Crisis in the Western Pacific/East Asia Region

Scenario

Background
It is April 2017. The Middle East remains in turmoil with further ISIS expansion and Iranian-backed destabilization efforts in and beyond the region. Russia continues to pose mounting threats in the Baltic and in Ukraine. However, by early 2017 the focus of international attention is the Asia-Pacific area. Here we have a series of flashpoints that includes the South China Sea, the cross straits relationship between China and Taiwan, the Diaoyu-Senkaku Islands, and the Korean Peninsula. At the center of this crisis setting are the People’s Republic of China (PRC) and the Democratic People’s Republic of Korea (DPRK), otherwise known as North Korea.

By 2017 China has maintained an impressive military build-up that includes regional power projection forces as well as a nuclear weapons capability. A second conventional aircraft carrier is nearing completion. China’s strategic-nuclear force consists of submarine-launched ballistic missiles as well as land-based Intercontinental Ballistic Missiles (ICBMs), including a new generation of mobile missiles with Multiple Independently Reentry Vehicles (MIRVs) and penetration aids. Among the newest Chinese missiles is the DF-21D, widely believed to place at risk the carrier-based power projection capability on which the United States has relied to assure its dominance in the Western Pacific. China is restructuring its ground forces to provide more rapid, flexible special operations as well as army modernization to increase mechanized and more mobile units, precision-guided munitions, improved C2 capabilities, air defense, ground-air coordination, counter stealth and advanced electronic warfare. China also continues to develop space and counterspace capabilities including space-based intelligence, reconnaissance, meteorological and communications satellites. The PLA Air Force is the largest in Asia and the third largest in the world. It is in the midst of an unprecedented expansion across a broad spectrum of capabilities. Taken together, China’s military poses a growing and formidable challenge to the United States and its regional allies and coalition partners in the crucially important area denial/anti-access dimension of power projection.
Integral to the Asia Pacific crisis landscape of 2017 is cyberspace and its central role in China’s anti-access/area denial strategy designed to deter and counter U.S. and other adversary operations in the Western Pacific. North Korea also has a formidable cyber war capability, as demonstrated in the SONY hacking incident in November 2014. In the years leading up to 2017 China has placed high priority on informationized warfare as a means to reduce or eliminate existing U.S. technological advantages. This includes data collection for defensive and offensive cyber operations and efforts to constrain U.S. operations by targeting network-based logistics, command, control, communications, and other capabilities essential to U.S. power projection, deterrence, and escalation in a crisis.

Alongside its impressive military capabilities there is another troubling dimension of the 2017 East Asia geostrategic landscape. Although China has begun to reverse the adverse economic trends of recent years, there are several signs of domestic political instability. The anti-corruption campaign mounted with increasing intensity in recent years by President Xi Jinping has not restored confidence in the Communist party and its leadership. China’s leadership remains fearful of future socioeconomic turmoil. A net assessment of China’s economy yields conflicting trends. By 2017 China as a voracious consumer of oil, natural gas, metals, and minerals has benefited from lower commodity prices. However, China also faces countervailing problems arising from an aging population that is the long-term result of its one-child policy, together with declining rates of GDP growth with conflicting international estimates of the actual growth rate as well as structural problems in its economy resulting from sclerotic state-owned enterprises and continuing corruption.

Specifically, China’s structural economic problems include the need to develop a rule of law based on a transparent legal system in order to improve the enforcement of contracts and reduce financial fraud. The thousands of state-owned enterprises retard innovation and growth. Against such companies, private sector firms face legal discrimination and restrictions on market access – to mention only the most obvious obstacles that China’s communist leadership has not (or cannot) remove. They weigh heavily on the country’s economic future.
Apparently uncertain about China’s longer-term prospects, the leadership concludes that now is the best time for a more active assertion of China’s international strategic goals. In fact, the window of opportunity perceived to exist may close over the next several years with the belief that time may not be on China’s side to realize its international ambition. This sentiment, of course, suddenly runs counter to other Chinese estimates over the years that China, planning for the long term, could await events in its favor. The immediate effect is to increase the short-term assessment of the leadership that now is the moment for intensified international action. With the removal of opponents, including tens of thousands from the party and the jailing of some of China’s wealthiest and most influential individuals, the regime concludes that now is the optimal time to step up its international efforts on behalf of national interests and goals, especially in the South China Sea, the Taiwan Strait, and the Daioyu-Senkaku disputes. An added incentive is the fact that in the spring of 2017 a new Administration has just come into office in Washington, D.C. This new Administration, of course, is untested by international crisis. However, it is committed to a major U.S. military build-up designed to reverse the downward trends of the Obama years in which the so called “rebalance” or “pivot” to Asia is now viewed as more rhetoric than substance. This adds to China’s conclusion that the time is now propitious for Beijing to press forward with its expansionist Pacific strategy before the United States can fully and effectively react. Furthermore, the fact that Syria repeatedly crossed “red lines” established by the Obama Administration, together with the 2015 nuclear agreement with Iran, has also given new confidence to North Korea that Pyongyang can pursue bolder initiatives on the Korean Peninsula with little fear of a U.S. military response.

The unfolding Asia-Pacific security setting is further complicated by the Korean Peninsula. In retrospect, the mini-crisis that erupted in the summer of 2015 between North and South Korea in the Demilitarized Zone (DMZ) was a prelude for subsequent escalating tensions. At that time South Korea had broadcast provocative statements across the DMZ into the North, whose response was to launch artillery barrages into the South. Although this conflict was defused by diplomatic exchanges, there has been a series of hostile exchanges in the years leading up to 2017. According to intelligence reports, the North Korean leadership views early 2017 as an especially advantageous time to launch its own offensive against South Korea for several reasons. Most importantly, Pyongyang believes that China’s growing military challenge to
waning U.S. power-projection capabilities in the Western Pacific offers a unique window of opportunity to move against South Korea. Both Beijing and Pyongyang, it is believed, share an interest in pushing the United States out of the Western Pacific. While China has sought stability in the Korean Peninsula, Beijing has not prevented its client state North Korea from obtaining nuclear weapons. Pyongyang views its possession of nuclear weapons as providing a strategic advantage that can be effectively exploited in the unfolding security setting of 2017. The North Korean economy has gone from a condition of bad to worse in 2016-2017, including widespread food shortages leading the regime to decide that a more aggressive national security strategy will yield U.S. concessions including massive food aid. This is a gambit that has served Pyongyang well in the past. It may represent once again a short-term solution to North Korea’s intractable structural economic problems.

The crisis that breaks out in April 2017 poses several interrelated challenges for the United States and its allies. North Korea feels emboldened to strike against South Korea in a setting in which China is stepping up pressure against its neighbors. By early 2017 China has built a total of five artificial islands with airstrips and other efforts to back Beijing’s claim to “indisputable sovereignty” over the South China Sea. China views this maritime region, comparable in size to the Caribbean and somewhat larger than the Mediterranean, as a vitally important “strategic hinterland” stretching from the Southeast Asia coast to the Philippines and Indonesia. China has asserted numerous claims to the South China Sea over the centuries. Control of the South China Sea would allow China to dominate the sea lines of communication (SLOCs) linking the Persian Gulf and Indian Ocean to the East China Sea and Western Pacific. This would include maritime traffic to and from Taiwan, Japan, and South Korea. Furthermore, the South China Sea contains important untapped oil and natural gas reserves that could reduce China’s dependence on other energy imports. Last but not least, control of the South China Sea would allow China to break through the first island chain into the western Pacific, thus achieving a major strategic goal. It would also place pressure on Taiwan, whose strategic importance to China in this strategy cannot be overstated.

In early 2017 the growing Chinese presence in the South China Sea has further raised alarm bells in East Asian capitals, especially in Hanoi, Manila, Taipei, Seoul, and Tokyo, about Beijing’s
ultimate intentions. Such speculation is reinforced by other developments as well. In recent years there has been a dramatic increase in China’s deployment of ships and aircraft near Taiwan. China views Taiwan as a vitally important strategic point in a strategy to break through the first island chain into the Pacific Ocean. Control of Taiwan would have both defensive and offensive implications. Without Taiwan, China remains trapped inside the first island barrier. With Taiwan, over which China claims sovereignty, Beijing extends its power into the Pacific. Therefore, China has an important interest in which control of the South China Sea is vital to the control of Taiwan. By the same token, control of Taiwan enhances Beijing’s ability to dominate the South China Sea.

In Japan there are fears that China’s growing military capabilities, together with a declining U.S. forward presence, pose a threat that can only increase in the years ahead. Whatever the economic problems experienced by China in recent years, Japan’s economy remains more or less stationary, with anemic growth rates and demographic trends leading to a forecast that an aging population will lead to a decline from 128 million to less than 50 million over the next fifty years. Japan’s defense spending is also outpaced by China with important implications including an eroding Japanese qualitative advantage. In this setting Japan has taken important steps to strengthen its alliance with the United States in an effort to compensate for disparities favoring China and in order to reverse declining U.S. military capabilities in the Pacific. There is also increasing discussion in Japan of nuclear weapons as an option to compensate for a deteriorating conventional military balance with China. Japan has a highly sophisticated scientific/industrial infrastructure that provides easy and quick progression across the nuclear threshold should such a decision be taken. In fact, there is mounting evidence that Japan has chosen a hedging strategy: drawing closer to the United States in its security relationship while also moving toward nuclear status without actually deploying such weapons, at least yet. The United States has sought to reassure Japan of its commitment by reaffirming that the Article 5 U.S.-Japan Security Treaty guarantee covers all Japanese territory, including specifically the Senkaku Islands. Nevertheless, Japan faces intensified Chinese pressure in and around the Daiyu-Senkaku with a dramatic increase in Chinese air and naval activity, including several armed standoffs in the early months of 2017 and the expansion of the air identification zone announced in 2014 by China.
On the Korean Peninsula, relations between North and South Korea have also deteriorated in recent years. The August 2015 mini-crisis was followed by renewed shelling of Yeonpyeong Island by North Korea in March 2016, together with the sinking of a South Korean patrol boat in international waters in the Yellow Sea in November 2016. Furthermore, in January 2017 North Korea fired artillery shells again across the DMZ into South Korea inflicting minor civilian casualties and falling far short of Seoul. With such actions, however, Pyongyang has signaled that North Korea has the capability to launch longer-range artillery that could reach Seoul. By 2017 North Korea is widely believed to have made major advances in ballistic missile delivery systems, leading many in the United States and elsewhere to conclude that this additional risk must be taken more seriously into account in determining whether and how to intervene in or escalate during a crisis with Pyongyang. On several occasions North Korea has boasted that much of the continental United States now falls within the range of its ICBMs. In addition to the possibility of a ballistic missile launched with a nuclear warhead, there are concerns that North Korea has the means to launch a satellite with a nuclear warhead over a south polar trajectory that could circumvent U.S. ground-based missile defenses. The detonation of such a warhead at an altitude of about 300 km could have devastating electromagnetic pulse (EMP) effects disabling or destroying U.S. electronic infrastructure. This is the Asia-Pacific setting in which the multidimensional crisis extending from the Korean Peninsula to the South China Sea erupts in April 2017.