

19TH REGIONAL SECURITY SUMMIT

THE SHANGRI-LA DIALOGUE

**FOURTH PLENARY SESSION: MILITARY
MODERNISATION AND NEW DEFENCE CAPABILITIES**

SATURDAY 11 JUNE 2022

DELFIN LORENZANA

SECRETARY OF NATIONAL DEFENSE, PHILIPPINES

Dr John Chipman, Director-General and Chief Executive, IISS

So, ladies and gentlemen, let me just make a few preparatory comments as we move toward this fourth plenary session. I hope all of you had a good lunch. We have a full session between now and 16.30, just under two hours. In this fourth plenary session we are looking at three Southeast Asian assessments of the challenges of military modernisation and new defence capacities. Each one of these countries has a different strategic position within Southeast Asia, even if all are members of ASEAN and have that in common. They all have distinctive national defence and security priorities and different challenges in balancing the need for developing defence capacities while assuring domestic economic resilience, a challenge, I think, in different ways all three of these countries are seeking to meet. We will have all three of the speakers address us in the order in which they appear in the programme and then move in the same way as we have done in the last few sessions to questions and answers.

I will, no matter what, seek to close this particular session no later than 15.55 and would ask all of you who are in the room if you have no compelling reason to leave it to stay in the room until 16.30 because at 16.00 exactly we will have, from Kyiv, President Zelenskyy making a special address which will be just under 15 minutes. And he has kindly agreed to take a few questions and I have a number who have already asked to take the floor. But if you do wish to take the floor when President Zelenskyy is speaking, you use exactly the same mechanism and technology as you have for this session. Put in your badge, press the button, your microphone turns green and then hopefully I will be able to recognise you. I will close the session pretty much at 16.30 give or take a couple of minutes. So we want to be disciplined between now and then. We are not going to lock the doors so you are able to leave if you have, as I say, a compelling reason to do so, but we also expect a number of people to be coming in near the end of this session and as 16.00 approaches.

But this is a very important session because one of the principal points of the Shangri-La Dialogue is to ensure that the perspective from the region is well understood and articulated. And for that, in order, we are delighted to have Delfin Lorenzana, the Secretary of National Defense of the Philippines, who has been a regular attendee at the IISS Shangri-La Dialogue and a great supporter of its process. Back again is General Tea Banh, the Deputy Prime Minister for National Defense of Cambodia, and General Phan Van Giăng, the Minister of National Defence of Vietnam. So with that, if I can ask Delfin Lorenzana if you could address this fourth plenary. Thank you very much. Delfin.

Delfin Lorenzana, Secretary of National Defense, Philippines

Excellencies, fellow ministers and delegates, esteemed guests, ladies and gentlemen, good afternoon. I am honoured to share my insights and perspective on the military modernisation and new defence capabilities with the distinguished participants of this year's Shangri-La Dialogue. Thank you, John, for inviting me and also your group, International Institute for Strategic Studies or IISS, for also giving me the chance to appear again.

The global and regional security environment is getting more volatile, uncertain, complex and ambiguous. As such, defence and security institutions are forced to keep up with global trends seen through the dynamics of their security environment, for instance, in the Pacific region. Modernisation is our primary response to these transformations. In the Asia-Pacific this is operating in a more distinct context as countries operate under the shadows of geopolitical competition between and among major powers. This is where the multifaceted nature of military modernisation comes in, in

terms of its risks and opportunities. During the Cold War we witnessed an intense arms race between the United States and the Soviet Union. Many decades later the fear of arms race is again rearing its ugly head as new and strategic competition materialises. And while the arms race now is not as intense as before, the calculus has changed as there are now more nuclear- arms players.

Nuclearisation is one challenge that demands collective action to prevent proliferation and development of new ones. The Treaty on the Prohibition of Nuclear Weapons came into force in 2020. The Philippines is among those who have already ratified it. This landmark initiative strives to put an end to the proliferation of nuclear weapons and weapons technology, promote cooperation in the peaceful uses of nuclear energy and further the goal of achieving nuclear disarmament.

Defence modernisation always entails a significant amount of cost or spending. In a state like my country with competing resources and budgetary constraints, or guns versus explosives and bullets versus butter, are legitimate concerns, defence modernisation diverts or it distracts government spending from social welfare and economic development. As we enter the so-called fifth industrial revolution, application of technology to warfare has also become more diverse, to the detriment of the smaller and less developed countries. Technology has become so advanced that it is now transforming and altering the face and pace of warfare.

Case in point is the emergence of artificial intelligence and fifth-generation telecommunication technologies in defence-capability development. These technologies contribute to the rise of unconventional, ambiguous or grey-zone strategies. The rules of engagement are vague and below the threshold of open-armed provocation. Quantum computing technology also presents new avenues for domination. While knowledge on this technology is still in its infancy, major powers show keen interest to explore further development. Thus, competition for technological supremacy is fierce due to the advantage that will accrue to whoever gets there first. Quantum computing may likewise render obsolete the critical cryptographic software and pertinent encryption protocols that protect sensitive digital information. These new and emerging defence capabilities may be exploited not only by states but also by non-state actors to target people and critical infrastructure, at the extreme peril of small and unprepared countries.

International regulation is therefore imperative on the use of cyber capabilities, artificial intelligence, quantum-computing technology and other new forms of inventions for offensive and disruptive purposes. Notwithstanding these risks and costs, new defence capabilities present benefits that are critical in maintaining a stable regional balance. The primary goal of improving defence capabilities is deterrence. Some argue that there is the potential for hypersonic weapons to increase the deterrent capability in the entire Indo-Pacific region. We will see if that is true. Artificial intelligence and 5G technologies, on the other hand, can enhance intelligence, surveillance and reconnaissance systems and improve command and control and cyber operations. It is also argued that cyber capabilities can be a great equaliser amongst states. The idea of unfeasible cyber deterrence is gaining adherence. Continuous advancements in technology also carry prospects of reducing the cost of modernisation, freeing up funds for trade and investment to spur economic development which, in turn, will contribute further to regional security.

As happened in the past, new defence technologies and innovation could be harnessed for civilian purposes. Similarly, defence industry and technology may also strengthen bilateral and multilateral

cooperation, as well as establishing new partnerships among non-traditional partners. It also has the potential to encourage public-private partnership. The Philippines is looking into innovative options to enhance technology transfer such as co-production, counter-trade and special foreign exchange reduction schemes.

Technology and information sharing is increasingly becoming a norm in the region, especially in dealing with transboundary security issues such as terrorism, natural disasters and maritime security issues. The joint trilateral maritime and air patrol among the Philippines, Indonesia and Malaysia has turned the Celebes and Sulu seas peaceful and stable after a long period of living in a state of lawlessness.

Defence modernisation is also an important added benefit to a nation. In the Philippines, our major capital equipment acquisitions such as ships, air assets and engineering equipment are also extensively used for humanitarian assistance and disaster response. The Philippines being a typhoon-prone country, these capabilities make reaction faster and that could save lives and properties.

Modernisation is not only materiel acquisitions. More importantly it includes the improvement of human resources and systems solutions such as formulation of doctrines focusing on jointness and inter-operability, rationalisation of the organisation, education of personnel, promotion of good leadership and skills development. The ultimate aim is the professionalisation of our armed forces, competent, gender-responsive and culture-sensitive soldiers, and defence officials who can keep up with the present and future demands of defence both during conflicts and in peacetime.

Since the dawn of history, humans have always tried to outdo each other militarily by arming themselves. This process was coined by Hans Morgenthau as the balance of power theory, which simply means that states may secure their survival by preventing any one state from gaining enough military power to dominate all others. And that is precisely the reason why we have the arms race. Morgenthau also said that the balance of power is a perennial element in human history regardless of contemporary condition that the international system operates under.

If you look back at history up to the present, we see that Morgenthau was right. Balance of power that spawns arms race has been with us and will not end. But as members of the international community with advanced communication, closer ties and interconnected supply chains and trade, we pray we will not again sleepwalk into a general war through miscalculation, accident or hubris. Thank you very much for listening.

Dr John Chipman, Director-General and Chief Executive, IISS

Secretary Lorenzana, thank you very much. You mentioned in your remarks cyber capabilities as potentially a great equaliser, and it allows me to make as it were a party political broadcast and say that the IISS has done a lot of work on measuring cyber capabilities including in Asia and amongst Southeast Asian states. So it is better to understand what are the particular ways in which one might move in advance in cyber capacities, especially given limited funding but the need to ensure that one has some capabilities in that area. Also interesting, I am sure, to many parts of your audience, the reminder that you are open to co-production and technology sharing on defence-industrial projects. And a reminder that especially for your country, like the others represented here, maritime surveillance capacities are a really important component of defence strategy.