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The China Military Report and What's Left Unsaid

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The long-awaited Department of Defense (DOD) annual report on Chinese military capabilities, required under the fiscal year (FY) 2000 National Defense Authorization Act, was finally released last week. Although an August publication means it is several months late, the report makes up for its tardiness by providing China analysts with a substantial and very useful array of *official* information regarding the Chinese People's Liberation Army (PLA). It also offers an extensive discussion on China's overall security situation.

This year's report includes a survey of China's relations with its various neighbors, outstanding territorial disputes, and an examination of China's energy strategy. The report also discusses the domestic forces that are likely to focus China's leaders inward rather than outward, such as demographics and domestic political pressures.

But the most interesting thing about this year's report is what it leaves unsaid. The report is replete with information that should alarm anyone concerned about Taiwan's diplomatic space and ability to defend itself if necessary. Yet the obvious strategic conclusions to be drawn from this information are left to the reader.

Key Highlights. The main focus of the report, "Military and Security Developments Involving the People's Republic of China, 2010," remains where it has been in previous reports—on military considerations. The PLA has enjoyed double-digit annual increases in its official defense budget for two decades. Even this year's reduced increase boosted the PLA budget by nearly 8 percent. This steady growth in resources, reflecting China's burgeoning

economic power as it assumes second place in GDP, has provided the PLA with substantial improvements in capabilities.

Many of these developments are longstanding, as the PLA has had an interest in denying the U.S. the ability to operate freely in the western Pacific for at least the past decade. Thus, while there are few surprises in terms of new programs outlined, there is also little evidence that the PRC is giving up a broad-based push for securing its surrounding seas, skies, and space.

Moreover, taken together, as presented in this year's report, the available information paints a grim picture of a PLA intent upon achieving an anti-access, area-denial capacity that will ever more limit American commanders' options—a problem for U.S. operations anywhere along the Asian littoral but particularly in any scenario involving U.S. defense of Taiwan.

Some of the major PLA developments that are highlighted in this year's report include:

- *Development of anti-ship ballistic missiles (ASBM).* The Chinese effort to develop ASBMs is repeatedly mentioned within the report. If the PLA succeeds in developing such a weapon, it would significantly raise the stakes of deploying aircraft carriers within striking range of China.

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- *Improving Chinese space and cyber capabilities.* This year's DOD report makes it clear that the PLA has also been provided substantially more capabilities in the space and cyber realms, including an array of new satellites, as well as computer network attack and computer network exploitation capabilities.
- *Chinese joint operations.* This year's report includes extensive discussion of China's efforts to build synergies among forces that can fight in the air, on land, at sea, in outer space, and in cyberspace.
- *China's military industrial complex.* Further enriching discussion of the PLA, this year's report includes an examination of aspects of China's military industrial complex. This includes reference to civil-military integration, wherein the military can exploit China's "rapidly expanding civilian economy and science and technology sector, particularly elements that have access to foreign technology."¹

Yet despite reviewing all these improvements in PLA capabilities, there is minimal discussion of how they might be used.

Whither Taiwan? In particular, while this year's report is perhaps the most extensive official discussion of the PLA and China's security situation available to the public, it arguably underplays the threat posed to Taiwan.

As it pertains to Taiwan, the report's main focus is on the reform of the Taiwan military. Repeated mention is made of Taipei's intent to reduce its military force to 215,000 troops and shift away from conscription to an all-volunteer force by the end of 2014. In contrast, there is little discussion of the capabilities or shortcomings in the Taiwan military structure or its equipment. Indeed, it is striking how the 2010 report assiduously avoids making any overall assessment of how the security situation in the Taiwan Straits is developing.

Likewise, the report offers little detail regarding:

- The U.S. commitment to Taiwan;
- The link between the development of China's anti-access, area-denial capabilities—including the ASBM program—and the ability of Taiwan to actually defend itself or America's ability to aid Taiwan during a crisis; or
- The precise nature of the challenge presented by China's expanding naval capacities to the U.S. and Taiwan.

The lessons from each these issues are left to the reader—who may or may not have the background to understand its import.

U.S. Policy Options. In light of what is included in the 2010 report, how should the U.S. respond?

Sustain Current Capabilities. It would seem, in light of the Chinese challenge, that the U.S. needs to maintain the ability to project power, especially by sea, given the maritime nature of the Pacific. Yet Secretary of Defense Robert Gates seems to be consistently cold-shouldering the Navy.²

Even as the Chinese are pursuing asymmetric strategies (as detailed in the 2010 report), is Gates content with pursuing a more symmetric response—one that involves drawing down areas of U.S. advantage, as Gates has hinted?

If the PRC truly poses a potential threat to U.S. naval preeminence—and its commitment to Taiwan's security—then the U.S. cannot risk fielding an insufficient force. It may be that emerging technologies offer alternatives, such as naval unmanned aerial vehicles (UAVs). But unless and until there are mature programs, the realities of shipbuilding (i.e., several years to build a combatant) dictate maintaining the current force structure.

Support Future Development. A military that stands still, that is static, is a military that is no more than second best, especially in the face of dynamic changes engendered by technological and economic

1. Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2010* (Washington, DC: OSD, 2010), p. 43.

2. Secretary of Defense Robert Gates, speech at the Navy League Sea-Air-Space Exposition, May 3, 2010, at <http://www.defense.gov/speeches/speech.aspx?speechid=1460> (August 23, 2010).

developments. The ability of the U.S. to maintain freedom of the seas and access to the East Asian littoral—and hedge against future uncertainty—therefore requires not only maintenance of current capabilities but a robust research and development effort that will be capable of exploiting new advances.

The growing portfolio of capabilities embodied within unmanned aerial vehicles, for example, raises the appropriate question: Does future power projection necessarily require 100,000-ton aircraft carriers? How do stealthy, long-endurance, heavily armed UAVs alter the calculus of forces required for sea control and land attack?

This does not justify reducing the American aircraft carrier advantage, no matter how “overmatching” it might be (for the moment), but it does suggest a potential need for revamping not only acquisition but doctrine as well.

Uphold American Commitments. As the report makes clear, the PRC has outstanding disputes with a variety of nations, including many U.S. allies and friends. It is essential that the U.S. make it clear that America is a reliable partner. Vacillating on such issues as whether the U.S. will deploy a carrier into the Yellow Sea in the face of Chinese opposition is precisely the wrong approach.

This is of special relevance to the question of Taiwan. The silence about the cross-Straits security situation is thunderous.

In light of the expansion of Chinese military capabilities in all arenas as outlined in the report, it would therefore seem logical for the Administration, in addition to maintaining the credibility of

its own presence in the western Pacific, to be prepared to sell Taiwan the equipment it needs to defend itself—including the F-16C/Ds it has long requested and additional C4ISR-related systems, so that the Taiwan military can maintain situational awareness over the sea and skies.

Maintain Watch on PLA Capabilities and the Cross-Straits Military Balance. DOD’s annual report on the PLA is made absolutely necessary by the opacity of China’s military budgets and planning. So long as China is not forthcoming, the need for this report will not change, regardless of the vehemence of Chinese opposition to the report. But Chinese opposition and deft diplomacy could work to erode the report’s value over time. Anyone concerned with the rise of the Chinese military should keep an eye out for changes in the 1999 law authorizing the report. Subtle changes in the law could open the way for substantial changes in the contents of the report.

The More Information the Better. In the meantime, more information for the public discourse is to be lauded. A preliminary Defense Intelligence Agency assessment from earlier this year points to glaring weaknesses in Taiwan’s air defenses. A full report along the lines requested in the original Senate-passed Defense Authorization Bill and further articulated by supporters of that amendment should be completed as soon as possible and forwarded to Congress in both classified and unclassified form.³

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3. Letter from Senator Cornyn, Senator Inhofe, and Senator Lieberman to Secretary of Defense Robert Gates, January 15, 2010.