

A Statement Before the House Armed Services Committee
Hearing on China's Military Modernization
November 4, 2005

Roy Kamphausen
Director of National Security Affairs
The National Bureau of Asian Research (NBR)

I would like to thank the Committee leadership for the opportunity to speak with you today on this issue of very great importance to the United States. It is an honor to be invited.

As a representative of The National Bureau of Asian Research, an institution committed to informing and strengthening the policy development process toward Asia, it is particularly gratifying to make a contribution to the important work of the Committee.

NBR's Strategic Asia program is explicitly designed to study and understand the rise of China and its importance to the region and the U.S. We've brought our most recent volume – released last month – which fortuitously this year focused on the broad trends of military modernization within all of Asia.

At the outset of my comments, let me assert strongly that in my view that China's military modernization is not the highest priority of the Chinese leadership, nor is it the most critical aspect of U.S.-China relations.

However, in addition to China's leaders seeking closer economic integration with the U.S. for the purposes of furthering Chinese development while at the same time pursuing high-level political and diplomatic dialogue with the U.S. on a whole range of issues best exemplified by Deputy Secretary of State Robert Zoellick's recent dialogue, China is also hedging in the defense and security realm.

And it is precisely because this hedging carries risk for the U.S. that we must seek to understand the components of China's military modernization as best we can, given the relatively less transparent nature of the Chinese system. So I applaud the Committee's efforts.

I'd like to organize my comments into five points.

First, China's military is indeed in the process of a dramatic, long-term Chinese-style defense transformation program, and the U.S. serves both as a model for that

effort as well as a potential adversary. Many of the processes I will highlight below are ones in which the PLA has studied how the U.S. military does business and then adopted those practices for use in China's People's Liberation Army (PLA.) At the same time as the PLA is adopting U.S. "best practices", however, China's military is also seeking ways to counter U.S. systems and capabilities through its own capabilities. At a minimum, this constitutes prudent planning of the sort that militaries undertake the world over, and ought not be construed to mean – at least, yet – that China's leaders believe this confrontation to be inevitable.

Secondly, the PLA's modernization effort is comprehensive in approach, and indicates the Chinese leadership understands that effective "software" reforms are equally important in a modernization program. To many military professionals, the long-term ramifications of these programs may be of greater significance than the acquisition of particular systems. These "software reforms" include:

- New Doctrine
- Revised organizational structures – for example, the PLA began implementing a corps-brigade-battalion structure some years before the U.S. Army began to think in similar terms to enhance operations in Iraq
- Joint logistics system

Additionally, the PLA recognizes that the human capital component is essential to modern warfare. In 1999, China instituted a noncommissioned officer corps system, modeled on the U.S. military's system, itself the envy of the world's militaries.

Moreover, the PLA leadership recognized that the archaic Chinese military academy system – modeled on the old Soviet system and comprised of more than 100 academies – was outmoded and in need of dramatic reform. Quite simply, by Chinese leaders' own admission, the academies were not producing the quality of officer needed for modern warfare conditions.

- Thereafter, beginning in 1999, the PLA began both to reduce the overcapacity of the academy system, while at the same time beginning a Chinese-style Reserve Officer's Training Corps program, whereby new PLA officers could be commissioned from the best universities in China for service in the military. Extrapolating the trends from the five-fold growth in this program in the last five years, by 2010, China may commission more than 40% of its new officers from civilian universities. What is not known is whether this trend will contribute to the increasing professionalization of the PLA in ways that stabilizing, both within

China and in the region, or whether the PLA young leaders will simply become more technically proficient at performing their military responsibilities.

Thirdly, the military hardware systems being acquired by China are of concern to the U.S. and others, because the preponderance of them is either: offensive in orientation or apparently designed and intended to counter U.S. capabilities, these so-called anti-access/area denial capabilities. Many of these systems are Russian in design – this year’s DoD Report to Congress on Chinese Military Power estimates that the PRC is buying >\$3bil/year in systems from Russia. The most important of these offensive capabilities appear to be:

- Cruise missiles, air/land/sea-launched variants
- Impressive submarine building and acquisition program
- Capital ship building (more than 20 hulls laid at same time)
- Space/anti-satellite
- Russian fighters, including those with a ground attack capability
- Harpy attack drones from Israel, and
- Ballistic missiles, >700 across from Taiwan, including a component that allows for the targeting of U.S. carrier battle groups while underway.

With the possible exception of the submarine developments, the offensive focus of these systems appears to be limited to China’s close periphery, leading many to conclude that China is not pursuing a traditional power projection capability. Perhaps another way of understanding the phenomenon is to recognize that at least to date, the reach of China’s systems is less than global, but that within the “range fan” of capabilities China has, it can absolutely project military power. This year’s Report to Congress notes the fungible application of some of these systems to regional scenarios other than Taiwan, and suggests this should be of concern to those focused on regional stability. The limited reach of China’s acquisitions may be changing, and bears close scrutiny, however. There is recent word that Russia is considering the sale of strategic Tu-95 and Tu-22M3 bombers to China.

Fourth, China’s military modernization is unconstrained by considerations of alliances, coalition building, global peacekeeping, or even responsible partner roles of the sort that superpowers usually have. Consider the following:

- In 15 years, China has sent just over 3000 military personnel in support of UN PKO.
- In 2001, China preemptively ruled out any military participation in U.S.-led efforts in Operation Enduring Freedom, despite that

Afghanistan is a bordering nation and that China's leaders had asserted that China stood with the U.S. on the War on Terror.

- China does not support other non-alliance, non-UN multilateral efforts, e.g., Proliferation Security Initiative.
- Moreover, even China's strong participation in the Shanghai Cooperation Organization appears to have little impact on the trajectory and trends of PLA modernization.

So, the apparent unconstrained-by-external-obligations nature of the modernization raises concern among observers, a concern that is magnified by China's lack of transparency in many ways. This is changing in small ways. By China's own statistics, the PLA began participating in joint exercises with other countries in 2002. It is also within that timeframe that the PLA has begun permitting observation of significant domestic military exercises, the most recent of which occurred at the end of September in the semi-autonomous region of Inner Mongolia. The exercise included representatives from more than 20 nations, including the U.S., who observed a combined arms Army exercise. But the total number of both these types of activities in the last five years is still only 15, and so despite the recent apparent steps toward increased transparency, there is still a long ways to go.

Finally, a word about defense budgets. Because China's stated budget - \$30 billion dollars - does not include defense acquisitions and other significant categories, there is a cottage industry of analysts who attempt to assess the true size of the budget. This is important, I think, less because we think there are whole categories of expenditure that are being disguised - although we can't be sure - than it is another important effort at increasing the transparency that will decrease suspicions about China's intent for its modernization program. I will commend to the committee a recent Rand study, unique for its ability to contextualize China's defense spending within the other resource constraints that the Chinese leadership faces, and then make projections about the likely growth of defense spending in China in the face of pressing domestic problems, including an increasingly aging population and so forth.

In closing, it has been my pleasure to address the Committee and I look forward to your questions.