

March 13, 2014

**Testimony before the U.S.-China Economic and Security Review Commission
“China and the Evolving Security Dynamics in East Asia: Security Dynamics in Southeast Asia and Oceania and Implications for the United States”**

Oral Testimony of Dr. Ely Ratner

*Senior Fellow and Deputy Director of the Asia-Pacific Security Program,
Center for a New American Security*

Commissioner Brookes, Commissioner Fiedler and other distinguished members of the Commission, thank you for inviting me here today to discuss the rise of China, security dynamics in Southeast Asia and implications for the United States.

These are critical issues given that deepening U.S. engagement in Southeast Asia is a key element of the Obama administration’s broader policy of rebalancing to Asia, and because China’s growing economic and military influence is arguably the most important factor shaping the regional security environment.

Sustained economic growth in Southeast Asia has brought with it significantly larger defense budgets. Although internal security remains a priority in the face of terrorism and other nontraditional security threats, military modernization in the region has an increasingly external orientation. Maritime security has received particular attention as littoral states are seeking to defend against potential challenges to their claims on natural resources and disputed territories, as well as to freedom of navigation and the free flow of commerce. The result has been an emphasis on developing or procuring capabilities for limited force projection, enhanced intelligence, surveillance and reconnaissance (ISR), and counter-intervention (including submarines and anti-ship missiles).

China is not the only reason for this growth in military spending—local threats, domestic politics and regional rivalry are also at play—but there is no doubt that expanding PLA capability is shaping regional behavior. No country can compete with China in terms of quantity or, increasingly, in terms of quality. But even if regional militaries remain considerably outmatched by China’s military, they can still enhance their security through better maritime domain awareness and by developing capabilities to deter Chinese assertiveness and intervention.

When it comes to questions of security, Southeast Asia itself possesses three dominant characteristics: diversity, dynamism and uncertainty.

The region is diverse insofar as states are at disparate levels of economic development and military modernization. They also possess differing threat perceptions and external security relationships. Southeast Asia is dynamic insofar as it has a number of vibrant and emerging economies, ongoing political turmoil and transitions, and a rapidly-evolving regional security architecture. Finally, it is a region defined by major uncertainties principally associated with the rise of China and the future role of the United States.

The U.S. approach to the region must therefore be designed to navigate these complexities. This requires being attuned to the sensitivities and constraints that shape regional responses to China's rise, and, as a corollary, the willingness and ability of countries to partner with the United States and to support multilateral initiatives.

Simply put, governments in the region do not want to have to choose between the United States and China. Instead, Southeast Asian countries are by and large pursuing a portfolio approach to enhance their security and hedge against prevailing uncertainties. This includes at once seeking stronger security ties with Washington, deepening relations with Beijing, building up their own independent military capabilities, developing security partnerships with other Asian countries, and looking to regional institutions and international law to manage disputes and temper great power competition.

Effective U.S. policy toward Southeast Asia will therefore have to account for the rise of China, including the opportunities, insecurities and interdependencies it creates for states throughout the region. This puts a premium on sustaining U.S. military power backed by a robust forward presence, but also on pursuing a multifaceted policy that includes economic statecraft, building partner capacity, and greater attention to constructing a rules-based regional security order undergirded by norms and institutions.

With the balance of my time, let me highlight three of the eight recommendations I put forward in my written testimony. These are all areas where the United States can act immediately and where Congress can play a central role.

First, Congress should reinstate Trade Promotion Authority in support of the Trans-Pacific Partnership (TPP).

Although it may seem counterintuitive to begin a list of national security priorities with a multilateral trade deal, the successful completion of the Trans-Pacific Partnership (TPP) – both among the negotiators and on Capitol Hill – is now the single most important policy issue currently affecting U.S. power and leadership in Southeast Asia. Economics and security are inextricably linked in the region and the United States cannot cement a long-term role in Southeast Asia through military muscle alone. TPP is a strategic-level issue and must be treated as such by the U.S. Congress.

Second, in the context of continued engagement with Beijing, the United States needs a more coherent and pro-active strategy to deter Chinese assertiveness in the South China Sea.

Over the past several years, China has engaged in economic, diplomatic and military coercion to revise the administrative status quo in East Asia. These are deeply destabilizing actions that, if permitted to continue, will increase the likelihood of serious conflict down the road. Given this pattern of behavior against the Philippines, Vietnam and more recently Malaysia, the Administration should lead an interagency effort to develop a comprehensive response that includes actions to impose costs on China if it continues engaging in acts of revisionism.

As part of this effort, the United States should build an international consensus on the legitimacy of international arbitration for maritime and sovereignty disputes in the South China Sea, and be

unequivocal in rhetoric and action that it does not accept China's illegal seizure and occupation of Scarborough Reef.

The goal here is not to contain China, but rather to ensure that political disputes in Southeast Asia are managed through peaceful diplomatic means, rather than coercion and the use of force.

Third, despite the U.S. declaratory policy of rebalancing to Asia, there continue to be lingering concerns in the region about the long-term commitment of the United States.

An intensification of these perceptions will undermine U.S. interests by causing allies and partners to question the utility of working more closely with the United States, while also diminishing U.S. influence in regional institutions and potentially encouraging countries to engage in acts of aggression or provocation that they otherwise would not.

The U.S. government should therefore make a concerted effort to counter the misperception that the U.S. rebalancing to Asia is wavering or hollow. This can begin with statements by President Obama about the importance of the Asia-Pacific region and a clearer articulation from the Administration about the intent, achievements and future of the rebalancing strategy. The Administration and Congress can also more clearly articulate how defense cuts will and will not affect U.S. military posture and presence in Asia, which is particularly important in the wake of the recently released Quadrennial Defense Review.

Deepening U.S. engagement in Southeast Asia should remain a U.S. priority in the years and decades to come. Doing so effectively will require navigating diversity, dynamism and uncertainty in the regional security environment, all of which are being amplified by the rise of China. The foundation of U.S. defense policy will remain a strong U.S. military presence that is supported by treaty alliances and security partnerships, but this will have to be complemented by a multi-faceted strategy that includes economic engagement and greater attention to building a rules-based regional security order.



Biography

Dr. Ely Ratner
**Senior Fellow and Deputy Director of the Asia-Pacific
Security Program, Center for a New American Security**

Dr. Ratner is a Senior Fellow and Deputy Director of the Asia-Pacific Security Program at the Center for a New American Security (CNAS). His current research and writings focus on the U.S. rebalancing to Asia, the future of China's national security strategy, and maritime disputes in the Asia Pacific. Prior to joining CNAS, he served on the China Desk at the State Department as the lead political officer covering China's external relations in Asia. He has also worked as a Professional Staff Member on the U.S. Senate Foreign Relations Committee and an Associate Political Scientist at the RAND Corporation, where he conducted research on Chinese foreign policy, the People's Liberation Army (PLA), and U.S. military alliances with Japan and South Korea.

Dr. Ratner's commentary and research have appeared in *Foreign Affairs*, *Foreign Policy*, *The Washington Post*, *The New York Times*, *The Wall Street Journal*, *The Washington Quarterly*, *The National Interest*, *Journal of Conflict Resolution*, *International Studies Quarterly* and *Chinese Journal of International Politics*, among others.

He received his Ph.D. in Political Science at the University of California, Berkeley and his B.A. from the Woodrow Wilson School of Public and International Affairs at Princeton University, where he graduated Magna Cum Laude and Phi Beta Kappa.