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Edited by

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Overview

Uphill Challenges: China's Military Modernization and Asian Security

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EXECUTIVE SUMMARY

This chapter provides an overview of the dramatic shifts in the Asian balance of power as a result of China's military modernization over the last two decades and assesses the U.S. response.

MAIN ARGUMENT:

The military advantages that previously allowed the U.S. to deny its great-power rivals hegemony over Asia also enabled Washington to dampen regional security competition and create a liberal economic order. This order was grounded in U.S. military superiority, economic power, and willingness to bear the costs of global leadership, as well as the inability of any Asian power to prevent the U.S. from operating along the Asian littorals in defense of its allies. China's current military modernization, however, challenges the U.S. military's ability to operate in proximity to the Asian land mass, thereby threatening the larger structure of regional stability built on American hegemony.

POLICY IMPLICATIONS:

- If unarrested, the erosion of U.S. preeminence portends the rise of new hegemonies that will come to dominate Asia in time, creating a far more pernicious strategic environment.
- The increased geopolitical competition resulting from decaying U.S. hegemony will undermine regional and global economic growth.
- The U.S. needs rational policies to protect its primacy that include preserving its critical military advantages during the current budgetary crisis and rebuilding its financial and economic foundations.

Uphill Challenges: China's Military Modernization and Asian Security

Ashley J. Tellis

Although the United States was engaged in Asian geopolitics long before World War II, the decisive U.S. victory in that conflict marked a turning point in U.S.-Asian relations. The demise of Japan as a major challenger paved the way for the inauguration of a new regional order underwritten by the military power of the United States. Although a transformed order of some kind would have inevitably materialized as a result of the U.S. triumph over Japan, the Cold War that followed—involving the struggle with the Soviet Union, and with global Communism more generally—defined the specific character of the “hegemonic stability” that came to prevail in maritime Asia. It is one that survives, even if increasingly challenged, to this day.

The success of this hegemonic stability, as manifested in the postwar Asian political order, was wrought through a bitter struggle with a powerful, but ultimately weaker, coalition of Communist states. This U.S.-led system itself evolved slowly, beginning first in Northeast Asia and then extending over time to Southeast Asia in both its continental and maritime configurations. Throughout this process, it was shaped by actual or threatened conflicts with the Communist powers, who at various points threatened the local states that were U.S. allies. The military protection offered to these states against the Communist threat created the nucleus of a pacified Asian order, which survived ultimately because of the U.S. capacity to bring considerable military power to bear in its defense at different points along the Asian littoral.

This ability to muster concentrated force when required along the Asian periphery was contested by Soviet power for most of the Cold War, but Moscow's challenge here was consistently overcome thanks to the United States' technological superiority, better internal balancing, and sturdy regional coalition. Furthermore, even during the height of the Cold War, when its military capabilities were at their most potent, the Soviet Union was severely handicapped in its capacity to definitively deny the United States access to maritime Asia for several reasons: the core of Soviet national power was based in the European half of its Eurasian territory rather than in its Asiatic fringes; the air and land lines of communication between European and Asiatic Russia were long, tenuous, and relatively underdeveloped, making the sustainability of Soviet military forces in the Far East a challenging proposition; and, finally, Soviet combat power adjacent to the Pacific, however significant in absolute terms, was considerably weaker than its equivalent in Europe.

These realities all combined to bequeath the United States with functional access to the Asian land mass even during the Cold War. Although the gradient imposed by distance inevitably eroded the ease with which military power could be brought to bear, these limitations were substantially circumvented by the U.S. ability to deploy powerful forward-based and forward-operating forces either in or in close proximity to Asia.¹ This extended reach was reinforced by the traditional U.S. command of the commons, especially its mastery over the open oceans, which in effect made them a "great highway" through which massive reserves of military power could be ferried from the continental United States to any trouble spots along the Asian periphery.² Thanks to these umbilicals, the United States became, in effect, an Asian power geopolitically, even if it was physically far removed from the continent.

The Legacy of U.S. Military Dominance in Asia

Despite the contest with the Soviet Union, U.S. military dominance laid the foundations for making East Asia one of the critical successes enjoyed by American grand strategy in the postwar era. It did so in three ways.

First, the preeminence of U.S. warfighting capabilities ensured that attempts at seeking hegemonic domination in Asia by any regional or extra-regional state would end up being both costly and ultimately unsuccessful. By

¹ For more on the "loss of strength gradient" (the inverse relationship between geographic distance and the amount of military power that can be brought to bear), see Kenneth E. Boulding, *Conflict and Defense: A General Theory* (New York: Harper, 1962), 262.

² Alfred T. Mahan, *The Influence of Sea Power upon History, 1660–1783* (1890; repr., New York: Barnes & Noble Books, 2004), 26. On the importance of access to the global commons for the U.S. military, see Barry R. Posen, "Command of the Commons: The Military Foundation of U.S. Hegemony," *International Security* 28, no. 1 (2003): 5–46.

so shaping the calculus of all potential competitors, Washington ensured—through almost half a century of containment—that the concentration of resources present in this continent, as in Europe, would not come under the control of any single competitor or a consortium of rivals who might exploit them to sustain a larger threat directed at the United States. The success of this strategy also ensured simultaneously that the United States would enjoy continued economic, political, and strategic access to this critical area of the globe, thereby cementing the still-critical role of the United States as the guarantor of regional security.

While U.S. military capabilities at both the global and the regional levels were indispensable for countering the rise of competing local hegemonies, their effectiveness was mediated through a unique and asymmetrical alliance system—often dubbed “hub and spokes” to describe the centrality of the United States in the arrangement. This system called on Washington to guarantee the security of multiple allies without requiring the protected partners to make any reciprocal commitments to U.S. safety in return. The effectiveness of such an alliance system, which was designed to contain the Soviet Union (and, initially, China as well), hinged fundamentally on the United States’ ability to maintain military superiority vis-à-vis its adversaries and on its capacity to bring such superiority to bear whenever required at any specific locale along the Asian periphery.

Second, the very military advantages that permitted the United States to ultimately deny its great-power rivals hegemony over the Asian land mass also enabled Washington to dampen local security competition between the regional states, including among its own protectees. Power political rivalries among the Asian states have been among the chief causes of continental instability for centuries.³ Although historically these competitions had generally been bounded by geography and the limitations of national military capabilities—making the struggles within local “security complexes” more significant than the rivalries across them—both these restraints appeared fragile in the postwar period. World War II had demonstrated new technologies that permitted states to apply power beyond their immediate frontiers; hence the fear that key dyadic rivalries within Northeast, Southeast, and South Asia could spill over beyond their traditional confines acquired special significance in the era of tight bipolarity, where larger confrontations escalating beyond their original precipitants were an ever-present possibility.

Where local security competitions were concerned, therefore, the interests of the two superpowers in avoiding an unwanted major war combined with the security guarantees offered by the United States to its own

³ For more on the rivalrous nature of Asian politics, see Aaron L. Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” *International Security* 18, no. 3 (1993/1994): 5–33.

allies to tamp down many of the historical rivalries that previously marred relations between key Asian states. Although intense conflicts did occur occasionally, these were relatively limited in scope; none at any rate succeeded in either crippling the pacified enclaves populated by the United States' core allies or fundamentally transforming the Asian subsystem in a way that undermined U.S. power in the long run. Many of the biggest convulsions in Asia during this period, in fact, involved conflicts that implicated the United States and were linked to bipolar struggles for advantage, but they did not lead to unwanted systemic conflicts. Further, large local wars that took place outside the interests of the superpowers were relatively rare, and when they did occur, failed to conclusively threaten those zones of stability inhabited by the United States' principal allies.

While tight bipolarity and U.S. power thus combined to produce a remarkable pacification of Asian politics, they did something more as well, at least within the extended U.S. alliance system to begin with: they enabled the smaller allies to concentrate their energies on economic pursuits rather than dissipating their resources excessively on national defense. This investment in “butter” over “guns,” then, laid the foundation for the rapid national reconstruction that occurred in the aftermath of World War II and the reinvigoration of the alliance system that proved able to successfully contain Soviet expansionism even as it laid the foundations for a future era of intra-Asian stability.⁴

Third, the net military superiority of the United States permitted Washington to create a liberal international economic order that would have had little chance of success in the absence of overwhelming U.S. power. The economic strategy pursued by the United States during the postwar period had multiple components. It included a major aid program to the United States' war-torn allies, which was implemented with the intention of raising their economic strength in order to resist Soviet pressure. It also involved providing the allied states with asymmetric access to the U.S. market for the export of their goods and services, again without any expectation of equal U.S. access (at least during the early years). Finally, this strategy involved the creation of a global trading order that included not only the formation of new international institutions to manage global exchange, financial stability, and growth and development but also supernormal U.S. contributions to the public goods required to sustain such an order—everything from offering the dollar as the new international reserve currency to utilizing the U.S. military

⁴ Ashley J. Tellis et al., “Sources of Conflict in Asia,” in *Sources of Conflict in the 21st Century: Regional Futures and U.S. Strategy*, ed. Zalmay Khalilzad and Ian O. Lesser (Santa Monica: RAND, 1998), 46–52.

for ensuring the security of the global commons through which all trade would be conducted.⁵

The foundation of this liberal trading system would lead in time to a tighter integration of Europe and Pacific Asia with the United States. With the eventual inclusion of China, it would lead to deepened trans-Pacific and Asian-European connections as well as a wider integration of both continental and maritime Asia itself. Altogether, the system would eventually propel the phenomenon of globalization wherein both friends and rivals would, in one more rare episode, find themselves enmeshed in economic ties of unbelievable density and diversity. While the success of globalization—and the “Asian miracle” that both preceded and continues to sustain it—is usually explained largely on the basis of comparative advantage, the fact of the matter is that it could not have materialized without the reassuring presence of U.S. military power.

Absent the strong guarantees of security arising from the presence of U.S. power, it is highly unlikely that national rivals would engage in sustained international trade because of their fears that the gains from trade would be asymmetrically distributed and, even worse, often applied by their competitors to the production of military instruments that could undermine their security. To the degree that the Asian states have continued to trade with their neighbors (who often are either larger powers or political rivals), this commerce has survived not only because the absolute gains are indeed valuable but also, and more importantly, because superior U.S. military power has provided the assurance that no trading partner would be able to use the fruits of trade to threaten the security of the others without running afoul of the United States.

The legacy of U.S. military dominance born out of World War II thus came to have significant salutary benefits for stability in Asia. It served as a robust defense for the protection of the United States’ treaty allies against both Communist and internal threats. And it served to dampen the traditional security competition that would have materialized thanks to the historical rivalries among local Asian states. U.S. power, consequently, became the instrument for the relative pacification of Asia, pacification understood not as the eradication of war but as the mitigation of threats faced by key U.S. allies and the prevention of any radical disruptions to the continental balance of power. The presence of this new order—which hinged on the military capabilities of the United States—would progressively nurture a new economic order as well, one that began through deepened trading relationships between

⁵ For a discussion of the contribution of the U.S.-created economic order to the growth of states, see Michael Mastanduno, “System Maker and Privilege Taker: U.S. Power and the International Political Economy,” *World Politics* 61, no. 1 (2009): 121–22, 124, 147–48.

the United States and its allies but slowly extended to incorporate neutrals and even erstwhile and potential rivals—to the degree that they chose to participate in this order.

In retrospect, then, the structural conditions that permitted the creation and maintenance of this order can be readily discerned. They include the following factors:

- The economic hegemony of the United States globally, which was amplified by the use of the dollar as the international reserve currency, fiscal stability at home, and a highly effective national innovation system that underwrote repeated cycles of transformative growth
- The political willingness within the United States to bear the costs of global leadership as evinced through the bipartisan consensus on protecting American hegemony, which in turn spawned diverse domestic policies oriented toward expanding the nation's power
- The irreducible military superiority of the United States, encompassing both the nuclear and conventional realms and extending to at least functional mastery over the global commons in the face of serious challenges from the Soviet Union and sometimes lesser states
- The inability of any of the Asian powers to decisively threaten the security of key neighbors in a system-transforming manner, as well as their incapacity to undermine the U.S. ability to defend its regional allies or to impede the United States from either operating freely in the continent or bringing force to bear at any point along the Asian littorals

The concatenation of these variables paved the way for the U.S. victory during the Cold War. In fact, this victory was finally procured because Washington succeeded in enjoying the best of both worlds: it maintained a remarkable degree of military advantage despite Soviet opposition, while at the same time sustaining an open economic system at home and an open trading system abroad, both of which interacted to permit the United States and its close allies to grow at a rate much faster than the autarkic economies of its opponents. The fact that the United States' allies were able to regenerate their national power so quickly after the devastation of World War II was also a testament to the enlightened elites in these countries: they consciously pursued economic strategies that enabled their nations to make the best of the open economic order that the United States maintained in its interest but which provided collective benefits. The rise of these allies, such as Japan, South Korea, Taiwan, and eventually the smaller Southeast Asian “tigers,” undoubtedly portended the relative decline of the United States. But such a decline was judged acceptable because these were friendly states threatened

by common enemies, and their revival was judged—correctly—to be essential for the larger success of containment.⁶

Yet the ascendancy of these allies signaled a serious problem that marks all imperial orders, namely, that success produces transformations that can lead to their undoing. This phenomenon would be manifested even more clearly in the second iteration of the Asian miracle when the United States finally consented to admit its one-time Cold War foe, China, into the global trading system.

Asia's Looming Challenge: Chinese Military Modernization

China's own domestic reforms, which liberated the Chinese economy from centralized control without, however, replacing it entirely with a market economy, produced explosive effects when the country came to be embedded in the larger liberal trading system. As the historical record now demonstrates, it led to the single most dramatic episode of sustained growth in modern times, with China chalking upward of, or close to, double-digit growth rates for some 30 years. Within a generation, this transformation made China the world's second-largest economy, a dynamic participant in global trade, the new center for global manufacturing, and the largest creditor in the global economy.⁷

In the wake of China's economic success, however, serious challenges have developed for the United States. The rise of China has generated three specific and simultaneous problems.

At the economic level, for all the benefits that interdependence with China has brought the United States in terms of consumer welfare, capital flows, and corporate competitiveness, China's ascendancy has accelerated what globalization had already set in motion: deindustrialization at home and a contraction in the size of the U.S. middle class, especially those blue-collar segments that depended on manufacturing for their livelihood. The shift of manufacturing abroad has also resulted in the greater diffusion of technology, including high technology, and has spawned new sources of innovation in China thanks to the technology and skill shifts arising from U.S. joint

⁶ For an elaboration of this argument, see Ashley J. Tellis, "Power Shift: How the West Can Adapt and Thrive in an Asian Century," German Marshall Fund of the United States, Asia Paper Series, January 2010, http://www.gmfus.org/galleries/ct_publication_attachments/AsiaPowerShiftGMFPaper.pdf.

⁷ For more on China's explosive growth and what the country will need to do to sustain it, see World Bank and Development Research Center of the State Council for the People's Republic of China, *China 2030: Building a Modern, Harmonious, and Creative High-Income Society* (Washington, D.C.: World Bank, 2012).

ventures. Finally, the “codependency” that has developed between the United States and China has transformed Washington into an inveterate debtor. The United States is increasingly reliant on foreign borrowings (including from China) to sustain its large budgetary and current account deficits at a time when the paralysis in domestic politics prevents Washington from pursuing economic policies that might advance its ambitions at rebalancing.

At the geopolitical level, the United States is confronted with a challenge that it never faced in its rivalry with the Soviet Union: the growing dependence of its own allies and key neutrals in Asia on China for markets, capital, goods, and in many cases even technology. China’s enormous size and its huge economy have made it the center of a highly integrated Asian economic system, where the growth of every country on its periphery increasingly depends on the extent and density of the linkages enjoyed with China. Such intermeshing inevitably produces geopolitical effects insofar as it makes the littoral nations, even when formally allied with the United States, more sensitive to Chinese interests than they would otherwise be in the absence of regional integration. Even if this process does not lead eventually to the creation of a hermetic trading bloc that excludes the United States—an unlikely prospect for now—it creates an expanded Chinese sphere of influence that, enveloping the United States’ allies and important neutrals, complicates their decision-making as they attempt to juggle competing demands pertaining to security and prosperity.

At the military level, the challenges posed by growing Chinese power to the U.S. order in Asia are perhaps the most acute and immediate. At the simplest level, three decades of relentless Chinese economic growth have provided the country’s leaders with the resources required to transform what was a relatively obsolete military force throughout the Cold War into a modern, and dramatically improving, instrument of coercive power.

If the progressive modernization of the Chinese military were to be merely an ordinary extension of China’s economic growth, it might have produced less reason for concern, though even that is debatable. The persistence of the “security dilemma” in competitive international politics generally ensures that any improvements in military capacity, even if unaccompanied by questionable intentions, invariably create anxiety and suspicion in neighboring states because of the increased possibility of harm. In the case of China, the security dilemmas associated with its military modernization become even more acute for other reasons. For starters, China’s great size and the sheer resources allocated by Beijing to its military exacerbates regional concerns because most of its neighbors, with a few exceptions like Russia, Japan, and India, have defense budgets that are dwarfed by China’s. Even for these more capable states, China’s defense expenditure

gives pause because it is already between twice and thrice as large as their own. Further, China's central location makes it the geostrategic heartland of Asia: because all the regional states are located along either its continental or maritime periphery, the growth of Chinese military power affects almost every Asian state. The intensity of this impact obviously varies depending on whether the country in question has political or border disputes with China or is enmeshed in larger explicit or latent rivalries. But even countries that are at some remove from China physically are still affected by its growing military capabilities, either because they are implicated in Beijing's expansive maritime claims or because they find themselves potentially the targets of its evolving stand-off attack capabilities.

Finally, and certainly most problematically from the viewpoint of preserving American hegemonic stability in Asia, the core of Chinese military capabilities, unlike those of the erstwhile Soviet Union, are based along China's eastern seaboard, directly abutting Pacific Asia. These forces have been consciously directed, at least since 1996, at interdicting the geostrategic umbilicals that connect the United States to its Asian allies and have been responsible for preserving the regional stability witnessed in the postwar era. The impetus for creating instruments that would undermine U.S. extended deterrence in Asia derived initially from the Sino-American wrangling over Taiwan: Beijing fears that the island will one day assert *de jure* independence under the political cover offered by U.S. military protection. Ever since such a development appeared as a realistic possibility in the mid-1990s, China reoriented its armed forces toward servicing two critical warfighting missions: overwhelming the island's defenses by force, if necessary, in order to preclude a conclusive break with the mainland, while at the same time preventing its U.S. ally from bringing rearward reinforcements to bear in support of Taiwan and operating in its defense.

This investment in anti-access/area-denial (A2/AD) capabilities is manifested in the formidable land-based "reconnaissance-strike complex" that China has assiduously built during the last two decades. This capability is anchored in an extensive intelligence, surveillance, and reconnaissance (ISR) system that includes terrestrial and space-based sensors to detect, track, and target mobile U.S. military systems operating at great distances from Chinese territory, as well as activities at fixed U.S. bases throughout the Pacific. This information, supplemented by other intelligence collected by Chinese naval and air elements, is then disseminated to various Chinese offensive forces through a national command-and-control grid.⁸

⁸ For a useful survey of China's A2/AD capabilities, see Roger Cliff, Mark Burles, Michael S. Chase, Derek Eaton, and Kevin L. Pollpeter, *Entering the Dragon's Lair: Chinese Antiaccess Strategies and Their Implications for the United States* (Santa Monica: RAND, 2007).

Thanks to the problems provoked by Taiwan, China's current military modernization has thus been explicitly designed to keep the United States entirely out of its "near seas" by controlling access to their farther approaches through a variety of stand-off attacks that, if successful, would transform the western Pacific into a contained enclosure where Chinese dominance is assured because of China's ability to neutralize U.S. military power. Even as Beijing has steadily improved its capacity to meet this goal, however, it has also sustained a wider military modernization aimed at improving its larger warfighting capabilities across all combat arms—land, air, and sea—and in every dimension: manpower, technology, training, doctrine, organization, logistics, and command and control. China has also demonstrated dramatic improvements where the utilization of critical enablers is concerned: space, electronic warfare, cyberwarfare, and nuclear weaponry and their associated delivery systems.

As these capabilities have been steadily integrated into its arsenal, China—unsurprisingly—has begun to move gingerly in the direction of conceptualizing how its military forces might secure its wider interests as a great power. This shift beyond merely controlling the country's periphery was signaled in 2004 when Hu Jintao committed the People's Liberation Army (PLA) to "new historic missions" that went beyond the previous focus on safeguarding China's territory, sovereignty, unity, and security.⁹ The new missions emphasized instead the importance of protecting the Chinese Communist Party (CCP), safeguarding China's expanding national interests, and contributing to the preservation of world peace. The promulgation of these new tasks clearly indicated that China's growing power and expanding interests demanded that its military forces expand, as Hu phrased it, "our field of vision for security strategy and military strategy." As China's 2006 white paper would subsequently elaborate, implementing these new historic missions would require expanded military capabilities and a new Chinese proficiency in diverse spatial and functional areas, including information warfare, trans- and extra-regional mobility, long-distance maneuverability, effective counterterrorism, extended maritime depth, strategic air projection, and robust strategic nuclear deterrence.¹⁰

⁹ For more on the PLA's new historic missions, see James Mulvenon, "Chairman Hu and the PLA's 'New Historic Missions,'" *China Leadership Monitor*, no. 27 (2009), <http://media.hoover.org/sites/default/files/documents/CLM27JM.pdf>.

¹⁰ Information Office of the State Council of the People's Republic of China, *China's National Defense in 2006* (Beijing, December 2006), <http://www.china.org.cn/english/features/book/194421.htm>.

With such aspirations, China has embarked on a road that all other great powers have traversed before.¹¹ Increasing economic growth has produced material success that must be protected by ever more capable military instruments, and national interests, too, have expanded as national wealth continues to accumulate. The military investments currently pursued by China, therefore, reflect its interests in larger goals beyond simply territorial integrity, although the still significant challenges associated with this objective ensure that China's continuing military buildup will never be permitted to detract from satisfying this core goal. This fact notwithstanding, China's geopolitical "field of regard" currently is larger than it has ever been in the reform era: today it is essentially global in nature, even if China's "field of view" remains focused on Asia in some concentrated way. The profound geopolitical significance of this latter fact cannot be underestimated. Because Asia remains today the material core of the evolving international order, any Chinese hegemony over even this delimited space would decisively advantage it in any future struggle for control of the global system. The distension in China's military capabilities during the last two decades has already precipitated enormous increases in its political confidence. It is again not surprising that China's behavior toward its Asian neighbors has in recent years been marked by a striking assertiveness that is rooted both in its expanding capabilities and interests and in growing Chinese perceptions of a global balance that appears to be shifting in its favor.¹²

Confronting the Challenge: America and Asia Respond

While managing the everyday consequences of such assertiveness remains the bread-and-butter task of U.S. and Asian diplomacy, what cannot be lost sight of is the fact that China's military modernization has now reached a level of maturation that portends a consequential disequilibrium in the continental balance of power. As the U.S. Department of Defense had warned as early as 2005, China's ongoing military modernization "provide[s] [it] with a force capable of prosecuting a range of military operations in Asia—well beyond Taiwan—potentially posing a credible threat to modern militaries operating in the region."¹³ Thanks to the fruits of improvements accruing over

¹¹ For an analysis that juxtaposes China's rise with previous power transitions, see the discussion in Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present, and Future* (Santa Monica: RAND, 2000), 218–29.

¹² Suisheng Zhao, "China's New Foreign Policy 'Assertiveness': Motivations and Implications," *ISPI Analysis*, no. 54 (2011), http://www.ispionline.it/it/documents/Analysis_54_2011.pdf.

¹³ Office of the U.S. Secretary of Defense, *Annual Report to Congress: The Military Power of the People's Republic of China 2005* (Washington, D.C., 2005), <http://www.defense.gov/news/Jul2005/d20050719china.pdf>, 13.

the last several years, China's military modernization can currently not only "put regional military balances at risk," but just as problematically threaten the U.S. military's ability to operate in proximity to the Asian land mass, thereby holding at risk the larger structure of regional stability that since World War II has been built on American hegemony.¹⁴

This volume of *Strategic Asia*, the twelfth in the series, focuses systematically on understanding the contours of China's ongoing military modernization and the challenges posed to different parts of the Asian land mass and to U.S. extended deterrence in Asia. Consistent with the analysis earlier in this overview, the studies in this volume take as their point of departure the fact that Asian success in the postwar period owes greatly to the hegemonic stability provided by the United States. Although this hegemonic power found manifestation in many dimensions—economic, political, ideological, and military—the larger impact of China's new military capabilities on the effectiveness of the United States as a regional security guarantor remains a special focus of this volume.

Jonathan Pollack once summarized the unique role of the United States in Asia through a metaphor, "holding the ring." The metaphor describes a situation where none of the major Asian powers had the capacity to seriously harm their rivals or prevent the United States from being able to come to an ally's aid, while the only external entity possessing puissant capabilities—the United States—lacks the incentives to use them abusively, because its power better serves larger political and economic interests.¹⁵ Because—for the first time since the fall of the Soviet Union—China's ongoing military improvements might be on the cusp of undermining these factors that traditionally made for stability, this volume of *Strategic Asia* concentrates its gaze on this issue.

The timing of this study is appropriate for at least three reasons. First, most of the critical programs centered on developing disruptive military technologies in China in the aftermath of the 1995–96 Taiwan Strait crisis have now reached maturity and are yielding systems that are presently entering operational employment within the PLA. Second, China itself is undergoing yet another major leadership transition with new leader Xi Jinping poised to become party secretary and president. Xi's close ties with the PLA, and his ascendancy at a time when China's central presence in global politics is secure, suggest that this is an appropriate moment to take stock of what

¹⁴ Office of the U.S. Secretary of Defense, *Annual Report to Congress: The Military Power of the People's Republic of China 2005*.

¹⁵ Jonathan D. Pollack, "The United States in East Asia: Holding the Ring," in *Asia's International Role in the Post-Cold War Era: Part I Papers from the IISS 34th Annual Conference*, Adelphi Paper 275 (London: International Institute for Strategic Studies, 1993), 69–82.

the PLA's new capabilities imply for Asian security before the next iteration of technological innovations in the wings begins to materialize. Third, and finally, the *Strategic Asia* series last reviewed China's military modernization in 2005–6. The assessment at this point was still relatively optimistic in regard to the impact of China's military growth on regional stability. Much has changed during these intervening years, and even the U.S. intelligence community now admits that although there have been few surprises where the detection of new Chinese programs is concerned, the United States often has been taken aback by the pace of these programs and their speed in reaching maturity. A contemporary reassessment of China's new military capabilities and their impact on stability is therefore necessary.

Given these interests, the first part of this volume summarizes the major improvements that China has made during the last two decades in restructuring the land, air, naval, missile, space, cyber, and electronic warfare capabilities that have bestowed substantial increases in Beijing's warfighting capability. The four chapters that examine Chinese progress in these areas aim to provide a baseline of current Chinese capabilities in each arena as well as a projection of how these are slated to evolve up to circa 2025. Beyond describing technological improvements, they specifically analyze what new operational capabilities result from these programs of modernization. In other words, these chapters inform the reader about what various PLA components can do now and prospectively at the strategic, operational, and tactical levels in the relevant combat realm that they could not do before. Further, they attempt, to the degree possible, to discern the PLA's intentions in developing these capabilities and to understand—based on the PLA's own writings and commentary (as well as the assessments of others)—what the PLA specifically seeks to achieve at the various levels of combat. And, finally, each of these chapters addresses what these achievements, if realized, will enable Beijing to do in the Asian political arena, especially vis-à-vis key Asian competitors and the United States (and its forces in Asia).

Roy Kamphausen's chapter on land forces modernization serves as a penetrating reminder that for all the dramatic innovations witnessed in the PLA's arsenal recently—stealth fighters, the antiship ballistic missile, and counter-space capabilities—the core of China's combat power continues to reside in its still substantial land forces. Although the ground force components have contracted substantially since their numerical apotheosis in the mid-1980s, Kamphausen demonstrates that the PLA has moved decisively away from its traditional orientation as a static force intended mainly for internal defense *in situ* and for frontier defense along the areas it was bivouacked in during peacetime. Because China's land frontiers are relatively secure—with a few exceptions to its south and southwest—the PLA

has divested its internal security responsibilities to the People's Armed Police (PAP), while remaining the safeguard of last resort available to the CCP, in order to focus on becoming a more flexible force capable of operating wherever required along China's borders. The new emphases on joint logistics, increased tactical mobility, enhanced organic firepower, and better command and control all now permit the major ground armies to deploy and operate across the military regions in which they are ordinarily based. The increased investments in training and digitization have improved the capabilities of the combat arms even further. These improvements, Kamphausen concludes, will be increasingly manifested in tailored approaches for dealing with specific foreign threats and will propel further organizational changes to permit the PLA to carry out the new historic missions that may require the force to be able to project land power around China's periphery.

Given the emphasis that China has placed on defeating the U.S. ability to reinforce its forward-operating military forces in Asia in a crisis, Andrew Erickson's chapter on the transformation of Chinese naval and air power demonstrates that Beijing takes the threats emerging off its seaboard all too seriously. Since the most important military constraints on China today are levied by maritime and aerospace powers, it is not surprising to find China focused on integrating combat aviation (across the PLA Air Force and the PLA Navy), advanced tactical missilery (of different kinds), modern surface and subsurface combatants, and unmanned aerial vehicles—all supported by various combat support aircraft and advanced air defenses—to create a barrier that limits both its regional competitors and the United States from operating freely in its vicinity. Erickson emphasizes that although these capabilities are still uneven and subject to various limitations, they are constantly improving and now bestow on China the ability to control the air and sea spaces proximate to its mainland, with decreasing control as a function of distance from its coastline. Because China's ability to dominate the water and air space of its near seas automatically impacts the security of key U.S. allies such as Japan, South Korea, and Taiwan, the stage is set for a vigorous offense-defense contest throughout the East Asian littoral. This competition in fact threatens to expand to Southeast Asia and possibly over time to the Indian Ocean as well, depending both on how China reorients its current "reconnaissance-strike complex" and on its evolving ambitions in more distant seas. Erickson's chapter serves as a critical reminder that naval and air power not only constitute key warfighting instruments for China but will increasingly be its principal tools of influence in an area that will witness greater competition because of Beijing's desire for preclusive control.

Mark Stokes's chapter focuses on the most critical instruments of Chinese power projection and ones that represent a long history of technological

excellence: ballistic and cruise missiles. For various historical and institutional reasons, China developed proficiency in missile technology, especially ballistic systems, that permitted it to apply force at great distances from its homeland even when its other, more traditional instruments of power projection were either immature or ineffective. Stokes's detailed analysis of current Chinese ballistic and cruise missiles—and its institutional guardian, the Second Artillery Force—demonstrates that both nuclear and conventional precision-strike capabilities retain pride of place in China's offensive arsenal. Their diversification to new roles such as counter-carrier and counter-space operations only makes them all the more valuable, either because they can interdict key adversary assets at great distance or because their all-but-certain penetrability bequeaths them with an operational effectiveness unmatched by other systems. Stokes carefully demonstrates that China's offensive missile forces remain the cornerstone of its warfighting capabilities vis-à-vis every major regional adversary, including the United States. The continuing increase in the number of missile systems deployed, along with their supporting sensors and command-and-control capabilities, thus embodies the potential of providing the PLA with a decisive military edge in the event of conflict over territorial or sovereignty claims.

The fourth chapter in the survey of China's emerging military capabilities focuses on the vital but more intangible realms of space, cyber, and electronic warfare. These arenas of activity were traditionally conceived largely as means of shaping outcomes in other more conventional battlespaces where the interaction of firepower and maneuver provided the victory that advanced a state's political aims. Because modern warfare, however, incorporates extraordinary degrees of digitization across vast distances, dominating the three arenas has virtually become an end in itself. Kevin Pollpeter's chapter, which rounds out the volume's survey of China's military modernization, scrutinizes Beijing's approach, investments, capabilities, and impact in each of these three realms. He stresses that their importance rests on the PLA's view that these are distinct domains that must be seized and defended in order to achieve the information superiority that produces "kinetic" victories on the battlefield. On reviewing Chinese capabilities, Pollpeter concludes that the PLA has made dramatic gains and has reached advanced technology levels in at least two areas, space and cyber. It is likely that a comparable conclusion cannot be reached in the realm of electronic warfare only because there is less information publicly available about various Chinese capabilities that have been designed to control or interfere with specific segments of the electromagnetic spectrum. All the same, the evidence adduced in Pollpeter's chapter demonstrates that China has embarked on a concerted effort to exploit the benefits of integrated attacks across all three domains, to deny

both its regional adversaries and the United States the freedom to operate in these realms unhindered, and, increasingly, to dominate these arenas in order to secure its own operational and strategic aims. China's activities in space, cyber, and electronic warfare, therefore, have moved beyond asymmetric strategies to reflect larger ambitions, including the need to project power globally in defense of its national interests.

Taking these assessments of new Chinese military capabilities as a backdrop, the second section of the volume seeks to understand how their impact on the existing military balances between Beijing and China's key neighbors in Northeast, Southeast, and South Asia are viewed from within these regions, as well as what the important states located there are doing in response. These chapters focus especially on how the various dimensions of Chinese military modernization detailed in the first part of the book specifically affect the security of key Chinese neighbors: how they impinge on the current military balances, or undermine some current defense plans and postures, or complicate the geopolitical challenges facing key countries or regions. Further, the chapters detail the strategies and programs adopted by these neighboring states to protect their core defense interests. And finally, they assess how these counter-responses at the levels of acquisition, doctrine, organization, and force posture fit into the larger political strategies of these nations for coping with China. In particular, they examine how these countries juggle between internal and external balancing (in the widest sense) and, equally importantly, how the United States fits into their broadest political and military strategies for managing China.

Christopher Hughes's chapter focuses on the critical northeast quadrant of Asia, which not only hosts the United States' oldest Asian allies—Japan, South Korea, and Taiwan—but also remains, in many ways, the cockpit of continental geopolitics. His conclusions are entirely sobering. In contrast to the judgments aired just a few years ago, Hughes finds that all three countries now share great concern about both the symmetric and asymmetric threats embedded in China's military modernization. China's ballistic and cruise missiles, its naval and air power systems, and its advanced air defenses are viewed as posing especially significant threats not only to these individual states but, equally importantly, to their external protector, the United States. As a result, all three regional powers—including South Korea, despite the dangers emerging from its northern neighbor—are focused on major counter-modernizations of their own. These responses, centered for the most part on the integration of advanced weapon systems as countermeasures to emerging Chinese capabilities, are intended to mitigate the symmetric threats, while buying time to cope with asymmetric challenges—even as all three states hope that continued economic engagement with China might

help defuse the otherwise strong security dilemmas present in the region. The increased threat posed by new Chinese offensive capabilities, however, has had the salutary effect of dampening the frictions between these allies, particularly between Japan and South Korea, and again in a further evolution has deepened the reliance of all three countries on the United States ever more intensely. Strong external balancing against China thus appears to be the new norm in Northeast Asia, despite the politeness with which such activities are packaged and despite the fact that bilateral disputes among U.S. protectees continue to persist.

Reflecting the incipient regional disequilibrium threatened by the growth of China's military power, Hughes's central finding is reflected in Andrew Shearer's analysis of the greater Southeast Asian region as well. Because of the diversity and complexity of this quadrant, Shearer focuses his analysis on three exemplars: Vietnam, a continental power on the edge of the Southeast Asian promontory; Indonesia, a maritime state that hosts the critical chokepoints connecting the Pacific and the Indian oceans; and Australia, the huge island continent lying off Southeast Asia but with a long history of regional engagement and an ally of the United States. Despite the diversity of these cases, Shearer concludes that China's transition to exercising influence now as a sea power—without forgoing its traditional influence as a land power—has provoked region-wide balancing behaviors that nevertheless reflect the area's diversity in their style and presentation. The ongoing crisis in the South China Sea, the growing awareness among the regional states of their own weakness vis-à-vis China, the new challenges posed by China's concerted "turn to the sea," and the old anxieties about each other's neighbors, have all precipitated a push toward new air and maritime acquisitions, a mix of soft and hard balancing, and renewed reliance on the United States for protection—as manifested through the quiet but clear welcome for the rebalancing initiative announced by the Obama administration. As Shearer concludes plainly, despite the region's long-standing efforts to deal with China with a light touch that emphasizes geopolitical subtlety, Beijing's emergence as a new maritime power has propelled a shift from softer to harder forms of balancing. This shift is likely to be sustained long after the current contretemps evoked by China's muscle-flexing disappear, even as the region waits with bated breath for conclusive reassurance from the United States about the durability of its protective role.

Arun Sahgal's chapter on India's reading of, and response to, China's emerging military capabilities concludes the roundup of surveys involving the indigenous Asian powers in this volume. Although the South Asian region is populated by several states, none is affected by the growth of Chinese power as much as India. India is the other rising power in Asia. It has a major territorial

dispute with China, is threatened by Chinese nuclear proliferation to Pakistan, and now finds itself confronted by a new Chinese naval presence in the Indian Ocean. Sahgal's conclusions about the impact of China's growing military capabilities on India are stark and direct. He notes that India will face a major window of vulnerability until 2025 for many reasons: China's infrastructure modernization in Tibet undermines the current military balance along the Sino-Indian border; India's nuclear deterrence will not reach full maturity for at least another decade; Indian naval and air power are in dire need for major recapitalization, if their extant advantages are to be preserved; and India's defense procurement system, defense industrial base, and higher national security decision-making system need to be revamped to deal with the Chinese threat effectively. Even as New Delhi faces up to these challenges, Sahgal leaves no doubt that India is already engaged in a deliberate internal balancing against China. New Delhi's geopolitical diffidence about entering into formal alliances with others, including the United States, however, leaves India with serious challenges if its domestic efforts do not turn out to be as successful as is necessary. This problem is only exacerbated by the country's ambivalent political discourse, which trumpets cooperation with China and plays down the rivalry.

The three regional assessments in *Strategic Asia 2012–13* demonstrate clearly that irrespective of how China's new military power affects the local Asian states, these states are all equally concerned about its impact on U.S. military power in Asia because U.S. security guarantees remain their last line of protection—either directly or through their implicit benefits. The thematic analysis in this volume, consequently, concludes with a chapter on the United States, since it is not only an Asian power effectively but also a direct target of many, if not most, of the Chinese modernization efforts. Because the United States' extended security guarantees remain critical both for regional stability and for its own security, the chapter on the United States scrutinizes in some detail the viability of Washington's current response to China's comprehensively expanding military power. It specifically asks whether the U.S. efforts underway to cope with rising Chinese challenges will suffice to defeat the threats posed by China's improving offensive capabilities and thereby rejuvenate the American hegemonic order in Asia.

This chapter, authored by Dan Blumenthal, reaches pessimistic conclusions. It clearly affirms the vital importance of restoring U.S. military superiority in Asia as a precondition for sustaining the success of the Asian system. But Blumenthal argues with great persuasion that the current U.S. response to the problem of eroding supremacy is inadequate for multiple reasons: the present state of U.S. public finances simply does not permit the military to capitalize its forces at the levels and quality necessary to

defeat the Chinese threat; the solutions adduced by the United States focus predominantly on the operational level of war to the neglect of the larger strategy required for success; and U.S. political and military planners have failed to connect the necessities of conventional military operations to the requirements for escalation dominance at the nuclear level, given that China remains a major and growing nuclear power. The net result, Blumenthal fears, might be a U.S. response that is far less effective than is necessary to restore the primacy essential to produce regional stability.

As has been the tradition for *Strategic Asia* since its inception, this volume includes a special study, and the one in this year's collection involves a particularly challenging topic: China's vision of world order and how that might apply to Asia. The analysis is fraught with difficulty because the subject is at once abstract and involves interpretation; it must capture the essentialist core (if one exists), yet appreciate how that might be molded by time, successes, and new circumstances; and finally, it must explain how the vision will impact China's behavior in shaping the world as Beijing grows in power and becomes a new entity at the core of the global system.

Thomas Fingar's chapter, "China's Vision of World Order," represents a creative exploration of this difficult subject. Starting from the premise that China is still a weak state despite its many achievements—but desirous of continued growth through the processes that have served it well—Fingar speculates that China would seek to preserve much of the international order it has inherited precisely because that system has served its interests well. Thus, although China is shaped by strong ideals of hierarchic order with itself at the apex, the impulses flowing from that tradition do not—at least for now—push it in the direction of seeking a wholesale renovation of the existing system but rather of improving its own position within. The fact that China's own rise has been enabled by interdependence with others limits its freedom to revamp the existing order without suffering high costs, a burden that China would prefer to avoid so long as its rise to greatness is not entirely complete. When pressed by the question of what China seeks, Fingar's conclusions are thus largely optimistic. But precisely because such an answer is tinged by uncertainty, he argues that the United States and its partners must continue to maintain the regional frameworks in Asia that have underwritten postwar stability, even if sustaining these investments continues to stoke Chinese suspicions of U.S. and allied intentions.

A Burdensome, Yet Necessary, Task: Maintaining American Hegemony

The rise of China as a new great power raises the old and uncomfortable question of hegemonic order even more tellingly: how can the prevailing hegemon continue to maintain a global system, which it constructed primarily for advancing its own self-interest, if that achievement begets new competitors who threaten to displace it in the international hierarchy of power? In the competitive world of international politics, all states—but especially great powers—are particularly sensitive to the relative costs and benefits of their strategic choices. Not surprisingly, then, Washington remains haunted by its open-ended commitment to sustaining a global order that breeds new challengers and new security threats, and is struggling to develop an appropriate response.

The chapters in this volume collectively point to the painful reality to which the United States must respond: China's military modernization over the last two decades has succeeded in forcing dramatic shifts in the Asian balance of power. From deploying a conventional capability that was largely sufficient mainly for its own defense, China has now moved toward fielding offensive conventional components that can seriously put at risk the security of its major peers in Asia. Equally of consequence, China has already integrated within its force structure diverse weapon systems that are aimed at—and capable of—undermining the U.S. ability both to defend its threatened allies in Asia and to reach, and operate freely along, the littorals in support of their security. These transformations signal the atrophy of the most important operational preconditions for maintaining the American hegemonic order in Asia—an order that has been responsible thus far for preventing the rise of any major continental challengers, dampening intra-regional competition, and sustaining a robust economic transformation that has come to serve as the motor of global growth.

The growing constraints on U.S. power projection in Asia as a result of the maturation of China's warfighting capabilities are unfortunately further accompanied by the serious challenge that China has come to embody in the nuclear realm and in the global commons. Today, thanks to the continuing Chinese investments in new robust and survivable nuclear weapon systems, the United States has lost the easy escalation dominance that it enjoyed over China's nuclear forces as recently as a decade ago. The U.S. command of the commons has also eroded in varying degrees depending on the arena and the location in question: China's counter-space investments are both extensive and impressive; its efforts in the cyberwarfare realm are intense and are already at play in pressing the United States through constant probing; Beijing's focus

on contesting the U.S. ability to operate in every class of the electromagnetic spectrum implies that the traditional American superiority at seeing first and farther is at risk; and even the customary American dominance at air and sea has weakened the closer the United States operates to the Asian littoral.

Redressing these disadvantages is essential if the United States is to recover its regional military superiority. That is no longer an optional task, not simply for operational but also for fundamentally political reasons. If the United States cannot assuredly come to the defense of its allies in the face of local adversaries, no matter how powerful—and, equally, be seen as capable of providing effective protection despite the severity of the threat—the entire edifice of Asian stability that the United States assiduously constructed on the foundations of its hegemonic power set at the end of World War II stands at risk. Its erosion portends the rise of new hegemonies that not only will come to dominate Asia in time but may also eventually challenge the United States globally as well. The resulting upsurge in power political rivalries both at the core of the international system and regionally, complemented by the serious threats that will materialize to the liberal international trading order, will undermine both the security and the prosperity of the United States, engulfing it in a far more pernicious strategic environment than if this dissolution had been arrested in time.

The imperatives of restoring the United States' military superiority and its freedom of maneuver in Asia are, therefore, absolute. The task is not beyond the technological capacity of the United States or the innovative capacity of its armed forces. But it will be resource intensive, and it appears at exactly the time when the United States is still reeling from the consequences of the excesses that created the global financial crises and deeply wounded the U.S. economy. Yet the United States still has untapped depths of resilience and strength. The U.S. economy is still the world's largest, whether measured by GDP or by levels of inclusive wealth. Further, this economy is deleveraging at a much faster rate than had been expected; U.S. exports and energy production have made dramatic comebacks; the dollar remains a robust store of value and is still the world's only meaningful reserve currency; the nation's innovation system shows no signs of slowing; and, finally, as Australia's foreign minister Robert Carr recently put it, "The United States is one budget deal away from restoring its global preeminence."¹⁶

What is needed more than ever in the first instance, therefore, are not technological antidotes to China's new military capabilities; those will materialize gracefully once the United States puts its mind to it. Rather, what

¹⁶ Quoted in "World Bank Head Robert Zoellick Offers Broad View of Global Issues" (speech at the Economic Club of Washington, D.C., Washington, D.C., May 16, 2012), http://www.economicclub.org/doc_repo/Final%20Transcript%20of%20Robert%20Zoellick%20Event%20May%202016.pdf.

is most essential is an awareness of the stakes—and the risks involved should the United States fail to regain the capacity to operate at will in and around the Asian land mass. From there on, it is imperative that Washington recover the political willingness to bear the costs necessary to sustain American hegemony over the long run. This must be done not through cheap slogans but through rational policies that will effectively protect the United States' critical military capabilities during the coming fiscal cliff and through the larger, yet harder, decisions that will rebuild the nation's public finances and refurbish its economic foundations to permit continued technological innovation, consistent productivity increases, and sustained GDP growth. To the degree that the United States masters these challenges at home, it will have paved the way for defeating the emerging Chinese military threats to its hegemony in Asia far more resolutely than any superficial fixes might in the interim.