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Chairmen and Commissioners, thank you very much for granting me the opportunity to testify today. The rise of China is one of the most historically significant events of our time, and the question of how China will use its newfound power – especially its military power – will determine the course of the twenty-first century.

I will focus my remarks today on ongoing debates inside China about this very question. In my testimony today, I will briefly highlight the global public goods that have been provided by the United States since the end of World War II, the benefits derived from these goods to the United States as well as to the entire international community, and the emerging challenges to these global public goods posed by the rise of new military powers. I will then describe the rise of China as a military power, and the discussions taking place inside China about how it will use its armed forces in the coming decades. Finally I will propose an analytic framework and policy measures the United States may consider to understand, shape, and react to the continued expansion of Chinese military power.

The American Military and Global Public Goods

American political leadership and military supremacy has made the United States the primary guarantor of global stability and economic development since the end of World War II, and especially since the end of the Cold War. From the American military dissuading aggression and defending stable global commons (sea, air, space, and cyberspace), to American diplomats forging an international liberal order based on the rule of law and the free exchange of goods and ideas, today’s globalized world was built on the back of American power.

Today’s liberal international order – which is characterized by the rule of law, active and influential multilateral organizations, open and stable global commons, and norms supporting the free flow of ideas, goods, and services – is a global public good provided by the United States and its allies and partners.¹ This system allows states to forego military competition and territorial aggrandizement, and pursue a kind of economic competition that promotes openness and stability.

Yet America and its friends are not the only beneficiaries of this system – it is accessible to all. Indeed, the rapid development and modernization of East Asia, and of China in particular, was facilitated by its integration into the international system created and sustained by the United States. In the last thirty years, China’s gross domestic product rose from around $428 billion to $2.9 trillion (in constant 2000 US$), lifting over 200 million people out of poverty.² While China’s “reform and opening” policies and the skill of the Chinese people certainly were central to this development, such rapid success would have been impossible without the stable and trade-friendly international environment created and sustained by the United States.
Preserving the liberal international order is a top priority for the United States. Indeed, the Department of Defense identified the global commons as “the connective tissue of the international system and of our global society.” Secretary of Defense Robert Gates described the traditional American approach as opening doors, protecting and preserving common spaces on the high seas, in space, and more and more in the cyber world. This presence has offered other nations the crucial element of choice and enabled their entry into a globalized international society. … We stand for openness, and against exclusivity, and in favor of common use of common spaces in responsible ways that sustain and drive forward our mutual prosperity.

Yet the political and military dominance that empowered the United States to establish and sustain this system is gradually eroding. New powers are rising, and the United States is facing profound economic challenges that may constrain its ability to maintain high levels of investment in the military. Meanwhile, globalization and technological innovation are lowering the threshold for states and nonstate actors to acquire asymmetric anti-access capabilities, such as advanced anti-ship cruise missiles, anti-satellite weapons, and cyberwarfare capabilities.

Nowhere are these trends more profoundly challenging than in America’s approach to China’s expanding military power. China is adopting diplomatic positions and developing a robust military capability that combined could undermine American power projection capabilities. This may, at a more fundamental level, undermine the same liberal international order that has to date enabled China’s rise.

Yet China’s future path is not determined, and the development of a robust Chinese military capability does not inherently threaten the United States or the liberal international order. The key question is not if China will develop a capable military, but how it will employ that newfound military power. This question goes directly to our fundamental uncertainty about China’s intentions, and reflects a debate that today is raging between Chinese strategists, policymakers, and leadership.

The Rise of China and Uncertain Future of the PLA

It is clear that China seeks to restore its historical position as the dominant Asian political and economic power. China is already the leading Asian economic power as measured by GDP, and has become the top trading partner for almost all of its neighbors. Analysts at Goldman Sachs have predicted that China’s GDP will overtake that of the United States by 2027, and a more recent report from analysts by Citigroup put the date at 2020. Until recently, this has been accompanied by a world-wide “charm offensive” geared toward improving China’s political relations and soothing international concerns about rising Chinese power.

China is also committed to having a strong military, with the PLA enjoying decades of significant investment from Beijing. Just last week, China announced a near-13 percent increase in annual defense expenditures, to $91.4 billion. Yet given China’s practice of significantly under-reporting defense
expenditures, it is safe to estimate China’s actual annual spending on its military power to be well over $150 billion.\textsuperscript{9}

These high levels of investment are reaping tremendous benefits for the PLA. In addition to an expanding nuclear deterrent, China today can employ a layered, multi-dimensional military force composed of advanced surface and subsurface combatants, overwhelming numbers of aircraft, weapons to deny an adversary the use of space or cyberspace, and an array of advanced conventional cruise and ballistic missiles.\textsuperscript{10}

For American strategists, the key question should not be if China will emerge as a great power. It is already well on its way, and Beijing’s success in that respect will depend on its own decisions and its ability to maintain internal and external stability. American strategists should focus on how China plans on using its newfound power, especially its burgeoning military capabilities. While the United States and the rest of the Asia-Pacific region are very uncomfortable with China’s significant investments in a robust military capability, the decision to make that investment is Beijing’s.

In the coming years, Beijing can choose to use the PLA to either contribute to global public goods, or to significantly erode them. How China’s leaders answer this question will define great power relations in the early twenty-first century, and should drive American strategic thinking about cooperation, competition, and potential conflict with the PLA.

Military Power – To What End?

Despite Beijing’s opacity on military and security affairs, the strategic purposes of these military capabilities are – at least on their face – clear. As described by State Councillor Dai Binguo at the first China-US Strategic & Economic Dialogue in July 2009, China’s so-called “core interests” are to maintain China’s fundamental system and state security, preserve state sovereignty and territorial integrity, and sustain economic and social development. Practically, the PLA is expected to guarantee internal stability, deter foreign attack, preserve a stable international environment to enable economic development, prevent Taiwan’s independence and, if necessary, force the island’s unification with the mainland.

Taiwan continues to occupy a significant amount of PLA attention. Chinese strategists realize that coercing and (potentially) invading Taiwan may require the PLA to dissuade, deter, delay, and defeat an American military intervention on Taiwan’s behalf. Thus, China has focused on precision strike capabilities designed to attack America’s regional land and sea bases and degrade the U.S. military’s power projection capabilities.

Beyond Taiwan, the PLA appears to be interested in establishing for itself a broader regional military presence. Cross-strait tensions are at a nadir, yet the rate of growth in China’s military investments have risen and there are no signs of China slowing, let alone reversing, its significant buildup of military capabilities across from Taiwan. Moreover, China is investing in military capabilities – including aircraft carriers – that would have limited utility in a Taiwan contingency but would be essential in projecting
military power. According to the U.S. Department of Defense, China’s base at Hainan Island is large enough to support a mix of surface and subsurface combatants, and enables the “stealthy deployment of submarines into the South China Sea.”

It should be noted that there is significant wiggle room within China’s definition of its core interests. Sustaining economic development and preserving a stable international environment could both be theoretically understood to allow for China to either contribute to, or undermine, global public goods. This ambiguity extends to official statements about the role of China’s armed forces. For example, in 2004, China’s leaders established baseline missions for the armed forces officially titled “the Historic Missions of the Armed Forces in the New Period of the New Century.” According to the U.S. Department of Defense, these “new historic missions” focus primarily on adjustments in the PRC leadership’s assessment of the international security environment and expanding definition of national security.

These missions were further codified in a 2007 amendment to the CCP Constitution. The missions, as currently defined, include a comprehensive, but ultimately vague, list of priorities:

- Provide an important guarantee of strength for the party to consolidate its ruling position.
- Provide a strong security guarantee for safeguarding the period of strategic opportunity for national development.
- Provide a powerful strategic support for safeguarding national interests.
- Play an important role in safeguarding world peace and promoting common development.

While the PLA is clearly interested in becoming a regional force focused on more than Taiwan, it is unclear how this regional force will be employed. Such ambiguity is a key source of uncertainty regarding China’s future intentions: will a regionally-oriented PLA contribute to global public goods, or challenge them?

An Assertive PLA

Recent years have seen China demonstrate a greater willingness to assertively flex military muscles in an exclusionary manner that threatens China’s neighbors and potentially undermines global public goods. Chinese exercises and military presence in airspace and waters surrounding disputed islands, previously rare and notable events, have become almost routine. China has also claimed sovereignty over almost the entirety of the South China Sea, and has challenged the right of foreign militaries to peaceably pass through its Exclusive Economic Zones (in direct contradiction of the UN Convention of the Law on the Sea). China has similarly demonstrated an exclusionary approach to space and cyberspace by testing anti-satellite weapons, proposing problematic international laws on space, and has at least indicated an interest in developing cyber military capabilities.

Statements by several Chinese strategists and policymakers seem to have encouraged this behavior by describing an imminent danger for China and an American conspiracy to encircle and constrain China’s development. For example, a Chinese Admiral reportedly excoriated American officials during a meeting of the Strategic and Economic Dialogue for plotting to encircle China. Such an attitude is regularly
expressed by Chinese officials during private conversations and Track 2 dialogues, and largely conforms with the 2008 white paper “China’s National Defense in 2008,” which claims that “[China] faces strategic maneuvers and containment from the outside…”15

More directly, some official Chinese statements seem to suggest a broad mandate for the PLA, and especially its maritime forces. For example, China’s 2008 Defense white paper describes the PLA Navy’s responsibilities as “safeguarding China’s maritime security and maintaining the sovereignty of its territorial waters, along with its maritime rights and interests.”16

Foundational concepts such as “active defense” and “self defense counter attacks” seem to provide a conceptual foundation for a more assertive PLA. While China’s military strategy is fundamentally defensive in nature, China’s leaders have a historic tendency to claim military preemption as a strategically defensive act. China’s intervention in the Korean War and its conflicts with India, the Soviet Union, and Vietnam are all described as self-defense counter attacks, even when China often was the conflict’s instigator. As highlighted by the Department of Defense in its annual report to Congress, China’s 2008 Defense White Paper claims that “Strategically, [the PLA] adheres to the principle of…striking and getting the better of the enemy only after the enemy has started an attack.” Yet the authoritative work *Science of Military Strategy* makes it clear that the definition of an enemy strike is not limited to kinetic military operations but rather may also be defined in political terms. These passages illustrate the ambiguity of China’s strategic writings, as well as the justification for offensive—or preemptive—military action at the operational and tactical level under the guise of a defensive posture at the strategic level.17

Some outside observers have noted China’s more assertive behavior in recent years, and have attributed it to an increasingly powerful role being played by the PLA in the formulation of foreign policy.18 Chinese President Hu Jintao appears to prefer a consensus-based approach to leadership, and the PLA likely has a significant voice in policy formulation. There were indeed some rumors that China’s more assertive posture was something that the PLA and like-minded hard-liners in Beijing’s elite circles forced upon the more cautious President Hu. While this is certainly possible, there is a significant difference between President Hu losing an internal disagreement on foreign policy and a PLA that is operating outside of the guidelines set by the Chinese Communist Party. While the PLA, and especially the PLA Navy, may operate more aggressively than leadership in Beijing may prefer, I have not seen evidence of the PLA explicitly violating the Party’s dictates. That being said, the seriousness of this issue means that it is incumbent on American officials to watch this issue closely and, as Secretary of Defense Robert Gates did with President Hu during his recent visit to Beijing, address this issue directly with China’s senior leadership.

*The PLA’s Contributions*

China watchers should also recognize that this more assertive behavior is far from the whole story of China’s rising military power. Recent years have also seen the PLA actively contributing to the health of the international system – in essence, contributing to global public goods. Since 2008, Chinese ships have
been stationed off the coast of Somalia as part of an international effort to combat piracy. The PLA is also a major contributor to United Nations peacekeeping forces around the world, and has contributed to international humanitarian assistance and disaster relief efforts. Many of China’s military developments, such as a hospital ship and even its future aircraft carriers, could be utilized to protect vital sea lanes and provide foreign assistance after earthquakes and tsunamis.

These developments fall in line with the vast majority of official government statements about China’s strategic intentions. Just last week, Chinese Premier Wen Jiabao told the annual meeting of the National People’s Congress that “China will play a constructive role in helping resolve hot issues and global problems.” More specifically to foreign affairs and the PLA, the highly influential Wang Jisi, Dean of the School of International Studies at Peking University, wrote in the most recent issue of *Foreign Affairs* that “China will serve its interests better if it can provide more common goods to the international community and share more values with other states.”

*The Debate*

When considering how decisions are made and how seriously to take statements from Chinese officials and organizations, outside observers must accept that the significant lack of transparency surrounding China’s decision-making process means that speculation will always play a role in our understanding of how China formulates foreign policy. Even official statements that come from the highest levels of power are not necessarily statements of whole-of-government intent, but could be indicators of intra-governmental debates, trial balloons, interpersonal rivalry, or legacy building.

The countervailing positions regarding China’s strategic intentions likely stem from three realities. First, China’s strategic community seems to have been granted increased leeway to advocate ideas and propose policies that are not pre-approved by China’s senior leadership. Second, the expansion of electronic journals and writings – even in China’s relatively closed and circumscribed environment – has enabled a wider variety of voices to be heard. Third, and most importantly, it is likely that there is no agreed-upon long-term plan for the PLA beyond sustaining the leadership of the Chinese Communist Party and Taiwan contingencies. Indeed, recent provocative statements from PLA officials about an expanded military mandate may have been targeted at an internal audience, especially considering that China just concluded the development of its 12th Five Year Plan. Nevertheless, with such ambiguity, statements regarding China’s strategic intentions are ripe of diverging messages.

The statements I highlighted today likely are not part of a complex effort to deceive the world about China’s hidden true intentions, but rather reflect a robust debate occurring within Beijing’s halls of power about the future role of a risen China on the world stage. Clearly, many of China’s leaders see the world in zero-sum terms and expect China to eventually come into conflict with a United States they see as fundamentally opposed to China’s development. Others, however, see enough room in the world for both a powerful United States and a powerful China, and are looking to articulate a way ahead in which we can work together to address issues of mutual interest and concern.
Yet there are also certainly elements of signaling in Chinese statements and actions, though these signals may not be directed from China’s senior leadership. The Party’s control of the PLA is not as direct and specific as that of the American President’s over the U.S. armed forces, and China does not possess an interagency body that can adjudicate and manage the nation’s vast bureaucracy. Yet signaling is clearly something that the Party generally accepts and, possibly, encourages. For example, it is doubtful that President Hu Jintao specifically timed the tests of a J-20 fighter to coincide with a visit to Beijing by Secretary of Defense Robert Gates. Reports have surfaced that weather played a role in the test’s timing. Yet it is highly likely that China’s internet censors allowed footage and discussion of the flight test to percolate during Secretary Gates’s trip, when they easily could have suppressed the story. Clearly signaling is going on, and while the message is unlikely to have come specifically at Hu Jintao’s behest, it is likely that China’s senior leadership understood the message and did little to publicly discourage such actions.

Looking Ahead

So how are American China watchers and military strategists supposed to unravel these divergent stories about the rise of the PLA? Is China a potential threat? A competitor? A partner? My answer to all three questions is “yes.” Our relationship with China does not fit neatly into tidy labels, but simultaneously includes elements of competition, cooperation, and could potentially involve some form of conflict. American strategists must for the time being respond to all three challenges presented by the PLA depending on the specific manifestation of Chinese military power being addressed.

Sustaining Global Public Goods

As I discussed before, the key question is how China will use its newfound power. Given the ambiguity of China’s long-term strategic intentions, the United States must be prepared for China to either contribute to global public goods, or to undermine them.

The United States should encourage China’s positive contribution to global public goods. This will involve clearly articulating a positive role for Chinese power, and monitoring Chinese behavior against this rubric. China’s actions on a wide range of issues – including regional sovereignty disputes, trade policy, its approach to climate change, freedom of navigation and access in the global commons, the responsible exploitation of natural resources, and its relationships with the world’s rogue regimes – will all signal Beijing’s interests in substantially contributing to the health and success of the international system.

America’s approach to China should also include a robust effort to seek out opportunities for cooperation between the U.S. military and the PLA, in order to encourage Chinese participation and contribution to global public goods. Bilateral military cooperation in a responsible manner would not only improve mutual understanding and build trust, but would also encourage China’s positive and responsible use of military power.

In this regard, the South China Sea is a leading indicator of the nature of China’s rise. China’s sovereignty disputes with its neighbors, its exclusionary interpretation of Exclusive Economic Zones, the
South China’s Seas tremendous importance as an international waterway, and the Sea’s potential as a significant source for natural gas, all speak to Chinese strategic priorities of territorial integrity, a stable international environment, and access to natural resources. The United States has already identified the South China Sea as an important priority, and freedom of navigation as an issue of “national interest.”

Yet more must be done – the United States should work with its partners in ASEAN to develop a common understanding of the UN Convention on the Law of the Sea and their mutual interest in freedom of navigation. Such clarity will both bolster ASEAN unity on the issue and send a clear signal to Beijing about what is, and what is not, acceptable behavior. China’s reactions to such an endeavor will be telling.

Yet China’s positive approach to global public goods, and more broadly the liberal international order, is far from assured. The United States should therefore react strongly and decisively when China’s actions violate American interests, undermine global public goods, or threaten regional stability. Such a stance will demonstrate to China’s leaders the costs of confrontation, in contrast with the benefits of cooperation.

Concurrently, the United States should continue to adjust its military capabilities to ensure the U.S. military’s ability to operate within and degrade China’s anti-access area denial capabilities during a conflict. Significant shifts in military capabilities and regional posture – referred to as “Air-Sea Battle” in the 2010 Quadrennial Defense Review – are already underway and must be continued.

More broadly, the United States should also build the military capacities of its allies and partners throughout the Asia-Pacific. This effort should include a robust effort to identify new partners in the region who are concerned about the potential negative consequences of China’s rising military power, to regularly engage them on these issues, and to responsibly build their capacity to contribute to global public goods and resist Chinese aggression.

Conclusion

American strategists are currently in a high state of uncertainty regarding the future nature of Chinese power. China’s official statements about the PLA are comforting, and China’s participation in peacekeeping and counter-piracy operations are positive signals of constructive Chinese intentions. But the PLA’s development of advanced anti-access area denial capabilities, and its aggressive use of military power around its periphery, are highly disconcerting.

Just as it would be a mistake to accept official government statements at face value, it is also a mistake to directly interpret military capabilities as strategic intentions. The truth is far more complex and ambiguous, and an overreaction by the United States in favor of either interpretation could prove disastrous. The key for American strategists and policymakers is to understand the present ambiguity, and build a strategy that encourages a more responsible and productive future for Chinese power while defending American interests against the potential for Chinese aggression.
Clearly, there are more immediate issues beyond differing visions of grand strategy – such as Taiwan, human rights, and regional territorial disputes – that will more directly drive U.S.-China relations. Yet it is the mandate of strategists, both in Washington and in Beijing, to look beyond immediate issues and navigate their countries based on a strategic vision for their nation’s role in the world. China has arrived as a major strategic power, and it is incumbent upon American strategists to adjust to this new reality, ambiguous though it may be. But it is also incumbent upon Chinese strategists and policymakers to reassure the world about the nature of Chinese power. This cannot be accomplished only with propaganda – actions, and investments, speak louder than words.
Biography

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Mr. Denmark is a Fellow with the Center for a New American Security (CNAS), where he directs the Asia-Pacific Security Program and several defense strategy and planning projects. He has authored and edited many CNAS reports on China, Japan, South Korea, North Korea, Taiwan, and Indonesia. Mr. Denmark has edited several edited books, including was also lead author and editor on the CNAS study *Contested Commons: The Future of American Power in a Multipolar World*. Mr. Denmark was the American editor and author of *The U.S.-ROK Alliance in the 21st Century*, published by the Korea Institute for National Unification (2009), and contributed to *Strategic Asia 2010-11: Asia’s Rising Power and America’s Continued Purpose*, published by the National Bureau of Asian Research. He has twice testified before the U.S.-China Economic and Security Review Commission, and has been featured in major publications in the United States and in Asia, including National Public Radio, *Far Eastern Economic Review*, *National Interest*, *Financial Times*, *Foreign Policy*, *Washington Quarterly*, *Time*, *Newsweek*, *the New York Times*, and *Foreign Affairs*.

Prior to joining CNAS, Mr. Denmark was Country Director for China Affairs in the Office of the Secretary of Defense, where he was responsible for developing and implementing strategies and plans vis-à-vis China and the Asia-Pacific region.

Mr. Denmark was named a 21st Century Leader by the National Committee on American Foreign Policy, and received an Award for Excellence from the Office of the Secretary of Defense in January 2009. He is a member of the National Committee on American Foreign Policy’s 21st Century Leader’s Council, and is a member of the International Institute for Strategic Studies.

Mr. Denmark studied History and Political Science at the University of Northern Colorado, and earned a master’s degree in International Security from the Josef Korbel School of International Studies at the University of Denver. He has also studied at China’s Foreign Affairs College and Peking University.
The Uncertain Rise of China’s Military
Prepared Statement of Abraham M. Denmark


2 World Bank, World Development Indicators.


