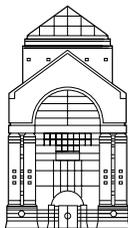


# Asian Perspectives on the Challenges of China

Papers from the  
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# Summary

The Institute for National Strategic Studies (INSS) held its annual Pacific symposium on “Asian Perspectives on the Challenges of China” at the National Defense University in Washington on March 7 and 8, 2000. This event brought together representatives of the policy community and academe from Australia, the People’s Republic of China, India, Japan, the Republic of Korea, Singapore, Thailand, and the United States. It focused on how perceptions of China influence defense and foreign policies in key nations of the Asia-Pacific region, how the likely course of developments in China might affect the future policies of countries in the region, and how such changes might impact on their security relations with the United States.

The symposium was keyed to two areas of ongoing INSS research. First, it was integral to a study on U.S. Regional Military Presence in the 21<sup>st</sup> Century. This effort seeks to identify perceptions of the factors that will shape the regional security environment over the next decade. These perceptions will affect the security policies of both allied and friendly nations and could cause them to adjust their expectations for security

relations with the United States. The study will assist security planners in developing U.S. regional military presence for the future. Second, because Chinese intentions and capabilities will continue to be a key determinant in shaping the regional security environment, INSS and the Center for the Study of Chinese Military Affairs are conducting research on China as an emerging great power. The symposium formed a crucial element in that research project as well.

Despite news accounts on China prevalent at the time, the symposium was not dominated by headlines on tensions across the Taiwan Strait or the latest Chinese white paper.

## Major Conclusions

*Regional views of the “Challenges of China” and how best to respond depend upon respective views of the nature of the future regional security environment. However, regional analysts are as uncertain as their U.S. counterparts about the future.* The first and most dominant view is that the United States will remain “engaged and present” and, moreover, that the next decade will witness the expansion of U.S. economic, technological, and military dominance. The hub-and-spokes model will prevail, albeit with some adjustment in basing, operational tempo, and so on. Proponents of a second view hold that the next decade will see movement toward building multilateral economic

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This summary was prepared by the Asia-Pacific research team of the Institute for National Strategic Studies (INSS) at the National Defense University. Please address any comments or questions on the summary or the papers in this publication to James J. Przystup of INSS at przystupj@ndu.edu.

and security institutions to manage and regulate the broad spectrum of regional activities. A third and decidedly minority view postulates the prospect of a U.S. withdrawal from active military engagement. Beijing, like its regional neighbors, is constantly assessing the state of play and will respond according to its interests. Generally speaking, Beijing will seek to encourage those forces and trends that limit or attenuate U.S. influence and provide opportunities for China to increase its own standing.

*Regional powers do not wish to see the rise of a hegemon from within the region.* Discussion of multilateralism notwithstanding, the majority of regional analysts take a *realpolitik* view of international relations. There is a clear preference for an external presence with a level of comprehensive national power sufficient to balance any and all regional powers, including China and, presumably, Japan. It is understood that the external power would itself be balanced from within the region.

*China is determined to achieve the status of a great power. This mandates two imperatives. The first is building a world-class economy and military force. The second is the completion of national reunification, which involves restoring Taiwan and the disputed territories of the South China Sea to Chinese sovereignty.* Participants agreed that Beijing is not likely to be deflected from either goal. There was a clear consensus that once Taiwan was dealt with China would turn its attention to the South China Sea. Regional powers believe that both issues have the potential to evolve toward violence and instability. But they also perceive that Beijing is aware that pursuing reunification could have an adverse impact on its quest for economic development, and that China is engaged in a continuing balancing act. However, there was general acceptance of the judgment that, in both cases, Beijing would use military force to achieve reunification, if necessary.

*China will become a great power, but the process will not be an easy one.* There was a strong consensus that the region should prepare itself to deal with a new great power. At the same time, however, there was a judgment that, although the elite as a whole is reasonably unified, the leadership remains separated from the people. There is also a view that, apart from nationalism, China lacks a coherent ideology to bind the nation together, that Chinese political institutions are extremely weak, and that Chinese society lacks coherence. Leadership inability to promote social cohesion is both a cause and an effect of the rise of competing nationalisms. These involve both ethnically-based

nationalisms evidenced by China's Muslim populations and competing regionally/economically based nationalisms, such as those between the north and the south and the developed coastal regions and the less developed regions of the interior. On balance, the regional view is that China will make it but that the process will not be smooth. The major difference between the views of regional analysts and their U.S. counterparts lies in the apparent readiness of the region to accept the idea of ultimate Chinese success and to discount the seriousness of the difficulties Beijing is likely to encounter along the way.

*Most participants feel China does not pose a near-term military threat to the nations of the Asia-Pacific region.* China's military capabilities are growing along with other components of its comprehensive national power. Those improvements are not and will not be seen across the full range of forces or capabilities, but will be confined to those of greatest relevance to Chinese needs, that is, those relevant to Chinese objectives with respect to Taiwan. This judgment holds only for the next 10 to 15 years. There is considerable uncertainty about the longer term. Regional observers believe that any impulse of the current regime to use military means to achieve its objectives—with the exception of Taiwan and/or the South China Sea—is tempered by the need to maintain stability in the interest of economic development. While most believe Beijing would prefer to avoid the use of force to reclaim Taiwan, there is growing anxiety in the region about cross-strait conflict due to miscalculation.

*Taiwan is a major, pressing concern. But it is a United States problem.* The region expects the United States to handle this problem well. This means two things: managing events in such a way that conflict does not occur and, if it does occur, intervening quickly and effectively to limit the negative consequences. The forms, levels, and perceptions of U.S. forward military presence are important factors in managing the issue in that they clearly have deterred Chinese military action. Regional powers do not wish to be asked to become involved, at least not publicly, and they absolutely do not wish to be asked to lend support to any U.S. military operations against China in the Taiwan Strait. That said, the region regards U.S. willingness to act in the Taiwan Strait as a test of American commitment. Failure to intervene to keep the peace would send an extremely negative message and do irreparable damage to the American position in the region. It is worth underscoring that regional

analysts did not hedge their comments with qualifiers such as “it depends on how the conflict starts.” Discussion on the Taiwan issue left a strong impression that Beijing cannot be swayed from “one unified China” and that the only real solution is the reintegration of Taiwan.

*Regional powers find the cyclical pattern of U.S. relations with China to be disturbing. They are particularly concerned about what they perceive to be a present major decline in the tenor and substance of bilateral ties.* Participants reaffirmed the long-standing concern that the ups and downs of U.S.-China relations complicate their ability to maintain stable ties with Beijing. They do not wish to be placed in a position of having to take sides between Washington and Beijing. This is of particular concern because, in their words, they and Beijing “share the same neighborhood.” Some participants reluctantly expressed a desire for greater consistency and predictability in the U.S. approach to Beijing.

*China should join the World Trade Organization.* Regional participants strongly supported arguments of a business-oriented U.S. panel to advocate Chinese accession and passage of permanent normal trade relations (PNTR). The region sees WTO membership as a means of speeding Chinese integration into the global economy, as a means of encouraging China and Taiwan to resolve issues of common interest, as a means of improving U.S.-China relations, and as a help to China’s economic development. All of these are perceived to be in the interests of the regional powers, which view Chinese membership as a means of ensuring stability and their own economic well-being.

*China should be integrated fully into the political and economic life of the region.* The region wants to see a China that plays by the rules. There is virtually no support for containment, confrontation, or opposition to a more outward looking China. The most widely held view is that the underlying assumptions of Chinese foreign and national security policies are evolving. Beijing is increasingly integrated into regional affairs, driven primarily by its economic interests. The region seems reasonably confident that this process will reach a successful conclusion and is prepared to live with an inconsistent China until it does. At the same time, the regional powers clearly value the U.S. military presence as a counter to Beijing’s growing national power.

## Implications for the Future

In general, we agree with the symposium conclusions. A number of the issues raised need to be incorporated into and/or emphasized in our continuing research. Similarly, and from our point of view surprisingly, a number of issues did not arise. These omissions also suggest subjects for future research.

There is a clear need to focus more directly on China’s military modernization program and assess the prospects for improving the military capabilities of the People’s Liberation Army (PLA). Ultimately, this requires analysis of such factors as economics, science and technology capability, demographics, production capabilities, systems integration, and training. At the same time, we need a better understanding of the views of Chinese leaders on the use of military force, including its utility as a means of achieving national objectives and the conditions under which they might actually resort to force. These issues will be the top research priorities of the newly-established Center for the Study of Chinese Military Affairs.

There is also a need to take our work on regional perceptions of the forces and trends shaping the regional security environment to the next level and to integrate it more fully into our study of the future U.S. regional military presence. Specifically, we need to evaluate the extent to which multilateral institution building is viewed as a useful exercise and how regional powers are thinking about applying the concept in their security determinations. A related question concerns the preferences and attitudes of allies and friends regarding an emerging U.S. tendency to develop multilateral forms of military exercises and training.

We were surprised that regional participants failed to mention either theater missile defense, national missile defense, or Japan’s apparently expanding security role as factors shaping the future regional security environment. We had thought that discussion of the challenges of China would eventually lead to a consideration of these issues. Our view is that these events are likely to have significant impact, a view that prompted agreement when shared with regional participants. Accordingly, we see a need to begin work in these areas. Finally, participants noted the significance of, but did not develop their ideas on, generational change as a factor supporting pressures for changes in the security orientations of Japan and Korea. This need reinforces our view that research on this subject would be of great value.

# China's National Insecurity: Old Challenges at the Dawn of the New Millennium

by Dru C. Gladney

Foreigners and the Chinese themselves typically picture China's population as a vast monolithic Han majority, with a sprinkling of exotic minorities living along the country's borders. This understates China's tremendous cultural, geographic, and linguistic diversity—in particular, the important cultural differences within the Han population. It also ignores the fact that China is officially a multinational country, with 56 recognized “nationalities.” More important, recent events suggest that China may well be increasingly insecure regarding not only these official nationalities, but also national integration.

China is seeing a resurgence of pride in local nationality and culture, most notably among southerners such as the Cantonese and Hakka, who are now classified as Han. The differences may increase under economic pressures, such as inflation, the growing gap between rich and poor areas, and the migration of millions of people from poorer provinces to those with jobs. Chinese society is also under pressure from the officially recognized minorities, such as the Uyghurs and Tibetans.

For centuries, China has held together a vast multicultural and multiethnic nation, despite alternating periods of political centralization and fragmentation. But cultural and linguistic cleavages could worsen in a

China that is weakened by internal strife, inflation, uneven growth, or a post-Jiang struggle for succession. At the National Day celebrations in October 1999, commemorating 50 years of Communist Party rule, frequent calls for “National Unity” underscored the importance China's many ethnic populations will play in its national resurgence.

## **Ethnic Nationalism**

At the beginning of the last decade, not a single observer of international politics predicted that the former Soviet Union would now be fragmented into a melange of strident new nations and restive ethnic minorities. When Russian troops first marched into the Chechen capital of Grozny in 1996 in hopes of keeping what remained of the former Soviet empire together,<sup>1</sup> few analysts drew parallels to China's attempts to rein in its own restive minorities.

China is thought to be different. Cultural commonality and a monolithic civilization are supposed to hold the country together. While focus on ethnic nationalism generally has been absent from Western perspectives and reporting on China, the peoples of the People's Republic of China (PRC) have often demonstrated otherwise. Continuing separatist activities and ethnic unrest have punctuated border areas since a major Muslim uprising in February 1996 led to bombings in Beijing and frequent eruptions on its periphery.<sup>2</sup> Quick and violent responses to thwart

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localized protests—27 “splittists” reportedly killed in an uprising in December 1999 outside of Khotan in southern Xinjiang Uyghur Autonomous Region—indicate rising Chinese concern over the influence of separatist sentiment spilling over from the newly independent Central Asia nations into China’s Muslim areas. In these areas, more than 20 million Turkic Uyghurs, Kyrgyz, Kazaks, and other Muslims are a visible and vocal reminder that China is linked to Eurasia. For Uyghur nationalists today, direct lineal descent from the Uyghur Kingdom in 7th century Mongolia is accepted as fact, despite overwhelming historical and archeological evidence to the contrary, and they seek to revive that ancient kingdom as modern Uyghuristan.<sup>3</sup>

Random arrests and detentions continue among the Uyghur, who are increasingly being regarded as China’s Chechens. A report in *The Wall Street Journal* of the arrest on August 11, 1999, of Rebiya Kadir, a well-known Uyghur businesswoman, during a visit to the region by a delegation from the U.S. Congressional Research Service, indicates that China’s suspicion of the Uyghur people continues.<sup>4</sup>

China is also concerned about the “Kosovo effect,”<sup>5</sup> fearing that its Muslim and other ethnic minorities might be emboldened to seek outside international (i.e., Western) support for stopping continued human rights abuses. Just before the National Day celebrations in October 1999, the State Council hosted its first 3-day conference on “the nationalities problem” in Beijing, and issued a new policy paper, “National Minorities Policy and its Practice in China.”<sup>6</sup> Though this White Paper did little more than outline all the “good” programs China has carried out in minority areas, it did indicate increasing concern and a willingness to recognize unresolved problems, and several strategic think tanks in Beijing and Shanghai initiated focus groups and research programs to address the issues of ethnic identity and separatism.<sup>7</sup>

But ethnic problems in Jiang Zemin’s China go far deeper than the official minorities. Sichuanese, Cantonese, Shanghainese, and Hunanese cafes [“cafes” correct word?] avidly advocate increased cultural nationalism and resistance to Beijing central control. As the European Union experiences its difficulties in building a common European alliance across linguistic, cultural, and political boundaries, we should not imagine China to be less concerned about its persistent multiculturalism.

If the Roman Empire were around today, it would look much like China. Two millennia ago, the Roman Empire and the Han dynasty were at their peaks. Both empires barely lasted another 200 years. At the beginning of the last millennium, China was on the verge of being conquered by the Mongols and divided by a weakened Song dynasty in the south and the Liao dynasty in the north, whose combined territory was equal only to the five northern provinces in today’s PRC. Indeed, it was the Mongols who extended China’s territory to include much of what is considered part of China today: Tibet, Xinjiang, Manchuria, Sichuan, and Yunnan. Over the last two millennia, China has been divided longer than it has been unified. Can it maintain national unity throughout the next century? History suggests not. Indeed, with the reacquisition of Macao in late 1999, China is the only country in the world that is *expanding its territory* instead of reducing it. Will China be able to continue to resist the inexorable forces of globalization and nationalism?

Chinese linguists, such as John DeFrancis, speak of the linguistic diversity within China. Attention to cultural diversity should force observers to give further weight to the plurality of Chinese peoples in national politics. An American President once claimed to know the mind of the Chinese. This is as farfetched as someone claiming to know the European mind. Have any U.S. policymakers spent time talking to disgruntled entrepreneurs in Canton and Shanghai, impoverished peasants in Anhui and Gansu, or angry Central Asians in Xinjiang, Mongolia, and Tibet? While ethnic diversity does not necessitate ethnic separatism or violence, growing ethnic awareness and expression in China should inform policymaking and take into account the interests of China’s many peoples, not just those in power. China policy should represent more than the interests of those in Beijing.

## **China’s Han Nationality**

Officially, China is made up of 56 nationalities—the majority nationality known as the Han, and 55 recognized minority groups. The peoples identified as Han comprise 91 percent of the population from Beijing in the north to Canton in the south, and they include the Hakka, Fujianese, Cantonese, and other groups.<sup>8</sup> These Han are thought to be united by a common history, culture, and written language; differences in language, dress, diet, and customs are regarded as minor and superficial.

The rest of China's population is divided into 55 official minority nationalities that are mostly concentrated along the borders, such as the Mongolians and Uyghurs in the north and the Zhuang, Yi, and Bai in southern China, near southeast Asia. Other groups, such as the Hui and Manchus, are scattered throughout the nation, and there are minorities in every province, region, and county. An active state-sponsored program assists these official minority cultures and promotes their economic development (with mixed results). The outcome, according to China's preeminent sociologist, Fei Xiaotong, is a "unified multinational" state.<sup>9</sup>

But even this recognition of diversity understates the divisions within the Chinese population, especially the wide variety of culturally and ethnically diverse groups within the majority Han population.<sup>10</sup> These groups have recently begun to rediscover and reassert their different cultures, languages, and history. Yet, even as the Chinese worry and debate over their own identity, policymakers in other nations still take the monolithic Han identity for granted.

The notion of a Han person (*Han ren*) dates back centuries and refers to descendants of the Han dynasty who flourished at about the same time as the Roman Empire. But the concept of Han nationality (*Han minzu*) is an entirely modern phenomenon that arose with the shift from the Chinese empire to the modern nation-state.<sup>11</sup> In the early part of the 20th century, Chinese reformers were concerned that the Chinese people lacked a sense of nationhood, unlike Westerners and even China's "other" peoples such as Tibetans and Manchus. In the view of these reformers, Chinese unity stopped at the clan or community level rather than extending to the nation as a whole.

Sun Yat-sen, leader of the republican movement that toppled the last imperial dynasty of China (the Qing) in 1911, popularized the idea that there were "Five Peoples of China"—the majority Han, the Manchus, the Mongols, the Tibetans, and the Hui (a term that included all Muslims in China, now divided into Uyghurs, Kazakhs, Hui, etc.). Sun was a Cantonese, educated in Hawaii, who feared arousing traditional northern suspicions of southern radical movements. He wanted both to unite the Han and to mobilize them and all other non-Manchu groups in China (including Mongols, Tibetans, and Hui) into a modern multiethnic nationalist movement against the Manchu Qing state and foreign imperialists. The Han

were seen as a unified group distinct from the "internal" foreigners—within their borders the Manchus, Tibetans, Mongols, and Hui—and from the "external" foreigners, namely the Western and Japanese imperialists. Professor Frank Dikötter, Director of the Contemporary China Institute at the University of London, has argued a racial basis for this notion of a unified Han *minzu*,<sup>12</sup> but I suspect the rationality was more strategic and nationalistic—the need to build national security around the concept of one national people, with a small percentage of minorities supporting that idea.

The Communist Party expanded the number of peoples from 5 to 56 but kept the idea of a unified Han group. The Communists were, in fact, disposed to accommodate these internal minority groups for several reasons. The 1934–1935 Long March, a 6,000-mile trek across China from southwest to northwest to escape the threat of annihilation by Chiang Kai-shek's Kuomintang (KMT) forces, took the Communists through some of the most heavily populated minority areas. Harried on one side by the KMT and on the other by fierce "barbarian" tribesmen, the Communists were faced with a choice between extermination and promising special treatment to minorities—especially the Miao, Yi (Lolo), Tibetans, Mongols, and Hui—should the party ever win national power.

The Communists even offered the possibility of true independence for minorities. Chairman Mao frequently referred to Article 14 of the 1931 Chinese Communist Party (CCP) constitution, which "recognizes the right of self-determination" of the national minorities in China, their right to complete separation from China, and their right to the formation of an independent state for each minority. This commitment was not kept after the founding of the People's Republic.<sup>13</sup> Instead, the party stressed maintaining the unity of the new nation at all costs.

The recognition of minorities, however, helped the Communists' long-term goal of forging a united Chinese nation by solidifying the recognition of the Han as a unified "majority." Emphasizing the difference between Han and the minorities helped to deemphasize the differences within the Han community. The Communists incorporated the idea of Han unity into a Marxist ideology of progress, with the Han in the forefront of development and civilization, the vanguard of the people's revolution.<sup>14</sup> The more "backward" or "primitive" the minorities were, the

more “advanced” and “civilized” the so-called Han seemed and the greater the need for a unified national identity. Cultural diversity within the Han has not been admitted because of a deep (and well-founded) fear the country would break up into feuding warlord-run kingdoms, as happened in the 1910s and 1920s.

China historically has been divided along north/south lines—into Five Kingdoms, Warring States, or local satrapies—as often as it has been united. Indeed, China as it currently exists, including large pieces of territory occupied by Mongols, Turkic peoples, Tibetans, and so forth, is three times larger than China was under the last Chinese dynasty, the Ming, which fell in 1644. Ironically, geographic “China” as defined by the People’s Republic was actually established by foreign conquest dynasties, first by the Mongols and finally by the Manchus. A strong, centralizing Chinese government (whether of foreign or internal origin) has often tried to impose ritualistic, linguistic, and political uniformity within its borders. The modern state has tried to unite the various peoples with transportation and communication networks and an extensive civil service. In recent years, these efforts have continued through the controlled infusion of capitalist investment and market manipulation. Yet even in the modern era, these integrative mechanisms have not produced cultural uniformity.

### **Invented National Unity**

Although presented as a unified culture—an idea also accepted by many Western researchers—Han peoples differ in many ways, most obviously in their languages. The supposedly homogenous Han speak eight mutually unintelligible languages (Mandarin, Wu, Yue, Xiang, Hakka, Gan, Southern Min, and Northern Min). Even these subgroups show marked linguistic and cultural diversity; in the Yue language family, for example, Cantonese speakers are barely intelligible to Taishan speakers, and speakers of the Southern Min dialects of Quanzhou, Changzhou, and Xiamen have equal difficulty communicating.<sup>15</sup> Chinese linguist Y. R. Chao has shown that the mutual unintelligibility of, say, Cantonese and Mandarin is as great as that of Dutch and English or French and Italian.<sup>16</sup> Mandarin was imposed as the national language early in the 20th century and has become the *lingua*

*franca*, but like Swahili in Africa it must often be learned in school and is rarely used in everyday life in many areas.

Cultural perceptions among the Han often involve broad stereotypical contrasts between north and south.<sup>17</sup> Northerners tend to be thought of as larger, broader-faced, and lighter-skinned, while southerners are depicted as smaller and darker. Cultural practices involving birth, marriage, and burial differ widely. Fujianese, for example, are known for vibrant folk religious practices and ritualized reburial of interred corpses, while Cantonese have a strong lineage tradition, both of which are almost nonexistent in the north. One finds radically different eating habits from north to south, with northerners consuming noodles made from wheat and other grains, open to consuming lamb and beef, and preferring spicy foods, while the southern diet is based upon rice, eschews lamb and beef in favor of seafood, and along the coast includes milder dishes. It is interesting, in this regard, that Fei Xiaotong once argued that what made the Han people different from minorities was their agricultural traditions (i.e., minorities were traditionally not engaged in farming,<sup>18</sup> though this failed to take into account groups like the Koreans and Uyghur who have farmed for 1,400 years). Yet Fei never considered the vast cultural differences separating rice-eaters in the South from wheat-eaters in the North.

This process of national unification based on an invented majority at the expense of a few isolated minorities is widely documented in Asia and is not unique to China.<sup>19</sup>

### **Identity Politics and National Minorities**

China’s policy toward minorities involves official recognition, limited autonomy, and unofficial efforts at control. The official minorities hold a significance for China’s long-term development that is disproportionate to their size. Although totaling only 8.04 percent of the population, they are concentrated in resource-rich areas, cover nearly 60 percent of the country’s land mass, and exceed 90 percent of the population in counties and villages along many border areas of Xinjiang, Tibet, Inner Mongolia, and Yunnan. While the 1990 census recorded 91 million members of the official minorities, the 2000 census is estimated to report an increase in the minority population to 104 million.<sup>20</sup>

Shortly after taking power, Communist leaders sent teams of researchers, social scientists, and party cadres to the border regions to identify groups as official nationalities. Only 41 of the more than 400 groups that applied were recognized, and that number reached 56 by 1982. Most of the nearly 350 other groups were identified as Han or lumped together with other minorities with whom they shared some features for generally political reasons. Some are still applying for recognition, and the 1990 census listed almost 750,000 people as “unidentified” and awaiting recognition—which means they were regarded as ethnically different but did not fit into any of the recognized categories.

In recognition of the minorities' official status as well as their strategic importance, various levels of nominally autonomous administration were created—five regions, 31 prefectures, 96 counties (or, in Inner Mongolia and Manchuria, “banners”), and countless villages. Such “autonomous” areas do not have true political control, although they may have increased local control over the administration of resources, taxes, birth planning, education, legal jurisdiction, and religious expression. These designated areas have minority government leaders, but the real source of power is still the Han-dominated Communist Party—as a result, they may actually come under closer scrutiny than provinces with large minority populations, such as Gansu, Qinghai, and Sichuan.

While “autonomy” seems not to be all the word might imply, it is still apparently a desirable attainment for the minorities in China. Between the 1982 and 1990 censuses, 18 new autonomous counties were established, three of them in Liaoning Province for the Manchus, who previously had no autonomous administrative districts. Although the government is clearly trying to limit the recognition of new nationalities, there seems to be an avalanche of new autonomous administrative districts. In addition to the 18 new counties and many villages whose total numbers have never been published, at least 8 more new autonomous counties are to be set up. Five will go to the Tujia, a group widely dispersed throughout the southwest that doubled in population from 2.8 million to 5.8 million from 1982 to 1990.

The increase in the number of groups seeking minority status reflects what may be described as an explosion of ethnicity in contemporary China. Indeed, it has now become popular, especially in Beijing, for people to declare themselves to be Manchus or mem-

bers of other ethnic groups, admitting they were not Han all along. While the Han population grew a total of 10 percent between 1982 and 1990, the minority population grew 35 percent overall—from 67 million to 91 million. The Manchus, a group long thought to have been assimilated into the Han majority, added three autonomous districts and increased its population by 128 percent, from 4.3 million to 9.8 million, while the population of the Gelao people in Guizhou shot up an incredible 714 percent in just 8 years.

Clearly, these rates reflect more than a high birth rate; they also indicate “category shifting” as people redefine their own nationality from Han to a minority or from one minority to another. In interethnic marriages, parents can decide the nationality of their children, and the children themselves can choose their nationality at age 18. One scholar predicts that if the minority population growth rate continues, there will be a total of 100 million minorities in the year 2000 and 864 million in 2080.<sup>21</sup> China has recently begun to limit births among minorities, especially in urban areas, but it is doubtful that authorities will be able to limit the growing number of applications for redefinition and the hundreds of groups applying for recognition as minorities.

Why is it popular to be officially ethnic in 1990s China? This is an interesting question, given the negative reporting in the Western press about minority discrimination in China. If it is so bad to be a minority in China, why are the numbers of minorities increasing? One explanation may be that in 1982 there were still lingering doubts about the government's true intent in registering the nationalities during the census. The Cultural Revolution, a 10-year period during which any kind of difference—ethnic, religious, cultural, or political—was ruthlessly suppressed, had ended only a few years before.<sup>22</sup> By the mid-1980s, it had become clear that those groups identified as official minorities were beginning to receive real benefits from the implementation of several affirmative action programs. The most significant privileges included permission to have more children (except in urban areas, minorities are generally not bound by the one-child policy), pay fewer taxes, obtain better (albeit Chinese) education for their children, have greater access to public office, speak and learn their native languages, worship and practice their religion (often including practices, such as shamanism, that are still banned among the Han),

and express their cultural differences through the arts and popular culture.

Indeed, one might even say it has become popular to be ethnic in today's China. Mongolian hot pot, Muslim noodle, and Korean barbecue restaurants proliferate in every city, while minority clothing, artistic motifs, and other expressions of cultural styles adorn Chinese bodies and private homes. In Beijing, one of the most popular new restaurants of the young Han nouveau riche is the Thai Family Village (*Dai Jia Cun*), which offers a cultural experience of the Thai minority (known in China as the Dai), complete with beautiful waitresses in revealing Dai-style sarongs and short tops, sensually singing and dancing, and exotic foods such as snake's blood. It is not unusual to learn of Han Chinese prostitutes representing themselves as Thai and other minorities to appear more exotic to their customers.<sup>23</sup> Surprisingly, the second-most popular novel in China in 1994 was *The History of the Soul* (*Xin ling shi*), which concerned personal and religious conflicts in a remote Muslim region in northwest China. It was written by Zhang Chengzhi, a Hui Muslim from Ningxia. This rise of ethnic chic is in dramatic contrast to the anti-ethnic homogenizing policies of the late 1950s' anti-Rightist period, the Cultural Revolution, and even the late 1980s' "spiritual pollution" campaigns.

Foreign policy considerations have also encouraged changes in China's treatment of minority groups. China has one of the world's largest Muslim populations—nearly 20 million, more than the United Arab Emirates, Libya, or Malaysia—and has increasing contacts with trade partners in the Middle East and new Muslim nations created on its borders. China provides the Middle East and Central Asia with cheap labor, consumer goods, weaponry—and increasing numbers of Muslim pilgrims to Mecca.<sup>24</sup> These relations will be jeopardized if Muslim, especially, Uyghur, discontent continues over such issues as limitations on mosque building, restrictions on childbearing, uncontrolled mineral and energy development, and continued nuclear testing in the Xinjiang region.

Foreign policy considerations also argue for better treatment of Korean minorities, since South Korean investment, tourism, and natural resources have given China's Koreans in Liaoning and Manchuria a booming economy and the best educational level of all nationalities (including the Han). Another factor has been the increase in international tourism to minority areas, including the "Silk Road" tours to Xinjiang and

package tours to the "colorful" minority regions of Yunnan and Guizhou that are marketed to Japanese, Taiwanese, and Southeast Asian Chinese tour groups.

The most striking change in Chinese policy toward a single minority as a result of international relations has been the initiation—just after the improvement in Sino-Israeli relations in 1992—of discussions about granting official nationality status to Chinese Jews (*Youtai ren*), once thought to have disappeared entirely. As Sino-Israeli relations improve, and China seeks increased tourism dollars from Tel Aviv and New York, one would assume the Chinese Jews will once again reappear as an official nationality in China.

The creation of several new nations on China's Central Asian frontier with ethnic populations on both sides of the border has also made ethnic separatism a major concern. The newly independent status of the Central Asian states has allowed separatist groups in Xinjiang to locate some sources of support, leading to over 30 reported bombing incidents in the Xinjiang region in 1999 claimed by groups militating for an "Independent Turkestan." At the same time, freer travel across the Central Asian borders has made China's Muslims well aware of ethnic and political conflicts in Azerbaijan and Tajikistan, and also demonstrated that they are often better off economically than their fellow Muslims across the border. Several meetings of the "Shanghai Five" (PRC, Kazakhstan, Kyrgyzstan, Tajikistan, and Russia) since April 1997 concluded treaties to strengthen border security and establish the refusal to harbor separatist groups. In April 1999, for example, Kazakhstan returned to China three Uyghurs who were accused of separatism.

Beijing's challenge is to convince Chinese Muslims that they will benefit more from cooperation with their national government than from resistance. In the south, a dramatic increase in cross-border relations between Chinese minority groups and Myanmar (Burma), Cambodia, and Thailand has contributed to a rising problem of drug smuggling. Beijing also wants to help settle disputes in Cambodia, Vietnam, and Myanmar, because it fears ethnic wars will spill over the border into China. In Tibet, frequent reports of ongoing resistance and many arrests continue to filter into the media, despite Beijing's best efforts at spin control.

## Internal Divisions Among the Han Majority

Not only have the official minorities in China begun to assert their identities more strongly, pressing the government for more recognition, autonomy, and special privileges, but different groups within the so-called Han majority have begun to rediscover, reinvent, and reassert their ethnic differences.

The dramatic economic explosion in South China has encouraged southerners and others to emphasize their cultural and political differences. Cantonese rock music, videos, movies, and television programs, all heavily influenced by Hong Kong, are now popular throughout China. Whereas comedians used to make fun of southern ways and accents, southerners now scorn northerners for their lack of sophistication and business acumen. And, as any Mandarin-speaking Beijing resident will tell you, bargaining for vegetables or cellular telephones in Guangzhou or Shanghai markets is becoming more difficult due to growing pride in local languages; nonnative speakers always pay a higher price. Rising self-awareness among the Cantonese parallels the reassertion of identity among the Hakka, the southern Fujianese Min, the Swatow, and a host of other generally ignored peoples now empowered by economic success and embittered by age-old restraints from the north.

Interestingly, most of these southern groups traditionally regarded themselves not as Han but as Tang people, descendants of the great Tang dynasty (618–907 A.D.) and its southern bases.<sup>25</sup> Most Chinatowns in North America, Europe, and Southeast Asia are inhabited by descendants of Chinese immigrants who came from the mainly Tang areas of southern China. They are built around Tang Person Streets (*tang ren jie*).

The next decade may see the resurgence of Tang nationalism in southern China in opposition to northern Han nationalism, especially as economic wealth in the south eclipses that of the north. There is also a newfound interest in the ancient southern Chu kingdom as key to modern southern success. Some southern scholars have departed from the traditional Chinese view of history and now argue that by the 6th century B.C., the bronze age culture of the Chu had spread north and influenced the development of Chinese civilization, rather than the culture originating in

the north and spreading southward. Many southerners now see Chu as essential to Chinese culture, to be distinguished from the less important northern dynasties—with implications for the nation's economic and geopolitical future. Museums celebrating the glory of Chu have been established throughout southern China. There is also a growing belief that northerners and southerners had separate racial origins based on different histories and contrasting physiogenetic types, a belief influenced by highly speculative 19th century notions of race and Social Darwinism.<sup>26</sup>

There has also been an outpouring of interest in Hakka origins, language, and culture on Taiwan, which may be spreading to the mainland. The Hakka, or “guest people,” are thought to have moved southward in successive migrations from northern China as early as the Eastern Jin (317–420 A.D.) up until the late Song dynasty (960–1279 A.D.), according to many Hakka (who claim to be Song people as well as Tang people). The Hakka have the same language and many of the same cultural practices as the She minority, but they have never sought minority status themselves—perhaps because of a desire to overcome their long-term stigmatization by the Cantonese and other southerners as “uncivilized barbarians.”<sup>27</sup> This low status may stem from the unique Hakka language (which is unintelligible to other southerners), the isolated and walled Hakka living compounds, or the refusal of Hakka women during the imperial period to bind their feet.

Nevertheless, the popular press in China is beginning to note more frequently the widely perceived but difficult-to-establish rumors of the Hakka origins of important political figures (even Deng Xiaoping, Mao Zedong, Sun Yat-sen, former party General Secretary Hu Yaobang, and former President Ye Jianning). People often praise Zhou Enlai by stressing his Jiangnan linkages and Lee Kuan-yew as a prominent Hakka statesman; and even Chiang Kai-shek is lauded as a southerner who knew how to get money out of the United States.

## National Disintegration

China's economic vitality has the potential to fuel ethnic and linguistic division, rather than integrating the country further, as most would suppose. As southern and coastal areas get richer, much of the central, northern, and northwestern regions are unlikely to keep up, increasing competition and contributing to

age-old resentments across ethnic, linguistic, and cultural lines.<sup>28</sup> Southern ethnic economic ties link wealthy Cantonese, Shanghainese, and Fujianese (also the majority people in Taiwan) more closely to their relatives abroad than to their political overlords in Beijing. Already, provincial governments in Canton and elsewhere not only resist paying taxes to Beijing, but they also restrict the transshipment of goods coming from outside the province across provincial—often the same as cultural—lines. Travelers in China have seen an extraordinary expansion of toll roads, indicating greater interest in local control.

Dislocations from rapid economic growth may also fuel ethnic divisions. Huge migrations of “floating populations,” estimated to total over 150 million nationally, now move across China seeking employment in wealthier areas, often engendering stigmatized identities and stereotypical fears of the “outsiders” (*wai di ren*) within China. Crime, housing shortages, and lowered wages are now attributed most often to these people from Anhui, Hunan, or Gansu who are taking jobs from locals—complaints similar to those heard in West Germany about the influx of Easterners after reunification. Reports that 70 percent of those convicted of crimes in Beijing were outsiders have fueled criticisms of China’s increasingly open migration policy.<sup>29</sup>

The result of all these changes is that China is becoming increasingly decentered. This is a fearsome prospect for those holding the reins in Beijing. Perhaps it was a factor in the decision to crack down on the June 1989 demonstrations in Tiananmen Square. At that time, central authorities had begun to lose control of a country, which they feared could quickly unravel. That such fears have not eased is shown by the increased calls during the National Day celebrations for National Unity and efforts to reduce corruption. Worker and peasant unrest reported throughout China cuts across, and may at times exacerbate, cultural and ethnolinguistic differences between the haves and the have-nots, who in today’s China increasingly interact along lines marked by multiethnic diversity.

### **National Disunity?**

Although ethnic separatism will never be a serious threat to a strong China, a China weakened by internal strife, inflation, uneven economic growth, or the struggle for succession after Deng Xiaoping’s

death could become further divided along cultural and linguistic lines. It was a southerner, born and educated abroad, who led the revolution that ended China’s last dynasty; and when that empire fell, competing warlords—often supported by foreign powers—fought for local turf occupied by culturally distinct peoples. And, the Taiping Rebellion of the 1850s and 1860s that nearly brought down the Qing dynasty also had its origins in the southern border region of Guangxi among the so-called marginal Yao and Hakka peoples.

These events are being remembered as the generally well-hidden and overlooked “others” within Chinese society begin to reassert their own identities in addition to the official nationalities. At the same time, China’s leaders are moving away from the homogenizing policies that alienated minority and non-northern groups. Recent moves to allow and even encourage the expression of cultural diversity, while preserving political unity, indicate a growing awareness of the need to accommodate that diversity. This development will be important to watch over the next 2 years, as China prepares to incorporate Hong Kong, a city that operates on cultural and social assumptions very different from those of Beijing.

The construction of Chinese national identity has always been tentative. In June 1989, while China’s future hung in the balance, there was significant concern over which armies would support Deng’s crack-down—those based in Sichuan, Hunan, Canton, or Beijing; all had their own local concerns. The military has since been reshuffled and somewhat downsized, attempting to uproot any local attachments and professionalize the command structure. However, this only underscores the growing importance of regional and local ties. China, as of now, is a unified country militarily, and perhaps, politically. As a result of Jiang’s continuance of the Deng Xiaoping reforms, China is increasingly less unified economically. Yet how can China continue to withstand the forces of globalization and nationalism without a government legitimized through popular elections, transparency in the political process, adherence to the rule of law, and good governance?

Last November, an ambassador from one of the Muslim nations friendliest to China remarked privately to this writer that, by the end of the next decade, China would be divided into nine republics.

Historians debate whether a foreign threat has been the only thing that has held China together. Now that the encirclement doctrine, upon which President Richard Nixon and Secretary of State Henry Kissinger built the Sino-American alliance, is no longer valid, and containment has been replaced by improving U.S.-China relations based on a policy of engagement, China faces only enemies from within.

The Chinese press reported more than 5,000 organized social protests in 1998 alone, with many more in 1999, culminating in the widespread Falun Gong uprising and crackdown. Most of these protests have been organized by labor unions and peasant associations, but, increasingly, ethnic and religious groups such as the Falun Gong have begun to speak out. The fact that China is becoming dangerously decentered perhaps may be the main reason for the recent rush on Beijing's part to finalize international border agreements with Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and most recently, Vietnam.

U.S. Senator Daniel Patrick Moynihan predicted that there will be 50 new countries in 50 years. The trend began with the breakup of the Soviet Union in 1991 and has continued throughout much of Africa and Asia, particularly Indonesia. Why should China be immune from such global diversification? While ethnic separatism alone will never be threatening enough to pull a strong China apart, a China weakened by internal strife, inflation, uneven economic growth, or the struggle for (un)democratic succession could certainly fragment along cultural and linguistic lines. Ethnic strife did not dismantle the former Soviet Union; but it did come apart along boundaries defined in large part by ethnic and national differences. The generally well-hidden and overlooked "others" within Chinese society—the Cantonese, Shanghaiese, Sichuanese, and Fujianese—are beginning to reassert their own identities in addition to the "official" nationalities on China's borders. Increasing Taiwanese nationalism has caused great consternation in Beijing, an "internal" ethnic nationalism that few Chinese nationalists can understand.

The rising politics of difference are of concern not only in Lhasa and Urumqi, but in Canton and Shanghai as well. The "Kosovo effect" may very well turn into the "Chechnya effect," whereby ethnic groups, especially Muslims, are stereotyped as separatists, and cleansing is launched as an internal affair. The problem for China, however, is that many of its internal threats may not come from official nationalities who

are more easily singled out by race or language. China's Chechnya, like Indonesia's Aceh problem, may very well come from within its own peoples who are seeking economic and political advantage. The next decade promises to be as momentous for China as the last was for Europe and Russia.

## Notes

<sup>1</sup> Russian troops marched on Chechnya, a secessionist, self-proclaimed "independent" republic in the Northern Caucasus, in 1996. Russia again began bombing the territory of Chechnya in September 1999.

<sup>2</sup> See the critical report, *People's Republic of China: Gross Violations of Human Rights in the Xinjiang Uighur Autonomous Region* (London: Amnesty International, April 21, 1999).

<sup>3</sup> The best "Uighur nationalist" retelling of this unbroken descent from Karakhorum is in the document "Brief History of the Uyghers," originating from the Eastern Turkestani Union in Europe, and available electronically at [www.geocities.com/Capitol-Hill/1730/buh.html](http://www.geocities.com/Capitol-Hill/1730/buh.html). For a recent review and critique, including historical evidence for the multiethnic background of the contemporary Uyghur, see Dru C. Gladney, "Ethnogenesis and Ethnic Identity in China: Considering the Uyghurs and Kazakhs," in Victor Mair, ed., *The Bronze Age and Early Iron Age People of Eastern Central Asia: Volume II* (Washington, DC: Institute for the Study of Man, 1998), 812–34. For a discussion of the recent archeological evidence derived from DNA testing of the desiccated corpses of Xinjiang, see Mair, "Introduction," *The Bronze Age and Early Iron Age People of Eastern Central Asia*, 1–40.

<sup>4</sup> Ian Johnson, "China Arrests Noted Businesswoman in Crackdown in Muslim Region," *The Wall Street Journal*, August 18, 1999.

<sup>5</sup> Referring to the international effort to prevent the "ethnic cleansing" of the largely Muslim Albanian Kosovars in the Serbian province of the Federal Republic of Yugoslavia in 1999.

<sup>6</sup> China State Council, "National Minorities Policy and its Practice in China," Beijing, October 1999.

<sup>7</sup> The China Institute for Contemporary International Relations (CICIR), under the State Council, has initiated a "Nationality Studies Project" in order to examine security implications of China's minority problems (Chu Shulong interview, November 14, 1999).

<sup>8</sup> Colin Mackerras, *China's Minorities: Integration and Modernization in the Twentieth Century* (New York: Oxford University Press, 1994), 25.

<sup>9</sup> Fei Xiaotong, "Ethnic Identification in China," in Fei Xiaotong, ed., *Toward a People's Anthropology* (Beijing: New World Press, 1981), 20.

<sup>10</sup> Emily Honig, *Creating Chinese Ethnicity* (New Haven: Yale University Press, 1992).

<sup>11</sup> Prasenjit Duara, *Rescuing History from the Nation* (Chicago: University of Chicago Press, 1995), 47.

<sup>12</sup> Frank Dikötter, *The Discourse of Race in Modern China* (Stanford: Stanford University Press, 1992).

<sup>13</sup> Dru C. Gladney, *Muslim Chinese: Ethnic Nationalism in the People's Republic* (Cambridge: Harvard University Press, 1996), 60–75.

<sup>14</sup> Dru C. Gladney, "Representing Nationality in China: Refiguring Majority/Minority Identities," *The Journal of Asian Studies* 53 (1994a), 97.

<sup>15</sup> Jerry Norman, *Chinese* (Cambridge: Cambridge University Press, 1988), 27.

<sup>16</sup> Yuen Ren Chao, *Aspects of Chinese Sociolinguistics* (Stanford: Stanford University Press, 1976), 83.

<sup>17</sup> Fred C. Blake, *Ethnic Groups and Social Change in a Chinese Market Town* (Honolulu: University of Hawaii Press, 1981).

<sup>18</sup> Fei Xiaotong, "Zhonghua minzu de duoyuan jiti juge" ("Plurality and Unity in the Configuration of the Chinese Nationality"), *Beijing Daxue Xuebao* 4 (1989), 12.

<sup>19</sup> See Dru C. Gladney, ed., *Making Majorities: Constituting the Nation in Japan, Korea, China, Malaysia, Fiji, Turkey, and the United States* (Stanford: Stanford University Press, 1998).

<sup>20</sup> Zhang Tianlu, "Xiandai Zhongguo Shaoshu minzu renkou zhuangkuang" ("Analysis of the Contemporary China Minority Nationality Population Situation"), paper presented at the Conference on Contemporary Migration and Ethnicity in China, Institute of Nationality Studies, Chinese Academy of Social Sciences, Beijing, October 7–8, 1999.

<sup>21</sup> Ibid.

<sup>22</sup> The Great Proletariat Cultural Revolution ran from 1966 until the death of Mao Zedong in 1976.

<sup>23</sup> Gladney, "Representing Nationality in China: Refiguring Majority/Minority Identities," 92–123.

<sup>24</sup> Dru C. Gladney, "Sino-Middle Eastern Perspectives and Relations Since the Gulf War: Views from Below," *The International Journal of Middle Eastern Studies*, November 2000.

<sup>25</sup> Leo J. Moser, *The Chinese Mosaic: The Peoples and Provinces of China* (Boulder, CO: Westview Press, 1985).

<sup>26</sup> Mair, *The Bronze Age and Early Iron Age People of Eastern Central Asia*.

<sup>27</sup> Blake, *Ethnic Groups and Social Change in a Chinese Market Town*.

<sup>28</sup> See Wang Shaoguang, et al., *China's Inequality* (New Haven: Yale University Press, 1999).

<sup>29</sup> Fei Guo, "Beijing's Policies Towards Ethnic Minority/Rural Migrant Villages," paper presented at the Conference on Contemporary Migration and Ethnicity in China, Institute of Nationality Studies, Chinese Academy of Social Sciences, Beijing, October 7–8, 1999.

# China's Defense Modernization: Aspirations and Capabilities

by Paul H. B. Godwin

Assessing Beijing's defense modernization programs in the midst of increasing apprehension over the growth of China's military power is a daunting task. During the Cold War, despite some concern over the long-term implications for the United States, assessments were viewed through the prism of China's role in containing the Soviet Union. Improvements (however marginal) in Beijing's military power were seen as serving U.S. interests by requiring Moscow to divert resources from the possible confrontation with the North Atlantic Treaty Organization (NATO) alliance. By the mid-1990s, this perspective had shifted. Many observers perceived Beijing's confrontation with Taiwan and its aggressive, nationalistic approaches to territorial claims in the South China Sea as indicators of the belligerent policies China will pursue as economic enrichment and improvements in indigenous science and technology capabilities enhance its military power. Swelling defense budgets and military technology links with Russia, Israel, and Europe are viewed as giving China the potential to destabilize East Asia and challenge U.S. military preeminence.

A divide among analysts of Beijing's progress in defense modernization is accompanying this changing perception. Although observers have followed the pattern and progress of Chinese defense modernization programs in detail since reforms were initiated in the

late 1970s, their assessments of that progress have diverged in the past few years. On one side stand those who interpret much of the writing coming out of China as indicating the aspirations of the People's Liberation Army (PLA).<sup>1</sup> Although recognizing the importance of the weapons and technologies being acquired, these analysts tend to be skeptical of the extent to which China is achieving the capabilities to meet these aspirations. On the other side of the divide are those whose research demonstrates to them that major improvements in China's military capabilities are closer at hand than the skeptics recognize.<sup>2</sup>

This divide in assessments is created by two factors: the changed perspective from which China's defense modernization is now viewed, and the differing estimates of the speed with which China can develop and produce weapons and technologies associated with the revolution in military affairs (RMA). Whatever the source of the rift, the issues dividing the skeptics and the optimists,<sup>3</sup> as I shall refer to them, are clear. The purpose of this essay, however, is not to resolve these differences or bridge this divide. Rather, the differences will be identified to underscore the difficulties in assessing the progress China has made in two decades of defense modernization.

## **The Debilitating Legacy of the Past**

Despite differing assessments, both camps agree that the defense reforms and modernization programs

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Beijing has undertaken since 1978 encompass far more than its armed forces. After Soviet assistance ended in 1959–1960, the Chinese defense industrial base and research and development (R&D) infrastructure eroded into obsolescence. By the mid-1970s, with the possible exception of the nuclear weapons programs, Chinese defense industries were only capable of producing weapons and equipment based on Soviet technologies from the 1950s. Defense R&D also was weakened and was incapable of developing arms to meet the demands of late 20<sup>th</sup> century warfare.

Extensive involvement in Mao Zedong's radical domestic campaigns, especially the Great Proletarian Cultural Revolution of 1966–1976, had done equal harm to the armed forces. As Chairman Mao's successor Deng Xiaoping critically observed in the summer of 1975, the PLA had degenerated into an aging, overstaffed, obsolescent, arrogant giant incapable of conducting modern warfare.<sup>4</sup> The poor performance of the PLA against Vietnamese forces in 1979 verified Deng's critique.<sup>5</sup> The PLA may have been capable of conducting a 1930s-style protracted war of attrition against a massive Soviet assault designed to defeat and occupy China, but that was an improbable scenario.

Even if Deng Xiaoping had placed the highest priority on reforming and modernizing the defense establishment, overcoming the extensive constraints developed over the previous two decades would have been difficult. Deng, however, made modernization of national defense his lowest priority. Deng's approach to defense modernization was long term and part of a broader strategy to bring China into the ranks of the world's strongest powers. Rebuilding the defense establishment would occur not at the expense of Deng's broader strategic objectives for China's future but in balance with the reform and modernization of civil industry and science and technology. A self-reliant (to the extent possible) defense industrial capability was to be derived from the modernization of China's civil industries and science and technology infrastructure.

The armed forces themselves had to be reconstructed and reformed before the PLA could move forward. A new, younger officer corps capable of planning and conducting contemporary and future warfare had to be created. The armed forces' organization and training had to be revised before modern weaponry and equipment could be integrated into

strategy and concepts of operations. Logistics, sustainment, and maintenance procedures had to be prepared for the complexity of more modern arms. In short, defense modernization was to be incremental and based on a long-term development process. Leaders clearly recognized that no quick fix could overcome the two decades of neglect and deterioration that had eroded the PLA ability to conduct modern warfare.

## **Defense Modernization and Threat Perception**

Changing threat perceptions in the first decade of reform added to the preexisting constraints on building the PLA into a more capable defense force. In 1978, the national military strategy was one of continental defense against the Soviet Union. The military objective for this strategy was to defeat a major Soviet assault as close to China's borders as possible. Before this objective was fully integrated into planning, concepts of operations, force deployments, and training, Beijing's threat perception changed. In 1985, Deng Xiaoping concluded that a major, possibly nuclear, war with the Soviet Union was no longer probable. Future wars—including a potential military confrontation with the Soviet Union—were more likely to be limited, local wars on the periphery of China. PLA planners therefore shifted their focus to contingency planning for short, high-intensity wars in which the adversary's political objective would be limited and the combat confined to localized theaters of operations.<sup>6</sup>

The Persian Gulf War of 1991 came as the PLA was getting more comfortable with the new national military strategy. In many ways, this war was a model of the type of military conflict PLA researchers had been assessing since 1985. It was a high-intensity war fought for limited political objectives within a confined geographic area. Nonetheless, Operation *Desert Storm* stunned the PLA. Military analysts observed the effectiveness of high-technology weaponry and equipment implemented with joint service operations and saw this war as demonstrating that an RMA was under way. Senior Chinese military leaders concluded that their armed forces were incapable of conducting military operations at this level of sophistication and intensity. Chinese forces lacked more than just the weaponry and critical support systems so central to the coalition's overwhelming military success in the Gulf; the basic PLA military doctrine and concepts of operations had not kept pace with late 20<sup>th</sup> century

warfare. This conclusion led to the modification of the guiding principle for PLA modernization from local, limited war to limited war under high-tech conditions.

Even as China pressed forward with two decades of reform and modernization of its defense establishment, Beijing found that military technologies, doctrines, and concepts of operations for contemporary and future warfare were outpacing the progress the PLA was clearly making. Confounding this problem, these two decades also saw the quasi-alliance that once linked China and the United States transformed into mutual suspicion and, in Beijing's eyes, hostility.<sup>7</sup> This perception became evident in years following the American response to the Tiananmen slaughter of 1989. The exultation that swept over the United States with the end of the Cold War, the brilliant military victory over Iraq, and the disintegration of the Soviet Union led Beijing to conclude that as the remaining superpower, the United States would seek to dominate the post-Cold War world.

This perception of the United States was paralleled by the emergence of democracy in Taiwan and its quest for greater international recognition. As the image of China became ever more blemished in the United States, Taiwan's grew ever more attractive. The U.S. sale of advanced military technologies to Taiwan, especially the sale of 150 F-16s in 1992, increased Chinese suspicion that the United States was covertly committed to an independent Taiwan. President Lee Teng-hui's "private" visit to his alma mater, Cornell University, in 1995 served to enhance Beijing's perception of a hostile, duplicitous United States. From the Chinese perspective, this hostility was confirmed in 1996 when the United States dispatched two aircraft carrier battlegroups (CVBGs) to the Taiwan area in response to the Chinese use of tactical ballistic missiles in so-called exercises off Taiwan. Beijing's blatant use of coercive diplomacy focused both China and the United States on the distinct possibility that they could confront each other in a military conflict over the future of Taiwan.

### **The United States as Probable Adversary**

Identifying the United States as its most dangerous potential opponent and focusing on the Taiwan Strait as the most likely arena for confrontation were to have a critical influence on Chinese defense modernization programs. Whereas the programs followed after 1985 promised to transform the PLA into a more capable and flexible defense force, a possible military

confrontation with the United States raised more complex and difficult issues for the PLA to contemplate. Before the early 1990s, preparing for a local, limited war was actually considered contingency planning. A number of potential threats existed, but with the Soviet Union's implosion in 1991, none would likely require large-scale use of force. Identifying the United States as a potential adversary, however, demanded careful assessment of what was required to prevail against the world's most advanced military power in a high-intensity limited war.<sup>8</sup>

Chinese military analysts' focus on Taiwan and on a potential conflict with the United States did not escape the attention of American observers.<sup>9</sup> Cold War terms began to enter the lexicon of American analysts, who began asking when China would become a peer competitor and develop sufficient force projection capabilities to threaten U.S. interests in East Asia.<sup>10</sup> Thus, by the late 1990s, both the United States and China viewed each other with increasing apprehension. The exchange of summit meetings in 1997 and 1998 improved the climate of bilateral relations, but the potential for a military confrontation over Taiwan was recognized as a continuing hazard to Sino-American relations. That such a confrontation would be between two nuclear powers only added to the underlying tensions.

### **The Nuclear Dimension<sup>11</sup>**

Allegations that China had acquired detailed specifications of U.S. nuclear weaponry, including warhead design and missile technology, through espionage activities heightened the apprehension shared by Beijing and Washington. These allegations led some to believe such information could dramatically increase the accuracy, reliability, and lethality of China's nuclear forces, thereby enhancing the threat they posed to the United States.<sup>12</sup>

Despite the conclusions of the congressionally appointed Cox Committee,<sup>13</sup> specialists in Chinese defense modernization programs have not split into skeptical and optimistic camps in their assessments of Chinese nuclear forces and strategy. There is consensus that, until recently, Beijing has sought the capability known in Western analyses as minimum deterrence: relying on a small number of warheads capable of threatening what is hoped will be unacceptable damage in a second strike after receiving a nuclear first strike from an adversary. Analysts generally accept that beyond seeking the status of being a

nuclear power, China is trying to prevent nuclear blackmail. From Beijing's point of view, if an adversary believes it will receive a punitive retaliatory strike, it will not seek to deter or threaten China with nuclear forces.

China's inventory of weapons reflects this minimum deterrence logic. It contains some 20 DF-5 intercontinental ballistic missiles (ICBMs) capable of striking targets across the United States. Augmenting these are 20 DF-4 limited-range ICBMs capable of striking targets in the U.S. northwest and the northern Pacific. Neither weapon can be maintained at high levels of readiness because they are liquid-fueled, prohibiting the rocket launchers from staying on extended alert. The warheads are stored separately from the launchers, and loading the liquid fuels and warheads can take 2 to 4 hours. This extended preparation time, together with the inherent inaccuracy of the weapons, limits their role to a retaliatory "city-busting" strike. Beijing's declared policy of no first use probably reflects the deficiencies of its weapons as much as it does the intent behind their employment.

The second component of China's nuclear forces consists of around 100 intermediate-range ballistic missiles (IRBMs) capable of striking targets in the central and western Pacific. With the exception of the 48 DF-21As, these missiles are liquid-fueled and suffer the same constraints as the DF-4/5. Some suggest that the latest Chinese short-range ballistic missile (SRBM), the DF-11/15, may be nuclear-capable. The final missile component is formed by Beijing's single nuclear-powered ballistic missile submarine (SSBN) carrying 12 missiles of 1,000-mile range. Following a long and difficult development life, this ship entered service in the early 1980s. Because it rarely if ever goes on patrol, China's SSBN is not considered operational.

Joining the missile forces are approximately 100 B-6 (Tu-16) and A-5 (modified MiG-19) nuclear-capable bombers. Although updated with a variety of more advanced imported and Chinese-developed improvements, these aircraft were originally designed and built with 1950s-era Soviet technologies. Consequently, their ability to penetrate contemporary air defenses is minimal, limiting their utility as a regional and tactical nuclear bomber force.

### **The U.S. Arsenal**

Although China definitely has a menacing capability, it confronts approximately 8,000 U.S. strategic weapons deployed on 575 ICBMs, 102 strategic

bombers, and 17 SSBNs. A single Trident-armed U.S. SSBN carries 24 multiple-warhead missiles capable of delivering 144 extremely accurate weapons. Just one American SSBN can carry more than seven times the total number of warheads carried on all of China's D-5 ICBMs—and at a much higher degree of readiness. These conditions seem to assure deterrence. Future Chinese nuclear strategy and force structure may well change. The aging, slow-reacting, inaccurate liquid-fueled weapons constituting most of China's deterrent are to be replaced by far more capable systems. The solid-fueled, tactically mobile, and presumably more accurate DF-31 and DF-41 will replace the DF-4 and DF-5. Solid fuel provides quicker and more reliable reaction time than liquid fuel, and tactical mobility makes the DF-31 and DF-41 less susceptible to the counterforce capability found in the extreme accuracy of U.S. and Russian weapons.

### **A Minimal Deterrence Strategy**

A possible review of the strategy guiding China's nuclear deterrent may be as important as its system upgrades. For the past decade, some Chinese military strategists have been questioning the future viability of a minimum deterrence strategy.<sup>14</sup> The incentive to revise its core nuclear strategy stems from a variety of conditions that Beijing considers threatening to the credibility of its deterrent posture.

*First*, with ballistic missile defenses on the horizon, the size of China's strategic forces becomes an issue. Should the United States deploy even a thin national missile defense (NMD), the current number of ICBMs would not satisfy Beijing's requirement for an assured second strike. China is therefore under considerable pressure to increase the number of deployed weapons. India's nuclear and ballistic missile tests add to the pressure for increased deployments. A sizeable increase could well occur.

*Second*, ensuring survivability may result in China's current SSBN program coming to fruition. A missile has already been derived to fill the launch tubes of the DF-31. Although tactically mobile ground-launched missiles could ease Beijing's apprehension over the survivability of its deterrent force, building several SSBNs may add to its confidence that China's deterrent force is viewed as credible.

The final issue influencing the future of China's nuclear forces is whether minimum deterrence will be replaced by what Beijing's strategists refer to as

limited deterrence (*you xian hewei she*). Some Chinese strategists consider relying on a single counter-value punitive strike to deter a nuclear adversary to be passive and incapable of fulfilling what they see as a future requirement for a more flexible nuclear response. As conceived by analysts in Beijing, a strategy of limited deterrence would significantly increase the number of weapons available in order to enable Beijing to respond to any level of attack, from tactical to strategic. Increasing the number of weapons would permit some degree of escalation control, because China could retain sufficient forces for extended exchanges.

These same analysts, however, also recognize that China lacks much of the supporting infrastructure required for such a strategy. For example, China does not have the space-based reconnaissance and early warning systems required to determine in near-real-time the size and origin of the attack. Strategists in Beijing are well aware of this and numerous other deficiencies constraining the implementation of a limited deterrence strategy. Thus, although programs to correct these constraints are very expensive and complex to build, it would be wise to assume that they are under way. Prudence probably will lead the United States to assume that over the next two decades the size and capabilities of China's missile forces will increase, despite some disagreement over the extent of the enlargement.<sup>15</sup> The number of ICBMs capable of targeting the United States could substantially increase, together with the number of IRBMs capable of targeting U.S. territories and bases in the Pacific. Some of these weapons will likely be armed with multiple independently targetable reentry vehicles (MIRVs) to ensure that their warheads penetrate ballistic missile defenses.<sup>16</sup> The number of conventional and nuclear-armed SRBMs also will increase as Beijing anticipates the introduction of theater missile defense (TMD).

Without a major change in the mutual suspicions and the dynamic driving the military strategies and objectives of both Beijing and Washington, in the next two decades, China probably will increase the number of deployed weapons and possibly alter the strategy directing their use. At the very least, the number of weapons will be increased to offset anticipated TMDs and NMDs.

### China's Aspirations

As the PLA focuses more and more directly on the United States, China's defense modernization programs—including the growing arms and military technology linkage with Russia and Israel—have been observed and analyzed in detail.<sup>17</sup> Indeed, since the mid-1970s, U.S. analysts have continuously scrutinized Beijing's efforts to bring its defense establishment into the late 20th century, including the acquisition of foreign arms and military technology from multiple sources.<sup>18</sup> The Chinese defense industrial base has received particular attention.<sup>19</sup> With very few exceptions, these two decades of assessments provide the skeptics with their evidence to question whether the aspirations so clearly expounded in Chinese military journals can be achieved in the next decade or even further in the future.

The skeptic's conclusion is based upon a number of variables encompassing factors beyond the acquisition of arms and military technology. Skeptics do not question that, at least within the PLA's preeminent research center, the Academy of Military Science, there is now clear recognition of the demands of 21<sup>st</sup> century warfare. Nor do they disagree with the proposition that since the Gulf War, PLA researchers have analyzed at great length a combat environment in which information technologies allow space, air, sea, and land to be integrated into a single operational environment.

The RMA has made this battlespace increasingly transparent, allowing extremely accurate targeting for over-the-horizon land-, air-, and sea-launched precision-strike munitions. Information technologies not only guide the ordnance but also are equally valuable for near-real-time command, control, and intelligence, allowing dispersed forces and weapons to exploit battlefield opportunities. Because information technologies are critical for the prosecution of contemporary and future military operations, these analysts conclude that the forces achieving electromagnetic dominance would hold the initiative. Forces losing this aspect of modern warfare will be rendered operationally deaf and blind. Consequently, the hard damage inflicted by munitions is intensified by the soft damage made possible by information warfare (IW).

### Doctrine and Operations

Chinese assessments of future warfare have created a basic pattern in the doctrinal and operational aspirations filling the pages of its military journals.

First, gaining battlespace initiative is viewed as essential in defeating an adversary distinctly superior in the arms and technologies of warfare. That adversary is clearly the United States—“our new rivals.”<sup>20</sup> Such operations will require offensive and possibly preemptive operations. This approach to military operations fits the PLA’s traditions and experience. Mao Zedong placed the highest emphasis on gaining battlefield initiative, directing his field commanders to set this as a primary military objective. In particular, his commanders were to win the first battle of an operation, for this gave them great flexibility. Mao saw flexibility in employing his forces as the clearest indicator of a commander’s dominance of the battlefield.<sup>21</sup>

These operational analyses have folded IW into their focus on offensive and preemptive operations. Assessing U.S. military doctrine and operations, current PLA analyses identify the growing dependence of advanced technology forces on information technologies as a potential critical weakness. In this assessment, dependence on information technologies has led to nodes linking together systems for acquiring, processing, and disseminating information. Offensive or preemptive operations attacking command, control, communications, computers, and intelligence nodes are seen as eroding if not disrupting U.S. hard attack and joint operational capabilities. Attacking these critical information nodes is perceived as a force multiplier—reducing an opponent’s ability to conduct operations will effectively increase the PLA’s offensive strength.<sup>22</sup>

Weapons of choice for the hard attack component of offensive or preemptive operations are standoff, precision-guided munitions (PGMs). Such munitions are air-, land-, and sea-launched and are directed to their targets by various means, including terminal guidance, satellite guidance, and other information-based technologies. Of critical importance, these munitions can be launched outside the adversary’s defenses. The range and accuracy of cruise missiles has convinced many Chinese analysts that offensive operations can now be initiated at any time and in any weather, granting distinct advantage and quite possibly battlespace initiative to the forces that attack first.

As PLA analysts now view a possible confrontation with the United States, the operational preference seen in their analyses is clear:

*First*, the PLA’s core operational doctrine from the 1930s remains central to its assessments: Defeating a superior adversary requires gaining the initiative in the opening phase of a campaign.

*Second*, because technology has greatly enhanced the speed, accuracy, and lethality of military operations, gaining the initiative in current and future battlespaces requires offensive and possibly preemptive operations. Hence, PLA planners must consider “gaining the initiative by striking first” (*xianfa zhiren*).<sup>23</sup>

### **Fulfilling the Vision**

The skeptics and optimists begin to diverge in their assessments of when and if the PLA will achieve the capabilities required to fulfill its vision. Most observers agree on the doctrinal and operational focus found in China’s military journals. They do not all agree on whether or when China’s defense industrial and R&D capabilities can fulfill the vision, even when they consider imported technologies and technical assistance in their assessments.<sup>24</sup> The skeptics are equally doubtful that the PLA can develop the joint operational skills required to implement the vision any time in the foreseeable future. The optimists argue that the skeptics focus too closely on the more conventional means of warfare. They agree with the skeptics that “conventional PLA ground, air and naval forces are woefully inadequate, and it is difficult to believe that they will be able to overcome these shortcomings in the short to mid-term.”<sup>25</sup>

The optimists insist, however, that the skeptics’ myopic focus on conventional forces leads them to overlook what may well prove to be the most significant aspect of China’s defense modernization programs—the quest to achieve information dominance (*zhixinxiquan*), which they argue<sup>26</sup> forms the core of the PLA’s emerging doctrine.<sup>27</sup> The optimists therefore focus their attention on new and emerging aspects of China’s military R&D priorities, which primarily involve developing a spectrum of capabilities to enable the PLA to locate and destroy critical targets ranging from satellites to military bases and CVBGs. Beijing’s defense R&D and industries concentrate on developing ground-, air-, and space-based sensors to give the PLA information dominance around China’s periphery. Information collection is paralleled by R&D that focuses on information attack by targeting command and control nodes, computers, and air and space assets. Hard attack programs are focused on developing a long-range precision attack capability.

Both cruise and ballistic missiles are being developed with the ability to penetrate TMDs and NMDs, allowing no critical target to avoid attack.

These programs are joined by development projects that seek to defend China's information infrastructure. Major Mark Stokes has detailed the extensive research and development under way to defend China's critical assets against low-visibility (stealth) aircraft and cruise missiles. During the opening phase of the Gulf War, China observed that the U.S. military objective was to destroy or degrade Iraq's air defenses and command and control centers. Accordingly, countering air and missile attacks with an integrated air defense system has extremely high priority in China's R&D programs. Ideally, however, the People's Liberation Army Air Force (PLAAF) would seek to destroy the adversary's weapons before they are launched from the ground, ships, or aircraft carrier decks. Counterspace and ballistic missile defenses form yet another priority.

The great value in Stokes' work is the detailed listing of China's defense R&D projects and the particular institutions having priority and joint responsibility for these programs. Further, he reveals that each program is designed to counter a specific capability employed primarily by the United States. Nonetheless, Stokes notes that with such a diverse and demanding set of R&D programs, success is far from certain. He cautions, however, that even modest success in a few areas over the next decade or two "could significantly hamper U.S. operations in the region."<sup>28</sup>

Wendy Frieman,<sup>29</sup> Director of the Asia Technology Program at Science Applications International Corporation, joins Stokes in suggesting that specific high-priority sectors of China's science and technology program are more advanced and capable than skeptics have assessed. She emphasizes that over the past 15 years, China has undergone a technological revolution. Frieman recognizes there is little evidence that this revolution has thus far had a major effect on China's defense industries, but she suggests the capability is present, especially in those areas closely associated with the RMA. "Spectacular progress," she explains, has been made in such areas as "computer sciences and artificial intelligence, electrical engineering, telecommunications, physics, and certain branches of mathematics."<sup>30</sup>

Citing Western analysts, Frieman maintains that the essential discriminators of future battlefields "involve the 'soft' side of military capability: the telecommunications, sensors, and the entire information technology infrastructure available to the military forces in question."<sup>31</sup> Under these conditions, size and capability of ships and aircraft will be far less significant than they are today. The ability to destroy or inflict serious damage to an adversary's information infrastructure could well be more important than holding an overwhelming advantage in firepower. Further, Frieman suggests that the important technological innovations associated with the RMA are not derived from deliberately focused defense R&D, as were Cold War innovations, but from commercial R&D.<sup>32</sup> Thus, Frieman argues, overlooking China's potential for placing these achievements at the service of the defense R&D and industries would be unwise.

The skeptics' differences with the optimists are partly found in interpretations of the force structure the Chinese military leadership seeks. Although not disagreeing with the RMA focus found in China's military journals, the skeptics perceive that Beijing will, over the next 20 to 40 years, seek a multidimensional force structure capable of conducting joint military operations across a battlespace spectrum embracing the electromagnetic, space, atmospheric, land, and sea environments. This therefore requires them to assess China's defense R&D and industrial capabilities within a broader framework. They assess the wide range of Beijing's weapons and technology imports as demonstrating that China's defense industrial base and R&D infrastructure are unable to provide such a force structure. Beijing has had to import not only major combatants such as ships, submarines, and aircraft, but also the weapons, target acquisition suites, and powerplants that make these platforms effective combat systems. China's indigenous programs for major conventional weapons programs also depend on technology imports, with the domestic content derived largely from reverse engineering.<sup>33</sup> Some skeptics are particularly doubtful that China can achieve its objectives in such critical technology areas as space systems, sensors, lasers, guidance, navigation and vehicle control, and information system technologies.<sup>34</sup> Thus, the skeptics insist that with the single exception of China's ballistic missile and nuclear weapons programs, the PLA's most advanced military capabilities either have been acquired through purchases or have originated in imported technologies.

Given the divergence between the optimists and skeptics, how should one approach the question of assessing China's military capabilities in the next decade? The skeptics and optimists agree that Beijing does not anticipate transforming the entire PLA into a 21<sup>st</sup> century defense force any time in the foreseeable future. Nor is Beijing seeking to replicate the U.S. armed forces, especially the force projection capabilities that drive so much of the American force structure. Skeptics and optimists agree that Chinese concerns are focused on their periphery and maritime claims. Of greater concern to both skeptics and optimists is the distinct possibility that selected advanced technology programs and air, naval, ground, and missile force units have been given priority based upon potential near-term needs.

### **Focused Acquisitions and Development Programs**

The most problematic contingency the PLA anticipates is a potential confrontation with the United States over Taiwan. In this scenario, the entire range of technological disadvantages the PLA faces becomes part of the scenario. In addition to opposing the world's most advanced conventional and strategic forces, Chinese military planners have to integrate the consequences of future U.S. TMD and NMD into their planning. Furthermore, whereas Yugoslavia's ability to withstand NATO's precision-guided munitions during the Kosovo intervention may give some comfort to planners assessing China's defensive capabilities, it also indicates that Taiwan's ability to resist air and missile attack is greater than Beijing would hope.<sup>35</sup>

If the single most dangerous potential military confrontation for China is with the United States over Taiwan, secondary priority is given to possible conflicts over Chinese maritime and territorial claims in the South China Sea. Nevertheless, China's naval and air power deficiencies would only come into play should the PLA confront either the combined forces of states in the Association of Southeast Asian Nations (ASEAN) or the United States. Although there is no resolution in sight, the participation of ASEAN in seeking to minimize the likelihood of a major clash suggests this probability is extremely low. A third priority would be China's inner Asian borders. Because Beijing continues diplomatic work to minimize the potential for large-scale conflict on these borders, the prospect for major confrontations is very small.

Should a conflict break out, these borders can be defended with the current force structure. Assuming the PLA did not contemplate force projection beyond 50 miles and applied appropriate strategy and operational concepts to the evaluation, the kinds of reforms and limited modernization of weapons and equipment implemented and under way since the mid-1980s are sufficient for a defensive land war. Under these conditions, quantity can compensate for any qualitative advantages the PLA may face.

### **Taiwan: The Troubling Scenario**

Conflict across the Taiwan Strait is the most disturbing potential scenario. Although agreeing that Taiwan has top priority in PLA contingency planning, skeptics and optimists diverge in their assessments of PLA capability to conduct the strategy and military operations implied in China's military journals and supported by its operational traditions. The greatest obstacle to Beijing being able to subdue Taiwan by military force is the almost certain participation of the United States in the island's defense.<sup>36</sup> Certainly, PLA contingency planning has to assume a decision by the United States to intervene militarily.

Planning for a probable U.S. involvement appears to drive the PLA quest for a quick, decisive neutralization of Taiwan's ability to defend itself before the United States can intervene. Blockades, low-level harassment of Taiwan's shipping lanes, and frequent crossing of the Taiwan Strait's imaginary center line with air and naval combatants would alert the United States to possible escalation and provide time for a buildup of deployed forces and concentrated intelligence collection. Such low-intensity military activities would provide strategic warning to both Taiwan and the United States.

A military strategy designed to present the United States with a fait accompli has a specific political objective. Assuming the strategy was successful, the United States would be required to roll back the military success China had already achieved rather than assisting in Taiwan's defense. This scenario would almost certainly require the United States to attack PLA command and control centers, missile sites, air defenses, air bases, and naval facilities. Such actions present the possibility of a wider war than would a military confrontation confined to the defense of Taiwan. If the United States did not take

military action, Beijing could well anticipate Taipei's capitulation. Seeking rapid suppression of Taiwan's defenses would therefore in part be designed to deter the United States by raising the political and military cost of intervention.

### **A Potential Taiwan Scenario for 2010**

The U.S. Department of Defense (DOD) has already assessed the dimensions of a potential PLA campaign in a report to Congress.<sup>37</sup> The DOD appraisal of security in the Taiwan Strait states is that over the next decade, China's SRBM force is expected to "grow substantially" and that land attack cruise missiles (LACMs) will enter the PLA inventory. Although expressing doubt that the PLA could coordinate missile attacks with concurrent military operations, the DOD report states that these weapons would be most effective when used in "high-volume, precision strikes against priority military and political targets, including air defense facilities, airfields, Taiwan's C2 [command and control] infrastructure and naval facilities." Furthermore, it assesses that missile defenses "will not sufficiently offset the overwhelming advantage in offensive missiles which Beijing is projected to possess in 2005."<sup>38</sup>

DOD's assessment, however, raises a more complex problem for the PLA to counter. Although China's SRBM and future LACM forces will play a central role in quickly subduing Taiwanese defenses, their function is to open the way for follow-on operations. Accomplishing Beijing's military objective depends upon the success of these operations in exploiting the suppression of Taiwanese defensive capabilities. Consequently, the campaign's success ultimately depends on the cumulative result of sequential military operations.

With so much depending on missile forces to suppress Taiwan's defenses in the critical opening phase of a campaign, three issues become central: (1) target acquisition, (2) missile accuracy, and (3) the PLA ability to coordinate missile attack with other concurrent military operations. A fourth issue to be addressed is the potential role to be played by IW.

### **Target Acquisitions**

Obtaining detection and tracking sensors is high among PLA priorities.<sup>39</sup> Space-based and airborne sensors are being developed, with Beijing working on reconnaissance satellites and long-range drones. Airborne early warning (AEW) capabilities are entering

the PLAAF with the acquisition of the Israeli Phalcon AEW system mounted on Russian Il-76 aircraft. The Navy is acquiring the British Skymaster radar system for surface surveillance. These emerging capabilities must be joined with China's access to commercial satellite imagery, with resolution down to 2.5 meters. Taken collectively, the PLA will soon be able to detect and track targets and to develop digital maps for mission planning, target identification, and missile guidance.

### **Missile Accuracy**

China has sought to improve the accuracy of its strategic, theater, tactical, and cruise missiles for many years. Presumably, the PLA is hoping to achieve the capability to pinpoint a target<sup>40</sup> within 50 meters for its tactical and cruise missiles. The degree of its accuracy significantly affects the missile's mission. Extremely accurate missiles can be used to cut runways and damage specific port facilities, air defense radar sites, surface-to-air missile sites, and other targets. The less accurate the warhead, the more missiles will have to be assigned to the target, thereby significantly increasing the numbers of weapons required for the operation. Less accuracy also increases potential collateral damage, which Beijing may wish to avoid for political reasons.

### **Joint Military Operations, Logistics, and Sustainability**

Reports in Chinese military journals reflect the difficulties the PLA is facing as it attempts to prepare for joint operations. Updating and reorganizing logistics to sustain joint warfare has proven equally difficult.<sup>41</sup> Nonetheless, the fact that the PLA considers joint operations and logistics to be a requirement for current and future warfare is significant. Units assigned to the Taiwan contingency plausibly could receive priority in terms of weapons, equipment, training, logistics, and sustainability in preparation for a possible military confrontation. Further, the DOD report notes that the PLA is considering implementing a joint command structure at the theater level that would exercise operational command over all forces assigned to the theater.<sup>42</sup> This concept has been discussed since the late 1980s; thus, the theater responsible for Taiwan (Nanjing Military Region) probably would be the most likely location for setting up and exercising a joint command.

## Information Operations

Over the past decade, China's military researchers have spent considerable effort investigating the various facets of IW. Speculating on IW has developed into a veritable cottage industry in PLA research centers, especially the Academy of Military Science.<sup>43</sup> In the process, Chinese authors have incorporated the principles found in U.S. concepts for the role of information operations (IO) in future warfare in their publications. Consequently, much of the language and terminology that Chinese analysts use reflects the influence of American concepts. However, grasping the fundamental principles that could be used to implement IO does not equal having the capability to do so. Nonetheless, China is investigating both defensive and offensive information operations.

The DOD report states that China's primary effort is focused on defensive measures, including electronic countermeasures. Chinese technological capabilities augmented by the procurement of Western technology make offensive operations plausible in the future. These operations could include computer warfare, electronic warfare, and antisatellite (ASAT) programs. Ground-based stations can be used to jam and interfere with satellite communications, and China now has the ability to track satellites with accuracy sufficient for targeting. A nuclear-armed ballistic missile can damage a satellite, but China also is researching lasers as an ASAT weapon. The report suggests that China may even now have the capability to damage a satellite's optical sensor.<sup>44</sup> These developments strongly indicate that by 2010, the PLA's ability to conduct IW as a component of a cross-strait scenario may be quite robust.

### A 2005–2010 Taiwan Scenario

When focused on future PLA capabilities, the elements of a possible Chinese strategy become ominously evident. Although missiles form the central core of the strategy, the follow-on military operations provide potency to the strategy. The most dangerous scenario can be outlined as follows:<sup>45</sup>

- *Initial Attack.* Cruise and ballistic missile attacks would be coordinated with IO to quickly degrade Taiwan's command and control capabilities, air defenses, and early warning radar systems. These attacks would be paralleled by missile strikes on air bases and naval facilities. If successful, this opening phase would temporarily paralyze Taiwan's air force, significantly degrade ground-based air defenses, and damage naval vessels in port.

- *Second Round of Attacks.* The second phase would exploit the paralyzed air defenses, with aircraft striking the same and additional targets using conventional munitions and PGMs. Special operations forces could strike at specific targets, especially command and control centers, radar sites, and other facilities essential for a coordinated defense of the island but that missile attacks could not neutralize. This second set of attacks would make it very difficult for Taiwan's air and naval forces to sustain the operations required to achieve and maintain air superiority and sea control of the Taiwan Strait. Without air superiority, Taiwanese naval forces would be dangerously exposed to standoff antiship cruise missiles, while air-dropped mines would threaten their entrance and exit from port facilities. When these dangers are heightened by aggressive operations by the sizable Chinese submarine force, the ability of Taiwan's navy to control the seas adjacent to the island would be significantly eroded.
- *Final Assault.* Assuming China gains air superiority and sea control, Taiwan would be open to escalating attack, including the insertion of airborne forces. If the shock effect of the previous two phases were effective enough, the airborne assault forces would not face a coordinated defense. Further, if the PLAAF had gained air superiority, then the inserted forces would have the distinct advantage provided by close air support and battlefield interdiction strikes. The lack of effective command and control, together with the inability to defend against air attack, would counteract Taiwan's ground forces manpower advantage.

### Assessing the Scenario

Evaluating the probability of success in such a complex scenario is problematic. Even though Stokes recognizes the difficulties involved in such an intricate campaign, he believes that China's military R&D programs and the PLA concepts of operations are sufficiently mature that they could "decisively tip the cross-strait military balance in Beijing's favor."<sup>46</sup> Three years ago, Jencks speculated on a similar scenario (among others) and suggested that—although it was very unlikely to succeed—it is "so crazy it just might work."<sup>47</sup>

The simple reality is restricted to unclassified information; it is impossible to judge whether in 10 years the PLA will have the capability to conduct a campaign so dependent on both initial success and the follow-on sequential operations. Beyond the issues of the arms and military technologies required for success, there are questions of training, command and control, logistics, and all the other non-hardware facets of military operations required to transform

concepts of operations into a successful campaign. Equally important is the extent to which Taiwanese forces will have adjusted to the capabilities represented by improvements in the PLA, including the deployment of an effective missile defense system. Ten years is a long time to forecast, and it would be a major error to conjecture a decade ahead based upon principles that apply today.

Similar questions surround American participation in the defense of Taiwan—a definite focus of Beijing's concerns. R&D programs under way in China are almost certainly conceived as preparation for a possible confrontation involving the United States. U.S. dependence on overseas basing and CVBGs for force projection offers specific targets for PLA planners. Space-based sensors capable of tracking U.S. naval forces joined with long-range precision strike munitions are a definite PLA priority and present an emerging threat to U.S. operations in the western Pacific. Looking ahead a decade, if these programs are coupled with improvements in the PLA air and naval forces, as they almost certainly will be, then operating several hundred miles off China's coast could become far more hazardous than it is today. U.S. base facilities would be equally threatened.

This same decade, however, will see significant improvements in U.S. defensive and offensive capabilities. TMD and NMD should be likened to the tip of a technology-driven iceberg. Given the American technological and industrial advantage, defensive and offensive IO could be many times more robust than they are today. China's search for information dominance may well run into an impenetrable American electronic wall, even as the PLA information defenses become easier to penetrate and degrade. U.S. strategic and tactical reconnaissance and strike capabilities will be far more advanced than demonstrated in the Gulf War and after. Chinese naval and air forces could be dangerously exposed from distances far greater than is the norm today.

Nevertheless, a decade hence is just too far for accurate prediction. Rather, when focused on specific scenarios, such prognostications should be viewed as potentially valuable speculations. Here, the optimists have performed a significant service by requiring the skeptics to think more carefully about China's future capabilities, especially the implications of research and development in those areas of technology and warfare associated with the RMA.

## Prospects and Implications

The optimists made a valuable contribution by focusing research on Chinese high-technology programs, especially those that could be used to exploit what strategists in Beijing interpret as U.S. weakness. Nonetheless, what must be kept in mind when assessing Chinese military capabilities is the distinction between long-term trends and current or near-term capabilities. A vast gap exists between the *vision* of a future the PLA describes in many journal essays and the *capability* of China's defense industries and armed forces to achieve the vision.

The record of Chinese defense industries in development and innovation supports the skeptics' assessment that bridging the aspirations-capabilities gap will be difficult. Nevertheless, when looking a decade or two into the future, advances in the civil sector of the economy, together with extensive foreign military technology assistance, have the potential to reverse this dismal history. Such potential must be taken into account in assessing the future of China's defense programs.

Although Chinese planners are not even attempting to transform most of the PLA into a late 20<sup>th</sup> century defense force, they definitely are striving to bring selected units to a higher level of competence and readiness. Acquisitions, indigenous production, and development programs demonstrate that the objective is to build a multidimensional force that is capable of conducting joint operations by integrating air, sea, and land forces. The current focus is on a Taiwan contingency, but the emerging force structure could be employed in the South China Sea and elsewhere on China's maritime periphery.

Chinese acquisitions and development programs provide ample evidence of Beijing's intent. Although currently few in number, procurement and construction of fourth-generation fighter aircraft, aerial refueling, airborne warning and control system aircraft, and advanced surface and subsurface naval combatants demonstrate PLA priorities. China's emphasis on cruise and tactical ballistic missiles, including a long-range reconnaissance strike capability, is part of this overall package. These programs are linked with projects to strengthen capabilities in IW, electronic warfare, imagery reconnaissance, early warning, command and control, surveillance, and sensors for detection and targeting. Concentrating on software deficiencies accompanies enhancing the means to

conduct war. Exercises designed to advance joint operational capabilities together with revisions to its logistics and sustainment management demonstrate that the PLA is seeking to correct these critical defects.

Focused efforts to improve the effectiveness of PLA conventional general-purpose forces are complemented by China's longstanding commitment to building a more robust strategic deterrent. Tactically mobile strategic weapons in greater numbers, some armed with multiple warheads, will constitute a more viable deterrent than China currently possesses.

A decade hence will not see the PLA transformed into a military superpower capable of global power projection. This is not the purpose of the defense modernization programs Beijing has pursued since the late 1970s. China's objective is to be capable of operating much more effectively on its periphery, and this requires a multidimensional force structure. Assuming current trends continue and the diverse advanced technology programs under way have reasonable success, Beijing's armed forces will be approaching such a capability—and under the shield of a more credible strategic deterrent.

Given the current state of Sino-American relations, the improving Chinese military capabilities are troubling. Beijing continues its efforts to intimidate Taipei with the threat of military force. PLA publications continue to assess ways to exploit the weaknesses they see when U.S. forces are engaged in military operations far from home and are dependent on foreign basing rights. For the time being, this stance reflects more a deterrent strategy than a war plan. A decade ahead, will such a conclusion be viable?

Even if the Taiwan dilemma is somehow resolved, Beijing will sustain its defense modernization programs. The Chinese quest for international status and the requirement to defend the country's interests around its extensive maritime periphery require powerful, flexible forces. When China's inner Asian borders are added to this pattern, strong ground forces are also required. Whether these developments will be for good or ill is beyond the scope of this paper. However, if the current hostility and suspicion marking Sino-American relations continues, the future will be covered by an ominous shadow.

## Notes

<sup>1</sup> I am grateful to Bates Gill for introducing the “aspirations versus capabilities” concept in his “Chinese Military-Technical Development: The Record of Western Assessments, 1979–1999,” delivered at the 1999 CAPS/RAND Conference, *State of the PLA on the Eve of the Millennium: A Retrospective of the Last Twenty Years*, Radisson-Barcelo Hotel, Washington, DC, July 8–11, 1999.

<sup>2</sup> See, for example, Michael Pillsbury, “PLA Capabilities in the 21<sup>st</sup> Century: How Does China Assess Its Future Security Needs,” in Larry M. Wortzel, ed., *The Chinese Armed Forces in the 21<sup>st</sup> Century* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, December 1999), 93.

<sup>3</sup> This term is used by John Culver, “Session 5: Defense Policy and Posture II,” in Hans Binnendijk and Ronald Montaperto, eds., *Strategic Trends in China* (Washington, DC: Institute for National Security Studies, National Defense University, 1998), 69.

<sup>4</sup> Deng Xiaoping, “Speech at an Enlarged Meeting of the Military Commission of the Party Central Committee” (July 14, 1975), in *Deng Xiaoping Wenxuan* [Selected Works of Deng Xiaoping] (Beijing, July 1, 1983), in Joint Publications Research Service, *China Report* (hereafter JPRS-*China*), October 31, 1983, 19.

<sup>5</sup> See Harlan W. Jencks, “China's ‘Punitive’ War on Vietnam: A Military Assessment,” *Asian Survey* 19, no. 8 (August 1979): 801–815.

<sup>6</sup> See Paul H. B. Godwin, “China's Military Strategy Revised: Local and Limited War,” *The Annals of the American Academy of Political and Social Science* 519 (January 1992): 191–201, for an analysis of the logic behind this shift and the consequences for PLA doctrine and concepts of operations.

<sup>7</sup> For a current assessment of PLA views of the United States, see David Shambaugh, “China's Military Views the World: Ambivalent Security,” *International Security* 24, no. 3 (Winter 1999–2000): 62–67.

<sup>8</sup> For a recent discussion of the United States as a military adversary, see Yao Youzhi and Zhao Dexi (both from the PLA Academy of Military Science), “How Will China Handle War in the 21<sup>st</sup> Century,” *Liaowang*, No. 2 (January 10, 2000), in FBIS-*China*, February 14, 2000.

<sup>9</sup> See James R. Lilley and Chuck Downs, eds., *Crisis in the Taiwan Strait* (Washington, DC: National Defense University Press, 1997), for assessments of the 1995–1996 confrontation.

<sup>10</sup> Culver, “Session 5: Defense Policy and Posture II,” 71.

<sup>11</sup> For a recent appraisal, see Paul H. B. Godwin, “China's Nuclear Forces: An Assessment,” *Current History* 98, no. 629 (Summer 1999): 260–265.

<sup>12</sup> United States House of Representatives, Select Committee on United States National Security and Military/Commercial Concerns with the People's Republic of China, *The Cox Report on Chinese Espionage*, prepared by Representative Christopher Cox (R-CA) (Washington, DC: U.S. Government Printing Office, May 1999) [hereafter cited as the *Cox Committee Report*].

<sup>13</sup> *Ibid.*

<sup>14</sup> For an illuminating analysis of the ways in which Chinese strategists are approaching the issue of a revised strategy for their country's nuclear forces, see Alastair Iain Johnston, “China's New ‘Old Thinking’: The Concept of Limited Deterrence,” *International Security* 20, no. 3 (Winter 1995–1996): 5–42. Much of the discussion below is drawn from this essay.

<sup>15</sup> See, for example, Tom Woodrow, "Session 6: Nuclear Issues," in Binnendijk and Montaperto, *Strategic Trends in China*, 87.

<sup>16</sup> Although China has had the capability to develop multiple reentry vehicles for some years, it has not yet done so. Western analysts believe Chinese deployment of MIRVs for mobile missiles to be many years in the future. Jeremiah Commission, *The Intelligence Community Damage Assessment on the Implications of China Acquisition of U.S. Nuclear Weapons Information on the Development of Future Chinese Weapons*, Key Findings, April 21, 1999.

<sup>17</sup> For recent analyses, see, John Wilson Lewis and Xue Litai, *Chinas Strategic Seapower: The Politics of Force Modernization in the Nuclear Age* (Stanford, CA: Stanford University Press, 1994); Kenneth W. Allen, Glenn Krumel, and Jonathan D. Pollack, *China's Air Force Enters the 21<sup>st</sup> Century* (Santa Monica, CA: RAND, 1995); Bates Gill and Taeho Kim, *China's Arms Acquisitions From Abroad: A Quest for 'Superb and Secret Weapons'* (Oxford: Oxford University Press, 1995); Lilley and Downs, eds., *Crisis in the Taiwan Strait*; David S. Shambaugh and Richard Yang, eds., *China's Military in Transition* (Oxford: Clarendon Press, 1997); Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security* (New York: W. W. Norton & Co., 1997); James R. Lilley and David Shambaugh, eds., *China's Military Faces the Future* (Armonk, NY: M.E. Sharpe, 1999); James C. Mulvenon and Richard H. Yang, eds., *The People's Liberation Army in the Information Age* (Santa Monica, CA: RAND 1999); Srikanth Kondapalli, *China's Military: The PLA in Transition* (New Delhi: Knowledge World in association with the Institute for Defense Studies and Analysis, 1999); and Wortzel, ed., *The Chinese Armed Forces in the 21<sup>st</sup> Century*.

<sup>18</sup> See, for example, Paul H. B. Godwin, *Doctrine, Strategy, and Ethic: The Modernization of the Chinese People's Liberation Army* (Maxwell Air Force Base, AL: The Air University Press, 1977); Harlan W. Jencks, *From Muskets to Missiles: Politics and Professionalism in the Chinese Army, 1945–1981* (Boulder, CO: Westview Press, 1982); David G. Muller, *China as a Maritime Power* (Boulder, CO: Westview Press, 1983); Paul H. B. Godwin, ed., *The Chinese Defense Establishment: Continuity and Change in the 1980s* (Boulder, CO: Westview Press, 1983); and Ellis Joffe, *The Chinese Army After Mao* (Cambridge: Harvard University Press, 1987).

<sup>19</sup> In addition to individual chapters in the works cited above, see Paul Humes Folta, *From Swords to Plowshares? Defense Industry Reform in the PRC* (Boulder, CO: Westview Press, 1992), and Jorn Brommelhorster and John Frankenstein, eds., *Mixed Motives, Uncertain Outcomes: Defense Conversion in China* (Boulder, CO: Lynne Rienner Publishers, 1997).

<sup>20</sup> See, for example, Senior Colonel Huang Xiang, "Holding the Initiative in Our Hands in Conducting Operations, Giving Full Play to Our Advantages to Defeat Our Enemy: A Study of the Core Idea of the Operational Doctrine of Our Army," *Zhongguo Junshi Kexue*, No. 4 (November 20, 1996), FBIS-China, November 20, 1996.

<sup>21</sup> Mao Tse-tung (Mao Zedong), "On Protracted War" (May 1938), in *Selected Military Writings of Mao Tse-tung* (Peking: Foreign Languages Press, 1972) [hereafter cited as *Selected Military Writings*], especially 228–254.

<sup>22</sup> See, for example, an untitled article presented by Professor Liu Kejun at the September 15, 1997, Defense Modernization Symposium organized by the Chinese Electronics Society, Beijing Yuguangtong S&T Development Center, and *Zhongguo Dianzi*

*Bao* held at the PLA General Staff Department Research Institute 61, reported in *Zhongguo Dianzi Bao* (October 24, 1997), in FBIS-China, January 14, 1998. For an assessment of PLA information warfare developments, see James Mulvenon, "The PLA and Information Warfare," in Mulvenon and Yang, *The People's Liberation Army in the Information Age*, 175–186.

<sup>23</sup> See Lu Linzhi, "Preemptive Strikes Crucial in Limited High Tech Wars," *Jiefangjun Bao*, February 14, 1996, in FBIS-China, February 14, 1996.

<sup>24</sup> For a detailed analysis of this question, see Bates Gill, "Chinese Military-Technical Development: The Record for Western Assessments."

<sup>25</sup> Mark A. Stokes, *China's Strategic Modernization: Implications for the United States* (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, September 1999), 5.

<sup>26</sup> Michael Pillsbury, ed., *Chinese Views of Future Warfare* (Washington, DC: National Defense University Press, 1997).

<sup>27</sup> Stokes, *China's Strategic Modernization*, 9.

<sup>28</sup> *Ibid.*, 140.

<sup>29</sup> Wendy Frieman, "The Understated Revolution in Chinese Science and Technology: Implications for the PLA in the Twenty-First Century," in Lilley and Shambaugh, *China's Military Faces the Future*, 247–267. Frieman has consistently been an optimist in assessing the development of China's defense industries. See, for example, "Foreign Technology and Chinese Modernization," in Charles D. Lovejoy, Jr., and Bruce W. Watson, eds., *Chinese Military Reforms: International and Domestic Implications* (Boulder, CO: Westview Press, 1986).

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*, 248.

<sup>32</sup> *Ibid.*

<sup>33</sup> For a recent analysis of these issues, see John Frankenstein, "China's Defense Industries: A New Course?" and Rear Admiral Eric A. McVadon, USN (Ret.), "Systems Integration in China's People's Liberation Army," both in Mulvenon and Yang, eds., *The People's Liberation Army in the Information Age*; and Richard A. Bitzinger, "Going Places or Running in Place: China's Efforts to Leverage Advanced Technologies for Military Use," presented at the Conference on the People's Liberation Army, September 10–12, 1999, U.S. Army War College, Carlisle Barracks, Pennsylvania.

<sup>34</sup> Bernard D. Cole and Paul H. B. Godwin, "Advanced Military Technologies and the PLA: Priorities and Capabilities for the 21<sup>st</sup> Century," in Wortzel, ed., *The Chinese Armed Forces in the 21<sup>st</sup> Century*, especially 176–184.

<sup>35</sup> For an interesting assessment that includes but goes beyond the military issues involved, see Arthur Waldron, "The Kosovo War: Implications for Taiwan," presented at the Conference on the People's Liberation Army, September 10–12, 1999, U.S. Army War College, Carlisle Barracks, Pennsylvania.

<sup>36</sup> The primary foundation for this expectation is the Taiwan Relations Act (TRA) of 1979 (Public Law 96–8). The TRA stipulates that the United States will "consider any attempt to determine Taiwan's future by other than peaceful means ... a threat to the peace and security of the Western Pacific area and of grave concern to the United States." Further, Congress and the administration will "make available to Taiwan such defense articles and defense services as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."

<sup>37</sup> U.S. Department of Defense, *Report to Congress Pursuant to the FY99 Appropriations Bill: The Security Situation in the Taiwan Strait* (DefenseLINK, February 26, 1999). [Hereafter *Report*. Page numbers refer to the version downloaded from <http://www.defenselink.mil/>.

<sup>38</sup> *Ibid.*, 18.

<sup>39</sup> *Ibid.*

<sup>40</sup> Circular error probable (CEP) is the radius of a circle within which 50 percent of the warheads fired will achieve impact.

<sup>41</sup> See, for example, Tai Ming Cheung, "Reforming the Dragon's Tail: Chinese Military Logistics in the Era of High-Technology Warfare and Market Economics," in Lilley and Shambaugh, *China's Military Faces The Future*, 228–246.

<sup>42</sup> *DOD Report*, 15.

<sup>43</sup> For a thorough analysis of PLA work on information warfare, see James Mulvenon, "The PLA and Information Warfare," in Mulvenon and Yang, eds., *The People's Liberation Army in the Information Age*, 175–186.

<sup>44</sup> *DOD Report*, 11.

<sup>45</sup> This scenario draws from *DOD Report*, 18; Harlan W. Jencks, "Wild Speculations on the Military Balance in the Taiwan Strait," in Lilley and Downs, *Crisis in the Taiwan Strait*, 131–165, and Stokes, *China's Strategic Modernization*, 136–140.

<sup>46</sup> Stokes, *China's Strategic Modernization*, 140.

<sup>47</sup> Jencks, "Wild Speculations," 160. Jencks discusses several scenarios in his interesting speculation.

# Balancing U.S. Alliance and Chinese Cooperation: Korea's Emerging Security Challenge

by Taeho Kim

Despite the beginning of the new millennium, some fundamental policy dilemmas in U.S. relations with China and Japan remain unsettled and have implications for Korean security. One of the principal foreign policy challenges for the United States during the 1990s has been how to give China implicit recognition for its rising status and influence and assuage its deep-seated suspicions that America's post-Cold War alliance with Japan was targeted at it, while at the same time offering Japan security commitments and credibility and strengthening the U.S.-Japan alliance.<sup>1</sup>

China's policy conundrum since the Tiananmen Square incident in 1989 has been that the United States remains the country that is most important to its economic development and foreign policy but, at the same time, is posing the greatest threat to continued communist rule in China and to prospects for reunification with Taiwan.<sup>2</sup> Finally, although U.S. alliance ties with Japan and the Republic of Korea (ROK) are strong and are likely to remain so in the foreseeable future, will they continue to be robust enough to withstand future regional challenges and crises in which the "China factor" looms largest?

These security uncertainties and policy dilemmas have combined to produce sophisticated and multi-faceted hedging strategies by the states in that region,

as the recent increase in high-level diplomatic and military-to-military contacts shows. In particular, concerns about how best to cope with the challenge of an ascendant China to regional prosperity and security have occupied these states' strategic plans. Korea is no exception to this trend.

To assess the security implications of China's modernization of its Peoples' Liberation Army (PLA) for U.S. allies in East Asia, it is first necessary to take stock of the linkage between Sino-U.S. relations and the relations of both countries with Korea and Japan. In light of the sustained discord between the United States and China in the 1990s, their policies and interests concerning the Korean Peninsula are far more likely to diverge than to converge in the future, especially when it comes to concrete policy issues and longer-term agenda. This reality could complicate Korean security planning, because that requires cooperation—or at least acquiescence—on the part of both the United States and China to resolve an array of relevant issues. Korea's optimal approach would be to continue to differentiate how it relates to the United States and China, even if it continuously and systematically pursues a specific set of confidence-building measures (CBMs) with the latter.

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## **Diverging U.S. and Chinese Interests in Korea**

One useful way to assess the future of East Asian stability—in light of the perceptions of the states in this region about security uncertainties—is to inquire about the health of the Sino-U.S. relationship. China and the United States are the two most powerful actors in that region as well as on the Korean Peninsula. Ideally, an amicable relationship between the United States and China, especially renewed security cooperation, would contribute to regional and peninsular stability and the attainment of their respective objectives in East Asia.

In reality and contrary to popular belief, the prospects for improved Sino-U.S. relations remain cloudy, if not bleak, for the foreseeable future.<sup>3</sup> Few of their outstanding issues—including the status of Taiwan, human rights, trade, nuclear espionage, and proliferation—show signs of early or conclusive resolution. On the contrary, there seem to exist some fundamental differences between the two countries—primarily in terms of their political systems, social values, and strategic objectives. Given the ongoing and internal political dynamics in Beijing and Washington, compromise on these differences will be difficult to achieve in the near term.

Since the Tiananmen incident in 1989, there has been widespread discussion—accentuated by events in 1999—among Chinese strategists and scholars over how to assess a series of “adverse currents” in China’s external security environment and what kinds of policy options Beijing should choose to cope with these currents, separately or collectively. One of the few emerging consensus opinions in China—at least discernible to the outside analyst—is that U.S. global “hegemonic” behavior is the source of the threat to “world peace” (i.e., China’s interests).

Such U.S. global behavior, some Chinese leaders and strategists conclude, clashes directly with China’s national interests (such as economic priority, reunification with Taiwan, and continued rule of the Communist Party) and strategic visions (such as multipolarity, anti-hegemony, anti-power politics, and the Five Principles of Peaceful Coexistence). In particular, U.S. regional “hegemonic” behavior in East Asia—the locus of Chinese diplomatic and economic activity—includes the strengthening of the U.S.-Japan alliance and their joint development of theater missile defense

(TMD), and, most seriously, its continued weapon sales to Taiwan.<sup>4</sup>

The depth of Beijing’s fear of an American dominated world is manifest in such newly minted code phrases as “new hegemonism,” “the Asian edition of NATO,” “a global intervention mechanism,” “Asian Kosovo,” and “the next Serbia.”<sup>5</sup> Particularly worrisome to China’s leadership is a possible connection between the strengthened U.S.-Japan alliance and the Taiwan question, from the scope of regional contingencies in “areas surrounding Japan” to TMD and Taipei’s overall relations with Washington and Tokyo. In short, China finds the prospects of a re-armed Japan unnerving and a Taiwan armed with TMD unacceptable. The United States is the key link to either of these scenarios.<sup>6</sup>

The Korean Peninsula also occupies a central place in the crowded bilateral and regional agendas of the United States and China. Despite the long list of their disputes at both levels, China and the United States have time and again argued—at the official and declaratory level, at least—that they share a set of common interests over Korea—namely stability on the peninsula, dialogue between the North (the Democratic People’s Republic of Korea) and the South, and peaceful reunification. Yet, in light of their vast differences in strategic visions, political systems, social values, and objectives, let alone diverging interests over bilateral and regional issues, it is far more logical and more empirically valid to say that the United States and China are likely to remain divergent over peninsula issues as well. Beneath the façade of the “strategic constructive relationship,” their interests could significantly conflict with one another over some concrete issues and longer-term agendas. Prominent examples include, but are not limited to, a North Korean contingency, future status of the U.S. force in Korea, the North’s possible possession of weapons of mass destruction (WMD), and the military capability and strategic orientation of a unified Korea.

The U.S. commitment to Korean defense and unification remains strong and is highly likely to remain so in the future. But their divergent perceptions of (and policies toward) a series of recent North Korean crises illustrate that the South Korean and U.S. Governments need to coordinate their policies toward North Korea more tightly and coherently in the future. For example, the emphasis on a “soft landing”—which is not a policy—may mitigate the consequences of an economically crippled North Korea, but

it by no means constitutes a viable long-term strategy for either alliance maintenance or regional security. On the contrary, as long as this concept persists, both the ROK and the United States will not only be subject to various domestic criticisms, primarily for being “soft” on North Korea’s brinkmanship, but also their policy toward North Korea will remain adrift as a consequence.

This does not bode well for the long-term development of the U.S.-ROK alliance, especially if the parties have to prepare for the day when they “run out of enemies.”<sup>7</sup> Korea needs to take into consideration these kinds of specific policy issues and longer-term questions when formulating its strategic plan for the future security environment.

### The “China Factor”

Fundamental to understanding the importance of the China factor in the South Korean security calculus are:

- China’s geographical proximity to the Korean Peninsula,
- China’s continuing influence on North Korea,
- Growing bilateral ties between China and South Korea, and
- Strained relations between Beijing and Washington.

China is certain to remain a major player in Korean affairs, including the unification process. To understand why, a brief overview of Sino-South Korean relations leading to normalization in 1992 and of China’s place in the South’s diplomatic and security calculus in the post-Cold War period is necessary.

For most of the Cold War, relations between China and South Korea were locked in mutual hostility and suspicion. The Chinese intervention in the Korean War, the bipolar configuration of the world’s power structure, and China’s continuing rivalry with the Soviet Union for influence over the Korean Peninsula made relations between the ROK and Beijing a negligible factor for three decades after the cessation of hostilities on the peninsula. Because China recognized North Korea as the only Korean state on the peninsula, there were no contacts between South Korea and China until the late 1970s.

Toward the end of the 1970s, however, two principal developments presaged major changes in China’s traditional stance toward North and South Korea. One was China’s adoption of reform and the “open door” policy in 1978, which allowed unofficial and indirect trade between China and South Korea to begin, albeit slowly. During the early to mid-1980s, China gradually

but unmistakably pursued a de facto “two-Korea” policy, which included cultural, academic, and sports contacts with South Korea. Another principal development was the improvement in Sino-Soviet relations in the mid- and late 1980s, which undercut the rationale behind their rivalry over North Korea.

By 1988, the growth of still unofficial but substantial ties between China and South Korea made their improving relations unmistakable. Indirect trade between the two countries exceeded \$3 billion; China participated in the Seoul 1986 Asian Games and 1988 Olympics; and the ROK government announced a major diplomatic initiative known as “Northern Diplomacy,” or *nordpolitik*. Northern Diplomacy, in particular, was aimed at creating a condition favorable to peaceful unification of the Koreas through improved ties with then-socialist countries. Beginning with Hungary in January 1989, South Korea established diplomatic relations with all East European states, the Soviet Union (September 1990), and China (August 1992).

For Beijing, the primary factor motivating the decision to normalize relations with South Korea was the domestic economic imperative. The passing of the Cold War not only enhanced the value of economic ties with South Korea, but also saw the end of the Sino-Soviet/Russian rivalry over North Korea. Another important motive for Beijing was to expand China’s diplomatic influence across the region—which had suffered from post-Tiananmen isolation—by consolidating ties with neighbors such as South Korea, a major regional U.S. ally.

To the government in Seoul, normalizing relations with China was a diplomatic tour de force. First and foremost, normalization helped culminate its Northern Diplomacy initiative and symbolized its victory in the decade-long diplomatic competition with North Korea. Furthermore, the ROK hoped normalization would help to bring China’s influence to bear on North Korea to facilitate dialogue with the South, open up its society, and restrain its provocative actions against the South. Less immediate but still important considerations were the economic and political benefits that flowed from Seoul’s strengthened relations with China.

Sino-South Korean relations have expanded rapidly on most fronts. Bilateral trade reached \$6.4 billion

in 1992, the year that diplomatic relations were established. Bilateral trade for the past three years reached \$23.7 billion, \$18.4 billion, and \$20.2 billion,<sup>8</sup> respectively, making China and South Korea each other's third largest trading partner. Over half a million people visit the other country annually, and passenger airlines now make about 100 round-trip flights over the Yellow Sea each week. By the end of 1998, over 1,500 Korean companies were operating in China, and numbers of registered, long-term Korean residents in China exceeded 35,000, including 12,000 students.

Growing economic and social ties between China and South Korea are further buttressed by an increase in investment, tourism, and sea/air routes. To help consolidate these growing ties, the three most senior Chinese officials (President Jiang Zemin, Premier Li Peng, and CCP Standing Committee member Hu Jintao) have visited Seoul. These remarkable developments between the two nations over the past few years have led to a shift in the South Korean public's perception of China as now a benign, pragmatic economic partner.

Regarding how this new perception of China affects the U.S.-ROK alliance, a recent series of surveys of the Korean public, media, and policy elite indicates that the public remains "somewhat critical" of the United States and "fairly friendly" toward China. However, members of the ROK policy elite air the opposite view—that is, they are "somewhat critical" of China and "fairly friendly" toward the United States.<sup>9</sup> The media are divided between "progressive" (pro-China) and "conservative" (pro-American) newspapers, even if the majority of all major Korean newspapers are critical of U.S. trade policy toward Korea. Interestingly enough, younger Koreans, who are most vocal about U.S. policy toward Korea, have consistently supported the continued presence of the U.S. military force in Korea for security and other practical reasons. A vast majority of the Korean public and elite, on the other hand, have responded that China's influence over peninsular affairs would grow in the future and that Korea's military-to-military exchanges and cooperation with China should be expanded.

In the so-called "military exchanges and cooperation" area, there have been more frequent, regular, and higher-level visits between the two countries in recent years.<sup>10</sup> In August 1999, in particular, ROK Minister of National Defense, Cho Seong-Tae, made a visit to China to attend the first-ever ROK-PRC Defense Ministerial Talks with his counterpart, General Chi Haotian. General Chi reciprocated with an official

visit to Seoul in January 2000, which made him the highest-ranking Chinese officer to visit that capital in the history of Sino-South Korean military relations.

In the early years after normalization of relations in August 1992, it became increasingly clear to observers of Sino-South Korean relations that Korea's two specific sets of goals for China policy—i.e., facilitating inter-Korean relations and improving bilateral ties with China *per se*—remained largely independent of one another. Moreover, most Korean observers concluded that no appreciable outcomes had resulted from its political or security relations with North Korea or with China. In light of the remarkable and more balanced developments in economic, diplomatic, and military ties between South Korea and China in recent years, however, the earlier assessments should be revised to focus on the longer-term consequences of a close Sino-South Korean relationship for the United States, China, and Korea.

The changing strategic environment reflects increased uncertainties about the future U.S. and Chinese roles on the peninsula and in the region, as well as South Korea's continued concern about the security challenges North Korea poses. It is against this backdrop of regional uncertainty that China's military modernization should be assessed.

## **Implications of PLA Modernization**

China's actual and perceived ability to project power along and beyond its borders has a direct bearing on whether it will achieve its foreign policy goals and act to destabilize regional security. An adequate assessment of China's power projection capability should go beyond the examination of conventional "bean counting"; it also should involve a comprehensive analysis that is as detailed as possible regarding capabilities, such as in long-distance operations, C<sup>3</sup>I,<sup>11</sup> air- and sea-lift, missile defense, logistics, and joint and combined operations. As this analysis is done capably elsewhere,<sup>12</sup> the following discussion surveys the PLA's ongoing efforts in this area.

Power projection capability can be defined as a relative military capability to launch and to sustain combined combat operations at a reasonably long distance and over a long period. By this rigorous definition, China currently and for the next decade or more lacks critical capabilities in projecting force over a

long distance. Even in conventional categories such as weaponry, the PLA inventory is roughly 10 to 20 years behind that of advanced Western militaries.

On the other hand, the PLA has gradually but considerably improved its fighting capability over some fifteen years, through an across-the-board defense modernization program in command and control, organization, weapons systems, education, and training. Since 1990, in particular, it has been procuring new weapons domestically and advanced systems from abroad, most notably from Russia.

On balance, however, the PLA remains an antiquated force compared with many of its neighbors' militaries, let alone those of its advanced Western counterparts. Occasional improvements in the PLA's naval and air capability make their way into newspaper headlines in China and elsewhere, but they are not integrated into an overall fighting capability, and they primarily reflect stated goals rather than actual qualitative changes.

The PLA Navy (PLAN) has placed a priority on defense modernization since the early 1980s, as China's reform and open-door policies significantly elevated the importance of protecting China's maritime interests in overall national development and security planning. The PLAN's capability to conduct and to sustain long-distance operations is quite limited, however. Among the 18 destroyers and 35 frigates it currently operates, approximately 10 are judged to be relatively modernized. They are deprived, however, of effective defense systems and electronic countermeasures. For example, the *Luhu* and the *Jiangwei* are indigenously designed, second-generation vessels, which are better equipped than their predecessors in terms of engines, command and control, and armament. But they reportedly lack several sophisticated pieces of equipment, such as electronic support measures (ESM), electronic countermeasures (ECM), and air defense systems, which might expose them to enemy attack in sustained, high-sea missions. Similarly, the PLAN's submarine force remains seriously outmoded, despite its full inventory of over 100 submarines. It is not known how many of them are actually operational at any time, but they seem increasingly likely to spend longer maintenance hours at the docks. To the Chinese aging submarine fleet, the Russian Kilos would be a significant addition. Two export-version Type-877EKMs and two of the more advanced Type-636 Kilos were delivered to China by the end of 1998.

Overall, the PLAN's vessels are mostly outdated and lack anti-air, anti-ship, and anti-submarine defense systems as well as modern radar and electronic equipment. Furthermore, the PLAN has not yet conducted long-distance naval exercises, and its replenishment at sea (RAS) capability is believed to be rudimentary. Given the lack of effective air cover, the PLAN's vessels remain dangerously exposed to enemy air and surface attack if they were to operate far from shore.<sup>13</sup>

The long list of advanced systems and technologies that the PLAN has purchased recently or shown considerable interest in obtaining—including the Sovremenny-class guided-missile destroyer (the *Hangzhou*), the A-50 airborne early warning and control aircraft, airborne radar systems, and anti-ship cruise missile technologies—indicates that PLA leaders understand fully the glaring deficiencies in the application of its naval power.<sup>14</sup> The PLAN is doubtless committed to developing and acquiring high-tech naval systems and technologies, but a considerable amount of time and resources will be needed to bring this objective to fruition.

The quantitative superiority of China's submarine force remains a concern to other nations, but the noise of the submarines makes them vulnerable to detection by a variety of anti-submarine capabilities. The current limitations in PLAN naval weapon systems and electronic equipment, naval air power, and RAS capability—let alone the fact that it has no carrier force—will deprive it of an effective long-distance operational capability for many years to come.

The least modernized service branch is the PLA Air Force (PLAAF), despite its huge inventory of over 5,000 different types of aircraft. Compared with its counterparts in neighboring countries, this is especially the case. Together with the 3,000 J-6s, China's version of the Soviet MiG-19, virtually all of its domestically manufactured combat aircraft are based on 1950s- and 1960s-vintage technologies.

PLA leaders are well aware that air power plays a crucial role in modern warfare and that the air force is the most technologically oriented service in the armed forces. But China's relatively backward aviation industry has long failed to meet PLAAF requirements. Intermittent contacts with selected Western aircraft manufacturers in the 1970s and the 1980s produced no breakthroughs in either upgrading its existing inventory or developing a new generation of fighter aircraft.

On the other hand, the current PLA strategy of fighting “local wars under high-technology conditions” will require rapid mobility and effective firepower for contingencies along and beyond its borders. The PLAAF obviously has been ill equipped to meet the new challenges. Thus, it is the gap between the doctrinal requirements and the existing aircraft inventory that sharpens the sense of urgency among the top leaders of the PLA. Air force modernization has received a top priority in Chinese defense plans and foreign weapons acquisitions, especially purchases from Russia.

Although China has been in the process of acquiring several different types of modern combat aircraft over a long period of time, of particular importance is the J-10 (XJ-10) and the Su-27. Recent reports indicate that the prototype of the J-10 has been developed by the Chengdu Aircraft Corporation with Israeli assistance and that the first flight test would be made soon.<sup>15</sup> But the details of the J-10 program and the Israeli involvement are largely shrouded in secrecy, partly because of Israel’s transfer of aircraft subsystems and technologies.<sup>16</sup> In addition to the 26 Su-27s acquired in 1992, China secured an additional 22 Su-27s in 1996 with an agreement to license-produce the Su-27s in China.

To build a modern air force, it is also necessary for the PLAAF to acquire a wide array of advanced capabilities that could multiply the effectiveness of air operations. Included in this category are various C<sup>3</sup>I, airborne early warning, surveillance, and mid-air refueling capabilities. These assets remain China’s top priority in preparing for high-tech warfare, yet it would take many years for Beijing to acquire and to field such force multipliers.

Until then, in a future air campaign against the modern air forces of China’s neighbors, the PLAAF’s outmoded aircraft will be rigorously tested. Even worse, the combat readiness of the PLAAF forces is known to suffer from insufficient flying hours, lack of combined operations, and limited repair and ground logistics support.<sup>17</sup> The prospect that the PLAAF could significantly improve its air power by the year 2010—even with Russian technological assistance—is not bright. Before then, if it were to attempt to overwhelm a rival air force with a large number of aircraft compared with regional militaries, losses could well be severe.

The PLA Ground Force is the world’s largest at 1.8 million, after the 1985–1987 reductions of 1 million troops in overall PLA manpower; it is being further reduced as a result of a half-million drawdown plan. The PLA weapon inventory, while diverse and huge, is still outmoded and obsolete. For this reason alone, modernization of the PLA Ground Force has been very selective and has received the lowest funding priority among the three PLA service branches. Chinese leaders have apparently concluded that the current size and armament of the Ground Force are adequate to meet any land attack and that prospects for land attack in the foreseeable future are slim.

In particular, China’s amicable relations with Russia, coupled with rapprochement with Vietnam and India, have allowed its leaders to reduce substantially the number of ground troops and to divert the budget savings from these troop reductions to other areas, including better living standards for PLA soldiers, operation and maintenance of the select rapid reaction units (RRUs), and the development or purchase of modern weapon systems. In this regard, there seems to be an unmistakable linkage between troop reduction and the acquisition of modern weapon systems.<sup>18</sup>

In sum, a combination of financial, operational, and organizational constraints will force the PLA Ground Force to remain a huge defensive army in the near future. But the PLA military strategy of “limited local warfare,” embodied in the strategic shift at the 1985 Central Military Commission (CMC) meeting, emphasizes the offensive operations in limited regional conflicts as well.

Most Western PLA specialists concur that China’s nuclear force, with approximately 300 deployed nuclear warheads, is primarily dedicated to its strategy of minimum deterrence, which means that no potential enemy would launch a nuclear strike against China without suffering retaliation. Since the end of the Cold War, China has reconfigured some of its nuclear-tipped intermediate-range ballistic missiles (IRBMs) to make conventional missions. Apparently, it has done so to boost that capability in regional contingencies.

There is little indication that the role of nuclear weapons in overall Chinese security has declined in the post-Cold War era. China instead has vigorously pursued a nuclear modernization program to improve the survivability, reliability, and safety of its nuclear arsenal, in conjunction with its conventional military modernization efforts. China’s ongoing

major nuclear and missile modernization programs,<sup>19</sup> which predate the post-Cold War period, is evident in all three branches.

Future improvements in China's nuclear capability would reinforce its nuclear weapons' minimum deterrent value and even facilitate a nuclear doctrinal shift to "limited deterrence."<sup>20</sup> As long as China aims at improving the level of technological sophistication of its nuclear arsenal to that of advanced Western nations, it may be reluctant to join the international arms control and disarmament process. It could also try to retain as much as possible the military value of its nuclear and missile programs, which compensate for the lack of air power.

In the foreseeable future, the chance of a nuclear threat to China is extremely low. But its nuclear and missile capability provides China with the international status and prestige to which it should be entitled. Thus, China's nuclear and missile modernization programs will continue to be a source of concern for international nonproliferation, arms control, and regional security. In particular, the psychological impact of China's nuclear and missile capability is more likely to fall on its neighbors than on extraregional powers. China remains strongly opposed to neighboring countries' deployment of missile or strategic defense systems, which could dilute the military value of its nuclear and missile capability.

On balance, the PLA's power projection capability will take at least a decade or more to materialize. Although the current military strategy emphasizes the continued development of this capability, to equate China's growing military capability with an intention to resolve by force outstanding issues with its neighbors would be incorrect.

### **China vs. U.S.-Japan-Korea: A Future Strategic Configuration in East Asia?**

Despite its own global pretensions, China remains a regional power in Asia. Chinese foreign policy and security concerns also revolve around Asia, where its current and future capability to project power is limited, rarely reaching remote areas of the globe. Thus, Beijing feels most threatened by events close to the homeland, such as those involving Taiwan, Japan, and Korea. In light of China's new anti-American tone and the extent of its involvement in potential East Asian areas of tension, the United States, Japan, and Korea

should consider Chinese sensitivities in their three-way cooperation for security or in their bilateral interactions with China.

### **The U.S.-Japan Alliance**

Probably the most fundamental dilemma China has faced in the post-Cold War era regarding the future direction of the U.S.-Japan alliance is that it wants that alliance neither too tight and strong nor too loose and weak. If too loose, it could eventually lead to Japan's more independent posture in East Asia—a Damocles' sword in Chinese eyes. Too tight an alliance, on the other hand, means China's disadvantageous position vis-à-vis the United States and Japan. Throughout the 1990s, however, Chinese strategists have had good reason to worry about the latter.

In terms of future regional stability, questions in the late 1990s concerned the type of relationship that would develop between the two major regional powers. It would be either strong and cooperative or weak and confrontational. In addition, the diverse yet uncertain impact of this evolving relationship on the future of East Asian security is unclear, particularly in light of the absence of a unifying Soviet threat and a continued U.S. policy dilemma vis-à-vis Japan and China.

Despite their huge and growing stakes in maintaining an amicable relationship, China and Japan will continue to have difficult and often tense relations. The persistence of their traditional rivalry and long distrust suggests that their relations may have more to do with deeply ingrained cultural, historical, and perceptual factors than with the dictates of economic cooperation or shared interests in regional stability, which are mutually beneficial.<sup>21</sup> Also underlying their complex but competitive ties are fundamental differences in terms of their political systems, social values, and strategic objectives in Asia and beyond.

As befits their traditional rivalry for regional influence and their present-day status as the two most powerful East Asian states, Japan and China have a broad range of bilateral concerns. Many scholars note that the enduring dual images of superiority and inferiority permeate their perceptions in ways that often make official and public perceptions of the countries and each other different, divergent, and distorted. They also note that currently there seems to be no strong constituency in either China or Japan to promote their lasting friendship and cooperation. In a recent study on Japan's cultural diplomacy toward China, Diana Betzler and Greg Austin convincingly argued that "the

main impulses for official interaction between the two countries [China and Japan] remain outside what might be called the popular imagination.”<sup>22</sup>

Regular high-level visits between the countries, such as President Jiang Zemin’s visit in November 1998 and Prime Minister Obuchi Keizo’s in July 1999, emphasized that the countries need to put aside their historical enmities toward each other. Moreover, growing bilateral trade and investment activity is largely restraining open criticism of each other. Military diplomacy reached a new level in the 1997–1999 period, including frequent military-to-military contacts, an accord on maritime accident prevention, and plans for future joint drills and port visits. But the traditional rivalry and historical distrust still linger.<sup>23</sup>

The Taiwan issue also factors into the ongoing debate about Japan’s regional security role. At issue is a definitional shift in Japan’s defense contribution from “defense of the Far East” (Article Six of the U.S.-Japan Mutual Security Treaty) to the defense of “areas surrounding Japan,” as stipulated in the November 1995 National Defense Programme Outline (NDPO) and reconfirmed in the April 1996 U.S.-Japan Joint Declaration on Security and the September 1997 Review of the Guideline for U.S.-Japan Defense Cooperation (the “new Guideline”).

China has always been wary of Japan’s expanded regional role, of course, but this time it would like to know whether the phrase about “situations in areas surrounding Japan” includes Taiwan—a controversy that recurred during and after the final revision of the new Guideline in September 1997. Given Chinese and other neighboring nations’ sensitivity on Japan’s regional security role, Japan’s official policy on this issue seems to be “not [to] offer a specific definition,” echoing the U.S. position that the scope of the new Guideline is “situational, not geographical.”

China sees the U.S.-Japan security ties as crucial in restraining Japanese military power and in maintaining regional stability. Beijing adamantly opposes the revised Guideline on the grounds of a possible U.S.-Japan collaboration in a Taiwan crisis and Japanese militarism.<sup>24</sup> However, despite China’s pessimistic view of the revised Guideline and the U.S. role in post-Cold War East Asia, China is well aware that U.S.-Japanese security relations remain the primary linchpin of the current stability in East Asia. In addition, Chinese analysts believe that the disappearance of the common foe and new dynamics in American and Japanese domestic politics could lead to a further

redefinition of U.S.-Japanese security relations in the years ahead. The so-called “double containment” role of U.S. forces over Japan’s possible unilateral military role is largely seen in a positive light among many Chinese security analysts, even if not without debate.

In a litchi nutshell, notwithstanding the remaining regional controversies over the interpretation of “areas surrounding Japan,” the NDPO and the new Guideline are steering Japan’s security role and policy toward a new direction, which may enhance common regional security if it is guided by prudence.

### **The U.S.-Korea Alliance**

There is no doubt that a combined South Korea-U.S. deterrence against a possible North Korean attack—a wider assault rather than a conventional full-scale war—remains the U.S.-ROK alliance’s primary security mission in the foreseeable future. As long as the North Korean military threat persists, any ROK and U.S. efforts to engage China should complement the goal of deterrence. Additionally, the ROK and the United States should seek to bring Chinese influence on North Korea to bear in achieving common interests on the peninsula, namely continued peninsular stability, improved North-South Korean relations, and North Korean economic reform. Mutual understanding would not only offer a potential solution to the current stalemate in North-South Korean relations but also create a favorable condition for peaceful unification of Korea.

However, China’s more confrontational posture toward the United States and Japan is likely to continue for years to come. A sustained confrontation between the regional superpower and the global superpower could sharply exacerbate their differences over a host of peninsula-related and regional issues. In particular, China’s growing influence over and interdependence with South Korea despite the rivalry between the United States and China could well make untenable the proposition that the countries can cooperate to resolve a myriad of concrete policy issues and longer-term questions on the peninsula. South Korea’s balancing act between its alliance with the United States and its cooperation with China, in short, could well turn out to be the most prominent security challenge of the 21<sup>st</sup> century.

To avoid possibly stark strategic decisions, South Korea should be able to “walk on two legs”—to paraphrase the Maoist slogan—by maintaining a strong security relationship with the United States while

charting out a long-term, comprehensive strategy toward China. This envisions post-unification relations between Korea on the one hand and the United States and China on the other.

South Korea's economic cooperation with China, augmented by increased diplomatic and cultural contacts, is essential for the expansion of bilateral ties. Military-to-military relationships need to be set up as well. Given the current and expected influence of the PLA in Chinese domestic and external policies, it seems only prudent for the ROK to foster personal ties and eventual institutional relations with the Chinese military gradually. In addition, South Korea needs to formulate a panoply of security and confidence-building measures (SCBMs) that are specifically designed to address China's potential concerns, such as a unified Korea's intention to promote friendly relations with China, the creation of a buffer zone in and joint development of Sino-Korean border areas, and the establishment of a three-way security dialogue among China, the United States, and the unified Korea.

### U.S. Policies Toward China

For its part, the United States should continue to pursue the strategy of comprehensive engagement with China, especially in areas of mutual benefit (such as Chinese economic reforms and trade). Additionally, America's China policy must be firmly linked to its overall Asia policy, carefully weighing the costs and benefits of the former to the latter. Conflict between the two policies would require strong political will and leadership in Washington to resolve.

Finally, the United States must differentiate national interests from universal values, strategic flexibility from policy reversals, and long-term goals from short-term gains. If and when the above efforts yield no reciprocity from the Chinese, the United States must consider alternatives to its strategy of comprehensive engagement, although the consequences may be difficult to predict.

All in all, to advance the longer-term goal of a stable and prosperous East Asia, not only should the United States and East Asian nations recognize China's differing yet often legitimate security requirements, but they also should make genuine efforts to build confidence with China, which is time-consuming but the least threatening way to make China more transparent. The paths China and the United States choose will

influence East Asia's regional economic and security developments as well as the individual states' strategic soul-searching.

### Notes

<sup>1</sup> For a detailed analysis of U.S. policy dilemmas vis-à-vis China and Japan, see Banning Garrett and Bonnie Glaser, "Chinese Apprehensions about Revitalizing of the U.S.-Japan Alliance," *Asian Survey*, April 1997, 383-402.

<sup>2</sup> See Xiaoxiong Yi, "China's U.S. Policy Conundrum in the 1990s: Balancing Autonomy and Interdependency," *Asian Survey*, August 1994, 675-91.

<sup>3</sup> For a comprehensive but focused discussion on the current state of relations between, and different internal political dynamics in, Washington and Beijing, see David Shambaugh, "The United States and China: A New Cold War?" *Current History*, Vol. 94, No. 593 (September 1995), 241-47; Denny Roy, "Current Sino-U.S. Relations in Strategic Perspective," *Contemporary Southeast Asia*, Vol. 20, No. 3 (December 1998), 225-40; Arthur Waldron, "Bowling to Beijing," *Commentary*, Vol. 106, No. 3 (September 1998), 15-20; Melvin Gurtov, "Fragile Relationship: The United States and China," *Asian Perspective*, Vol. 23, No. 2 (1999), 111-41; Harry Harding, "The Uncertain Future of US-China Relations," *Asia-Pacific Review*, Vol. 6, No. 1 (1999), 7-24. For Chinese perspectives, see Zhu Chenghu, ed., *Zhongmei guanxi de fazhan bianhua ji qi qushi* [Development and Change of Sino-U.S. Relations and Their Trends] (Nanjing: Jiangsu renmin chubanshe, 1998). For a Chinese "democratic peace reversed" perspective, see Liu Jixian and Xu Xikang, eds., *Haiyang zhanlue huanjing yu duice yanjiu* [Research on Maritime Strategic Environment and Counter-Measures] (Beijing: Jiefangjun chubanshe, 1996) (internal publication).

<sup>4</sup> Xie Wenqing, "Observing US Strategy of Global Hegemony from Nato's Use of Force against FRY," *International Strategic Studies*, No. 53 (July 1999), 1-9; Willy Wo-Lap Lam, "Beijing Wary of 'East Asian Nato' Threat," *South China Morning Post*, May 31, 1999, 8; "Paper Comments on US Hegemonism," *Beijing Review*, June 14, 1999, 7.

<sup>5</sup> See footnote 3 above.

<sup>6</sup> Tom Plate, "East Asia Racing into Arms Escalation," *South China Morning Post*, July 10, 1999, 10.

<sup>7</sup> For an excellent analysis on the future security alternatives of the ROK-U.S. alliance, see Jonathan D. Pollack and Young Koo Cha et al., *A New Alliance for the Next Century: The Future of U.S.-Korean Security Cooperation* (Santa Monica: RAND Corporation, 1995).

<sup>8</sup> Data for 1999 include January through November.

<sup>9</sup> See, for example, Jae Ho Chung, "The Korean-American Alliance and the 'Rise of China': A Preliminary Assessment of Perceptual Changes and Strategic Choices," Discussion Papers, Asia/Pacific Research Center, Stanford University, February 1999.

<sup>10</sup> For a comprehensive treatment PLA military diplomacy in the 1990s and China's military relations with both Koreas, see Kenneth Allen and Eric A. McVadon, *China's Foreign Military Relations* (Washington, DC: The Henry L. Stimson Center, October 1999), especially 66-68.

<sup>11</sup> C<sup>3</sup>I refers to command, control, communications, and intelligence capabilities.

<sup>12</sup> See the special issue on China's military in transition, *China Quarterly*, No. 146 (June 1996); Paul H. B. Godwin, "Force Projection and China's National Military Strategy," in C. Dennison Lane, Mark Weisenbloom, and Dimon Liu, eds., *Chinese Military Modernization* (London and Washington, DC: Kegan Paul International and the AEI Press, 1996), 69–99; Mark A. Stokes, *China's Strategic Modernization: Implications for the United States* (Carlisle, Pa.: U.S. Army War College Strategic Studies Institute, September 1999); Michael Pillsbury, ed., *Chinese Views of Future Warfare*, rev. ed. (Washington, DC: U.S. National Defense University, 1998); Bates Gill and Taeho Kim, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'* (Oxford: Oxford University Press, 1995).

<sup>13</sup> Shen Zhongchang, Zhou Xinsheng, and Zhang Haiying, "A Rudimentary Exploration of 21<sup>st</sup> Century Naval Warfare," *Zhongguo Junshi Kexue [Chinese Military Science]*, No. 1 (February 20, 1995), 28–32, in FBIS–CHI, June 13, 1995, 26–32. See also Bo Jiansheng and Yang Sancheng, "Prospects for Naval Weapons in [the] 21<sup>st</sup> Century," *Jiefangjun Bao*, March 17, 1996, 2, in FBIS–CHI, 51–52.

<sup>14</sup> "China Expands Reach with Russian Destroyers," *Jane's Defence Weekly*, January 15, 1997, 5; "Russian Imports Step in to Fill the Arms Gap," *Jane's Defence Weekly*, December 10, 1997, 27–28; U.S. Department of Defense, *Selected Military Capabilities of the People's Republic of China* (Washington, DC: U.S. Government Printing Office, April 1997); Bill Gertz, "Pentagon Says Russians Sell Destroyers to China," *The Washington Times*, January 10, 1997, A1; Richard D. Fisher, "Dangerous Moves: Russia's Sale of Missile Destroyers to China," Heritage Foundation *Background* No. 146, February 20, 1997, 1–14; "Russian Kamovs Set to Boost Chinese ASW," *Jane's Defence Weekly*, March 4, 1998, 14; Mikhail Urusov, "Cooperation: 'Arsenal for China,'" *Moskovskiy Novosti*, No. 4 (February 1–8, 1998), 15, in FBIS–CHI (98–051), February 20, 1998 (Internet version).

<sup>15</sup> The J–10 and Su–27 programs are discussed in Hsiao (Xiao) Yusheng, "China's New-Generation Main Military Aircraft," *Kuang Chiao Ching*, No. 278 (November 16, 1995), 70–72, in FBIS–CHI, January 31, 1996, 28–30. See also David A. Fulghum, "China Pursuing Two-Fighter Plan," *Aviation Week & Space Technology*, March 27, 1995, 44–45; "China Plans Progress While Others Look On," *Jane's Defence Weekly*, February 22–26, 1998, 22–26; "First Flight for F–10 Paves Way for Production," *Jane's Defence Weekly*, May 27, 1998, 17; John Wilson Lewis and Xue Litai, "China's Search for a Modern Air Force," *International Security*, Vol. 24, No. 1 (Summer 1999), 64–94.

<sup>16</sup> For the Israeli assistance in China's early warning capability, see Steve Rodan, "Israel Pushes China Aircraft Deal Despite U.S., Russian Objections," *Defense News*, January 6–12, 1997, 22. See also Yitzhak Shichor, "Israel's Military Transfers to China and Taiwan," *Survival*, Vol. 40, No. 1 (Spring 1998), 68–91.

<sup>17</sup> For an excellent study on the PLA's history, organization, training, and operational capability, see Kenneth W. Allen, Glenn Krumboltz, Jonathan D. Pollack, *China's Air Force Enters the 21<sup>st</sup> Century* (Santa Monica: RAND Corporation, 1995). See also Kenneth W. Allen, "PLA Air Force Logistics and Maintenance: What Has Changed?" in James C. Mulvenon and Richard H. Yang, eds., *The People's Liberation Army in the Information Age* (Santa Monica: The RAND Corporation, 1999), 79–98.

<sup>18</sup> Robert Sae-Liu, "PLA Reorganises Group Armies," *Jane's Defence Weekly*, September 15, 1999, 3.

<sup>19</sup> For an overview of the history and current capability of Chinese nuclear and missile force, see Yen Chun, "Unmasking the Secrets of Communist China's 'Nuclear Counterattack' Force," *Kuang Chiao Ching*, No. 282 (March 16, 1996), in FBIS–CHI, April 10, 1996, 65. For the Chinese development of surface-to-air and anti-ship missiles, see Paul Beaver, "China Prepares to Field New Missile," *Jane's Defence Weekly*, February 24, 1999, 3; Zong Shu and Xiao Zhu, "Several Chinese Air Defense and Antiship Missiles," *Hangkong Zhishi*, No. 5 (May 6, 1995), 8–10, in FBIS–CHI, January 23, 1996, 30–33; An Hua, "China-Made LY–60 Surface-to-Air Missile Weapons System," *Bingqi Zhishi [Ordnance Knowledge]*, No. 6 (November 15, 1995), 4–5, in FBIS–CHI, February 16, 1996, 21–22. For the development of M-series missiles, see Ta Wen, "Second Artillery Corps and M-Class Guided Missiles," *Ta Kung Pao*, March 9, 1996, A1, in FBIS–CHI, March 14, 1996, 24–26.

<sup>20</sup> For a fuller discussion of China's limited nuclear deterrence, see Alastair Iain Johnston, "China's New 'Old Thinking': The Concept of Limited Deterrence," *International Security*, Vol. 20, No. 3 (Winter 1995/96), 5–42.

<sup>21</sup> For an exposition on the role of perceptual and cultural factors in Sino-Japanese relations, see Min Kyu Park and Taeho Kim, "Anchoring a New Pattern of Interdependence and Strategic Rivalry: China-Japan Relations Toward the 21<sup>st</sup> Century," *Korean Journal of Defense Analysis*, Vol. 10, No. 1 (Summer 1998), 121–40; Akira Iriye, *China and Japan in the Global Setting* (Cambridge: Harvard University Press, 1992); *idem*, "Chinese-Japanese Relations, 1945–1990," in Christopher How, ed., *China and Japan: History, Trends, and Prospects* (Oxford: Oxford University Press, 1996), 46–59.

<sup>22</sup> Diana Betzler and Greg Austin, "Gulfs in Sino-Japanese Relations: An Evaluation of Japan's Cultural Diplomacy Toward China," *Journal of East Asian Affairs*, Vol. 11, No. 2 (Summer-Fall 1997), 611–12.

<sup>23</sup> There exists a substantial body of Chinese literature on Beijing's concerns over Japan. More recent examples include Xi Laiwang, ed., *Ershiyi shiji Zhongguo zhanlue da cehua: waijiao molue [China's Strategic Grand Plan in the 21<sup>st</sup> Century: Diplomatic Stratagem]* (Beijing: Hongqi chubanshe, 1996), 133–44; Lu Guangyue, "The Impact of Reinforcement of Japan-U.S. Military Alliance on the Asia-Pacific Security and World Peace," *International Strategic Studies*, Serial No. 53 (1999), 21–24; Zhao Dawei, "Ribei junshi anquan zhanlue ji qi qianjing" [Japan's Military and Security Strategy and Its Prospects], *Guoji Wenti Yanjiu [International Studies]*, No. 2 (1999), 49–54.

<sup>24</sup> For a Chinese critique of U.S.-Japan security ties, especially the new Guideline, see "Cadres Voice Concern over U.S.-Japan Ties," *South China Morning Post*, September 6, 1997, 9; Liang Ming and Ding Zengyi, "How Can One Win the Trust of Others by Shifting His Troubles Onto Others," *Jiefangjun Bao*, May 18, 1998, 5, in FBIS–CHI, June 2, 1998; Robert Karniol, "Japan Promotes Regional Security with US Accord," *Jane's Defence Weekly*, October 1, 1997, 15; "Hashimoto Warned on Scope of Security Plans," *South China Morning Post*, September 5, 1997, 10; Steven Lee Myers, "Risking China's Wrath, U.S. and Japan Bolster Military Ties," *The New York Times*, September 24, 1997, A7.

# Southeast Asian Security: A Regional Perspective

*by* Marvin C. Ott

For Southeast Asia, as for the West, the end of the Cold War was a seminal event. The region had been a major Cold War battleground. Communism was a clear and present danger to the survival of regimes and, in the case of Cambodia, to the very existence of a people and culture. Marxism left its mark in the three wars and failed economies of Indochina; in the mid-1960s upheaval in Indonesia; as a contribution to societal disruption in Burma, Malaya, and the Philippines; and, even to a degree, in the militarization of some Southeast Asian polities.

In the years immediately following the Cold War, this picture changed dramatically. The collapse of Soviet power meant the withdrawal of the Russian Pacific Fleet back to port and the end of subventions to the Vietnamese economy. In September 1989, the Vietnamese army ended its occupation of Cambodia. In the Philippines, the communist New People's Army, which in the mid-1980s posed a genuine and growing threat to the Philippine government, had begun to ebb. The Khmer Rouge, who also posed a serious threat to take power, had by the beginning of the 1990s misplayed their hand and become politically isolated and increasingly ineffective.

Thus, for the first time, the Southeast Asian countries faced no major security threats from within or without the region. With relatively marginal excep-

tions, governments were secure, societies stable, the status quo accepted, economies were growing, and external powers posed no immediate danger. To a degree that far exceeded that which existed anywhere else in the Afro-Asian world, the Southeast Asian states had developed regional institutions and patterns of interaction that gave the region increasing coherence as a single political, economic, and even security entity. The centerpiece of that achievement was the establishment in 1967 of the Association of Southeast Asian Nations (ASEAN), which subsequently spawned the ASEAN Free Trade Agreement (AFTA), soon to be followed by the ASEAN Regional Forum (ARF), and the Asia-Pacific Economic Cooperation (APEC) forum.

Meanwhile China was preoccupied with the task of consolidating the far-reaching domestic reforms initiated by Deng Xiaoping. By any historical measure, this was (and is) an extraordinary moment that could prove short-lived, or it could be an opportunity to consolidate regional security for the long term. As Jusuf Wanandi of Indonesia's Centre for Strategic and International Studies has warned, "If this opportunity is missed and these countries go their separate ways, it would be much more difficult five or ten years down the road to construct a security arrangement."

The urgency Wanandi expressed reflected a pervasive uneasiness among the foreign policy elite of the region that seemed to disprove their recent record of success and a palpable growth in national and regional

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self-confidence. This uneasiness derived from a number of perceived vulnerabilities, latent threats, and related concerns. Economics did not loom large in most calculations, but it was a crushing economic downturn that brought Southeast Asia's post-Cold War reverie to a sudden end.

As senior foreign affairs and defense officials in Southeast Asia assess the regional security environment, the vulnerabilities that they see begin but do not end with economic reconstruction.

### **Economic Recovery**

The financial/economic crisis that began in Thailand in late summer 1997 and rolled across the region was (and still is) deeply unsettling. It revealed that the extraordinary economic growth and modernization of the last three decades—a phenomenon characterized by the World Bank as the “Asian Miracle”—was not as solid as nearly everyone had believed. The image of a kind of regional money machine gave way to a quite different picture of ineffective regulatory institutions, illusory bank balance sheets, wildly irrational investments, excessive corruption, and conspicuous consumption. As the value of the baht, rupiah, and ringgit collapsed, Southeast Asians were reminded that not just living standards, but also social order, political stability, and even national security rested ultimately on economic performance. The hubris so evident in statements associated with the “Asian values” debate of the 1980s and early 1990s gave way to a more chastened, far more worried tone.

### **Political Fragility**

The political dangers embedded in economic failure were graphically revealed in Indonesia. For 32 years, the New Order regime of President Suharto had been a fixture of the Southeast Asian scene. Indonesia had been politically stable (if not static), economically successful, and socially dormant. But under the impact of the financial crisis, the framework of the New Order cracked, triggering mass political demonstrations, widespread street violence, and a change in regime. Next door in Malaysia where Dr. Mahathir had been entrenched as Prime Minister for 17 years, a somewhat analogous but less virulent chain of events ensued. A confrontation between the Prime Minister and his deputy over how to respond to the economic crisis took an ugly turn with the arrest and imprisonment of the latter on sexual misconduct and other charges. Mass demonstrations of a kind not seen in

Malaysia for 30 years shook the government to its foundations. In Thailand, the Chavalit government, paralyzed and ineffective in the face of the economic collapse, was replaced by parliamentary vote amid statements by senior military officers pledging that there would not be a coup. In sum, the political stability that had seemed almost as assured as continued economic growth was now clearly questionable.

### **Ethnicity**

Although ethnic disputes have not proven to be as lethal in post-Cold War Southeast Asia as in some other regions of the world, ethnic/minority issues are a significant source of domestic tension. In Burma [Myanmar], a simmering civil war between the lowland Burmese and highland minorities (such as the Karen, Karenni, Shan, Wa, and Kachin) has continued at varying levels of violence for nearly fifty years. A series of agreements beginning in the late 1980s between the Rangoon government and several of the minority groups has dampened the fighting, at least for the moment. In Malaysia, the latent tension between the Malay majority and the over one-quarter Chinese population pervades national life. The spectacular economic growth of the Federation in the years since the communal riots of 1969 has been seen by many as almost imperative to preserve domestic stability.

Recurring communal tension and occasional violence gave way to something much more serious in Indonesia in 1997–1998. Under the strain of economic deprivation, widespread anti-Chinese violence destroyed not only property, but also the confidence of the Chinese business community in regard to their future as citizens of Indonesia. Violence against the Chinese seemed to trigger a chain reaction of ethnic and religious strife involving other communal groups that make up the complex patchwork of Indonesia. The secession of East Timor produced the bloodiest tableau of all—inflicted by “militias” associated with the Indonesian army. The potential for a still more violent confrontation looms in the province of Aceh.

### **Territory and Boundaries**

Although the territorial status quo is broadly accepted by the Southeast Asian states, there are a number of specific disputes that have been minor irritants for some time and that could assume more

serious dimensions if the security climate in the region were to change. These include:

- The claim of the Philippines to the Malaysian state of Sabah;
- Claims to the Spratly Islands by China, Vietnam, Taiwan, Malaysia, Brunei, and the Philippines;
- Disputed ownership by Malaysia and Singapore over Pedra Blanca Island;
- Disputed ownership by Malaysia and Indonesia of the islands of Sipadan, Sebatik, and Ligitan;
- Clashes along the Thai-Myanmar border;
- A dispute between Thailand and Malaysia over the land border and offshore demarcation line;
- Boundary disputes between Malaysia and Vietnam and between Indonesia and Vietnam over their offshore demarcation lines;
- A boundary dispute between Cambodia and Vietnam; and
- A dispute between Malaysia and Brunei over Limbang and offshore boundaries.

Among these issues, the South China Sea is the most serious for several reasons. It is the only dispute to involve more than two Southeast Asian states and the only one to which outside powers (China and Taiwan) are a party. Large, potential offshore gas (and possible oil) reserves elevate the economic stakes to a higher level than elsewhere. Also, any conflict in these essential, heavily traveled sealanes would immediately jeopardize the interests of the United States, Japan, and other major powers.

## External Powers and a Changing Security Environment

Two extra-regional powers, China and Japan, are a continuing source of uneasiness to security planners for the medium and long term, even as they assume roles in the present that are largely welcomed.

### China

China is simply too large and too near not to be a major factor in Southeast Asian equations and not to be viewed with some trepidation. With certain isolated exceptions, China does not have a history of seeking imperial control over Southeast Asia. Moreover, for roughly three centuries comprising the European colonial epoch, China ceased to be a serious geopolitical factor in Southeast Asia. But this was an abnormal circumstance that has now passed into history. China's postwar support for communist revolutionary movements in the region marked the reappearance of Chinese power in Southeast Asia. This, coupled with the presence of economically influential

Chinese populations in nearly every Southeast Asian city, has bred distrust. Beijing's explicit claim that nearly all of the South China Sea constitutes Chinese territorial waters (and its refusal to disavow the use of force to back up those claims) has caused alarm in a number of quarters. Growing Chinese influence in Burma and Cambodia has been a further source of concern. Finally, the burgeoning of China's economy in the recent years has been welcomed by some (mostly ethnic Chinese) Southeast Asian businessmen as a major new investment opportunity while feared by others because of the potent competition from emergent, ultra-low wage Chinese industries.

The prevailing uneasiness and ambivalence concerning China is evident not only in official statements and actions but also in some suggestive public opinion data. For example, in U.S. Information Agency (USIA) polls, about 45 percent of respondents in Thailand and the Philippines view China as an "expansionist power," but only a small percentage in both countries regard China as a direct security threat. In a survey of regional executives (many of whom presumably were ethnic Chinese), the *Far Eastern Economic Review* found large majorities "concerned about the security situation in the South China Sea." A similar survey found majorities ranging from 53 percent (in Thailand) to 80 percent (in Indonesia) who favor a "greater [Chinese] leadership role in world affairs." This desired leadership role emphasizes the prevailing strategy among Southeast Asian governments to draw China into a role as a rising but status quo power by binding China to the rest of the region with ties of mutual economic advantage.

From Southeast Asia's perspective, the best China is one that is domestically preoccupied, much like the China of the last decade. The fear is that as China gets its domestic house in order, gains economic and military strength, and is largely freed of its historic security concerns to the west (Russia) and the east (Japan), it will feel increasingly free to turn its energies southward.

### Japan

Japan labors under the shadow of the recent memories of its often harsh wartime rule over the region. However, these memories vary significantly by demography, ethnicity, and location. Political power has passed to a postwar generation that has no direct

personal recollection of the New Asia Co-Prosperity Sphere. Also, some populations like the overseas Chinese and the Filipinos experienced an often brutal occupation. But others like the Burmese and Indonesians recall the Japanese invasion as the critical event that broke the hold of European colonialism in the region and, in some instances, gave local nationalists their first taste of political power. Thailand effectively acquiesced to Japanese occupation and thereby escaped its most adverse effects. Since the war, Japan's interaction with Southeast Asia has been largely confined to economics—as trader, investor, and aid provider. In recent USIA polls, 92 percent of Indonesian respondents gave Japan an overall “favorable” rating compared with 77 percent for the United States. In Thailand, a plurality of opinion regards Japan as the Kingdom’s “closest economic partner.”

Today Japan is valued as an economic engine that powers much of Southeast Asia's economic growth. Japan plays no direct security role in the region, and the Southeast Asian states want to keep it that way. As long as the U.S.-Japan Security Treaty remains viable, the Southeast Asian governments are confident that Japan will be content to leave to the United States the task of protecting the vital Southeast Asian sealanes through which the bulk of Japan's oil supplies are transported. The great fear is that if Japan were to feel the need to use its own navy for that purpose, it will provoke China into military countermeasures. The last thing that the Southeast Asians want is a competition for military preeminence in the region between China and Japan.

### **The United States**

Finally, Southeast Asians are uneasy about the United States—about America's commitments and its staying power. The reasons for doubt on this score are not hard to discern. Despite repeated assertions by American officials to the contrary, many Southeast Asians do not regard the United States as an inherently Asian power. In time, so the thinking goes, it will withdraw to its natural geographic sphere of influence in the eastern Pacific. Perhaps ironically, such doubts were reinforced by America's Cold War victory. The end of that contest provided the obvious rationale, if one were needed, for a substantial reduction of the U.S. security presence in Asia. Without a worldwide adversary, America acted logically by pulling back its overseas military deployments to gain a peace dividend. For the harshest skeptics, America's post-Cold

War record of military engagements overseas provided additional evidence. Prime Minister Mahathir of Malaysia put the matter in characteristically blunt terms: “The presence of a Western power will not make a difference especially after Haiti, Somalia, Bosnia, and Rwanda. It takes only one soldier to be killed before the whole force will be withdrawn.”

All Southeast Asian governments were keenly aware of the downward pressures on the U.S. defense budget in the immediate post-Cold War period. Most watched with dismay as the U.S.-Philippine negotiations to extend the U.S. military lease of its base at Subic Bay failed. Nor were they reassured by the defeat of President George Bush by a little known small state governor in a campaign that stressed U.S. domestic concerns to the almost total exclusion of foreign policy. Finally, the Gulf War, when U.S. troops were deployed through the Mediterranean rather than Southeast Asia, seemed to suggest yet one more reason why the United States might deemphasize its security role west of Guam. This is ironic because the primary route for logistical supply to that battlefield (mostly by sea) was across the Pacific and through the Indian Ocean.

Against this backdrop, the U.S. naval deployments in response to the Taiwan crisis of 1996 and the U.S.-led NATO operations in Kosovo provided a welcome degree of reassurance regarding American capacity and determination to retain its global security role. When U.S. warplanes bombed the Chinese embassy in Belgrade, at least some senior military officers in Southeast Asia reacted, first by assuming the bombing was deliberate and second by welcoming it as a signal reminding China who is boss.

At the same time there is tangible uneasiness among the policy elite concerning another implication of Kosovo—a growing predilection on the part of the United States to engage in “humanitarian intervention.” The specter of the United States and its allies deciding what values are to be enforced internationally evokes not too distant memories of Western colonialism.

### **The Regional Response**

The ASEAN response to this changing security environment has occurred along three dimensions: unilateral, multilateral, and bilateral (with the United States).

Unilaterally, the ASEAN governments have done two things. First, they have continued to act on the same central principle that they followed for nearly three decades: the foundation of national security is a successful and growing economy. “Resilience,” a formulation connoting social stability, economic success, and a general ruggedness, was coined in Singapore and soon spread as a kind of regional mantra to the other states. All of the successful ASEAN states have kept their focus on the priority objective of economic growth and modernization.

At the same time, these states began to invest more heavily in their respective military establishments. This growth has been sufficiently noteworthy to lead many observers to refer to a regional arms race. In the early 1990s, Southeast Asia was the one growth area in an otherwise contracting global arms market. Indonesia purchased much of the former East German navy—29 ships in all. Malaysia purchased FA-18s and Russian MIG-29s. Singapore, Indonesia, and Thailand purchased F-16s. Thailand purchased Chinese tanks and armored personnel carriers, German helicopters, and American P-3s. The complete list of such acquisitions was long, but it was misleading to refer to a regional arms race.

What was going on was a reorientation of armed forces away from domestic counterinsurgency missions toward external defense coupled with a modernization and upgrading of forces by countries that now could afford it. The growth in military spending was within planned national budgets and generally tracked or only slightly exceeded aggregate economic growth. Other factors at work included (1) an effort to improve national capabilities to defend offshore territorial claims, particularly in light of China’s assertiveness in the South China Sea, (2) a response to the considerable political influence enjoyed by the armed forces in several countries, and (3) some undeniable competition and one-upmanship among the states of the region, notably between Singapore and Malaysia.

One of the consequences of the Asian economic crisis that began in 1997 was a scaling back of military procurement budgets throughout the region—most notably in Thailand’s decision to rescind its purchase of FA-18s from the United States. If a feeling emerges in the region that the economic crisis is effectively over, military budgets can be expected to benefit accordingly.

The most interesting developments in terms of regional security have a multilateral character. ASEAN has become the centerpiece in this process. When the

association was created in 1967, its declared purpose was to foster economic and cultural (and by implication, political) cooperation among its members. The founders of the organization were emphatic and explicit that ASEAN was not, nor would it become, a security organization (that is, a military alliance). In fact, ASEAN was, from the outset, an organization that had an overriding security purpose. Its achievements in terms of fostering cultural contact and understanding have been constructive, but hardly earthshaking. Its various initiatives in the direction of regional economic cooperation have come to little for the basic reason that the economies of the member states are competitive rather than complementary.

But security is another matter. ASEAN was founded in the aftermath of Indonesian “confrontation” against Malaysia, exacerbated by the Philippines territorial claim to Sabah. The clear intent in creating ASEAN was to prevent the outbreak of another conflict among the five founding members. This has been one of ASEAN’s great successes. Patterns of consultation and collaboration have been fostered; mutual trust has been nurtured; and political and foreign policy elites have become closely acquainted with one another. In short, ASEAN has become a “security community” defined as a collective in which military conflict among its members has become almost unthinkable. For example, despite recurring acrimony over a number of issues, a military clash between Singapore and Malaysia is about as unlikely as one between Spain and Great Britain over Gibraltar. Disputes exist, but they are either resolved through negotiations or adjudication or set aside until they become negotiable at some future time.

The second major achievement of ASEAN came in response to Vietnam’s 1978–1979 invasion and occupation of Cambodia. ASEAN took the lead in coordinating a remarkably effective diplomatic campaign that denied Cambodia’s UN seat to the Vietnamese-installed government in Phnom Penh. Three governments (Singapore, Malaysia, and Thailand) also worked with the United States (and China) in providing covert assistance to the various Khmer guerrilla organizations conducting military resistance against the Vietnamese. These efforts, along with the U.S.-led economic embargo, were instrumental in persuading Vietnam to withdraw finally from Cambodia.

Although ASEAN is not a military pact, several of its members have been engaged in bilateral cooperation for many years on security-related issues of shared concern. Examples include Thailand and Malaysia on their common border (long a haunt of the Malayan Communist Party and Thai Muslim secessionists), the Philippines and Indonesia regarding smuggling, and Singapore and Indonesia concerning piracy. Since the U.S. decision to evacuate the Clark and Subic Bay bases, each of the ASEAN countries has offered to make appropriate facilities accessible to U.S. naval and air forces. Beginning in 1992, a multilateral dimension was introduced when security issues were explicitly included on the agenda of ASEAN ministerial meetings and uniformed officers were included in senior officials' meetings. In the same timeframe, the annual meeting of the ASEAN foreign ministers with ASEAN's "Dialogue Partners" began to encompass security issues. In 1993, this security dialogue was expanded to include China, Russia, and India. Meanwhile, Vietnam, Laos, Burma (Myanmar) and Cambodia have become full members of ASEAN. All of this official dialogue has been supplemented by semi-official meetings and conferences conducted by academics and policy institutes in the ASEAN countries with invited outside experts and devoted to security issues.

Eventually, the participants will have to decide whether to extend multilateral security cooperation beyond discussions to embrace operational activities, including possible multilateral joint exercises and training, and coordination of some equipment purchases (such as maritime patrol aircraft) to allow for possible joint use and interoperability. However, there is little or no likelihood that ASEAN will ultimately be transmuted into a full-fledged military alliance. There is no serious sentiment within the organization for such a step. The region remains too diverse with too little consensus regarding the identity and extent of security threats. Thailand and Vietnam, for example, have distinctly different views of China in this regard. Even if an alliance were established, the collective military strength of the region would be insufficient to cope with aggression or intimidation by a large power. Finally, nonalignment still exerts a significant tug on official sentiments within the region.

The latest development is an ASEAN decision to establish a formal arrangement to manage the official security dialogue—the ASEAN Regional Forum. The ARF hosted its first annual meeting in Bangkok in

July 1994. Comprising 19 Pacific Rim countries, including China, Japan, Russia, India, and the United States, the ARF had the potential of becoming a significant arena for addressing such common security concerns as piracy and such regional disputes as the Spratly Islands. In reaction to the discovery of Chinese military construction on Mischief Reef in 1995, the ARF became the vehicle for a serious initial attempt to resolve conflicting interests and claims in the South China Sea. Yet when additional Chinese construction was detected during the most acute phase of the Asian economic downturn, the ASEAN countries could not muster an effective response within the ARF. At this stage, the jury is still out as to whether the ARF will become a viable diplomatic vehicle for addressing security issues in the region. A current test is provided by efforts within ASEAN to use the ARF to negotiate a "code of conduct" for managing disputes in the Spratlys.

### **The U.S. Role**

As a consequence—and somewhat paradoxically—the ASEAN states still look to external powers as the ultimate guarantors of their security. The Five Power Defense Pact links the United Kingdom, Australia, New Zealand, Singapore, and Malaysia. But it is the United States that is overwhelmingly the region's preferred security partner. This shows up clearly, as noted above, in USIA polling of regional opinion (for example, Thailand, Indonesia, Australia, and the Philippines), in official public statements (for example, Singapore) and in government actions and private comments by officials (for example, Malaysia). Even in nominal outliers like Vietnam and Burma, it does not take long for some senior military officers to reveal their preferences for a continued robust American defense presence in the region.

Since the demise of the Southeast Asia Treaty Organization (SEATO) in 1977, the United States has been party to only one multilateral Asian alliance with Australia and New Zealand (ANZUS). But America does have bilateral defense agreements with Thailand and the Philippines. More important, the U.S. 7<sup>th</sup> Fleet, headquartered in Hawaii and forward based in Guam and Japan (composed of permanently assigned units and those deployed for 6-month periods from central and eastern Pacific bases), operates on a con-

tinuing basis in the region. U.S. air assets deploy to the region out of Japan and Alaska, and forces from all services, including ground forces, regularly go to the region from the continental United States for a variety of exercises. Altogether, and on a continuing basis, approximately 100,000 American military personnel are forward deployed.

At the most basic level, U.S. objectives in Southeast Asia have remained consistent over the last five decades:

- Prevent the emergence of a regional hegemon,
- Keep open the sea and air routes that transit the area, and
- Maintain commercial access to the economies of the region and the peace and stability that commerce requires.

Pursuit of these interests has carried U.S. security policy through five historical phases over the past half century: (1) The war against Japan in the 1940s, (2) The counterinsurgency/nation-building period of the 1950s and 1960s, culminating in the Vietnam War, (3) The Nixon Doctrine and the focus on strengthening the 7<sup>th</sup> Fleet as a counter to the Soviet military presence based at Cam Ranh Bay in the late 1970s, and (4) Pressure (working with and through some of the ASEAN governments) against the Vietnamese military occupation of Cambodia, culminating in the 1989 Vietnamese withdrawal and the signing of the 1991 Paris Agreements establishing a framework for a possible political resolution of the Cambodian conflict.

Coincidentally, the demise of the Soviet Union and the end of the Cold War removed Russian military power from the region. Since 1991, the United States has entered a fifth phase with the termination of the U.S. military presence in the Philippines. The loss of facilities at the Clark and Subic Bay bases compelled a rethinking of U.S. strategy that involved a dispersal of U.S. presence in the region through access arrangements in a number of countries, but no large U.S. bases. With the advent of the Clinton administration, there also was a change of emphasis that was more accommodating to multilateral approaches to security. The new approach embraced the advent of ARF and explicit intra-ASEAN discussions of security issues as fully compatible with existing U.S. bilateral security ties and activities in the region.

The United States now faces a substantially changed security landscape in Southeast Asia, one that reflects the essential success of its postwar policies. America currently is without challenge as the preeminent military power in the region and, from a Southeast Asian perspective, that presence is largely

benign because it comes without territorial or overt hegemonic ambition.

Security regimes generally develop in response to or in anticipation of threats. What makes the U.S. security role in Southeast Asia so distinctive and challenging in intellectual and policy terms is the absence of a clear threat. Instead, there is the regional sense of uneasiness noted earlier. The Southeast Asians want the U.S. presence as an insurance policy—a benevolent cop on the beat to protect them against potential external threats, against the unknown, and, to some extent, against each other. As long as the U.S.-Japan Security Treaty is operative and the U.S. 7<sup>th</sup> Fleet patrols the Southeast Asian sealanes, Tokyo will not need to contemplate its own military presence in the region. Disputes or potential disputes within the region are less likely to flare up or to provoke a local arms race if a neutral third party is by far the strongest military presence in the area. The day may come when the combination of growing economies, militaries, and multilateral institutions and processes will give the region sufficient strength and coherence to make a U.S. security presence largely superfluous—but not yet.

Other considerations that underlie Southeast Asian support for a continued U.S. presence include the preference among the armed forces of the region for American weapons and equipment and for the United States as a source of common military doctrine and shared intelligence. U.S. forces treat Southeast Asia as a single security area. Moreover, joint exercises, exchanges, and interactions with local armed forces give the region what coherence it now has in military terms. Finally, the U.S. military presence is valued as a means to maintain U.S. interest in the region and to encourage an increase in American economic involvement. The United States remains Southeast Asia's largest single market. Since exports and foreign investment have largely driven the economic growth of the region, the American connection remains hugely important to its future. Southeast Asian governments also want to encourage increased American investment as a counterweight to the massive presence of Japan in that sector. If Southeast Asian industry is going to compete successfully with lower wage Chinese competitors, an infusion of foreign technology will be required in many cases.

Note that significant constraints exist on American influence in the region. First, until recently, the most obvious were limitations on U.S. defense budgets. It is a

great irony that if the Philippines Senate had approved the tentative agreement for renewal of the lease at Subic Bay, the United States would have faced significant difficulties in fulfilling the financial terms of that agreement. In a new era of federal budget surpluses, it is no longer so evident whether budget limitations pose an insuperable hurdle to maintaining a major, capital, and personnel-intensive presence in Southeast Asia, like at the Clark and Subic Bay bases. That will become clear only if an opportunity for such a facility presents itself.

*Second*, nationalism constrains the willingness of Southeast Asian states to accept a close, visible tie with the United States. ASEAN has a long-standing formal commitment to the objective of establishing a Southeast Asian Zone of Peace Freedom and Neutrality (ZOPFAN), which would amount to the exclusion of the external great powers from the region. ZOPFAN has taken on no role beyond the declaratory, but it accurately reflects a widely held determination not to be the cat's paw of others outside the area. This impulse received a recent impetus from Indonesia's selection in 1993 to serve a 5-year term as leader of the Nonaligned Movement. One consequence of all this is a desire to minimize the size and visibility of the American military presence in each of these countries. None of the states want to have the raucous equivalent of Angeles City or Ilongapo that serviced American airmen and sailors outside the gates of Clark and Subic in the Philippines. Visiting Forces agreements establishing legal jurisdiction over U.S. military personnel have become a lightning rod for such concerns.

*Third*, there have been a number of recurring irritants in U.S. relations with the region, most related to trade disputes and human rights. Examples include a long-running and acrimonious quarrel with Thailand over protection of intellectual property rights; a public argument between the United States (including President Clinton) and Singapore (including former Prime Minister Lee Kwan Yew) over the proper punishment for an American teenager found guilty of vandalism in Singapore; and the congressionally mandated cancellation of some International Military Education and Training (IMET) aid programs due to criticisms related to human rights—notably, Malaysia's policy toward Vietnamese refugees and Indonesia's handling of East Timor. During the 1990s, the mood in several of the ASEAN governments

became palpably more resentful of, and resistant to, U.S. pressure on behalf of a human rights/democratization agenda. Singapore and Malaysia were particularly outspoken concerning U.S. "arrogance" and "cultural imperialism." The Asian financial crisis tended to override and to mute these issues, while diplomatic negotiations resolved some of them. If Indonesia's newly empowered democracy takes hold, the political climate on these issues in the region will presumably become more receptive to U.S. views.

At the same time, the Asian financial crisis injected a new discordant element into the picture—a sense of acute vulnerability to the forces of the new globalized economy. Malaysia's combative Prime Minister Mahathir angrily blamed international currency speculators for triggering Asia's meltdown and the International Monetary Fund for running roughshod over local sovereignties in responding to the crisis. Mahathir's view that the West (and the United States in particular) had acquired too much economic power over Southeast Asia is widely shared by other less outspoken leaders in the region.

In sum, U.S. security planners face a complex environment in Southeast Asia that requires an intelligent, sensitive (even subtle) diplomatic touch; that integrates political, economic, and military considerations; and that looks beyond the immediate to at least the mid-term future. The names of the game are anticipation, prevention, deterrence, and reassurance.

## **Looking Ahead**

Southeast Asian attitudes and approaches toward U.S. policy and presence will be shaped, in the first instance, by developments within the region. These will include performance of the major Southeast Asian economies, the viability and unity of Indonesia, and the cohesion and effectiveness of ASEAN. Beyond these obvious factors, there are some wild-cards in the deck, including a potential political upheaval in Burma.

Economic success breeds confidence and stability—or, in the parlance of the region, "resilience." Economic growth also provides the budgetary resources to upgrade national military capabilities. Economic growth undergirds the development and strengthening of regional institutions, including ASEAN and its various elaborations and spin-offs. A prosperous and modernizing Southeast Asia will deal more confidently with the major external powers, such as Japan, China,

the United States, and, in the future, India. Such a Southeast Asia will be more inclined to draw lines in the sand (or sea) regarding China and to insist on conditions and *quid pro quos* regarding the U.S. security presence. Conversely, a Southeast Asia unable to regain its pre-1998 economic footing will be less assertive vis-à-vis outside players and more prone to intraregional disputes. Such a region will be more vulnerable to growing Chinese influence and, at the same time, more inclined to look to the United States both for markets and for security support.

Indonesia is a huge factor in this regard. If it holds together and begins to restore economic growth under a moderate democratic government, Indonesia can regain its role as the linchpin of a modernizing, increasingly interactive Southeast Asia. In the worst case, a disintegrating Indonesia will fundamentally alter the balance of power in East Asia. Opportunities for Chinese ambition will grow, and the tendency of regional states to strengthen bilateral security arrangements with the United States will probably grow as well.

All of this is intimately connected to ASEAN. The association as we have known it cannot survive a breakup of Indonesia; it will survive only as a shell if Indonesia becomes the chronic sick man of Southeast Asia. ASEAN is already confronting major difficulties as a result of the Asian financial crisis and the ill-advised and rapid decision to expand its membership to include Cambodia, Laos, and Burma. ASEAN today is a distinctly less cohesive and effective organization than it was in 1996.

The second broad set of factors that will affect U.S. attitudes concerns the policies and actions of major powers in East Asia—notably China and the United States. The foreign policies of Southeast Asian governments generally are predicated on the hope and the expectation that China will give the highest national priority to economic development and modernization, which will in turn require good relations with its neighbors. A China focused on economic growth would logically desire increased trade with and investment from Southeast Asia. Such a China would eschew provocative, destabilizing policies in the South China Sea or elsewhere that would jeopardize such relations. Southeast Asian policies toward China have been designed to reinforce such logic and tendencies.

But few Southeast Asian officials are confident beyond doubt that Beijing will prove to be such a benign presence in the region. Unlike the United

States, China is geographically next door and does have territorial ambitions. There is an undercurrent of apprehension present in every Southeast Asian government to varying degrees. The possibility that China may pursue a strategy designed to assert its primacy in the region cannot be ruled out. Chinese statements and actions in the South China Sea validate the danger in the minds of many regional defense and intelligence officials.

A China with hegemonic tendencies poses another danger: Japan strengthening its military capabilities and assuming a more “normal” security role in the region. In short, a logical consequence of growing Chinese power could be a great power rivalry with Japan along Asia’s rim. None of this would be welcome in Southeast Asia.

The U.S. economic presence in Southeast Asia has never been seriously controversial. Not only was it a source of needed imports, technology, managerial expertise, and investment, but it was also, most importantly, a natural concomitant of America’s most important contribution—its market. As far as one can see into the future, that market will remain absolutely vital to economic well-being in Southeast Asia.

The U.S. security presence has been welcome in Southeast Asia since the early days of the Cold War for the measure of protection that it provided. In some instances that protection was direct and tangible, as with U.S. assistance to the Philippines against the Hukbalahap insurgency. In one case—Vietnam—it was direct, massive, and unsuccessful. But generally the U.S. presence has been valued for the general climate of stability and security that it has provided. As long as the strongest military power in the region was an outside player without territorial ambition, Southeast Asians could be confident that nothing really bad—for example, a hostile hegemon or a major interregional conflict—would be allowed to happen. That confidence in turn was key to foreign investment and other economic development initiatives that made the Asian Miracle possible.

In sum, the regional context in which Southeast Asians view the U.S. security role is remarkably dynamic and indeterminate. China’s strategic direction— aspiring regional hegemon or increasingly satisfied status quo great power—remains entirely uncertain. In all probability, the China of the next 10 to 15 years will emerge as a complex amalgam of the two. Just as China’s strategic direction is a question, so

too are its economic and political prospects. The Chinese economy of today faces huge problems, including hopelessly inefficient state enterprises, a technically insolvent banking system, and an alarming and unsolved environmental crisis. A substantial slowing of economic momentum has profound implications for a regime that has lost Marxism/Maoism as an effective source of political legitimacy and relies instead on an improving economy. Future historians may see the ongoing crackdown on the Falun Gong group as the first clear signal of a systemic Chinese political crisis.

Uncertainties concerning China extend to other elements in the strategic environment. As the Taiwan dispute becomes more acute, the confident expectations of a few years ago that the situation could be managed and contained are no longer prevalent. ASEAN is still reeling under the impact of the financial crisis in Asia and suffering acute indigestion from trying to incorporate too many new members too fast. The association's future is very much in doubt.

The economic crisis has raised a number of other uncertainties, the most basic being whether the region will make a full recovery. There are some hopeful indicators in that regard, but whether they represent a real or false dawn is still a question. Even larger questions surround Indonesia, including whether the archipelago will remain politically unified.

All of these uncertainties tend to impel the region, however reluctantly, toward increased reliance on the U.S. security presence as an anchor in stormy seas. This will be true only as long as the United States is really seen as an anchor. Southeast Asian states will become increasingly sensitive to any signs of declining U.S. interest in or disengagement from the region. Assessments of U.S. resolve will become even more of a cottage industry for Southeast Asian governments than they have in the past. For this reason, the continuing (and even growing) ambiguity concerning U.S. policy toward the South China Sea does not bode well. What exactly is America prepared to defend and under what circumstances? Few in Southeast Asia are confident of the answer. Those that are uncertain will tend to hedge that uncertainty. The logical alternative to reliance on the U.S. security presence will be some sort of regional accommodation to Chinese primacy.

# China's Precarious Balance: Cohesiveness and Stability in a Fast-Changing Society

by Minxin Pei

Concerns about China's political and social stability figure prominently—and rightly—in Western governments' formulation of policy toward Beijing. Unlike a strong, stable, but less-than-friendly China, an unstable (and presumably weak) China presents a different set of strategic and political challenges to Western policymakers. Instability—whether economic, social, or political—makes it difficult to protect some of the important interests that have been pursued by the West during the last two decades (such as improvements in human rights, governance, and access to the Chinese market). Internally, political instability usually triggers large-scale violence and loss of government authority. In the case of China, which has a large arsenal of weapons of mass destruction, a likely fallout from such instability would be ineffective control regimes over the exports of such weapons and related technologies.

Despite these profound concerns about the consequences of instability in China, however, reliable predictions about Chinese politics have been quite rare. Few analysts, for instance, foresaw the downfall of two of Deng Xiaoping's chief liberal lieutenants (Hu Yaobang and Zhao Ziyang) or the bloody Tiananmen events in June 1989. Deng's successor, Jiang Zemin, was derided as a lightweight and thought incapable of managing a smooth transition of power from the

Deng era. On the eve of China's resumption of sovereignty over Hong Kong, the conventional wisdom in the West was that China would “kill the goose that lays the golden eggs.” Shortly after President Clinton's visit to China in June–July 1998, there was much optimism about the prospects of political liberalization. And immediately before China and the United States signed a historic trade agreement paving the way for China's entry into the World Trade Organization (WTO), such a deal was considered unlikely because the top leadership in Beijing was judged to be hopelessly divided and paralyzed.

These and other similar instances of wrong predictions about Chinese politics in general, and political instability in particular, may be attributed to an analytical approach that focuses exclusively on elite politics. Given the thick secrecy with which Chinese leaders conceal their decisionmaking process, this elite approach can yield guesswork at best.

To examine the issue of political stability more comprehensively, the emphasis here is not on the characteristics of individual leaders, but on a set of environmental factors that influence decisionmaking and politics. The central premise of this analysis is that stability (or its opposite, instability) is the product of a dynamic process of change: The economic, social, and political transformation that has been going on in China in the last two decades has generated forces of both instability and stability, disintegration and cohesion. As the transformative process

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unfolds, the forces of disintegration and instability may assume different forms and manifest their effects in different ways, as do those of cohesion and stability. What matters most is the overall dynamic balance between such forces.

Generally speaking, four primary types of cohesiveness—elite, ideological, institutional, and social cohesiveness—influence China’s political stability. Looking at changes in these four variables will provide an overall assessment of the balance of forces of disintegration and cohesion in China today.

### **Elite Cohesiveness**

Elite cohesiveness is generally considered one of the most important factors in determining the stability of a regime. Obviously, deep division within the elite, especially the ruling elite, is often a source of political conflict and paralysis in decisionmaking. Elite cohesiveness itself is also an aggregate consisting of a set of measurable and intangible primary characteristics of the members of the elite. Such characteristics may include ideological outlook (which will be discussed in the next segment), political experience, sociological background (education and class background), and generational identity. In addition to these primary variables, elite cohesiveness is also affected secondarily by the norms and procedures governing elite politics. Although the primary variables are crucial in determining the degree of cohesiveness among the elite, the role of norms and institutional procedures in enhancing or reducing such cohesiveness is considerable, though often overlooked.

Historically, political instability in the People’s Republic of China (PRC) was, almost without exception, triggered initially by a power struggle within the ruling elite. Such struggle, in turn, was caused by a lack of elite cohesiveness. For analysts, elite cohesiveness is a relative concept, especially when it is used in the context of contemporary China.

It is thus unavoidable to compare the degree of elite cohesiveness of Maoist China with that of post-Mao China. One can make a strong case that, other things being equal, the lack of elite cohesiveness during the Mao Zedong regime (1949–1976) was a major source of political turmoil. The low level of cohesiveness in the Mao regime was the result of many factors. First and foremost, the fact that the Chinese revolution was won by a coalition of nationalist, Leninist, and liberal forces determined that the new ruling elite

would comprise individuals from diverse sociological, political, and ideological backgrounds. Conflicts soon emerged inside the young PRC, both within the Chinese Communist Party (CCP) and between the CCP and its former allies (mostly liberal intellectuals). Some conflicts led to internal purges and claimed, as their victims, some of the senior revolutionary leaders in the CCP hierarchy (such as Gao Gang and Peng Dehuai) and sowed the seeds for future power struggles. Other conflicts resulted in the split between the CCP and the intelligentsia, as in the tragic Anti-Rightist Movement of 1957 that destroyed the lives and careers of half a million people, most of whom were members of the intelligentsia.

**Table 1. Elite Cohesiveness in China’s Regimes, 1949–1999**

	<b>Mao</b>	<b>Deng</b>	<b>Jiang</b>
Ideological Outlook	Diverse	Less diverse	Similar
Political Experience	Diverse	Similar	Similar
Sociological Background	Diverse	Diverse	Similar
Generational Identity	Strong	Weak	Strong
Elite Norms	Weak	Improving	Strong

Ultimately, the ideological conflicts within the elite over the fundamental CCP policy—“class struggle vs. economic construction”—escalated to irreconcilable levels and culminated in the Cultural Revolution (1966–1976). With the help of the radicals and the control of the military, Mao Zedong was able to purge those who advocated a more moderate policy and took China on a disastrous path to self-isolation and bloody civil turmoil.

It must be pointed out that diversity in the backgrounds and ideological outlooks of the elite should not be a necessary condition for conflict. In Maoist China, what made intra-elite conflict inevitable and uncontrollable was not merely the above-mentioned diversity, but the lack of institutional procedures within the CCP for managing such conflict and containing its political devastation. As in other totalitarian regimes, the supreme leader, in this case Mao, enjoyed unrestrained power and discretion, especially in the appointment and removal of members of the top leadership. Job security for the elite throughout the regime was minimal, as there was no due process

or set of principles providing a basic level of protection for the elite. Worse still, there was no guarantee of the physical security of the elite. Fall from power was immediately followed by public humiliation, physical abuse, torture, show-trial, incarceration, and worse. In most instances, even the family members of the disgraced officials were not spared. This created a “winner-take-all and loser-lose-all” environment in which power struggles became extremely vicious and uncompromising.

Two additional factors intensified power struggles among the elite during the Mao era. First, the CCP had no internal procedures to marginalize or reduce the power of extremists. In fact, the radicalized Communist ideology under Mao legitimized leftist extremism, and the rapid promotion of radicals during the Cultural Revolution provided further incentives for displaying extremist outlook and behavior. Second, the Mao regime had no reliable system of promotion and retirement. As a result, elite circulation was slow and frustrated the ambitions of the younger generation, many of whom were thus easily recruited into rival factions with the prospects of better political careers.

The Deng era saw many reform measures aimed at correcting the flaws of the Maoist regime. As a result, the ruling elite became more homogenous and were protected by more reliable rules and norms. The homogenization initially occurred due to a combination of political purges and institution-building. After Deng consolidated power in 1979, he began a systematic purge of the radicals inside the regime and a simultaneous campaign of rehabilitating and recruiting moderates. Consequently, although Deng retained a considerable number of ideological conservatives leery of rapid economic reform and gave them some political space, his efforts to promote younger and more educated individuals gradually built a solid core of moderates within the elite.

Deng also pushed through one of the most important political reform measures in post-Mao China—a mandatory retirement system for government officials. Under the new system established in 1982, strict retirement rules were set for officials at different levels inside the government (but not the CCP). This greatly accelerated elite circulation and helped inject much-needed fresh blood into the regime. It also removed a source of political instability—the frustration of capable and ambitious individuals whose political prospects would otherwise be utterly hopeless under

the old system. To better manage intra-elite conflicts, Deng introduced a set of rules that spelled out the procedures for resolving policy and political disputes. He also made sure that losers in internal power struggles enjoyed a minimal level of physical security and material comfort (he violated this policy only once, when he personally ordered the persecution of Bao Tong, chief aide to Zhao Ziyang, after the Tiananmen crackdown in 1989). To prevent the rise of radicals on either end of the ideological spectrum, Deng mandated limited competition for certain CCP posts. Over the years, such competition was responsible for preventing some of the more controversial political figures (mostly hardliners and princelings) from rising to important positions inside the regime.

By and large, Deng’s efforts were very successful in increasing the degree of cohesiveness within the ruling elite. However, the Deng regime had a more mixed record in dealing with China’s nonruling elite. Members of the nonruling elite, or societal elite, are business leaders, professionals, and intellectuals. If coopted, these elites can be an important source of stability. If alienated, they can become potent opponents. The regime astutely adopted a divide-and-rule strategy in dealing with societal elites. It gave considerable gains in freedom, status, and material rewards for business and professional elites because their primary interests—economic and professional opportunities—were compatible with the regime modernization program and could be satisfied without threatening its hold on power. It was the liberal intelligentsia, a perennial opposition in all authoritarian regimes, who posed a constant challenge to the regime.

Although Deng initially relied on this group to dislodge the radicals and formulate an ideologically palatable theory (“Socialism with Chinese Characteristics”) to justify his economic reforms, their demands for political reform and democratization soon collided with his precepts on the supremacy of CCP rule. The subsequent conflict between the regime and the intelligentsia formed the most visible schism in Chinese politics in the last two decades. Its most violent and tragic expression was the 1989 Tiananmen Square pro-democracy movement. Interestingly, it was the bloody setback of the Tiananmen movement, which led to the imprisonment and exile of the leaders of the intelligentsia, that transformed the relationship between the regime and the intelligentsia.

The crackdown itself produced a surprising result: With the removal of the radical liberals (mostly through exile) and their intraregime patrons, the moderates inside the intelligentsia gained dominance. Their ascendance also coincided with two epochal events and one interactive trend: (1) the collapse of communism in the former Soviet bloc, (2) Deng's tour of southern China in 1992, and (3) rising Chinese nationalism and China-bashing in the West. These three factors produced an unanticipated political realignment that led to the re-incorporation of the moderate intelligentsia into the regime and the further marginalization of the liberals. The social and political turmoil following the Soviet collapse graphically demonstrated to the moderates the costs of radicalism and the undesirability of hasty reforms. Deng's tour, which reenergized China's lagging reform, gave the moderate intelligentsia new hopes as well as opportunities to rejoin the regime or seek business prospects in the private sector. The more controversial and not-so-well-understood factor—the interaction between rising Chinese nationalism and China-bashing in the West—did much to undermine the intelligentsia's admiration and support, which was very deep in the 1980s, for Western values.

As a result, the threat posed by the intelligentsia, which used to obsess the regime in the 1980s, greatly diminished toward the late 1990s. But the incorporation of the intelligentsia into the regime may have been only a temporary trend, because the fundamental goal of the moderate intelligentsia—reforming China's economic *and* political systems—conflicts with the declared CCP goal of maintaining its supremacy. At the moment, China's deteriorating external environment (unstable relations with the United States and the increasing prospects of a military conflict with Taiwan) makes it hard for this group to push their political reform agenda. Should the external environment improve and, more important, should this group eventually come to realize the basic incompatibility of their interests with those of a CCP intent on perpetual monopoly of power, they are likely to turn against the CCP. The probability of an intraregime power struggle will increase because many members of the moderate intelligentsia are now inside the regime.

## **Ideological Cohesiveness**

The concept of ideological cohesiveness refers, first, to the degree to which professed ideological values are consistent with actual policy and, second, to the degree to which the elite and the public identify with such values. Ideological cohesiveness on both dimensions is politically important. A relatively high degree of consistency between a regime's professed ideological values and its policy tends to inspire confidence and loyalty, among both the ruling elite and the public. On the other hand, a high degree of dissonance between ideology and policy usually generates cynicism. A regime's professed ideology must also have an intrinsic appeal to its elite members and the public at large. Without such an appeal, the degree of overall ideological cohesiveness may be low.

It has been obvious to students of Chinese politics that, if measured by these two standards, China's official Communist ideology has declined considerably in the last two decades. On the whole, this decline has positively contributed to political stability and progress of reform. At the elite level, declining Communist ideology has marginalized the leftist forces that previously had dominated Chinese politics. Pragmatism has replaced ideology as the guiding force for policy. The decline of the official ideology has nevertheless created subtle difficulties for the regime. Because it has not yet officially jettisoned the Communist ideology, the dissonance between the regime's professed values and policy has increased greatly and become a source of cynicism. This dissonance also makes the regime vulnerable to occasional attacks launched by the dwindling leftist forces. Sometimes, it becomes an important obstacle to economic reform (such as massive privatization). Bereft of ideological appeals, the regime has no effective means to mobilize the emotional support of its people. As institutionalist economists have noted, ideologically inspired voluntary compliance and cooperation can significantly cut monitoring and enforcement costs (and increase efficiency). Loss of the regime's ideological attractiveness may have become an important, though not quantifiable, source of internal decay (such as corruption and erosion of CCP authority) as well as popular resistance expressed in a variety of forms (such as tax evasion, open defiance of authority, and noncompliance with government rules). The ideological void created by the declining Communist orthodoxy has led to the proliferation of new values that pose direct and indirect

challenges to the regime. Among those values are Western liberalism (especially strong among the intelligentsia), various religions and cults (such as the Catholic Church, Islam, and quasi-religious groups like the Falun Gong).

The relationship between the regime and society has been affected by the ideological shift. The value-based bond (however false, in retrospect) that connected the regime with the Chinese people has evaporated. Faced with a people deeply disillusioned with its official ideology and distrustful of its policies, the regime has grown increasingly reliant on a new set of instruments, the most prominent of which are pragmatist policies aimed at maintaining high economic growth and improving people's livelihoods, appeals to Chinese nationalism, and selective repression.

It remains too soon to judge whether this ad hoc approach can adequately offset the loss of ideological appeal suffered by the regime. Pragmatist policies under Deng and Jiang Zemin have contributed greatly to China's economic growth and rising standards of living. However, pragmatism is no ideology—it may provide ad hoc political justification of policy, but it does not supply an alternative vision. Its appeal remains strong at the moment because most Chinese people seem to assign a high value to economic development. Such appeal may decline as, ironically, the standards of living rise to a certain level and people begin to demand changes in the political system.

Appeals to nationalism can produce, at best, short-lived support. Such appeals tend to be more effective when the country faces acute external threats. Without such threats, it is hard to translate nationalism-generated emotions into political support for the regime's domestic policy. On many issues, nationalism is simply irrelevant to China's most pressing problems (rampant official corruption, rising inequality, environmental degradation, and restructuring of unprofitable state-owned enterprises). Overplaying nationalism could also backfire because it risks jeopardizing the regime's other goals. Obviously, fueling anti-Western nationalism could undermine China's relations with the West and investors' confidence. The nationalism card could also be played by the dissident groups to embarrass the regime.

On balance, declining ideological cohesiveness does not pose an immediate threat to political stability. Its impact on Chinese politics is subtle, indirect, and impossible to measure. In all likelihood, the regime will face greater challenges—mainly from the

rise of competing ideologies and beliefs—in the future, especially if it fails to offer a more coherent ideology that is fundamentally compatible with the Chinese political reality.

## **Institutional Cohesiveness**

Institutional cohesiveness—the degree to which the principal institutions of a political system perform according to a set of rules and norms—affects political stability in several ways. In a polity in which the main political institutions have a well-defined scope of authority and norms are enforceable, the political process tends to be more stable and the government functions more effectively. This does not mean the total absence of conflict in such systems—conflict of interests exists in any political system. However, well-defined and enforceable rules and norms can help manage such conflicts and contain their effects. In contrast, polities in which the principal institutions perform according to poorly defined or unenforceable rules and norms often experience paralysis as institutional rivalry develops into an uncontrolled fight for power.

In the Chinese context, an analysis of institutional cohesiveness must examine two sets of institutional relationships—those between the ruling Communist Party and the state and those among the various institutions of the state.

The central characteristic of the Chinese political system is its party-state. A peculiar product of the 20<sup>th</sup> century, the party-state differs from the nation-state because of the supremacy of the ruling party over the state and the existence of a parallel system of rule which embodies and ensures such supremacy and performs the basic functions of government. The emergence of the party-state in China was largely a product of history. The Chinese Revolution forged a well-organized political party that later established the Chinese state after winning the revolution. For a developing country ravaged by revolution and civil war, the Communist Party became a central organizing force. Its hierarchical structure, organizational networks, and political ideology could easily be tapped to meet the urgent needs of state-building. Despite the claims that the Communist Party built the modern Chinese state, the truth is that the state was established on the back of the Communist Party. The short-term advantages

of a party-state were evident: State authority was swiftly established; the young communist state, against monumental odds, was able to perform its most critical functions (law and order, national security, and provision of basic public goods).

However, the party-state has numerous long-term degenerative flaws. The effective administration of the state by the ruling party perpetuates the weakness of the state. Political risks in a party-state are highly concentrated, because the health of the state depends on the vigor of the ruling party. Ideological and organizational decline of the ruling party inevitably impairs the effectiveness of the state. Internal division and power struggle of the ruling party often affect the integrity of key state institutions. Most important, the supremacy of the ruling party politicizes the basic state institutions, such as the military and courts, which are supposed to be autonomous in modern political systems.

The tensions between the ruling party and the state are thus unavoidable, for the basic needs of the party (maintaining its monopoly of power) and those of a modern state (keeping itself autonomous from political forces) inevitably conflict. To be sure, such conflicts of party interests vs. state interests in the Chinese case have been often disguised as intraregime disputes (such as over the party's policy priorities). In the Deng era, the ruling elites became increasingly aware of the need to define the party-state relationship and proposed, in 1987, to separate the party from the state. The reform initiative, which was associated with soon-to-be-disgraced CCP General Secretary Zhao Ziyang, failed miserably in the conservative backlash of 1989. After the Tiananmen crackdown, the regime reemphasized the supremacy of the CCP and never seriously entertained any thought of withdrawing itself from the state. Consequently, the long-accumulated tensions between the party and the state remain and, if anything, are expected to increase in the future as the contradictions between the central characteristics of a monopolistic party regime and the requirements of a modern state intensify and become more visible.

The cohesiveness of a state is not only influenced by the relationship between the ruling political forces and the state apparatus, but also by the relationship between the various components of the state apparatus itself. In the Chinese case, these two sets of relationships are interdependent. This interdependence poses highly complicated challenges to reform efforts

aimed at creating a more decentralized and flexible state. It is generally recognized that, despite dramatic *economic* decentralization of the last twenty years, *political* authority in China remains highly centralized. Such centralization has been usually attributed to China's perceived need for it and to the country's proverbial fear of disintegration. Much less well-understood, however, is the fact that, although centralization of power has long been a historical feature of the Chinese political system, the monopoly of power by the Communist Party has made the centralization of state not only necessary but sustainable. Without the party-state, such centralization may be possible, but its perpetuation is unlikely. On the other hand, a highly centralized state serves the needs of the Communist Party effectively.

Centralization, however, has come at great costs. Intrastate institutional relations, especially those between the central government and provincial governments, remain unstable. As a result, policy changes are frequent and sudden, creating ample incentives for both the center and provinces to cheat. This state of affairs has created a unique paradox: centralization and ineffectiveness. It is marked by the oft-observed low capacity of the central government to implement its policies and enforce its rules in provinces, despite the apparently high degree of centralization of decisionmaking power. Without restructuring China's constitutional framework to create a federalist state, this paradox will only worsen in the future.

The greatest failure of the Deng era was that of the regime to establish institutions capable of effectively managing state-society relations. Although significant progress in legal reform has created increasing, but limited, institutional channels through which the Chinese people can seek protection of their personal and property rights, the overall institutional framework of managing state-society relations remained almost nonexistent. For example, there are few legitimate institutions and procedures that can represent independently organized social interests. Those that are accessible to the public—such as the press, the People's Congress, and the courts—have not demonstrated sufficient effectiveness to gain credibility. In any case, they provide only individual relief, but no collective assistance. State-society relations are thus treated more or less as crisis management: The ruling elites are galvanized into action only after long-accumulated state-society tensions develop into crises. Without a complex and sophisticated institutional framework to

address such tensions, the regime typically resorts to repression, rather than manipulation or diversion, to deal with such crises (the most recent example being the crackdown on the Falun Gong movement). This *modus operandi* tends to create short-term instability without any long-term benefits. The fundamental solution to this systemic flaw is a gradual, but significant, expansion of democratic participation and social autonomy in China—a highly unlikely prospect given the current political climate in Beijing.

### **Social Cohesiveness**

Two factors determine the degree of social cohesiveness of a society: class cleavages and cultural identity. Generally, societies with less divisive class cleavages and strong cultural identity (Japan and Germany being such societies) enjoy a higher degree of social cohesiveness. Although social cohesiveness *per se* may not have a direct impact on political stability, it is an important environmental factor that increases (or lowers) the overall risks of political turmoil. In countries where deep class divisions (manifested chiefly in high inequality) and conflicts of cultural identity (mainly ethnic cleavages) exist, the likelihood of political instability is significantly higher than in countries where similar cleavages are less pronounced.

There is mounting evidence showing rising inequality in China in the last twenty years. Many factors contributed to this trend. The abandonment of egalitarian policies that imposed an artificial level of equality (mainly by preventing the accumulation of wealth by the talented and entrepreneurial segments of society) during the Maoist era obviously played a role. Economic liberalization that freed up market activities and created new business opportunities allowed the entrepreneurial elements to take greater risks and seek higher returns. Freer labor mobility, while benefiting some, has left immobile labor elements behind economically. As in the West, rapid technological progress has favored the younger and more educated in the labor force. The restructuring of loss-making state-owned enterprises removed the rents previously collected by their workers. To be sure, these market forces were not solely responsible for rising inequality in China. Government policy or inaction exacerbated this trend. For instance, lack of public investment in rural infrastructure, research and development, and primary education was a major

cause of stagnant rural income. Continual discrimination against private firms (especially in terms of their access to bank credits and financial markets) inhibits the growth of the private sector, which could have helped alleviate the rising unemployment problem (a major cause of inequality in urban areas). The CCP prohibition against independent labor unions has further denied Chinese workers their collective bargaining power and left them poorly protected in a rapidly changing labor market with few rules.

Measured by inequality, China's social cohesiveness has evidently declined. But it is difficult to determine, on the basis of available evidence, the political effects of this decline. Inequality in China has two salient characteristics: interregional (or interprovincial) and urban-rural inequality. In the past, the political effects of inequality could be contained geographically because of these two characteristics. In post-reform China, labor mobility has effectively broken down the geographical barriers. The consequence of this breakdown is rather mixed: it both reduces inequality and increases it at the same time. On an individual level, mobile laborers who migrate to more affluent areas have increased their income, while those immobile ones remain mired in poverty. On a regional level, provinces with a large outflow of laborers seem to have benefited greatly from the remittances those laborers have sent back.

The novel—and potentially destabilizing—phenomenon is the emergence of the urban poor (mainly victims of reforms in state-owned enterprises). Unlike the vast masses of the rural poor (hidden and dispersed in inaccessible interiors), China's urban poor are concentrated, visible, and easily organized. Moreover, as a relatively privileged group (state employees), they are more aware of their relative deprivation, more assertive of their rights, and more skillful in confronting the government.

The other aspect of social cohesiveness—cultural identity—changes much more slowly than class cleavages. In China's case, there are two contradictory trends—one enhancing such identity and the other reducing it. The trend of rising Chinese national identity has evidently coincided with the resurgence of Chinese nationalism. This trend has received enormous impetus from the decline of the official Communist ideology (which used to subordinate Chinese nationalism to a universal doctrine), from government-inspired and spontaneous efforts to restore Chinese cultural and historical symbols, from China's

recent economic success, from the country's growing confidence in its international standing (such confidence, it should be noted, owes a great deal to the remarkable success of Chinese athletes in international sporting events), and from the ironic effects of globalization (in curious ways, increasing contact with the rest of the world may only increase the Chinese people's self-cultural awareness).

But the rising Chinese cultural identity is accompanied by a contradictory and centrifugal trend—the rise of ethnic cultural identity in outlying regions with high concentrations of minority groups (such as in Tibet and Xinjiang). This resurgence of separatism, which emphasizes cultural distinctiveness, rather than identity, coincided with the breakup of the Soviet Union, a historic development which inspired China's minority groups to re-ignite their own nationalist dreams. It is worth noting that, ironically, the growth of ethnic separatism occurred despite (perhaps because of) the relatively liberal ethnic policies adopted by the post-Mao leadership. The best example was Tibet, where liberal reforms introduced by Hu Yaobang in the early 1980s failed fully to address Tibetans' nationalist needs. Consequently, the failure of liberal policies has caused Beijing policymakers to re-adopt harsh, repressive measures in these areas. If the record of the last decade is any indication, repressive measures have not worked. Ethnic separatism will remain a major source of instability for the foreseeable future, despite the low probability of success (defined in achieving the political goals of independence).

### **Conclusion: Focusing on the Big Picture**

This discussion of political and social cohesiveness in present-day China does not, unfortunately, yield an unambiguous assessment of the country's stability. The rapidity of change and fluidity of conditions make it almost impossible to offer such an

assessment. However, this analysis demonstrates that, on balance, there has been an overall decline of social and political cohesiveness (see table 2). Strictly speaking, one need not be alarmed about declining political and social cohesiveness in transition societies—rapid changes inevitably produce forces tearing at the political and social fabrics of these societies. Generally, what has kept most transition societies from falling apart under such pressures is a set of countervailing trends that generate new forces of social and political cohesion. In China's case, such trends are emerging and visible. The main cause of concern is, however, that these stabilizing trends are weak and tentative. At the moment, they do not appear to be capable of countering the centrifugal forces working within the Chinese society and polity.

**Table 2. Overall Assessment of Political and Social Cohesiveness**

Type of Cohesiveness	Increase (+) or Decline (–)
Elite	+
Ideological	–
Institutional	–
Social	–

Obviously, not all forces of disunity and instability have the same political effects. For example, declining social and ideological cohesiveness has mostly an indirect, background effect on political stability. Analysts must focus their attention on elite and institutional cohesiveness, because these two factors more directly and powerfully determine political stability. Moreover, given the slow pace of institutional change and adaptability, elite cohesiveness will remain for a long time the principal cause of China's political stability.

# The Challenges of China: Australian Perceptions and Reactions

by Michael Wesley

A rapid worsening of Sino-Australian relations in 1996 provided the new Coalition government in Canberra—elected that March—with a clear practical demonstration of the importance of China. China’s irritation with Australia, already roused by the awarding of the 2000 Olympic Games to Sydney rather than to Beijing, had increased in March when an Australian government statement expressed support for the U.S. intervention in the Taiwan Strait crisis.<sup>1</sup> In June 1996, Chinese Minister for Trade Wu Yi expressed “strong concern” over Australia’s sudden decision to discontinue its Development Import Finance Facility (DIFF) aid program. China was one of several Asian nations with joint projects that were jeopardized by the DIFF cancellation.<sup>2</sup>

China’s annoyance with Australia increased in July 1996 after Australia voiced concerns over the fate of democracy and human rights in a post-handover Hong Kong<sup>3</sup> and over China’s July nuclear test on the eve of a testing moratorium.<sup>4</sup> Annoyance became anger in August, when an editorial in the *People’s Daily* denounced the “strengthening” of the Australia-U.S. alliance as part of a coordinated campaign to contain China that included the earlier renegotiation of the U.S.-Japan alliance: “From this we can see that the United States is really thinking about using these two ‘anchors’ as the claws of a crab.”<sup>5</sup> Simultaneously,

a Chinese Foreign Ministry statement accused Australia of breaching the “one China policy” in approving an unofficial visit by Primary Industries Minister John Anderson to Taiwan.<sup>6</sup>

Later in August, Australian Defense Minister Ian McLachlan suggested that China’s actions during the Taiwan Strait crisis, its claims in the South China Sea, and its “newly assertive international posture” were destabilizing to the region.<sup>7</sup> In September, Australian Prime Minister John Howard met with the visiting Dalai Lama, despite Chinese threats that such a meeting would jeopardize bilateral relations.<sup>8</sup>

Although none of these incidents in isolation would ordinarily have upset bilateral relations, their occurrences in the space of several months plunged Sino-Australian relations to the lowest point since the Tiananmen incident in 1989.<sup>9</sup> China canceled official visits to Australia, and verbal attacks on Australia became common in the official Chinese media, bringing Australian leaders face-to-face with the consequences of soured relations. The business community raised concerns over the future of the flourishing bilateral trade. The Chinese-Australian community and Asianist scholars questioned the government’s commitment to the Asian region. Foreign policy makers pondered the added difficulties that an openly hostile China would add to the country’s already delicate regional diplomacy. The strategic community considered the additional defense measures that would be required if China became an enemy.

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Concerns were expressed outside Australia as well. Countries in Southeast Asia questioned whether the worsening of Australia's relations with China represented a shift in its regional policy, which could alter their relations as well. United States President Bill Clinton, embroiled in his own bilateral friction with China, urged the Australian government to mend relations with China during his November 1996 visit to Australia.

The lessons of 1996 for Australian foreign policy makers were profound. The Foreign and Trade Policy White Paper, released in September 1997, listed China as one of Australia's "foremost" bilateral relationships, alongside the United States, Japan, and Indonesia. It noted that the Sino-Australian relationship would be based on hardheaded pragmatism:

*China will remain one of Australia's key relationships. The Government's approach to China will be based on shared interests and mutual respect. These principles provide the basis for a realistic framework for the conduct of the relationship, and offer the best prospects to maximize shared economic interests, advance Australia's political and strategic interests, and manage differences in a sensible and practical way.<sup>10</sup>*

The Australian Strategic Policy White Paper of December 1997 continued this theme:

*Clearly, the development of policies which serve our national interests while acknowledging China's political, economic, and military growth will continue to be a major priority for Australia. Our policies and actions will seek to show China that the strategic outcomes we seek are consistent with China developing a key role on regional political, economic, and security issues commensurate with its legitimate claims as an emerging major power. The best way we can do that is to encourage more high-level dialogue and contact between China's policy makers and our own to build better mutual understanding of each other's positions.<sup>11</sup>*

These observations, providing a policy framework for the bilateral relationship, are ubiquitous in the foreign policy establishment's statements on Sino-Australian relations, from Department of Foreign Affairs and Trade (DFAT) briefings to speeches by the Prime Minister and the Foreign Minister.<sup>12</sup> According to both the Prime Minister and the Foreign Minister, the bilateral policy framework has delivered to Australia "a more productive, realistic, and sustainable relationship with China than at any time since the resumption of diplomatic relations in the seventies."<sup>13</sup>

This policy framework gives the impression that there is a unified view among Australian policymakers on the future of China, how this will affect the Asia-Pacific region, and how Australia should respond. Closer analysis reveals, however, that no such unified view exists. The following discussion outlines the three different visions of China's future role in the region that are held by Australian policymakers and academics: (1) as a player in an "accelerating status quo" in the Asia-Pacific; (2) as a crucial participant in an increasingly integrated Asia-Pacific community; and (3) as a great power in an imminent balance of power.

While these visions all tend to agree on China's objectives—the need to become a unified, internally stable, great power—they differ on China's ability to achieve these objectives and how its development will affect the region, and they differ on their prescriptions for how Australia should manage bilateral relations with China and the United States. The different visions are not always mutually exclusive, nor do individual policymakers and academics always subscribe to the same one. Each vision tends to rise to prominence when called forth by different events in the region.

## **Three Visions of China's Future in the Region**

### **Vision 1: An "Accelerating Status Quo"**

This vision of the future for China in the region, a view held by many Australian policymakers and academics, is like the others in that it expects China and other states of the Western Pacific to seek greater wealth, power, and internal stability. However, it disagrees with the other views on China's ability to achieve equal status with other great powers.

This skepticism is expressed in two ways. One cluster of opinion suspects that China's rise to great power status will be interrupted by serious internal problems: corruption, unemployment, political instability.<sup>14</sup> The other cluster argues that even if China does become wealthy, internally stable, and powerful, the nature of power has changed in such a way that China will not be able to assail the lead in power that the United States possesses. The United States will continue to lengthen its lead over China due to revolutions in information and technology, which place American power in a different strategic league and complement the "revolution in military affairs" (RMA).<sup>15</sup>

The common conclusion reached by both of these schools of thought is that the continuing predominance of American power, and its estimated 25-year lead in military technology over its closest Western Pacific competitors, will see the present security structure in the Asia-Pacific region persist for the majority of the 21<sup>st</sup> century. That all of the states of the region—China, the United States, Japan, and the ASEAN states—will continue to advance in wealth and power will mean the situation will “accelerate,” but not in any way alter the status quo in the current hierarchy of power. Neither will these advances change the basic hub-and-spokes structure of bilateral security relationships between Asia-Pacific states and the United States.

### **Vision 2: The Emerging Asia-Pacific Community**

Agreeing with the first view that China and other Western Pacific states want wealth, power, and internal stability, this vision argues that pursuit of these goals will alter the nature of their societies and order in the region. Analysts point to the growing interdependence and continued economic dynamism of the Asia-Pacific, despite the recent Asian financial crisis, as the most direct route to attaining wealth and power. The incentives are for these states to foster these interdependent links—through regimes promoting trade liberalization, regional stability, and greater understanding.<sup>16</sup>

Asia-Pacific institutions—the Asian-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum, and the ASEAN Post Ministerial Conference—will all make gains in their strength, resources, and effectiveness. These interdependencies and the regimes that foster them are judged to be ultimately more important than the occasional tensions and conflicts that flare up in the region. In fact, broader and more regular contacts will breed a sense of common regional feelings and mutual identification that will make such disputes less and less common.<sup>17</sup> Furthermore, greater openness and contact will eventually alter the Asia-Pacific states’ domestic structures, bringing greater liberalism and democracy. Newly democratic “Asian tiger economies,” such as South Korea, Thailand, the Philippines, and perhaps Indonesia, provide evidence that economic liberalism brings political liberalism.

From this point of view, then, China will integrate further into a strengthening set of Asia-Pacific regimes as it pursues wealth, power, and stability, and

in the process become more open, liberal, and less inclined to pursue interests that oppose other countries in the region.

### **Vision 3: A Balance of Power in the Asia-Pacific**

According to Defense Minister John Moore, China will be “probably the second-biggest power” in the world.<sup>18</sup> China, Japan, Russia, and India are particularly bent on gaining on the United States in power. Such is the imperative in balancing the predominant American power in the region that they are likely to single-mindedly devote themselves to this goal and achieve it. The regional power race is also likely to be provided by the rivalry between China, India, and a Japan that is increasingly unsure about the U.S. security commitment.

The Asia-Pacific region is likely to see a full economic recovery from the effects of the Asian financial crisis, but plagued by both old and new tensions, rivalries, and instability. A five-power balance may not emerge initially. Analysts see moves such as the December 1999 signing of the Sino-Russian communiqué urging all nations to join a “balanced, multipolar world order” as evidence of an increasing willingness of former rivals to join together in balancing U.S. power.<sup>19</sup> New regional institutions will form around this new imperative to balance power.<sup>20</sup> There will be little prospect of reconciling the competing powers; permanent friendships will be superseded by permanent interests. The imperative of all states in the Asia-Pacific will be to ensure that open conflict does not break out between them, four of which have nuclear arsenals. In this vision, China will be one of the great powers in an Asia-Pacific “Balance of Power.”<sup>21</sup>

### **How China Will Affect the Asia-Pacific Region**

Each vision of China’s future entails a specific prediction about how China will affect the Asia-Pacific region in the future. The “Accelerating Status Quo” vision is essentially one of a frustrated, and perhaps increasingly desperate, China using regional diplomacy to try to leverage its power in relation to that of the United States. The region will continue to be plagued by the Sino-U.S. rivalry, as well as other rivalries, comprising an unresolved “uni-multipolar” structure of both attraction to and competition with the United States.<sup>22</sup>

Under an “Accelerating Status Quo,” the issue of Taiwan reunification is unlikely to be resolved, despite China’s persistent efforts to seek unification. Taiwan, on the other hand, is likely to act with increasing confidence if it sees the relative U.S. lead undiminished and if the U.S. commitment to Taiwan security continues.<sup>23</sup> The more pessimistic opinion of China’s potential foresees domestic problems in China creating further instability in the region, possibly through massive refugee flows.<sup>24</sup> Regional instability will be increased if recovery from the Asian financial crisis is not complete. Continuing economic fluctuations will create domestic turmoil, particularly in ethnically mixed Asian states with governments that have weak legitimacy. There is a potential for an “arc of instability” to form to the north and east of Australia, stretching from Burma and Cambodia through Indonesia and Papua New Guinea, with New Zealand becoming ever less significant as a strategic force in the region.<sup>25</sup>

The “Asia-Pacific Community” vision has a much more benign prediction for how China will affect the region. China’s decision during the Asian crisis not to devalue its currency demonstrated its commitment to the return of economic stability and growth to the region.<sup>26</sup> Figures already show that the region is well on its way to a full recovery, and before long will be leading the world in economic growth.<sup>27</sup> In this context, regional institutions will be strengthened and made more effective; institutional innovations are already being mooted with this purpose in mind.<sup>28</sup> China’s growing interest in and commitment to regional institutions will continue.<sup>29</sup>

Interdependence and regime membership will increasingly define China’s relationship with the Asia-Pacific region. These forces will also begin to transform China and the Asia-Pacific. Economic openness will be followed by political liberalization and the “demand for new institutions, social welfare structures, and a more predictable legal framework.”<sup>30</sup> Generational change in leaderships will bring new political values into the governments of China and others.<sup>31</sup> As interdependence breeds a sense of regional community, structures of sovereignty and rivalry will begin to be mitigated. This may eventually contribute to the resolution of the region’s most serious ongoing tensions—between China and Taiwan, on the Korean Peninsula, and in the South China Sea.

The “Balance of Power” vision sees China’s rise to power exerting a profound influence on the region. Security calculations of the region’s states, until now

determined by U.S. strategic predominance, will need to be reviewed in relation to a new center of power emerging.<sup>32</sup> Thailand and Malaysia have already dabbled in developing closer relations with China as they become uncertain about their ties to the United States.<sup>33</sup> For its part, China will seek allies to balance the coalition of U.S. allies in the region: This has been the motive of its refusal to devalue its currency during the crisis, and its campaign to improve relations with Southeast Asian states.<sup>34</sup>

For the most part, China’s regional strategy will be driven by its overriding rivalry with the United States, leading it to seek accommodation with former great power rivals Russia, India, and possibly Japan. Asia-Pacific states will have more options if their relations with the United States become strained. On the other hand, the new imperative for the smaller states of the region will be to avoid being trampled in the course of great power competition. They will need to manage their relations with the great powers in such a way as to avoid being “chain-ganged” by a larger ally into a conflict not of their making. They will also have an interest in maintaining stability and peace between the great powers in order to escape the devastating effect of what may possibly be a nuclear conflict. Regional tension spots such as Taiwan and the Korean Peninsula, will become possible conflict detonators and are likely to attract great attention within the region.

### **Australia’s Regional Policy**

The different visions of China in the region also call forth different imperatives for how Australia will relate to the Asia-Pacific region. If an Accelerating Status Quo develops, Australia’s overriding objective will be to maintain its security alliance and close relations with the United States. To these ends, the Foreign and Trade Policy White Paper states that:

*A key objective of the Government will be to strengthen further the relationship between Australia and the United States by expanding the already close links that exist at the bilateral, regional, and multilateral levels. The Government will be looking, in particular, to broaden its dialogue with the United States on Asia-Pacific issues, and to encourage it to accord sustained high-level policy attention to the region.*<sup>35</sup>

The East Timor crisis—for which Australia appealed to the United States to lead the international

peacekeeping force into the devastated province but was politely rebuffed—introduced another element into these calculations. Echoes of the Nixon doctrine were audible in the U.S. commitment to provide logistical support but not troops, urging Australia to take the lead. This led to the now-infamous interview given by the Australian Prime Minister and its characterization as the “Howard doctrine”—Prime Minister John Howard suggested that Australia could take the lead in stabilizing regional turmoil while U.S. forces played the role of a “lender of last resort” in security terms. In an “Accelerating Status Quo” vision, Australia could be an agent of U.S. security policy in low-level security situations:

*[The East Timor operation, led by Australia] has done a lot to cement Australia's place in the region. We have been seen by countries, not only in the region but around the world, as being able to do something that probably no other country could do; because of the special characteristics we have; because we occupy that special place—we are a European, Western civilization with strong links to North America, but here we are in Asia.*<sup>36</sup>

The Prime Minister has since retracted support for this so-called Howard doctrine in the face of political ridicule and media criticism.<sup>37</sup> Elements of the intent behind the Howard doctrine can, however, still be heard in statements of the military and foreign policy establishments.<sup>38</sup>

A vision of an “Asia-Pacific Community” requires Australian policy to focus on participating in and the strengthening of regional multilateral institutions:

*Active participation in APEC and other regional institutions demonstrates Australia's recognition that its future is inextricably linked to the future of the Asia-Pacific region. It reflects the Government's commitment to being closely involved—from the inside—in shaping the region's future.*<sup>39</sup>

Regional states that are not yet members of these institutions and important global institutions should be included as soon as possible. Furthermore, it is important that the great powers abide by the rules and norms of these institutions, thereby protecting the interests of smaller regional players like Australia.

The current government is wary of placing all of Australia's interests in “grand constructs,” and much more skeptical of multilateralism than its predecessor had been:

*Australia must be realistic about what the multilateral system can achieve. The twentieth century has been*

*both the incubator and the graveyard of a long list of initiatives for international cooperation. In most cases their failure reflected an inability to recognize that international organizations can only accomplish what their members states are prepared to enable them to accomplish. All too often international initiatives have failed to match aspirations with capability.*<sup>40</sup>

At the same time as the government has elevated “practical bilateralism” to the core of Australia's foreign policy, the current Australian government has remained committed to and interested in multilateral structures, from the United Nations and the Comprehensive Test Ban Treaty, to forging a link between its own free trade agreement with New Zealand and the ASEAN Free Trade Area.

A “Balance of Power” vision requires Australian diplomacy to be flexible, able to respond quickly to shifts in power balances. It also needs to be pragmatic and dedicated to developing working relationships with all states in the region, which it can subsequently call on in the context of the evolving balance. “Special relationships” are to be shunned, as is “emotionalism” in foreign policy. This has been emphasized by the Australian government, particularly in relation to China: “[A]ffirming that we have a special relationship with China does not improve our policy choices, it constrains them. It sets up unreal expectations both here and in China which cannot always be met. In the end, it only sets us up for a fall.”<sup>41</sup>

Many see Australia's unthreatening nature and its creativity in foreign policy as conferring the advantages of playing the role of a middle power,<sup>42</sup> helping to mitigate tensions between great powers: “For Australia, it is adherence to fundamental values wrapped around a creative and nimble diplomacy that helps to show the bigger powers the imperative of reaching solutions.”<sup>43</sup> At the same time, the new instability in the region has led many to question Australia's military preparedness, comparing defense spending of less than 2 percent of GDP in 1998 unfavorably with Australia's more than 5 percent of GDP defense budget in 1951.<sup>44</sup>

Another view within the balance of power school is that Australia should prepare for the coming bipolar or multipolar regional system by prioritizing relations not with the United States or China, but with the smaller states of the region, which are similarly torn between the two and endangered by the prospect of the Sino-American rivalry spilling into open conflict:

*Our best guarantee against being forced to choose [between the United States and China] is to give much greater emphasis to our relations with other countries in East Asia and to make common cause with them—in our separate bilateral relations and in larger, multilateral formations. This gives us options and flexibility and some possibility of working together with other East Asians to help ameliorate the tensions between Washington and Beijing.*<sup>45</sup>

## **Australia's China Policy**

Examining Australian policies toward China in the context of these three different visions helps explain some of the complexities in Australia's larger foreign policy. Each vision prompts a distinctive set of Australian policies towards China.

The vision of an "Accelerating Status Quo" in the Asia-Pacific, and Australia's imperative to maintain a close relationship with the culturally similar American superpower, is comforting to those who are convinced that "there will continue to be major differences between our societies and political structures,"<sup>46</sup> and that these differences have a major influence on the ability of states to associate. China policy therefore depends heavily on the state of Sino-American relations at any given point in time. Australia's alliance imperative to support the United States in the Asia-Pacific, both rhetorically and materially, will sometimes entail tension in the Sino-Australian relationship. However, Australia will continue to have important interests that require a workable relationship with China; the imperative therefore will be to try to mitigate conflicts between Australia's interests with China and its commitment to the U.S. alliance.<sup>47</sup>

The structures underlying the "Accelerating Status Quo" vision are likely to be the RMA and the proposal for theater missile defense (TMD) in North Asia. Australia will probably need to subscribe to or support these programs in the future,<sup>48</sup> while its forces will need to remain interoperable with those of the United States and its Asia-Pacific allies.

Those with visions of an "Asia-Pacific Community" believe Australian policy toward China should focus on a number of different imperatives:

*First*, China's participation in, and commitment and adherence to, regional and multilateral institutions should be encouraged: "China must have a place in international institutions and a say in setting the

rules it is expected to abide by. But China's participation must be on a basis that will strengthen those institutions."<sup>49</sup>

Australia has strongly backed China's bid to become a member of the World Trade Organization (WTO), and was an early advocate of including the "three Chinas"—China, Hong Kong, and Taiwan—in APEC.<sup>50</sup> Institutions and norms are the best way to accommodate China's unsettling regional aspirations: Australia actively promoted the adoption of a code of conduct to regulate the actions of China and its rival claimants to the South China Sea,<sup>51</sup> and reacted with disappointment when China rejected the proposed code.<sup>52</sup>

*Second*, Australia should build a stronger and more varied bilateral relationship with China. This has prompted innovations such as the "One and a Half Track" security talks and the establishment of exchanges with the People's Liberation Army (PLA) as an extra line of access into the Chinese government.<sup>53</sup> Such regular contact and socialization is important in fostering empathy between the two countries: "[T]here is absolutely no substitute for face-to-face contact in gaining a better understanding of how another country sees the world."<sup>54</sup>

*Third*, Australia's policy should be dedicated to working with China on issues where their interests converge:

*Australia has worked to build a relationship which maximizes our mutual economic interests, promotes cooperation on the many issues of common concern; protects our strategic interests, and is direct about the differences in values while managing them as productively as possible.*<sup>55</sup>

*Fourth*, positive domestic change within China in a non-confrontational way should be promoted. Current Australian policy includes an annual bilateral human rights dialogue and a human rights technical assistance program designed to promote civil society and the rule of law.

An Asia-Pacific "Balance of Power" vision entails a number of benefits as well as imperatives for Australia's China policy. In fact, a number of benefits in finding common cause with China have emerged in recent years. China intervened on Australia's behalf in its attempts to free jailed aid workers Peter Wallace and Steve Pratt from a Belgrade jail.<sup>56</sup> In September 1999, imprisoned Chinese-Australian businessman James Peng was released from a Shanghai prison. As a

permanent member of the Security Council, China is important to various initiatives Australia may want to pursue in the United Nations.<sup>57</sup>

Australia has also proved useful to China. A furious China relied partly on Australia to pressure Papua New Guinea to reverse its decision in July 1999 to establish full diplomatic relations with Taiwan in exchange for an estimated \$3.8 billion in aid.<sup>58</sup> Australia has already been able to use its strengthened ties with China to apply pressure to the United States over the troubled issue of Australia-U.S. trade. Visiting Beijing in July 1999, Foreign Minister Alexander Downer unfavorably contrasted the U.S. announcement of its imposition of quotas on lamb imports—a major Australian export market—with a recent Sino-Australian understanding on trade: “So, on the one hand [the United States is] closing off an important export market to Australia and on the other hand, on the other side of the Pacific, through our World Trade Organization negotiations with China, we are getting better access to a whole range of markets.”<sup>59</sup>

The relationship with China must at all times be pragmatic, and interest-based, however: “[I]n the past, Australia’s relations with China have assumed an overly emotional character, with a tendency to succumb to the excesses of opprobrium or enthusiasm.”<sup>60</sup>

A realistic view of Australia’s relative importance to China can have real advantages in a Balance of Power. As Foreign Minister Downer noted:

*Australia will rarely dominate China’s foreign policy considerations. . . . But this does have advantages for us. We do not come to the Chinese with the same complicated political baggage that others have. We do not challenge Beijing in the same way. We are also not directly embroiled in regional issues like the South China Sea, where Beijing believes it has core national interests at stake. We can talk to China about such matters without having our own vested interest called into challenge and, as a result, are now seen as valuable interlocutors on a whole series of regional issues.*<sup>61</sup>

This advantage also means that Australia should not adopt a confrontational stand on human rights. Here, Australian policymakers are less constrained than their American counterparts because of the lack of a large and organized lobby concerned with China’s human rights record. Australian public concern tends to peak around issues such as the Tiananmen incident or the forced abortion—under the one-child policy—of a pregnant woman deported from Australia to

China.<sup>62</sup> Australian leaders have adopted the stance that, “Shouting at the Chinese about human rights in public forums is counter-productive,”<sup>63</sup> which allays some of the media and public criticism of their stance of not confronting China on human rights abuses.<sup>64</sup> They have also argued that not only does confrontation with China risk Australia’s trade ties and diplomatic influence, it is pointless, given Australia’s lack of diplomatic weight with China. Moreover, it is less effective than private representations and dialogue.

## **Australian Policies toward the United States**

Each vision also prescribes different ways to handle Australian relations with the United States. The “Accelerating Status Quo” view places Australia-U.S. relations at the center of Australian foreign policy; thus, all policy decisions should follow from the prerogatives of the alliance with the United States. The U.S. presence in the region is vital for Asia-Pacific security: “Australia—along with others in the region—regards [American] strategic engagement as vital for the stability of Asia. We are committed to providing the political and practical support to make that possible.”<sup>65</sup>

There are two main policy prescriptions involved in this task. The first is to ensure that the United States remains interested in and engaged in the Asia-Pacific region. Great nervousness is caused by isolationist elements in the U.S. Congress, which would see the U.S. reduce its security forces in the Western Pacific and perhaps close its markets to Asian exports.<sup>66</sup> The maintenance of the bilateral alliance, of “highest strategic priority” for Australia, is crucial for maintaining U.S. engagement: “[T]he US-Australia alliance has come to be seen by both sides as an important element in the post-Cold War strategic architecture in the Asia-Pacific region, helping to sustain US strategic engagement in the Western Pacific.”<sup>67</sup>

The second policy requirement is to make sure that the United States never loses interest in its alliance with Australia. Australia, long dependent on alliances with “great and powerful friends,” also has a visceral fear that its allies will not come to its assistance when it is attacked.<sup>68</sup> For this reason, Australia must continually demonstrate its usefulness to the United States, in intelligence sharing, in regional

diplomacy, and in maintaining a significant enough strategic presence to be useful as a coalition partner with U.S. forces in regional operations.<sup>69</sup> Australia must also restrain itself from pushing issues of conflict with the United States, such as agricultural trade, which could damage the core security relationship.

The “Asia-Pacific Community” vision dictates that the United States must be kept committed to and engaged in regional institutions. For the most part, this is consistent with policies seeking continued U.S. engagement in the region. It leads Australian policy-makers to stress the achievements of regional organizations such as APEC, in order to maintain U.S. interest in the organization.<sup>70</sup> On the other hand, it entails harsh criticisms of American policy when this is seen to be damaging to, or ignoring its obligations under regional institutions.<sup>71</sup> It also has brought criticism when U.S. policy toward China and Asia more generally is characterized as “confused,” to the detriment of the institutions and norms emerging in the Asia-Pacific.<sup>72</sup>

A sub-stream of opinion within this vision suggests that it may be easier to construct more viable regional institutions if the United States is left out of them. Citing ongoing bilateral tensions between the United States and both China and Japan, such opinion proposes a regional organization in the Western Pacific, including Australia and New Zealand with the ASEAN states, China, South Korea, and Japan, but not the United States or Canada.<sup>73</sup> This arrangement would not be in order to balance against U.S. power and influence; rather, the United States would still be tied into the Asia-Pacific region through other bilateral and institutional structures, as it is with the European Union.

The “Balance of Power” vision creates greater freedom to maneuver Australian policy toward the United States. The evolution of different centers of power means that Australian policy would no longer be tied to the maintenance of one key bilateral relationship, but could balance it differently as its interests were affected by different issues. This would resolve a central tension in Australian foreign policy: its current overwhelming reliance on the bilateral security alliance with the U.S., but a growing frequency of disagreements with the United States on a variety of regional issues, from trade to human rights and environmental standards.<sup>74</sup> If the balance remained loose, the prospect for Australia may be to gravitate toward states with more complementary

interests and views on particular issues. On the other hand, threatening to gravitate elsewhere could present Australia with some additional leverage over the United States:

*We in fact have more powerful weapons in our hands than we know. Since the end of the Cold War the strategic alliance with the US has become less important and less central to our affairs. . . . Would we be brave enough to say to the US: we want your friendship, we want the strategic alliance to remain but, if you want it to remain, you also have to treat us as an economic ally rather than as an economic enemy?*<sup>75</sup>

The danger of the balance of power, however, would be the added risk of being drawn into a major great power conflict. Such concerns were raised as recently as July 1999, as China reacted angrily when Taiwanese President Lee Teng-hui described theirs as “state to state” relations: “If China attacked Taiwan, the United States would probably support Taiwan. Australia and Japan could be drawn in under the terms of their defense agreements with the US.”<sup>76</sup>

## Conclusion

The purpose of this analysis has not been to suggest that the Australian foreign policy establishment, academics, and the media are divided into three cohesive groups of opinion on China and the region’s future, and its implications for Australian policy. The analysis itself uses statements made by the same people on different issues and at different times to illustrate different visions. The central point of this analysis has been to argue that a close examination of Australian foreign policy and the statements of leaders and academics show that in Australia there is no consensus on the future of China in the region. The three visions outlined above are simplifications of current opinion in Australia; they do allow similar views in the same rubric. They allow one to explore the implications of each vision for Australian policy toward China and the United States.

Each vision is based on a different prediction for China and the region in the future. As events emerge to support or call into question these predictions, different visions and their policy consequences will rise to prominence. The Asian crisis, in calling into question the inevitability and sustainability of the “Asian miracle,” has seen the Accelerating Status Quo vision

gain currency since 1997. At the same time, the weak responses of regional institutions to the Asian crisis called into question the Asia-Pacific Community vision and its predictions of a more institutionalized, norm-governed, stable region. Yet this vision has gained strength from China's decision against devaluing its currency, and the democratization of a number of western Pacific states. The Balance of Power vision has been given new prominence by the December 1999 Sino-Russian communiqué and the South Asian nuclear tests.

None of these "standards of evidence" are decisive enough to allow one vision to predominate. For this reason, Australian pronouncements and policy frequently contain elements and consequences of all three. Whether the weight of evidence accumulates in favor of one vision or all three is likely to determine the policy responses of Australia. However, at this uncertain time, it is unquestionably better to have several possible visions of the future than for Australia to have invested all of its confidence, resources, and interests in one, possibly mistaken, vision.

## Notes

<sup>1</sup> China's military forces conducted live-fire air and naval exercises in the Taiwan Strait between March 8 and March 25, 1996. Missiles were launched from China into the sea near Taiwan's two major ports. The exercises were seen as intimidation of Taiwan shortly after it held the presidential election in which Lee Teng-hui became the first directly elected head of state in China's history. The United States responded by sending two carrier battlegroups to the area.

<sup>2</sup> See Michael Dwyer, "Downer Forced into Backdown," *Australian Financial Review*, June 25, 1996.

<sup>3</sup> On July 1, 1997, Britain officially ceded sovereignty over the territory of Hong Kong to the PRC.

<sup>4</sup> Don Greenlees, "Downer Warns China on HK," *Australian*, July 26, 1996; Gabrielle Chan, "Downer Condemns Chinese N-Test on Moratorium Eve," *The Australian*, July 30, 1996.

<sup>5</sup> Michael Dwyer, "Australia and Japan are the Claws US Will Use to Entrap Us, Says China," *Australian Financial Review*, August 8, 1996.

<sup>6</sup> Mark Baker, "China Launches Double Attack," *Sydney Morning Herald*, August 8, 1996.

<sup>7</sup> Don Greenlees, "McLachlan Criticises China," *Australian*, August 24, 1996.

<sup>8</sup> D. D. MacNicholl and Don Greenlees, "PM Defies China's Economic Threats to Greet Dalai Lama," *The Australian*, September 27, 1996.

<sup>9</sup> On June 4, 1989, the Chinese government used tanks and military forces to suppress thousands of student demonstrators in Tiananmen Square.

<sup>10</sup> Commonwealth of Australia, *In the National Interest: Australia's Foreign and Trade Policy White Paper* (Canberra: National Capital Printing, 1997), 63.

<sup>11</sup> Commonwealth of Australia, *Australia's Strategic Policy* (Canberra: DPUBS, 1997), 24.

<sup>12</sup> See, for example, the Department of Foreign Affairs and Trade Website at <http://www.dfat.gov.au/geo/na/prc>.

<sup>13</sup> John Howard MP, Prime Minister of Australia, Address at a Lunch Hosted by Georgetown University, Washington, DC, July 13, 1999.

<sup>14</sup> See, for example, David Lague, "Dancing With the Dictators," *Sydney Morning Herald*, September 8, 1999.

<sup>15</sup> See, for example, Paul Dibb, "The Revolution in Military Affairs and Asian Security," IISS Annual Conference on Security Challenges in the Rising Asia-Pacific, Singapore, September 11–14, 1997.

<sup>16</sup> See, for example, Ross Garnaut, *Open Regionalism and Trade Liberalisation: An Asia-Pacific Contribution to the World Trade System* (Singapore: ISEAS, 1997).

<sup>17</sup> See Gareth Evans, "Australia in East Asia and the Asia-Pacific: Beyond the Looking Glass," speech to the Asia-Australia Institute, Sydney, March 20, 1995.

<sup>18</sup> Quoted in David Lague, "Dancing with the Dictators," *Sydney Morning Herald*, September 8, 1999.

<sup>19</sup> David Lague, "Russia, China in Pact Against West," *Sydney Morning Herald*, December 11, 1999.

<sup>20</sup> For example, South Korean President Kim Dae-jung suggested in October 1999 that Southeast Asian nations and the three Northeast Asian nations—South Korea, the People's Republic of China (PRC), and Japan—establish a new regional mechanism on economic and security cooperation; see Chon Shi-yong, "Kim Calls for Merger of East Asia, ASEAN," *The Korea Herald*, October 23, 1999.

<sup>21</sup> Paul Dibb, David D. Hale, and Peter Prince, in "The Strategic Implications of Asia's Economic Crisis," *Survival*, Vol. 40, No. 2 (Summer 1998), suggest that both China and the United States have emerged relatively strengthened by the Asian crisis, a factor likely to lead to added competition and balancing urges.

<sup>22</sup> This term was coined by Samuel P. Huntington, "The Lonely Superpower" *Foreign Affairs* 78 (March/April 1999).

<sup>23</sup> See Greg Austin, ed., "Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power," *Canberra Papers on Strategy and Defence No. 122* (Canberra: Australian National University, 1997).

<sup>24</sup> Australian concern over the effects of refugee flows has been heightened in recent months by the rising tide of illegal immigrants and people-smuggling operations that have been detected by the Australian customs and immigration service; see Bernard Lagan, "The People Smugglers," *Sydney Morning Herald*, May 22, 1999.

<sup>25</sup> Dibb et al., "The Strategic Implications of Asia's Economic Crisis."

<sup>26</sup> Ben Dolven and Lorien Holland, "Softly, Softly," *Far Eastern Economic Review* 62, No. 23 (June 10, 1999).

<sup>27</sup> "ASEAN Looks to the New Year," *The Economist*, December 19, 1998.

<sup>28</sup> Michael Wesley, "The Asian Crisis and the Adequacy of Regional Institutions," *Contemporary Southeast Asia*, Vol. 21, No. 1 (April 1999).

<sup>29</sup> Patrick Walters, "China to Play Key Role in ASEAN Forum," *The Australian*, July 23, 1996.

<sup>30</sup> Howard, Address at a Lunch Hosted by Georgetown University, July 13, 1999.

<sup>31</sup> Recently, Foreign Minister Downer cited the introduction of elections at the village level in China as evidence of the progress of liberalization, but warned that much still remained to be done; see Alexander Downer, "The 1999 China Oration," Australia-China Business Council, Sydney, November 25, 1999.

<sup>32</sup> Greg Austin, "Apocalypse Next? Will Asia Become the Next Arena For Great Power Conflict?" *Asia-Australia Papers*, September 2, 1999.

<sup>33</sup> Michael Vatikiotis, Murray Hiebert, and S. Jayasankaran, "Imperial Intrigue," *Far Eastern Economic Review*, Vol. 160 (September 11, 1997).

<sup>34</sup> "East Asia's New Faultlines," *The Economist*, March 14, 1998.

<sup>35</sup> Commonwealth of Australia, *In the National Interest: Australia's Foreign and Trade Policy White Paper*, 58.

<sup>36</sup> Fred Brenchley, "The Howard Defence Doctrine," *The Bulletin*, September 28, 1999, 24.

<sup>37</sup> Paul Kelly, "Delusions of Grandeur," *The Australian*, December 11, 1999.

<sup>38</sup> Howard, in a speech to the Millennium Forum in Sydney at the end of November 1999, said, "I don't think this country has stood taller and stronger in the chanceries of the world than it does at the present time"—a clear signal that the triumphalism derived from the East Timor operation is still alive and well in the thinking of the Prime Minister and foreign policymakers.

<sup>39</sup> Commonwealth of Australia, *In the National Interest: Australia's Foreign and Trade Policy White Paper*, 45.

<sup>40</sup> *Ibid.*, 47.

<sup>41</sup> Downer, "The 1999 China Oration."

<sup>42</sup> Michael Wesley and Tony Warren, "Wild Colonial Ploys? Currents of Thought in Australian Foreign Policy," *Australian Journal of Political Science*, Vol. 35, No. 1 (March 2000), 19.

<sup>43</sup> Bruce Wolpe, "Learning to Stand on Our Own Feet," *Sydney Morning Herald*, August 30, 1999.

<sup>44</sup> "Time to Take on Defence," *Sydney Morning Herald*, September 17, 1999.

<sup>45</sup> Stephen FitzGerald, "How (Not) to Deal With China," *Quadrant*, Vol. 41, No. 7–8 (July–August 1997), 19–20.

<sup>46</sup> Howard, Address at a Lunch Hosted by Georgetown University.

<sup>47</sup> Stuart Harris, *Will China Divide Australia and the US?* (Sydney: Australian Centre for American Studies, 1998).

<sup>48</sup> Stephen Lunn, "\$10 bn for Defence to Catch Up," *The Australian*, November 1–2, 1997, quotes remarks by Deputy Secretary of Defence Hugh White predicting that this amount of investment will have to be made over the next 10 years if it is to remain compatible with U.S. systems. He also stated that Australia's failure to do this would create a "strategic risk" in the region.

<sup>49</sup> Howard, Address at a Lunch Hosted by Georgetown University.

<sup>50</sup> Michelle Grattan, "PM Backs China's Trade Bid," *Sydney Morning Herald*, September 9, 1999.

<sup>51</sup> Craig Skehan, "Downer Push for Regional Code," *Sydney Morning Herald*, July 27, 1999.

<sup>52</sup> Joseph Brady, "China Snubs Island Peace Code," *Sydney Morning Herald*, November 27, 1999.

<sup>53</sup> David Lague, "Canberra Forges New Links with PLA," *Sydney Morning Herald*, February 26, 1999.

<sup>54</sup> Downer, "1999 China Oration."

<sup>55</sup> Howard, Address at a Lunch Hosted by Georgetown University.

<sup>56</sup> David Lague, "China to Plead for Aid Pair," *Sydney Morning Herald*, July 13, 1999.

<sup>57</sup> A recent reminder of this was China's refusal to endorse the renewal of the U.N. mandate for the peacekeeping force in Macedonia because of Macedonia's recognition of Taiwan; see "China Pressed on Macedonia," *Sydney Morning Herald*, February 27, 1999.

<sup>58</sup> Australia's representations to Papua New Guinea to cut ties with Taiwan included its warnings that its neighbor's move added "unwelcome tension" to the region, and would have "negative economic implications" for Papua New Guinea; see David Lague, "Ties with Taipei Infuriate Beijing," *Sydney Morning Herald*, July 7, 1999.

<sup>59</sup> Michelle Grattan, "Give Us Action, Not Talk: PM," *Sydney Morning Herald*, July 14, 1999.

<sup>60</sup> Downer, "1999 China Oration."

<sup>61</sup> *Ibid.*

<sup>62</sup> Damien Murphy, "China Forces Asylum Seeker to Abort Baby," *Sydney Morning Herald*, May 5, 1999.

<sup>63</sup> Downer, "1999 China Oration."

<sup>64</sup> See David Lague, "Downer's China Syndrome: What Human Rights Abuses?" *Sydney Morning Herald*, July 17, 1999.

<sup>65</sup> Howard, Address at a Lunch Hosted by Georgetown University.

<sup>66</sup> Geoff Hiscock, "US View of Asia Dangerous, Says Hawke," *Australian*, August 7, 1996.

<sup>67</sup> Commonwealth of Australia, *Australia's Strategic Policy*, 19.

<sup>68</sup> Wesley and Warren, "Wild Colonial Ploys?", 15.

<sup>69</sup> Max Walsh, "The Dollars and Sense of Defence," *The Bulletin*, September 28, 1999, 25.

<sup>70</sup> Michael Wesley, "The Politics of Early Voluntary Sectoral Liberalisation in Australia," Research Paper for the Institute for Developing Economies, Japan External Trade Organisation, February 2000.

<sup>71</sup> For example, Prime Minister Paul Keating referred to the U.S. push to include the Russian Federation in APEC as "an act of international vandalism."

<sup>72</sup> Michelle Grattan, "Stop the Violence, PM Tells Jakarta," *Sydney Morning Herald*, July 15, 1999.

<sup>73</sup> See, for example, former Prime Minister Malcolm Fraser, "Great Power Relations and the Issue of Taiwan in the Asia Pacific," *Asia-Australia Papers*, No. 2, September 1999; a variant may also be the original Australian concept for APEC, which envisaged an organization without members from the eastern Pacific.

<sup>74</sup> Andrew MacIntyre, "Pacific Adrift: Southeast Asia and the US-Australia Relationship," *Pacific Review*, Vol. 9, No. 4 (1996).

<sup>75</sup> Former Prime Minister Malcolm Fraser, "Memo US: We're an Ally, Not an Enemy," *The Australian*, February 27, 1997.

<sup>76</sup> David Lague, "Taiwan's Swagger Provokes Outburst," *Sydney Morning Herald*, July 14, 1999.

# Challenges for Sino-U.S. Relations: Issues and Problems

by Yang Jiemian

As the world enters a new century and the new millennium, so too does the configuration of world powers. The multipolarization of the world and the globalization of the economy are introducing new international factors. In the post-Cold War era, major powers are readjusting and realigning their relationships. The developed countries, especially the United States, are enjoying a relatively stable period of economic growth and making progress in science and technology. The information revolution has made the world a more integrated one. Along with these developments are changes in people's mindsets—mentalities as well as ideas. Another prominent development is the increase of the numbers of nonstate or superstate players, regional organizations, nongovernmental organizations (NGOs), and multinational corporations. Finally, the disintegration of the former Soviet Union is forcing the United States to redefine its strategic defense and China policy.

Nonetheless, states are still the most important actors in international affairs. In terms of state-to-state relations, the Sino-U.S. relationship is one of the most important bilateral relationships. In 1999, Sino-U.S. relations experienced dramatic and drastic events, ranging from the bombing of the Chinese Embassy in Belgrade<sup>1</sup> to the conclusion of a trade

agreement in Washington as a step toward China's accession into the World Trade Organization (WTO). The U.S. presidential election in 2000 makes the future of the Sino-U.S. relationship even more complicated and difficult to predict.

Sino-U.S. relations have a strong international context because of other regional and global factors. The direction that the relationship takes will directly affect peace and economic development around the world and in the Asia-Pacific region in particular. China and the United States, as two major powers, bear special responsibility. Given the commonality of some goals and differences between the two nations, there exist both positive and negative possibilities for their relationship in the years ahead.

## **The World, the Region, and China**

### **World Environments**

Since the end of the Cold War, the world has witnessed some fundamental changes. The bipolar environment has disappeared, but it is not yet clear what kind of system is developing. Some observers suggest a *Pax Americana*; others talk about a multipolar system. Still others advocate something in between. The question of how to define the new world system has caused some uncertainties and anxieties.

The transition from the Cold War international order to the post-Cold War environment does not resemble what has occurred in previous periods. The

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transition did not follow a major war and new treaties; instead, it has been undergoing a long process of evolution. The United Nations (UN), the International Monetary Fund (IMF), and the World Bank continue to be important parts of the current international order. But the WTO is definitely something new. All countries, especially some big and middle powers, want to obtain an advantageous position in the NIPEO—the new international political and economic order.

Both the content and extension of international affairs have expanded greatly. State-to-state relations exceed traditional spheres, now extending into economic affairs, education, culture, environmental protection, and others. Nonstate actors are coming to play more important and active roles than ever before. International and regional intergovernmental organizations act as part of a supranational government. Some multinational and transnational organizations have not only much more economic power but also more political power than do some medium and small countries. A state's physical boundaries have become less important for the flow of people, capital, and technology.

A dichotomy of trends is appearing to gather momentum. On the one hand, nations and peoples are inclined to determine their priorities by practical interests. Economic growth and the elevation of quality of life issues are more important than abstract concepts. On the other hand, the United States and some other Western powers are increasingly stressing such notions as democracy, freedom, and human rights. They emphasize the limitations of sovereignty, advocate humanitarian intervention, and call for preventive diplomacy.

The information revolution has rapidly and profoundly changed the world, not only in the ways people communicate but also in the ways they live, work, and think. The ease and swiftness of communications enable nations and people to think in a much broader sense. This is especially true in international affairs. The developed countries are attempting to take advantage of this to expand their political and economic interests in the world. The developing countries are obviously at a disadvantage.

The United States continues to gain advantages. It is enjoying the longest period of economic growth and rapid developments in science and technology. Through NATO expansion and the U.S.-Japan Security Guideline, the United States has succeeded in

readjusting its relations with its major allies. With this boost to its comprehensive national strength and self-confidence, the United States is anxious to translate its will into actions in certain international affairs. At the same time, the United States has had to readjust its relations with other major powers. It faces difficulties in dealing with Russia, China, India and, to a certain extent, France. The United States also has troubles dealing with the developing countries.

### **Regional Environments**

The perceptions and realities of the Asia-Pacific region have greatly changed over the past decade. Ten years ago, people were greatly optimistic about the region's politics, economy, and security. The Asia-Pacific region did not suffer the European kind of political and economic turmoil at the end of the Cold War. People were thus encouraged to talk about the possibility of a peaceful and prosperous transition. The previous two decades of economic growth led them to entertain such ideas as an "Asia-Pacific century." Some people even doubted if there would ever be a business cycle in the region. However, recent developments proved these predictions wrong.

*First*, the major power relationships in the region have seen frequent difficulties. Relations among the United States, Japan, and China have become difficult. Indeed, Sino-U.S. and Sino-Japan relations have soured. The strengthened U.S.-Japan military alliance is being watched carefully by China, while closer military-to-military ties between China and Russia are causing grave concerns in the United States and Japan.

*Second*, the Asian financial crisis that began several years ago ended a long period of high economic growth in the region. Many economies have actually regressed for many years. Asian countries realize now that their economies are vulnerable to outside impacts. As a result, the process of achieving regional economic cooperation and integration has been noticeably affected.

*Third*, in some countries political turbulence has gone hand in hand with economic difficulties. Indonesia finally discarded the Suharto regime. Tensions on the Korean Peninsula caused repeated concern. The U.S.-Japan Security Guideline and the proposed Theater Missile Defense (TMD) system are highly controversial. The nuclear arms race between India and Pakistan has been a severe setback to non-proliferation efforts.

Despite these adverse developments, the Asia-Pacific region is still moving ahead. On the whole, the Asian financial crisis is over. South Korea, Thailand, Malaysia, and others have regained their momentum of economic growth. Moreover, the Asia-Pacific countries have learned a good lesson that will benefit their development in the future. Indonesia has displayed a great capability to avert political disaster and adapt to the new situation. The ASEAN countries are closing their ranks and preparing for a new role in regional affairs.

### Implications for China

After twenty years of reforming and opening up, China has substantially improved its national strength. Beijing hopes to transform backward China into a moderately developed country by the middle of the 21<sup>st</sup> century. To achieve its goals, China needs a peaceful environment externally and stability internally. Thus, China pursues an independent and peaceful foreign policy.

China set out a very clear global and regional strategy. At the global level, this strategy seeks to ensure a more just and reasonable international order. China, as an emerging power, does not demand an overhaul of the existing international order. Actually, China is already part of the existing one. For political and security matters, China is one of the five permanent members of the UN Security Council. For economic matters, it is a member of both the IMF and the World Bank. China is sparing no effort to join the WTO. As a matter of fact, China's policy of reform and openness is a manifestation of how painstakingly China is working to integrate itself into the international community.

In the meantime, China also works hard at improving the existing order. China does not endorse a monopolar world, nor is it satisfied with Western dominance of world affairs. China calls for an increased role for developing nations. China hopes that, through negotiations and dialogue, the world community will finally be able to establish a more just and fair NIPEO.

At a regional level, China's first priority is to improve relations with its neighbors, and thanks to past efforts, China enjoys good and stable relations with most of them. China has settled almost all of its border issues with Russia, the former Soviet republics, Vietnam, and some others. China's proposal for common development while shelving disputes in the South China Sea has been widely appreciated by the

parties concerned. During the Asian financial crisis, China kept its promise and did not devalue its currency, thus halting the "domino effect" and a new round of Asian devaluation. China's high sense of responsibility has won great admiration from its Asian neighbors.

In fact, many Asian countries have come to realize that China is not a threat, but a helper. China also plays an important role in maintaining peace and stability in the Korean Peninsula and works hard on the issue of nonproliferation. China is a positive and active member of major regional organizations and mechanisms, such as the Asia-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF), the 10+3 (10 ASEAN nations plus China, South Korea, and Japan), the 10+1 (10 ASEAN nations plus China), and the Asia-Europe dialogue.

## Trends in Sino-U.S. Relations

### New Challenges

There have been new challenges to the Sino-U.S. relationship:

*First*, mutual frustration has reached a dangerous point. In China's view, the United States has created one trouble after another. These include allegations of Chinese political contributions to a U.S. presidential campaign, plans for theater missile defenses, the release of the congressionally commissioned Cox Report on suspected espionage,<sup>2</sup> a last-minute rejection of the package deal with visiting Chinese Premier Zhu Rongji on China's accession to the WTO, the embassy bombing, and the proposed Taiwan Security Enhancement Act (TSEA). The United States, on the other hand, has criticized China for its human rights record, its ties with such rogue nations as Iraq and Iran, its rejection of renouncing the use of force to solve the Taiwan issue, and its vehement reaction after the embassy bombing. The United States also complained that, among other things, China does not return America's well-intentioned gestures.

*Second*, the strong mutual frustration has turned into deep mutual suspicion. The worst scenario has prevailed in some cases. Foreign policy depends substantially on perceptions. If people just think the worst of each other, sensible and reasonable policies will not be made and implemented. Some of the U.S. media have often depicted China in a very negative way. Some Americans both inside and outside the

government have suspected that China will become an adversary. Some believe that a conflict between the two sometime in the coming century is inevitable.

*Third*, domestic factors play an increasingly large role. Many complicated and difficult factors are affecting China policy in the United States. Political and partisan fights often derail the President's agenda. The U.S. preference for unilateralism and the strange alliance of the left and right exert great pressure on any attempt to improve Sino-U.S. relations. The single-issue pressure groups, such as human rights and environmental protection groups, trade unions, and religious organizations, have all challenged the Clinton administration's China policy. The 2000 presidential campaign has made the situation even more difficult to handle.

In China, increasing integration with the world and with the United States has blurred the distinction between foreign and domestic issues. The issues of Permanent Normal Trade Relations (PNTR) status with the United States and WTO accession are two cases in point. The Chinese people's resentment and dissatisfaction over U.S. pressure have been on the quick rise. Patriotism and enhanced self-confidence have become important factors to be reckoned with in China's foreign policy decisionmaking process. Of course, not all the domestic factors are negative. Years of interchanges in politics, economics, cultural affairs, professions, and academics have created a large group of people who want a normal and healthy relationship. The two business communities play an active and effective role in this bilateral relationship.

*Fourth*, the Sino-U.S. relationship is closely tied to cross-strait relations. Since the Taiwan Strait crisis in 1995–1996<sup>3</sup> and the summit visits in 1997 and 1998, the United States has exercised some restraint and caution on the Taiwan issue. The U.S. executive and legislative branches and others in the mainstream have reached a sort of consensus behind the view that Taiwan should not take provocative moves. However, two opposing forces are pulling the United States: the desires to improve the Sino-U.S. relationship and to strengthen U.S. ties with Taiwan. The United States has increased arms sales to Taiwan, the U.S.-Japan defense Guideline virtually includes Taiwan, and the proposed TMD will give military, political, and psychological support to Taiwan's separatist tendencies.

### **Some Positive Trends**

The Sino-U.S. relationship is so important that neither side can afford total confrontation. Even during the troubling and eventful year of 1999, the two governments were able to control the damage and continue their relationship. There is some encouraging news.

1. Both governments are working to put their relationship back on a normal track.

Because the Sino-U.S. relationship is too important to let it get out of control, both countries are working to repair the damage. They reached an agreement on compensation for the embassy bombing. It is encouraging to see that the two presidents used their "hotlines" after both that bombing and Taiwan's Lee Teng-hui's "two-state" remarks.<sup>4</sup> The Jiang-Clinton summit at the APEC meeting in September 1999 greatly facilitated the completion of the WTO deal. Finally, China and the United States have resumed political and military consultations, which had been suspended after the bombing incident.

2. The WTO trade package will exert a positive influence on the Sino-U.S. relationship.

Although President Clinton turned down the best possible offer from Chinese Premier Zhu Rongji during his April trip to the United States, the U.S. executive and legislative branches finally realize its importance. Only four months after the bombing incident, the two presidents met at the APEC meeting in Auckland, New Zealand, and agreed to reopen the WTO trade negotiations. Two months later, the two governments concluded the package agreement. As an important step in fulfilling the U.S. obligations, the U.S. Congress will vote on whether to offer PNTR to China some time in the middle of this year.<sup>5</sup> In essence, this is a vote on whether the United States would like to continue its normal trading relations with China and realize the hard-won benefits from its trade negotiations with China. The conclusion of the WTO deal will help narrow differences and expand commonality in the relationship. Closer economic and trade relations will also have positive ripple effects in other fields.

3. China and the United States have reached a certain degree of understanding in order to stabilize the situation in the Taiwan Strait.

China and the United States realize that healthy and normal relations facilitate stable cross-strait relations, which are in the interests of all the parties concerned. Shortly after Mr. Lee Teng-hui put forward

his “two-state” theory last July, the U.S. executive branch clarified its position on adhering to a “One China” policy and criticized Mr. Lee for his intention to “rock the boat” and “change the *status quo*.” Even some pro-Taiwan elements within the U.S. Congress showed their dissatisfaction. Some credit should be given to the Clinton administration for helping to defuse the tension.

4. The two sides have resumed political and security dialogues.

While the proposed constructive strategic partnership is controversial, both governments continue consultations on strategic and security matters. Starting from December 1999, China and the United States resumed political and military dialogues. It has been reported that more high-level visits will take place. The Chinese side has again agreed to allow U.S. ships to call at Hong Kong ports. The two sides will also hold joint maritime humanitarian exercises. Such mutual visits and military-to-military exchanges are obviously beneficial for increasing mutual understanding.

5. Realistic expectations reduce the chances of disillusion in future relations.

The two sides have become pragmatic and realistic in setting their goals this year, an election year in the United States. On the American side, the Clinton administration understands that the best course of action is to avoid controversy during the presidential campaign. It is focusing on winning support for PNTR. On the Chinese side, Beijing also realizes that under the current circumstances it is not likely to reach any significant breakthroughs in Sino-U.S. relations. Therefore, promoting the trade and economic relationship has become the major theme, and possibly the only feasible target. Perhaps this is what both sides have learned in the past few years: it is better to resist tempting catchwords and to adopt realistic attitudes.

## **How Sino-U.S. Relations Impact the Region**

China and the United States are two important members of the world and the Asia-Pacific region. Their bilateral relationship has great significance for the foreign and domestic policies of the Asian-Pacific countries. For the past three decades, though with ups and downs, the general trend of the Sino-U.S. relationship has been positive and forward-looking. An improved relationship has greatly contributed to peace and development in the region.

In order to maintain this trend, we must understand some of the conceptual and actual differences between the two countries. In evaluating the global and regional situation, China does not see eye to eye with the United States. China believes that the world is heading for a multipolar arrangement. Since the end of the Cold War, the configuration of world powers is changing. The original bipolar confrontation has been replaced by the coexistence of one superpower and several major powers. Although this pattern basically remains stable, U.S. superiority is on the rise. Moreover, the United States is trying hard to translate its superiority into the advancement of its own interests in politics, diplomacy, security, and economy. China calls for the establishment of a more just and fairer NIPEO. It appeals for respect for the territorial integrity and sovereignty of all countries; it opposes interference in others’ internal affairs; and it rejects the use or threat of use of force.

The United States maintains that it should continue its leadership role in world affairs well into the 21<sup>st</sup> century. On the basis of its enhanced international standing and increased national strength, the United States tries hard to project its powers, promote its values, expand its economic interests, and spread its culture. U.S. superiority has been further strengthened vis-à-vis a weakened Russia, an economically injured Japan, and a Europe that is not yet a peer. In handling world affairs, the United States is often hegemonic, hotheaded, inclined to interfere with others’ internal affairs, and solve some regional conflicts by force. The United States has even gone so far as to bypass the UN to use military force. Just since August 1998, the United States has used force, either individually or multilaterally, against Afghanistan, Sudan, Iraq, and Yugoslavia.

The United States has not moved beyond the Cold War thinking in security matters. At the end of the Cold War, some Americans seriously thought of restricting NATO’s role, withdrawing some overseas troops, and calling for peace dividends. In the Asia-Pacific region, the Clinton administration once put forward the concept of a “New Pacific Community.” American academic circles explored possible collective models, ranging from the Northeast Asian Security Cooperation Conference to the ARF. However, in recent years, Cold War thinking is picking up in the United States. According to the U.S. Government strategy stated in 1997, the United States takes as

guiding principles molding a conducive international environment, maintaining the capacity to win two theater wars at the same time, and preparing for unforeseeable crises. It is stepping up a security system in the Asia-Pacific region by strengthening bilateral military alliances under its leadership.

The United States has clear-cut targets in these two strategic regions. First and foremost, the United States tries to maintain its global and regional leadership role. It wants to continue to weaken Russia so that there will be no way for Russia to challenge the United States once again in the future. In the Asia-Pacific region, the United States has a hedging policy to prevent China from becoming its peer sometime in the next century.

In order to realize its security strategy, the United States needs to cooperate and coordinate with its allies. The United States has worked out a security network in Europe by strengthening and enlarging NATO. In the Asia-Pacific region, the United States has made the U.S.-Japan alliance a cornerstone of its system of bilateral alliances with Japan, South Korea, Thailand, the Philippines, and Australia.

China has always advocated the casting away of Cold War thinking. It has called for common and cooperative security, and it opposes obtaining one nation's security at the expense of others. China opposes the so-called NATO expansion, the U.S.-led NATO action in Kosovo, and U.S. military actions against some countries. China firmly opposes U.S. arms sales to Taiwan, the inclusion of Taiwan under the U.S.-Japan Security Guideline, the TMD covers for Taiwan, and the proposed TSEA. All these not only seriously violate three Sino-U.S. joint communiqués, but in China's eyes, they gravely encroach upon China's sovereignty and territorial integrity.

Small wonder that China and the United States differ on a number of international issues, such as China's relationship with Iran and Iraq, post-nuclear test relations with India and Pakistan, the international trial of former Khmer Rouge leaders, and particularly the Kosovo crisis. Therefore, some Americans even claim that there is no basis of cooperation for the proposed strategic partnership between the two countries.

## **A Better Future**

### **Working Toward a Better Sino-U.S. Relationship**

As a ranking U.S. Pentagon official said, among the Sino-U.S. problems, the most important and imminent danger lies not with concerns over human rights, trade deficits, or the Falun Gong, but with the Taiwan issue. Indeed, the Taiwan issue has always been the most important and sensitive issue at the core of the relationship. Therefore, the United States should play a positive role in handling the Taiwan issue. Fundamentally speaking, the Taiwan issue is an internal affair between the Chinese across the Taiwan Strait, and the United States should not interfere with China's internal affairs. However, the Chinese side can discuss the Taiwan issue with the Americans because the United States created the Taiwan issue half a century ago<sup>6</sup> and still possesses great influence over Taiwan. The Taiwan issue remains the most important and sensitive issue at the core of the Sino relations. The U.S. executive branch and the U.S. Congress should not play a negative role in the process of China reunification. The United States should abide by the three joint communiqués and keep to its commitment to the "One China" principle; the U.S. Congress should encourage cross-strait dialogue instead of Taiwanese independence.

In the near term, both countries should strive to stabilize their relationship. Like it or not, the U.S. election culture has created a four-year cycle of first attacking and then dealing with China. Campaign rhetoric fuels fiery debates in both countries. Political and opinion leaders have a great responsibility to stabilize the bilateral relationship. The gradual resumption of political, strategic, and military exchanges is important for mutual communication. The so-called second tracks are indispensable in promoting mutual understanding. The economic interaction is a stabilizer in the relationship. Allowing each other to speak candidly and refraining from overreaction to words benefits efforts to maintain a stable relationship. Doing something of common interest and deferring something controversial facilitates a constructive relationship. The reverse will result not only in a competitive but also a confrontational relationship.

In the medium term, both countries should improve their mechanisms and work towards more confidence-building measures (CBMs). They should also create a favorable regional environment. Given the importance of the two countries, their bilateral

relationship has far exceeded their physical boundaries. It is in their common interest to create a politically friendly, strategically cooperative environment in the region. China and the United States should adopt a down-to-earth attitude to discuss important regional issues, such as the China-U.S.-Russia relationship, the China-U.S.-Japan relationship, the Korean Peninsula, economic and financial cooperation, and so forth.

In the long term, both countries should take a strategic and long-term view when they deal with each other. They should take concrete steps to enhance understanding, dispel misunderstandings, remove suspicions, reduce troubles, and increase cooperation. First and foremost, they should work out a strategy for making friendlier relations and not making enemies of each other. They must have more official and unofficial contacts, greater economic and trade interactions, better coordination on global and regional issues, closer consultation in international organizations, and joint efforts in building up a NIPEO.

#### **Working Toward a Better Asia-Pacific Region**

As the Sino-U.S. relationship directly affects regional stability and prosperity, the two countries have special responsibilities and hold the keys to building regional security and an economic framework. China and the United States should display more sincerity and trust in conducting dialogues on regional security matters. Together with other countries in the region, they should work out a formula to enhance mutual trust, reduce mutual suspicions, alleviate the danger of an arms race, and avoid unintentional accidents. Through these CBMs, they could contribute to a stable and secure regional environment.

On some existing and potential hot spots in the region, both China and the United States should expand cooperation where such cooperation exists, such as concerning the issues of the Korean Peninsula, Cambodia, and the matter of non-proliferation on the South Asia sub-continent. They should work hard to facilitate cooperation where such possibilities can be sought, such as in Southeast Asia. They should also do a better job of damage control where they have fundamental differences. Neither side should take unilateral actions that will aggravate the situation.

Security far exceeds traditional boundaries. Economic security has become an important component of national security considerations. China and the United States worked together at the APEC forum and

cooperated to a certain extent on financial and monetary matters during the Asian financial crisis. However, further cooperation needs more frequent communication, understanding, and trust. China, the United States, and other concerned countries should work together toward this end. Here, region-wide cooperation must be a precondition for building up the regional mechanism to promote trade liberalization, cooperation in science and technology, and stability in finance and monetary matters.

#### **Working Toward a Better World**

China and the United States are major world powers. They are both permanent members of the UN Security Council, and both possess nuclear weapons. China is the largest developing country, whereas the United States is the strongest developed one. Moreover, China is emerging and the United States is not declining. To a large extent the two countries will be critical to the establishment of the NIPEO on a more just and fairer basis.

Both countries should work together with major countries and/or country groups to reach a consensus on the principles for establishing the new international order. They should determine the codes of conduct as well. While it is useful to explore such concepts as human rights and humanitarian concerns, no country has the right to monopolize their interpretation, let alone to enforce their views onto other nations. In the meantime, the two should fully implement China's Five Principles of Peaceful Coexistence<sup>7</sup> as a prerequisite to establishing the NIPEO. Of course, they should also take into consideration other proper principles.

To realize these goals, China and the United States should work with other countries to reach agreements. China does call for an immediate realization of the NIPEO, but through negotiation and in a gradual way. It advocates strengthening rather than weakening the role of the UN. It firmly opposes unilateral alteration of existing arrangements, such as the Anti-Ballistic Missile Treaty (ABM). It positively participates in new negotiations, such as the Comprehensive Test Ban Treaty (CTBT). And China makes relentless efforts to join new organizations such as WTO.

Both countries should work hard, with a view to the era of the "earth village." China and the United States are major nations that both have vast territories, big populations, and considerable powers. Therefore,

it is relatively easier for them to adopt the earth village concept, but still difficult to translate it into policies. They should stress the welfare of the entire human race rather than their own. They have the responsibilities and obligations to eliminate poverty both at home and abroad. Broad-mindedness is the basis for harmony, instead of conflict, between nations.

Both the United States and China should think far in advance for ways to promote the peace and prosperity of the world. At this time of invention, creativity, and advancement, new progress in science and technology takes place every day. China, the United States, and other countries are confronted with the issue of how to make these developments work for world peace and prosperity. All countries should concentrate their wisdom and resources on lifting up people's living standards. All countries should use these new achievements to promote healthy state-to-state relations, instead of interfering with other countries internal affairs. No country should be allowed to start a new round of arms race by taking advantage of its strength.

The above-mentioned principles may seem to be too idealistic and moral-driven. However, for a better and more secure world in the new century and millennium, we need inspiration, principles, value, and truth. China is one of the birthplaces of great thoughts. The United States is typical in generating new thinking. Asia is proud of its unique value. The Asia-Pacific region has immensely contributed to development strategy and philosophy. There is no reason why China and the United States should hesitate to talk about ideas and ideals.

In the United States, especially in the military circle, it is generally believed that strong and sufficient military preparation can stop war. In Chinese characters, two parts make up the word "military": meaning say NO to weapons. We have something in common despite of all our differences. Therefore, let us make joint efforts at the two ends of the world to say NO to wars and YES to peace and prosperity.

#### Notes

<sup>1</sup> On May 8, 1999, NATO bombs hit the Chinese embassy, killing four. NATO said its planes were attacking a Yugoslav arms procurement office in Belgrade and fired on the wrong building.

<sup>2</sup> The Cox Committee, formally titled the Select Committee on U.S. National Security and Military/Commercial concerns with the People's Republic of China, issued its report in June 1999.

<sup>3</sup> China conducted military exercises that included missile tests in the Taiwan Strait, to which the United States dispatched two carrier battlegroups and other ships.

<sup>4</sup> Lee made these remarks to a German radio station reporter on July 9, 1999.

<sup>5</sup> The United States House of Representatives voted to approve PNTR on May 24, 2000; the Senate approved the measure on September 19, 2000.

<sup>6</sup> In 1949, when Mao Zedong declared Beijing the capital of the new People's Republic of China, millions of Kuomintang (KMT) supporters fled to Taiwan. The United States did not officially recognize the People's Republic of China until December 15, 1978.

<sup>7</sup> These principles for fostering friendly relations with other countries were formally presented by Premier Zhou Enlai in April 1955 at the first Asian-African conference (the Bandung Conference). In 1982, these principles were written into China's Constitution.