and sometimes owned and operated by subsidiaries of centrally-owned SOEs⁴² – especially industry leaders like China Merchants Ports (CMP), China Overseas Shipping Corporation (COSCO) Shipping Ports, and China Communications Construction Corporation (CCCC) and its subsidiary China Harbor Engineering Corporation (CHEC).⁴³

These SOEs are not “state-run” in the sense of being managed directly by state bureaucrats, much less by party cadres. Still, at the “group” or enterprise level, the central SOEs are led by a CEO or other executive appointed directly by the State Assets Supervision Administration Commission (SASAC) under the State Council, China's cabinet. That executive holds vice-ministerial rank and can therefore be reliably considered an agent of the state in certain respects. Even if that executive comes from industry, it is a political appointment. Therefore, the cloak-and-dagger clandestine infiltration of one of the 70-odd SOE-operated ports⁴⁴ seems unnecessary when the channels between the SOE and state agencies are direct and explicit.

Anecdotally, there are some port projects for which there is not a strong commercial rationale.⁴⁵ In such cases, the reasonable presumption is that political incentives pushed firm executives to pursue a project driven by China's broader diplomacy.⁴⁶ It can be “good for business” for an SOE to pursue a project for which there is strong political backing by elite party members or for

⁴² Central SOEs are those owned by the central government, some 96 firms that include the “big three” port developer/operator firms: China Merchants Ports (a subsidiary of China Merchants Group), COSCO Shipping Ports (a subsidiary of COSCO), and China Communications Construction Group (which operates China Harbor Engineering Corporation, the leading port dredger). For clear analysis of the relationships between SOEs and the party-state, see Rosen, Daniel H., Wendy Leutert, and Shan Gao, “Missing Link: Corporate Governance in China's State Sector,” *Asia Society Special Report*, Nov. 2018, https://asiasociety.org/sites/default/files/inline-files/ASNC_Rhodium_SOEReport.pdf

⁴³ These firms are involved in over 90% of Chinese firms' overseas port projects (author database).

⁴⁴ The data are still being collected to determine how many there are in total as well as the extent to which the Chinese SOE controls port operations. In some cases, as a majority equity holder and owner in whole or in part of a port authority, there will be considerable autonomy for an SOE to operate a port without supervision.

⁴⁵ This is based on interviews with managers from Chinese SOEs and those with close observations of their operations; it is difficult to make this judgment conclusively without seeing meeting minutes or internal documents in which the enterprise's leadership determines a project to be non-economic but pursues it anyhow.

⁴⁶ Sun Degang [孙德纲], “The Theory and Practice of China's Seaport Diplomacy [中国港口外交的理论与实践],” *World Economics and Politics [世界经济与政治]*, no. 5, 2018, pp. 4-32.

which there is a strong foreign policy rationale – thus the attractiveness of branding projects “BRI.” The cheaper financing available for such projects, at least until recently, is still more reason to do so. At any rate, infrastructure is not typically profitable in the short- or even medium-term, deriving its value by boosting logistics for peripheral industries and thus goosing local and regional commercial activity.⁴⁷

In short, good politics may outweigh good profits for some SOE corporate decision-making. These political incentives are quite obvious in SOE enthusiasm for certain dubious BRI projects. Still, the further expectation that these facilities might be available for military or intelligence use, clandestine or otherwise, is not as readily deduced. Hints of a mandate for such permissive corporate behavior are found in legislation like the 2017 National Defense Transportation Law. It indicates that “civil-military fusion” and “embedding military in civilian” are obligatory under the “principles of unified leadership...long-term preparation, [and] emphasis on the construction of key projects” (Article 4).⁴⁸ These are seemingly applicable provisions for the use of commercial ports by military personnel. The law further stipulates that the state will “guarantee the national defense mobilization expenses” (Article 6), underlining the seeming hazard for firms in the event that they are called upon to allow covert use of their facilities.

Even in the absence of exquisite intelligence on such clandestine operations, we can see quite overt intent and potential for use of commercial facilities for “civil-military” purposes. For example, the information about flows of goods and personnel through ports has clear military intelligence value. Systematic knowledge concerning the huge volume of merchandise trade, some of it destined for the U.S. military and its partners, is a clear advantage, and one that China can likely already exploit. However, it is a marginal capability and probably not useful in high-end warfighting. It is also entirely conceivable that sensors and other signals intelligence technology may be emplaced, human intelligence may be collected, and various other types of information may be gleaned in the process of conducting the normal commercial operations.

Those very same normal commercial operations, however, provide some strong arguments *against* utilizing overseas ports for clandestine intelligence and military operations. For one, doing so and being discovered risks the commercial viability not only of that compromised project, but also the diplomatic relationship with the host and its tolerance for other Chinese projects. Additionally, if publicized, such a scandal would damage diplomatic and commercial relationships with other partners hosting comparable Chinese-operated facilities. These foreseeable opportunity costs may not prevent surreptitious use, but it is quite reasonable to expect strong countervailing pressures from China’s own diplomatic and commercial stakeholders. It also bears noting that the SOEs are supposed to make money for their principal shareholder, the Chinese state, and avoid upending its other interests and operations. These are not clinching arguments, but should be factored in as liabilities for clandestine program.

⁴⁷ Ansar, Atif, Brent Flyvbjerg, Alexander Budzier, Daniel Lunn, “Does infrastructure investment lead to economic growth or economic fragility? Evidence from China,” *Oxford Review of Economic Policy*, vol. 32, no. 3, 2016, pp. 360-390.

⁴⁸ People’s Republic of China National Defense Transportation Law, 2017, http://eng.mod.gov.cn/publications/2017-03/03/content_4774223.htm

A black eye for the BRI is not the only liability that such a “weaponization” of commercial port facilities could present. Indeed, it may simply be operationally undesirable to rely on commercial facilities for anything but minor military and intelligence concerns. The argument against going too far towards using commercial facilities for military purposes is thus based not just on the opportunity costs of doing that rather than pursuing profitable trade and investment relations, but also on the unfeasibility of using these facilities to achieve desired effects. Even with the large number of overseas facilities operated by Chinese firms, very few are majority-owned. Rarely is more than an individual terminal under SOE control. These considerations thus support the judgement that covert and clandestine efforts at ports owned or operated by Chinese firms are possible, even likely, but not sufficient for supporting most significant military operations.

III. How does the PLA currently use commercial ports overseas? To what degree could China’s commercial investments in ports and airfields abroad support the PLA’s expeditionary operations? What are the current limitations of that infrastructure for support to expeditionary operations?

At present, the PLA uses commercial ports overseas primarily for friendly port calls. “Showing the flag,” refueling, and reprovisioning to the extent possible do not enable warfighting, though they do allow sustained non-war operations out of area. Several scholars have tracked the frequency and type of such port calls, which have seen a marked uptick since the launch of the PLAN anti-piracy escort mission in 2008.⁴⁹ Again, based on open source information, I can only testify that PLA use of commercial ports has largely been limited to these relatively mundane functions. Even without such pit stops, some underway refueling and limited resupply can be achieved with support vessels and helicopters, both of which are increasingly well-represented in the PLAN force structure. If we define “expeditionary operation” loosely to include escort and peacekeeping,⁵⁰ the very limited capacity afforded by commercial ports and the one base at Djibouti are sufficient for some modest expeditionary operations.

Further development of strategic strongpoint ports will enable the PLAN to steadily ramp up capacity for conducting such missions at higher frequency and intensity. The former PLAN Commander, Wu Shengli, noted that “overseas strategic strongpoint construction has already provided a new support for escort operations.”⁵¹ In respect of escort operations and SLOC protection, these commercial facilities provide ample, convenient services for most PLAN vessels to sustain such operations across the Indian Ocean region and beyond.

The question is whether they could do so in an opposed environment. At present, this seems to depend on who is opposing their operations. If the U.S. or India is attempting to deny China’s

⁴⁹ See Allen, Kenneth, Phillip C. Saunders, and John Chen, “Chinese Military Diplomacy, 2003-2016: Trends and Implications,” *INSS China Strategic Perspectives*, no. 11, 2017,

<https://inss.ndu.edu/Media/News/Article/1249897/chinese-military-diplomacy-20032016-trends-and-implications/>

⁵⁰ The U.S. military defines expeditionary forces as “An armed force organized to achieve a specific objective in a foreign country” (Joint Publication 1-02, DoD Dictionary of Military and Associated Terms, Washington, D.C.: U.S. Joint Chiefs of Staff, as amended through May 2019, p. 80

<https://www.jcs.mil/Portals/36/Documents/Doctrine/pubs/dictionary.pdf>.

⁵¹ 梁庆松 [Liang Qingsong], 王元元 [Wang Yuanyuan], “海军召开亚丁湾护航 8 周年研讨会” [The Navy Holds a Seminar on the 8th Anniversary of the Gulf of Aden Escorts], 人民海军 [People’s Navy], December 30, 2016, p. 1.

operations in the Indian Ocean region, unhardened commercial facilities in neutral countries are not likely to be sufficient. If no major power is involved, the steady development of strategic strongpoints will enable a range of non-combat military operations throughout the region. The addition of a single, more capable “base” in the central Indian Ocean (say at Hambantota, where much speculation abounds about Chinese intentions), on the west coast of Africa, and in the South Pacific, would shorten supply intervals such that the PLAN could sustain certain expeditionary operations throughout the Indian Ocean region, the South Atlantic, and the Western Pacific, respectively.⁵²

While Chinese officials analysts are quick to disclaim any intention to use such facilities for offensive operations as does the U.S.,⁵³ others are quick to assert that China’s model is switching from one “based on supply ships supplemented by foreign ports to one that is based on overseas bases supplemented by foreign ports and domestic support,” in the words of Li Chunpeng, Political Commissar of the PLAN base in Djibouti.⁵⁴ Other Chinese leaders send mixed signals, as former State Oceanic Administration Director and current Hainan province governor Liu Cigui puts it: “The security of sea lanes is the key to sustaining the stable development of the Maritime Silk Road, and ports and docks are the highest priority for securing the sea lanes...[they] must not only have the function of cargo handling, but must also provide replenishment and logistics services...[and] ensure the safety of the surrounding waterways.” They may be “built separately from the host country, jointly with China and other countries, or could involve leasing currently existing ports as a base of operations.”⁵⁵ The advent of a PLA Marine Corps is intended, in part, to create a more flexible force that can swiftly deploy and operate overseas without the need for large-scale forward operating bases.⁵⁶

Others simply doubt the operational capacity of commercial facilities to support the types of capabilities that China would need to conduct major expeditionary operations:

“construction of ports and related facilities through friendly cooperation with other countries can expand the scope of maritime operations and enhance their flexibility and sustainability. However, the construction of such commercial port facilities is extremely expensive and their practical utility is limited; they cannot meet the needs of munitions storage, maintenance and parts for large surface vessels, and security needed for military operations, especially in the event of conflict. If the intensity of China’s overseas military

⁵² Author interviews with U.S. navy logistics and supply officers.

⁵³ Several scholars from the Army Military Transportation University in Tianjin lay this out in some detail: Wang Tianze [王天泽], Qi Wenzhe [齐文哲], “An Exploration into the Support of Transportation and Projection for Military Bases Abroad [海军海外军事基地运输投送保障探讨],” *National Defense Transportation Engineering and Technology* [国防交通工程与技术], vol. 16, no. 1, 2018, pp. 32-35.

⁵⁴ “Military Report: Special Report on the 70th Anniversary of the Founding of the People’s Navy. Guaranteed to Win. Logistical forces extend to the far seas [军事报道:人民海军成立 70 周年特别报道 保障打赢 后勤力量向远海大洋延伸],” *CCTV*, 19 April 2019, <https://www.youtube.com/watch?v=Z4DyOGgTljk&feature=youtu.be>, at 5:30.

⁵⁵ Li Cigui [刘赐贵], “Some Thinking on Developing Maritime Cooperative Partnership to Promote the Construction of the Twenty-First Century Maritime Silk Road [发展海洋合作伙伴关系 推进 21 世纪海上丝绸之路建设的若干思考],” *Guoji Went Yanjiu* [国际问题研究], April 2014, http://intl.cssn.cn/zxz/gjzxx_zzx/201408/t20140819_1297241.shtml.

⁵⁶ An in-depth study on the PLAN Marine Corps is being conducted at the China Maritime Studies Institute by Conor Kennedy. See Conor Kennedy, “The PLAN Marine Corps,” in *Going Global? The People’s Navy in a Time of Transformation*, Newport: Naval War College 2020 (forthcoming).

operations increases as China's economic, political, and security interests continue to expand, commercial port replenishment is unlikely to be used as a long-lasting logistical support option. After all, foreign commercial port facilities also have their own commercial self-interests which requires the regular scheduling of commercial activities that will tie up most of the service capacity of any commercial port...[Therefore t]he lack of overseas bases has become an important factor limiting the effectiveness of Chinese military forces, including the Navy. How to build overseas bases is an issue that China cannot avoid.”⁵⁷

The existing stock of commercial “places” may be sufficient to build strategic strongpoints sufficient to support limited expeditionary operations tailored to the protection of China's overseas interests, even as they expand. Whether China's force structure can support higher-end, major combat functions without using these ports is beyond the scope of this testimony and my expertise. However, we should be looking at these facilities in terms of what they can – and in some cases *already* – deliver for lower-end operations. It does not take another navy modeled on the U.S. navy to generate significant strategic problems, to include peacetime coercion and horizontal escalation.

IV. What role might the bases China has built on artificial islands in the South China Sea play in the PLA's operations beyond its immediate periphery?

Chinese officials and scholars have not explicitly drawn connections between out of area operations and the artificial island bases that China has constructed in the South China Sea (SCS). Still, the augmented military and intelligence facilities in the Paracels (especially Woody Island, or 永兴岛) and in the Spratlys at Subi Reef (渚碧礁), Mischief Reef (美济礁), and Fiery Cross Reef (永暑礁) effectively extend China's territory some 800 miles south from its coast.⁵⁸ The logic of mutually supporting strategic strongpoints⁵⁹ dictates that these installations should function to extend the operational range of the PLAN well beyond the first island chain.

PLA doctrine supports this operating concept. The 2013 Science of Military Strategy posits the use of islands and reef installations to create a “large-area maritime defense system” (大区域海上防卫体系) to extend power projection.⁶⁰ This is characteristic of a continental power, treating proximate maritime areas as extensions of land power rather than hubs for maritime power projection. Further, China's geography – particularly the vast, foreign land territory that envelops its southern and western flanks – dictates that the South China Sea will be the nearest maritime area to support operations in the Indian Ocean, and likely in the Western Pacific. PLAN researchers have recognized this for some time, and explicitly linked it to the Spratlys since artificial island building got underway in earnest in 2014.⁶¹

⁵⁷ Xue and Zheng: 107-108.

⁵⁸ Zhanjiang, the home port of the South Sea Fleet, is about 820 miles, or 712 nautical miles, from Fiery Cross Reef.

⁵⁹ Academy of Military Sciences 2013: 254; Hu Xin 2019: 26

⁶⁰ Academy of Military Sciences 2013: 214

⁶¹ Jian Li [剑李], Chen Wenwen [陈文文], and Jing Jin [晶晶]. “Indian Ocean Seapower Structure and the Expansion of China's Seapower into the Indian Ocean[印度洋海权格局与中国海权的印度洋拓展],” *Pacific Journal [太平洋学报]*, vol. 22, no. 5, 2014. The authors are researchers at the PLAN's Naval Research Institute.

The newly formed Western Theater Command has no naval component that might execute such distant operations in the event of a conflict in the Indian Ocean. This task would fall to the Southern Theater Command, which now routinely operates into the far reaches of the SCS. China's expanding fleet of blue water vessels (especially the Type 055 *Renhai*-class guided-missile destroyers) can utilize the Spratly bases and thus skip the long voyage back to Hainan or Zhanjiang. So too can long-range strategic aircraft like the Y-20, AN-225, and even the H-20 strategic bombers. These assets are not able to operate out of more distant facilities, and though PLA warfighters would no doubt like to have forward operating bases, they will have to make due with Spratly outposts as the furthest extent of basing for the present.

Such use of SCS facilities modestly increases the out of area power projection of the PLA. The question of whether they can be effectively linked to other bases and places remains outstanding. Certainly, a link between the Djibouti base and the Spratlys is too distant for sustaining high-intensity operations. An intermediate base in, say, Sri Lanka, Burma, or the Maldives would help operations, though it might badly harm China's diplomacy and commercial ambitions in the region.

The opportunity costs of appearing to abandon China's "peaceful rise" are high, and not lost even on the PLA. The 2015 *Science of Military Strategy* evinces keen awareness of the perils of operating overseas. "A first consideration must always be to weigh the pros and cons of whether or not to 'go' at all. Diplomacy is no small matter, nor is the use of military force overseas...[even innocuous tasks like] peacekeeping, NEOs, maritime escort, and search and rescue must only proceed from careful consideration of the strategic requirements of China's political interests, economic interests, diplomatic interests and security interests."⁶² China will need to utilize overseas ports to protect its overseas interests, and the PLAN will be the main agent of that effort. Given the likely long-term limitations on building a large network of distant bases, they will largely have to flow the needed capabilities from the SCS.

⁶²肖天亮 [Xiao Tianliang], ed. 2015. Beijing: *战略学 [Science of Military Strategy]*. 国防大学出版社 [PLA NDU Press], p. 299).