

AN INTERVIEW WITH CHRISTOPHER W. HUGHES

China's Military Modernization *and Implications for Northeast Asia*

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China's ambitious military modernization program and increasing defense spending have raised questions about the future security and stability of the Asia-Pacific region. NBR spoke with Christopher Hughes (University of Warwick) to assess U.S. and Northeast Asian attitudes toward China's military modernization. Dr. Hughes is the author of "China's Military Modernization: U.S. Allies and Partners in Northeast Asia," which will appear in the forthcoming volume of Strategic Asia, to be released on October 3. This year's volume examines China's military modernization and U.S. and Asian responses to it.

How have Japan, the Republic of Korea (ROK), and Taiwan sought to strike a balance between their increasing economic interdependence with China and their concerns over Chinese military modernization and strategic aims in the region?

I think that hedging, rather than building a strong strategic or military balance, has been the approach that these countries have taken toward China's military modernization in the last few years. That is, while they still see China's military modernization as alarming, they are also aware that increasing economic dependence on China is inescapable. So, as they

continue to hedge, they are hoping that economic growth will eventually moderate China's behavior, lead to diplomatic engagement, and counterbalance the asymmetric dependence that is building up. All three countries recognize their significant economic dependence on China and are seeking to develop deeper diplomatic relationships with other regional actors while simultaneously advocating for a continued

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U.S. presence in the region to act as a strategic balancer. Japan, in particular, provides us with a good example of this strategy. Japan has sought to strengthen relations with Russia, as well as with the nations of Southeast and Central Asia, in order to diversify its diplomatic and economic prospects, while concurrently drawing itself closer to the United States to ensure its security.

As China is its largest trade partner, Japan benefits significantly from and accepts its economic engagement with China. In fact, Japan is pursuing a “mutually beneficial strategic partnership” with China, which would allow both countries to focus on the same key areas—such as energy, food security, natural disasters, etc.—in order to maintain economic engagement and also develop better relations. But at the same time, Japan is building up its Self-Defense Forces in reaction to China’s expanding maritime capabilities. This is the kind of very quiet military hedging game that Japan is playing with China.

South Korea presents a very similar picture. Until the end of the last decade, South Korea seemed to be tilting much more toward China as a result of increasing economic dependence. However, the nation is beginning to realize that its economic relationship with China is too asymmetrical and thus not healthy. China, which still stands behind North Korea, could be the next greatest threat to South Korea, particularly as it increases its ability to project power into the sea lines of communication (SLOC) around the Korean Peninsula. In response, South Korea is beginning to try to back away somewhat from China economically while engaging in its own military modernization program to guard (among other things) against Chinese expansion. It will also need to reconsider how to strike a balance between China and the United States.

As Taiwan is very dependent on China’s economy, it is trying actively to boost relations with Southeast Asia. Under President Chen Shui-bian, Taiwan-U.S.-China relations soured considerably but have improved significantly since Ma Ying-jeou came to power. As a result Taiwan has begun to think in new ways about the importance of the United States as a resource and hedge against China.

How have U.S. allies and partners in Northeast Asia responded to the U.S. plan to rebalance toward the Asia-Pacific?

Broadly speaking, all three countries welcome U.S. re-engagement in the Asia-Pacific region and expect the United States to get back into the balancing game with China. I think the key question is: how much is the United States able to actually refocus on Asia, given the challenges—such as its declining economy—that it faces as it attempts to maintain primacy? While the pivot back to Asia is very welcomed, the United States will need to convince some of these countries that it can progress beyond the rhetoric and maintain a strong presence in the region.

At the 19th ASEAN Regional Forum (ARF) held in early July, security and stability issues in the Asia-Pacific—particularly the South China Sea territorial disputes—were key discussion points. The United States has been urging countries to resolve the disputes while remaining neutral. What are the implications of the U.S. attitude toward the South China Sea disputes for security and stability in Asia as a whole?

I think what’s going on in the South China Sea carries important implications for the future strategic environment of Asia, because the U.S. response to this issue will inform regional actors as to the firmness of the U.S. security guarantee in Northeast Asia. At the ARF, there was a hope that the states involved in the South China Sea disputes would generate a binding resolution on preventing disputes. However, nothing really came out of it; partly because the ASEAN states are all parties to the disputes and could not agree much among themselves. Of course, as a member of the ARF, the United States is clearly concerned about the disputes; nevertheless, it does not take a position on sovereignty, and its actual willingness to intervene in support of some of the Southeast Asian countries is

uncertain. Just as there is a potential for China to claim greater power over the South China Sea, there is also a potential for China to seize greater territory in the East China Sea. In that sense, the United States' ambivalent stance toward these territorial disputes undermines not only the ASEAN countries' but also Japan's confidence in the United States as a security guarantor.

In your *Strategic Asia* chapter, you note that a “quiet arms race is developing in Northeast Asia.” Does this dynamic increase the potential for minor disputes to escalate rapidly into major conflicts that necessitate U.S. involvement?

What I'm referring to is a kind of slow-motion understated arms race. It's not a purely classical, symmetrical kind of arms race because not all countries are trying to match China plane by plane, ship by ship, etc. In some cases, they're trying to match China's asymmetrical buildup with their own kind of even more asymmetrical capabilities. But, there is also some form of a more classic arms race in terms of a tit-for-tat matching of particular kinds of weapons. We can see this in terms of air defense capabilities, with both sides pursuing advanced ballistic missile defense, surface-to-air missiles, and early warning radar systems in addition to fourth- and fifth-generation fighter aircraft. China and Japan are also both expanding their maritime capabilities by building more advanced destroyers and submarines as well as developing a maritime air power projection component.

There is always a risk for conflict. An arms race spirals upward, generating the potential for mistakes. The result is a classic security dilemma, which exacerbates tensions and increases the likelihood of miscalculation. However, the United States obviously does not welcome conflicts in the first place, especially because it would be obliged to intervene on behalf of its allies.

At the moment, Japan is taking a nonmilitary approach in the East China Sea to defend its interests

around the Senkaku/Diaoyu Islands. Nevertheless, if China increases its activities in the East China Sea and were to deploy more capable assets that outmatch the Japanese coast guard, then Japan would be obliged to deploy its defense forces, which could potentially lead to provocations and miscalculations. However, since such a minor conflict could escalate quickly, it is in everyone's interest to keep a lid on a major arms race.

What are Japan's main strategic concerns? What new capabilities does Japan believe are essential to its defense strategy?

While North Korea is currently Japan's most immediate security challenge, China is its main and long-term strategic concern. Japan in the past was quite sanguine about China's military modernization as it related to Taiwan. Japan understood that China had some legitimate security interests, although it clearly does not want to see any destabilization in Taiwan due to actions by any power. Japan is most concerned with maintaining its territorial sovereignty in light of China's developing anti-access/area-denial (A2/AD) aircraft and maritime power projection capabilities within the first island chain and the East China Sea in particular. This is a new and much more immediate concern for Japan, which has, until now, not stood on the front line of these territorial security issues.

As I argue in the chapter, despite U.S. rebalancing, Japan's confidence in U.S. willingness and ability to intervene over issues like the Senkaku Islands dispute is declining. In Japan, there is now a shift from the passive and reactive defense approach, which had been focused simply on defending its own immediate territory, toward a more dynamic defense stance epitomized by a new willingness to confront provocations by North Korea and China. In order to ward off China from stepping over Japan and the United States, Japan is augmenting its own submarine forces and introducing light helicopter carriers to counter the Chinese maritime buildup. Japan is also repositioning many of its most capable air defense assets and elements of the

Japan Ground Self-Defense Force to the south, to more directly meet the threats emanating from China and the Korean Peninsula.

How have South Korean attitudes toward the U.S.-ROK security alliance shifted over the past decade? What problems persist and what steps are the United States and South Korea taking to address them?

I think South Korea has always been supportive of the alliance. There's always an exaggeration about what state the alliance is in, and I think that while the alliance is in pretty good shape, relations can fluctuate. Under the ROK's previous administration, there was greater political tension in the alliance at the elite and especially public opinion level. However, the alliance was still quite strong because the ROK was doing all kinds of things with the United States—dispatching troops to Iraq, moving ahead with plans to support the U.S. Global Posture Review in terms of relocating army and air force bases in South Korea.

There has been a delay in the transfer of operational control (OPCON) of its military forces to South Korea even though both sides have been putting in place quite elaborate structures to ensure that plans are executed smoothly. The ROK probably has sufficient command and control capabilities to lead the response in the event of a North Korean contingency. While I am not privileged to the precise details of the military planning, I do believe that all the necessary preparations have been laid out. While the United States believes that the ROK has the capabilities to take over, South Korea lacks the confidence in its ability to lead because of heightened tensions on the Korean Peninsula coinciding with the original timetable for handing over OPCON due to the deterioration of North-South relations. Nevertheless, I do not see why it would not be feasible for the ROK to take control by 2015.

There are still problems of confidence and abandonment issues that come with alliances. As the U.S. military has become more flexible and partly disengaged from the Korean Peninsula in order to

operate region-wide, abandonment concerns in South Korea have grown. These worries depend on the strength of the U.S. commitment to defend South Korea—whether Washington is willing to intervene in the event of a contingency, or will scale back its commitment. Overall, however, I think that the ROK-U.S. relationship is quite solid.

How strong is the U.S. commitment to Taiwan's security? What are the prospects of a crisis emerging in the near term, and under what circumstances would the United States intervene?

It's a million dollar question, really. Taiwan is different from Japan and South Korea because it is not a formal treaty partner. First, there is the Taiwan Relations Act which commits the United States to provide Taiwan with the capabilities to defend itself and the Taiwan Strait. This is likely to be an enduring commitment. Because it is a legislative agreement rather than an executive agreement, Congress is always going to be able to exert its influence on the U.S.-Taiwan security relationship. Historically, Congress has exhibited a strong interest in making sure the United States assists in maintaining the security of Taiwan, so in that sense, the U.S. commitment is relatively strong. Furthermore, China's expansion has made the United States more sensitive to maintaining stability in the Taiwan Strait.

That said, the strength of the U.S. commitment to Taiwanese security really boils down to the large strategic questions: How important is Taiwan to the overall Sino-U.S. relationship? How willing is the United States to immerse itself in cross-strait issues? It is difficult to know.

Whether the United States will intervene will also depend on the circumstances of the conflict. In the event of conflict, Taiwan will likely attempt to hold out long enough for the United States to arrive on the scene to deter China from further aggression. However, this will depend on the military deployments on the ground. If you look at the assets the United States has now, there is one school of thought that argues that

the United States would find it difficult or too costly to intervene because of China's A2/AD capability. It really will depend on what the United States does in terms of the Asia pivot. Emerging battle concepts would give the U.S. military the muscle it needs to get into the Taiwan Strait, so it is more hinged on the willingness, political capability, and credibility of the United States to act as a security guarantor for Taiwan. Japan is watching these developments closely because if the United States cannot project its power in the Taiwan Strait, it may have implications for the East China Sea and, more broadly, for continued Japanese reliance on the United States for security.

Japan, South Korea, and Taiwan have each recently announced their own military modernization programs to counter growing Chinese military strength. Can these countries afford to allocate the necessary resources to maintain a symmetrical advantage or just parity? How might current economic difficulties constrain their ability to pursue a hard hedge against China?

The answer depends on the country. There is a mixed approach to the military buildup to counter China. Japan and South Korea are attempting to match China symmetrically, while Taiwan is doing so asymmetrically. Japan, as one of the largest economies in the world, can counter China if it has the political will to use its resources, knowledge, and capabilities appropriately. South Korea, on the other hand, has not been meeting the targets for military spending seen as necessary if it is to balance China symmetrically. The country is definitely not in a bad economic state, but there is a lack of resources or political consensus that prevents it from meeting its defense ambitions, which are centered on a stronger navy to hedge against China. Taiwan's asymmetrical approach clearly shows it is aware

that it cannot balance against China symmetrically. A declining defense budget has made it difficult to meet the challenge presented by China's military modernization symmetrically. So, for Taiwan, it requires stronger defensive resilience so that it is not invaded by China. This approach, articulated in part as the "hard ROC" concept, would increase Taiwan's asymmetric defensive capabilities designed to achieve cross-strait stability through defensive deterrence bolstered by counter-force interdiction and strike capabilities.

The outlook is different for each country. They will definitely struggle to hedge against China on their own, so they clearly need the United States. As I argue in my chapter, as much as there is danger, there are also myriad opportunities for the United States in the region. The United States wants to be careful about being drawn into local issues, but it can certainly provide political reassurance as a security guarantor. The idea in the past was that, under the previous administration, the United States was losing Asia, and that Asia was gravitating toward China. However, I argue that the United States still has not lost Asia. If the United States can back its rhetoric with capabilities, it can continue to be the key balancing power and make a difference in the Asia-Pacific. ♦

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