

**Testimony before the House Committee on Foreign Affairs
Subcommittee on Asia and the Pacific**
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February 26, 2015

Mr. Chairman and members of the subcommittee, thank you very much for granting me the opportunity to testify today. I am honored to take part in this session.¹

The subject of this hearing, regional opportunities and constraints, is precisely how a discussion on Asia should be framed because as regional trends and country-specific circumstances change, so too do the options available for U.S. policy.

U.S. security contributions and its shaping influence in regional affairs have prevented Asia from reviving the “might makes right” pattern of conflict and insecurity that characterized much of Asia’s pre-Cold War history. For more than a generation, the U.S. military presence in Asia, along with its network of alliances and partnerships, has helped maintain stability and a semblance of order. Asia is economically vibrant and increasingly modern because a relatively stable security climate has endured.

Yet, as ever, numerous territorial disputes, unresolved historical legacies, and competing strands of nationalism contribute to several well-known flashpoints in Asia: islands in the East China Sea between China and Japan; parts of the Yellow Sea between North and South Korea; disputed island territory between Japan and South Korea; and a lattice of overlapping South China Sea claimants, both within the Association of Southeast Asian Nations (ASEAN) and between ASEAN nations and China. It may be tempting to conclude from the absence of war in Asia for the past several decades that concerns about Asia’s many flashpoints are overblown; competent statesmen can prevent simmering tensions from boiling over into conflict. And at any rate, the massive growth of economic ties among Asian states makes violent conflict of any type wholly irrational.

But Asia’s surface-level calm and incentives for peace belie a disturbing undercurrent. The contemporary Asian security environment is undergoing several subtle but detectable shifts that not only introduce greater risks to the U.S. position in Asia, but also to the prospect of continued peace in the region. I wish to bring to your attention three such trends. First, states that challenge the status quo are increasingly doing so in ways that are deniable, by pursuing types of coercion that make attribution difficult, or that blur the distinction between aggressor and defender. Second, military buildups, weapons modernization programs, and select forms of arms racing are now

¹ Parts of this written testimony draw from Van Jackson, *Reshaping the Rebalance: How the 114th Congress Can Advance U.S. Asia Strategy* (Seattle: National Bureau of Asian Research, 2015); Van Jackson, “The Rise and Persistence of Strategic Hedging across Asia: A System-Level Analysis,” in *Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power*, edited by Ashley Tellis, Abraham Denmark, and Greg Chaffin (Seattle: National Bureau of Asian Research, 2014).

region-wide phenomena. Third, North Korea's nuclear program is not simply growing unchecked; it is on track to eventually securing an assured retaliatory nuclear strike capability.

These trends overlay Asia's existing tensions, making the region's longstanding security challenges more combustible than in the past. Given these changes, the U.S. military presence and security commitments in Asia are more important than ever. At the same time, U.S. policy in Asia cannot remain stagnant; it must adapt to, and to the extent possible capitalize on, the ways the region is changing to ensure continued stability. Keeping Asia stable amid change remains the core regional challenge for the next two years.

The Emergence of "Gray Zone" Coercion

When scholars and policymakers think of coercion between states, they typically picture militaries sending unambiguous signals of resolve, employing military force or the threat of force to achieve political aims.² In recent years, however, states seeking to forcefully pursue political goals have resorted to an approach sometimes described as "gray zone" coercion because it defies obvious classification as either a peacetime or wartime action.³

In the East and South China Seas, China has engaged in a pattern of assertiveness over territorial claims without directly employing People's Liberation Army naval forces, instead relying on non-traditional actors and non-traditional means—fishing vessels, the Coast Guard, water cannons, construction crews that build artificial islands in disputed areas, intrusive but unarmed reconnaissance drones, and "sonic devices" that induce nausea in their targets.⁴ But gray zone coercion is not unique to China. North Korea has employed this type of unconventional coercion as well, ranging from the 2010 sinking of the South Korean ship *CHEONAN*⁵—which North Korea conducted in a way that allowed it to deny responsibility—to the multiple intrusions of North Korean drones into South Korean airspace in 2013 and 2014,⁶ as well as the cyber coercion against Sony Studios by a proxy hacker group late last year.⁷ All of these events share in common the use of coercion to further a political agenda, but with either non-traditional actors (hacker groups and non-military or paramilitary entities) or non-traditional means (unlabeled drones, cyberattacks, and clandestine military attacks).

² This is the classical conception of rational coercion. See, for example, Thomas Schelling, *Arms and Influence* (New Haven: Yale University Press, 1966).

³ See, for example, Patrick Cronin, *The Challenge of Responding to Maritime Coercion* (Washington, DC: CNAS, 2014).

⁴ Amy Chang, Ben FitzGerald, and Van Jackson, *Shades of Gray: Technology, Stability, and Strategic Competition in Maritime Asia* (Washington, DC: CNAS, 2015).

⁵ "North Korean Torpedo Sank South's Navy Ship," *BBC*, May 20, 2010.

⁶ Van Jackson, "Kim Jong Un's Tin Can Air Force," *Foreign Policy*, November 1, 2014.

⁷ Mark Seal, "An Exclusive Look Inside Sony's Hacking Saga," *Vanity Fair*, March 2015, <http://www.vanityfair.com/hollywood/2015/02/sony-hacking-seth-rogen-evan-goldberg>.

The distinct danger in gray zone coercion is that it shifts the initiative to escalate a crisis—and potentially the ability to control it—from the aggressor to the defender by altogether blurring the distinction between them. This can benefit the aggressor in multiple ways.

First, it can induce decision-making paralysis that prevents the victim of coercion from retaliating. This is arguably what occurred with China’s drone intrusion into contested territory with Japan, the latter being uncertain how to interpret the drone intrusion because it was aggressive, but also unarmed. North Korea’s 2010 sinking of the *CHEONAN* had this effect as well, raising doubts within South Korea about whether North Korea even committed the attack simply because North Korea denied it. In both cases, the coercing state prevented retaliation by sewing doubts about the fact of aggression and who was responsible.

Second, aggressive states might also be motivated to undertake gray zone coercion because it allows them to fracture international consensus and claim moral high ground in the event the defender chooses to retaliate. If, for example, Southeast Asian states react to Chinese fishing vessels in the contested Spratly Islands with traditional military forces, they—not the Chinese—might be accused of escalating the conflict. If China then retaliates or escalates in kind, it can rally domestic opinion by claiming it is the victim of external aggression.

Increasingly, it appears that when Asian states choose to push back against the status quo, they resort more readily to gray zone coercion than traditional gunboat diplomacy or straightforward military attacks. Despite eschewing outright military violence initially, gray zone coercion is now occurring with greater frequency than traditional coercion and represents a manipulation of risk that makes miscalculations and inadvertent escalation more likely than in the past.

Asia’s Military Buildup

Across Asia, militaries large and small are undergoing intense modernization programs that improve the capacity of each to conduct violent military campaigns. China’s military spending and capability development are well documented,⁸ but military modernization is a region-wide trend, as evidenced by qualitative improvements in payload capacity, range, technological complexity, doctrine, and overall asymmetry relative to the militaries of potential competitors.

Taiwan is undergoing a comprehensive military modernization program ranging from upgraded point missile defense to procuring new minesweepers, attack helicopters, and naval surface vessels.⁹ Similarly, the Philippines has 24 modernization projects underway, including new multipurpose attack vessels, upgraded fighter aircraft, and improved maritime surveillance capabilities.¹⁰ The Indonesian military is allocating roughly one-third of its entire defense budget

⁸ For an official assessment of China’s military modernization, see Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2013* (Washington, DC: 2013).

⁹ “Taiwan’s Force Modernization: The American Side,” *Defense Industry Daily*, June 4, 2014.

¹⁰ Richard Jacobson, “Modernizing the Philippine Military,” *The Diplomat*, August 22, 2013.

for the fiscal period 2010-14 to wholesale modernization across all warfighting domains.¹¹ Australia and Singapore are both moving in the direction of advanced fighter aircraft procurement with their respective decisions to pursue the F-35. Vietnam has increased investments in maritime patrol craft and begun acquiring fast attack submarines from Russia.¹² Myanmar, which has focused most of its military effort internally in recent decades, is looking to produce the Sino-Pakistani JF-17, a multirole fighter aircraft that is a better fit for fighting foreign militaries than domestic rebellions.¹³ And Japan, despite being the only nation with a constitution that forswears war has increased its role in Asian security and “collective defense,” alongside maintaining its regional superiority in ballistic missile defense, upgrading its fighter aircraft to the F-35, increasing investments in antisubmarine warfare, and beginning amphibious landing exercises with the United States.¹⁴

Left unaddressed, this trend poses greater risks to regional stability over time because of other tensions and mistrust that linger in the background. The region’s militarization inherently creates a greater latent capacity for violence regardless of what the dispute may be. If this trend endures, so too does the risk of a security dilemma generating undesirable military competition. Even if an Asian state supports the status quo and is uninterested in conquering others, there is still a high prospect that seeing one’s neighbors build and field advanced militaries will generate feelings of insecurity that compel it to do the same.¹⁵ These security dilemma dynamics can increase pressure for war even if nobody seeks conflict.

North Korea’s Improving Nuclear Capabilities

For the past generation, the United States has pursued two overarching goals relating to North Korea: (1) preventing North Korea from becoming a nuclear state and (2) preventing the renewed outbreak of war on the Korean Peninsula. The United States has acutely and visibly failed at the first goal: North Korea is not only now a de facto nuclear state, but the size of its arsenal is unknown, and Pyongyang is progressing toward its own version of a secure retaliatory nuclear strike capability.¹⁶ The second goal is increasingly at risk of failure because the first goal has failed. If it does not already, North Korea may soon believe it has a free hand to engage in various forms of coercive violence and military adventurism precisely because it thinks it has a nuclear deterrent

¹¹ Tiarna Siboro, “Indonesia, U.S. Deepen Defense Ties amid Exercises and Arms Deals,” *Defense News*, September 30, 2013.

¹² Daniel Bodirsky, “Vietnam’s Naval Modernization Threatens to Destabilize Region,” *Global Risk Insights*, April 1, 2014.

¹³ Zackary Keck, “Burma to Purchase Chinese-Pakistani JF-17 Fighter Jets,” *The Diplomat*, June 25, 2014.

¹⁴ Greg Waldron, “In Focus: China Crisis Adds Urgency to Japanese Air Force Modernisation,” *Flight International*, October 8, 2012; James Hardy, “Japan’s Navy: Sailing Towards the Future,” *The Diplomat*, January 21, 2013.

¹⁵ Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976).

¹⁶ In the nuclear deterrence literature, a secure retaliatory strike capability implies that a nuclear power could not be fully disarmed by a first strike, which enhances the deterrent effect of a nuclear arsenal because a first strike would invite nuclear retaliation. When two nuclear powers each have such a capability, the condition of mutually assured destruction is thought to obtain, rendering the prospect of nuclear war—in theory—extremely low.

against major war.¹⁷ In 2010, North Korea aimed these acts of coercive violence directly at South Korea, triggering multiple military crises in which U.S. and South Korean preferences for retaliation and conflict escalation vastly diverged.¹⁸ For decades, U.S. policymakers have grudgingly accepted small-scale North Korean violence as an alternative preferable to risking a larger conflagration.¹⁹ But as North Korea moves closer to a retaliatory nuclear strike capability, it also moves closer to being able to set the terms of conflict with South Korea. If South Korea deems the prospect of continuous small wars or repeated acts of coercion unacceptable—as it did in 2010—the United States will lose the ability to prevent war on the Korean Peninsula.

North Korea's cyber capability has received much attention after the country proved in 2014 that it could attack U.S.-based corporations, but this capability is only lethal in conjunction with other weapons systems. More disconcerting is North Korea's drone fleet, which has demonstrated the ability to repeatedly penetrate South Korean airspace undetected and, with modest payload improvements, could be configured as weapons delivery systems.²⁰ Still more dangerous are developments in North Korea's ballistic missile program. It has been reported that North Korea's short-range Rodong ballistic missiles, once thought primarily useful for striking bases in Japan because of their range, have now been tested at new launch angles that allow it to fire against South Korean targets as well.²¹

North Korea is also working to field the KN-08, a mobile ballistic missile capability, which produces a unique problem for the United States: if North Korean missile launchers can fire, move, and then quickly fire again from a different location, it stands to reason that U.S. intelligence assets may find it difficult to physically locate and target the missiles, leaving U.S. bases—and potentially U.S. territory—vulnerable.²² In addition to North Korea's fixed missile sites, drone fleet, and road-mobile ballistic missile capability, there are some indications that the country may also be developing long-range sea-launched ballistic missiles.²³

For more than two decades, the major debate in Korea policy circles was whether or not to engage with Pyongyang. That question, however, is becoming irrelevant; engagement can be useful for many reasons, but few credible experts believe it will disarm North Korea. Instead, the core question the United States and South Korea must eventually face is: Can we live with a North Korea that possesses a survivable nuclear force? If we cannot, what are we willing to do to prevent it? If we can, how will we mitigate the associated political and security risks?

¹⁷ Wyatt Olson, "U.S. 'Strategic Patience' Policy toward North Korea Not Working, Analyst Says," *Stars and Stripes*, November 10, 2014.

¹⁸ See, for example, Robert Gates, *Duty* (New York: Knopf, 2014).

¹⁹ Brad Glosserman and David Santoro, "The 'Lynchpin' Grapples with Frustration and Distrust: The Fourth U.S.-ROK Strategic Dialogue," Pacific Forum CSIS, Issues & Insights, February 2012.

²⁰ Jackson, "Kim Jong Un's Tin Can Air Force."

²¹ "NK's March Missile Test Aimed at Evading Interceptor Systems: Sources," *Yonhap*, June 19, 2014.

²² John Barry, "The Defense Secretary's Exit Interview," *Daily Beast*, June 21, 2011.

²³ Julian Ryall, "North Korea Launches Soviet-Era Style Ballistic Missile Submarine," *Telegraph*, November 3, 2014.

What the United States Can Do

The United States is not, and must not be, a passive actor in Asia's changing security landscape. Each of the trends described above can be shaped, arrested, or otherwise leveraged in a way that keeps Asia stable and leaves future policymakers with better options than we face today.

The next phase in U.S. Asia strategy must nudge the region toward transparency in terms of operations, capabilities, and, to the extent possible, intentions as well. Gray zone coercion loses much of its efficacy in an environment rendered transparent. If a would-be aggressor knows it will be seen as such by its neighbors, that transparency may have the effect of deterring gray zone coercion. Even if not, the ability for Asian states to see aggression for what it is has the potential to galvanize cooperation to isolate an aggressor. Although it would involve many obstacles and could not be a panacea, two major initiatives can help move the region in the direction of greater transparency: the proliferation of operational level military engagement and cooperative maritime domain awareness.

Reciprocal engagement with militaries throughout the region—including China's and North Korea's military—may have the possible indirect benefit of socializing U.S. values and building U.S. ties to influential figures in foreign governments. More concretely, in many foreign governments, such as North Korea, military organizations hold disproportionate sway relative to other bureaucratic and political actors. Engaging them reduces the potential for communication distortions that may result from dealing with unreliable or parochial and self-interested interlocutors simply because of mirror imaging the U.S. system. The power of foreign ministries around the world—which traditionally manage engagement processes—varies greatly depending on the government. It makes little sense in today's increasingly interconnected world that embassies and foreign ministries serve as the only ties connecting governments. Military engagement can also communicate deterrence without ever having to make a threat. The U.S. military is impressive, and the ability for other militaries to see that up close can induce caution. Finally, and especially at the operational level, military engagement can help prevent the U.S. military from forming inaccurate biases about potential competitors' capabilities and intentions by directly exposing it to other militaries' operations and equipment. For military engagement to be an effective tool of statecraft, however, it must be more than symbolic, and there must be a degree of reciprocity.

The second initiative that can advance transparency in the region is the formation of a multilateral information-sharing regime often referred to as a Common Operating Picture (COP). At the risk of overstating its potential, a COP may be seen as a technological approach to ameliorating a political and security problem. At CNAS, we are researching the political, operational, and technical requirements that would allow participating nations to have greater awareness of what goes on in international waters, especially in high friction areas. Information-sharing regimes intended to increase operational transparency exist as a patchwork at the bilateral and trilateral level in Asia, and we believe that greater situational awareness—ideally in real-time—would benefit the region as a whole and increase the political costs of gray zone coercion or other forms of military adventurism. Furthermore, if everyone in Asia had a common picture of which actors were doing what and where, inadvertent friction could be better managed or avoided altogether.

To address Asia's military modernization, the optimal U.S. approach is not to try and disrupt the trend, but to steer it in a defensive direction. Doing that requires a U.S. strategy for how to leverage its security cooperation resources in a coherent and orchestrated way. If U.S. allies and partners are going to modernize their militaries no matter what, it makes sense to offer them modern equipment and training that favor defensive—rather than offensive—uses. For example, improved surveillance and reconnaissance equipment, coastal defense capabilities, land-based anti-ship cruise missiles, helicopters, ballistic missile defense systems, and undersea mines all represent examples of capabilities that can modernize a military in a way that improves territorial defenses and could even improve technical cooperation among Asian militaries without necessarily provoking the ire of militaries around the region.

Finally, to manage the North Korean nuclear threat, we must embrace the possibility of limited war and plan accordingly. The United States cannot reasonably be expected to capitulate to North Korean demands and simply recognize it as a nuclear power, nor should it launch a preventive war to disable North Korea's nuclear capability—at this point in time. The history of the modern Korean Peninsula suggests that some version of the status quo ante will continue to prevail; North Korea will likely continue to move toward securing an assured second-strike nuclear capability. While we should continue to encourage reconciliation between North and South Korea, and continue to engage North Korea ourselves to the extent possible, we must recognize that as long as our relationship with North Korea remains hostile, we have a responsibility to guard against the prospect of North Korean limited military campaigns. Some of North Korea's recent rhetoric suggests that possibility, as does the logic of a nuclear North Korea that believes it has secured a nuclear deterrent.

Thank you for this opportunity to appear before you. I look forward to answering your questions.