

# FEAR AND LOATHING IN ASIA

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Dan Blumenthal

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**A**t the April 2005 “Shangri-La” conference in Singapore, Secretary of Defense Donald Rumsfeld was in typically blunt form. “Since no nation threatens China, one wonders: Why this growing investment?” Rumsfeld asked the assembled conference participants. “Why these continuing large and expanding arms purchases?”<sup>1</sup> Why indeed. This question has reverberated in Washington and throughout capitals in Asia, as China’s neighbors reassess their defense priorities in light of China’s military strength.

Rumsfeld’s rhetorical query was an accurate reflection of what could be called Washington’s “summer of discontent” about China’s strategic direction. His concerns are shared across the political aisle; Franklin Kramer, a former assistant secretary of defense during the Clinton administration, told the House Armed Services Committee in July that “there are good reasons to suggest that China has little need for a significantly enhanced military establishment.”<sup>2</sup>

Also in July, the Pentagon’s annual report to Congress confirmed the rapid growth in Chinese military capabilities.<sup>3</sup> The report pointed out that the weapons that Beijing has amassed to intimidate Taiwan—700 short-range missiles, a modernizing fleet of diesel and nuclear submarines, fourth-generation aircraft procured from Russia, increased operational tempo and sophistication of military exercises—also can be used against other regional powers.



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Other reports followed, including studies from the RAND Corporation, the International Institute for Strategic Studies and the Congressionally-mandated U.S.-China Economic and Security Review Commission.<sup>4</sup> And, while there may be some disagreement about the specifics, there is consensus on the big issue: China's military modernization program is ambitious, rapid, successful, and opaque.

The Pentagon has estimated that China is spending three times what it says it spends on defense development—equaling about \$90 billion a year, making it the third largest defense spender in the world next to America and Russia. The RAND Corporation and the Institute for International Strategic Studies in London also estimated that Chinese defense spending far exceeds its stated amounts.

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Whatever the actual numbers, what is clear is that China is devoting great resources to becoming a military power, while masking its activity toward that end. Indeed, there is a profound anxiety in Washington over what has come to be known as "China's rise": China's dramatic economic growth, its remarkable increase in military power, and its more prominent role in international diplomacy, all underpinned by a one-party dictatorship with no political reform in sight.

But is this a peculiarly American obsession; the fear that the dominant Pacific player will lose its pride of place? The answer, simply, is no. Conventional wisdom has it that Asian countries do not want to "choose sides" between America and China, and so are remaining largely silent about what concerns they have, if any. Some may even be engaged in "bandwagoning" with China and adjusting to the new power equilibrium in Asia. Others argue that, in fact, Asian countries actually *prefer* Chinese dominance to American dominance—the Chinese "listen to their concerns," wield soft power more effectively, and are not as domineering. Yet there is no mistaking the fact that the major powers of Asia, and even some of the smaller ones, are all taking steps to check China's power.

While no country save Taiwan (and, increasingly, Japan) likes to admit it publicly, there is today a "great game" underway for primacy in Asia, and the nations in the neighborhood are learning how to play it. The region's two most powerful democracies—India and Japan—are clearly taking steps to modernize their militaries, as well as to deepen their bilateral ties with one another, at least in part as a check against Chinese power. The maritime Southeast nations—Singapore and the Philippines in particular—and Taiwan are trying to draw the American military closer in, even as they pocket what gains they can from China's economic growth. South Korea and Australia, for very different reasons, are opting out of the ongoing subtle balancing, although Australia itself is drawing closer to the American military as well.

At the macro-level, one can conclude that Asia-Pacific countries are

responding to strategic uncertainty characterized in large part by China's rise through the traditional way of modernizing their militaries and embracing America as the off-shore balancer. Indeed, if money talks, the fact that the Asia-Pacific countries constitute the largest arms market in the world should speak volumes.

### **American strategy in Asia**

The U.S. defense establishment is well aware that it is the target of much Chinese military thinking. What dominates the Chinese military mind, at least in the short term, is maintaining the ability to conduct rapid, overwhelming coercive attacks against Taiwan while keeping the United States out of the fight. Beijing is thus focused on anti-access and area denial capabilities with an eye toward raising the costs of U.S. intervention in the Taiwan Strait.

The Chinese strategic concept revolves around ballistic and cruise missiles that can target American air bases in Japan; information attacks that can take advantage of American dependence on computer-generated intelligence and information; and diesel submarines and a host of multiple independently targetable re-entry vehicle (MIRV) missiles that can be fired from submarines or destroyers. These priorities can pose serious problems for the workhorse of the American military in the Pacific: an aircraft carrier group. Raising the costs of intervention, the thinking in Beijing goes, will make America hesitate before acting, during which time China can accomplish its political and military objectives in Taiwan. Especially in a scenario in which China obscures its initial decision to attack Taiwan behind a diplomatic and polit-

ical smokescreen, the United States may well be caught unprepared.

In an attempt to respond to this challenge, the United States has commenced a redeployment of its assets to and in the Pacific. The Pentagon has moved attack submarines and cruise missiles to Guam, and is forming on that island a strike force of six bomber aircraft and 48 fighters which have been redeployed there from continental bases. The U.S. Navy is also moving a second carrier to East Asia, and converting Trident ballistic submarines into platforms for stealth cruise missiles.

In addition, America is transforming its alliance with Japan. Among other things, the two countries have come to a basic understanding that a "peaceful resolution" of the Taiwan issue is in both of their national interests. In plain English, this means that the two sides have agreed to work together to deter Chinese use of force against Taiwan.

But a more equal alliance partnership with Japan does not solve America's problems of access to the region. Japan could contribute mightily to an anti-submarine campaign since its capabilities in that arena are particularly advanced. And advanced agreements to use Japanese airbases to sortie to the Strait add to U.S. capabilities in a Taiwan Strait crisis. But the alliance upgrade does not neutralize China's ability to hold Japanese airbases at risk and thus deny America the ability to respond rapidly and decisively to a conflict in the Strait.

America's greatest strategic need in Asia is more diverse access points into the region. While improved defense relations with the Philippines and Singapore are baby steps in that direction, the U.S. military is still a long way from taking the dramatic strides it needs to effect a counter-

area denial strategy, such as reestablishing an airbase in the Philippines.

Strategic planners should think about deployments into the region from China's west (India or Central Asia). Not only would that improve U.S. options in an actual crisis, it would also force China to allocate its defense resources more widely. At present, however, the PRC can invest virtually all of its resources in capabilities to coerce Taiwan and keep the U.S. from coming in through the southeast. A "western front" would force budgetary debates about scarce defense resources in China that could improve America's strategic position.

### Japan's jitters

No Asian country has been as clear about its determination to check Chinese military power as Japan. In the context of its bilateral alliance with the United States, Japan is undertaking a serious defense transformation. Tokyo will invest upwards of \$10 billion in missile defense by the end of this decade, a process that will necessarily draw it closer to Washington (through greater sharing of sensor, surveillance and targeting data, et cetera). In addition, as a result of the Defense Policy Review process, Tokyo has agreed to form a combined air operations coordination center at Yokota air base, and the Ground Self-Defense Forces of Japan and the U.S. Army are developing a similar organization at Camp Zama in Japan.

Tokyo is also developing the legal infrastructure for a more robust military. Its deployments of logistical support assets to Operation Enduring Freedom and humanitarian military assets to Iraq were given legal sanction through the passage of specific legislation. Now, the Japanese Diet has begun the thorny process of revis-

ing constitutional restrictions dating to the post-World War II period on engaging in "collective self-defense." If the ruling Liberal Democratic Party has its way, Japan will have a legally sanctioned military (no longer a "self-defense force") that will be able to assist the United States in its own defense and conduct out-of-area operations with more realistic rules of engagement.

While the North Korean ballistic missile program—particularly Pyongyang's launch of a *Taepo Dong* missile over Japan in 1998—has been the most immediate driver of a more muscular defense policy, Japan has been quite explicit that its long-term security concern is China. The anxiety over China has been brought home by the over thirty incursions by Chinese naval vessels into Japanese territorial waters over the last year. One such intrusion, by a nuclear submarine, drove Japan to give chase with assets from its Maritime Self-Defense Force.

### The view from New Delhi

Today, India faces a host of security challenges that have pushed it to modernize its military, and China looms large in these calculations. Beyond the perennial issue of Pakistan, its support for anti-India terrorism, and the contested status of Kashmir, the Indian military is also concerned that the rapid growth of China's armed forces is changing the balance of power in Asia. India is seeing a more visible Chinese presence in the Indian Ocean, as manifested by China's "string of pearls" strategy, which is meant to increase Beijing's options for securing its supply of petroleum in the American-dominated seas.

New Delhi's concerns are well founded. China has forged military relationships with Burma and Cambodia, and established a limited maritime presence astride the Indian Ocean by building a naval port at Gwadar, Pakistan, and other facilities on the Coco Islands. In addition, China has indicated a measured commitment to establishing a blue water navy, as reflected in its upgraded nuclear submarine fleet.

While the Indian Army is most focused on Pakistan, it would be fair to say that its Air Force and Navy's biggest concern is China. In response to Chinese power, the Air Force is looking to modernize its fighter assets and will possibly purchase F-16s and F-18s from the United States to complement its fleet of Russian Sukhoi 30s. It likewise is improving its aerial targeting, refueling and ISR (intelligence, surveillance and reconnaissance) capabilities through the acquisition of Israeli-made Phalcon airborne early warning and control systems. The Indian Navy, meanwhile, is looking at developing sea denial and limited power projection capabilities with its upgraded fleet of submarines and the possible deployment of two aircraft carriers that will come into service between 2010 and 2015.

India has also expressed interest in aligning itself more closely with the United States. The two countries share a host of strategic interests, and preventing the rise of a hegemonic China tops the list. But the relationship will have to overcome obstacles born of decades of mutual suspicion. If China is indeed foremost on the minds of American and Indian policymakers, implementing "competitive strategies" would be the wisest course. Forcing Beijing to worry about defending its

western flank from air attack would provide an advantage to the United States. Toward that end, aerial exercises and even a U.S. air presence in northern India should be the focus of strategic dialogue. In addition, more cooperation in the realm of sea-lane protection, and dissuasion of the pursuit by China of a blue water capability should be a starting point for the relationship.

### **Southeast Asia seeks security**

China got the attention of Southeast Asian nations in startling fashion in the early 1990s when it codified into law the principle of the South China Sea as sovereign Chinese territory. Since a skirmish with the Philippines in Mischief Reef in the mid-1990s bloodied Beijing's public image, China has backed off from those claims. But simultaneously, it has strengthened its outposts in the region, chief among them the contested Spratley Islands.

None of this has been lost on Southeast Asian nations. While none are strong enough to counter Chinese power on their own, maritime powers in the region are working to expand their capabilities through a modernization of their militaries—and through closer relations with the U.S.

In 1999, the Philippines and the United States signed a Visiting Forces Agreement permitting U.S. forces to conduct exercises in the Southeast Asian state. Since then, these bilateral maneuvers have expanded in both frequency and scope, and the two countries now carry out anti-terrorist exercises as well as amphibious exercises near the Spratleys, which are claimed by both Beijing and Manila. In addition, the Philippines is now the largest recipient of

U.S. assistance in East Asia, and a major non-NATO ally.

Singapore likewise has been steadily modernizing its military in the face of an array of threats, including China. Its recently-completed construction of the Changi port facility, the purpose of which is to accommodate a U.S. aircraft carrier, as well as its first-ever hosting of the USS *Kitty Hawk* in March 2001, are indicative of a decision to ensure that the U.S. military maintains a presence. "It's no secret that Singapore believes that the presence of the U.S. military ... contributes to peace and stability in the region," Singaporean Defense Minister Teo Chee Hean has confirmed.<sup>5</sup> Legendary former Singaporean Prime Minister Lee Kuan Yew has been even more explicit: "no combination of other East Asian economies—Japan, South Korea, Taiwan, ASEAN—will be able to balance China. Therefore, the role of America as balancer is crucial if we are to have elbow room."<sup>6</sup>

### **Turmoil in Taipei**

Of all the countries in the region, Taiwan is the most concerned about China's ever-increasing military power. So far, however, Taipei's military response to this threat has been mixed. On the one hand, up until 2003 Taiwan was the second largest purchaser of U.S. military goods and services in the world. Since President Bush approved the sale of a substantial arms package in 2001, Taiwan has purchased an advanced radar system, *Kidd*-class destroyers, and a C4ISR system. On the other hand, however, Taiwan's annual defense budget, though still larger as a percentage of GDP than that of most U.S. allies, has been decreasing over the past decade, and a supplementary budget to buy diesel submarines, the U.S. PAC-3 theater

missile defense system and P-3 anti-submarine aircraft has languished in the legislature.

Through modernization and reform, the Taiwanese government wants to create a military that can engage the enemy offshore, away from civilian population centers. But this policy has faced a number of obstacles, chief among them the mini-crisis of political leadership now underway in the young democracy. The Kuomintang party (KMT), which had ruled the country for half a century, has not fully accepted its new status in the political opposition. The Democratic Progressive Party (DPP), for its part, was a once-outlawed group of dissidents, and does not fully trust the KMT. Positioning itself closer to China is a way for the KMT to stymie Taiwanese President Chen Shui-bian's agenda, and opposing arms purchases is part and parcel of that strategy. Meanwhile, the Chen administration has not entirely consolidated its power over the erstwhile KMT-dominated national security bureaucracy, and has found many of its proposed defense reforms defeated.

Taiwan's political paralysis on questions of defense modernization should not be read as an unwillingness to defend itself, or as defeatism. Rather, the combined pressures of an ongoing Chinese campaign of intimidation and isolation and Taiwan's own democratic growing pains have resulted in less-than-optimal policy implementation. America appears to understand this; despite its frustrations and impatience with Taiwan, it has developed closer defense relations with the island at all levels. Taipei and Washington have both recognized and acted upon America's vital interest in deterring China from using force against Taiwan.

## **Canberra's calculus**

Australia is in the unique position of being one of America's closest allies—indeed relations have probably never been better—but diverging from America's assessment of the troubling aspects of China's rise.

Since September 11, 2001, when Prime Minister Howard invoked the ANZUS Treaty for the first time in its history, the armed forces of Australia have participated in Coalition operations in both Iraq and Afghanistan. The American and Australian defense establishments have become more interoperable, are developing a combined training facility in Australia, and envisage working together on a host of security issues for the foreseeable future. Accordingly, Australia has shifted its defense strategy and procurement priorities toward the development of expeditionary forces that can conduct coalition operations anywhere in the world. These changes are marked by a growing agreement between Washington and Canberra regarding the global strategic situation—in particular, the need to aggressively fight terrorists wherever they are and to intervene militarily when necessary to deal with failed states.

The exception to this strategic convergence is China. Over the past few years, Australian Foreign Minister Downer has intimated that the ANZUS treaty does not extend to a U.S. conflict with China over Taiwan. Other Australian politicians similarly have stressed the soothing effects of the rise in trade with China.

This state of affairs should hardly be surprising; Canberra increasingly sees its economic future in China, and has greatly benefited from China's voracious appetite for natural resources.

On the other hand, Australia's long-standing security priority has been to prevent the rise of Chinese hegemony. If China's Australian charm offensive wears off, Canberra could pivot very quickly to a more hedged China policy. It certainly has the infrastructure in place to do so, given its close relations with both Japan and the United States.

## **Seoul goes soft**

After a half-century of alliance relations built around deterring North Korea from making good on its declared policy of reunifying the Peninsula under Pyongyang's control, U.S.-ROK ties appear today to be fraying. The two sides no longer share a common view of the North Korean threat, as South Korea appears to be indulging delusions that peace is at hand or that peaceful unification can be accomplished with the current DPRK regime still in power.

Finding America unstinting in its concern that the rogue regime in North Korea possesses nuclear weapons, South Korea has drifted toward Beijing's sphere of influence, all the while toying with vague ideas of playing some kind of "balancing role" in the region. Along these lines, the ROK has articulated plans to become more independent militarily of the United States and to purchase capabilities to conduct deep strike air operations, early warning and surveillance and extend protection for sea lines of communication. It remains to be seen whether the ROK will fund such an expensive shift in defense policy. But such intimations, combined with a refusal to any longer characterize the DPRK as a major threat—as well as demands for operational control over ROK forces in time of war (as opposed to the traditional arrangement of a combined command led by

a U.S. commander)—have contributed to deep skepticism in Washington over the alliance's future.

America's biggest problem in deterring and defeating China in a potential conflict remains ready access to the fight, and U.S. policy-makers have essentially concluded that the ROK will be of no help in such a scenario. This has led to further doubts about the future utility of the decades-old alliance between Seoul and Washington.

Given the long-standing and successful nature of the alliance, as well as China's potential to anger the ROK with its own intermittent atavistic claims on the Korean Peninsula, it would be a mistake to entirely give up on the bilateral relationship. But absent some form of shock therapy for Seoul, the alliance will remain in deep trouble.

## Stumbling toward security

While the nations of the Asia-Pacific region have responded to China's military growth in varying ways, certain common themes can be distilled. All the major regional powers are modernizing their militaries at least as a hedge against China; and countries have seen it in their interest to upgrade bilateral defense relations with the United States.

What has been missing so far is a multilateral security framework that can act as a collective check on Chinese power. While America is experimenting with some informal multilateral networks—a trilateral security dialogue among Japan, Australia and the United States, and a defense policy focused on multilateral interoperability are two examples—America has not yet decided to form a more formal grouping.

The risks are clear. A formal security construct would generate more overt strategic competition with China, forcing nervous countries to take sides, and create constraints on unilateral action. But the risks of its absence are becoming equally evident. China is working to undermine America's bilateral alliances. And it is having some success with South Korea, as well as providing countries such as India with the opportunity to play Beijing and Washington off against each other or at least compete for their courtship. For the United States, preventing China from making further progress should be a central element of strategy in Asia.



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