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CHINA'S MILITARY DEVELOPMENTS AND THE
U.S.-JAPAN ALLIANCE

PROJECT
2049
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Introduction

The Asia-Pacific is experiencing tectonic shifts in political, economic, and security power dynamics that will cement its leading role in the 21st century global order. Yet, China's military modernization efforts, in combination with a more assertive foreign policy, pose a serious threat to the future peace and stability of the Asia-Pacific region. The rapid growth of China's military capabilities and its overt attempts to enforce maritime territorial claims raises security concerns for the U.S. and many of China's neighbors. China's use of land reclamation technologies to buildup disputed territories, its increasingly frequent and aggressive military maneuvers in the air and maritime domains, and the opacity of its political-military intentions demands that the U.S.-Japan alliance adapt and evolve to address these challenges.

In light of these regional developments, the Project 2049 Institute launched a program to focus on trends in China's military advancements and how the U.S. and Japan can coordinate closely to maintain the peace and stability that has anchored the Asia-Pacific region's economic dynamism and growth over the past 60 years. The discussions drew upon perspectives from U.S. and Japanese experts who work in a variety of government and non-governmental positions. The diversity and depth of insights made this program an excellent forum for exchanging views on China and the future of the U.S.-Japan alliance.

This paper serves as a capstone for the various discussions held over the course of the program in both Washington, D.C. and San Diego. It includes insights from private meetings, roundtables, and public conferences that were hosted. Going forward, we hope to sustain these dialogues through similar platforms to continue the exchange. We believe that these efforts will serve as an important foundation for sustaining a peaceful and prosperous Asia in the 21st century.

Sincerely,



Randall G. Schriver
President & CEO
Project 2049 Institute

Setting the Scene: Understanding Chinese Regional Strategy

As the United States and Japan seeks to address developments in China and the region more broadly, it is necessary to understand Beijing's regional strategy. Indeed, China's political strategy informs the PLA's strategic and operational thinking. Current People's Liberation Army (PLA) doctrine encompasses aspects of Sun Tzu's writings as well as Mao Zedong's principles of war fighting. Sun Tzu's concepts can be simplified into two main points: to win without fighting and to know the enemy and to know yourself. While these concepts are dated, the PLA thinks they are still relevant and so it has been updating and modernizing them for the contemporary battlefield. A crucial part of PLA strategy is the concept of a People's War and the five combinations, evidenced through the PLA's combining of military and civilian assets in past conflicts.¹

Contemporary examples of this concept include the use of fishing vessels to enforce maritime claims and the case of the Chinese encounter with *USNS Impeccable* in 2009. The concepts of active defense, multi-dimensional deterrence, and a preference for traditional fighting methods are also of crucial importance to current PLA doctrine and must also be taken into account when evaluating the PLA's operations. Understanding the framework of PLA strategy and learning from experiences such as the *USNS Impeccable* case, the U.S.-Japan alliance is better equipped to counter Chinese doctrine and dissuade Chinese expansion into the South and East China Seas.

Another aspect of China's strategy is the growing involvement of the State Oceanic Administration (SOA) in the South and East China Seas. The SOA is controlled by the State Council and technically considered a civilian organization; however, it encompasses the China Coast Guard (CCG) and has continued to maintain close



First panel of Washington, D.C. conference on March 20, 2015. Participants from left to right: Dr. Scott Harold, Dr. Chisako Masuo, Dennis Blasko, and Randy Schriver (moderator).

relations with the PLA Navy. Since 2006, the CCG has borne most of the responsibility for patrolling disputed waters and enforcing Chinese maritime claims. While the PLA Navy (PLAN) will occasionally assist with these efforts, current Chinese strategy is one of “salami slicing,” or gradually cementing claims while keeping the situation from escalating into a full blown conflict by taking one small step at a time until the objective is achieved.

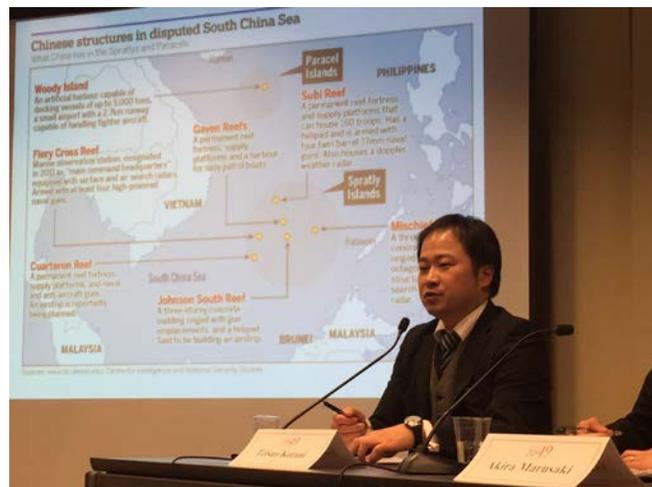
¹ For more on this please see Dennis Blasko, “SPECIAL: Sun Tzu Simplified: An Approach to Analyzing China’s Regional Military Strategies,” *Asia Eye*, April 10, 2015, at <http://blog.project2049.net/2015/04/special-sun-tzu-simplified-approach-to.html>.

A major element of China's efforts to legitimize its claims includes SOA patrols and enacting domestic laws permitting these actions. According to international law (such as the United Convention on the Law of the Sea), these actions are illegal. However, this Chinese framework conflates the use of civilian and military assets, and more often than not its efforts to pursue its territorial ambitions has been effective. For the U.S. and Japan, contesting China's use of civilian organizations and vessels is more difficult than if China were to use naval vessels.

When looking at the PLA's new military-to-military relationship with the U.S., two questions arise. Why did China propose to build this new relationship and how deep is the PLA's support for this relationship? It is believed by some experts that General Secretary Xi Jinping's accession to power, and his bureaucratic rearrangement of the PLA's Central Military Commission, gave him enough control to put forth his own policy. High-ranking PLA leaders have publicly supported military-to-military ties; however, based on unofficial remarks, it is evident that the PLA still sees the U.S. military as its chief adversary. More military-to-military exchanges do not in effect reflect a change in attitudes held by the U.S. and Chinese militaries. On the contrary, China may be using the relationship to learn as much as it can from U.S. forces to improve its own military readiness, while also influencing or otherwise gaining political leverage over Washington decision makers.

Chinese Development of Military Capabilities and their Contribution to China's Regional Military Strategy

Against the backdrop of China's regional strategy, there are several areas of development in PLA modernization that deserve close attention, including three important ones that will be discussed here. First is China's goal of becoming a blue-water navy capable of projecting power into the Western Pacific through further development of its "anti-access/area-denial" (A2AD) capabilities, particularly its submarine fleet and cruise missiles. Despite its ambitious efforts, however, PLAN faces a couple of pressing challenges. First, PLAN lacks sufficient anti-submarine warfare (ASW) capabilities, leaving its submarines vulnerable to attacks. Second, PLAN has weak air defense systems that leave its fleets vulnerable. This is due to its lack of sufficient airborne early-warning aircraft. In addition, PLAN's lack of sufficient maritime intelligence, surveillance, and reconnaissance (ISR) capabilities limits its reach. Despite these challenges, China's intermediate-range ballistic missiles (IRBMs), medium-range ballistic missiles (MRBMs), and short-range ballistic missiles (SRBMs) threaten enemy air forces and could help protect the PLAN fleet operating in the East China Sea.



Senior Fellow Tetsuo Kotani from JIIA presents on China's naval capabilities at Washington, D.C. conference on March 20, 2015.

The second development in Chinese military capabilities is the advancement of conventional precision strike capabilities. China has advanced its missile technology in two key areas: ballistic missiles, including anti-ship variants, and cruise missiles, including both land attack and anti-ship variants. These advances are characterized by gradually increased missile accuracy and extended ranges. Technological improvements allow for a robust first strike capability in order to preemptively cripple adversaries' critical systems and platforms. The use of precision missiles by the United States during the Gulf War demonstrated to China the utility of possessing precision strike capabilities. China's increased investment in precision strike demonstrates its departure from relying on nuclear deterrence and defense of the mainland. Precise targeting of missiles is an integral part of China's A2AD strategy in the event that the U.S or Japan enters what China considers its sovereign maritime territory.

The third major development is related to China's space and counterspace capabilities. China's views on military space were not conceived in a vacuum; rather, they exist as a part of China's new overall strategy of modern warfare. The PLA views space warfare as a high intensity conflict with an emphasis on offensive operations. In such a conflict, a relatively small number of U.S. and Japanese space assets would be available, and the existing space infrastructure is fragile. Furthermore, space systems are easy to destroy, and difficult and expensive to protect. For the Chinese, space offensive operations are part of larger operations, and do not solely relate to assets in orbit. Keeping in mind the United States' reliance on space sensors, in the event of conflict China would most likely attempt to negate the U.S.' ability to utilize its space assets. In effect, these efforts would impede communications and information gathering abilities while simultaneously making it more difficult for the United States to coordinate forces in the event of conflict.

What are the limits of the growth of Chinese military power?

While China has announced its intentions to expand the military budget by 10.1 percent in 2015, there remain real limits to the sustainability of its growth over the long term. In its current state, it is important to note that Chinese military power is still far from surpassing that of the United States. Even though China's economy is predicted to eventually surpass the U.S. in terms of gross domestic product, China lacks the same comprehensive national power that the United States possesses. Furthermore, China is beginning to experience demographic and economic hurdles historically faced by developing economies. In addition to having a rapidly aging population, China may face what some demographers refer to as a middle-income "cliff" rather than a middle-income "trap."

Based on these demographic trends, the sustainability of China's assertive foreign policy and its economic clout is questionable. Disruptions to internal stability may incentivize the Chinese Communist Party (CCP) to divert the attention of domestic audiences toward external targets, such as Japan. Managing these and other potential risks should be incorporated into U.S. and Japanese approaches to China and its foreign policy.

U.S.-China Military-to-Military Cooperation

Despite the uncertainty surrounding China's military capabilities and intentions, the United States and China have a military-to-military relationship intended to prevent and mitigate miscalculations and promote transparency between the two governments. The U.S.-China relationship has seen tensions rise and subside over the past 20 years. Events such as the 1989 Tiananmen Square Massacre and the 2001 Chinese fighter jet collision into an American EP-3 surveillance plane resulted in downturns in bilateral ties, but interaction between U.S. and Chinese militaries continues in hopes of encouraging greater mutual trust and transparency.

U.S.-China military-to-military relations occur in three areas. First, the U.S. and China engage in what is described by policy makers as "sustained, substantive dialogue." These discussions include the Security and Economic Dialogue, Strategic Security Dialogue, and Defense Consultative Talks. Maintaining these high- and working-level interactions are components of maintaining strategic discussions to manage problems. This dialogue creates channels through which both sides can provide attention to their relationship in the context of evolving regional dynamics.



Brigadier General David Stilwell delivers a lunch keynote at Washington, D. C. conference on March 20, 2015.

The second form of military-to-military interaction is focused on enhanced risk reduction through talks at the operational level. Through the Military Maritime Consultative Agreement Working Group, for example, the U.S. and China attempt to better-manage their interactions at sea and discuss what each side sees as appropriate or inappropriate behavior in the maritime domain. President Xi's November 2014 proposal of confidence building measures for close military encounters, which were agreed upon by President Obama, was geared toward creating a framework for avoiding accidents in air and sea domains. As China continues to expand the scope of its military operations, it may be helpful that the U.S. and China have such mechanisms to prevent accidents, miscalculations, and escalation of tensions.

The third form of U.S.-China military-to-military ties occurs in the form of practical cooperation, such as ship visits, exercises, and exchanges. The U.S. and China currently cooperate in four areas: military medicine, humanitarian assistance and disaster relief (HADR), search-and-rescue, counter-piracy, and peacekeeping operations. The two sides are able to cooperate in these areas without overly prohibitive concerns of transferring sensitive military tactics or techniques. This practical cooperation demonstrates to the international community that the U.S. and China are making efforts to build on areas of common ground and understanding. It builds familiarity and awareness between forces as they engage in practices to strengthen their respective capacities to respond to peacekeeping and HADR contingencies. Ultimately, while the

U.S.-China military-to-military relationship is only one channel of interaction in a dynamic bilateral relationship also rooted in economic and people-to-people exchanges, it has value in encouraging China to abide by international law and norms.

Focusing on the Future of the U.S.-Japan Alliance

In light of China's expanding capabilities, and the operational scope of its military operations, the U.S. and Japan have taken concrete steps to prepare for various contingencies that may arise from shifts in the regional military balance. In particular, China's buildup of A2AD capabilities is intended to restrain U.S. and Japanese activities in the East and South China Seas and the Western Pacific. China's increasing scope of activities in these areas threatens to erode the regional security status quo and raises the likelihood of what Japanese strategists have referred to as "grey zone" contingencies. In order to address these situations, Japanese strategists debate how and where to place their military assets. For example, should Japan deploy its assets closer to areas of possible contingencies to deter China's "creeping expansionism," or should it pull its assets back to protect them from attack? These are questions that occupy a large part of the Japanese strategic discourse today.

In response to incidents related to Chinese claims over the Senkaku Islands, Japan has released two important strategic documents in the past five years. The first was the 2010 National Defense Program Guidelines, which prioritized the development of "dynamic deterrence" and the use of ISR assets to deter Chinese expansionism. In 2013, Japan introduced plans to develop a "dynamic joint defense force" for gray zone deterrence. In addition to utilizing ISR assets, the 2013 NDPG included plans to develop air and maritime superiority and strategic transportation capabilities for island defense.

The U.S.-Japan alliance has taken steps to address regional security trends. The 2014 decision by Washington and Tokyo to revise their 1997 bilateral defense guidelines will prioritize the implementation of a seamless alliance structure through

peacetime, grey zones, and full military contingencies. By comparison, whereas the U.S.-ROK alliance is centered on a single, integrated command structure, the U.S.-Japan alliance has no such mechanism or permanent body. The 1997 bilateral defense guidelines included a bilateral institutional coordination mechanism, but the shortfall of this mechanism was apparent in 2011 when it could not be activated during the Great East Japan Earthquake since this natural disaster did not directly involve the defense of Japan.



Dr. Tai Ming Cheung presents at public conference at University of California in San Diego (UCSD) on March 24, 2015. Panelists from left to right: Akira Marusaki, Hiroko Maeda, Randy Schriver, Brad Kaplan, and Ian Easton.

The revision of the 1997 bilateral defense guidelines will also introduce new operational domains for alliance cooperation, such as cyber, space, missile defense and counter-A2/AD. Additionally, the revision may help clarify how the Japanese relaxation of arms export bans and changed interpretation to allow Japan's exercise of collective self defense will affect U.S.-Japan alliance operations. Once the revision is finalized this spring, the U.S.-Japan alliance will be well-prepared for the current and future regional strategic landscape.

In addition to bilateral alliance cooperation, Japan's international outreach has complemented the U.S. "strategic rebalance" to Asia. Prime Minister Abe has visited all 10 countries in the Association of Southeast Asian Nations (ASEAN). His efforts to strengthen ties with Australia and India bring benefits for the U.S.-Japan alliance. U.S.-Japan-Australia and U.S.-Japan-India cooperation have created greater opportunities for the U.S. and Japan to align their strategic priorities in Asia.



Japan scholars Hiroko Maeda and Akira Marusaki at UCSD on March 24, 2015.

Although the U.S.-Japan alliance has a proven track record of effectiveness and resiliency, the lack of a robust political and security relationship between Tokyo and Seoul could pose challenges for the alliance. Frayed ties between Japan and South Korea complicates U.S. defense planning and hinders the U.S. ability to engage in robust U.S.-Japan-South Korea trilateral cooperation. While there have recently been modest advances in U.S.-Japan-South Korea cooperation, the possibility for close trilateral security coordination in the near future is not as promising as U.S. defense planners would prefer.

Going forward, the U.S.-Japan alliance will remain indispensable for safeguarding security and prosperity in the Asia-Pacific in the 21st century. Beijing should realize that it has a critical stake in the success of the U.S.-Japan alliance, which has grounded the regional stability that fostered China's meteoric economic growth. China's military modernization and the uncertainty behind Beijing's intentions require the U.S.-Japan alliance adapt to these shifts in the regional strategic landscape. The U.S. and Japan must continue to strengthen their alliance coordination, share a comprehensive China strategy, and share a long-term vision of order in the region. By aligning capabilities, operations, and strategic outlook, the U.S.-Japan alliance will remain the bedrock of peace and stability in the Asia-Pacific region.