

CHAPTER 10

China's Security Challenges: Priorities and Policy Implications

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Introduction

The concept of security is evolving. In the Cold War years, it was conflated with that of national security based on power and strength represented by military capabilities. This state-centric definition of security is in line with realist assumptions that the most important issues in world politics concern national political/military security, or high politics as opposed to the low politics of economic relations. In the post-Cold War world, as noted by Chris Brown, “As concern over military security becomes less pressing, so a wider conception of security has come to the fore.”¹ In the West, more attention is given to non-military security threat.

Not surprisingly, China defined its national security in excessively narrow military terms in the Cold War years. After all, China was under constant threat from the United States and then the Soviet Union. Beijing's ideology-oriented worldview determined that it would always have a strong sense of military insecurity. The post-Cold War security debate in the West has influenced the Chinese understanding of national security. Chinese analysts accept that security now means “comprehensive security” (*zonghe anquan*). It no longer equals to national defence and diplomacy and is no longer limited to the defence of national sovereignty and territorial integrity.

On the other hand, the Chinese are no strangers to realism. David Lampton noted in 2001 that “although there is plenty of evidence of increasing Chinese cooperation and conformity with international norms, there is little evidence that considerations of national interest and realpolitik figure any less prominently in Chinese thinking than they always have.”² However, the realist assumption of a sharp boundary between

¹ Chris Brown, *Understanding International Relations*, 2nd ed. (Basingstoke, England; New York, N.Y.: Palgrave, 2001), p. 238.

² David M. Lampton, “China's Foreign and National Security Policy-Making Process: Is It Changing, and Does It Matter?” in David M. Lampton ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978–2000* (Stanford, CA.: Stanford University Press, 2001), pp. 24–25.

domestic order and international anarchy is problematic in analysing Chinese foreign policy. As an undemocratically elected government, Beijing's security concerns are closely related to domestic politics. Moreover, not only does Beijing have external and internal security concerns, it also has to deal with the complicated Taiwan issue.

This paper begins with a discussion of China's internal and external security challenges and the Taiwan issue. Internal instability has been Beijing's core security concern as it threatens its legitimacy. And internal security concerns have had a strong impact on China's defence policy. However, since this workshop is about defence issues, this paper will focus on China's defence challenges, namely its external security challenges and the Taiwan issue.

Internal Security Challenges

Since 1978, Beijing has been reforming its economy from a Soviet-style centrally planned economy to a more market-oriented economy. As a result, private ownership of production assets was legalised, although some nonagricultural and industrial facilities are still state owned and centrally planned. With no intention to change China's political system, the Chinese Communist Party (CCP) labelled the economic system as "socialism with Chinese characteristics." Since the late 1970s, the Chinese economy has been the world's fastest growing economy, with an average economic growth of over 9.5 percent.

Despite its successes in economic reforms, Beijing faces a variety of challenges. It has to maintain a high growth rate to reduce unemployment, which is in the 8–10 percent range in urban areas, while protecting the environment and improving social equity. The income gap between rural and urban residents has kept growing. City dwellers' average income is now 3.31 times that of the country's roughly 740 million farmers, compared with 2.47 times in 1997.³ Some 20 percent of China's population

³ Reuters, "China's urban-rural wealth gap widens in 2008," 22 January 2009. Available at <http://www.reuters.com/article/GCA-CreditCrisis/idUSTRE50L21220090122>. Accessed 20 December 2009.

at the poverty end accounts for only 4.7 percent of the total income while the 20 percent at the affluence end takes up 50 percent of the total income.⁴

China's growing floating population is also a major concern. With economic reforms and a loosening of controls over where people live, millions of Chinese have migrated from the countryside to urban areas, from economically underdeveloped areas to developed areas, and from the central and western regions to the eastern coastal region. The floating population increased from 70 million in 1993 to 147 million in 2005, exceeding 11 percent of the national population and accounting for over 30 percent of all rural labourers.⁵

Before 1978, the needs of society from cradle to grave were taken care of by the government, including child care, education, job placement, housing, subsistence, health care, and elder care. As those systems disappeared or were reformed, the "iron rice bowl" approach to social security changed. Social security reforms since the late 1990s have included unemployment insurance, medical insurance, workers' compensation insurance, maternity benefits, communal pension funds, and individual pension accounts. Such reforms still have a long way to go and Beijing needs to do much more to stabilise the society.

China has shown signs of social instability. According to the Ministry of Public Security, in 2003 there were more than 58,000 "mass incidents" — the term the Chinese government uses to describe public protests — involving three million people, an increase of almost 15 percent over the year before.⁶ The figure increased to 87,000 in 2005.⁷ The ministry has not released the latest figures. It is generally believed that there were 90,000 mass incidents in 2006 and 120,000 in 2008.

⁴ "China Focus: Wealth gap challenges China's endeavor to build harmonious society" *People's Daily Online*, 5 October 2005. Available at http://english.people.com.cn/200510/05/eng20051005_212586.html. Accessed 20 December 2009.

⁵ Zheng Binwen, "gaige kaifang sanshi nian Zhongguo liudong renkou shehui baozhang de fazhan he tiaozhan [The development of and challenges to the social security of China's floating population after thirty years of Reform and Opening-up]." Available at http://www.cnss.cn/xyzx/xsgd/qt/200901/t20090113_204475.htm. Accessed 21 December 2009.

⁶ Louisa Lim, "Chinese protests on the rise" *BBC*, 8 June 2004. Available at <http://news.bbc.co.uk/2/hi/asia-pacific/3786541.stm>. Accessed 21 December 2009.

⁷ Tracy Quek, "China riots 'won't lead to rebellion'" *The Straits Times*, 12 February 2009. Available at <http://www.asianewsonline.net/news.php?sec=1&id=3903>. Accessed 21 December 2009.

The first half of 2009 witnessed a dramatic increase of mass incidents, which shocked the central government. On 12 July 2009, the office of the Central Committee of the Chinese Communist Party and the office of the State Council publicly issued the “Temporary Regulations Concerning the Implementation of an Accountability System for Senior Cadres of the Party and Government.” According to the regulations, senior members of the party and government are to be held accountable for the inappropriate handling of mass incidents. The regulations clearly stipulate that under seven circumstances, including abuse of power that triggers mass incidents, or mishandling of sudden mass incidents, senior cadres of the party and government will be held accountable.⁸

The instability of Tibet and Xinjiang poses another security challenge to Beijing. While Beijing is able to control the separatist movement in both autonomous regions, the unrest there could deepen Chinese suspicion of anti-China forces abroad and consequently impact on Chinese foreign policy. Muslim separatists in Xinjiang also present China with its most significant terrorist threat, which emerged in the late 1980s. The East Turkistan Islamic Movement is listed as a terrorist organisation by China, the United States and the United Nations. This and other Uyghur separatist groups were reputedly trained in Afghanistan to fight with the Taliban and al Qaeda. The separatists have resorted to violence, bomb attacks, assassinations, and street fighting.

External Security Challenges

In the 1980s, an increasingly pragmatic Beijing re-examined world politics and believed that peace and development were the twin dominant themes of the time. Political crisis in 1989 and the end of the Cold War ushered in some uncertainties. The events highlighted the West's political threat to the rule of the CCP. The end of the Washington–Beijing–Moscow grand triangle also reduced China's strategic importance to the United States. China tried to redefine its main potential threats in the years immediately after the end of the Cold War. According to some analysts, Japan was likely to replace the Soviet Union/Russia to become the Chinese leadership's

⁸ Qin Xudong, “chuzhi quntixin shjian shidang jiang bei wenze [Officials to be held accountable for ‘inappropriate handling’ of mass incidents],” 12 July 2009. Available at <http://www.caijing.com.cn/2009-07-12/110196587.html>. Accessed 21 December 2009.

major concern.⁹ China's perceptions of security threats became more complicated after 1996 when the Taiwan Strait crisis made clear the possibility of a military clash between China and the United States over Taiwan.¹⁰ Just one month after the dangerous escalation of the Taiwan Strait crisis, US President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto held a summit meeting in Tokyo and signed the US–Japan Joint Declaration on Security — Alliance for the 21st Century. The crisis and the joint declaration as well as the subsequent revision of the 1978 Guidelines for US–Japan Defense Cooperation deepened China's suspicion of US motives regarding Taiwan and, in the longer term, US strategy towards the rise of China.

The rise of China has profound implications for international security, which in turn poses challenges to Beijing. Beijing so far has experienced four waves of the China threat theory.¹¹ The first wave (1992–1993) started with Ross Munro's "Awakening Dragon" published in 1992. The 1995–96 Taiwan Strait crisis triggered off the second wave, represented by *The Coming Conflict with China*. The third wave followed closely (1998–99), highlighted by the Cox Report, the Wen Ho Lee espionage case and the 1996 US campaign finance controversy, along with the publications of *Year of the Rat and Red Dragon Rising*. The most recent China threat theory is, in the words a Chinese analyst, "the most substantive".¹² It began with the release of the Pentagon's annual report to Congress on China's military power on 19 July 2005, followed by the US–China Economic and Security Review Commission's annual report issued in early November of 2005, the 2006 Quadrennial Defense Review, and a series of anti-China articles published by American media such as the *Weekly Standard* and *The New York Times*.

Adding to the China threat theory is China's energy thirst in recent years. It is perceived as a security threat in various ways — from territorial disputes, such as those over the

⁹ Chu Shulong, "The PRC Girds for Limited, High-Tech War," *Orbis*, Vol. 38, No. 2 (Spring 1994), pp. 180–83; David Shambaugh, "The Insecurity of Security: The PLA's Evolving Doctrine and Threat Perceptions towards 2000," *Journal of Northeast Asian Studies*, Vol. 13, No. 1 (Spring 1994), p. 6.

¹⁰ For more information, see *Jian Yang, Congress and US China Policy, 1989–1999* (New York: Nova Science, 2000).

¹¹ Yan Bai, "'Zhongguo weixielun' de sici chaoliu (The four waves of the 'China Threat Theory')" *Shishi Baogao [Current Affairs Report]*, No. 10 (2005), p. 70.

¹² *Ibid.*

South China Sea and East China Sea, to cooperation with regimes in trouble with the West, including the Iranian, Sudanese and Venezuelan governments. On the other hand, China is concerned about the security of its energy supplies. With the emphasis on economic development and the continued boom in economy, China became a net oil importer in 1993 and is now the second largest oil importer and a major natural gas importer in the world. About 60 percent (expected to rise to 75 percent by 2015) of its crude oil is imported from the Middle East.¹³ Much of it is routed through the Strait of Malacca which is plagued by pirates and vulnerable in times of great power conflicts. China is also concerned about the stability of the Arabian Sea and the Indian Ocean which are key links in its energy supply line. This is especially so now that the United States has significantly enhanced its ability to cut off Chinese supply of oil with new bases in Central, South, and West Asian countries after the 9/11 terrorist attacks.¹⁴

China's concern over its energy supply line is part of China's concern about its sea lines of communication (SLOC). In addition to its energy supply, SLOCs are also crucial to China's foreign trade. In the past thirty years, the Chinese economy has been transformed into a trade-oriented economy. From 1978 to 2008, China's trade volume grew from US\$20.6 billion to US\$2563.3 billion. China is now one of the countries most dependent on foreign trade. About one seventh of China's labour force is related, directly or indirectly, to foreign trade.¹⁵

Meanwhile, territorial disputes with its neighbouring countries have been a constant challenge to Beijing. China has territorial disputes with a number of countries, including the dispute over Kashmir with India, the Spratly Islands (Nansha in Chinese) with Malaysia, the Philippines, Vietnam, Brunei and possibly Indonesia, some of the Paracel Islands (Xisha in Chinese) with Vietnam, Senkaku (Diaoyu) Islands with

¹³ Richard A. Bitzinger, "The Syndrome: Chinese military modernization and the rearming of Southeast Asia" Working Paper, *S. Rajaratnam School of International Studies*, Singapore, 2 May 2007, p. 7. Available at <http://www.rsis.edu.sg/publications/WorkingPapers/WP126.pdf>. Accessed 10 January 2010.

¹⁴ Hune Teufel Dreyer, "A New Era in Sino-Indian Relations or Deja-vu all over again?", 19 January 2008. Available at http://www.strategycenter.net/research/pubID.178/pub_detail.asp. Accessed 10 January 2010.

¹⁵ Ni Lexiong, "Zhongguo 'haishang shengmingxian' wenti tuxian [The issue of China's 'lifeline on the sea' getting more prominent]" *Tong Zhou Gong Jin [Moving Forward Together]*, No. 11 (2009), pp. 16–17.

Japan, Japan's equidistance line in the East China Sea, and certain islands in the Yalu and Tumen rivers with North Korea.¹⁶

The Taiwan Issue

The Taiwan issue is closely related to China's external security and internal stability. Externally, a military clash across the Taiwan Strait could end up with a China-US military conflict. Internally, the mishandling of the Taiwan issue could trigger off social instability and power struggle in China.

With the end of the Cold War and the subsequent decrease of China's strategic importance to the United States, some major diplomatic conflicts over Taiwan have erupted between Beijing and Washington. Taipei scored a few major breakthroughs in its relations with Washington. The first was President George Bush's 1992 decision to lift a decade-old ban and sell 150 F-16s to Taiwan. The sale smoothed the way for other US arms sales to Taiwan. A much more important breakthrough was that, under Congressional pressure, the Bill Clinton administration changed the 16-year-old US policy of barring Taiwanese leaders from the United States and granted then Taiwan President Lee Teng-hui a visa to visit America.

Lee's US visit resulted in deep crises in Sino-American relations and across the Taiwan Strait. Beijing "indefinitely" recalled its ambassador to Washington. It conducted ballistic missile tests in waters close to Taiwan and staged large-scale military exercises in the coastal areas facing Taiwan. In March 1996, in an attempt to influence Taiwan's presidential election, Beijing staged guided-missile tests and conducted live fire military exercises at the southern end of the Taiwan Strait. To send a warning signal to Beijing, Clinton ordered two aircraft carriers and their battle groups to waters off Taiwan.

In his second term, Clinton was more accommodating to Beijing and was willing to resist Congressional pressure on the Taiwan issue. The Taiwan issue came back as a focus of dispute between Beijing and Washington shortly after George W. Bush entered the White House. In late April 2001, Bush promised new submarines,

¹⁶ China's territorial disputes with Russia have been mostly resolved.

destroyers and aircraft to Taiwan and pledged to help Taiwan defend itself against a mainland military attack. The controversial victory of Chen Shui-bian in 2004 presidential elections further deepened Beijing's concerns. It warned that Taiwan's independence timetable was Beijing's reunification timetable.¹⁷

Taiwan's politics have been developing in Beijing's favour since April 2005 when Lien Chan, then Chairman of Kuomintang (KMT, the Chinese Nationalist Party), which had been the CCP's rival for over seven decades, and the CCP General Secretary Hu Jintao had a historic meeting in Beijing. After being elected President on 22 March 2008, Ma Ying-Jeou of KMT has been trying to reduce the tensions across the Taiwan Strait. However, Taiwan remains a security challenge to Beijing as strong opposition to and mistrust of Beijing still exists in Taiwan.

Prioritising China's Security Challenges

The above-mentioned external security challenges and the Taiwan issue vary in scope and urgency. Some are long-term strategic challenges and are unlikely to lead to conflicts in the near future. Others could quickly increase the tension and, if not managed well, end up with a military clash.

China's relationship with the United States is a long-term strategic challenge. Many Chinese analysts tend to perceive the United States as a competitor rather than a threat. A basic assessment is that "in short and medium terms the United States will not publicly challenge the overall integrity of our territory and sovereignty by using forces."¹⁸ Although the relatively benign view has been challenged from time to time, such as the US bombing of the Chinese embassy in Belgrade in 1999 and the mid-air collision between a US EP-3 surveillance plane and a Chinese interceptor in 2001, it is unlikely that China will enter a large military conflict with the United States in the foreseeable future. However, the possibility of a limited conflict, such as over Taiwan, should not be excluded. Dennis Blasko notes that "Chinese civilian and

¹⁷ Xing Zhigang, "Taiwan: Don't Test Beijing's Resolve" *China Daily*, 29 July 2004, p. 1.

¹⁸ Chu Shulong and Wang Zaibang, "guanyu guoji xingshi he wo duiwai zhanlue ruogan zhongda wenti de sikao [Some thoughts on several major issues about international situation and our external strategy]" *Xiandai Guoji Guangxi [Contemporary International Relations]*, No. 8 (1999), p. 5.

military leaders have long understood that U.S. military deployments and capabilities have the potential to threaten their country.”¹⁹

The United States as a security challenge is reinforced by the “China threat” theory. Beijing has succeeded to some extent in reassuring the world of its peaceful rise/development.²⁰ Since 1978 when China opened up, Beijing has made a consistent effort to integrate with the international society. One indication is its support for the United Nations and for various international regimes. In the 29 years from its founding in 1949 to 1977, the People’s Republic of China (PRC) was party to a total of 31 international treaties. In contrast, in the 27 years from 1978 to the end of 2004, China signed 236 international treaties.²¹ Nevertheless, the China threat theory, often originated in the United States, is unlikely to disappear any time in the near future.

The protection of SLOCs is a relatively more urgent security concern to China with the growing importance of trade and energy supply. A prolonged disruption of China’s SLOCs can have irreparable consequences for its smooth economic development. Not only is economic development a key to enhancing China’s comprehensive national power, it is also crucial to the legitimacy of the Chinese government. With the Communist ideology no longer appealing to the Chinese people, the CCP has to substantially raise their living standard to claim its legitimacy.

Territorial disputes are China’s present security challenges. Some disputes are related to China’s energy security. For instance, the Chinese media claim that the South China Sea is the second Persian Gulf. China had two military clashes in the South China Sea, one in 1974 over the Paracel Islands with South Vietnam and the other in 1988 over the Spratly Islands with the united Socialist Republic of Vietnam. The Sino-Japanese dispute over the East China Sea is another territorial dispute involving energy security. The tension escalated in September 2005 when the Chinese navy made a dramatic appearance near a Chinese drilling platform at the Chunxiao field

¹⁹ Dennis J. Blasko, “The 2007 Report on the Chinese Military: The top 10 list of missing topics” *Joint Force Quarterly*, Issue 47 (December 2007), p. 53 (48–54).

²⁰ Beijing initially used “peaceful rise”. Now it prefers “peaceful development”.

²¹ Rao Geping, “guoji falu zhixu yu Zhongguo de heping fazhan [International legal system and China’s peaceful development]” *Waijiao Pinglun [Foreign Affairs Review]*, No. 6 (2005), p. 51.

(known by the Japanese as Shirakaba). China deployed five vessels, including missile-equipped destroyers and frigates.

More importantly, territorial disputes are of immediate concern because they are closely related to China's domestic politics, such as Chinese nationalism. Chinese foreign policy makers "must take popular opinion into account" when they deliberate foreign policy.²² A perceived soft stance on high profile territorial disputes, such as those with Japan and in the South China Sea, could be politically risky to the Chinese government. Nationalism is especially important to the Chinese government today due to the stresses placed on society as mentioned earlier.

Of the various territorial disputes, the one with India is a relatively low priority because first, it is not a high-profile issue among the Chinese, and second, there is no compelling reason for China to take a tough stance or resolve the issue quickly. Territorial disputes with Japan are of greater concern because they are politically sensitive and mistrust between the two countries remains deep. China is particularly concerned about the Spratly disputes. It is worried that its "soft approach" towards the disputes has resulted in the advancement of other claimants.²³ Beijing is under increasing pressure to have a "new thinking" and take a tougher stance on the issue.²⁴

As for the Taiwan issue, Beijing's emphasis on using force for national reunification started to give way to dialogues and economic interactions when China opened up in the late 1970s. To use force was "low on China's military priorities".²⁵ A dramatic change happened in the mid-1990s as discussed above. At the moment, it can be

²² Peter Hays Gries, *China's New Nationalism: Pride, politics, and diplomacy* (Berkeley: University of California Press, 2004), pp. 19–20.

²³ Yu Dong, Jin Wei, "Zhongguo Nanhai zhengce chuyu mohu zhuangtai, gongtong kaifa yuanze shixiao [China's Spratlys policy vague, development together principle ineffective]" *Guoji Xianqu Daobao [International Herald Leader]*, 1 July 2009. Available at <http://mil.news.sina.com.cn/2009-07-01/1004557242.html>. Accessed 9 January 2010.

²⁴ Meng Xiangqing, "jiejue Nanhai wenti xuyao xinsiwei [New thinking is needed for the resolution of the Spratlys dispute]" *Dangdai Sheke Shiya [Contemporary Social Sciences Perspectives]*, No. 6 (2009), pp. 50–51. Su Qiu, "diaocha xianshi 92% Zhongguo wangyou zhan tong wuli jie jue Nanhai wenti [Survey finds 92% of Chinese netizens support resolving the Spratlys dispute by force]" *Huanqiu Shibao [Global Times]*, 4 July 2009. Available at <http://mil.news.sina.com.cn/2009-07-04/1007557641.html>. Accessed 9 January 2010.

²⁵ Dennis J. Blasko, "Chinese Army Modernization: An overview" *Military Review*, Sept–Oct 2005, p. 68.

concluded that a large-scale military clash across the Taiwan Strait is unlikely in the near future. Beijing has taken the opportunity of KMT coming back to power and has achieved much progress in reducing the tensions across the Taiwan Strait and enhancing mutual trust. Economic integration and social exchanges are now crucial to Beijing's policy towards Taiwan.

However, Taiwan as a long-term security challenge is different from other long-term challenges, such as relations with the United States and the "China threat" theory, in several aspects. First, Beijing can hardly control the development of domestic politics in Taiwan. Second, the issue is much more closely related to domestic politics in mainland China. It catches the Chinese public's attention as a major issue on a daily basis. Third, Beijing is inclined to show its military might as a way to deter Taiwan from moving towards independence. Finally, although it will try not to use force, Beijing has to prepare for the worst. Therefore, the Taiwan issue is a long-term security challenge that requires Beijing's constant attention and military investment.

Implications for China's Military Modernisation

There is a large body of literature on the modernisation of the People's Liberation Army (PLA). While it is widely accepted that China has been strengthening its military capabilities, observers can hardly agree on Chinese intentions and what China has achieved. It is difficult to tell what is myth and what is reality. Generally speaking, those who narrowly focus on defence issues tend to be more alarmist while those who look at Chinese defence policy in a broader context are more sanguine about Chinese military modernisation.

To have a better understanding of China's military modernisation, we need to go beyond the above discussion and look at some other aspects, including more driving forces behind Chinese military modernisation, Chinese military strategy and inter-relationship of security challenges. To isolate some challenges and use them as the basis for projecting China's military development can be biased.

One important driving force for Chinese military modernisation is its great power dream. The Chinese history, which stretches over 5,000 years, is not short of powerful and prosperous dynasties. China's glorious long history is a sharp contrast to what

happened between the 1840s to the 1940s —the “Century of Humiliation” when European powers and Japan carved up China. The Century of Humiliation has been the basis for contemporary Chinese nationalism and a key driving force in the Chinese effort to regain China’s great power status, including a great military power. This means that China is set to strengthen its military commemorate with its economic power.

While its great power dream determines that military modernisation is a set goal, the course of Chinese military modernisation has more to do with China’s “active defence” (*jiji fangyu*) military strategy. To implement this strategy, the PLA should 1) judge threats accurately; 2) prepare for a defensive war in a targeted fashion (*zheng dui xing de*); 3) stick to the principle of striking back and striving for victory only after the enemy has struck; 4) be agile in reacting to circumstances.²⁶ The active defence strategy has been under challenge since the end of the Cold War with the advent of high-tech, limited wars. The traditional practice of using space to compensate for time is outdated. It has become increasingly unlikely that there will be adequate time for the defensive side to react in a high-tech, limited war. Chinese military analysts thus emphasise the importance of maximising the active nature of China’s defensive strategy and developing high-tech weaponry systems.²⁷ More recently, China has moved one step further, from winning “limited local wars under high-tech conditions” to winning “limited local wars under conditions of informatisation”.²⁸

High-tech and informatised weaponry systems are broad concepts and encompass all services and defence areas, including outer space where militarisation remains a concern. However, such a comprehensive modernisation of armed forces is financially and technologically challenging to China. According to China’s “three-step” development strategy, it will take another 40 years for China to realise its defence

²⁶ Lin Yong, “Zhongguo tese guofang yanjiu sanshi nian: guofan lilun pian [The Thirty Years of National Defence Studies with Chinese Characteristics: National Defence Theory]” *Junshi Lishi Yanjiu [Military Historical Research]*, No. 2 (2008), p. 9.

²⁷ *Ibid.*

²⁸ Sui Junqin, Liu Qinghua and Chang Xianqi, “Zhongguo tese junshi biange yu wuqi fazhan [The military revolution with Chinese characteristics and the development of weaponry]” *Zhuangbei Zhizhi Jishu Xueyuan Xuebao [Journal of the Academy of Equipment Command & Technology]*, Vol. 16, No. 14 (August 2005), pp. 1–4. The People’s Republic of China State Council Information Office, *China’s National Defence in 2008*, January 2009. Available at http://www.gov.cn/jrzq/2009-01/20/content_1210075.htm. Accessed 10 January 2010.

and military modernisation.²⁹ Thus, China has to make a choice and set priorities. For instance, a Chinese analyst argues that instead of a “blindly” comprehensive approach, China should adopt a selective “asymmetrical approach” — to focus on the weapons that will neutralise the enemy’s most threatening weapons and the weapons that target at the enemy’s weaknesses.³⁰

Another rational choice is to look at the inter-relationship between Chinese security challenges and given priority to the areas where present security challenges overlap with long-term security concerns. The above discussion demonstrates that most of China’s present security challenges are maritime — the South China Sea disputes, Sino-Japanese disputes over Senkaku Islands and the East China Sea, the Taiwan issue, and China’s SLOCs. The Navy thus plays a crucial role in China’s defence structure. And to strengthen its naval power is in line with China’s key long-term strategic challenges — the challenge of the United States which has been maintaining the balance of power in East Asia “through its overwhelming naval presence”.³¹

Robert S. Ross noted in 2005 that “Chinese military and regional political advances to date reflect its improved ground force and land-based capabilities.”³² On the other hand, it is observed that while Chinese military modernisation encompasses all four services, priority has been given to the PLA Navy (PLAN), the PLA Air Force and the strategic missile force (the Second Artillery).³³ A good example of Chinese interest in a strong navy is the concept of three “island chains”. According to David Shambaugh, the concept of three island chains originated from Admiral Liu Huaqing’s 1988 instruction to the PLAN to establish a long-term development plan. According to this strategic plan, by 2010 the PLAN should have established a blue-water presence in the first island chain running south from Japan past Taiwan to the Philippines, followed by the second island chain, running from west of the Aleutians down through the Marianas to the eastern extremities of Papua New Guinea, by 2025 and

²⁹ Yang Yi, “Zhonggong guofang yu jundui jianshe de zhanluexing tiaozheng [The strategic shifts of China’s national defence building and armed forces development]” *Shijie Jingji yu Zhengzhi [World Economics and Politics]*, No. 11 (2008), p. 56.

³⁰ Xue Xiang, “welai 20 nian wojun wuqi zhuangbei fazhan touxi [A detailed analysis of our military’s weaponry development in the next 20 years]” *Guofang Keji Gongye [National Defence Industry]*, No. 12 (2004), p. 52.

³¹ Robert S. Ross, “Assessing the China Threat” *The National Interest*, Fall 2005, p. 83.

³² Ibid.

³³ Blasko, “Chinese Army Modernization: An overview,” p. 68.

the third island chain, extending from the Aleutian Islands in the north to Antarctica in the south by 2050.³⁴ Although the PLAN remained “principally a coastal fleet” by 2004,³⁵ China today is serious about building a strong, informatised navy.³⁶

Regional Implications

The Chinese understand that without a strong economy, the military dimension of national security is not sustainable. This understanding contributed to China’s concept of comprehensive national power which has constituted the foundation of China’s foreign and domestic policies. Against this background, Beijing has to balance its various interests in finding an appropriate policy towards territorial disputes. In the case of Chinese policy towards the Spratlys dispute, it should be considered in the broad context of China’s overall strategy towards Southeast Asia. The region is important to China for a number of reasons. It is a key to China’s regional influence, a major market and an important player in China’s strategy of promoting multipolarity. Southeast Asia also plays an important role in China’s effort to discredit the China threat theory.

Similarly, Japan has been one of the most important players in the Chinese economy since China began to liberalise its economy in the late 1970s. In 2008, the trade volume reached US\$266.8 billion. Japan is important to China not only economically but also politically. First, as a strong ally of the United States, Japan plays a key role in US strategy towards China. How to deal with Japan is therefore crucial in China’s strategy towards the United States. Second, a strained relationship with Japan is not helpful in promoting the concept of China’s peaceful rise/development. Therefore, military conflicts with Japan over territorial disputes are not in China’s interest.

In terms of long-term security policies, although the PLA has been preparing for the worst-case scenario of confronting the United States, “these preparations do not

³⁴ David Shambaugh, *Modernizing China’s Military: Progress, Problems, and Prospects* (University of California Press, 2004), p. 67.

³⁵ *Ibid.*, p. 322.

³⁶ Andrew S. Erickson and Michael S. Chase, “Information Technology and China’s Naval Modernization” *Joint Force Quarterly*, Issue 50 (July 2008), pp. 24–30; Grace Jean, “Pacific Dominance: China’s defense build-up merits closer attention from the Navy, say analysts” *National Defense*, January 2007, pp. 16–17.

necessarily reflect national strategic intentions,” argues Blasko.³⁷ For the foreseeable future, China will make every effort to avoid a direct military confrontation with the United States to ensure a peaceful external environment for its economic development. For the same reason, China will also continue its integration with the international society.

China's emphasis on its economic development should not overshadow its concerns over its military security. “Military security is no less important [than economic security]. It still is an effective guarantee of comprehensive security and the last resort,” says a Chinese analyst.³⁸ And, although China is acutely aware of its neighbours' security concerns and has been keen to alleviate these concerns and discredit the China threat theory, it will continue its military modernisation. China is set to upgrade its defence capabilities commensurate with its power status.

China's neighbours will remain wary of Chinese military modernisation. It has been observed, however, that the China factor has not been a major driving force for the increase in arms in Southeast Asia. It is believed that Southeast Asian nations' post-Cold War arming has been directed more towards balancing their neighbours than China. Allen S. Whiting found in 1997 that “none of the recent increase in arms is attributed to the China factor.”³⁹ Similarly, Richard Bitzinger argued in 2007:

“While China certainly is a part of the dynamics behind the recent and ongoing arms modernization effort in Southeast Asia, it is not the only factor driving this modernization process nor is it necessarily the pre-eminent one. In fact, the PRC may even be a receding concern in Southeast Asia's security calculus.”⁴⁰

Nevertheless, the South China Sea dispute remains a key security issue to Southeast Asian nations. China's soft approach has contributed to the quietness of the issue for over a decade. Bitzinger noted in 2007 that China had made “a concerted effort”

³⁷ Blasko, “The 2007 Report on the Chinese Military,” p. 53.

³⁸ Geng Mingjun, “quanqiuhua beijingxia de Zhongguo guojia anquan [China's national security under globalisation]” *Dangdai Shijie yu Shehui Zhuyi [Contemporary World & Socialism]*, No. 2, 2003, p. 57.

³⁹ Allen S. Whiting, “ASEAN Eyes China: The security dimension” *Asian Survey*, Vol. 37, No. 4 (April 1997), p. 300.

⁴⁰ Bitzinger, p. 22.

not to let the South China Sea issue become a major domestic political football and that it had not seized or occupied additional islands in the Spratlys since 1995.⁴¹ However, with China's soft approach under increasing pressure, China's legislature in December 2007 ratified plans for a new city administration called Sansha, with headquarters in Hainan Island to manage the three archipelagos of Paracel, Spratly and Macclessfield Bank. Unprecedented street demonstrations subsequently took place in Vietnam's two main cities of Hanoi and Ho Chi Minh in December.⁴² Both countries have made an effort to reduce the tensions. But in April 2009, Vietnam appointed a government official as governor to the Paracel Islands, triggering yet another protest from Beijing.⁴³ What is more worrying to China is the speculation that Southeast Asian nations might be ganging up on China over the Spratlys.⁴⁴ A regional bloc against China on the issue may well harden the Chinese position and make the issue more complicated.

A more obvious impact of the China factor on Southeast Asian security is the region's efforts to maintain defence links with external powers. Most of the existing bilateral and multilateral security agreements in the region have much to do with the local parties' uneasiness with China, including Singapore's 1990 agreement with the United States allowing US naval vessels access to Sembawang Naval Base, the revision to the Five Power Defence Arrangement in the mid-1990s, and the 1998 Visiting Forces Agreement between the United States and the Philippines.⁴⁵

Having said that, China and Southeast Asian nations will remain committed to working together to maintain peace in the South China Sea. While China will continue to

⁴¹ Ibid., p. 23.

⁴² Antoaneta Bezlova, "China: Beijing tightens its grip on islands in South China Sea" *Inter Press Service*, 25 January 2008.

⁴³ Antoaneta Bezlova, "China: New border dispute body at time of growing tensions" *Inter Press Service*, 8 May 2009.

⁴⁴ Li Mingjiang and Qiu Yongzheng, "Malaixiya meiti guchui chengli Nansha jituan yu Zhongguo zhengduo Nanhai [Malaysian media propose the formation of a Spratlys bloc to compete with China over the South China Sea]" *Huanqiu Shibao [Global Times]*, 3 July 2009. Available at <http://mil.news.sina.com.cn/2009-07-03/0915557521.html>. Accessed 20 December 2009; "wo haijun renshi cheng ying miqie guanzhu Nanhai zhoubian guojia junshi xingdong [Naval officers say China should watch closely the military movements of the countries surrounding the South China Sea]" *Huanqiu Shibao [Global Time]*, 12 July 2009. Available at <http://mil.news.sina.com.cn/2009-07-12/0933558550.html>. Accessed 20 December 2009.

⁴⁵ Ian James Storey, "Living with the Colossus: How Southeast Asian countries cope with China" *Parameters*, Vol. 29, No. 4 (Winter 1999/2000), pp. 111–25.

avoid military conflicts over the Spratlys dispute, Southeast Asian nations understand that they are unlikely to benefit from a military clash with China. Therefore, there is still a solid foundation for negotiation and cooperation on the issue. A key uncertainty is the influence of domestic politics.

In terms of Sino-Japanese relations, both countries will remain wary of each other's military modernisation given the deep mutual distrust and issues like territorial disputes, Taiwan, rising nationalism, domestic politics and so on. In the near future, however, we can be reasonably confident that the Sino-Japanese rivalry will not degenerate into war. In the longer term, the optimistic scenario that China and Japan cooperate and jointly lead East Asia is not necessarily ill founded. Other than the well-known explanation that the two countries simply have "too much at stake economically to risk upsetting the status quo,"⁴⁶ a stronger China may also become confident enough to go beyond the history issue and cooperate with Japan in shaping East Asian regionalism. Against this background, both China and Japan will find it necessary to strengthen confidence building measures.

Conclusion

To sum up, the Taiwan issue, Spratlys disputes, protection of SLOCs, territorial disputes with Japan, and relations with the United States are China's five major security challenges (See Table 1).

⁴⁶ Jason T. Shaplen and James Laney, "Washington's Eastern Sunset: The decline of U.S. power in Northeast Asia" *Foreign Affairs*, Vol. 86, No. 6 (Nov/Dec 2007), p. 86.

Table 1: China's Five Major Security Challenges

Challenge	Nature
Taiwan	Life or death issue to the Chinese government; many uncertainties; could be a conflict between China and the United States and its allies; a long-term challenge with immediate and constant political implications
The Spratlys Dispute	A present security challenge; politically sensitive but not a life or death issue; complex due to the number of claimants; possible involvement of external players; related to energy security and substantial economic interests
SLOCs	Crucial to China's economic development; not of great urgency
Territorial disputes with Japan	Particularly sensitive politically; unlikely to run out of control in the near future
Relations with the United States	A long-term challenge related to China's rise and the Taiwan issue

These challenges vary in nature. Taiwan still is a top security challenge to Beijing. The improvement of the cross-Strait relations will reduce the urgency of the issue. However, it takes time to generate genuine trust. The Spratlys dispute is a present concern due to the evolving situation which is increasingly challenging to Beijing. While this by no means implies a military clash is imminent, Beijing is under increasing pressure to do something. The protection of SLOCs poses an important challenge due to China's reliance on overseas resources and market. It can become a serious challenge if China is involved in a major conflict with other great powers. Territorial disputes between China and Japan, like many other disputes between them, are politically sensitive in China. However, their common interest in peace will remain strong for the foreseeable future, which is likely to make sure that territorial disputes will not drag the two countries into a war. Finally, the United States as the most powerful player in world politics is perceived as a challenge to China's rise. Such perception is reinforced by various factors, including the Taiwan issue, different values, trade disputes, military alliances, etc. Nevertheless, China has no intention to enter a war with the United States for the foreseeable future.

The course of Chinese military modernisation has been determined by the evolution of China's military strategy which now aims at winning "limited local wars under conditions of informatisation". While China has been trying to have a comprehensive military modernisation, it is financially and technologically restrained and has to set priorities among different services. Given that a number of its present and long-term

security challenges centre on maritime security, Beijing is likely to give PLAN the priority in the coming years.

China's military modernisation has had an impact on the security policies of its neighbours, particularly Japan. On the other hand, it is a common interest of all parties to strengthen regional security cooperation. It is important that confidence building measures are put in place and defence policies are not hijacked by domestic politics.

