Statement before the House Foreign Affairs Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation

“Implications of the Ukraine Crisis for U.S. Policy in the Indo Pacific.”

A Testimony by:

Dr. Charles Edel
Australia Chair and Senior Adviser, CSIS

May 19, 2022
2172 Rayburn House Office Building
Chairman Bera, Ranking Member Chabot, and distinguished Members of the Subcommittee, thank you for the opportunity to testify on this important topic.

I am honored to have this opportunity to discuss the implications of the Ukraine crisis for U.S. policy, and particularly for the Indo-Pacific region. I commend the Subcommittee for convening this timely and important hearing, because while we are currently focusing on how the United States can build a coalition to push back against Russia, Beijing, among others, is watching and measuring the Western response to Putin’s aggression.¹

Over the last several years, and especially during this crisis, Moscow and Beijing have been learning from each other—both in terms of what they think works, and also what they think they can get away with. Their goal has been, and continues to be, to show the United States and its allies that Western responses to their actions are insufficient, unpalatable, and unsustainable.

While it is too early to render judgment on Western responses to Russia’s destabilizing actions, it is not too early to think about which responses offer the United States and its partners a template to build upon for assembling coalitions, developing consequences that bite, and deterring further acts of intimidation, coercion, and force.

This thinking needs to begin immediately. Putin, after all, is hardly the only authoritarian leader who has sought to undercut democratic values, intimidate neighbors, and undermine the rules-based order. Even though Xi Jinping’s increasingly repressive and assertive China is not Putin’s Russia and cannot be addressed in the same way, those who are determined to avoid succumbing to a Russian or Chinese sphere of influence, and are seeking partners-in-arms, will need to act now if they are to have a chance of succeeding.

The Biden administration starts from a strong position, having commenced a range of useful policy initiatives, demonstrated that it can remain focused on the Indo-Pacific as it confronts the greatest upheaval in Europe since World War II, and having reinvigorated critical alliances and deepened its commitment to building a “latticework of alliances and partnerships.”² Now the United States must go beyond those efforts—both on our own, and in concert with our closest allies and partners, to prevent a similar situation from occurring in the Indo-Pacific region in the future.

My testimony today will provide an overview of the responses in the Indo-Pacific region to Russia’s invasion of Ukraine, and then discuss how the United States and its allies can learn from the global response to Russian aggression to build the framework and capabilities that will be needed in the future to combat authoritarian threats in the Indo-Pacific.

Indo-Pacific Responses to Date:

The response in the Indo-Pacific region to Russia’s unprovoked invasion of Ukraine has been varied. While the European response has seen drastic policy changes and the immediate strengthening of

European unity, ASEAN has issued only lukewarm statements condemning Russia’s invasion, and individual Indo-Pacific countries have each charted their own course in terms of their responses. On one side of the spectrum have been countries like Myanmar, which issued statements in support of Russia’s invasion, and Vietnam and Laos, who abstained on the UN votes condemning Russia. On the other side is Singapore, which has been the most outspoken Southeast Asian nation on Russia’s aggression, issuing a robust statement condemning the invasion and imposing unilateral sanctions on Russia targeting banking and financial measures, as well as export controls on items that could be used as weapons. Reflecting the geopolitical complexities that drive the foreign policies of countries in the region, a US-ASEAN joint statement following the Special Summit last week notably did not condemn Russia in its language on Ukraine, instead calling for a peaceful resolution to the conflict that respects “sovereignty, political independence, and territorial integrity.”

While South Korea has imposed sanctions on Russian banks and implemented export controls, it continues to be less outspoken against Russia’s invasion of Ukraine relative to other U.S. allies in Asia. South Korea is sending non-lethal military and humanitarian aid to Ukraine and has pledged to supply excess LNG to Europe beginning this summer, but maintains that there is a “limit” on lethal military support. Seoul has suspended financial transactions with seven major Russian banks but has also sought exemptions on certain technologies to minimize the impact on local firms such as Samsung.

New Zealand has ramped up its response as the crisis has continued, most notably by unanimously passing legislation giving the government the ability to impose unilateral sanctions that can target specific individual actors and entities. This is a first for New Zealand, which had previously only been able to impose sanctions agreed upon by the UN Security Council. Under its new sanctions legislation, New Zealand announced that a total of 400 political and military targets would be added to the travel ban list. Multiple individuals and entities were also added to a sanctions list, which includes restrictions on maritime vessels and aircraft as well as asset freezes. Additionally, the New Zealand Defense Force announced that it would provide Ukraine with body armor, helmets and vests, and the government will offer nearly $NZ11 million to contribute to weapons and ammunition procurement by the United Kingdom and commercial satellite access for the Ukrainian Defense Intelligence, increasing New Zealand’s total assistance for Ukraine to NZ$30 million.

In Taiwan, President Tsai Ing-Wen said that the invasion offered a “lesson” for Taiwan and pledged to protect the self-rulled island. Taiwan has sent humanitarian aid to Ukraine and declared that it would work in “lock-step” with democratic partners on sanctions. President Tsai condemned the violation of Ukraine’s sovereignty while highlighting the differences in Taiwan’s strategic importance to the international community due to manufacturing and supply chains. Taiwan has imposed sanctions on Russia, moved to block some Russian banks from the SWIFT international payments systems, and has implemented export controls targeting products that can be used for Russian weapons, lasers, and

---

4 Of note, South Korea has also reportedly acquiesced to an American/European request to supply excess LNG to Europe beginning this summer, per Yonhap: https://en.yonhapnews.co.kr/view/AEN20220428003900320.
5 New Zealand implemented a second round of sanctions on April 4 that targeted an additional 36 individuals connected to Putin in addition to the 364 political and military targets sanctioned in the initial legislation, bringing the total to 400. https://www.beehive.govt.nz/release/new-round-sanctions-announced-targeting-russian-oligarchs.
navigation systems, including semiconductor exports from the Taiwan Semiconductor Manufacturing Company (TSMC).\(^7\)

Australia has been outspoken in its condemnation of Russia’s invasion as well as the support China continues to offer Russia. As the conflict has intensified, Canberra pledged to work with NATO and other partners to provide both lethal and non-lethal military equipment, medical supplies, and financial assistance to Ukraine. The Australians have committed substantial resources to the fight, providing over A$ 225 million in lethal military aid to support the defense of Ukraine, which includes missiles, howitzers, armored infantry mobility vehicles, and other weapons.\(^8\) Australia also joined Western initiatives, including sanctioning the Russian Central Bank, restricting “golden passports” for wealthy Russians, and working to remove selected Russian banks from SWIFT.

In Tokyo, Japan coordinated with the U.S. and the G-7 to impose sanctions on Russian financial institutions, individual Russians connected to the invasion efforts, and semiconductor exports. Prime Minister Kishida condemned Russia’s invasion of Ukraine and declared that “Ukraine may be tomorrow’s East Asia...Russia’s aggression is not an issue only for Europe. The international order encompassing the Indo-Pacific is at stake.”\(^9\) In addition, Japan has provided Ukraine with drones, bulletproof vests, helmets, and other defensive supplies alongside a USD $300 million financial and humanitarian aid package.\(^10\) Japan is also coordinating closely with the G-7 to revoke Russia’s “most favored status” at the WTO and cut off Russian access to both SWIFT and international financing through the IMF and World Bank.

Finally, the United States, in concert with Japan, Australia, and India, held a hastily arranged Quad meeting in early March on the situation in Ukraine, pledged to stay in contact on the situation in Europe, set up a humanitarian assistance and disaster relief working group to deal with future crises as they might arise, and declared their intent to work together to counter territorial aggression in the Indo-Pacific. Notably India, for a variety of historic, bureaucratic, and military-supply reasons, refrained from taking punitive actions against Russia, and called for all sides to halt the violence and return to diplomatic talks.

In terms of imposing sanctions, the responses by allied governments in 2022 were significantly stronger than they were in 2014 when Russia invaded Crimea. While South Korea did not apply sanctions on Russia in 2014, it is now doing so, even if the breadth and scale are lower than others in the region. Japan imposed sanctions in 2014, but in 2022 significantly broadened the targets of those sanctions and increased their severity. New Zealand only used symbolic sanctions in 2014 against a few individuals it deemed responsible for the annexation. In 2022, New Zealand swiftly passed legislation that enabled tougher targeted sanctions on Russian oligarchs. And while Australia implemented sanctions against Russian individuals responsible for the annexation, as well as some


\(^8\) “AUSTRALIA TO GIFT 20 BUSHMASTERS TO GOVERNMENT OF UKRAINE,” Prime Minister of Australia, Press release, April 8, 2022, [https://www.pm.gov.au/media/australia-gift-20-bushmasters-government-ukraine](https://www.pm.gov.au/media/australia-gift-20-bushmasters-government-ukraine); Bruce Edwards, “More firepower to Ukraine! Australia will provide six M777 155mm lightweight towed howitzers & ammunition to further support Ukraine’s defence against Russia's illegal, unjust war. Total military assistance (so far) now over $225 million. We #StandWithUkraine.” Tweet, April 27, 2022, [https://twitter.com/AUinUA/status/1519225760577429505](https://twitter.com/AUinUA/status/1519225760577429505).


trade sanctions against the newly Russian occupied Crimea, it significantly increased its actions in the wake of Putin’s invasion of Ukraine in February 2022. These actions underscore how multiple governments are looking to broaden the range of economic tools at their disposal.

Most notably, Russia’s invasion of Ukraine is forcing countries in the Indo-Pacific region not only to consider their responses to this crisis and their willingness to participate in the global coalition putting pressure on Russia, but also to begin thinking much more seriously about what they will do when the threat is closer to their own shores. While a Chinese invasion of Taiwan is the most obvious potential near-term flashpoint in the Indo-Pacific, there are an array of other events that could occur in the region which would necessitate coordinated responses for any chance of successful pushback.

**Flashpoints in the Indo-Pacific Region:**

Beijing has been increasingly conducting aggressive and destabilizing activities against the territorial integrity and sovereign independence of the Philippines, India, Japan, Australia, and Taiwan over the past decade. In addition to these threats, the region could see conflict due to China’s actions in the South China Sea, East China Sea, the Indian-Chinese border, or through economic pressure inflicted by Beijing. And finally, there is the ever-present threat of North Korea’s nuclear program to the Indo-Pacific region and beyond.

In the South China Sea and the East China Sea, Beijing has intensified its use of “gray zone” tactics that seek to gradually advance Chinese interests using ambiguity and maneuvers that are tailored to not provoke a military retaliation. These activities also serve as “probing behavior,” testing how far China can go before encountering resistance. In recent years, Beijing has used this approach to increase pressure on Japan in the East China Sea and advance Beijing’s territorial claims in the South China Sea against the Philippines, Vietnam, Malaysia, and Indonesia. As often as not, such activities are undertaken by paramilitary forces.

China has attempted to encroach upon territory disputed with Bhutan, resulting in a stand-off with India in 2017. In 2020, China also undertook its largest peacetime mobilization in four decades against India, resulting in clashes that year in which 20 Indian soldiers and at least four Chinese soldiers were killed. This military stand-off between China and India continues to this day, and the People’s Liberation Army (PLA) has continued reinforcing and upgrading its military infrastructure in Tibet and Xinjiang.

Meanwhile, not all the flashpoints are military in nature. Beijing has increased both its willingness and its capability to use economic coercion and coercive diplomacy as a means of furthering its political agenda across the region. Japan, South Korea, Taiwan and the Philippines, have all had their trade with China disrupted after making political decisions that angered Beijing. Soon after Australia called for an independent international investigation into the origins of the coronavirus pandemic and began to strengthen its foreign investment controls, Beijing imposed and then escalated punitive measures to

---


curtail imports of Australian barley, coal, cotton, timber, copper ore, meat, lobster, and wine. Recent studies have documented the growth in both instances of Chinese coercive diplomacy and the expansion in the range of coercive economic measures taken against the United States and its allies. It is increasingly apparent that the Chinese government is using a deliberate set of policies to create a system in which Beijing’s preferences influence foreign and domestic policy decisions by other countries while shrinking any space for dissent.

Throughout, Beijing’s approach to regional geopolitics has been adaptive to specific conditions, flexible to broader strategic trends, and opportunistic to perceptions of weakness or distraction in its adversaries. Chinese actions are not the reckless gambles they may initially appear to be. Rather, they are premeditated probes seeking to identify weakness and opportunity. Chinese pressure is carefully calibrated to fit, but not necessarily to exceed, a given situation.

This approach reflects a maxim of Vladimir Lenin, whom the Chinese Communist Party continues to revere to this day: “Probe with a bayonet: if you meet steel, stop. If you meet mush, then push.” In multiple instances, Beijing has continued to push when it perceives that its actions are unlikely to cause a significant response. But when Chinese assertiveness has been met with resolute counterpressure, Beijing’s response has not been predictably escalatory. Examples include Japan’s response to China’s rollout of an air defense identification zone in the East China Sea in 2013 and President Obama’s reported drawing of a red line around Scarborough Shoal to Xi Jinping in March 2016. Moreover, India’s response to Chinese activities in Doklom did not lead to war, but to a de-escalation by Chinese forces.

**Applying the Lessons of Ukraine to the Indo-Pacific:**

The Ukrainian crisis has seen the United States mustering, coordinating, and leading a European, and indeed global response. Planning and coordination must begin now for a similar crisis in Asia as it could be too late to take meaningful action when that crisis occurs.

The United States should build upon the template it is now creating during the ongoing Ukraine crisis, sharpen it, and apply it to the Indo-Pacific region. Doing so will involve assembling coalitions, developing consequences that bite, and deterring further acts of intimidation, coercion, and force. Such a template should possess several key features.

- **Prepare a list of punitive sanctions it would impose on Beijing in a crisis.** In responding to Russia’s invasion of Ukraine, there was a robust effort by multiple countries to draw up a list


of economic targets, rank their severity, and synchronize imposition to maximize their effect. To have any hope of success in the future against a much more powerful economic opponent, such measures will have to be more severe than anything yet contemplated and will have to be acted on earlier. They will also require coordination ahead of time, as their utilization will have larger consequences for U.S. and allied economies. Congress could mandate funding for an interagency coordination cell responsible for internal planning and external coordination related to economic contingencies.

- **Encourage stockpiling of certain critical supplies by nations concerned about China’s coercive activities.** As Russia moved on Ukraine, it threatened to cut off European access to gas supplies. America responded by reaching out to other major gas-producing nations and companies to pull together alternative options for increasing gas production and delivering it to Europe. In the past, China has restricted other countries’ access to critical minerals when it was displeased with their political decisions. Prudence suggests sourcing such critical supplies elsewhere – in particular, building up strategic reserves of rare-earth minerals, energy supplies, and medical equipment to mitigate the threat that China could pose to those supply chains.

- **Expand support for countering Chinese disinformation.** A notable success in Biden’s approach to dealing with Putin’s disinformation has been his administration’s tactic of publicly releasing sensitive information on everything from Russia’s military buildup of forces on the Ukrainian border to its plans for various “false flag” operations. The intent has been to reveal Putin’s moves before they could be put into action, deprive him of his customary surprise and ambiguity, and mobilize public opinion against Russia’s actions. Taking a page from this playbook, the United States should publicly discuss Beijing’s mobilization of military assets and paramilitary forces against other states, its endemic interference in other countries’ domestic affairs, and its flagrant violations of international law. Doing so might not halt Chinese activities, but it could rally international support behind a more vigorous set of responses.

- **Direct more FMF to East Asia.** Just 2% of the State Department’s Foreign Military Financing (FMF) went to East Asia and the Pacific. That is not in line with any—or indeed all—assessments of the needs of the region. Not only has China undertaken a decades-long build up and modernization of its military and paramilitary forces, but it has also used that strength to intimidate neighboring states, seize disputed territory, interfere with freedom of navigation close to its shores, and raise the risks to the U.S. military of operating in Asia. While military budgets around the region have risen, they have not kept pace, in scope or scale, with China’s buildup. Smaller nations need the ability to defend themselves and the capacity to inflict asymmetric costs on would-be aggressors. Neither an increase in the size of FMF and Foreign Military Sales (FMS) budgets, nor a global rebalancing of efforts will solve this problem alone. But they are critical tools to begin addressing a military imbalance within the region, incentivizing key asymmetrical acquisitions by valued partners, and bringing our resource allocation in line with our stated priorities.16

- **Support front-line states’ efforts to build their military capabilities now.** As Russia positioned its military, the United States, Britain, and others rushed to airlift sensors, weapons,

---

and ammunition to Ukraine to help the Ukrainians defend themselves against invasion and make an attack as lethal as possible for the Russians. For front-line states in Asia, especially Taiwan but also the Philippines and Vietnam, acquiring and storing enough weapons, ammunition, spares, supplies, and fuel in advance of a conflict would increase these countries’ capacities to resist incursions. Helping them acquire certain types of weaponry, particularly short-range anti-air and anti-ship defenses, would make it substantially more painful for them to be swallowed by another country. Ukraine’s experience should accelerate efforts by Asia’s front-line states to acquire such capabilities – and for their friends to help provide them.

- **Accelerate allied initiatives to increase and disperse their presence and diversify their posture around the region.** As Russia massed its military on Ukraine’s borders, America and its European allies have sent reinforcements to Poland, Slovakia, Hungary, and Romania, sent lethal weapons to Ukraine, and built up their cyber, air and naval assets in the Baltic and in the Mediterranean. These ongoing deployments to eastern Europe are intended to increase their forward presence in the area and reinforce NATO’s eastern flank. Such moves are intended as a show of strength in the face of provocation and a move to help contain fighting, as well as to support Ukrainian supply chains. Efforts like these, with the aim of increasing forward presence in the Indo-Pacific and distributing this presence more broadly, have been underway for a number of years – but have yet to yield meaningful results. The United States should begin rotating more of its resources into the region, as it has many times said it would. Japan and Australia can also begin to reinforce their projection capabilities—along Japan’s southern island chain and across northern Australia—in a way that would reinforce the Indo-Pacific’s eastern and southern perimeters.

- **Create a contingency fund for the Indo-Pacific, jointly administered by America and its closest allies.** Multilateral administration of a jointly owned and operated fund is hard from a bureaucratic and legal perspective. But creating one could yield enormous upsides, including the pooling of resources and creating not only habits of cooperation, but institutional mechanisms for responding to pressing problems. NATO’s structures have had a long time to mature, and that maturity showed during this crisis as communication was rapid and actions were swift. There is nothing like this in Indo-Pacific region. Creating a small, permanent working group that has access to the resources of several nations, which could share assessments, prioritize efforts, and initiate actions would allow this critical work to mature before a crisis.

- **Upgrade the legislative and bureaucratic processes governing the transfer of sensitive technologies among our closest and most trusted allies.** Moving forward, U.S. strategy demands stronger allies, who are both more capable and more willing to contribute to their own—and their regional—security. AUKUS is the prime example in this regard, as it represents a bet that enhancing the military and technological capabilities of a close ally can amplify American power in key regards, offset some of Beijing’s local advantages, and deter further acts of aggression. But, for this to work, the U.S. needs to find ways to better integrate its allies into its supply chains and industrial planning. This requires sharing sensitive technologies, deepening intelligence cooperation, and pooling resources.¹⁷ The enabling structures currently in place to share sensitive technology are too cumbersome and too slow to allow such critical efforts to take place. Washington rightly guards its sensitive technology and

American companies’ intellectual property. But without changes to the domestic legislation governing export controls, America is unlikely to see allies either as capable or as willing to contribute to regional security. Allies are indeed America’s comparative advantage in the Indo-Pacific. But until we undertake the necessary steps to enable them to become more capable partners, it is a more a latent advantage than a real one.

No Time to Waste:

To have any chance of success against a powerful authoritarian state bent on asserting its own sphere of influence, nations must act early and in concert. This will not be an automatic process that arises naturally as nations sense a growing challenge; rather, it needs to be the result of a premeditated decision actively chosen by countries acting as if they were already in crisis. Where the power imbalances are stark, as they are with China and its neighbors, coalition-building is especially critical.

In the Ukrainian crisis, the United States has mustered, coordinated, and led a European and, indeed, a global response. Planning and coordination must begin now for a similar crisis in Asia as it will be too late to take meaningful action when that crisis is occurring. To paraphrase Samuel Johnson, the knowledge of an imminent hanging wonderfully concentrates the mind. That is the situation now in the Indo-Pacific, with a number of potential crises precipitated by Beijing’s aggressive and destabilizing activities against the territorial integrity and sovereign independence of the Philippines, India, Japan, Australia, and Taiwan.

Some of the initiatives discussed above can and, indeed, should begin happening now. Others will take longer; still others may be undertaken only *in extremis*. Actions undertaken under duress can of course have value; the United States and others have shown admirable creativity during the crisis in Ukraine. But actions taken *before* a crisis becomes acute and threatens to spread stand an even greater chance of success.