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Terrence K. Kelly, James Dobbins, David A. Shlapak,
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Preface

This research looks at the security challenges in Asia—defined here as the U.S. Pacific Command's area of responsibility—in 2030–2040. It develops concepts for U.S. and Chinese interests and national policy and then examines U.S. national strategy in light of these policies. Only then does it consider the U.S. Army's roles and requirements. The research shows that the United States and China have largely overlapping interests globally, but the potential for conflict persists regionally. Therefore, U.S. strategy should seek to balance common U.S. and Chinese goals with the U.S. need to support and protect treaty allies and other partners in Asia. Such an approach would result in a U.S. policy that recognizes China's increased and expanding importance in the world, as well as its legitimate interests, while also keeping China on a path toward international cooperation. This report rejects the perspective that China should be treated as a 21st-century Soviet Union, recognizes China's increasingly capable military, and looks for ways to work cooperatively with China. The goal of this research is to promote a military strategy that puts a high value on security cooperation with regional states, the need for flexible capabilities and a posture that supports allies without antagonizing China, and the need to reach out to the People's Liberation Army to build connections that could lead to improved relations and be used to defuse tensions in times of trouble. The U.S. Army, for its part, needs to focus on security cooperation and the ability to protect U.S. and allied bases, support the joint force, and project forces into the region, if needed.

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Summary

The Changing Asian Strategic Environment

Over the next 30 years, many changes—demographic, environmental, technological, and economic—will reshape the security environment in Asia. In Northeast Asia, populations will begin to decline and age, leading to new pressures on governments to shift spending toward pensions and health care. Asia, and especially South and Southeast Asia, will likely be the part of the world most affected by climate change as those effects are felt more strongly. While Chinese economic growth is almost certain to slow, the region will continue to be a major driver of global growth.

China's strong economy and sustained investment in military modernization will be the most powerful disruptive influences. While the United States will continue to spend more on defense than China, the gap will continue to close. China's focus on its security concerns in Asia, versus the U.S. need to support commitments around the world, will bring China into regional military parity with the United States—and perhaps superiority in its immediate vicinity. Thus, while Beijing is unlikely to compete with the United States for global military power, it will come to challenge America's ability to directly defend its allies and interests on China's periphery. The People's Liberation Army's (PLA's) growing array of anti-access and area-denial (A2AD) capabilities will make the future involvement of U.S. forces in Asian conflicts more challenging.

Chinese Interests and Strategy

China is not developing these capabilities with the intent of seeking out conflict with the United States. Its three core national interests of regime survival, social order, and economic growth are best served by a peaceful and stable international environment. Further, China seeks to be seen as an important and constructive member of the international community. However, the potential expansion of Chinese sovereignty interests beyond acknowledged areas of sensitivity, like Tibet, Xinjiang, and Taiwan, to such areas as the South China Sea and East China Sea may create new tensions if these problems become intractable from a Chinese domestic or international perspective.

So far, China shows no clear signs of seeking to overturn the dominant liberal global order, or even to revise it dramatically. Its leaders understand that the country has, in fact, been a primary beneficiary of the system's basic principles of free trade and the overall stability it has brought to the world. However, it is probably overly optimistic to anticipate that a country as big, emergently powerful, confident, and mindful of its history as China will not seek to modify the terms of the system to better reflect its interests, at least on the margins. While this would not necessarily place China and the United States on a military collision course, it is a potential source of stress between the two powers, both in Asia and globally.

More deeply problematic would be a China that becomes aggressively assertive of its perceived prerogatives in Asia. Indeed, China's behavior is one of two variables that will broadly drive the future of the Asia-Pacific region; the other is the health of the international economic system. U.S. policymakers need to be prepared—at least intellectually—for several distinct Asian futures:

1. *Systemic continuity:* The incentives for cooperation remain high, and China continues to operate within that system, though perhaps in a more assertive way.
2. *Hegemonic China:* China's behavior changes as it grows more powerful, leading it to use or threaten to use force to secure historic claims and prevail in new disputes.

3. *Systemic breakdown:* The global economy goes into decline and trade ceases to maintain the international political order, or the region suffers some significant political shock, and governments must secure popular support by offering something other than rising prosperity.

The current situation points to something between the first two futures. To the extent that U.S. strategy can shape developments, it should strive to shift them in the direction of the first future, hedge against the second, and avoid the third. It should do so by seeking to expand areas of cooperation with China while maintaining the capacity to prevent aggression in the Western Pacific, even in the face of the kinds of threats that a more aggressive China would likely pose.

U.S. Interests and Strategy in Asia

Since 1945, the United States has led the way in creating an international system aligned with its interests in peace, prosperity, and the advancement of human rights and representative government. In contrast to the Soviet Union, post-Mao China has largely sought to join and profit from, not challenge, the international system that underpins core U.S. interests.

China's centrality in the evolving Asian political, economic, and security environment means that its relationship with the United States is and will remain the fulcrum of the U.S. regional strategy. This presents a fundamental challenge, because Chinese and U.S. interests are more convergent and conducive to cooperation beyond Asia than within it.

Globally, both countries seek stability, unimpeded trade and access, the maintenance and even strengthening of some multilateral institutions, avoidance of extremism, energy security, and control of nuclear weapons. Regionally, in contrast, Chinese aspirations and perceptions of U.S. opposition to those aspirations are more pronounced. The United States, for its part, is increasingly concerned that its ability to maintain regional stability will be limited or reduced by Chi-

na's growing military capabilities. These worries have prompted it to improve its posture there; predictably, many Chinese read these measures as directed against their rightful interests and security. Steps by the United States to shore up regional security, restore regional confidence, and revamp its military presence could have a dual effect on China: restraining Chinese willingness to threaten and use force out of fear of war with the United States, while causing an increasingly nationalistic China to perceive the United States as an adversary intent on military containment.

Given the pivotal role of China regionally, where U.S. and Chinese interests may diverge, and globally, where their interests often converge, U.S. strategy must attempt to resolve this tension. It can do this, in theory, by combining deterrence of and engagement with China: Protecting and advancing U.S. interests will entail global interdependence along with interaction and, where possible, cooperation with a power that may also be a source of regional instability and insecurity if not deterred. Whether a strategy with both components is as feasible in practice as it is in theory is not clear, but it will be important for the United States to attempt such a strategy and for China to understand it for what it is.

U.S. Military Strategy in Asia

Three key asymmetries—of distance, time, and stakes—favor China in any Asian security competition with the United States. Together, these asymmetries argue that traditional direct defense will become decreasingly reliable in the face of China's growing strength. This means that deterrence will become increasingly essential in sustaining the U.S. Asian security strategy. However, U.S. reliance on threats of widespread economic warfare (horizontal escalation) or heightened violence (vertical escalation) involve substantial and growing risks for the United States that could well outweigh the importance of any U.S. interests that China is likely to threaten.

Four Criteria and Five Pillars

A successful U.S. military strategy in Asia will need to meet four criteria:

1. It must have clear and realistic goals flowing from the United States' larger interests and strategy in the region.
2. It must take into account the need for U.S.-China cooperation on a host of global security and economic matters.
3. It must be flexible and responsive to Chinese moves—bad or good—and seek to channel Chinese conduct in favorable directions.
4. It must reflect the new realities of Asia resulting from China's increased military and economic power.

The proposed U.S. policy envisions balancing shared global priorities on economics, proliferation, and other issues with deterring Chinese encroachment on the core interests of the United States and its allies and friends. Such a strategy will rest on five key pillars:

1. the ability of the United States to deliver and sustain combat and support forces and strike power rapidly to virtually anywhere in the Western Pacific
2. the U.S. advantage of having some highly capable and reliable local allies, such as South Korea, Japan, and Australia, as well as the capacity to improve the capabilities of other partners
3. the operational difficulties for China in projecting force far beyond its borders and over water, in particular
4. the exploitation of technology to reduce vulnerability to improved Chinese targeting
5. a range of credible non-nuclear escalation options for U.S. leaders, achieved by exploiting enduring U.S. advantages in global power.

Aside from deterring Chinese adventurism, the U.S. military will also have a role to play in encouraging U.S.-China cooperation in the global context and helping extend that cooperation, as much as pos-

sible, into Asia and the Western Pacific. Ultimately, the United States should aim to place squarely on China the onus of determining whether it will be isolated or involved in regional security arrangements.

The Strategy Across Alternative Futures

While this strategy is crafted to suit the circumstances of the current situation—one that is evolving from our first notional future but has not yet reached the second—it remains viable in the two alternatives as well, with only modest changes.

In general, the relative importance of capable regional partners increases as Chinese behavior trends toward the second, hegemonic, future. Transitioning from a web of bilateral relationships to a regional security alliance will become increasingly attractive if Chinese behavior becomes more aggressive.

Deterrence is generally a trickier proposition when the other party is more willing to take risks. Gray areas could begin to appear in which U.S. deterrent guarantees come increasingly into question in the face of Chinese pressure on interests that are more important to U.S. partners than to the United States. The United States would then face a dilemma: intervene to support its ally at the risk of provoking a wider conflict with China or respond more conservatively. Either choice would have serious consequences for the region.

In a "hegemonic China" future, the political downside of increased force posture in the Western Pacific would be significantly less problematic than in a "systemic continuity" future; fears of antagonizing China might not be a major concern if China were already using force to settle disputes.

In the third future, one of more general instability, the behaviors of all actors would be highly unpredictable. Fears of a politically fissiparous or highly aggressive China or general feelings of insecurity could provoke radical changes; Korea, Japan, and perhaps others could pursue indigenous nuclear weapon capabilities, for example. New alliances and antagonisms could emerge, and old ones could erode or be resolved or submerged. This dynamism would stress U.S. strategy and possibly make deterring China far more challenging. Like Japan in 1941, Beijing could see bold, offensive action as its least bad option for

resolving what it perceives as the most dangerous aspects of its security dilemma. Convincing China that the United States does not seek to contain it—but being willing to impose costs on China should it commit aggression—could be difficult under these circumstances.

All that said, both the United States and China have powerful incentives to avoid conflict. The costs to either side are sufficiently obvious and dire to inspire caution among the two leaderships across all of these futures. This risk calculus is a healthy one that U.S. strategy at all levels should seek to reinforce.

Enhancing Crisis Stability and the Dangers of Miscalculation

U.S. military strategy in Asia must be structured to minimize its negative effects on this deterrent risk assessment, even as a crisis brews. Put differently, the United States (and China) should avoid creating situations in which the other side's calculations begin to shift in favor of preemption. In particular, the strategy should increase stability in times of crisis and reduce the risk of miscalculation. So, for example, U.S. plans that rely on large-scale force movements into a small number of vulnerable bases should be avoided because of their strategic and operational deficiencies. To the extent possible, the United States should move toward a posture that does not impose "use-it-or-lose-it" dilemmas on either U.S. or Chinese leaders early in a mounting crisis.

The biggest danger of a U.S.-China conflict will probably originate not from the calculated actions of either side but from a flow of events that leads decisionmakers to make poor, hasty, or ill-informed choices. Especially in the futures in which China is more assertive or the overall situation has come somewhat unhinged, an incident like the 2001 EP-3 episode could touch off a sequence of events that ends in some form of U.S.-China war.

To minimize these dangers, U.S. strategy should not depend on inflexible concepts of operations; hardwired responses should not dictate the size, speed, or configuration of a U.S. reaction to a crisis. U.S. actions should also include a range of deterrent gestures that demonstrate an ability to impose costs on China without increasing the vulnerability of U.S. forces and without posturing those forces in a needlessly antagonistic way.

The U.S. Army in Asia

The Army will have six main roles in supporting U.S. military strategy in the Asia-Pacific. It will

1. provide training and support to allies and partners
2. help defend key facilities from enemy ground, air, and missile attack
3. provide key enabling support to the joint force
4. project expeditionary combat forces into the theater, including the ability to execute modest-sized forced entry operations
5. contribute to new conventional deterrent options
6. help encourage China's participation in cooperative military-to-military engagements.

Provide Training and Support to Regional Partners

Improved partner capabilities can deter Chinese adventurism, extend the timeline for U.S. intervention, and stiffen defense against attack. Because most Asian militaries are ground force–centric, the Army will be the U.S. service best suited to establishing lasting ties with most of them.

Concerns over the growing offensive missile capabilities of North Korea and, especially, China will put a priority on helping partners create and improve their active and passive defenses. The Army will also help improve partner forces' capabilities for other missions, including conventional combined-arms combat against a modern adversary. Army logisticians and other specialists will assist friends in developing the infrastructures needed to support all of these operations and will, as in the past, provide humanitarian aid to local populations. Finally, the Army will help respond to natural disasters and other humanitarian needs in the region.

Defend Key Facilities

The growing missile threat means that Army Patriot and Terminal High-Altitude Area Defense (THAAD) batteries will be tasked to help defend not just air bases, but also ports, logistics depots and hubs, criti-

cal geography (such as straits through which troops and supplies might pass), and host-nation infrastructure and urban populations. Army theater missile defense assets will provide the vital last line of defense for dozens of critical targets, and the number of missile defense units called for could well exceed those currently programmed.

However, defeating this threat would require more than just intercepting incoming missiles. The Army could conceivably play a role through the entire engagement cycle—from targeting to command and control to interception. This might involve cyber operations or deploying new technologies, such as directed-energy weapons.

The Army will also carry a greater burden for defending its own and joint installations from ground attack. Sophisticated opponents, including Chinese or other special forces, could employ highly capable weapons both at short range and from standoff distances. U.S. and allied installations will need protection from these ground threats, which the Army will undoubtedly be tasked to help provide. The Army will likely also be required to assist host-nation forces in protecting local targets. In a sizable scenario, these demands could constitute a significant draw on available forces.

Provide Key Enabling Support

The Army has numerous responsibilities for providing enabling capabilities to the joint force under Title 10 of the U.S. Code—for example, in the areas of logistics, communication, engineering, and medical care. The Army's existing capacities in these areas would probably be stretched to the utmost and perhaps overwhelmed by the demands of a war in the Western Pacific, especially given that, in any campaign against China, the entire U.S. theater enterprise would be under intense attack. As a result, U.S. forces would need to rely on many more and (perhaps) "expeditionary" bases throughout the theater.

Thoughtful and selective prepositioning and infrastructure development could prove very useful in setting the theater to support the rapid and effective projection of joint combat power in a crisis or conflict, as well as humanitarian assistance and disaster relief efforts.

Project Expeditionary Combat Power

Outside the Korean peninsula, the Army is unlikely to be called upon to fight a sustained land war in Asia. This does not mean that it will not need to project force into the region under very stressful circumstances, however.

Rapid deployment of modest-sized Army combat units could, in a crisis, serve two important purposes. First, it would communicate to Beijing a degree of U.S. resolve and commitment beyond that indicated by the maneuvering of air and naval forces. Second, the Army possesses a range of capabilities that could fill valuable niches in a partner's defenses, thereby enhancing prospects for campaign success beyond what the number of "boots on the ground" might suggest. These capabilities include command and control, targeting, long-range precision fire, counter-artillery, intelligence, attack aviation, special operations, and air and missile defense.

The Army should also prepare to support moderate-sized forced-entry operations. These operations could be used to demonstrate U.S. resolve and commitment, secure a forward base, deny an adversary critical terrain, or eliminate weapons of mass destruction. The latter goal might create large demands for ground forces in a North Korean collapse scenario, which could include the insertion of brigade-sized or larger units into rear areas or contested areas to secure key facilities and stockpiles.

As part of preparing to support U.S. strategy in Asia, the Army should also ensure that its major commands are capable of acting as joint task force headquarters, should there be a need to field multiple such task forces in the U.S. Pacific Command (USPACOM) area of responsibility. It should also schedule regular exercises of various scales to demonstrate and test its ability to project expeditionary forces into the Western Pacific.

Contribute to New Deterrent Options

Finally, the U.S. strategy of regional engagement should foster stability by providing real deterrent options. While the U.S. strategic nuclear force will remain the ultimate deterrent backstop for defending U.S. interests in Asia, it would be imprudent to assume that even a durable

nuclear relationship with China would impart sufficient stability to satisfy U.S. security interests. The United States should therefore seek to develop other deterrent options through which it could constrain aggressive Chinese behavior without immediately risking escalation to nuclear threats.

The Army's first contribution to creating these options will be its investment in helping to develop the self-defense capacity of Asian allies and friends. Strong local forces will be the best and most direct deterrent to Chinese aggression, and the Army will be critical in fostering those forces.

Another deterrent strategy would be to turn China's A2AD approach back on itself by threatening to limit China's ability to project power beyond its borders, should it become hegemonic. Accomplishing this goal would require the ability to rapidly destroy or suppress key Chinese forces, bases, and facilities, both within China and abroad. The Army could contribute in the following ways, among others:

- It could deploy long-range conventional strike systems that complement existing and planned U.S. Navy and Air Force strike capabilities, if current treaty obligations change. (However, the Chinese would perceive the fielding of such weapons in the Western Pacific as a new strategic threat.) These capabilities should be embedded in a strategy that delineates how they might be used to assure China that their purpose is strategic defense rather than preemptive strike, for example.
- It could field a force of shore-based anti-ship cruise missiles that could be rapidly deployed to threaten Chinese naval forces and, in extreme circumstances, commercial shipping. This approach could free up U.S. and allied naval assets for other important missions, and such an Army capability (or Army assistance to regional partner forces in developing such a capability) could significantly increase the flexibility of a joint and combined force in a large-scale conflict with China.

Engage with the PLA

Importantly, the U.S. strategy of regional engagement should not view China as an enemy but, rather, should seek to develop ways to further cooperation and reduce tensions. The PLA continues to field the largest ground force in the world, and it has not neglected to modernize this component. Robust army-to-army relations will be part of the overall U.S. effort to improve understanding and increase transparency between the two countries' militaries. The Army should be a key player in this effort.

With respect to Army institutional processes, the capabilities described here would likely not be created by the U.S. Army's current method for force structure analysis, the Total Army Analysis process. Other approaches will be needed to analyze and program for force requirements in the USPACOM area of responsibility.

It is possible that the Army's force structure devoted to the critical missions we identify will be not only insufficient for a military strategy that relies on numerous expeditionary bases but *significantly* so. To develop the necessary forces, the Army would either need to build additional end strength or sacrifice other units. Should this be the case, U.S. leaders will need to judge whether those risks are such that instead of shedding combat forces, the Army should be resourced to add the necessary support units to enable the new USPACOM strategy.

Chinese Reactions to U.S. Army Initiatives

The suggested adjustments to U.S. Army posture would strengthen deterrence without dramatically undermining the U.S.-China relationship or crisis stability. Increasing the depth and strategic resiliency of the U.S. posture in Asia would reduce the chance that Chinese leaders will believe they could win quickly by striking U.S. forces at easily accessible locations. Such a move by China could convince U.S. decisionmakers that the costs of continuing the war would be unsustainable. On the other hand, most of the changes would not undermine crisis stability or significantly increase the likelihood of vertical escalation in the event of a war.

With the exception of deploying conventionally armed theater ballistic missiles, enhancing the U.S. ability to blockade China with ground-based anti-ship missiles might have the most unpredictable and significant consequences. By undermining the PLA's ability to establish the conditions necessary for initiating hostilities, deploying a blockade capability would send a powerful deterrent message. While the required systems needed to achieve this goal are strategically mobile and therefore do not need to be stationed permanently in the Western Pacific, the development of an enhanced blockade capability could have consequences for the larger political relationship if it is seen as affirmation of U.S. intentions to contain China. For this reason, such a strategy must make clear that these weapons are for strategic defense only.

Expanding military ties with the PLA could mitigate Chinese suspicions of U.S. motives. While both countries have been moving cautiously in this direction, the PLA has not yet been invited to participate in major U.S.-led regional exercises, except occasionally in an observer capacity. Inclusion would mitigate the sense that U.S. regional military activities are aimed specifically and exclusively at China.

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Abbreviations

A2AD	anti-access/area denial
AOR	area of responsibility
ASEAN	Association of Southeast Asian Nations
C4ISR	command, control, communication, computer, intelligence, surveillance, and reconnaissance
CCP	Chinese Communist Party
CNPC	China National Petroleum Corporation
DoD	U.S. Department of Defense
EEZ	exclusive economic zone
GDP	gross domestic product
INF	Intermediate-Range Nuclear Forces (treaty)
ISR	intelligence, surveillance, and reconnaissance
JTF	joint task force
NATO	North Atlantic Treaty Organization
PLA	People's Liberation Army
PLAN	People's Liberation Army Navy
THAAD	Terminal High-Altitude Area Defense
UN	United Nations
USPACOM	U.S. Pacific Command
WMD	weapons of mass destruction

CHAPTER ONE

Introduction

This research looks at the U.S. Army's role in Asia at a point far enough in the future to permit current Army leaders to develop a force that supports U.S. interests, national strategy, and military strategy in Asia. For the purposes of this analysis, we define *Asia* as U.S. Pacific Command's area of responsibility.

While Asia as a whole is of great importance to the United States, the focus of U.S. military strategy will be China: how to facilitate a security framework that allows the United States and China to pursue common and national goals peacefully if not cooperatively, how to deter China's use of military force to intimidate its neighbors should it choose to do so, and how to position U.S. forces and partner militaries to achieve national goals should China become more aggressive militarily. The defense of South Korea against the North will remain an important U.S. priority and major Army responsibility, but it is China that represents the more dynamic and overarching challenge.

Looking beyond the immediate future is necessarily fraught with difficulties. Had we been asked 28 years ago to conduct an analysis of the national security challenges in Asia in 2012, the resulting report would have focused almost exclusively on the Soviet Union. That said, planning and programming must be based on the best analysis available at the time, and that is what we seek to provide here.

However, looking far into advance also provides analysts the freedom to examine interests, strategy, and military requirements in a manner relatively disentangled from current commitments, and it may therefore provide a more authentic view of likely future requirements.

It also offers the opportunity, within reason, to consider how forces could be developed to address current trends that are unfavorable to the United States and to provide capabilities that do not currently exist but might be needed. If nothing else, this should cause defense planners to think through future challenges from first principles.

In the next chapter, we examine the changing strategic landscape in Asia. Chapter Three looks at Chinese interests and policy. Chapter Four does the same for the United States. Chapter Five discusses the likely U.S. military strategy for the region, while Chapter Six looks at the Army's role in that strategy, exploring the major missions the Army will likely be asked to undertake. It also proposes new and enhanced capabilities that the Army should consider developing. Chapter Seven presents our conclusions and recommendations.

CHAPTER TWO

The Evolving Strategic Environment

East Asia is and for several decades has been at peace. Most of its states have strong, capable governments that have been able to maintain consistent economic growth, establish reasonably cooperative relations with their neighbors, control their territories, and maintain domestic stability. Significant and, to some degree, predictable shifts in demography, climate, technology, and economics are at work in ways that could alter this hitherto stable and prosperous environment.

Demographics

Populations in Northeast Asia are declining.[1] China's workforce will begin to shrink in the current decade, and its overall population will fall in the next. Japan will be 10-percent less populous by 2040, and South Korea and Taiwan will also see declines in population. Longevity is high in all these countries and, in China's case, still increasing. As a result, the number of retirees will rise sharply in all these societies, resulting in resource transfers from young to old and shifts from other forms of government spending to pensions and health care.

In South and Southeast Asia, general population growth will slow, but some populations will continue to grow. India will surpass China as the world's most populous nation by 2026. China's military-age population will drop by one-third over the next three decades,

[1] All population projections are from U.S. Census Bureau, International Programs, International Data Base, data as of March 15, 2012.

while India's will continue to rise. By 2040, India will have 60 percent more military-age men and women than China. Still, some 10 million Chinese will come of military age every year.

Climate

Asia is likely to be the area of the world most affected by climate change.[2] Average temperatures will rise everywhere, annual rainfall will increase in most of Asia, and the frequency of extreme weather events will increase.[3] Up to 90 million people per year may be affected by coastal flooding. Significant rural-to-urban migration may occur in Asia's most populous countries.

Climate change will force budget shifts toward disaster relief, flood protection, and measures to slow global warming. In Northeast Asia, societies will be rich enough and governments competent enough to ameliorate most of the negative effects of climate change. Asiatic Russia will even gain arable land, access to oil and other natural resources, and, potentially, new populations as a result of climate change. Sparsely settled, resource-rich Siberia could subsequently become an object of competition and even conflict. It is the populations of poor, low-lying countries that will suffer most from climate change—notably, Bangladesh, Cambodia, Indonesia, Vietnam, and low-lying coastal areas of India, such as Bengal and Kerala.

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[2] Asian Development Bank, *Addressing Climate Change and Migration in Asia and the Pacific*, Manila, Philippines, March 2012.

[3] Rex Victor Cruz, Hideo Harasawa, Murari Lal, and Shaohong Wu et al., "Asia," in Martin Parry, Osvaldo Canziani, Jean Palutikof, Paul van der Linden, and Clair Hanson, eds., *Climate Change 2007: Impacts, Adaptation and Vulnerability, Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge, UK: Cambridge University Press, 2007.

Technology

Once a consumer and imitator of Western technology, Asia is developing as a source of innovation and competition in technologies associated with manufacturing, communication, data services, materials, space, and other high-end sectors. From Northeast to South Asia, countries have shown an exceptional ability to learn and apply new technologies to improve their productivity and connectivity.

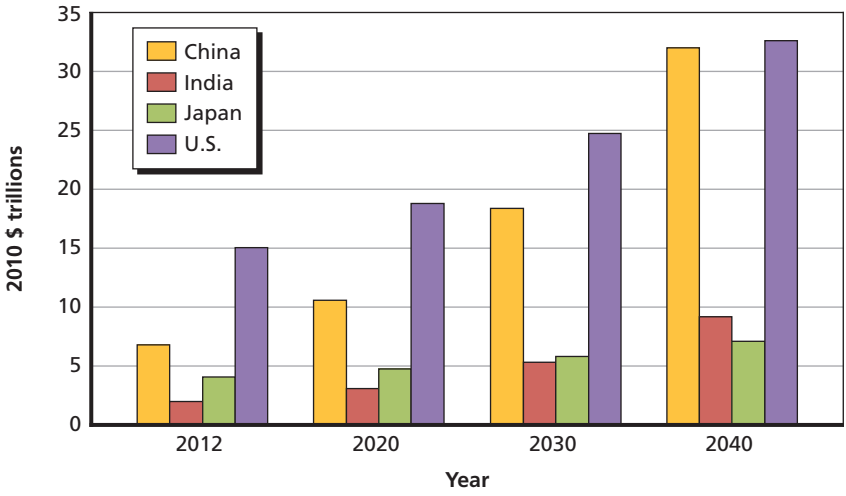
As Japan has shown, China is showing, and India undoubtedly will show, these countries are also capable of applying new technologies to enhance their military capabilities. Relying increasingly on indigenous know-how while still acquiring knowledge from abroad, Asian countries will be able to improve the reach and power of sensors, the range and accuracy of missiles, the performance of combat aircraft, the quality of surface and submarine fleets, and the ability to command and control networked operations. Some will also become competitive, if not threatening, in cyber-espionage and sabotage capabilities and operations, and they could excel in unmanned technology. These developments will magnify anti-access and area-denial (A2AD) threats throughout the region.

Economics

Asian economies are, collectively, the fastest-growing in the world. Growth is likely to remain rapid—barring political instability—and the disparity between Asia and the rest of the world is likely to narrow, but other regions may begin to grow faster than Asia. Japan's economic expansion essentially halted 20 years ago, and South Korea and Taiwan's have already slowed considerably. China's growth will also likely slow—though not so sharply—due to a variety of environmental, social, and economic factors. On the other hand, India's growth is likely to remain strong, and the economies of some of the poorer states in Southeast Asia are likely to expand rapidly over the next decade or two.

Figure 1.1 compares possible growth trajectories, in terms of gross domestic product (GDP), of the Chinese, Indian, Japanese, and U.S. economies over the next three decades. This projection assumes a generally healthy international economic environment, with the United States growing at historic rates (2.8 percent) and Japan resuming its slow growth, while India and China's growth rates converge.[4]

Figure 1.1
Projections of GDP Growth in China, India, Japan, and the United States



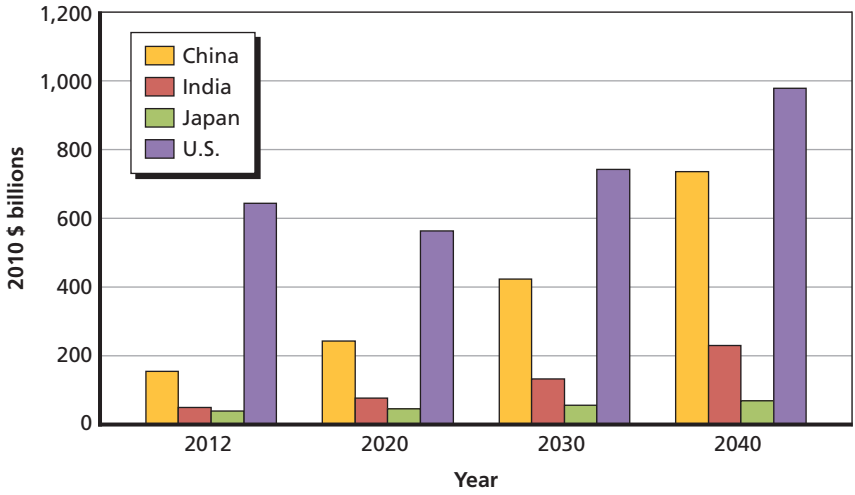
RAND *RR474-1.1*

[4] These comparisons employ market exchange rates. Employing the purchasing power parity method would show a considerably higher Chinese total for the present and near future, but it would make less difference in the out years as Chinese manpower and other costs rise to more closely approximate those of other developed countries. Assumed rates of growth were 5.7 percent per year, on average, for China; 5.6 percent for India; 2.8 percent for the United States; and 2 percent for Japan. These projections are based on the following: the U.S. growth rate calculated from recent years' data in the Bureau of Economic Analysis, U.S. Department of Commerce, "U.S. Economic Accounts: Gross Domestic Product," materials and documentation from various years; the Japanese growth rate based on RAND-posited growth of 2 percent per year; and Chinese and Indian growth rates based on an average of meta-analyses of 27 forecasts of Chinese and Indian economic growth from Charles Wolf, Jr., Siddhartha Dalal, Julie DaVanzo, Eric V. Larson, Alisher Akhmedjonov, Harun Dogo, Meilinda Huang, and Silvia Montoya, *China and India, 2025: A Comparative Assessment*, Santa Monica, Calif.: RAND Corporation, MG-1009-OSD, 2011, p. 38. Other estimates

The Shifting Military Balance

Since the rate of China's economic growth and that of most of its major southern neighbors are likely to converge, the current military balance between China and these countries may not change a great deal. The balance between China and its northern neighbors, on the other hand, will continue to move in China's favor, as will the balance between China and the United States (see Figure 1.2).[5]

Figure 1.2
Projections of Defense Spending by China, India, Japan, and the United States



RAND *RR474-1.2*

reflect different trajectories for Chinese GDP growth relative to other countries', and there are other measures of economic power, such as per capita GDP, on which China's progress is less pronounced than it appears in terms of the absolute size of its economy.

[5] The U.S. projection is based on average defense spending as a share of GDP for the three years from 1999 to 2001. Projections for Japan, India, and China are based on average defense spending as a share of GDP, 2008–2010, reported in Keith Crane, Roger Cliff, Evan S. Medeiros, James C. Mulvenon, and William H. Overholt, *Modernizing China's Military: Opportunities and Constraints*, Santa Monica, Calif.: RAND Corporation, MG-260-1-AF, 2005.

This projection assumes that U.S. per capita spending on defense returns to its early post–Cold War level of 3 percent of GDP, while China continues at its current and recent historic level of 2.3 percent. (Officially, China reports spending only 1.1 percent of its GDP on defense, but U.S. analysts believe that significant defense-related expenditures are located elsewhere in the Chinese budget.) Of course, in the future, China might choose to increase the share of its wealth committed to defense. Were it to do so, it is reasonable to believe that the United States might follow suit, in which case U.S. spending could easily rise again to Cold War or post-9/11 levels.

Over the next three decades, China is unlikely to directly compete with the United States for global military power, though there may be indirect competition. Indeed, China has little incentive for direct competition so long as the U.S. military protects Chinese commercial access to the rest of the world's resources and markets. Consequently, Chinese military capabilities are likely to remain concentrated in Asia, while U.S. forces continue to be more widely dispersed.[6] China is likely to achieve local military parity with the United States—and, eventually, superiority in its immediate neighborhood—though the military forces of South Korea, Japan, and Taiwan will go some way toward offsetting the increase in China's military capabilities.

As a consequence of these shifts, the direct defense of U.S. interests on China's periphery will become progressively more difficult. Such a defense is currently feasible, but the challenge varies with geography and circumstances, from the South China Sea (minimally challenging) to Korea (moderately challenging) to Taiwan (moderately to highly challenging). This variance is the result of the limitations of the bulk of the anti-access systems fielded by China to date (e.g., short-range missiles) and China's still-limited capability to maneuver, project, and protect forces beyond its borders. For the moment, China will find it difficult to exploit its current advantages, but it is fielding new capabili-

[6] One study estimated that, as of 2005, roughly 20–25 percent of U.S. defense spending went to meet USPACOM demands. How this could change with the winding down of the two wars in U.S. Central Command's area of responsibility (AOR) is hard to predict, but global commitments will prevent the United States from devoting anywhere near the same level of effort in the Asia-Pacific as China likely will.

ties at a rapid rate. To the extent that China's neighbors feel threatened by these new anti-access capabilities, it is possible that they could invest in their own variants, which could diminish the potential for Chinese power projection. This is particularly true for neighbors that do not share a land border with China. For example, the southern part of the South China Sea lies outside the reach of many Chinese power projection forces, like short-range missiles and unrefueled fighter-bombers. If states with claims in the South China Sea invest in anti-access capabilities of their own, dominance in this area could long remain contested.

As mentioned earlier, Chinese anti-access capabilities make the future involvement of U.S. forces in conflicts more challenging. Several studies have highlighted the possible threat posed to land bases and aircraft carriers within 2,000 km of China by medium-range ballistic missiles and ground-launched cruise missiles.[7] The addition of new long-range precision-strike systems, such as the reported development of a new 4,000-km-range conventional ballistic missile or the combination of improved medium-range bombers with long-range cruise missiles,[8] significantly increases the number of countries and targets that are vulnerable to attack. Chinese cyber and anti-satellite capabilities may, in time, be able to disrupt U.S. command, control, communication, computer, intelligence, surveillance, and reconnaissance (C4ISR) systems and thus impair direct defense. In sum, forward-operating U.S. forces could become more vulnerable, which is a primary goal of China's military investments and deployments.

Of course, Chinese strategy must also contend with other actors, like its powerful neighbors India and Russia. Both share long and sometimes contested borders with China, and neither country's interests fully coincide with Beijing's. Increased U.S. engagement with India has been motivated, in part, by mutual anxieties about the possible impli-

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[7] Andrew F. Krepinevich, *Why AirSea Battle?* Washington, D.C.: Center for Strategic and Budgetary Assessments, 2010, p. 24; Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, Washington, D.C., 2010, p. 32.

[8] Doug Richardson, "China Plans 4,000 km-Range Conventional Ballistic Missile," *Jane's Missiles and Rockets*, March 1, 2011; Ian Easton, *The Assassin Under the Radar: China's DH-10 Cruise Missile Program*, Futuregram 09-005, Arlington, Va.: Project 2049 Institute, 2009.

cations of China's growing power. Conversely, a modest Sino-Russian rapprochement has largely been driven by joint worries about U.S. regional and global strategic dominance. U.S. strategy toward both Moscow and Delhi should be shaped by the desire to deepen ties with India while attempting to create daylight between Russia and China. China cannot be isolated or contained, but it would be to the United States' advantage if any security competition with Beijing played out in such a way that China's attention could not be focused exclusively on its Pacific littoral.

When looking beyond the immediate future, it is also important to recognize the possibility of dramatic political change in China. The economic and military trends described here presuppose a China that continues much as it is today. However, the Chinese Communist Party (CCP) faces economic and social problems of sufficient magnitude that it is not unthinkable that the country could face some degree of upheaval in the coming decades.

Political change in China could have either pleasant or unpleasant consequences for its neighbors and the United States. A democratic China could serve as a new and powerful partner for the United States, both in Asia and globally; a *democratizing* one, however, could be an unstable and disruptive force, if historical experience is any guide. Instability in China could turn it inward or outward. None of this is predictable; any of it is possible. U.S. strategic thinking should be attentive to signs of ongoing or incipient transformation within China's political system.

CHAPTER THREE

Chinese Interests and Strategy

In recent years, China's national interest has become more openly discussed and explicitly defined. The discussion of "core national interests," a phrase that has gained currency since roughly 2004, provides the highest-level formulation of the interests underpinning Chinese strategic thought.[1] These core interests have been variously defined by different Chinese leaders, but all include some variation of the following three goals:

1. preserving China's basic state system and national security (i.e., maintaining CCP rule)
2. the protection of national sovereignty and territorial integrity
3. the continued stable development of the Chinese economy and society.

The second of these points—protecting territorial integrity—has attracted the most attention among Western analysts, but we begin this chapter by addressing the other (first and third) goals.

Regime Survival, Social Order, and Economic Growth

The recent discussion of core national interests is consistent with the larger record of Chinese strategic statements and action in giving con-

[1] On the Chinese use of the phrase "core national interests," see Michael D. Swaine, "China's Assertive Behavior, Part One: On 'Core Interests,'" *China Leadership Monitor*, No. 34, Winter 2011.

siderable prominence to regime survival, domestic security, and, as a means to those ends, economic growth. The regime has demonstrated a willingness to incur international opprobrium—and considerable economic damage—in suppressing the Tiananmen demonstrations in 1989, highlighting the primacy of regime security. Today, that priority is evident in areas from media censorship to the consistent defense of sovereignty norms in China's international statements and UN voting patterns. Beijing's emphasis on the stable development of the national economy and society are directly related to regime survival. Leaders in Beijing may see social instability as the greatest threat to the party, and they view balanced economic development and growth as central to avoiding it.[2]

Economic growth has been a central goal since Deng Xiaoping introduced reform and opened China to economic relations with the rest of the world after 1978. Deng shifted the focus of Beijing's foreign policy from the support of national liberation movements and ideological struggle to the promotion of trade with virtually all states, regardless of regime type. Successive foreign policy statements have emphasized the importance of regional peace and stability as a precondition for economic growth. As China's power has grown and neighbors have become more wary of it, Beijing has sought to reassure regional states by characterizing these advancements as "China's peaceful rise" and "peace and development." Notably, although China has practiced targeted trade retaliation in economic disputes, it has not imposed sanc-

[2] China now spends more on internal security than it does on external security. See Ben Blanchard and John Ruwitch "China Hikes Defense Budget, to Spend More on Internal Security," Reuters, March 5, 2013. How Chinese leaders weigh internal and external security is, of course, open to debate, but there is little question that leaders in Beijing are extremely conscious of instability and view it largely in the context of uneven growth. These connections are drawn in many senior work reports on economic issues, the most recent of which is Wen Jiabao, *Report on the Work of the Government*, presented at the Fifth Session of the Eleventh National People's Congress, March 5, 2012. For more general commentary on the issue, see Susan L. Shirk, *China: Fragile Superpower*, New York: Oxford University Press, 2007, pp. 35–78, and David Shambaugh, *China's Communist Party: Atrophy and Adaptation*, Washington, D.C.: Woodrow Wilson Center Press, 2008, pp. 116–119.

tions designed to achieve more purely political purposes.[3] Beijing may be increasingly willing to accept at least some economic costs in achieving international political ends, but in several important recent cases in which political conflicts appeared likely to affect Chinese trade or investment interests, it has reigned itself in to limit those costs.[4]

Territorial Integrity

The maintenance of national sovereignty and territorial integrity is also not new to Beijing's strategic lexicon. But the discussion of sovereignty as a formalized and general "core national interest" could have important implications for Chinese behavior.[5] To date, official discussions of China's core national interests limit the granting of "territorial integrity" to Tibet, Xinjiang, and Taiwan—large areas that have long been sensitive and contested. Tibet and Xinjiang are under Beijing's control and are unlikely to spark interstate war or serious international

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[3] The one partial exception to this may have been restrictions on the sale of rare earth metals at the end of 2010. Coming amid tensions with Tokyo over Japan's arrest of a Chinese fishing boat captain who had rammed his ship into a Japanese coast guard cutter, China embargoed the sale of rare earth metals to Japan. However, the motives appear to have been mixed in this case. Chinese officials, who have tried to raise China's status as the predominant worldwide supplier (97 percent) of rare earth metals, despite having somewhere between 36 and 50 percent of the world's reserves, claimed that the embargo was not targeted at Japan and subsequently announced that global sales would be more tightly regulated. On China's reserves and production of rare earth elements, see Wayne M. Morrison and Rachel Tang, *China's Rare Earth Industry and Export Regime: Economic and Trade Implications for the United States*, Washington, D.C.: Congressional Research Service, April 30, 2012.

[4] When tensions with Japan boiled over in 2005, Chinese activists pressured the government to take a tougher line against Tokyo on historical and United Nations (UN)–related issues. Following a relatively standard script, the government adjusted national policy and allowed some protests to occur while mobilizing its community of Japan specialists to visit campuses, trade groups, and other organizations to dampen tensions and encourage an end to activism, largely on the grounds that stable trade and investment relations with Japan remained critical to China's continued growth.

[5] Our discussions with Chinese military and civilian strategists suggest that the original motivation for this language was to create a counterpart to U.S. "critical national interests"—language that leaders in Washington could use to justify unbending policy in their dealings with China. Author interviews, Beijing, November 8, 2010.

challenge, as long as the Chinese state remains stable and its economy healthy. Taiwan, the one area not administered by Beijing, has long been regarded as the most dangerous international flashpoint involving China.

China has settled many of its territorial disputes (including almost all of its land border disagreements) in a majority of cases by ceding more territory than it gained.[6] However, depending on how it is applied, the language of core interests could complicate the settlement of the disputes that remain outstanding, primarily by limiting and constraining Beijing's ability to compromise. For example, even if Beijing does not officially assert that the South China Sea is a core national interest, the leadership might nevertheless find it unpalatable to disavow unofficial statements by military officers or others who might label disputed territory as such. Already, there has been much confusion in the West about whether the Spratly Islands fall into this category.[7] By popularizing a generalized language of core national interests that might be applied to the South China Sea, leaders in Beijing have increased the danger that new areas may, like Taiwan, become intractable problems from both the Chinese domestic political and international perspectives.

Global Role

On the global stage, China would like to be seen as an important and constructive member of the international community, though there is much ambivalence about exactly what that means. It has a great stake in much of the current architecture of global governance and values its position in the UN and UN Security Council, World Trade Organization, G-20, Nuclear Non-Proliferation Treaty Nuclear Suppliers' Group, and a host of other international organizations. It is also

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6 M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes*, Princeton, N.J.: Princeton University Press, 2008.

7 The *New York Times* incorrectly reported that Chinese officials included the South China Sea in the country's core national interests during a U.S.-China bilateral meeting in March 2010. For more detail, see Swaine, 2011.

a member or observer of a number of regional organizations in Southeast Asia, Central Asia, South America, Africa, and elsewhere. At both the global and regional levels, it has expanded its financial and organizational contributions, which include personnel and international training functions.[8]

Beijing's view of its role as a constructive member of the international community does not always coincide with the view from Washington: The degree of convergence with U.S. positions is largely issue-dependent and a function of specific Chinese interests. China has been an active participant in the six-party talks on North Korea and has engaged in anti-piracy missions in the Gulf of Aden, conducting joint patrols with South Korean and Japanese contingents. On some economic trade and investment issues, its positions are closer to those of the United States than, for example, those of India—and on a few issues, such as genetically modified crops, it is closer to Washington than most European states.

In other cases, Chinese positions conflict with those of the United States. The most important of these relate to state sovereignty. Concerned about international intervention in China's own affairs in the event of internal instability, Beijing is extraordinarily reluctant to endorse sanctions or other activities that could further erode international norms associated with national sovereignty. China has therefore sided with Russia (and, in some cases Brazil, India, and others) in opposing or weakening U.S. and European efforts to sanction Syria and Iran. While China is a member of most of the organizations that define the world system today, it is also an active and important participant in at least two organizations—the Shanghai Cooperation Organization and the Brazil, Russia, India, China, and South Africa group—that have tried to push the international system in directions more amenable to developing or non-Western states.

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[8] For example, China has established its Center of Excellence on Nuclear Security to offer courses on best practices for specialists and operators in nuclear security throughout Asia. It also provides a substantial number (roughly 1,000 in 2011) of civilian and military personnel for UN peacekeeping operations and increasingly also supplies administrative personnel.

Finally, Beijing's interpretation of the UN Law of the Sea, under which it claims the right to refuse other nations access to its exclusive economic zones (EEZs) for such purposes as military surveillance and marine scientific research, is at odds with the U.S. position, which asserts no limitations on freedom of navigation. In this, Beijing is at odds with the majority global opinion, though 16 other states have adopted positions similar to China's (including India and the Philippines).[9]

Debate over Chinese Power and Assertiveness

Leaders in Beijing also debate how assertive and prominent China should be on the world stage. While this debate is less about how China defines its interests than how it goes about achieving them, it nevertheless bears on Chinese strategy and behavior. Emblematic of Deng Xiaoping's pragmatism and his focus on increasing Chinese trade, his most important statement on foreign policy (and the one most frequently quoted in China) ended with the admonition to "keep a low profile and achieve something." In the jostling over Chinese foreign policy today, Deng's comment continues to be advanced by those who believe that, because China remains an underdeveloped and relatively weak state, trade and economic growth should remain the paramount focus of its foreign policy. Affirmation of Deng's principle has been advanced in explicit opposition to, for example, Beijing's assertiveness on South China Sea issues.[10]

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[9] Raul (Pete) Pedrozo, "Coastal State Jurisdiction over Marine Data Collection in the Exclusive Economic Zone: U.S. Views," in Peter Dutton, ed., *Military Activities in the EEZ: A U.S.-China Dialogue Security and International Law in the Maritime Commons*, Newport, R.I.: U.S. Naval War College, 2010, p. 35, fn. 49. Other states have not taken the same active measures that China has to assert its claims (such as harassing U.S. ships in their EEZs), but India has twice protested the activities of the U.S. surveillance ship *Bowditch*, which China has also harassed.

[10] For example, Wu Jianmin, a senior Chinese diplomat, has criticized military statements in the media on China's interests in the South China Sea and Beijing's relations with Washington. See 吴建民：中国不怕西方张牙舞爪 ["Wu Jianmin: China Does Not Fear Western Saber Rattling"], 发展论坛 [*Development Forum*], July 27, 2010.

Some Chinese commentators believe that, as Chinese economic and military power has grown, other states should become more accommodating of Beijing's interests. These individuals, apparently unfamiliar with the failure of U.S. power to produce widespread compliance with its wishes, are chagrined to find that even weak powers often ignore or contest Chinese interests. Some commentators propound a more assertive approach to policy or even the limited use of force to underscore China's rise. Others have bemoaned the fact that, despite decades of military modernization and improvement, China's arms remain untested and its military inexperienced.

No senior Chinese policymaker has advanced these arguments, and most remain acutely aware of the state's continuing vulnerabilities. Nevertheless, it is clear that simply taking a low profile is no longer sufficient. In quoting Deng Xiaoping's famous aphorism, some Chinese officials, including former CCP general secretary and Chinese president Hu Jintao, have modified the original: China should "*uphold* keeping a low profile [and] *actively* do something" (modifications in italics).[11] The point is not that China should bully its neighbors but, rather, that in a more complicated international environment, more proactive measures are needed to achieve the national interest.

Use of Force

Many, though not all, of China's likely conflict scenarios are in East Asia. Before addressing those cases, it is worth considering the state's general propensity for the use of force in more general terms. In light of the national interests outlined earlier in this report, how likely is China to engage in war? If it does, what would be the most likely causes? In many ways, China's record with regard to the use of force is reassuring. Its last sustained combat engagement was its attack on Vietnam in 1979. Subsequent episodes of use of force, such as clashes in the Paracel Islands and the Spratly Islands, rank as mere skirmishes compared

[11] National Institute for Defense Studies, *NIDS China Security Report, 2012*, Tokyo, Japan, December 2012, p. 14.

with the two wars and many smaller battles in which the United States has engaged in recent years. Some have speculated that China might embark on diversionary wars to distract its population from economic or political problems at home or, alternatively, might fight over energy resources. While we view neither of these scenarios as likely in their pure forms, popular nationalist sentiment could constrain the leadership's reaction to perceived challenges to national sovereignty or to the loss of national resources.

Popular War

Might China engage in conflict to distract its population from economic or political problems? While economic development represents one leg of the regime's stability, defending the national interest and national pride represents an equally important pillar. In the 1990s, Beijing shifted its ideological education effort to place relatively less emphasis on ideology and internationalism and relatively greater emphasis on the struggle of the Chinese nation and people. The state continues to promote the concept of the "hundred years of humiliation" and to focus on such heroic episodes as resistance to the Japanese occupation.

However, Beijing is unlikely to push a nationalist agenda to the point of war in order to distract its population. Military conflict, even in the defense of national interests, could pit economic interests against the defense of national pride or sovereignty. Were China to lose a war (or simply fail to win), both pillars of legitimacy could be jeopardized. The state might have to accept terms that would undermine, rather than reinforce, its status as a champion of the national interest. And periodic international crises since the 1990s have highlighted that popular passions, even without war, pose a potential threat to the regime, causing Beijing to back off somewhat from certain types of nationalist rhetoric.

Having been unleashed, passions directed against foreign provocations cannot be openly suppressed, lest the government be accused of weakness. Yet, uncontrolled, such events can permit the kind of mass organization and street activism that the government fears most. The May 4 Movement of 1919, in which protests against the terms of

the Versailles Treaty morphed into a movement against China's own nationalist government, serves as an important historical reference point for Chinese leaders. In more recent times, protests following the U.S. bombing of Beijing's embassy in Belgrade in 1999 and after a series of Japanese measures regarded as historically revisionist in 2005 severely challenged Beijing. Despite some temptation to manipulate domestic opinion and turn the national focus outward, the disincentives are even greater.

Resource War

How likely is it that China would go to war over energy or other resources? On balance, tighter energy markets and rising oil prices would make it more likely that China and its neighbors might go to war over resources in the South China Sea or East China Sea. However, it is unlikely that Beijing would elect to fight over energy in the absence of other catalysts.

Chinese energy companies have purchased stakes in upstream energy around the world, but they have neither the scale nor the demonstrated intention to "lock up" world energy markets.[12] (Total production by Chinese firms outside China was roughly 2 percent of total global oil production in 2011.) Chinese national oil companies are sometimes assisted by the state in making upstream purchases, and China eagerly exploits opportunities where U.S. and Western firms are excluded from drilling for political reasons. But there is little evidence to suggest that Chinese energy investments are driven or directed by the state.[13]

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[12] As of 2010, Exxon Mobile had produced 30-percent more oil than had all of China's oil companies in all locations outside China. Although most analysts agree that locking up energy markets is a nonstarter, popular media and several pundits persist in suggesting that Beijing may be aiming to position itself to manipulate markets. See, for example, Dambisa Moyo, *Winner Take All: China's Race for Resources and What It Means for the World*, New York: Basic Books, 2012, pp. 129–130, and Keith Johnson and Russell Gold, "U.S. Oil Notches Record Growth," *Wall Street Journal*, June 12, 2013.

[13] Even the China National Petroleum Corporation's (CNPC's) involvement in Sudan, which has had high-level visibility since President Omar al-Bashir's visit to Beijing at the end of 1994, began prior to that date, with CNPC conducting its own technical assessment.

Most investment decisions are initiated by the energy companies themselves and are based primarily on the profit potential of the deal in question. Government energy oversight agencies are bureaucratically weak, and the oil companies are evaluated primarily on their profitability, rather than on their ability to advance the more purely political interests of the state.[14] China produces roughly a third as much oil overseas as it imports, and not all of its overseas production is brought to China. Rather, decisions about purchases and sales largely follow market principles—albeit a market influenced by domestic price-setting and financial assistance for overseas purchases. Energy could feed into decisions about war and peace, particularly in areas close to China. It is one of several causes that could lead to conflict, but leaders in Beijing are unlikely to fight strictly over energy.

Sovereignty Issues and "Blowback"

While it is unlikely that Beijing will consciously plot a diversionary war or launch a war of conquest to secure energy resources, public opinion, energy, and sovereignty concerns could nevertheless combine to shift the Chinese calculus of war and peace. The rise of commercial and social media, along with the rising number and technical sophistication of China's "netizens," challenge the state's ability to actively control the dialogue on foreign policy issues. Prior to the 1990s, television was a strictly scripted affair, with anchors simply reading from approved texts. Since the late 1990s, however, civilian and military commentators have been able to participate in less scripted interview formats.[15] While the messages seldom run directly counter to official policy, participants are able to push beyond or bend the party line. Some commentators publish their own blogs, while others take potentially controversial writings to Hong Kong or even foreign media, and these articles often find their way back into China. Netizens, for their

[14] The primary oversight agency is the National Energy Administration, created in 2008, which ranks bureaucratically below the three big oil companies, CNPC, the China National Offshore Oil Corporation, and Sinopec. The State-Owned Assets Supervision and Administration Commission oversees some aspects of evaluation and promotion and is charged primarily with ensuring the profitability of state-owned firms.

[15] Author interview, Beijing, March 25, 2008.

part, react with outrage to any perceived insults to the Chinese nation, and their attacks on moderates constrain debate when passions rise.

While Beijing has been able to back off from foreign confrontations in the past, doing so may be more difficult as the leadership becomes more constrained by popular echoes of its own rhetoric and positions. Partly in response to the foreign policy legislation of other states (e.g., the U.S. Taiwan Relations Act of 1979 and the 2004 referendum in Taiwan that China saw as a prelude to bolder moves toward independence), Chinese legislation designed to demonstrate resolve in the matters of Taiwan and the South China Sea may further limit Beijing's room to maneuver. Despite some parochial factionalism (e.g., the split between the so-called Shanghai faction and others under Jiang Zemin and the rise of the China Youth League faction under Hu Jintao), Beijing has demonstrated remarkable leadership unity since the crackdown on Tiananmen demonstrators in 1989. Should more serious fissures appear in the coming years, security and sovereignty could become more highly politicized.

None of this is to suggest that, without popular or political pressure, the leadership would never consider the use of force. Chinese leaders, like those of most states, are committed nationalists willing to use force if the state's sovereignty is seriously challenged. Were one or more Southeast Asian states to undertake large-scale resource exploitation in the South China Sea, or if Taiwan were to threaten the cross-strait status quo, a military response would—even without popular agitation—be considered. More purely strategic military challenges, such as persistent U.S. tracking and surveillance of Chinese submarines within China's EEZ, might also prompt Beijing to consider a show of force or other deterrent measures. But given the perceived economic and political limitations of the state, Chinese leaders will tend to be extremely cautious in considering the use of military force. However, the combination of sovereignty concerns with popular nationalism and, potentially, division at the top would dramatically increase the chances of conflict.

Regional Interests and Policies

Chinese statements suggest a hierarchy in the country's foreign policy thinking. Relations with "major powers," "peripheral states," and "developing states" are almost universally listed in that order.[16] Maintaining stable, working relations with the major powers (especially the United States but also Russia, the European Union, and Japan) is Beijing's top diplomatic priority. States around China's periphery (in East Asia, South Asia, and Central Asia) come next in the hierarchy. Other developing states remain important. But while any given state in Africa or Latin America may be critical to one or more aspects of Chinese foreign policy (e.g., as an energy supplier or important political partner), most engage fewer Chinese interests than either the major powers or the peripheral states.

Virtually all of China's interests are prominently on display in Asia. Many of China's fiercest rivals are in East Asia, as are most of its territorial and maritime disputes. At the same time, however, many of China's most important trading partners are in the region, as are some of China's most important political partners. Given the complexity of relations with nearby states, few states fall cleanly into the category of enemy or political ally, but the relationships with all of these states are important. Moreover, many of China's most intensive interactions with the major powers occur here. As China jockeys for position with the United States, countering encirclement is a critical part of Beijing's thinking in its engagement with regional states.

Because of these overlapping and often contradictory considerations, Chinese interests are often in greatest tension with one another in East Asia, and Chinese policy often evinces profound ambivalence or, alternatively, swings from one position to another. The imperative of

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[16] Evan S. Medeiros, *China's International Behavior: Activism, Opportunism, and Diversification*, Santa Monica, Calif.: RAND Corporation, MG-850-AF, 2009, pp. 93–94. A standard formulation is as follows: "Major power relations are critical (or key); relations with neighboring countries are primary; and relations with developing countries are the foundation." See also Joshua Eisenman, Eric Heginbotham, and Derek Mitchell, eds., *China and the Developing World: Beijing's Strategy for the Twenty-First Century*, New York: M. E. Sharpe, 2007.

protecting what it regards as sovereign territory often bumps up against the need to maintain stable working relations with the great powers, as well as China's regional economic engagement. A period of assertive Chinese behavior in the South China Sea during the late 1980s and early 1990s saw regional states push back against China and explore closer military ties with the United States, leading China to moderate its activities in the South China Sea. Since roughly 2009, Chinese behavior has again become more assertive, especially with regard to its maritime boundaries. Similar swings and ambiguities can be seen in China's relations with Japan and in its posture toward Taiwan.

Next, we examine some of China's specific interests and strategies with regard to the South China Sea, Taiwan, the Korean Peninsula, and India, remembering that interactions with each should be viewed in the context of China's larger international goals.

South China Sea, the Philippines, and Vietnam

Although Chinese goals and strategy in the South China Sea could change, Beijing's core strategy there centers on strengthening its legal claims to the islands and surrounding waters while preventing others from doing the same. At best, the intention is to prepare the ground for the consolidation of Chinese sovereignty at an opportune time and, at a minimum, to improve the terms under which joint exploitation agreements might be struck in the absence of a more decisive result—all while minimizing the risk of a major war. China's legal strategy has several parts, including establishing appropriate domestic legislation, submitting appropriate documentation and arguments to the Intergovernmental Oceanographic Commission, and demonstrating effective civilian administration of the area. The desire to demonstrate effective administration largely explains the growth of Chinese fisheries and coast guard fleets and the careful documentation of the number of patrols conducted and their total distance traveled.

Equally important are Chinese efforts to prevent others from strengthening their own claims. Using a combination of diplomatic, paramilitary, and military means, China seeks to prevent other countries from establishing administrative control over disputed areas of the South China Sea and to ensure that it oversees and regulates any com-

mercial activity in the area. Since 2009 (and especially in 2009 and 2010), Chinese fisheries have arrested large numbers of foreign fishing boat crewmembers operating in the South China Sea, and, in 2011, Chinese maritime patrol craft harassed Vietnamese and Philippine oil exploration ships.[17] Recent Chinese actions may suggest a hardening of Beijing's position as it seeks to strengthen its effective control over the area.

Chinese enforcement activities also reflect changing circumstances. Over the past few years, several regional states have initiated oil and gas projects in their own claimed areas of the South China Sea, while China has been slower to begin such work. Caught flat-footed, Beijing's main priority may simply be to restore the status quo ante.[18] But some of its activities have themselves established a new status quo, impinging on the interests of local states. After the Philippines attempted to assert jurisdiction over fishing activity around the Scarborough Shoal in April 2012, China dispatched maritime surveillance ships, and Beijing has continued to maintain ships there and turn back Philippine fishing boats.

A number of factors could tip Chinese policy in the South China Sea. On the one hand, if conflict became a more serious threat to Beijing's relations with regional states and others (particularly the United States), Beijing could seek to pursue a more accommodating approach. While Beijing would almost certainly avoid discussions, much less negotiations, with its neighbors over sovereignty issues, it might consider ways to mitigate or shelve conflict. It might, for example, discuss a rigorous code of conduct to supplant the 2002 Declaration on the Conduct of Parties in the South China Sea (which it does not currently

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[17] See M. Taylor Fravel, "Maritime Security in the South China Sea and the Competition over Maritime Rights," in Patrick M. Cronin, ed., *Cooperation from Strength: The United States, China and the South China Sea*, Washington, D.C.: Center for a New American Security, January 2012a.

[18] Fravel, 2012a. Iain Johnston also addresses the larger issue of whether Chinese behavior in the South China Sea and elsewhere has been more assertive or whether it is, in fact, consistent with China's historical pursuit of its national interests. See Alastair Iain Johnston, "How New and Assertive Is China's New Assertiveness?" *International Security*, Vol. 37, No. 4, Spring 2013.

observe). Even more meaningful, though less likely, would be bilateral or multilateral agreements on joint resource exploitation.[19]

To the extent that China pursues cooperation in the South China Sea, it would prefer to deal with regional states on a bilateral basis, but unified pressure from Association of Southeast Asian Nations (ASEAN) states could push Beijing toward multilateral approaches, which it ultimately agreed to in discussing the Declaration on the Conduct of Parties in the South China Sea. A positive overall global economic situation (keeping China engaged on the global stage) and a unified position on the part of ASEAN would contribute to peaceful outcomes, as would U.S. backing for a peaceful settlement. This, however, comes with a critical caveat. Both ASEAN unity and, especially, U.S. involvement could increase the probability of conflict if they encouraged Southeast Asian states to conduct unilateral resource exploitation.

Several factors could push China toward the use of force. Most obviously, widespread or large-scale resource exploitation or moves by competitors to strengthen their military presence in the South China Sea could present China with incentives to use force.[20] In such cases, the primary imperative, apart from a decisive result, would be the isolation of the offending state prior to the initiation of hostilities. Just as an inability to isolate a given state might deter Beijing, success in doing so

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[19] In 2005, China, Vietnam, and the Philippines committed themselves to the joint exploration of a portion of the South China Sea, an agreement that collapsed in 2008 after domestic criticism in the Philippines (centered on the loss of sovereignty) forced the government to abandon its participation. Other regional states have achieved more positive results through such agreements. For example, Vietnam and Malaysia have produced gas in a joint development area in the Gulf of Thailand since agreeing to such an arrangement in 1979.

[20] Prior to 1988, China had not occupied any part of the Spratly Islands chain, though it had conducted patrols and "research" in the area. Between 1975 and 1988, however, Vietnam occupied roughly 15 features (e.g., reefs, islands, cays), including at least six in 1987–1988. According to Chinese authorities, the decision to dispatch a Chinese force to Johnson South Reef in 1988 and the ensuing skirmish in March of that year (sometimes mistakenly referred to as the Battle of Fiery Cross Reef) were a reaction to what they viewed as Vietnamese encroachment. Vietnam's actions, on the other hand, may have been informed by the Chinese capture of the Paracel Islands from Vietnam in 1974, as well as the then-ongoing conflict along the land border between the two countries (which had continued sporadically since China's 1979 offensive).

would further increase the likelihood that China would employ force. As noted earlier, the pluralization of Chinese foreign policymaking and the greater voice granted to military or "netizens" could also contribute to a decision for war. In the face of a perceived challenge to claims of sovereignty in the South China Sea, popular passions and military pressure could tip the internal discussion in favor of military action. Perceived slights or failures by the Chinese government in this or other areas of foreign and diplomatic policy could provide nationalist critics with the impetus and capability to pressure Beijing.

A tighter global energy picture could also have a variable impact on outcomes, depending on circumstances. On the one hand, tighter energy markets could lead states to accelerate their unilateral exploitation, even at some risk of conflict with neighbors, as they seek to secure supplies in an uncertain environment. On the other hand, if the prospects of interstate conflict or interference by rivals deterred critical foreign partners (who might, for example, bring important technologies to the table), a tighter market might lead the states involved to conclude that the fastest and most reliable path to increasing their domestic production is through joint exploitation. Hybrid outcomes are also possible, with states individually exploiting the resources closest to their own coasts (and therefore the least contentious, at least in theory) while cooperating in areas closer to the center of the South China Sea.

If a conflict over the South China Sea does occur, Beijing is most likely to be engaged against either the Philippines or Vietnam, the two states that have been at the forefront of its disputes over territory and resource exploitation in the region. Although it is possible that more states could be drawn into the conflict, Beijing would do its utmost to isolate a single state. Whether the Philippines or Vietnam became its military adversary would depend on several factors, including which challenged (or was perceived to challenge) the status quo and which provided the best prospects for quick success and relatively easy war termination. The Philippines, with minimal naval and air strength at its disposal, would likely provide China with fewer military risks in a bilateral conflict.

However, depending on the sequence of events leading up to the conflict, the Philippines' military weakness might be more than offset

by the country's formal treaty relationship with the United States. Although Washington does not take a position on the territorial disputes over land features in the South China, it opposes the use of force or threat of force by any party to advance its claims.[21] And while the mutual defense treaty does not cover Philippine claimed or occupied islands in the Spratly group, it could nevertheless lead Beijing to conclude that U.S. intervention in a dispute with the Philippines might be more likely than in one with Vietnam.

Japan and the East China Sea

Perhaps no Chinese bilateral relationship is as complex as that with Japan.[22] In 2012, Japan was China's second largest trade partner after the United States, and it is responsible for more foreign direct investment in mainland China than any entity other than Hong Kong. China was Japan's largest trade partner in 2012. While the economic relationship is deep and well established, political ties remain fraught. The Japanese occupation of large parts of China in the 1930s and 1940s, combined with Japanese difficulty in squarely and consistently confronting its wartime behavior, remains a point of contention for China, while Japanese distrust of the Chinese government and its international behavior has grown steadily since 1989.

Disagreement over the contested Diaoyu/Senkaku Islands and appropriate EEZ boundaries in the East China Sea is a symptom of larger problems in the relationship and flashpoints that could ignite an armed conflict. The Diaoyu/Senkaku Islands, northeast of Taiwan, were incorporated into Okinawa by the Japanese Cabinet in

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[21] See, for example, "Clinton: US Committed to Philippine Security, Won't Take Sides in Maritime Disputes," *Voice of America*, May 1, 2012.

[22] On the Sino-Japanese relationship, see Richard C. Bush, *The Perils of Proximity: China-Japan Security Relations*, Washington, D.C.: Brookings Institution Press, 2010; Michael D. Swaine, Mike M. Mochizuki, Michael L. Brown, Paul S. Giarra, Douglas H. Paal, Rachel Esplin Odell, Raymond Lu, Oliver Palmer, and Xu Ren, *China's Military and the U.S.-Japan Alliance in 2030: A Strategic Net Assessment*, Washington, D.C.: Carnegie Endowment for International Peace, 2013; and Evan S. Medeiros, Keith Crane, Eric Heginbotham, Normal D. Levin, Julia F. Lowell, Angel Rabasa, and Somi Seong, *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise*, Santa Monica, Calif.: RAND Corporation, MG-736-AF, 2008, pp. 23–59.

January 1895 after surveys showed that the islands were uninhabited. Although not included under the Treaty of Shimonoseki in April 1895, the Chinese side argues that the islands were effectively seized during the same war that produced the treaty and that they should therefore have been returned under the Treaty of San Francisco in 1945. The territorial conflict, dormant for many years, reignited after surveys suggested oil reserves near the islands in 1968. In September 2012, protests erupted in China after the Japanese government purchased the islands from their private (Japanese) owners in a bid to prevent Tokyo's mayor, Ishihara Shintaro, from acquiring them on behalf of the city's government.

Since the sale, China's expanding coast guard fleet has patrolled within the islands' contiguous zone almost daily, with periodic brief incursions into their territorial waters. This strategy is similar to the one that China has pursued in the South China Sea—asserting some measure of administrative control, or at least denying Japan's exclusive control. Although the United States does not take a position on the ownership of the islands, it has repeatedly declared that, because Japan maintains effective administration of the islands, they fall under the 1960 Treaty of Mutual Cooperation and Security. Although China has called on Japan to acknowledge that a dispute exists (i.e., that sovereignty is contested), it is unclear whether Beijing would consider this outcome a sufficient basis for terminating its patrols.

There are several possible interconnected paths to conflict in the East China Sea. With both sides' military and coast guard capabilities improving, their forces will be in close proximity on a more regular basis.[23] With few established rules to regulate their conduct, aggressive maneuver could lead to an exchange of fire. Landings and other publicity stunts near the islands by nationalists on both sides—including groups based out of Taiwan and Hong Kong that are more difficult for mainland authorities to control—complicate the task of avoiding clashes and, potentially, of deescalating a crisis once it has begun.

[23] Thus far, coast guards have had the primary roles around the Diaoyu/Senkaku Islands themselves, while military elements have occasionally been in contact near Chinese oil rigs near Japan's midpoint line in the East China Sea.

Both sides have made periodic efforts to establish more stable bases for the relationship. In October 2007, after several years of heightened bilateral tensions, Japanese Prime Minister Abe Shinzo and Chinese President Hu Jintao declared the bilateral relationship to be "strategic and complementary." Although there was little immediate meat on the rhetorical bones, China, Japan, and South Korea continue working toward a trilateral trade pact, even as the Chinese and Japanese coast guards dual to "administer" contested islands. However, it has become less clear whether the "cold politics and hot economy" pattern can continue to provide a viable foundation for stability when nationalists on both sides have gained greater scope for expression. Chinese anti-Japan protests in 2012 were significantly more destructive than those in 2005, which, in turn, were larger and wider ranging than those of 1990 and 1996. In Japan, the erosion of pacifism, frustration at nearly two decades of economic malaise, and resentment toward criticism from China and South Korea have brought nationalist expression into the mainstream (though it is still not widespread).

Most of the variables that will affect future prospects for war or peace are largely external to the United States. Will Japan acknowledge that a dispute exists, as China desires? If so, will this allow both governments to deescalate the situation, or will it simply encourage Beijing to believe it can coerce Tokyo? Will the two countries decide on "rules of the road" in their maritime interactions? Will the two sides begin to establish a political framework that reflects the depth of their economic relationship, or will leaders find greater political profit in fanning tensions? The United States will face a complex task in navigating this terrain. Further diminution of U.S. and, especially, Japanese power relative to that of China may raise the risks by showing Beijing that it can shift the status quo and by encouraging the rise of nationalist figures in Japan.

Taiwan

Despite obvious differences, China's Taiwan strategy shares several important characteristics with its South China Sea strategy. Given the potential diplomatic, military, and economic costs of military action to regain Taiwan—especially in the face of U.S. military power—

Beijing's preference is to strengthen its position without actively employing force. For the most part, Chinese leaders believe that time is on China's side. China has largely isolated Taiwan diplomatically, and although Taiwan is more developed than the mainland, the mainland's economic and military power is growing faster.

Nevertheless, Beijing remains concerned about the long-term shift in identity on the island. The number of individuals identifying themselves as Chinese declined from 26 percent to 3 percent between 1992 and 2012, while the number of people identifying themselves as Taiwanese increased from 18 percent to 54 percent.[24] Beijing remains acutely sensitive to any aspiring or serving Taiwanese leader who might encourage further alienation of Taiwan's identity from the mainland.

The tensions and dilemmas in Beijing's Taiwan policy have been on display several times over the past two decades. Faced with a reelection campaign by Lee Teng-hui, who championed a Taiwan indigenization movement, Beijing conducted missile exercises off the island's coast in 1995 and 1996.[25] Throughout the tenure of President Chen Shui-bian, who threatened to take more direct measures toward independence, China periodically resorted to various forms of military threat, usually delivered by well-connected specialists in the think-tank world, but it again demurred from the actual use of force. In response to Chen's use (or attempted use) of legislation to further the Taiwan independence cause, Beijing passed the 2005 Anti-Secession Law, which affirmed that China could use force under three conditions: (1) if Taiwanese "secessionist forces" achieved independence, (2) if an event occurred that could lead to independence, or (3) if pos-

[24] Statistics are tracked by the Election Studies Center, National Chengchi University, Taiwan, "Trends in Core Political Attitudes Among Taiwanese," data through 2012. The percentage of individuals who identify themselves as "both Taiwanese and Chinese" has fallen from 46 percent to 39 percent but remains a sizable minority.

[25] Although the Chinese show of force had mixed effects, including countermoves by the United States to demonstrate its own commitment, Chinese leaders believe that it was at least partially successful in dissuading Lee Teng-hui from taking precipitous action on independence and in demonstrating to the U.S. side the seriousness of the situation from China's perspective. See Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March*, New York: Cambridge University Press, 2003, p. 189; author interviews, Beijing, April 2008.

sibilities for a peaceful unification were exhausted. While China has always reserved the right to employ force and said that it would do so if Taiwan were to move toward independence, the legislation could provide leverage by hard-liners against domestic foes that might otherwise vacillate during a cross-strait crisis.

What factors might make a conflict over Taiwan more or less likely? Beijing regards the Taiwan problem, unlike the South China Sea issue, as a domestic dispute, and regional and global opinion will play a less important role in cross-strait decisionmaking. In principle, Chinese leaders are willing to ignore or withstand international condemnation if they feel that Taiwanese provocation leaves them no choice but military action. Moreover, Chinese leaders' analysis of likely international responses will be influenced by similar logic. They expect most states to recognize the Taiwan question as a domestic Chinese matter, at least at the official level, though many Chinese specialists also recognize that China's international reputation would suffer in the event of war.

At the same time, however, Chinese leaders are fully aware that the United States is less likely than others to recognize Taiwan as a domestic issue. Given the historical relationship between Washington and Taipei and the substantial chance of U.S. intervention, Chinese balance-of-power considerations will loom larger than they will in the case of the South China Sea. China understands that, barring a dramatic change in the balance of power, it would be more difficult to limit the scope of a war over Taiwan

Because of the historical and emotional meaning of the Taiwan issue to the Chinese people, public opinion and the ability of netizens, the new commercial media, and the military to make their voices heard will also influence events.[26] Any major military failure in a Taiwan scenario could jeopardize the regime's legitimacy or even survival, espe-

[26] Most Western reporting on the Chinese media focuses on the government's ability to control content. Such reporting is driven by events, generally media crackdowns of one sort or another. What this reporting fails to capture is the long-term trend toward more outlets, looser formats, and a blurring of boundaries between political and other topics that has accompanied the commercialization of the Chinese media. On the consequences of this and other trends toward pluralization in society, government, and media, see Shirk, 2007.

cially if military failure were combined with even temporary international sanctions—a fact that will induce great caution. Nevertheless, the importance of the Taiwan issue, and the intensity of public and military opinion on it, could produce situations in which the government's room for maneuver is severely constrained, especially in the context of a more energetic and independent-minded media.

Korean Peninsula

Chinese interests on the Korean Peninsula are varied. North Korea is a buffer state, and its independence helps prevent the military forces of a U.S. ally (South Korea) and, potentially, U.S. forces from sitting along the mainland's border. North Korea is also China's most dependent client state, though Pyongyang remains fiercely independent-minded. Dependence does not necessarily, in this case, translate to obedience. North Korea also performs several economic functions for China, including facilitating the trans-shipment of bulk goods from northern China to coastal locations to the south and providing coal and other resources for Chinese factories and power plants.[27] China's relationship with North Korea is not without problems or costs, however. Beijing takes a dim view of North Korea's nuclear program and has, on occasion, criticized Pyongyang publicly for its recalcitrance on the issue.

At the same time, China's burgeoning economic ties with South Korea give it material interests in a positive relationship with Seoul. South Korea is China's fourth largest trading partner, and the scale of Chinese–South Korean trade (more than $220 billion in 2011) dwarfs that of China's trade with North Korea (roughly $5 billion in 2011). As the Chinese educational system has become monetized, South Korean students have replaced wholesale the once thriving community of North Korean exchange students.

Seoul, with only minor territorial disputes with China and a more substantial security threat from North Korea, has been more recep-

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[27] There have been periodic efforts over time to improve the infrastructure connecting ports on North Korea's eastern coast (and particularly Rajin) with China. See Andray Abrahamian, *"The Honeymoon Period Is Over": Short Report on Rason Special Economic Zone, Democratic People's Republic of Korea*, Singapore: Choson Exchange, August 2012.

tive to Chinese political and economic engagement than many other regional states.[28] However, Seoul's view of China has dimmed recently with the latter's refusal to criticize North Korea for its attacks on South Korea (specifically, the sinking of a South Korean naval corvette, the *Cheonan,* and the shelling of Yeonpyeong Island, both in 2010). And the dispute over Ieodo "island," which is entirely under water but has a South Korean research platform over it, intensified in early 2012, with South Korea's announcement that it would establish a new fleet and naval base to defend it.[29]

Thus far, China has generally been unwilling to take tough material action against Pyongyang in connection with North Korea's bid for nuclear weapon capability. In explaining this decision, foreign policy experts in Beijing most often cite the Chinese fear that instability in or the collapse of North Korea could lead to a massive wave of refugees fleeing into Chinese territory. However, China's position may be evolving: A number of Chinese commentators have made increasingly pointed comments about North Korean intransigence, and the Bank of China closed the account of North Korea's main foreign exchange bank.[30] And despite hesitance to take action against the North, China would be unlikely to provide military forces in support of Pyongyang in the event of a war—unless perhaps the United States and South Korea were to launch an attack that was, in Beijing's eyes, unprovoked. More likely, Beijing would apply diplomatic pressure on all sides to ease hostilities and preserve or restore the status quo ante. The risks and costs associated with a major land war against two of China's major trading partners (the United States and South Korea) are not worth the benefits to be gained from conflict, especially if diplomacy or pressure might achieve many of the same ends.

Despite this reluctance on the part of China to become militarily involved in hostilities, interests and events could nevertheless draw

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[28] In July 2012, the two agreed to intensify military talks and personnel exchanges.

[29] See, for example, "New Naval Fleet to Defend Islets of Dokdo, Ieodo," *Dong-A Ilbo*, January 6, 2012.

[30] Heng Xie and Megha Rajagopalan, "Bank of China Closes Account of Key North Korean Bank," Reuters, May 7, 2013.

it into confrontation or conflict on the peninsula. An impending collapse of North Korea could lead China to dispatch forces into North Korean border areas to minimize or manage refugee flows or to establish a buffer zone between advancing South Korean or U.S. forces and the Chinese border. Limited forces could potentially be sent deeper into North Korea to secure materials for developing weapons of mass destruction (WMD), Chinese citizens, or agents working for Beijing. China might also act to prevent South Korea from unifying the peninsula and allowing a strong U.S. ally to border it. If this occurred as South Korean or U.S. forces were pushing northward, Chinese troops could come into contact with units from those countries. Depending on the units' orders and their ability to communicate effectively with higher headquarters and with one another, clashes could occur. Neither side would have an interest in a larger conflict, however, and the asymmetrical interests of South Korea and China would likely lead Beijing to compromise. The one exception might be near the Korean-Chinese border, where Beijing could establish a buffer zone and believe that it could bargain from a position of strength with the United States on the post-collapse status of the peninsula.

India

Like China's relations with other major powers, its relations with New Delhi evince a complex mix of cooperative and competitive elements.[31] After decades of tense relations, limited rapprochement began in the late 1980s. Chinese and Indian trade remained minimal until 1991, when Indian Prime Minister Narasimha Rao, encouraged by the success of China's economic reform, launched a campaign to loosen state controls over the Indian economy. Rao's "Look East" policy was designed to increase economic and political linkages with Asia. Since

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[31] On China-India relations, see Francine R. Frankel and Harry Harding, eds., *The India-China Relationship: What the United States Needs to Know*, New York: Columbia University Press, 2004; Rollie Lal, *Understanding China and India: Security Implications for the United States and the World*, London: Praeger Security International, 2006; George J. Gilboy and Eric Heginbotham, *Chinese and Indian Strategic Behavior: Growing Power and Alarm*, New York: Cambridge University Press, 2012; and Andrew J. Nathan and Andrew Scobell, *China's Search for Security*, New York: Columbia University Press, 2012.

then, bilateral trade with China has grown rapidly, and China became India's largest trading partner in 2009.[32] In June 2012, the two agreed on new measures to increase bilateral trade to $100 billion by 2015 and to reduce India's trade deficit with China.[33]

While the economic relationship has taken off, political and military ties have remained tense, though both have taken periodic measures to increase trust and resolve disputes. India is the only country with which China has active disputes over land borders. To India's far north, the Aksai Chin border area is held by China but disputed by India. This area includes critical Chinese transportation and communication links between Tibet and Xinjiang. Along India's northeast tip lies Arunachal Pradesh, an area held by India and disputed by China. China and India fought a short, sharp war over border claims in 1962. China won a convincing victory and occupied much of Arunachal Pradesh, though it subsequently conducted a unilateral withdrawal from all occupied areas.

For many years, Beijing suggested that it might be willing to recognize Indian claims in the east in exchange for Indian recognition of Chinese ownership over Aksai Chin. However, without a positive response from India, China has backed away from such statements in recent years, perhaps fearing that such an offer could weaken its legal position in the absence of a common agreement. China and India have held on-again, off-again talks over border issues since 1988, and they have reopened overland trade routes that had been closed since 1962. They began senior military defense exchanges in the 1990s and have conducted several joint naval and army exercises since 2003.

At the same time, however, strategic relations remain fraught. Both sides have improved their military infrastructure along the de facto border, the so-called Line of Actual Control, enhancing their ability to support combat operations in this inhospitable terrain. Many

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[32] International Monetary Fund, Direction of Trade Statistics, database. China narrowly lost that position to the United Arab Emirates in 2010 and 2011. However, if trade with Hong Kong is included, China has been India's largest trade partner since 2006.

[33] Bilateral trade in 2011 was $74 billion. See Shobhan Saxena, "India-China Bilateral Trade Set to Hit $100 Billion by 2015," *Times of India*, June 21, 2012.

Indian strategists fear that China supports Pakistan to maintain a second front against it, while some Chinese leaders are concerned that warming ties between New Delhi and Washington could introduce challenges on both its Pacific and western flanks.

In general, China looms larger in Indian strategic thinking than India does in China's. Over time, China has become a larger factor in Indian defense planning, and several Indian nuclear and missile developments have been accompanied by discussions of their utility in deterring China. Nevertheless, Pakistan continues to compete for billing as India's primary threat. China, for its part, is somewhat dismissive of Indian military capabilities but is becoming less so over time.

The interests that China and India share as two large developing states will work to mitigate the risk of war between them.[34] For many Asian states, especially China and India, economic growth is regarded as a critical strategic priority. Both have taken similar positions vis-à-vis the developed world on climate talks and at the Doha trade talks that were ongoing as of this writing. Both seek to defend or reinforce the norm of sovereignty in international relations and resist a move toward norms that would justify international involvement or intervention in the internal affairs of others. Nevertheless, public opinion in India will not tolerate any perceived unilateral change in the status quo along its disputed borders. Increasingly, that public mood is mirrored in China, where new commercial and social media provide venues for nationalist expression. Moreover, the improvement of military capabilities on both sides will bring Chinese and Indian forces into greater contact, especially in East Asia and the Indian Ocean areas, increasing the potential for friction and misunderstanding.

Wild Card: China's Internal Development

China currently displays few signs of either rapid political evolution or significant political instability, but it is not out of the question

[34] Gilboy and Heginbotham, 2012. See also C. Raja Mohan, "Subcontinental Divide: Why India Will Disappoint Both the United States and China," *Foreign Policy*, September 12, 2012.

that the next 20–30 years could witness change. Substantial political change would most likely be the result of a significant violation of the implicit social contract between China's rulers and ruled, which grants the former authoritarian political autonomy in exchange for a package of increasing and increasingly widespread affluence, maintenance of social stability, market liberalization, a measure of individual freedom, and growing national pride. The regime has shown itself to be remarkably adaptive, with an ability to ward off political discontent on the part of China's growing middle class, historically the usual source of demand for an accountable and replaceable government.[35]

To the degree that the regime can "deliver the goods" in these ways, it is less likely to face irresistible demands for fundamental changes in existing political arrangements. A large and sustained failure of any part of the package, however—and particularly one that cannot credibly be blamed on foreign forces—could prompt calls for rapid reform and democratization of a magnitude that could not be ignored or successfully countered by large-scale repression.[36]

Democratization of authoritative regimes anywhere can be a confusing, chaotic, and even violent process, and this could also be true in a country as large and populous as China. While such a process need not be unruly, extremely complex and unpredictable dynamics could take hold, triggered by such factors as Tibetan aspirations for independence and how different portions of China's population react to it, class divides, rifts between "haves" along the coast and "have-nots" in the interior, or splits between segments of the CCP and the People's Libera-

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[35] Andrew Nathan, "China's Changing of the Guard: Resilient Authoritarianism," *Journal of Democracy*, Vol. 14, No. 1, January 2003; Martin King Whyte, *The Myth of the Social Volcano: Perceptions of Inequality and Distributive Injustice in Contemporary China*, Stanford, Calif.: Stanford University Press, 2010; Margaret M. Pearson, *China's New Business Elite: The Political Consequences of Economic Reform*, Berkeley, Calif.: University of California Press, 1997.

[36] Social scientists have been particularly bad at predicting political change and failed to note precipitating events in cases from the collapse of the Soviet Union to Suharto's Indonesia. In the case of Indonesia, there were periodic predictions of collapse or change over the decades but few if any such prognostications in the years immediate prior to the actual collapse.

tion Army (PLA), along with other possible sources of instability and internal conflict.

Finally, it should be noted that while the theory of democratic peace holds that mature democracies rarely, if ever, go to war with one another, the transition to democracy can be violence-prone.[37] Regimes under intense internal pressure can also seek to redirect those pressures externally, giving a restive population an alternative enemy to fight. While it is not necessarily the case that a politically evolving China would be a more dangerous one, the magnitude of the problems it could present suggests that even positive political change could pose challenges to security and stability in the region. For example, growing national pride and patriotism among China's middle-class could limit the regime's freedom of action on such matters as Taiwan, Japan, the South China Sea, and relations with the United States and drive more aggressive behavior.

China's Evolving Regional Strategy

Over the past decade, Beijing has increased its military spending at roughly the same rate as the growth of China's economy—and lately faster. This has led the PLA to accelerate the improvement of its military forces and related C4ISR systems. These developments, in turn, have prompted concerns in the United States and East Asia that China could soon be able to challenge U.S. military power in areas adjacent to it, employing A2AD capabilities to limit a U.S. effort to project forces into parts of the Western Pacific and the East Asian littoral. While substantial questions remain as to how effectively the untested PLA could employ its growing inventories of modern weapons and sensors, there is little doubt that China's military is vastly more capable today than

[37] Jack Snyder, *From Voting to Violence: Democratization and Nationalist Conflict*, New York: W. W. Norton and Company, 2000.

it was 20 years ago, and these increasing capabilities may give Beijing new options for expanding its strategic influence, at least regionally.[38]

There are also concerns that civilian control over the PLA may be growing weaker and some evidence of a divergence of views between political and economic elites, on the one hand, and the military, on the other, regarding the degree of assertiveness China should display in its international affairs.[39] These differences add more uncertainty to predictions of Chinese behavior and will bear close watching.

While our comprehension of China's goals and true strategy may be limited, there are circumstances we might anticipate. Much energy has been expended on efforts to encourage China to become a responsible stakeholder in the international community—that is, to align itself with the governing norms of the liberal global order. So far, China has shown no clear sign of seeking to overturn that order, or even to dramatically revise it. However, it is probably overly optimistic to anticipate that a country as big, emergently powerful, confident, and mindful of its history as China will not seek to modify the terms of the system to better reflect its interests, at least on the margins. Put differently, it may be too much to expect for China to pledge allegiance to a system that it sees itself having had little or no hand in constructing.[40]

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[38] There is ample evidence in Chinese military writing and exercises that the PLA is aware of its shortcomings with regard to command and control, joint operations, flexibility, training, and the exploitation of information technology—all of which are needed to turn modern equipment into an operational advantage. The assumption here is that progress will be slow but sure.

[39] Andrew Scobell, "Is There a Civil-Military Gap in China's Peaceful Rise?" *Parameters*, Summer 2009.

[40] One general point on which China's weight may become more evident is the relative inviolability of national sovereignty and the legitimacy of uninvited international intervention in a country. China, due to both its current situation and history, has consistently expressed reservations about military actions aimed at "legitimate" national rulers who are seen as miscreants by some segment of the international community. Beijing stood aside as the UN authorized what turned into the North Atlantic Treaty Organization's (NATO's) air campaign to protect Libya's civilians from regime violence, then felt betrayed when the operation's goal appeared to change to overthrowing the Gaddafi regime. Probably not coincidentally, China has reverted to its insistence on "noninterference" in the Syrian civil war and also restated it as a principle of its foreign policy in September 2011. While there are signs of increased Chinese pragmatism with regard to international moves against particularly criminal and hostile

While this would not necessarily place China and the United States on a military collision course—and while it is not beyond the ability of the United States to address reasonable Chinese desires for a greater say in or acceptable modification of current rules and institutions—it is a potential source of stress between the two powers, both in Asia and globally.

More deeply problematic would be a China that becomes aggressively assertive of its perceived prerogatives in Asia. While Beijing denies any interest in assuming hegemonic status, to the extent that it sees itself becoming more deeply engaged across a growing range of issues, it has asserted its interests, exacerbating conflicts with several of its neighbors. If China feels that its power enables it to more strongly protect and advance those interests, this behavior could become more pronounced. On the one hand, increased Chinese assertiveness could prompt other countries to align with one another and the United States to counter Beijing's ambitions. On the other, this would set the stage for a trans-Pacific "cold war" that could destabilize a vital region and impose heavy new demands on the U.S. military for deterrence and defense thousands of miles from home.

Furthermore, the United States should recognize China's centrality in the region and relative to all Pacific countries. For example, it is a (if not *the*) major trading partner of all countries in the region. Because of its size, wealth, and influence, China's successes and failures will necessarily affect the broader region. Isolating China would be extremely difficult and most likely counterproductive, barring Chinese action to force matters.[41] Specifically, China is not the Soviet Union, which created a separate and distinct sphere from the West, dominated it politically, and controlled it economically. China is fully integrated

states, reservations are deep-seated and motivated by a rejection of foreign interference in China *itself*. Yet, even if China continues to oppose international intervention, in general and especially in its own territory, this is more a matter of limiting the upside of Chinese global cooperation than of adding to the dangers of Chinese regional aggressiveness. Moreover, it is not clear that U.S. overall or military strategy in Asia will significantly affect China's position on intervention.

[41] Medeiros et al., 2008.

in the region and the world. Isolating it through a Cold War–like strategy is not feasible, and containing it would be extremely challenging.

Given that significant political change in China is likely to be protracted, there may be adequate time to respond strategically as events begin to unfold. The possibility of more sudden and dramatic change and the potential regional consequences should not, however, be totally ignored in U.S. strategic planning. For these reasons, U.S. policymakers need to be prepared, intellectually at least, for several distinct Asian futures.

Alternative Futures

Since the late 1970s, East Asia, alone among the world's regions, has seen no major interstate conflicts, no state failures, and no successful insurgencies. As noted earlier, Asia has also been the world's fastest growing region. These two phenomena are closely linked. Many Asian states have viewed balanced economic growth as critical in buttressing their governments against internal threats to cohesion. They have therefore chosen economic growth and social policies designed to reduce differences over geographic expansion. Societies have profited enormously from participation in a global economy that brings with it high levels of interdependence and consequently requires high levels of cooperation to function properly. Also, the balance of power, the predominance of U.S. power, and the U.S. alliance system in the region have left little room for dramatic gambles to reorder Asian international relations. As a result of these factors, incipient conflicts have been suppressed or resolved quickly. North Korea is an anomaly in this environment, existing outside the global economic system and thus unrestrained by it, but all its neighbors have, to one degree or another, collaborated to apply such restraints.

There are two potentially decisive variables that could alter this pacific trajectory. The first is the health of the international economic system and the second is the behavior of a more powerful China. Will the economic incentives toward cooperation and against conflict remain as influential as they are today? Will a more powerful China

continue to play by the rules of the system that has enriched it? From these two variables, we posit three alternate futures: systemic continuity, hegemonic China, and systemic breakdown.

Systemic Continuity

The incentives for cooperation remain high, and China continues to operate within that system. It will continue to assert itself where it sees its critical interests threatened, especially on issues of sovereignty, and may become more assertive in those areas (to the extent that its relative power continues to grow). China may seek to shape international norms and institutions in ways that benefit itself, but, at the same time, Chinese leaders may also become more concerned about defending state institutions against international challenges. Assuming the international economy continues to grow and China continues to operate according to global rules, the greatest threats to regional stability in Northeast Asia will continue to be North Korean aggression or collapse. In South and Southeast Asia, territorial disputes, especially in maritime areas, will continue to challenge relations between states, though those concerns may diminish in importance if pragmatic solutions can be found. And some states will continue to be plagued by low-level insurgencies of one type or another. However, these insurgencies will not receive external support (with the exception of Pakistani support to Muslim militants in India) and will thus not represent existential threats to most of the region's governments.

Hegemonic China

China's behavior changes as it grows more powerful, leading it to use or threaten to use force to secure historic claims and prevail in new disputes. An economically vibrant but more assertive, adventurous, and demanding China might successfully bring some regional states into its orbit. Other states might be driven into closer association with each other and with the United States. India and Japan could become more involved in Southeast Asian regional politics. U.S. military cooperation with India and some states in Southeast Asia might move from port visits and training missions to stationed forces and more formal arrangements for mutual defense. In addition to advising and assisting,

U.S. forces might be integrated into the direct defense of newly allied territory as a visible commitment to escalate a localized conflict and deter or turn back Chinese aggression. China, for its part, might begin to support dissident elements in nearby countries, returning Southeast Asia to the era of proxy wars. Some friendly or even allied governments might prove unequal in stemming externally supported threats, consequently calling for U.S. support.

Systemic Breakdown

The global economy goes into extended and severe decline; trade and investment cease to be the glue holding together the international political order. In this scenario, the penalties for conflict are lowered and governments must secure popular support by offering something other than rising prosperity.[42]

This future would bring the greatest departure from current patterns of behavior. China might remain a coherent, powerful state governed by a communist elite basing its popular appeal on hypernationalism. Alternatively, China, itself, might experience violent internal competition for power and waning control over border regions. Alignments throughout the region could shift dramatically. Russia, for instance, might align itself with or against China. There would be a desire among at least some governments for a stronger U.S. security presence, but this desire might be met by a waning U.S. willingness or capacity to sustain such commitments.

We believe that the current situation is most likely to lead to a future somewhere between the first and second described here. China could, however, move more decisively toward the second as it becomes more powerful and confident. Neither can the third alternative be entirely dismissed, as illustrated by the global financial crisis of 2008 and its narrow skirting of deeper economic damage.

[42] It is worth noting, as outlined earlier in this chapter, that political unrest in China could result from causes other than economic ones and significantly change both Chinese and regional political and economic dynamics.

Conclusions

Although China has traditional security concerns and a number of territorial disputes with neighboring states, Beijing also has large and increasingly complex global interests. Most of these interests tie it to the current international economic and political order, though, like most states, China will seek to adjust the rules of the game at the margins. These larger interests also work, on balance, to encourage Beijing to seek nonviolent solutions to its territorial and other disagreements. Nevertheless, where China feels its most important interests are threatened, and where it is likely to pay the lowest costs, it may pursue military solutions.

As suggested earlier, the probability of conflict in any particular area will depend on contingent events, as well as the evolution of background conditions and context. Considered from the present vantage and an analysis of likely (though certainly not inevitable) future developments, we can speculate on where conflict might be more or less likely. Of the four potential areas of conflict considered here—the South China Sea, Taiwan, the Korean Peninsula, and India—Chinese limited use of force in the South China Sea is probably the most likely. Although the stakes are significantly lower than in the case of Taiwan, "sovereign" Chinese territory is nevertheless at issue. Moreover, a number of states are involved, making interactions less predictable, and the contenders' military and paramilitary forces are in contact with one another on a regular basis. Most importantly, leaders in Beijing may believe that a conflict in the South China Sea and its attendant risks could be kept limited in scope and quickly resolved.

The substantial involvement of Chinese forces in a ground war on the Korean Peninsula is arguably the least likely of the four scenarios considered. China has a number of important interests in peninsular outcomes. Not only does North Korea border China, but that border is close to northeastern industrial areas and the Chinese capital. Chinese interests do not include the kinds of sovereignty issues that would excite the Chinese public in ways that could demand the country's involvement. Chinese leaders would likely consider the limited use of military force to achieve focused objectives on the peninsula but approach these

activities in ways that minimized the probability of a shooting war with South Korean or U.S. forces. War with India is also unlikely. Though the two will remain wary of one another, their mutual economic and political interests will impose a high barrier to military conflict. A clash with Japan in the East China Sea or a war over Taiwan might fall into the middle range of probability. Although a war over Taiwan would carry the greatest risks for China—with failure potentially leading to regime failure—the weight of Beijing's perceived interests in Taiwan's future course could nevertheless prompt a decision to go to war. In the case of the East China Sea, the potential material gains from a war would hardly be worth the costs, but domestic political variables and historical animosity could nevertheless combine with operational circumstances to spark a clash.

CHAPTER FOUR

U.S. Interests and Policies

The United States has security, economic, and normative interests in Asia, as it does elsewhere. In addition to securing the peace and increasing national prosperity, the United States has also sought to advance human rights and representative government around the world, though these latter interests have not enjoyed quite the same priority as the first two. The United States took the lead in creating and fostering an international system that advances these interests by promoting mutual security and open markets after World War II. This system is buttressed by numerous international institutions, including NATO, the UN, the International Monetary Fund, the World Bank, and the World Trade Organization. In addition to these institutions—and, indeed, perhaps even more important—are a series of bilateral and sometimes multilateral commitments to mutual security and free trade that the United States has entered into with countries around the world.

Once undertaken, these commitments are often referred to as interests, as that is what they become. But it is important to remember that these commitments were undertaken to advance the more fundamental U.S. interest in peace, prosperity, and the propagation of certain values.

In the decades after World War II, the United States made security commitments to most Western European and several Asian states. The motivation for these arrangements centered on Soviet and Chinese adversaries bent on challenging the most basic American interests—in free markets, the peaceful settlement of disputes, human rights, and representative government. With the collapse of the Soviet Union,

these commitments were extended farther into Eastern Europe, not to contain a no longer seriously threatening Russia but, rather, to help stabilize and channel the development of those newly liberated societies.

In Asia, Chinese power has waxed as Russian power has waned. But in contrast to the former Soviet Union, post-Mao China has largely sought to join and profit from—not challenge—the international system that underpins core U.S. interests. China does not share the United States' commitment to human rights and representative government, but neither has it mounted a sustained effort to upset the fundamentals of the global order.

The growth of Chinese power has nevertheless made its neighbors increasingly apprehensive. This is less because of Chinese behavior (though that has been a factor) and more because of China's growing potential for coercion. Of late, old U.S. allies have strengthened their security ties with the United States, and formerly nonaligned and even erstwhile enemy states have warmed to expanded security cooperation.

At present, Chinese and U.S. interests are more convergent and conducive to cooperation beyond Asia than in it. Globally, both seek stability, unimpeded trade and access, the maintenance and even strengthening of some multilateral institutions, avoidance of extremism, energy security, and control of nuclear weapons. Notwithstanding its criticism of U.S. unilateralism and their advocacy of multipolarity, China does not seek to upend the global order from which it benefits enormously; if anything, it has been more conservative than the United States about causing political change. While China and the United States often find themselves at loggerheads on questions of international intervention and regime change, this has not impeded their cooperation on other global issues, nor is it likely to bring the two into armed confrontation.

Chinese aspirations and perceptions of U.S. opposition to those aspirations are more pronounced regionally than they are globally. While both countries greatly value the peace that has characterized and facilitated growth in the region, the potential for conflict obviously exists. At the crux of growing geostrategic tension between China and the United States is the U.S. military presence in the Western Pacific, which the United States views as essential to regional equilibrium.

China, once relatively comfortable with that presence, now views it as menacing or as a constraint on its power and freedom of action. China may wish (or may see itself as needing) to challenge the U.S. version of Asian "stability"; an increasingly powerful China will seek a new balance that is more favorable to its own security and potentially less favorable to that of its neighbors.

While China's future character and goals are not within the control of the United States, the U.S. response to China's growing regional power and assertiveness—the central question of U.S. regional strategy—may be the principal, and is certainly a primary, external factor influencing Chinese behavior. Treating China only as a threat to U.S. interests in Asia could convince Beijing of the necessity to pressure and displace U.S. power in the region. Yet, for the United States to accommodate China in the region to avoid a conflict and improve the prospects for global cooperation could reward and encourage Chinese assertiveness in this region so crucial to U.S. interests. Managing the trade-off between U.S. global and regional interests vis-à-vis China will test the dexterity, creativity, and steadiness of U.S. policymakers as much as any challenge they will face.

Asia may be entering a period of uncertainty and possible discontinuity that is beyond U.S. control, but it may not be not entirely beyond the influence of U.S. policies. Uncertainties include China's ambitions, its internal development, the fate of Korea, and the degree of competition over resources in the East and South China Seas. There are at least five trouble spots that hold the potential for conflict:

- in Northeast Asia, precipitated by the recklessness or collapse of North Korea
- over Taiwan, if current promising cross-strait political trends are reversed
- in the East and South China Seas, over territorial-maritime boundaries and resources
- between China and Vietnam, China and India, or China and Russia in the case of renewed land disputes
- between the United States and China with the intensification of a more general security competition.

Asia's continued economic vitality and interdependence may inhibit hostilities over these outstanding problems. But there is no guarantee: Even if Asian economies continue to prosper, China's growing military strength, reach, and assertiveness could increase security concerns and the risk of conflict in the region. Even if China lacks hegemonic ambitions, it has, of late, exhibited some willingness to use coercion if not outright force to settle outstanding disputes to its advantage—a danger aggravated by a possible weakening of Chinese civilian control over the PLA.

Note that China figures in all five potential sources of conflict listed here and that, in all five, it claims to have important concerns or rights of national defense or sovereignty. Note, too, that the potential for regional instability lies mainly in the relationship of an increasingly powerful China with former adversaries: Taiwan, South Korea, Japan, Vietnam, and India. The fulcrum of U.S. interests and strategy in Asia is thus its strategy toward and relationship with China.

Since 1945, the United States has been the militarily dominant power in the Western Pacific. The security and equilibrium it provided allowed Asia to recover from the devastation of World War II and become the world's most dynamic region while also permitting a substantial degree of democratization. The United States is now concerned that its ability to maintain regional stability will be limited or reduced by China's growing military capabilities and reach. Meanwhile, Beijing's objectives are incompletely understood, and there are worries that China will seek to exercise a predominance of influence, or at least assured self-defense, within its immediate environs, including out to the so-called "second island chain" in the Western Pacific. If this proves to be the case, some friction between Chinese aspirations and activities and long-standing U.S. security commitments and interests seems inevitable.

To date, the U.S. response to China's growing power has been an attempt to offset Beijing's military modernization while maintaining healthy political and economic relationships with China. Unlike the Soviet Union, China's deep integration with the global economy makes it impossible to contain economically, and its apparent lack of an expansionist ideology has made political containment unnecessary.

Asia has no alliance structure like NATO to facilitate concrete and obvious regional alignment against China, though China's unwelcome behavior of late has caused several of its neighbors to look to the United States for security.[1]

Concerns about its position in the region have prompted the United States to improve its strategic posture there, updating its defense relationships with traditional allies, enhancing security relations with India and Vietnam, and deploying more ships and aircraft to Guam, which has emerged as a hub—at least temporarily less vulnerable—for U.S. projection in the region. Predictably, many Chinese read these measures as directed against the country's rightful interests, legitimate place as the region's preeminent power, and national security—a reading reinforced by the recent U.S. "pivot" toward Asia. In parallel, the steady improvement of Chinese A2AD defense capabilities makes forward presence and operations increasingly hazardous for U.S. forces.

Thus, steps by the United States to shore up regional security, restore regional confidence, and revamp its military presence could have a dual effect on China: restraining Chinese willingness to threaten and use force out of fear of war with the United States while prompting an increasingly nationalistic China (both the regime and public) to perceive the United States as an adversary intent on military containment if not an active threat to China. While the former might give China pause in using its growing power, the latter is already leading it to invest in capabilities to neutralize U.S. military capabilities.

The United States thus faces the dilemma of whether to try to sustain its position as chief guarantor of regional stability and security partner of choice or instead allow China's influence to grow, presumably to at least some extent at its own expense. Neither of these directions is risk-free. As China's power expands, the former course amounts to what could be seen as a U.S. undertaking to align the region against it, which carries a substantial likelihood of increasing strategic friction

[1] This uncoordinated but conspicuous regional reaction has resulted from concerns about China's actions in the East and South China Seas and its support of North Korea following that country's sinking of a South Korean naval vessel; the reaction is evident in South Korea, Japan, Vietnam, and other Southeast Asian states and, of course, Australia.

between Washington and Beijing, with consequences for both regional confrontation and global cooperation. Yet, the latter implies that the expansion of China's power entitles it to greater influence and prerogative, if not dominance in regional affairs and (especially) toward its neighbors. Such an approach could thus lead to the deterioration of U.S. relationships with important old allies and new partners—Japan and Korea, India and Vietnam—and could invite provocative Chinese behavior. Neither course would address all of the important U.S. interests identified here.

Given the pivotal role of China regionally, where Chinese and U.S. interests may diverge, and globally, where their interests mostly converge, U.S. strategy should, and likely will, attempt to resolve this tension. It can do so in theory by combining deterrence and engagement: Deterrence is needed because forward defense will be increasingly difficult, owing to improvements in Chinese A2AD and land-warfare capabilities, which the United States will be hard-pressed to overcome. (We note as well that A2AD works in both directions, making Chinese force projection more challenging as well.) The United States needs to engage China, regionally and globally, to induce Chinese cooperation on shared concerns and to buttress deterrence by giving it a greater stake in the status quo and in avoiding conflict.

Protecting and advancing U.S. interests will entail global interdependence, interaction, and, where possible, cooperation with a power that may, if undeterred, also be a source of regional instability and insecurity. Whether a strategy with both components is as feasible in practice as it is in theory is not clear; both the United States and China are lumbering giants that will be drawn by the need for domestic consensus toward a relationship that is more simply adversarial or cooperative in nature. Yet, it will be important for the United States to attempt such a strategy and for China to understand it for what it is. This strategy—which we believe the United States will attempt—will provide the context for U.S. military strategy in general and, thus, for Army missions and required capabilities in the region (discussed later in this report).

However, even the finest and most well-executed strategy will not eliminate friction from the relationship between the United States and

China. China's arrival as a great power is an event of historic importance; with this rise, it will inevitably pursue its interests more strongly, especially in Asia. At certain times and in certain places, this shifting dynamic will put the United States in the position of choosing whether to resist or accommodate China's ambitions, and both prudence and fidelity to its own interests may dictate the latter course. This point merits note because, to date, "engaging" China has often been interpreted as broadly synonymous with seeking to bring its behavior into better alignment with U.S. preferences. Going forward, while efforts to encourage China to conform to important international norms and U.S. interests will remain vital, engagement must also be understood as much more of a two-way process.

Potential Uncertainties and Discontinuities

Korea

The Korean Peninsula is likely to prove a key locus for U.S.-China cooperation, competition, or friction in the coming years. Like in almost every dimension of the bilateral relationship, some combination of the three components is the most likely outcome. At the same time, the tenuousness of the North Korean state and its propensity for provocative behavior means that recurring crises of varying intensities on the Korean Peninsula will offer ongoing opportunities for China and the United States to work together (or not).

To date, the two sides' cooperation has been limited by fundamental differences between their basic objectives. China's Korea policy has been driven by the perceived need to maintain at least friendly and at best client state relations with North Korea as a buffer between its territory and the U.S. forces arrayed in South Korea. This requirement has become even clearer in recent years as perceived threats to North Korea's internal stability have fed Chinese fears of not only the loss of that buffer but also the movement of hundreds of thousands of hungry, sick North Korean refugees to China's "rust belt" northeastern provinces. Ensuring the survival and stability of the North Korean state is and will likely remain China's main goal on the peninsula.

The United States, on the other hand, has primarily sought to deter any North Korean attack on South Korea and shape—through pressure and isolation—Pyongyang's behavior in other domains, including terrorism, arms sales, and smuggling. However, as the decay of the North's conventional military forces has reduced fears of an all-out attack on South Korea, Washington's attention has shifted to preventing North Korea's acquisition of nuclear weapons. Since the 2002 breakdown of the U.S.–North Korea 1994 Agreed Framework, these efforts have alternated between negotiations, usually within the framework of the so-called six-party talks, and punishment, in the form of increasing international sanctions.[2]

The conflict between U.S. and Chinese objectives on the Korean Peninsula has been most apparent within the context of the six-party talks. For Washington, the primary goal is unambiguously the prevention or elimination of North Korea's nuclear capability, while Beijing's main concern has just as clearly been stability on the peninsula and, by extension, the preservation of the North Korean regime. The U.S. and Chinese positions are not diametrically opposed: The United States does not actively seek, nor have the means to effect, instability or regime change in North Korea; China does not relish a nuclear-armed North Korea on its borders. Yet, the two continue to work at cross-purposes: For China, too much pressure on North Korea threatens increased social and political volatility there; for the United States, Chinese support for the regime reduces the effects of international sanctions and encourages North Korea to continue to resist demands to denuclearize. It is clear that the situation on the peninsula will persist as a source of stress in the overall U.S.-China relationship.

Apart from the burden the Korean situation puts on U.S.-China relations, some form of state or regime failure in North Korea must be considered sufficiently probable to be worth planning for. Here, again, basic U.S. and Chinese goals may come into conflict, but these disagreements could have immediate and destructive consequences.

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[2] The six participants are China, Japan, North Korea, Russia, South Korea, and the United States. As of this writing, the talks had been suspended since 2007.

There are a number of ways North Korea could implode, and each scenario carries its own sets of circumstances and demands. Across the range of possibilities, however, several factors seem likely:

- China will want to restore order as rapidly as possible, at least in the parts of North Korea nearest its border.
- The United States and quite possibly China will seek to secure, or at least prevent the leakage of, WMD—nuclear weapons and materials in particular.
- South Korea, whether or not it would pursue immediate political and economic unification with the North, will want to ensure that it has the preponderance of influence over North Korea's eventual fate and will specifically desire to limit China's leverage.
- The United States will not jettison its close political and security relationship with such a key country, especially if doing so could subject it to creeping or sudden Chinese domination.
- The Chinese would be very sensitive to signs of U.S. intent to transform its traditional alliance with South Korea into an alliance with a unified Korea, especially one that positions U.S. troops next door to China.

Given these dynamics, the potential for damaging interactions and perhaps even armed conflict is clear. Would China move troops into North Korea, hoping to sort out any refugee issues on the Korean side of the border or gain territory as a chip for postcrisis political bargaining? What would be South Korea's reaction, and how would the United States seek to balance its interests between its ally and its powerful partner-competitor? How would that choice reverberate across Asia? Korean developments could present a range of conundrums of this magnitude and intensity in the coming years.

These questions could weigh substantially in U.S. military strategy and posture in the region: presence in South Korea before and during a meltdown in the North, the role of U.S. maritime and aerospace strike power vis-à-vis both North Korea and China, and U.S.-Japan military cooperation. Broadly speaking, the more muscular and forward the U.S. military presence in Northeast Asia, the more

able the United States may be to deter or stop China from pursuing unilateral action in the event of a North Korean collapse. Yet, such a posture could also heighten Chinese concerns that the United States might, under the same circumstances, seek an advantageous outcome and increase Chinese fears of U.S. encirclement. In sum, it is increasingly important to explore how prospects for the Korean Peninsula could affect and be affected by U.S. strategy and posture in the region, including Army missions and capabilities.

Conflict over Maritime Claims

There is little doubt that China will continue to assert its claims to most of the South China Sea, that the other littoral states will contest these claims, that China will test the nerve of these states, and that the United States will be expected by its friends to resist China legally, politically, and with naval activity.[3] One uncertainty lies in whether China will step up its military pressure and even risk confrontation with the United States as the PLA Navy (PLAN) expands the size and extends the range of its surface and submarine fleets. A second uncertainty is how the United States would respond to increased Chinese assertiveness, especially if it were backed by added muscle.

What the United States regards as an international dispute the Chinese regard as a matter of restoring historical national rights now that China has the ability to do so. It follows that as China gains greater ability to press its claims, it will not back down but may instead intensify its pressure. This could engender a stiffening of regional resistance, especially if the United States makes clear that it will not accommodate China's claims. This would certainly increase tensions in the region and hinder U.S.-China relations in general, perhaps sparking the kind of choice alluded to earlier: In both Washington and Beijing, decisions would need to strike a balance between regional competition and the need for extraregional cooperation. The "correct" approach will not necessarily be obvious in either capital. Would supporting the Philippines in a fishing-rights dispute, for example, be worth risking a Chi-

[3] China is party to other maritime and littoral disputes. While we focus here on the South China Sea, the same issues would arise in these other contexts as well.

nese veto of a UN Security Council resolution needed to slow Iran's nuclear program? Performing the reverse calculus in Beijing might be no easier.[4]

Without regard to the Army's missions and capabilities, the prospect of growing tension and a longer-term risk of direct hostilities makes this one of the most important variables in fashioning U.S. strategy in the Southwestern Pacific.

Conflict with India or Russia

This overview would be incomplete without mention of India and Russia. A conflict with either cannot be ruled out. Indeed, during the time it took to conduct this study and write this report, China twice sent troops into territory that it claims in India. That said, a major conflict between India and China is both unlikely and not something that U.S. security policy would likely affect in a meaningful way. Furthermore, an examination of a potential war between China and either India or Russia—war between nuclear-armed major powers—would be outside the scope of this research. However, any substantial movement toward closer security ties between the United States and India will likely have the effect of reinforcing Chinese concerns about U.S. "encirclement" and introduce added friction to Beijing's relationships with both New Delhi and Washington. And, while China and Russia are unlikely to resume anything approaching an intimate alliance, increasing distance between each country and the United States would probably create incentives for closer security cooperation between China and Russia.

[4] In disputes like this, China has the perverse benefit of lacking allies to whom it has made binding security commitments. Meanwhile, the United States will often find itself constrained by the need to support friends and partners, perhaps even on issues that are not of vital interest to itself. As Chinese power waxes, the United States may increasingly need to triage clashes between its partners and China into those that merit a strong response and those that, for Washington, may not be worth pursuing. This conundrum may well prove inescapable.

Conclusions

Just as Asia's long peace and growing prosperity have advanced U.S. interests, U.S. military presence in that region has maintained a balance of power enabling that peace and prosperity. As a result of Asia's progress, the region is now second to none in importance: Its economy propels world growth, it consumes a major share of world resources, its interests and impact of it emerging powers reach increasingly far, and its strongest state is poised to become a superpower. U.S. interests in Asia are thus not only regional but also global. Among these interests is the China's cooperation in meeting security threats of concern to the United States: nuclear proliferation, energy security, violent extremism, and climate change. This interest argues for seeking and enlarging common ground with China, accepting its new standing and expanding power, and encouraging it to take more responsibility for world security affairs.

Yet, the expansion of China's power could destabilize East Asia, an area of significant importance to the United States. Its growing military strength and reach, particularly A2AD capabilities, is making today's U.S. presence there ineluctably more vulnerable. Of East Asia's most likely flashpoints—North Korea's recklessness or collapse, conflict over resources in the South and East China Seas, Taiwan, renewed land-border tensions—China figures in all. So too does the risk of a U.S.-China confrontation, assuming the United States stands by its traditional allies (Japan, South Korea, Philippines), new partners (India, Vietnam), and Taiwan. More broadly, China's military buildup, whether out of fear or ambition, puts it in direct opposition to U.S. determination to preserve regional balance, reassure friends, and deter Chinese use of force.

Thus, the promise of global cooperation with China is attended by the danger of regional instability originating from China, which would, in turn, damage U.S. global interests because of Asia's importance. Fashioning a general U.S. strategy toward China will therefore involve a balance of global engagement and regional defense, with some tension between the two components. U.S. military strategy and posture toward Asia must support such a nuanced strategy. A buildup

in and heavy reliance on permanent forces for forward defense would ignore their declining survivability, be seen by China as threatening, stimulate Chinese military development, and jeopardize U.S.-China cooperation beyond the region. Yet U.S. failure to deter China, support allies, and insist on freedom of access and action in the region would imperil stability and U.S. interests again, regionally and globally.

CHAPTER FIVE

U.S. Military Strategy and Posture

Three key asymmetries favor China in any Western Pacific military competition. The first and most obvious is that of distance. Except for a handful of regional bases—which China can increasingly threaten with its growing offensive might—U.S. power resides hundreds or thousands of miles away from the likely axes of confrontation in the Taiwan Strait, Northeast Asia, and the South China Sea. China's A2AD capabilities are designed to defend China and enable it to press its external claims. These capabilities could allow China to neutralize forces that are in the vicinity of a conflict and keep reinforcing units at arm's length long enough for Beijing to achieve its objectives.[1]

The second, related asymmetry is that of time. Chinese military thought by and large argues that future wars will be brief, if often violent. Global political and economic considerations will weigh strongly against protracted conflict, especially if it involves major powers, such as China and the United States. Longer conflicts would also work to China's disadvantage by permitting the United States to bring more of its military capabilities to bear.[2] Under these conditions, winning

[1] Among the many descriptions and discussions of China's evolving A2AD architecture are *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, Washington, D.C., 2013, and 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, Calif.: RAND Corporation, MG-524-AF, 2007.

[2] According to Cliff et al. (2007, p. 28), "No principle is as routinely and uniformly emphasized in Chinese writings on the demands of high-technology local war as the need for the PLA to seize the initiative from the outset of a conflict."

the first battle quickly may be tantamount to winning the war. To the extent that this conceptualization of future warfare is accurate—that the United States, presented with something of a *fait accompli*, would prove unwilling to pay the price to reverse that immediate outcome—U.S. power need not be kept out of the arena indefinitely, just long enough to settle the immediate issue and convince Washington that the prize is no longer worth the price.

The third and final asymmetry is one of stakes. In many cases, Chinese interests in a local issue may far outweigh those of the United States. For example, it might turn out that the distribution of resource exploitation rights in the South China Sea is not critical enough to the United States to risk a serious military confrontation with China, or even endanger the larger global relationship with Beijing. In that case, while supporting its allies up to a point will be important, the core U.S. interest may ultimately be that whatever energy is produced there flows smoothly into the global marketplace, rather than which government collects how much of the resulting revenue.[3] As Chinese military power continues to grow, these three asymmetries may come into play with increasing frequency, further diminishing the credibility of U.S. capabilities to directly defend against Chinese military action—perhaps dramatically.

The Challenges of Deterrence

Deterrence underpinned the United States' approach to its Cold War competition with the Soviet Union. In Europe, NATO relied on a combination of large-scale forward defense and the threat of nuclear escalation to deny the Soviets the confidence of achieving military victory at an acceptable cost. Such a posture is not suitable vis-à-vis China, given

[3] RAND colleague Thomas McNaugher points out that the United States may see itself as having a profound interest in enforcing the norm that territorial disputes not be settled by force of arms. It is not unlikely that each side will face an internal debate regarding its own stakes in any confrontation, along with great uncertainty regarding the other's perceptions. The prospects for a dangerous misunderstanding—such as one side underestimating the other's willingness to defend its position—will make any U.S.-China crisis worrisome.

its technological advancement, its role in the world economy, and the need for its cooperation on a host of global problems.

To begin with, forward defense is vulnerable to the growing reach and quality of China's sensors and weapon-delivery capabilities. China is relentlessly developing and deploying advanced means to target U.S. bases, naval forces, and troop concentrations in the Western Pacific. Current defensive technologies are unpromising against such capabilities, especially as the numbers of these capabilities grow. The implication is that bulking up U.S. forward-defense forces—which could have been a useful response to the Soviets' advantage in conventional combat power on the ground in Europe—arguably buys the United States little because it increases U.S. exposure to Chinese anti-access capabilities without significantly offsetting Chinese advantages.

A second difference is that, unlike the Soviet Union, China does not appear to espouse an aggressive and expansive ideology, nor has it, to date, presented the kind of existential threat to the United States that the Soviet Strategic Rocket Forces did. This minimizes both the ideological ground for disputes and the likelihood that any conflict would escalate to large-scale nuclear use. On the other hand, by making a nuclear exchange less credible as an outcome of a clash, it may reduce the two sides' inhibitions about using force in a more limited fashion.

A third key difference is that China is an integral part of the world economy, as are the United States and its allies. The Soviet Union was largely isolated, and not merely due to Western efforts to limit trade with the East. Soviet factories manufactured little that the union's own people—let alone international consumers—wanted to buy. Except for basic extractive commodities, such as oil and gas, Soviet products were almost completely uncompetitive on world markets. China, obviously, is a very different case.

This difference presents both an opportunity and a danger for U.S. deterrence strategy. On the one hand, China's deep connections with the rest of the world mean that its interests are exposed outside the areas defended by its A2AD capabilities: Its dependencies, markets, assets, and activities around the globe could be held at risk to bolster deterrence. The strategic and economic blowback to the United States and its allies for threatening these assets could, however, make this a

dangerous strategy. In particular, the United States is as deeply and widely integrated into the global economy as China. The United States and China share the same vulnerabilities, though China will for some time be less able to threaten U.S. global interests due to its inability to project power. But it may prove difficult to heavily damage the Chinese economy without destabilizing the global system.

Actually carrying out such a threat against China's economic lifelines—its trade and overseas assets—would almost certainly have a profound effect on the world economy. The nature of international trade and capital flows would make it difficult to target Chinese activity without severely disrupting that of other nations. Even if Chinese exports or imports could be preferentially cut off without adversely affecting many other countries (which, in most cases, they cannot), how would U.S. and other retailers fill their shelves? And, importantly, how would China retaliate against the United States and its partners, whose cooperation would be a requirement for such a strategy to be implemented? An attack on China's overseas economy could turn out to be a kind of short-term economic doomsday machine for much of the world, creating havoc and dislocating global trade and financing, perhaps for years. Although China's leaders might fear the costs that could be imposed, they would have legitimate reason to doubt the willingness of the United States and, of necessity, its allies to pursue the nuclear option over any but the most important stakes.

This discussion points to a fourth key difference between deterring China and deterring the Soviet Union. During the Cold War, leaders in the United States and allied countries saw the threat posed by Moscow as literally existential. At the very least, Warsaw Pact military power threatened to overrun the countries of Western Europe and overturn the democratic way of life enjoyed by their populations. In extremis, the Soviet nuclear arsenal held at risk the literal physical survival of millions of people around the world and could have, if employed, destroyed the West as a collection of functional societies.

The stakes at present are much less profound with regard to China. While Beijing appears to be modernizing and adding to its strategic nuclear forces, this buildup has thus far been modest and seems aimed primarily at giving China a reliable, survivable second-strike capabil-

ity that could allow it to confront a nuclear threat in something other than "use-or-lose" circumstances. Nor does China avow an aggressively expansionist ideology, and the territorial disputes to which it is a party are not nearly as central to U.S. concerns as was the putative Soviet threat to Western Europe.

It is, in other words, hard to elevate any Chinese "threat" to the level of a clear and present danger on par with the Soviet Union when it comes to the vital interests and well-being of the United States today. While this could change if growing Chinese power motivates Beijing to become far more aggressive toward it neighbors—and especially those, like Japan and South Korea, that are important and longstanding U.S. treaty allies—it would represent a very dramatic shift in Chinese priorities and behaviors.

The fact that China does not pose a mortal threat to the United States, its way of life, or its principal allies sets it apart from the Soviet case when it comes to threatening escalation as a way to buttress deterrence and offset inadequacies in direct defense. While the United States can retain superiority in nuclear offensive (and defensive) capabilities, the relative stakes in a U.S.-China confrontation could greatly reduce the credibility of a U.S. threat to escalate violence to this level. Awareness of its own vulnerabilities will also constrain U.S. willingness to employ offensive counterspace and cyber capabilities as strategic weapons against a China that already has, and has prioritized enhancing, its own capabilities in those realms.

In sum, while U.S. strategy must rely more on deterrence than on traditional forward defense, deterrence is neither simple nor a panacea. U.S. reliance on threats of widespread economic warfare (horizontal escalation) or heightened violence (vertical escalation) involve substantial and growing risks for the United States that could well outweigh the importance of any U.S. interests China might threaten. With this in mind, how should the U.S. Department of Defense (DoD) approach its responsibilities in executing and supporting U.S. strategy in Asia?

Shaping U.S. Military Strategy

When discussing a military strategy that extends out 25 or more years, it is important to recognize that there are at least two major types. The first is military strategy in the traditional sense, which examines interests, threats, and capabilities and translates goals into conceptual approaches that are within the means of the United States to execute; the second is a developmental strategy that seeks to alter elements of the current military situation and trajectories in favor of the United States through changes in military capabilities or capacity.

With respect to the first of these components, U.S. military strategy should meet four criteria:

1. Have clear and realistic goals and concepts for achieving them that are tied to U.S. national interests and strategy.
2. Take into account that the United States needs China's cooperation on a host of high-priority global security and economic matters.
3. Be flexible and responsive to Chinese moves, bad or good, and seek to channel Chinese goals and conduct in favorable directions globally and regionally.
4. Reflect the new realities of Asia resulting from increasing Chinese military power and reach:
    a. China's ability to exploit technological advances to hold at risk U.S. and allied forces and bases in the Western Pacific, which will likely increase markedly over time
    b. the danger that China will use or threaten force to have its way in outstanding disputes
    c. the difficulty of executing a successful land war with China on the Asian mainland
    d. the increasing challenge of meeting regional friends' expectations that the United States will support them—if not take the lead—in resisting Chinese pressure
    e. the likelihood that China would react to U.S.-orchestrated military encirclement by making additional investments in capabilities that can hold U.S. and allied forces and bases at risk.

As articulated earlier, the proposed U.S. policy envisions balancing common global and Chinese interests on economic, proliferation, and other issues with deterring Chinese encroachment on the core interests of the United States and its allies and friends. These goals—along with an understanding of the requirements should a conflict actually occur—should shape the U.S. force composition and posture. Preventing Chinese aggression through this combination of deterrence and direct defense will require a different U.S. military posture and concepts of operation than those in effect today.

In essence, preventing Chinese aggression means preventing the hostile projection of force by China. Of course, this raises questions of what constitutes aggression, what constitutes force projection, and whether the United States should move to prevent it categorically or selectively. While these questions cannot and should not be answered precisely or rigidly, the answers depend on how U.S. interests could be affected. At the extremes, a Chinese attack on a formal ally would constitute aggression that would warrant U.S. involvement, but an ambiguous incident in the South China Sea involving China and one of its neighbors might not. Similarly, the large-scale movement of Chinese forces against Taiwan or into the Korean Peninsula would clearly constitute force projection, whereas a skirmish with Vietnamese forces along or on Vietnam's side of a disputed border would be far less clear-cut.

Making allowances for such necessary imprecision, U.S. military strategy can focus on increasing the cost of Chinese force projection through deterrence complemented by direct defense. The strategy should take into account and avoid the pitfalls of large-scale, concentrated forward forces. It should stress the following factors:

1. the ability of the United States to deliver and sustain strong combat and support forces and strike power rapidly to virtually anywhere in the Western Pacific[4]

[4] It is useful to note that this would not require the capability to project force everywhere at once.

2. the U.S. advantage of highly capable and reliable local allies, such as South Korea, Japan, and Australia, as well as the capacity to improve the capabilities of other partners[5]
3. the operational difficulties for China of projecting force far beyond its borders and overseas, in particular (some of which will likely diminish over time)
4. the exploitation of technology to reduce vulnerability to improved Chinese targeting
5. U.S. leaders' need for a range of credible non-nuclear escalation options, which it can provide by exploiting enduring U.S. advantages in global power projection.

By such means, Chinese leaders contemplating aggressive force projection would face the prospect of encountering large and capable U.S. and allied forces, major dangers to Chinese forces, less exposed U.S. targets, and escalation options unfavorable to China.

The first element of the strategy should lead U.S. planners to an approach that avoids relying on large numbers of forces based permanently on a handful of vulnerable bases. Instead, the United States should assume a posture that supports rapid deployment into the region by a flexible array of mission-tailored forces that would be located at a large number of small bases scattered throughout the operating area. Although these locations should be at least somewhat defensible and defended, the key principle would be that the loss of one or two bases or assets, whether ashore or afloat, would not overturn U.S. plans and operations. This is not the case with the current U.S. posture.

Both warfighting preparations and peacetime posture should emphasize increased survivability and enhanced operational effectiveness. The AirSea Battle concept is a first step toward these ends; better integration of joint U.S. strike capabilities and operations for the purpose of neutralizing China's A2AD "kill chain" could improve the survivability of U.S. forces in general. However, to be fully effective in a war with China, AirSea Battle would likely require early (if not pre-

[5] There is a potential downside to U.S. alliances in the region, which is the possibility of the United States finding itself dragged into a conflict Washington would rather avoid.

emptive) attacks on Chinese forces and territory. Thus, it is potentially escalatory and destabilizing; furthermore, it does not fundamentally address the underlying vulnerability problem.[6] While it is a useful operational concept that would help U.S. forces should a conflict emerge, it does not address the pertinent strategic questions mentioned earlier and therefore is, at best, a partial near-term "fix" on which the United States should not depend for better strategic outcomes.

To the extent possible, the United States should move toward a posture that does not impose "use-it-or-lose-it" dilemmas on either U.S. or Chinese leaders early in a mounting crisis. Such an approach would put a premium on platforms with longer-range weapons that could operate effectively from outside the range of the most serious Chinese threats and on agile capabilities that China could move quickly both *into* the theater and also *within* it as the threat and other operational circumstances dictate. It would drive up the technical challenges and cost of Chinese strikes on a significant portion of U.S. capabilities in the area of operations. It would also necessarily put greater emphasis on space and cyber warfare capabilities—offensively as one element of efforts to diminish Chinese strike capabilities and defensively to protect U.S. command-and-control systems. U.S. forces depend on both space and cyber assets to a degree that the PLA currently does not, though if China is to become more adept at managing multidomain joint operations, it will need enhanced C4ISR capabilities that depend more on these assets. As such, the ability to defend U.S. assets (including commercial and other assets that U.S. forces use) while holding Chinese assets at risk will be important.

Second, under this arrangement, U.S. regional allies and friends will need to become more self-reliant in providing the immediate defense against Chinese aggression. This would create new responsi-

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[6] As Thomas Christensen points out, one big escalatory risk posed by the AirSea Battle concept is the danger that, knowingly or not, the United States might strike targets associated with China's nuclear deterrent force and that the attack could be misinterpreted as the prelude to, or part of, a disarming first strike. Early use of force against China itself might be very unappealing to a U.S. president seeking to defend an ally or interest while simultaneously limiting escalatory incentives. Relying on plans based on mainland strikes would limit the viable options available to leaders should a crisis arise.

bilities for allies to develop their indigenous capabilities to resist at least some initial degree of Chinese pressure, as well as obligate the United States to assist in that development. For example, for Philippine armed forces to credibly resist even the most minimally serious Chinese attempt to militarily assert sovereignty over the South China Sea, they would need to be substantially more capable than they are today. The United States would be called upon to make sizable capital and human investments in helping to build partner capabilities and capacity.[7]

There would be a wide range of demand for U.S. assistance in this regard. South Korea and Japan, on one end of the spectrum, already possess powerful militaries, modern technical capabilities, and the economies needed to back them up, and they will remain capable of developing or buying, fielding, and assimilating advanced weapons and capabilities into their forces.[8] On the other end are countries, like the Philippines, that are poor and lack the human and material bases for a truly modern military. The U.S. military would need to position itself to provide appropriate assistance to friends on both ends of the continuum as well as in between. Some key capabilities that might be encouraged—capabilities that would enable regional partners to resist coercion, protect their territory, and defend against initial Chinese military actions—would include air and missile defense, air and maritime patrol and sovereignty, and coastal defense. Should there be a need for partner countries to act in concert with the U.S. military, interoperability—a challenge even for mature, formal alliances—could also be important.

Encouraging and enabling more robust partner militaries will also help construct the third pillar of the proposed strategy, which is the creation and maintenance of an in-theater infrastructure that, while cost-

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[7] Andrew Scobell points out that the United States need not be the only source of enhanced expertise and equipment for countries feeling threatened by China's growing might. Intraregional cooperation between more- and less-advanced militaries—as already seen in Japan's transfer of coast guard ships to the Philippines—could be very productive and also less provocative to China than more and deeper engagement with the United States.

[8] Japan's constitution and domestic politics continue to limit its military capabilities, doctrine, and operations. Furthermore, no country in the region possesses the kinds of true power projection capabilities that the U.S. military enjoys.

effective and appearing minimally offensive to China, would permit allies and partners to actively resist Chinese efforts to project power, as well as support the rapid deployment and employment of U.S. forces in the event of a crisis or conflict and thus limit China's ability to project power. This infrastructure does not have to include large, permanent installations with a substantial full-time U.S. presence that present tempting targets for PLA planners and create tensions in the region prior to hostilities. Exercises and other cooperative security activities have often been used as opportunities to prepare for possible future operations by, for example, repaving runways on air bases or prepositioning important but nonsensitive materiel. Increased engagement with a wide range of Asian partners will create ample scope for similar investments, which should be undertaken throughout the theater so as to support a "thinner" but more "broadcast" and necessarily expeditionary operational style.

Furthermore, the infrastructure to support many types of deployments in times of conflict already exists in many of the nations in the area, as they are similar to commercial infrastructures needed by advanced nations. In other words, they are dual-use.

While decreasing China's ability to project power necessitates a U.S. military strategy of improving partners' defense capabilities, rapid U.S. expeditionary capabilities, and the regional facilitation of U.S. surge operations, there will be a residual but important role for forward defense. At a minimum, the United States should continue to base forces in South Korea for as long as North Korea remains a threat. It may also choose to deploy small "tripwire" forces elsewhere in the region as a nod toward strengthening deterrence and offering concrete reassurance to friends and allies. This small force presence may be permanent, periodic, or ad hoc, and it will also assist in building the defense capacity of, and ensuring interoperability with, allies and friends. Finally, the continued presence of significant U.S. forces, such as the 7th Fleet in Japan, may also make sense from the perspective of reassuring allies.

The fourth element—improved technology to reduce vulnerability to Chinese targeting—is tightly linked to the second component of the strategy, force development, as discussed later.

The fifth element of the military strategy is deterrence and escalation. Although the balance of military power may be shifting against the United States in Asia, it will likely be decades or longer before China can develop the capabilities to challenge U.S. forces on a worldwide basis. Therefore, the more China can confine any confrontation or conflict with the United States to its neighborhood, the more its advantageous asymmetries of distance, time, and stakes work to its benefit. U.S. deterrent strategies, then, might seek to escape this "box" within which China would prefer to contain a conflict and move it into areas and domains that maximize U.S. edges in global capacity and technological superiority.

China's efforts to deploy a reliably survivable second-strike deterrent force will erode the advantages of longstanding U.S. nuclear dominance. Heavy U.S. dependence on space and cyber capabilities, China's growing ability to attack in those domains, and the difficulty of defending there will undermine U.S. threats to attack China in this realm. General economic warfare against China would have rebound effects throughout the world, including in the United States that, while unpredictable, would almost certainly risk disaster. How, then, can the United States break out of this box?

As one possibility, it could offset China's distance advantage by seeking to bring U.S. military power to bear in ways that escape the PLA's A2AD capabilities while threatening to impose severe costs on China—either by defeating its military or by punishing it in China and the region. In the region, this would suggest a reliance on long-range strike systems able to responsively target a wide array of Chinese military and other targets. Credibly threatening to sink China's fleet or destroy its air bases without having to fight out from under its missile attacks or brave its submarines and anti-ship ballistic missiles could provide a great deal of deterrent leverage in a brewing crisis.

Alternatively, escaping the distance dilemma could also involve taking aim at Chinese targets beyond East Asia, where U.S. capabilities will remain superior to China's for many years—horizontal escalation. Beijing should consider any Chinese military asset outside the arena of even the most localized combat to be at risk. Discrete economic targets, such as Chinese-flagged tankers and large merchant ships, could

be seized or attacked in the event of open conflict, both for the costs their loss would directly impose and as a reminder of the economic "doomsday machine" that the United States could ultimately choose to unleash.[9]

The United States can best escape the time "box" by preparing its allies to defend themselves. If they can do so sufficiently, China will not be able to simply roll over them and will have to expend considerable time and resources to defeat them, leaving it substantially weakened for a subsequent confrontation with the United States. It would not be necessary for regional states to have a reasonable chance of defeating China alone; simply increasing China's cost of entry into and time to succeed in the conflict could have a significant deterrent effect. The Philippine military could, for example, make it impossible for the PLAN to cheaply dominate nearby portions of the South China Sea by fielding a robust, survivable land-based anti-ship capability. The United States could enhance this capability through security cooperation and by directly supporting it with intelligence and surveillance information. Even imperfect missile defenses would force China to deplete its magazines more rapidly than it would against undefended or poorly defended targets, leaving it with fewer shots to aim at U.S. forces when they eventually arrive at their widespread and defended regional bases. Cost imposition need not always involve damage directly inflicted; it can also take the form of opportunity costs extracted. However, trends in theater ballistic and cruise missile capabilities make this a daunting task, the economics of which should be closely examined.

U.S. forces that can be brought to bear rapidly and effectively also help manage the time dilemma. This again argues for long-range strike systems that can be deployed from peacetime bases or from operating

[9] Even the most modest interruption in Chinese trade or economic activity would have knock-on effects around the world but especially in Asia, where many national economies are tightly tied to and, to a greater or lesser degree, dependent on China's. These costs would have to be accounted for in any decision to pursue a strategy of economic coercion against Beijing. It should also be noted that instituting a blockade is an act of war and the laws governing blockades are complex. However, U.S. leaders could also consider actions to restrict naval freedom of action short of a blockade. For example, the United States imposed a "quarantine" on Cuba during the October 1962 Cuban Missile Crisis to avoid some legal and political difficulties.

locations that are at minimal risk from Chinese A2AD threats, such as submarines.

The asymmetry of stakes is also best addressed by enhancing regional partners' ability to defend themselves against Chinese threats. For example, while the Chinese may care more about territorial issues with Vietnam than the United States does, no one will ever care more about defending Vietnam against China than the Vietnamese. A major goal for U.S. deterrence strategy, then, should be to equalize the playing field as much as possible so that the asymmetry of stakes begins to swing back toward its side of the equation. Empowering its friends to better resist Chinese attacks while configuring itself so that the risks its forces assume in fighting the PLA are commensurate with its own interests in a conflict would constitute a powerful deterrent to Chinese adventurism.

The second component of the strategy—altering the capabilities of the force to change the military balance in favor of the United States over time—is principally the responsibility of the armed services under the direction of the Secretary of Defense.[10] It is worth noting that a similar approach seems to underpin Chinese military strategy, and such an approach was a key component of U.S. strategy vis-à-vis the Soviet Union during the Cold War. The extent to which U.S. leaders perceive China as the preeminent threat will drive the importance of this element of the military strategy.

The major threats to U.S. dominance in the Western Pacific stem from improved Chinese targeting and precision strike capabilities, as well as from space and cyber capabilities. They may also include increases in more traditional forces, such as aircraft and naval power, that facilitate force projection over the long term. These issues should influence this element of U.S. military strategy. The extent to which this element succeeds will directly affect the application of the strategy outlined earlier. We can draw a number of critical observations

[10] Combatant commanders play an important role in providing requirements for shorter-term capabilities but only a limited role in shaping the needs of the force 20–30 years out.

from these facts that should drive doctrine, force design, the technology base, and acquisition efforts:[11]

- The PLA's air and missile offensive capabilities pose the greatest direct threat to U.S. forces operating in the Western Pacific. Current methods of defeating them include attacks on Chinese command and control, as well as direct attacks on aircraft and missiles. The ability to deter or defeat this Chinese capability—at the point of launch by degrading C4ISR, by creating offensive capabilities to deter the use of such missiles, or by defeating missiles once launched—must be one of DoD's major investments. Having the capability to address this problem without striking targets in mainland China would provide more opportunities to deescalate a conflict than approaches that require such strikes to succeed.
- U.S. military strategy should also continue to aggressively develop and make full use of new technologies—still a U.S. advantage—to frustrate Chinese targeting, lessen vulnerability, and present the PLA with a more complex operating challenge than it can handle. This should include more diverse, survivable, and numerous ISR and strike platforms; extended-range strike options; and anti-satellite and cyberwarfare capabilities (if only to deter Chinese anti-satellite and cyber attacks).
- As noted earlier, significantly increasing the risk to China of attempting to project power should be a core element of U.S. military strategy—that is, adopting A2AD capabilities similar to those used by the PLA and other nations to limit Chinese options and increase their costs. Creating new U.S. (and allied) capabilities that would affect China's ability to project power will be of critical importance. While the United States probably cannot expect to have more than a limited effect on China's ability to project power immediately across its land borders, there is much

[11] Here, we focus principally on factors that could affect land forces rather than trying to be comprehensive. For example, it will be important for the United States to continue developing anti-submarine warfare capabilities, but we do not address that topic here.

that could be done to limit China's ability to project power by sea. In addition to maintaining naval superiority, creating or improving land-based anti-ship and offensive missile capabilities that can hit Chinese naval and troop concentrations could be an important addition.

- Finally, investments aimed at decades-long improvements are important not only for the United States but also for allies and partner nations, individually and collectively. Such efforts imply a willingness to engage in defense cooperation both between the United States and friendly countries in the region and among nations in the region. Interoperability should be part of this agenda, and it will be a challenge should multilateral engagement become important.

To the extent that these elements of the strategy are successful, the discussion of U.S. posture and operational capabilities would change. However, it is important to recognize that China will also be adapting its military strategy in reaction to U.S. actions and that more than one iteration of changes to investments, posturing, and operational capability will probably prove necessary over this time horizon. It is also useful to recall that while China is by far the most capable potential adversary, it is likely that other nations also will try to create capabilities that challenge U.S. force projection in similar ways, particularly as the cost for such capabilities declines (and as other nations invest in capabilities to defend against China). As such, such investments may be valuable globally.

Aside from deterring Chinese adventurism, the U.S. military will also have a role to play in encouraging U.S.-China cooperation in the global context and helping to extend that cooperation, to the extent possible, into Asia and the Western Pacific.[12] This will obviously be a tricky undertaking, as the tangled history of U.S.-China military-to-military engagement all too clearly reveals. A U.S. posture that is not

[12] Other, "softer-power" parts of the U.S. government will be mainly responsible for managing the global-cooperative aspects of the relationship with China. However, DoD will have responsibilities not just in the region but also around the world, as we see today with the cooperative anti-piracy activities off the Horn of Africa.

unnecessarily provocative may help establish a more friendly baseline for the relationship between the PLA and the U.S. military.

The United States will also play a prominent role in designing and carrying out regional (and extraregional) security activities that incorporate Chinese participation, promote friendly interaction among regional militaries, and produce a general sense of Chinese inclusion rather than isolation or "encirclement." Creating opportunities for China and the United States to demonstrate to each other that they have more to gain through cooperation than conflict will be important in walking the strategy tightrope on which peaceful and productive relations will balance.

Ultimately, the United States should aim to place squarely on China the onus of whether it is to be isolated or involved in regional security arrangements. Again, we must expect that China will strongly pursue what it sees as its legitimate interests and prerogatives in its neighborhood. What the United States and its partners can do is to hold out the opportunity for China to pursue these interests in a constructive manner, engaging China with its neighbors rather than turning them against it. A strong U.S. regional security posture—based on the four principles described earlier in this section—can help promote this strategy by clarifying for China both the costs of overly aggressive behavior and the benefits of a more cooperative approach to achieving its security goals.

Finally, U.S. military strategy vis-à-vis China should look beyond Western Pacific conflicts, as China is now and will continue to grow as a global power. How the United States and China cooperate or compete on the world stage may expand beyond just economic concerns.

U.S. Military Strategy Across Alternative Futures

Earlier, we introduced three alternative futures for China: systemic continuity, hegemonic China, and systemic breakdown. The strategy described in the previous section is designed to confront a situation that is evolving from systemic continuity but has not yet reached hegemonic China. It is intended to encourage Chinese restraint—

movement back toward the first future—while hedging against further deterioration. It is worth considering, however, how Chinese behavior and U.S. policy in the region might change if China clearly moves from the first to the second future or, worse yet, if the entire world moved into the third future state.

China has recently been episodically more vehement in protecting its perceived prerogatives, but it continues to pursue an overall approach that emphasizes economic progress and internal political and social stability over foreign adventurism. Beijing seeks to support and maintain the existing international security order, seeing it as protecting many of China's global interests that the country itself remains too weak to defend.

While China is clearly fielding a suite of capabilities that increasingly challenges U.S. direct defense options, it should be possible to deter it from actions that dramatically upset the status quo, either in Asia or elsewhere. Because China profits so greatly from existing arrangements, and because those profits are critical to achieving its most important internal goals, its incentives for dramatic and threatening gestures are minimal. While there may be very few circumstances in which deterrence might prove ineffective—a Taiwanese declaration of independence, for example—the overall deterrent relationship between the two sides could prove to be relatively stable.

An added goal of U.S. strategy in the systemic continuity future would be a world in which China becomes an increasingly cooperative partner in addressing regional and global security issues. Such a China would pursue multilateral (or at least nonviolent) solutions to its littoral disputes, seek to resolve remaining territorial disagreements through diplomacy, ratchet back the PLA's growth, participate in cooperative and collective security ventures, and work closely with the United States and other partners to address key regional problems, such as North Korea's nuclear program. In the event of a regional crisis, such as a North Korean collapse, China would cooperate with the United States and South Korea to secure Pyongyang's WMD, demilitarize and stabilize the country, and provide humanitarian relief without raising concerns about its ultimate intentions regarding North Korea's regime and territory. U.S. policy should be directed toward facilitating this

future; to the extent that it makes progress, the roles of both direct defense and deterrence would gradually be reduced.

In general, the relative importance of capable regional partners would increase if Chinese behavior were to trend toward the second, hegemonic future, and transitioning from a web of bilateral relationships to a regional security alliance would become increasingly attractive. To counter a truly hegemonic China, regional nations would likely be forced to choose sides, either with China or against it.[13] In the latter case, they would likely find it important to band together, and perhaps with the United States, in a formal security alliance. The military upside of doing so would be evident: None could take on China alone, and using force against one country would impose higher risks on China if all were bound to come to its defense. The downside of not doing so—in an effort to avoid antagonizing China into bad behavior—would be mitigated or eliminated by Beijing's aggressive approach to the region.

However, it is worth noting that deterrence is generally a trickier proposition when the other party is less risk-averse, so the situation becomes more problematic when considering a more assertive or aggressive China. "Big-picture" deterrence could well remain strong—Beijing would have to be very aggressive indeed to launch an attack on Japan, for example—but gray areas could begin to appear in which U.S. deterrent guarantees increasingly come into question.

The best example would likely involve China's use of force to settle maritime claims. Beijing could employ a variety of means, perhaps up to the application of military force, to coerce the Philippines, for example, into giving way on some issue in the South China Sea.[14] The United States would then face a dilemma: intervene to support its treaty ally at the risk of provoking a wider conflict with China, or respond more conservatively, perhaps seeking to exploit Beijing's

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[13] This choice would be almost mandatory in the face of an aggressive China. Today, it is one that even close U.S. friends in the region resist and will go to great lengths to avoid making.

[14] Events of late 2012 and early 2013 in the East China Sea, where the dispute between China and Japan over control of the Diaoyu/Senkaku islands reached new levels of tension, may indicate that Beijing is increasingly willing to follow this course.

aggressiveness to build regional consensus on a revised security architecture aimed at protecting China's neighbors from possible aggression.

Finally, in a hegemonic China future the political downside of an increased force posture in the Western Pacific would be significantly less problematic than in a systemic continuity future. Fears of antagonizing China might not be a major concern if China was already using force to settle disputes and a U.S. military presence was seen as a counterbalance to that. In the extreme case, a regional defensive architecture to counter perceived Chinese aggressive intent could be seriously considered by Pacific nations.

In the third future, one of more general instability, the behaviors of all actors, including long-time U.S. friends, would be highly unpredictable. Fears of a politically fissiparous or highly aggressive China, or general feelings of insecurity, could provoke radical changes. Korea, Japan, and perhaps others could pursue indigenous nuclear weapon capabilities, for example. New alliances and antagonisms could emerge, and old ones could erode, be resolved, or be subsumed in new conflicts. This dynamism would stress U.S. strategy and possibly make the task of deterring China far more challenging. A China that felt increasingly threatened by external forces (such as a remilitarized Japan), internal instability, or both could prove very hard to deter. Like Imperial Japan in the late 1930s and early 1940s, it could see bold, offensive action as its least bad option for resolving the most dangerous aspects of its security dilemma. Convincing China that the United States does not seek to contain it—but being willing to impose costs on China should it commit aggression—could be difficult under these circumstances. The nature of a less stable regional situation is the hardest to predict, so it is correspondingly hard to say how U.S. national and military strategy should adapt to it.

Generally and not surprisingly, the proposed strategy's deterrent component will become increasingly difficult to sustain if China's leadership either becomes more risk-accepting or sees its power as sufficient to counter or deter threatened U.S. punishment. The latter could become increasingly likely if the PLA continues to develop militarily as it has over the past 20 years and politically as it has more recently, while the former will depend on how China "socializes" into its posi-

tion as a great power. Sustained and serious U.S. efforts to emphasize and deliver the shared benefits of U.S.-China cooperation, both globally and, to the extent possible, regionally, could go a long way toward convincing Beijing that staying broadly committed to maintaining the international status quo will best serve China's interests.

It is worth emphasizing that a failure of this or some other strategy could be an important factor in a Chinese decision to behave more aggressively. Failing to provide the right balance of global and regional incentives and deterrents could signal an opportunity or need for China to change its own strategy.

Enhancing Crisis Stability and Reducing the Risks of Miscalculation

Both the United States and China have powerful incentives to avoid conflict. The costs to either side, in terms of blood, treasure, and economic dislocation, are sufficiently obvious and dire to inspire caution among the two leaderships across our proposed alternative futures. This risk calculus is a healthy one that U.S. strategy should seek to reinforce at all levels.

U.S. military strategy in Asia must be structured to minimize its negative effects on this deterrent risk assessment, even as a crisis brews. Put differently, the United States and China should avoid creating situations in which the other side's calculations begin to shift in favor of preemption. So, for example, U.S. plans that rely on large-scale force movements to a small number of vulnerable bases should be avoided because of their strategic and operational deficiencies. Space and cyber operations pose particular difficulties in this regard because of the difficulty of defending against competent attackers in either arena; such unavoidable temptations make it all the more important that unnecessary ones be avoided.

The biggest danger of a U.S.-China conflict will probably originate not from the calculated actions of either side but from a flow of events that leads decisionmakers to make poor, hasty, or ill-informed choices. Especially in the futures in which China is more assertive

or the overall situation becomes somewhat unhinged, as in the 2001 Hainan Island incident, could begin a sequence of events that ends in some form of U.S.-China war.[15]

The pressure of a preexisting crisis would amplify these dangers. Some unanticipated events (e.g., a firefight between PLA and U.S. special forces teams reconnoitering a collapsing North Korea, a collision at sea or threatening radar contact on a fighter or ship's scope during a Taiwan Strait standoff) could set off reverberations that result in a conflict that neither side deliberately sought. Avoiding these incidental and inadvertent triggers, and being able to manage them should they occur, will be critical in maintaining stability in East Asia.

While there is no panacea, there are steps that the United States can take to prevent such a scenario. First, the United States needs a strategy to guide its actions, and both the strategy and actions need to be sufficiently well understood by others that they serve their deterrent or reassurance purposes. Second, such a U.S. strategy should not depend on inflexible concepts of operations; hardwired responses should not dictate the size, speed, or configuration of a U.S. response to a crisis. Third, U.S. actions should include a range of deterrent gestures that visibly increase and demonstrate an ability to impose military costs on China without increasing the vulnerability of its own forces and without posturing those forces in a needlessly antagonistic way. So, instead of deploying bombers to Guam, the United States could build multiple joint task force (JTF)–capable headquarters to demonstrate its ability to conduct simultaneous large operations across the USPACOM AOR, ready U.S.-based strike platforms, dispatch additional cruise missile–

[15] In April 2001, a U.S. EP-3 reconnaissance aircraft collided in midair with a PLA fighter jet over the South China Sea, killing the pilot of the Chinese aircraft and touching off a brief foreign policy crisis. The EP-3 made an emergency landing at the PLA's Lingshui airfield on Hainan Island. Chinese authorities detained and interrogated the 24-member crew for 11 days, pending an apology from the United States. The Chinese eventually released the EP-3 to the United States, along with a bill for its disassembly and transport and for the housing and care provided to the U.S. crew. For more details on the incident, see Shirley A. Kan, Richard Best, Christopher Bolkcom, Robert Chapman, Richard Cronin, Kerry Dumbaugh, Stuart Goldman, Mary Manyin, Wayne Morrison, Ronald O'Rourke, and David Ackerman, *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*, Washington, D.C.: Congressional Research Service, October 10, 2001.

carrying subs to sea, or regularly conduct exercises that project forces into the region in support of allies but do not leave them there once the exercise is over.[16]

Signposts on the Way to a Hegemonic China

Attention should also be paid to early indicators that China is departing from its systemic continuity policies and adopting a more aggressive regional strategy. These indicators would certainly be imprecise and ambiguous, but they would be potentially useful as signposts of a sea change in Beijing's ambitions.

Obvious signs would include a sustained and overtly more assertive attitude toward territorial disputes, including direct military action to occupy islands, efforts to prevent or constrain other countries' access to contested waters, "punitive" cross-border expeditions, activities that foment political instability in regional states it sees as potential adversaries, the expansion of claims for "historic" Chinese territory, China's abandonment of its long-standing position against foreign intervention in sovereign affairs, direct and frequent use of economic weapons (such as trade or capital embargoes) in political disputes, efforts to establish military bases beyond its borders, and, of course, substantial acceleration of the PLA's modernization initiative.[17]

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[16] We would also expect to see China make similar moves and interpret them as reinforcing the deterrent message to the United States.

[17] The kinds of military capabilities China fields could turn out to be rather ambiguous as indicators of expanding ambitions. Most of the weapons and systems that it would need to assume a more offensive regional posture, including nuclear submarines, long-range strike capabilities, improved naval air defense and antisubmarine warfare capabilities, modern combat aircraft, advanced C4ISR, and even a small number of aircraft carriers, are also core elements of a defensive A2AD arsenal or important to the limited projection of power and influence in China's immediate vicinity. The development of large-scale "blue-water" and "blue-sky" power projection capabilities—perhaps more than a handful of nuclear-powered aircraft carriers and their attendant air wings and escorts, along with large amphibious vessels, dozens of long-range bombers, greatly expanded fleets of strategic airlift and aerial refueling tankers, and regular exercises in long-range deployments and operations—would provide clearer indications of China's goals stretching beyond those we project for it in our baseline future.

One subtler but important indicator would be a significant change in the tone of internal debates within the CCP and the PLA about Chinese approaches to the outside world. Such discussions are already occurring, but three things might indicate a change in the attitudes of senior-level decisionmakers. First, when multiple participants in this debate begin to echo a single opinion, it typically indicates a higher-level policy decision.[18] Second, the promotion of vocal proponents of one side of a debate to service China's leadership, the Central Military Committee, or the politburo suggests their views have gained senior approval.[19] Finally, the development of new missions and new war-fighting doctrine for the PLA could also signal such a policy shift.[20]

Prior to a crisis, both sides will benefit from engaging in a wide and deep range of military-to-military contacts, both to increase mutual transparency—and hence reduce the risk of surprise—and to establish personal relationships that can be leveraged to provide additional channels of communication if a confrontation looms. Confidence-building measures, "rules-of-the-road" agreements like the U.S.-Soviet Incidents at Sea agreement, and a robust and routinely exercised array of "hot-line" arrangements between U.S. and Chinese leaders would all be valuable.

Signposts toward a more hegemonic China are discussed in greater detail in the appendix.

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[18] Interview with Andrew Scobell, October 2012.

[19] The past three years have seen a new trend of some active PLA officers publicly espousing a more ambitious and nationalistic foreign policy. The elevation of high-profile PLA ultra-nationalists, such as Major Generals Luo Yuan and Zhang Zhaozhong, to senior positions would suggest a more assertive Chinese foreign policy.

[20] Such expansion is not unprecedented. President Hu's 2004 "new historic missions" speech defined two new and ambiguous global roles for the PLA: "safeguarding China's expanding national interests" and "helping to maintain world peace." A clarification of PLA missions that included "supporting friends and expanding strategic partnerships" or "ensuring the stability of neighboring states" would signal a marked change from present behavior. Such missions also could be expressed in the PLA's guiding strategic and doctrinal publications, the *Science of Military Strategy* and *Science of Campaigns*, respectively.

CHAPTER SIX

The U.S. Army in Asia

The U.S. Army's future role in Asia will be a mix of continuity and change. It will almost certainly continue to station a sizable ground combat force on the Korean Peninsula for the foreseeable future, or at least until the divide or tensions between the two countries disappears. As circumstances on the peninsula change, however, the Army's main purpose there will also evolve. While the continuing deterioration of North Korea's conventional forces makes an invasion of the South less likely, the expansion of Pyongyang's WMD activities—especially its nuclear program—will increase the criticality of the WMD elimination mission.[1] As a result, some reconfiguration of the U.S. Army forces deployed in South Korea may be called for to better prepare for this class of operations.

In addition to its presence on the Korea Peninsula, our assessment suggests that the Army will play six major roles in U.S. strategy in Asia:

- providing training and support to allies and partners
- helping to defend key facilities from enemy ground, air, and missile attack
- providing key enabling support to the joint force
- maintaining the ability to project expeditionary combat forces into the theater, including modest-sized forced-entry operations
- contributing to new conventional deterrent options

[1] RAND Arroyo Center research indicates that the U.S. land force requirements for this and other missions in a North Korean collapse scenario are as large or larger than for a North Korean invasion of South Korea.

- helping to engage China in cooperative military-to-military contacts.

These roles have implications for how the Army organizes and trains for its Pacific duties. We briefly discuss each of the six roles and these larger points, in turn.

Training, Supporting, and Engaging

One of the United States' most enduring competitive advantages over China is its dense and wide network of allies, partners, and friends, both in the region and around the world. This web of relationships forms a safety net for the United States, woven of countries that broadly share U.S. objectives, generally support U.S. policies, and provide basing and access for U.S. forces.

The United States' Asian partners also help close the asymmetry of stakes in a potential conflict with China. Although China may have a greater interest than the United States in the outcome of most regional disputes and conflicts, U.S. friends and allies have similar or even greater stakes than Beijing. This means that these countries have very powerful incentives to prepare themselves to stand up to Chinese coercion and resist Chinese attack. Likewise, the United States has incentives to help them do so. Improved partner capabilities can deter Chinese adventurism, extend the timeline for U.S. intervention in a crisis, and stiffen defense against attack, allowing the United States more time and flexibility to shape a maximally effective response. They also, importantly, buy time for political leaders to deescalate emerging conflicts. Finally, helping U.S. friends and allies develop their military capabilities by training, equipping, and supporting them offers significant leverage in offsetting China's advantages in any regional security competition.

All the U.S. military services have important roles to play in working to improve partners' capabilities; the Philippines, for example, would benefit from substantial assistance in the air and maritime domains. The Army's role would be especially important, however.

Because the security concerns of so many regional countries revolve around internal security or border disputes, most Asian militaries are ground force–centric. At this writing, 22 of the 27 military chiefs of defense in the USPACOM AOR are army officers, and the army has historically been the most influential service in most Asian countries. While this may change as the security circumstances confronting these nations evolve, armies will remain central, and, for many, the U.S. Army will be the American counterpart best suited to help establish and develop deep ties with them.

Army-to-army cooperation may also be less provocative to China than interactions aimed at bolstering partners' air and naval capabilities. In the Asian security environment, Beijing is likely to perceive ground force developments as less threatening to its core security interests than improvements in the other domains.[2]

The evolving Asian security environment will lead the Army to emphasize new kinds of capabilities in its interactions with regional militaries. While training for counterterrorism, internal security, and disaster response will likely remain focal points during this period, concerns about the growing offensive missile capabilities of North Korea and, especially, China will put a priority on helping partners improve their defenses against these weapons. This will not just involve selling or deploying Patriot and Terminal High-Altitude Area Defense (THAAD) missile batteries. Army engineers will also be called upon to help regional friends and allies enhance their passive defenses against air and missile attack; for the region's more capable countries, efforts to interdict the missile targeting, launch, reload, and battle damage assessment processes will be important. Depending on the size and sophistication of the threat, entirely new capabilities may be needed.

The Army will also need to draw extensively on its medical, engineering, and other noncombat expertise, both to upgrade partners' military capabilities and to provide services to local populations. And, as has been the case historically, the Army will be involved as needed in responding to natural disasters and other humanitarian operations in the region.

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2 We thank Andrew Scobell for this insight.

The Army's ability to undertake this array of engagement activities will be enhanced by its introduction of "regionally aligned forces," a process that began in 2013. Under this program, specific formations will orient their training toward Asia, focusing on specific missions and developing appropriate regional cultural and language skills. This will improve their ability to work with partner militaries while also preparing them to respond more effectively to crises or conflicts in the theater.[3]

Providing Facility Defense

The U.S. basing posture in the Asia-Pacific region will need to change to accommodate the military strategy that we have outlined in this report, which relies on a more diverse and distributed array of bases to host U.S. combat power in times of crisis or conflict. Figure 6.1 shows locations that have been discussed as possible basing options for the U.S. Air Force in Asian scenarios. The dotted circle indicates the much more limited area where U.S. basing would be concentrated under existing concepts for power projection.[4] Dispersing forces across a larger geographic area significantly complicates the PLA's mission of locating, targeting, and preparing to strike targets, but it also complicates the U.S. military's mission of supporting far more numerous and perhaps nonpermanent or expeditionary bases.

While not all of the locations shown in the figure would necessarily be used for any given contingency, many of them could be employed for a large-scale conflict with China. Especially as China's offensive reach continues to extend farther from its shores, these bases will require protection from a variety of threats. The Army will have primary responsibilities in two domains.

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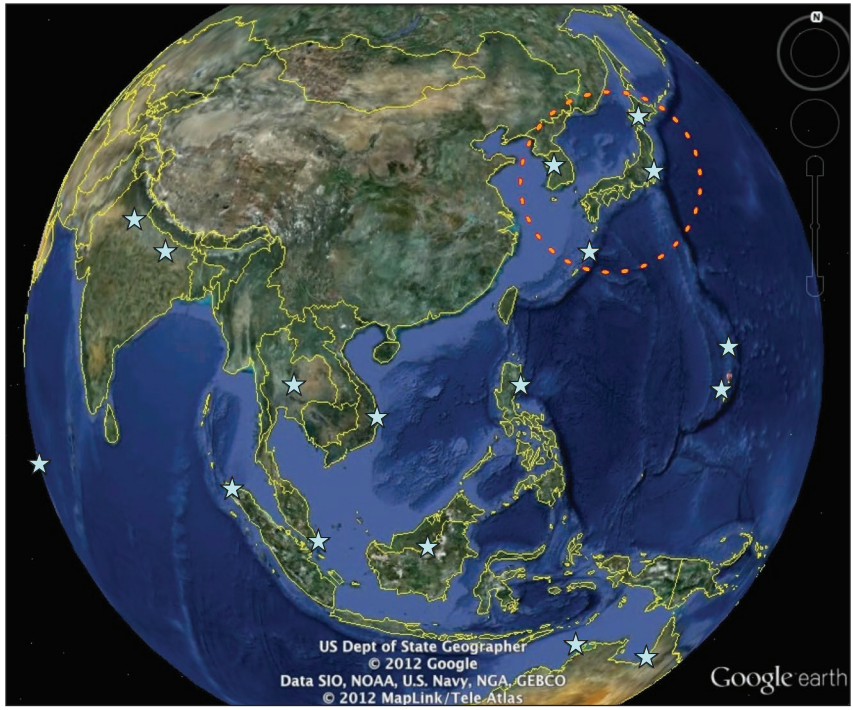
[3] Security cooperation is discussed in greater detail in Peter Chalk, *The U.S. Army in Southeast Asia: Near-Term and Long-Term Roles*, Santa Monica, Calif.: RAND Corporation, RR-401-A, 2013.

[4] Ongoing RAND research has identified dozens of airfields across the USPACOM AOR that could be used by U.S. Air Force aircraft. Not all are identified in the figure.

Figure 6.1
Potential U.S. Basing Options



SOURCE: Google Earth with author overlay.
RAND *RR474-6.1*

First, along with the Navy, the Army is the joint force's provider of air and missile defense. China will almost certainly field more longer-range ballistic and cruise missiles over the next 20 years, intensifying the threat to even relatively distant bases. Army Patriot and THAAD batteries, and the systems that replace them over the coming years, will be tasked to help defend not just air bases but also ports, logistics depots and hubs, critical geography (such as straits through which troops and supplies might pass), and host-nation infrastructure and urban populations. While any campaign against China will include a multimodal effort to reduce the PLA Second Artillery's striking power, Army theater missile defense assets will provide the vital last line of defense for

dozens of critical targets.[5] The number of missile defense units called would almost certainly far exceed those currently programmed, especially if worries about the systems' strategic mobility lead decisionmakers to station or preposition some in theater.

There are also serious questions about the affordability of adequate theater missile defense resources based on existing systems and technologies.[6] New approaches that combine current interceptor-based defenses with new ones, such as directed-energy and other weapons, could offer greater flexibility at more modest operational costs.[7] The Army should work with the other services to develop a new set of concepts for providing missile defense for a more dispersed Pacific basing structure, along with an investment strategy to support it.

The Army will also carry a greater burden for defending joint installations, including air bases, from ground attack. The destruction of six U.S. Marine Corps Harrier attack fighters by a small group of Afghan insurgents in 2012 highlights the threat that even small groups of motivated adversaries can pose. More sophisticated adversaries, including Chinese or other special forces and clandestine operatives, could employ more capable weapons, such as guided rockets and mortars or small, armed unmanned aerial vehicles, to wreak havoc from standoff distances. Whether the danger arises inside or outside "the wire," U.S. and allied installations will need protection from ground threats.

U.S. Air Force security forces have primary responsibility for protecting deployed Air Force locations, and, in some countries, capable, well-trained host-nation forces will reinforce base defenses. The Air Force is unlikely to field enough security forces to staff all the bases

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[5] The Second Artillery is the branch with responsibility for the PLA's nuclear and conventional missile forces.

[6] For a discussion of the costs of such defensive strategies and related issues, see Mark Gunzinger, with Chris Dougherty, *Changing the Game: The Promise of Directed Energy Weapons*, Washington, D.C.: Center for Strategic and Budgetary Assessments, 2012.

[7] Directed-energy weapons are not likely to completely replace interceptors due to their limited ability to successfully stop theater ballistic missiles that are heat-shielded for reentry into the atmosphere. They are, however, likely to be useful against aircraft, unmanned aerial vehicles, cruise missiles, and sensors.

it might use in a China scenario, however, and not all such bases will be in countries where local forces can be counted on to provide adequate security. In some of these countries, furthermore, local insurgent groups—not necessarily aligned with China—will endanger U.S. facilities and personnel. Finally, the Army will be required to defend the bases and assets for which it is primarily responsible and, possibly, to assist host-nation forces in protecting local targets. In a sizable scenario, these demands could constitute a significant draw on available infantry forces. Army planning for the theater should consider these likely requirements in the context of developing joint plans for basing.

Supporting the Joint Force

The Army has numerous responsibilities for providing support to the joint force in the Pacific (and elsewhere) under Title X of the U.S. Code. It is responsible, for example, for establishing and maintaining the theater logistics and resupply system. In this role, it opens and operates seaports and rail centers, manages common kinds of ammunition, and provides basic supplies on behalf of all the services. It relies on such units as theater sustainment commands and sustainment brigades to carry out these vital tasks.

The Army's existing capabilities in these areas would probably be unable to support a war in the Western Pacific from locations as geographically dispersed as those in Figure 6.1. The amount of equipment and manpower needed just to open the required number of ports would give decisionmakers pause, and establishing and operating the necessary transportation web would likewise be daunting. Since many of the bases being used would not be peacetime locations for U.S. or even host-nation forces, in-place logistics infrastructure and contracted support could be sparse; to offset this, the Army could explore opportunities for prepositioning. Contracted support services are another option, though contract support reliability during a conflict could be suspect and would take time to establish.

It should also be assumed that, in any campaign against China, the entire logistics enterprise would be under intense attack by various

kinetic and nonkinetic means, increasing the stress on the system and creating demands for a degree of redundancy that has not been called for in operations in more than 50 years. All of this suggests that the Army should carefully evaluate the adequacy of its available theater logistics support capabilities in the context of stressful Pacific scenarios and in conjunction with developing joint and U.S. Air Force plans. Along with air and missile defense and theater missile defense, this may prove to be among the Army's most important roles in a major conflict with China—and one for which currently programmed forces might prove inadequate.

The Army also has significant responsibilities for providing communication support to the joint force. While the Air Force and Navy would provide tactical communication capabilities, the Army could find itself carrying the burden of long-haul communication assistance for joint task forces or theater command. Here, again, the number and geographic dispersion of U.S. bases could create demands far beyond those hitherto anticipated in the theater. As with logistics, thought should be given to cost-effectively preparing the more austere sites to be rapidly activated and "plugged in" during the spin-up to a crisis.

U.S. communications will be a primary target for Chinese attack, via cyber and other means, in the event of a trans-Pacific war. Establishing and operating a theater communication network across such vast distances with so many nodes—and doing so while under furious attack by a sophisticated adversary—represents a challenge with which the Army is largely unfamiliar. It needs to realistically assess its capabilities for and shortfalls in accomplishing this mission.

Similarly, the Army is responsible for a large part of the medical support to the joint force. While dispersed, expeditionary bases might not require full-fledged hospitals, but the ability to immediately stabilize, treat, and evacuate personnel—perhaps large numbers of them, in the event of a sizable conflict with China—will be critical. The Army will need to evaluate its role and capabilities in this domain.

Finally, the Army owns the lion's share of the joint force's engineering capacity, and it should expect to see those capabilities heavily drawn upon in any Pacific scenario. In addition to their traditional duties supporting Army operations, Army engineers will likely be in

demand to help harden expeditionary air and logistics bases, provide assistance to Air Force civil engineers to keep air bases functioning under attack, lay tactical pipelines, and perform myriad other construction tasks. As with logistics and communication support, existing Army engineering resources could prove inadequate to meet the demands of a large-scale Western Pacific contingency.

These are only a few of more than 100 executive agent functions that the Army currently performs for USPACOM.

Projecting Expeditionary Combat Power

Outside the Korean Peninsula, the Army is unlikely to be called upon to fight a big land war in Asia. This does not mean, however, that it will not need to project force into the region under very stressful circumstances. Rapid deployment of even modest-sized Army combat units could, during or at the first signs of a crisis, serve at least two important purposes. First, it would communicate to any potential aggressor a degree of U.S. resolve and commitment beyond that indicated by the maneuvering of air and naval forces. It would mean that a potential enemy could not escape engaging with U.S. forces in the event of hostilities, likely exercising a deterrent effect disproportionate to the number of soldiers deployed. Second, the Army possesses a range of capabilities that could fill valuable niches in a partner's defenses, thereby enhancing prospects for success beyond what the number of boots on the ground might suggest. These capabilities include long-range precision fire, counterartillery, intelligence, attack helicopter, special forces, and air and missile defense. Army units would also be deployed to facilitate the operations of the joint force and enhance its effectiveness.

The Army should prepare to support moderate-sized forced-entry operations.[8] These operations could be directed at securing a forward base, denying an adversary critical terrain, or supporting a WMD elimination operation. The latter could create large demands for ground

[8] By *moderate-sized*, we mean up to perhaps one or two Army brigade combat teams as part of a joint force.

forces in a North Korean collapse scenario, which could well include the insertion of brigade-sized or larger units deep into the Korean Peninsula to secure key facilities, weapon stockpiles, and technical experts. Planning and conducting such operations would be a joint responsibility, but the Army would certainly be called upon to provide forces and support, which could prove challenging in a rapidly developing scenario. It would also likely be tasked with providing the JTF headquarters charged with this mission, which would, of course, also be working closely with South Korean forces.

Contributing to New Deterrence Approaches

As its ability to directly defend its interests deteriorates in the face of growing Chinese capabilities and in some scenarios, the United States will come to rely increasingly on deterring China from taking aggressive action in the first place.

Its nuclear forces will remain the *ultima ratio* for the U.S. deterrence posture in Asia. As China deploys an increasingly robust and secure second-strike nuclear force of its own, a mutual deterrence relationship between the two sides will likely emerge as the backdrop against which the U.S.-China security relationship plays out.

It is certainly possible that the prospect of escalation to intercontinental nuclear war will discipline the two sides' behavior, reducing the likelihood of deep crises and tamping down the intensity of any that might arise. However, the U.S. commitment to Asia is sufficiently great that it would be imprudent to assume that even a stable nuclear relationship with China would be sufficient guarantee of U.S. security interests. Escalation options short of nuclear weapons that do not require large numbers of troops stationed permanently in the region would help provide the National Command Authority with options to deter and, in the case of Chinese aggression, create time to find an "off-ramp" from the crisis. The United States should therefore seek to develop other deterrent options through which it could constrain Chinese behavior without immediately risking escalation to nuclear threats.

The Army's first contribution to creating these options will be its investment in helping to develop the self-defense capacity of its Asian allies and friends. Strong local forces will be the best deterrent to Chinese aggression, and the Army will be critical in fostering those forces.

Another deterrent strategy would be to turn China's A2AD approach back on itself by threatening to limit China's ability to project power beyond its borders into the first and second island chains and to limit its access to the world beyond these island chains. Accomplishing this objective would require the ability to rapidly destroy or suppress key Chinese forces, bases, maritime assets, and facilities, both within China and abroad.

Currently, the United States is limited in its ability to develop long-range strike systems by the Intermediate-Range Nuclear Forces (INF) treaty, signed in 1987 by the United States and the Soviet Union (with Russia as the successor treaty partner). The treaty prohibits either side from deploying ground-launched ballistic or cruise missiles—either nuclear- or conventionally armed—with ranges between 500 and 5,500 km (300 and 3,400 mi). Weapons of this range are precisely what would be needed to hit the targets in China that would need to be threatened as part of such a strategy, including air bases, ports, and command-and-control facilities.[9] Furthermore, the Missile Technology Control Regime, of which the United States is a member, forbids the transfer of ballistic and cruise missiles with ranges of 300 km or more or the technologies related to them. This agreement means that the United States could not directly assist allied countries in developing strike systems that it cannot field itself.

Should INF constraints change—and Russia threatened to withdraw from the INF treaty as recently as 2007—the Army should be

[9] All approaches to deterring or combating China that involve numerous attacks against targets on Chinese soil are fraught with escalatory dangers. Given the nature of the problem—that the conflict would almost certainly be fought in China's immediate vicinity by the PLA from within China's own borders—it is difficult to articulate effective approaches to either deterring or defeating China that do not involve strikes (or threatened strikes) against the mainland. Perhaps the best that can be hoped for is to craft plans that do not rely on *immediate* escalation to large-scale attacks inside China. The longer the United States can wait to cross that threshold, and the more effective its forces can be without doing so, the better.

prepared to consider developing a long-range ballistic missile for conventional precision attack.[10] The United States already mastered the necessary technologies in the 1980s, when it developed and deployed the Army-operated Pershing 2 medium-range ballistic missile, which coupled a nuclear warhead with a terminal-guidance system. Thirty years later, technology that the United States has developed for other weapons would help it build an even more accurate weapon of similar or longer range for conventional employment. Ballistic missiles would also add a new dimension to China's defense problem—one that would be both difficult and expensive to defeat.[11] However, China would see such weapons as a new strategic threat. This would worsen regional tensions, particularly if deployed to the Western Pacific. To the extent that such weapons would increase each side's incentive to strike first in a crisis, they could be destabilizing. As such, any initiative to field long-range missiles in Asia should be undertaken with great caution, particularly if China continues to exhibit substantial restraint in flexing its military muscle in the region. Furthermore, should such weapons be developed, they should be strategically mobile so that they can be deployed rapidly when needed by airlift, rather than permanently stationed in the region. However, if current AirSea Battle concepts continue on their current trajectory, these systems would be a natural Army contribution to this general approach.

Another option would be to develop land-based anti-ship missiles as part of an extended U.S. A2AD strategy against China.[12] The world market features several short- and medium-range systems that

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[10] Kevin Ryan, "Expand or Scrap the Missile Ban," *Los Angeles Times*, October 16, 2007.

[11] Before abrogating the INF treaty or fielding such weapons, the United States should seek to reach a similar agreement with the Chinese. While it is unlikely that China would agree, the attempt would provide legitimacy to any subsequent U.S. deployment of counterpart weapons.

[12] *Anti-ship missiles*, as used here, could include cruise or ballistic missiles. This section focuses on cruise missiles already on the world market to illustrate the potential for such an approach, but the concept is not limited to cruise missiles. For more background on this option, see Terrence K. Kelly, Anthony Atler, Todd Nichols, and Lloyd Thrall, *Employing Land-Based Anti-Ship Missiles in the Western Pacific*, Santa Monica, Calif.: RAND Corporation, TR-1321-A, 2013.

offer both strategic and tactical mobility.[13] The Army could field its own missiles—hearkening back to the service's historical coastal defense mission—and also support regional allies in developing their indigenous capabilities. Distributed throughout the Asia-Pacific region, and especially along the several straits that control access through those waters, mobile, shore-based anti-ship missiles would offer an inexpensive, survivable, and clearly defensive capability for interdicting Chinese maritime freedom of movement and action. Coupled with U.S. ISR and targeting networks, partner-country anti-ship missile batteries (which, in many cases, already exist) would also constitute a legitimate new threat to China's forces and shipping outside the narrow "box" where its forces cast their intimidating A2AD shadow, adding to conventional deterrence. These weapons, widely dispersed and highly mobile, would be difficult to locate and attack and would require a substantial commitment of targeting and strike assets to engage. Thus, countering them would require China to divert resources from other, more dangerous parts of its defense portfolio. Additionally, having these weapons would better position the Army to provide security cooperation assistance to regional countries that want to develop or improve their own anti-ship missile capabilities.

The role of Army special forces also should be noted. The efforts of these forces will cut across many of the areas for which the Army will be responsible, particularly the provision of certain types of security cooperation (and security force) assistance, the elimination of irregular and enemy special forces that threaten U.S. and allied forces and installations, and the ability to quickly deploy to the area of operations and act as a force multiplier.

[13] The high degree of strategic mobility of these missiles is an important characteristic because it means they would not have to be deployed in the region during peacetime and could instead be moved in as part of a visible deterrent action during a crisis. This gives them value as a means of communicating U.S. commitment without being perceived as further evidence of a U.S. strategy to "contain" China.

Engaging with the PLA

Finally, it is important to note that the U.S. strategy of regional engagement will not exclude China, and the Army will participate in that relationship as well. Although the PLA has been concentrating on improving the combat power of its missile, air, and naval arms, it continues to field the largest ground force in the world, and the PLA has not neglected to modernize this land component. Robust army-to-army relations will be part of the overall U.S. effort to improve understanding and increase transparency between the two countries' militaries. Military-to-military engagement with the PLA is discussed in greater detail in Chapter Seven.

Two Institutional Observations

With respect to Army institutional processes, the capabilities described in this chapter would likely not be developed through the U.S. Army's current method for force structure analysis, the Total Army Analysis process. Through this process, the Army takes as an input the "above-the-line" forces required—currently, brigade combat teams—and, using allocation rules and traditional models, derives requirements for the enabling units needed to support them.[14] However, the demands described here are driven mostly by the need to provide security cooperation assistance, air and missile defense of installations, and logistics capabilities and call for only modest numbers of brigade combat teams and other large combat units. As such, other approaches will be needed to analyze and program for the forces required in the USPACOM AOR.

Regarding DoD institutional processes, it is likely that the Army's force structure devoted to the critical missions identified here will be not only insufficient for a military strategy that relies on numerous expeditionary bases but significantly so—particularly if a conflict were

[14] The Total Army Analysis process does permit the Army to consider demands from the other services, but, historically, these demands have not been significant.

drawn out over several years or if combat losses were high. To develop the necessary forces, the Army either would need additional end strength or would have to sacrifice other units. If it did rebalance its structure to provide the capabilities that are likely to be called for in the Asia-Pacific, the likely outcome would be an Army with fewer combat forces; this could increase risk in other theaters of operation. Should this be the case, DoD leaders would need to judge whether the Army should be resourced to add the support units needed to enable the new USPACOM strategy in lieu of shedding combat forces. Alternatively, DoD could choose to accept any additional risk or determine that the Pacific strategy needs to be modified to account for the potential lack of key Army capabilities. In all cases, these could be very tough policy decisions requiring careful analysis of global requirements—not just those in Asia.

Conclusions

While the U.S. Army's primary role in the nation's defense will continue to be providing dominant power for sustained ground combat, that may not be its main job in the Asia-Pacific region outside of the Korean Peninsula. There, many of the scenarios of concern to the United States are predominantly littoral, and, regardless, a land war against China in Asia would demand U.S. ground forces of a magnitude unreasonable even to contemplate short of imminent war. The Army will, however, need to prepare to quickly project a moderate-sized force into the region to enhance deterrence, provide niche capabilities to threatened allies, and support modest joint forced-entry operations.

This chapter has argued that the absence of a demand for traditional, large-scale ground combat forces does not mean that the Army has minimal responsibilities in this critical theater; instead, the Army will have a great deal to do both in peacetime and in a crisis. It will find itself committed to supporting many partners as they seek to build up their ability to resist Chinese coercion or aggression. While this mission will not require the permanent stationing of large numbers of additional soldiers in the Western Pacific (unless China adopts a

more hegemonic foreign and military policy), the persistent and widespread demand will occupy many troops as they rotate in and out on various assignments.

A critical mission that will depend heavily on diplomatic progress and world events will be developing and enhancing military-to-military contacts and, eventually, relations with the PLA. The Army will have a sizable role to play in this mission. The recent elevation of the rank of the commander of U.S. Army Pacific from lieutenant general to general supports this likelihood.

The Army should also consider how to lay the foundation in peacetime for executing its many strenuous wartime missions in the Pacific theater. A basing structure as large and widespread as that outlined here will make unprecedented demands on the Army's capabilities for air and missile defense, theater logistics, and theater communication support, among others. It will also create new demands for facility defense against both irregular and special forces threats. Thoughtful and selective prepositioning and infrastructure development could prove very useful in setting the theater to support the rapid and effective projection of joint combat power in a crisis or conflict, as well as humanitarian assistance and disaster relief efforts.

As part of this preparation, and given the size and complexity of the theater, the Army should ensure that it has three headquarters that are capable of acting as a JTF headquarters should there be a need to field multiple JTFs in the USPACOM AOR. The obvious candidates are I Corps, 8th Army, and U.S. Army Pacific. Second, it should schedule regular exercises to actually test its ability to project expeditionary forces into the Western Pacific. These might range from modest exercises with individual countries to ones reminiscent of the Return of Forces to Germany exercises of the Cold War in a future in which a more aggressive China drove a more robust regional security policy. These efforts would help the U.S. Army build the expeditionary capabilities and mindset needed to execute its missions in the region, support the joint force, deter potential adversaries, and reassure allies.

Finally, the Army should consider how it could contribute to developing new options for reinforcing deterrence of Chinese adven-

turism. Doing so in cooperation with allies and partners, and considering their political needs, will be important.

Success on all of these scores will go a long way toward creating an environment that would reduce China's ability to throw its weight around with impunity, but there may be other opportunities for the Army to add value to U.S. deterrence efforts.

CHAPTER SEVEN

Conclusions

U.S. goals in the Asia-Pacific region are to preserve regional equilibrium, peace, access, and influence, despite the dynamism of Chinese power: Asia's importance to U.S. interests leaves no choice. Achieving these aims is complicated by the need to forge U.S.-China partnerships on such important global economic and security matters as free trade, steady economic growth, effective institutions, energy security, and countering nuclear proliferation and violent extremism.

The tension between furthering such cooperation globally and responding to China's growing power regionally will constrain U.S. military strategy in Asia. While the United States has strong allies (including Japan and South Korea) and promising partners (such as India and Vietnam) in the region, trying to organize them into an encircling anti-China alliance would risk fouling U.S.-China collaboration globally and inducing China to be more, not less, belligerent in the region.

Also constraining U.S. military strategy in Asia are trends in key technologies. With its growing prowess in a variety of areas, China is developing advanced weapon systems to target U.S. forces in the Western Pacific—capabilities against which defense will be difficult and preemptive strikes could be risky. On top of this A2AD challenge, China's ability to mobilize immense (and improving) ground forces continues to make the prospect of large-scale land war with China increasingly daunting. While the United States might respond to these mounting conventional military disadvantages in the region by relying on escalation to nuclear, anti-satellite, or strategic cyber warfare,

China's improving capabilities in these domains weigh against carrying out such threats and, thus, against their credibility. Moreover, as important as U.S. interests in Asia are, Chinese interests are even more strongly held.

Mitigating the geopolitical asymmetries, unfavorable trends, and tight constraints facing U.S. military strategy is the fact that important Chinese interests—economic growth, internal cohesion, international respect, global order, and even regime survival—could be endangered by a war with the United States. Indeed, because of these equities and today's absence of Chinese expansionist or ideological ambitions, the likelihood of a war with China will not necessarily grow in proportion to the growth of its power. Still, expectations of the outcome and ramifications of a U.S.-China armed conflict, even if improbable, are bound to affect both the peacetime and crisis behavior of states in the region, not to mention China. Moreover, the hawkishness of some Chinese military leaders, the apparent weakening of civilian control over them, and heightened nationalism among China's middle class could increase the risk of a conflict resulting from miscalculation, especially as Chinese and U.S. forces come into contact, either routinely or under conditions of heightened tensions. Thus, despite a mutual, rational aversion to war, the Chinese are preparing to operate against U.S. forces, and the United States must reciprocate.

U.S. forces must be prepared for a wide range of contingencies in this complex and fluid region. But the most important and difficult challenge will be preventing China from intimidating, coercing, or attacking U.S. allies and partners in the region. Preventing or defeating Chinese force projection across open oceans will be easier than preventing aggression against the neighbors across its land borders. Yet, the latter danger cannot be ignored lest it become more tempting to the PLA. And, while no U.S. ally shares a land border with China, India and Vietnam both border China but have clashed with it in the past. A future unified Korea would also border China, with security implications that are as yet unknown.

While U.S. military strategy should be aimed at preventing large-scale Chinese aggression, it should not invite the more limited Chinese uses of force, including coercion, against U.S. interests or partners. As

a rule, U.S. strategy, capabilities, posture, and plans should be designed to reduce Chinese confidence in the ability to succeed militarily in small- or large-scale conflicts and to use force while avoiding war with the United States.

Thus, the core challenges of U.S. military strategy in Asia are

- determining how *not* to damage U.S.-China cooperation on global issues or stoke Chinese suspicions that the United States means to isolate, block, or weaken the country
- determining how to prevent China from using force without relying on large-scale, fixed forward deployments *or* threats of strategic escalation—both being increasingly risky.

In both respects, U.S. strategy toward China in Asia must and presumably will be fundamentally different from the U.S. strategy toward the Soviet Union in Europe during the Cold War, when it confronted a politically and militarily expansionist foe with which global cooperation was a nonstarter, making such risks worth taking.

Keeping these purposes, constraints, and challenges in mind, U.S. military strategy can take advantage of four significant advantages: allies, the region's geographical expanse, networking technology, and competence in joint, multidomain operations. Both warfighting preparations and peacetime posture should emphasize increased survivability and enhanced operational effectiveness.

U.S. military strategy toward China in Asia must look beyond current forces and structures. Given its purposes and constraints, the core capability to support U.S. military strategy in the region is the decisive response by flexible forces that defy advanced targeting. Such a capability calls for distributed forces that can be moved virtually anywhere quickly and on short notice, integrated for concentrated effects, and bewilder Chinese C4ISR with complexity and unpredictability. In addition, because the greatest and first concern is to prevent aggressive Chinese force projection, U.S. forces should have improved regional anti-access capabilities of their own that can be developed within expected budget constraints. These capabilities should also provide the President with conventional escalatory options that have a real deter-

rent effect short of attacks on the Chinese mainland. Along with strike options of the sort called for by the AirSea Battle concept, such capabilities and forces could lower Chinese confidence in their forces' ability to achieve military success against the United States.

A central element of U.S. strategy should be strengthening, enabling, and cooperating with allies and partners so that they are better able to deter Chinese aggression, should it manifest, and thus lessen the need for U.S. forces permanently stationed in the region. Improved partner capabilities would also enable them to better hold their own against Chinese attack, reducing the need for a rapid—and potentially escalatory and destabilizing—U.S. response. As long as the United States shows steadiness and strength in the region, most regional states will look to it as China's power grows.

For the most part, the U.S. forces that might have to act to prevent or counter Chinese aggression are the same ones that will be engaged in improving and cooperating with allies. This implies that more mobile forces, distributed locations, and flexible deployments must meet demands for peacetime reassurance and influence that heretofore have depended on a fixed presence and large bases. And this, in turn, means that U.S. forces must be especially active in enhancing local ties and capabilities. Given the pitfalls of forward deploying large-scale U.S. forces, let alone warfare with China on the Asian continent, improving the defense capabilities of local allies and partners should be a central part of U.S. strategy.

There is one additional and important requirement for the U.S. military strategy toward China: engagement and collaboration with the Chinese military. Larger U.S. strategy will seek to channel Chinese conduct and capabilities in the region (and elsewhere) away from confrontation and toward cooperative security. Chinese suspicions of U.S. intentions and doubtful civilian control of the PLA will make military-to-military progress difficult but even more important. Just as important, and as difficult, will be avoiding unnecessarily provocative actions that are not critical for U.S. security. Doing so while maintaining allied confidence and deterring China will take judicious military leadership and close coordination with U.S. policymakers.

Possible Chinese Responses to Army Initiatives

The adjustments to the U.S. Army's posture suggested here would strengthen deterrence without dramatically undermining the U.S.-China relationship or crisis stability. Increasing the depth and strategic resiliency of the U.S. posture in Asia would reduce the chance that Chinese leaders will believe they could win quickly by striking U.S. forces at easily accessible locations and convincing U.S. decisionmakers that the costs of continuing a war would be unsustainable. With U.S. operating locations dispersed among a larger number of partner states and operating from relatively secure locations, the prospects that China would face an extended and unpredictable war would rise significantly—not a pleasant prospect for any Chinese leader contemplating the use of force. This would be especially true when compared with other possible force posture adjustments in response to improving Chinese military capabilities, many of which center on destroying key nodes or assets within China.

Enabling Support for the U.S. Joint Force

Enhancing U.S. Army enabling capabilities—including logistical, communication, and engineering support—would enhance deterrence, albeit relatively modestly, and would carry little risk. All of these enabling capabilities will make U.S. forces more survivable and effective, reducing the possibility that Chinese military leaders will believe that they can win quickly by attacking brittle U.S. infrastructure. To achieve these gains to deterrence, such support capabilities would have to be made public, either discussed openly (at least in general terms) or, preferably, exercised within the region. Logistics, communications, and engineering are difficult to build into combat models that inform leaders about military prospects, limiting the degree of impact they might have in dissuading Chinese leaders from employing force. However, to the extent that these support functions are exercised in conjunction with maneuver forces, particularly in Southeast Asia, they will introduce new uncertainties into Chinese thinking about the duration, scope, and course of any potential military adventure. For example, demonstrating the ability to rapidly repair runways or move strategi-

cally defensive assets such as air and missile defense capabilities into key areas would be important contributions to deterrence. By reducing Chinese incentives to strike first, better U.S. logistical capabilities might also enable U.S. commanders to wait longer in a crisis prior to feeding forces into the region.

The PLA might invest in additional ISR and long-range strike capability to defeat these improvements, but those adjustments would cost money in what will likely be zero-sum trade-offs within a limited defense budget. China is already developing its ability to project offensive power further into its periphery, and although the United States does not necessarily welcome such developments, they will be expensive, placing the United States and China on a more even playing field in terms of their respective tooth-to-tail ratios.

Expeditionary Combat Power

The development of improved U.S. Army expeditionary combat capability could also enhance deterrence, especially if accompanied by strategic signaling that highlighted the implications for China. Exploiting strategic depth and moving toward a more mobile operational concept (across the military services) may ultimately require a larger role for ground forces, both to defend rapidly moving forces and, potentially, to retake ground that is temporarily abandoned. Expeditionary Army combat power would increase U.S. operational choices beyond those currently provided by either the U.S. Marine Corps, which has a limited ability to independently sustain operations, especially at any distance from saltwater, or traditional heavy forces, which are hard to deploy and costly to sustain. The development of these forces could signal to the Chinese that even early victories and the occupation of territory (e.g., Taiwan) would not be likely to bring a war to a close as the United States prepares additional capabilities to retake lost ground.

Although expeditionary maneuver forces could, in theory, be used offensively on the Chinese mainland, the scale of the U.S. effort is unlikely to suggest such intentions on Washington's part, and regional exercises would reinforce the more limited scale of U.S. ambition. Hence, the existence of an expeditionary Army capability, itself, would

be unlikely to increase the incentives for China to strike first out of fear that the United States would launch a strike of its own.

Nevertheless, decisions about the deployment of units from the continental United States to Asia during a crisis could pose dilemmas for both the United States and China. Although the decision to deploy could signal U.S. resolve, thereby putting pressure on the Chinese leadership to resolve the crisis peaceably, it could also create "window logic," whereby the urgency of decisionmaking would increase as the window for successful military action narrowed. U.S. leaders, for their part, could face pressures to use forces once deployed, lest they permit the Chinese to force repeated, expensive mobilizations through the manipulation of crises.

Anti-Access Capability

A key option for U.S. strategy could be to develop anti-access approaches to increase deterrence short of rapid vertical escalation. As a capability that would not directly threaten critical assets on Chinese territory, the development of mobile ground-launched anti-ship capabilities could be particularly effective in undermining Chinese confidence in the prospects for success in a naval war. This capability would not undermine crisis stability in the same way that the deployment of longer-range strike systems might. On the other hand, exercising these systems in Southeast Asia could nevertheless impinge on the larger U.S.-China political relationship more than the support capabilities discussed earlier. This would be particularly true if anti-ship missiles were deployed to areas from which they could attack ships near disputed parts of the South China Sea or if they were discussed or exercised in ways that suggested a U.S. blockade strategy. Importantly, the United States need not rely on its own capabilities alone to achieve such an effect. Many partners and allies in the region already operate such systems, the effectiveness of which would be significantly enhanced if tied into U.S. C4ISR networks.

With the exception of deploying conventionally armed medium- or intermediate-range ballistic missiles, developing concepts for threatening Chinese maritime commerce using, among other things, ground-based anti-ship missiles might have the most unpredictable,

and potentially greatest, consequences. A blockade could have many elements, of which anti-ship missiles would be one (if, for example, they were deployed to support interdiction operations near the Strait of Malacca by either the United States or a partner nation). However, by implicitly threatening horizontal escalation and an extended war, the U.S. side would again undermine Chinese leaders' confidence in their ability to contain a war and bring it to a close quickly. Moreover, depending on the specific capabilities developed, the use of these systems to threaten China's economic well-being might threaten regime survival; this would send a powerful deterrent message. At the same time, the development of an enhanced blockade capability would also have consequences for the larger political relationship and could be taken as affirmation of U.S. intentions to contain China. Any actual attacks on Chinese shipping would have to take into account the immediate and longer-term impacts on the regional and global economy, due to both knock-on effects and possible Chinese counterstrokes against U.S. and allied shipping and finances.

Moving to a more mobile operational concept, especially one utilizing anti-ship missiles in a blockade role, could prompt the PLA to become more expeditionary. Locating and destroying more distant U.S. military assets in the area would take on added importance. Some of this could be accomplished with space-based ISR systems and long-range strike assets, but an expeditionary capability would provide the PLA with more flexible capabilities in a more dynamic environment. Because China has been moving to increase its power projection capabilities under the mantra of "new historic missions," the adjustment would be in the degree of emphasis rather than fundamental direction. Expeditionary capabilities would come at a cost: Relatively more resources would go toward support capabilities (such as air- and space-based ISR, long-distance communication, refueling and AWACS aircraft, and at-sea support ships), with proportionately less devoted to weapons systems.

Strengthening Military-to-Military Relations

Expanding military ties with the PLA could mitigate Chinese suspicions of U.S. motives. While both countries have been moving cau-

tiously in this direction, the PLA has not yet been invited to participate in major U.S.-led regional exercises (except occasionally in an observer capacity). Inclusion would mitigate the sense that U.S. regional military activities are aimed specifically and exclusively at China. The exclusion of China from the 2012 RIMPAC (Rim of the Pacific) exercise, in which an expanded set of participants included even Russian naval units, had the opposite effect.[1] Apart from reassuring China, a more inclusive approach toward the PLA would also increase the comfort level of some ASEAN states in participating or hosting exercises with the United States. A few, like the Philippines, may take comfort in exclusive exercises with the United States—and those events would certainly continue. But for others (such as Thailand, Indonesia, Malaysia, and Cambodia), Chinese participation in international exercises would satisfy a desire to balance the involvement of outside powers.

Chinese perspectives on "military diplomacy" differ from those of the United States. Chinese strategists believe that military relationships should reflect the state of the overall political relationship. While they do not explicitly reject the notion that the military relationship can, in turn, contribute to better political relations, they do not see military diplomacy as a separate track that should be insulated from political events. Similarly, China has not accepted the idea that continuity in military relations might become even more important when political relations are poor, precisely because communication between military officers could be critical in resolving crises that could spin into war.[2] Maintaining a wide variety of military contacts, including through track 1.5 channels, and holding meetings in a variety locations will help ensure that if and when ties are "suspended," communication will not be entirely terminated.[3]

Apart from military-to-military meetings, exchanges, and exercises, welcoming and cooperating with certain types of Chinese efforts

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1 China has been invited to be an observer at RIMPAC 2014.

2 For the Chinese view, see, for example, Zhang Qindong, "Military Diplomacy Has the Characteristic of Slow Warming, Quick Cooling," September 2, 2010.

3 *Track 1.5 channels* refers to diplomacy that combines official (track 1) and unofficial (track 2) talks.

overseas could help to redirect Chinese military priorities and improve the overall political relationship.[4] Chinese participation in international peacekeeping missions and Gulf of Aden–style multilateral actions could further Chinese national interests in ways that do not threaten the West but nevertheless go far in satisfying the Chinese national desire for a larger stage. Heralding Chinese contributions, as well as cooperating with Chinese forces in third-country operations, would indicate to Beijing that the United States does not seek to counter Chinese power but, rather, welcomes its participation in global affairs.

Characterizing the U.S. Military Posture in Asia

U.S. military strategy and posture toward China in Asia should and likely will have the following defining characteristics:

- patient efforts to expand contact and cooperation with the PLA
- efforts to prevent aggressive Chinese force projection by denying confidence in operational success and in their ability to limit the scope and costs of conflict
- the ability to raise Chinese concerns about the risks of lower-level uses of force, including the possibility of facing U.S. forces
- flexible, fast, and mobile, expeditionary forces and associated support
- strike options to neutralize Chinese C4ISR and A2AD weapon systems should conflict ensue
- A2AD capabilities to disrupt and degrade Chinese force projection
- distributed, integrated, and aggregated forces and operations
- variable basing and deployments

[4] Xiao Tianliang, for example, writes of fleet port visits: "Although warship visits are military activities, their political nature is evident. They are a 'barometer' for international relations and reflect with great sensitivity the level of international relations between states." See Xiao Tianliang, 军事力量的非战争运用 [*Non-War Uses of Military Power*], Beijing: Guofang Daxue Chubanshe, 2009, p. 48.

- active engagement throughout the region to improve local defense capabilities (without feeding Chinese fears of encirclement)
- patient efforts to expand contact and cooperation with the PLA.

As challenging as such a strategy and posture will be both technologically and operationally, the greatest challenge is to proceed in a way that does not sacrifice the goal of U.S.-China cooperation at the altar of preventing Chinese aggression. So important is the upside of positive relations between the two countries to U.S. global interests that this goal must be reinforced rather than compromised by military measures to avoid the downside in Asia. It will be up to U.S. policymakers to assign missions and furnish capabilities to the U.S. military to have it both ways, as it were. But the way the U.S. military carries out the missions and uses its capabilities will be critical.

APPENDIX

Differentiating Between a "Systemic Continuity" and a "Hegemonic" China

The three futures postulated in this report are useful analytical constructs, but in reality Asia's strategic trajectory is likely to be more ambiguous than these three archetypes indicate. China could very conceivably develop in the space between the first two scenarios presented in this report—a China that has not assumed "hegemonic" proportions but is not the China we knew and planned for when writing this report in 2013.[1] Such ambiguity will challenge analysts' efforts to divine a persistently aggressive pattern of intent until it is manifest; many changes are likely to be gradual in nature and their meaning open to interpretation.[2] In all scenarios, China likely will continue to develop military capabilities to blunt U.S. power projection into East Asia and hold opposing policy positions regarding Taiwan and North Korea. Furthermore, the PLA is already a potent regional force, and China's strategic intentions could change quickly. A crisis over U.S. activities in China's EEZ, a conflict over Taiwan, or an altercation on the Korean Peninsula could alter China's approach and create a new normal, despite few previous indicators.

Despite these inherent ambiguities, we believe that there would be policy decisions and patterns of behavior signifying a Chinese shift that, if not revealing a hegemonic policy per se, would at least be a

[1] As a reminder, the three alternative futures outlined in this report were systemic continuity, hegemonic China, and systemic breakdown. See Chapter Three for a detailed discussion of these scenarios.

[2] As is often the case with tipping points, it may be easier to know when they have been passed than to identify them prospectively.

major turning point that might call for different U.S. approaches. To better track China's strategic trajectory, we consider the systemic continuity and hegemonic futures to identify indicators of changes from the first to the second future. We do not elaborate on the systemic breakdown future, as it could take many forms (and would not be hard to recognize).

In the systemic continuity future, China's growing power and confidence are likely to make it more proactive in asserting its interests, posing a greater challenge to U.S. strategy and policy. However, China would, by definition of this future, remain conservative and risk-adverse, seeking to preserve and profit from the current international system.[3] In this case, China has not dramatically expanded its conception of "core national interests," taken a more belligerent stance in advancing its interests, or forced key regional states to move from "balancing" behavior to existing within a Chinese orbit or aligning more formally with the others against it.[4] Such a scenario does not imply agreement with the United States or the international community on all substantial foreign policy areas; rather, it implies a China that behaves in ways that are broadly supportive of global norms, even when it disagrees on the specifics. China could follow this course and still disagree with the rest of the international community on the best policy prescription for North Korea or Syria, for instance. Additionally, China in the systemic continuity future might become less committed to an absolutist view of sovereignty and more willing to form or even lead broader international coalitions in peace enforcement–type missions.

Alternatively, an "expansionist" China under systemic continuity could neither maintain the status quo trajectory nor become meaning-

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[3] China generally adheres to former CCP Chairman Deng Xiaoping's strategic guidance that it should "cope with affairs calmly . . . bide our time . . . maintain a low profile . . . hide our capabilities . . . never assume leadership." This remains the most authoritative senior leadership guidance for Chinese security policy, though its continued relevance is debated in Chinese strategic circles.

[4] Such a scenario would see China inclined to behave more like the late 20th-century United States, defining its interests within the current international system, willing to defend that system when necessary, and expecting to be afforded a leading role in doing so.

fully "hegemonic." Instead, it might behave like a traditional "great power," defining its interests more expansively and pursuing them more assertively but without seeking to redefine the current international order (i.e., while remaining under the "systemic continuity" context). Regionally, tensions may escalate and occasionally become crises (chiefly over territorial disputes), but China would not seek an exclusive sphere of influence that would indicate hegemony. While an expansionist China will likely want to modify the global order at the margins to better suit its preferences, it would not seek an overthrow of that order. In other words, ongoing competition with China would not be like that with the Soviet Union. China may be more willing to employ military force to pursue interests or minimize threats, and would consider doing so unilaterally, but it would not seek a zero-sum competition with the United States or seek to displace it in the global commons. Such a China might also invest in a modified global basing structure or support PLA partnerships, but toward missions that do not directly threaten U.S. core interests. In short, such a future would have many of the same military capabilities and postures of a hegemonic China, but China would use them in ways that are broadly supportive of the global order and not in direct competition with core U.S. interests. This will represent a profound challenge to U.S. strategy, including resisting the urge to conflate a Chinese expansion with Chinese efforts to achieve hegemony.[5]

In contrast, a hegemonic China would seek to use its power to dominate its region with expanding reach, displacing U.S. power in Asia and perhaps eroding it globally. This future would be defined by a marked expansion of China's goals and a militarization of its means.[6]

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[5] Such a scenario would see China's trajectory closer to paralleling that of the 19th-century United States as a rising power with a sense of "manifest destiny," buoyed by domestic nationalism, and willing to employ force to expand its domain. This would fall short of attempting to establish a dramatically different world order, however.

[6] Such a future would see China's trajectory similar to that of the Soviet Union, at least regionally if not globally. It would forcefully seek to establish a regional sphere of influence, potentially espousing ideologies that are in conflict with core values of the international system, empowering proxies and rogue states, and potentially seeking to contest or supplant the United States in the global commons.

Changes in China's position on several existing principles would also indicate this future—the legitimacy of the use of force, overseas basing, and impingement on national sovereignty chief among them. In this second future, China defines new "core" interests in direct contravention of international norms or the core interests of regional states, which it is willing to advance through the threat or use of force. In East Asia, a China following the second trajectory would seek a sphere of influence in which regional states were compelled to conform to Chinese interests or seek shelter under a regional or U.S. security umbrella. It could pursue such a goal across economic, diplomatic, and political domains, as well as in terms of military force. In this future, the PLA would move beyond its current focus on A2AD and territorial disputes to missions requiring power projection against regional adversaries beyond Taiwan, and it would develop the capability for at least modest global force projection (though this could also happen in the systemic continuity future as well). While such behavior would likely develop gradually and perhaps in fits and starts, it could develop quickly in the wake of crises or conflicts. In either case, for China to be hegemonic it would need to develop the capabilities and possess the intent of using force to dominate its neighbors or to directly challenge U.S. interests more broadly.

China's behavior in East Asia would not necessarily be connected to its behavior far overseas; China could be assertive in its neighborhood and more accommodating abroad, or vice versa. In many ways, China's current foreign relations exhibit this dichotomy.[7] China faces different incentives driving its strategic behavior within its neighborhood and with distant states, producing different behavior. We therefore assess China's regional and global roles separately, with the exception of political indicators that would suggest a more assertive stance in either case.

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[7] For example, China has long championed south-south relations between developing countries and uses such rhetoric in its engagement with developing countries in Africa. This stands in marked contrast to China's behavior with its developing neighbors, particularly in territorial disputes. Foreign Minister Yang Jiechi's comments on the South China Sea at a 2010 ASEAN summit are illustrative: "China is a big country, and other countries are small countries. That is just a fact."

Identifying a Hegemonic China Before It Fully Materializes

There are several areas in which indications of a Chinese move toward a hegemonic policy might materialize. These include internal political indicators, China's behavior in the region, how China wields its economic influence, and changes in military capabilities and posture.

Internal Political Indicators

Official CCP and PLA strategic writings do not currently advocate or plan for a dramatically more assertive role, and they consciously avoid advocating for a "hegemonic" rise.[8] While they will not definitively indicate whether China's behavior will adhere to the systemic continuity or hegemonic futures, changes in these high-level communications would suggest an upcoming shift in China's strategic intentions.

Initial indicators of such a shift would likely appear within China's ongoing strategic and security debate, conducted through a series of official journals and organizations.[9] Large strategic course changes, such as whether to send an anti-piracy patrol to the Gulf of Aden in late 2008, were actively debated in these sources, as are China's territorial disputes, relationship with the United States, and regional relations. These debates often focus on opposing viewpoints on the extent to which China should continue the strategic caution advocated by Deng, or begin to take more assertive roles commensurate with a "great power." While it is difficult to know how this debate is influencing China's senior leaders, three indicators would suggest some level of senior-level assent. As discussed in Chapter Five, when multiple sources in this debate begin to echo a single opinion, this typically indicates a higher-level policy decision.[10] Other indicators of senior approval or

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[8] Cortez A. Cooper, *The PLA Navy's "New Historic Missions": Expanding Capabilities for a Re-Emergent Maritime Power*, testimony before the U.S.-China Economic and Security Review Commission, Washington, D.C., June 11, 2009.

[9] Most authoritatively, the National Defense University, Academy of Military Sciences, and *Jiefangjun Bao* [*PLA Daily*].

[10] Interview with Andrew Scobell, October 2012.

a larger policy shift include the promotion of vocal proponents of one side of a debate to service leadership, the Central Military Committee, or the Politburo and the development of new PLA missions and new warfighting doctrine.[11]

A clear indicator of interest in expansion, if not hegemony, would be changes to the conservative central policies that have governed Chinese foreign policy since the early 1980s. In particular, China has invested heavily in two positions that directly contradict a hegemonic role: a commitment to sovereignty and "noninterference" as the foundation of the international order and criticism of "imperialism" and foreign basing. While China would not need to renounce these policies to take an aggressive course, signaling its willingness to become involved in intra- and interstate conflicts, pursue foreign basing, or override a smaller state's sovereignty would represent a significant change from the systemic continuity future. Ironically, if it were to abandon its commitment to sovereignty and its criticism of foreign basing, China would be aligning its policies more closely with those of the United States on these matters. Thus, much would depend on China's actual intent and behavior, rather than its declarative strategy.

Finally, the scale and direction of the PLA budget will suggest the degree to which China's leaders prioritize military power over other national objectives. How the CCP budgets as it faces domestic pressures (slowing economic growth, demographic worries, and a poor social safety net) should affect the PLA's development, given the large costs involved. A more aggressive China would attempt to sustain military budget growth in the face of domestic challenges and would likely

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[11] As mentioned in Chapter Five, the past three years have seen a new trend of some active PLA officers publicly espousing a more ambitious and nationalistic foreign policy. The elevation of high-profile PLA ultranationalists, such as Major Generals Luo Yuan and Zhang Zhaozhong, to senior positions would suggest a more assertive Chinese foreign policy.

Such expansion is not unprecedented. President Hu's 2004 "new historic missions" speech defined two new and ambiguous global roles for the PLA: "safeguarding China's expanding national interests" and "helping to maintain world peace." A clarification of PLA missions that included "supporting friends and expanding strategic partnerships" or "ensuring the stability of neighboring states" would signal a marked change from present behavior. Such missions also could be expressed in the PLA's guiding strategic and doctrinal publications, the *Science of Military Strategy* and *Science of Campaigns*, respectively.

direct that funding toward the air, naval, and expeditionary assets needed for force projection.

China's Regional Behavior

China's expanding regional power and interests have the potential to generate both deeper political ties with and animosity from regional states, particularly in the hegemonic China or systemic breakdown scenarios. How China defines its regional interests, and by what means it pursues them, will significantly affect China's strategic trajectory. We focus here on four areas where signposts are likely to be evident: China's behavior in territorial disputes and in its EEZ, relations with regional powers, relations with smaller states in Southeast and Central Asia, and regional economic relations.

Even on a systemic continuity trajectory, China is still likely to have tension in its relations with the United States, Japan, Korea, and India. Such tensions could rise naturally with China's growing power without representing a more assertive trajectory in Chinese foreign policy. However, to date, China has preferred to settle its regional disputes primarily through diplomacy, with markedly little military conflict on its periphery in the past three decades. Growth in Chinese power that generated tensions and occasional crises that were solved diplomatically would not represent a deviation from China's current trajectory. A point between the systemic continuity and hegemonic futures could take many forms in East Asia, including the development of stronger strike capabilities against regional neighbors, more assertive rhetoric and support for Chinese nationalism, and continued protests against the U.S. regional posture. However, to reach hegemonic proportions, China must seek to supplant U.S. and allied power in Asia and create an Asian sphere of influence. This could include combative and zero-sum rhetoric from senior leaders, as well as active and sustained support for Chinese nationalism.

Chinese behavior will also be shaped by the specifics of local events and circumstances and may not have general strategic implications for Chinese foreign policy. Most significantly, China's reaction to North Korean instability or conflict could both shape and provide signposts for China's future trajectory. Such a scenario would

present China with a potential strategic nightmare: a unified Korea, sharing a border in the vicinity of Beijing, featuring strong ties to the West, and potentially inheriting the North Korean nuclear program. Should instability become likely, China under the status quo would likely invest heavily in North Korean stability, including the potential for PLA capacity-building, stability operations, or deployment as a potential tripwire to ward off perceived hostile intent. Such actions would represent a marked change from China's present behavior, but they would not necessarily represent hegemonic intent in a context other than Korea. Because the specific circumstances of Korea have such great implications for China, it may seek to become involved in North Korea to prevent instability or to preserve the Korean status quo but still seek to moderate North Korean behavior—an approach that would violate China's policy that precludes it from interfering in other countries' internal affairs. This need not indicate a hegemonic path. However, leveraging North Korea as a client state against regional enemies, potentially promoting its nuclear program and regional brinksmanship, and building its capacity to threaten South Korea and Japan as a means of coercion would indicate such a path.

China's growing power could also generate stronger anti-Chinese sentiment from smaller regional states, directed against either China itself or Chinese expatriates. An expansionist China may project power regionally to protect its citizens, investments, or friendly governments. Further still, it may see itself needing to project counterinsurgency, counterterrorism, capacity-building, or "tripwire" forces, similar to the 82nd Airborne Division brigade that deployed quickly to Saudi Arabia after Iraq invaded Kuwait in the summer of 1990, as well as capabilities to support key neighboring states, maintain order on its periphery, or contain the spread of violence. While such steps would indicate a marked departure from China's current orientation and the PLA's current regional role, these missions alone do not necessarily represent hegemonic intent. Signposts of a more aggressive trajectory would include seeking to militarily coerce or replace weaker regional governments it perceives as persistent challengers. Similar to the 1979 invasion of Vietnam, though larger in scope, China may wish to deploy large-scale ground forces punitively, over a set of limited objectives, or

with the intent of regime change. In both the system collapse and hegemonic China scenarios, weaker regional states could be pulled more directly into pro-Western or pro-Chinese orbits, which would present China with incentives for participating in local conflicts. This could include supporting rebel or insurgent movements in Southeast and Central Asia if avowedly anti-Chinese regimes develop there.

Territorial disputes represent the most obvious focal points for either the gradual development of a more aggressive China or a crisis that quickly changes Beijing's orientation. China has had significant territorial disputes with regional powers (Japan and India) and with a host of developing neighbors in the South China Sea. It settled most of these disputes over the second half of the 20th century, but the past decade has seen marked growth in the scope and vitriol of China's approach to the South and East China Seas and foreign behavior in its EEZ. A China departing from systemic continuity might continue to elevate such disputes, including senior declarations of the South and East China Seas as unambiguous "core interests," the garrisoning of islands with significant military forces, encouragement for Chinese entities to operate in disputed areas and the arrest of foreigners who do so, and expanded patrol activity. Signposts of a fully hegemonic China could also include these behaviors but might add to the mix the militarization of current disputes or their geographic expansion. Militarization could involve island seizures or stationing strike capabilities on islands to threaten foreign mainlands. In terms of geographical expansion, some popular nationalist Chinese sources claim Mongolia and Okinawa, among other areas, as historical Chinese territories.[12] The elevation of these claims by senior leadership, or the resumption of strong claims for the Aksai Chin and Arunachal Pradesh territories disputed with India, would be cause for concern.

A more assertive China could also take a harder-line approach to foreign military activities within its EEZ, representing the kind of

[12] M. Taylor Fravel, "International Relations Theory and China's Rise: Assessing China's Potential for Territorial Expansion," *International Studies Review*, Vol. 12, No. 4, December 2010; Kelly Olsen, "Forget Those Little Islands: Real Chinese Nationalists Claim Okinawa," Agence France-Presse, October 10, 2012; Justin Li, "Chinese Investment in Mongolia: An Uneasy Courtship Between Goliath and David," *East Asia Forum*, February 2, 2011.

international "norm-bending" historically practiced by aspiring hegemons.[13] China could forcefully demand that all U.S. surveillance assets vacate the Chinese EEZ, backed by periodic naval shadowing, interference by law enforcement fleets or fishing vessels, arrest, or intransigence on other U.S.-China policy areas (trade or third-party sanctions, for example). Similarly, China could begin regularly escorting foreign military traffic through its EEZ, perhaps as a first step toward demanding that states ask permission before entering. An expansionist China could add to this its own capability to collect intelligence and patrol near the EEZs of regional neighbors or the United States. Any of these shifts would represent significant new challenges for U.S. forces operating in the region and most would reflect conflicting interpretations of international norms. Given the proximity of forces, such areas represent significant potential for crisis; a "systemic continuity" China would likely continue to resolve these crises diplomatically. A hegemonic China would display consistent militarization and brinksmanship regarding foreign activities within its EEZ. This could include frequent clashes and arrests, including trials for foreign military personnel who ignored calls to leave.

Regional Economic Influence

In the second and third futures, China's economic position in the region could develop to the point that it gives Beijing preponderant influence in the region, whether or not China has "hegemonic" ambitions. Over the past decade, China has surpassed the United States as the leading destination for both exports and investments from Korea, Japan, and

[13] Aaron L. Friedberg, "Hegemony with Chinese Characteristics," *The National Interest*, July–August 2011. Despite its dubious stance on both customary international law and treaties to which it is a signatory, China has taken umbrage with foreign military activities within its EEZ. This has included U.S. air and naval surveillance missions and the June 2012 escorting of an Indian Navy surface group through China's claimed EEZ in the South China Sea. The Indian Navy had been operating in the area since 2000, but starting in September 2011, China has taken a stricter tone in radio messaging, in addition to the "escorting" behavior seen in June 2012.

Taiwan, as well as for exports from Southeast Asia.[14] These linkages create incentives for regional states to alter their behavior, principally through access to trade, aid, investment, and China's large domestic market. While current international relations in the region are marked by balancing behavior, the hegemonic and systemic collapse scenarios might see China's economic importance grow so significant that the regional balance tips decidedly in Beijing's favor, an outcome arguably embodied by China's significant aid to Cambodia in 2012. While there is nothing inherently hegemonic about such a development, it would mark a relative expansion of China's regional power and would complicate U.S. regional planning to the point that policymakers should take note.

A "systemic continuity" China would continue to pursue such relations for profit, perhaps investing in capabilities to help protect the global commons and facilitate trade and occasionally using economic leverage to pursue political and security goals. In both futures, the CCP will likely continue to attempt to facilitate the growth of "national champion" companies, such as Huawei, Haier, Geely, and the national oil firms; such national champions also figure prominently in the Japanese and Korean economies and are not by themselves indicators of an aggressive economic course. An expansionary China may also use leverage punitive economic power more frequently, much as the United States uses sanctions to pursue its goals and interests. China has employed limited but growing punitive power in the past ten years,

[14] See Robert Ross, "The Rise of Chinese Power and the Implications for the Regional Security Order," *Orbis*, Vol. 54, No. 4, Fall 2010. By 2009, the value of both South Korean exports and outgoing foreign investment to China and Hong Kong and had risen to twice the level of exports and investment to the United States. By the end of the last decade, China and Hong Kong accounted for more than 40 percent of Taiwan's exports and 70 percent of its outgoing foreign investment. Links are likely to continue to grow in the wake of the 2010 Economic Cooperation Framework Agreement between China and Taiwan. As for Japan, China displaced the United States as a destination for Japanese exports for the first time since the World War II in 2006; by 2009, the value of these exports was more than 50 percent greater than the value of Japans exports to the United States. Similarly, in terms of outgoing investment, Japanese investment in China was nearly twice the value of its investment in the United States by 2007. Finally, by 2004, China had surpassed the United States as the ASEAN community's largest trading partner, with further growth expected in light of the 2010 China-ASEAN free-trade agreement.

as evidenced by its short-term embargo of rare earth minerals to Japan in 2010; the 2001 "tatami war," in which China and Japan imposed retributive tariffs on each other's goods; or the 2000 "garlic war," in which South Korea reneged on an agreement to purchase Chinese garlic, prompting China to threaten sanctions on other goods.[15] These incidents are distinct, however, from signposts of a hegemonic course, in which China pursues commercial rights through the threat or use of force ("gunboat diplomacy") or leverages economic ties to facilitate a sphere of influence. The latter path could include trading economic incentives for basing rights or control over smaller countries' policy-making, attempting to engender economic dependencies, or forcing trading partners to limit or sever economic relations with the United States or regional allies.

Military Capabilities: An Ambiguous Indicator

The PLA will continue to modernize, with the annexation of Taiwan remaining its primary focus. As such, the PLA will continue to seek the ability to project power out to at least the second island chain (roughly 1,200 nautical miles) to prevent a repeat of the 1996 scenario in which U.S. forces operated off its coast with impunity during a cross-strait crisis. Given this orientation, it is difficult to distinguish between the capabilities needed to continue current policies and a China trending toward a hegemonic future: Both imply the accumulation of a regional power-projection capability. A stronger Chinese commitment to the capability developments required for anti-access alone—for example, a larger number of anti-ship missiles and the continued advancement of anti-satellite capabilities—would not reveal more aggressive intentions. In short, military capabilities will not, alone, indicate China's intent; China could invest in a greatly expanded PLA but use it in ways that are largely supportive of the current order.

That said, there are a few military developments that would represent a new normal in PLA capability and require U.S. policymakers to take note, even if they do not, themselves, indicate hegemonic intent. In particular, expanded PLA capabilities that can be employed quickly,

[15] See Ross, 2010.

should China's intentions change, would create new considerations for U.S. policymakers and planners, if for no other reason than that they diminish strategic warning. Further, should China choose a hegemonic course, such capabilities will largely define the limits of its capability.

Specifically, the PLA's development of large-scale airlift and sealift capabilities for airborne, air-landing, or amphibious operations would present new regional challenges. Again, while this move would not, itself, indicate hegemonic intent, it would shrink the window for the United States to react in support and allies and partners should China actually adopt a hegemonic foreign policy. The development of such capabilities could be justified as addressing gaps for a conflict over Taiwan, for example, but an invasion has not been China's primary focus for unification and would indicate both a change in its approach to Taiwan (if so justified) and the creation of a capability to coerce its island neighbors.[16] Therefore, while the primary signpost for hegemony will be how China employs its future expeditionary forces, the development of the capabilities to project significant power would also have important consequences for U.S. policymakers and planners, and it would suggest a course that includes at least the ability to threaten or coerce neighboring states.

The size and orientation of China's nascent aircraft carrier program could also reveal much about China's regional intentions. On several occasions, PLA leaders have expressed the symbolic value of the carrier program as a marker of great-power status, but have said comparatively little about its future operational role. China can take its carrier program in several less assertive and expensive directions, but the development of numerous U.S.-style carrier strike groups, designed for distant strike and combined with multidomain protection from modern naval combatants, would clearly indicate a "new normal" for PLA capabilities. Such a development would demand substantial resources to build, equip, train, and support, signaling the prioritization of sea-based air

[16] China likely needs substantially more amphibious lift to establish a credible capability to invade and pacify Taiwan, and it has been forced to rely on civilian aircraft for the majority of its airlift needs, given PLA Air Force limitations. A notable example was the use of civilian airlift during the 2011 noncombatant evacuation operations in Libya.

strike capabilities over other domestic concerns and other PLA modernization. While the decision to develop such a capability might cause alarm, the PLAN could employ carriers in strategically benign ways. Similar to expeditionary assets, where such a force patrolled and the composition of its air wing would be stronger signals of strategic intentions; distant strike–oriented PLA naval groups regularly patrolling the deeper waters of the South China Sea, Philippine Sea, Indian Ocean, and Pacific Ocean would present the United States with new challenges and signal a marked departure from China's current approach.[17]

Finally, China's strategic and conventional missile forces could signal strategic intent. A move by China to achieve nuclear parity or superiority with the United States would suggest that China was ready to risk a serious military confrontation in pursuit of its objectives. Further, the targeting of neighboring states with large numbers of ground-based missiles akin to the posture currently employed against Taiwan, while not representing new capabilities, would indicate a major shift in posture and a significant militarization of China's current regional relations.

Signposts of Hegemonic Trends

The previous section discussed several areas in which changes might indicate a shift in China's political behavior. This section examines more concrete signposts of such a shift.

The clearest indicator of Chinese hegemonic intent would be the threat or use of large-scale force regionally or globally. Such actions would be clear and unmistakable. Short of such overt uses of power, the primary signposts of China's global course will be the degree to which its behavior attempts to challenge or replace existing international norms. China has abundant incentives not to substantially challenge

[17] China has several options when it comes to its carrier program: It could build a smaller force, not develop the anti-submarine assets needed to allow it to have true blue-water operability, restrict its patrols to closer waters, or orient its air wing toward area air defense rather than air strike. These moves would not represent the sort of "step change" needed to move the country toward a hegemonic reality.

the existing, rules-based international order, represented by a relatively open capitalist economic system, legal norms proscribing state behavior, a lack of competing spheres of influence, general acceptance to international organizations, and a preponderant U.S. role in policing the global commons. A "systemic continuity" China may wish to modify this order at its fringes—for example, deviating from EEZ and territorial norms in its immediate neighborhood. However, like the Soviet Union, Imperial Japan, or Nazi Germany, a hegemonic China would attempt to alter the core principles undergirding the international order and challenge U.S. primacy in the commons, either directly or through competing spheres of influence. Such a China could attempt to do so through subversion, coercion, selective support, and the use of force in ways not currently seen.

A hegemonic China could take more than one form. It could seek to dominate East Asia by the use or threat of force, displace the U.S. role in the global commons, or define the current rules-based order as an impediment to its interests. Three primary variables will indicate or enable such behavior. First, China's relations with pariah states (those currently challenging the international order) would likely be the clearest signposts for China's intentions to alter, undercut, or supplant the international order. Second, direct PLA involvement in overseas security affairs would represent a significant expansion of the PLA's current global role and could be pursued in hegemonic ways. Third, the development of a robust network of overseas bases and supply points, while not necessarily hegemonic, would constitute a significant expansion of China's current trajectory and present significant new considerations for U.S. security policymaking. Finally, we also briefly cover alternative means by which an expansive PLA could complicate U.S. force posture and planning and generate options without such bases.

Relations with Pariah States and Militant Networks

Under the systemic continuity future, China could continue investing in and trading with pariah states and could maintain its aversion to international intervention in these countries' internal affairs or regime

changes.[18] Continued resistance to international efforts to isolate, change, or replace pariah regimes does not indicate aggressive intent or a deviation from China's current trajectory. Beijing clearly fears an international precedent of involvement in other nations' domestic politics, and the replacement of offending regimes could someday be turned on China. It will therefore be reluctant to support such efforts. While China has resisted or abstained from a more interventionist order, it has also applied diplomatic pressure to moderate pariah states' most offending behaviors.[19]

Alternatively, a hegemonic course would be defined by the nature of the regimes and substate groups that China has begun explicitly backing and the behavior that China has thus empowered. Indicators would include material support for rogue states, not simply voting against their overthrow in the UN Security Council, and sponsorship of militant networks to pressure adversaries. Should North Korea, Pakistan, Iran, Venezuela, Sudan, Zimbabwe, or other states develop in ways that posed a serious threat to the international system, a hegemonic China could seek to exploit such rifts whereas a "systemic continuity" China would attempt to moderate these states' behavior, even if not as forcefully as Western powers. A China that encouraged states to defy key international norms, provided material support for regimes facing international military action, or signed on to mutual security

[18] Many pariah states, including Iran, Sudan, and Zimbabwe, do not receive large investments from Western powers, because of either legal limitations or concerns about return on investment. As relatively new actors in the global market, Chinese corporations have seen these states as relatively untapped and as less competitive markets and investment opportunities. Chinese investment in these states does not betoken aggression. See Erica Downs, "The Fact and Fiction of Sino-African Energy Relations," *China Security*, Vol. 3, No. 3, Summer 2007, and Erica Downs, "Who's Afraid of China's Oil Companies?" in Carlos Pascual and Jonathan Elkind, eds., *Energy Security: Economics, Politics, Strategies, and Implications*, Washington, D.C.: Brookings Institution Press, 2010.

[19] While less robust than the West, China has assented to some sanctions. See Thomas J. Christensen, "The Advantages of an Assertive China: Responding to Beijing's Abrasive Diplomacy," *Foreign Affairs*, March–April 2011, and Erica Downs and Suzanne Maloney, "Getting China to Sanction Iran: The Chinese-Iranian Oil Connection," *Foreign Affairs*, March–April 2011.

agreements with rogue states or U.S. adversaries would represent a step-change in China's current trajectory.

Pakistan serves as a good example. Under a status quo and expansionist trajectory, neither the United States nor China would regard the other's ties with Pakistan as malign, nor would they seek to reduce the other's influence. In fact, both Beijing and Washington would probably encourage increased economic assistance if such measures brought increased stability. In contrast, a hegemonic China might encourage the overthrow of the civilian government or encourage Pakistani militant groups to target India or other adversaries.

Involvement in Foreign Security Affairs

China's economic footprint is growing quickly in Africa, the Middle East, and Latin America, bringing with it Chinese citizens and investments. This growth will create further incentives for the PLA to develop protection and evacuation capabilities and, more importantly, stronger Chinese government investment in the stability and strength of foreign regimes where its political and economic interests are concentrated. As in the regional picture, in all three scenarios, China also faces the potential for the rise in explicitly anti-Chinese regimes (as has been the case in Zambian politics).[20]

For these reasons, China may wish to invest in the security of some states to protect against domestic or foreign threats, as well as to try to shape conditions in states that do not support Chinese goals to protect its expatriate citizens and economic interests. This could take several forms that represent a marked change from current Chinese behavior. An expansionist China could deploy the PLA to bolster partner security, engage in capacity building, or serve as tripwire forces. More aggressively, the PLA could target overseas state and nonstate actors who threatened its interests; if anti-Chinese attacks or avowedly

[20] Approximately 850,000 Chinese citizens currently live in Africa, with security generally provided by low-quality Chinese private security companies. Since June 2011, at least 57 Chinese citizens have been kidnapped in Colombia, Sudan, and Egypt, and the fate of Chinese citizens abroad has captured an increasing amount of Chinese domestic attention. See Ely Ratner, "The Emergent Security Threats Reshaping China's Rise," *Washington Quarterly*, Vol. 34, No. 1, Winter 2011.

anti-Chinese regimes represented a persistent threat to China's interests, a future PLA may be called upon to disrupt such networks or destabilize regimes. All of these activities would indicate a clear change from current policies and a stronger willingness for China to use force in securing its overseas interests.

Overseas Bases and Resupply Points

Given its lack of enduring allies and existing bases, combined with the enormity of distances and costs China would face to manifest a U.S.-style power projection posture, it is doubtful that China could pursue capabilities of similar magnitude over the period examined in our study. However, as documented in many academic sources, China's set of global interests is growing, in most cases faster than the PLA's global capabilities.[21] CCP and PLA leadership are aware of these disparities. Specifically, President Hu has identified the PLA's inability to defend China's global interests as one of the "two incompatibles" in Chinese strategic planning.[22]

If China wished to project significant and sustained military power far from East Asia, the PLA would likely require some form of overseas facilities.[23] Given the amount of investment required to build true military bases and the longstanding commitments China has made to avoiding them, an overt move in this direction would be a clear sign of a new orientation. Under systemic continuity, China could seek facilities that blur the line between "bases" and "resupply points." Such facilities are likely to offer significantly fewer capabilities than permanent bases, however.[24] For example, it may be difficult to

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[21] See, for example, Ratner, 2011.

[22] Cooper, 2009. The other "incompatible" is the PLA's inability to win a local war under "informatized" conditions.

[23] Dennis C. Blair, "Military Power Projection in Asia," in Ashley J. Tellis, Mercy Kuo, and Andrew Marble, eds., *Strategic Asia 2008–09: Challenges and Choices*, Washington, D.C.: National Bureau of Asian Research, September 2008.

[24] Repair, rearmament, resupply, intelligence, communication, and command-and-control facilities will almost certainly be less robust than permanent bases allow, and these facilities are likely to be less hardened and protected for airstrikes. Further, while local governments

use them in operations against U.S. forces, given likely U.S. responses, or against India from locations in the Indian Ocean, given their proximity to the Indian mainland.[25] For local land and air missions, China could be invited by the host country to use or expand existing facilities for long periods while maintaining a resistance to formal basing.

It is worth mentioning that a network of overseas resupply points generally implies a standing naval patrol presence. China may well develop such a presence; in the absence of a strong reason to stop, China's Gulf of Aden counterpiracy patrol may require establishing the PLAN's first such supply point. Leveraging these overseas supply facilities, standing blue-water naval surface groups could greatly expand Chinese power-projection options. However, such a presence would not necessarily indicate a more aggressive footing. There are many legitimate security interests that such a posture could support, both on the water and in protecting Chinese interests ashore. Like China's notional expeditionary and carrier forces, how the PLAN employs its naval presence will reveal more about its increased assertiveness than will the mere existence of blue-water patrols.

Alternative Approaches

Given the economic and political costs, a hegemonic China may not follow the U.S. force projection model of bases, strategic mobility, and airpower. Even in a limited capacity, these capabilities entail high costs. However, China could pursue more limited force projection and deterrence through a range of alternative means. Given the potential for

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may be willing to sell supplies to foreign militaries that are multilaterally policing the local commons, they are less likely to host unilateral military operations.

[25] The viability of the PLAN's current Indian Ocean resupply ports to serve as bases for a future naval conflict is questionable. First, in a future naval conflict against a major adversary—say, the United States or India—these bases and nations would have to accept the potential for a large-scale response to the base or an expanded target set. Second, most make poor locations for resupplying future naval and expeditionary conflict; in addition to their proximity to Indian and U.S. power projection capability, most of the sites lack the robust infrastructure links needed to serve as wartime bases. Such facilities are well positioned to profit from PLAN sea patrols and would offer host governments an opportunity to use China to balance against other regional states, but they likely offer few warfighting capabilities.

technological and geopolitical change over the period examined in our study, an exhaustive effort to define alternative paths would be both deeply speculative and beyond the scope of this research. However, we offer three examples of options that could be available in the near- to midterm and that would represent a significant departure from China's current trajectory.

First, China could shadow U.S. Navy operations in crisis areas, paralleling an old Soviet naval strategy. As recently pointed out by Admiral Dennis Blair, such PLAN groups could hold U.S. naval assets at risk through substantial surface and subsurface warfare capabilities, providing Beijing with some political leverage during a crisis.[26] Second, China could develop a globally patrolling SSGN (cruise missile submarine) force capable of providing punitive strike options for a comparatively lower cost.[27] Such a capability is inherently limited when compared with a carrier strike group, but it would serve as a coercive deterrent that would affect the calculus of U.S. political leaders and demand the diversion of U.S. naval assets, particularly if U.S. territory were a potential target. Finally, China could invest substantially more in building partner capacity in areas with Chinese interests in an effort to help third-party states act as force providers and proxies (what the U.S. military calls "security cooperation"). Such an approach could be packaged with Chinese state investment support, leveraging China's foreign capital reserves, market access, and ability to conduct business overseas. "Outsourcing" China's force projection would be inherently limited to areas of overlapping interest to the host nation, but it would allow China to leverage several of its strengths (trade and investment) and avoid weaknesses (lack of basing, lift, and operational experience) without having to challenge long-standing diplomatic positions (non-intervention, reluctance to establish overseas bases, anti-imperialism). It could also complicate U.S. defense planning and efforts.

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[26] Blair, 2008.

[27] SSGNs also represent a viable development for China's current regional anti-access efforts; however, patrolling them globally would represent a significant new force projection capability.

Conclusions: Perceptions, Indicators, and the Problem of "Dual Use"

In reality, it will be difficult to identify clear indicators that China has embarked on a hegemonic foreign policy until it happens. Further, China's behavior need not be static or follow clear trends; it could vacillate between such categories. In most cases, only a sustained pattern of behavior could differentiate between outlier actions and a more aggressive Chinese orientation. A future China's movement from the systemic continuity to hegemonic futures need not happen uniformly across all variables; China could advance on local or economic variables while keeping with its status quo orientation globally and militarily. However, while individual variables may vacillate and be ambiguous in real time, collectively and in patterns these variables paint a more telling picture.

In closing, three points stand out in attempting to define signposts for China's future trajectory. First and most importantly, China's global role and security footprint will continue to grow. U.S. policymakers should take care not to mistake an expanded role for aggression. In particular, the accumulation of military capabilities, while necessarily creating new concerns for U.S. defense planners, does not necessarily indicate aggressive intentions. China has many local and regional security interests that do not pose threats to the United States or the existing international order. Systemic continuity, in its status quo or expansionist modes, could be threatened if such misinterpretations push China toward aggressive behavior.

Second, a "systemic continuity" China would likely be the most difficult future for U.S. planners, as it challenges the United States to share global leadership in ways to which it is not accustomed—under either the status quo or more expansionist modes of this future. In particular, an expansionist footing may contain many of the capabilities needed for a hegemonic course, so it would limit the amount of time the U.S. policymakers would have to react should China actually chose a hegemonic course. Such a future would likely create voices for containment or rollback within U.S. security circles. Critical attention would need to be given to differentiating between China's capabilities

and its intentions. Further, this would call for the successful navigation of three difficult tasks: accommodating China's rise, maintaining the capabilities to blunt Chinese aggression should it manifest, and convincing China that such capabilities were not meant to threaten its legitimate interests.

Finally, we should also note that another future is possible. Comparatively little work has been done by defense analysts on what would constitute a "less hegemonic" future China. China's strategic orientation since the Mao era has generally become less threatening, even as the PLA's capabilities have grown dramatically. China's future behavior may also moderate. For example, China could distance itself from rogue regimes, settle its territorial disputes peacefully, reach an amicable settlement with Taiwan, and align its EEZ behavior with international norms. Further, increased PLA transparency and military relations would ease current suspicions about China's future role. China could continue to eschew overseas basing and involvement in international security affairs, though this would likely continue to manifest as a critique of U.S. policies. Such a China could gain international support and deepen its ties to the international order, even if it continued to contest international norms on its maritime periphery. Combined with the likely strength of the Chinese economy, should Chinese efforts win greater regional and global acceptance, the United States will have to be prepared for an international climate that moves relatively closer to China's interests.

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For the next 20 or more years, the U.S. relationship with China will be the fulcrum on which the East Asian security order balances. As a result, U.S. policy will need to prevent the emergence of an overtly hostile U.S.-China relationship while hedging against the possibility that one could nonetheless emerge. Such a strategy must balance between protecting U.S. interests in East Asia, where clashes with China's preferences are most likely, and cooperating with Beijing globally where the two sides have common objectives. Crafting and sustaining such a strategy will be a major challenge. It must have clear and realistic goals flowing from larger U.S. interests and strategy in the region, take into account the need for U.S.-China cooperation on a host of global security and economic matters, be flexible and responsive to Chinese moves, seek to channel Chinese conduct in favorable directions, and reflect the new realities of Asia resulting from China's increased military and economic power. The U.S. Army will have an important role to play in supporting U.S. strategy in the Asia-Pacific, primarily by providing training and support to allies and partners; helping to defend key facilities from enemy ground, air, and missile attack; providing key enabling support to the joint force; projecting expeditionary combat forces into the theater; contributing to new conventional deterrent options; and helping to encourage China's participation in cooperative military-to-military engagements.

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