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THE MODERNIZATION OF CHINA: ITS IMPLICATIONS FOR THE SECURITY OF THE ASIA- PACIFIC REGION

Introduction

That China is trying to forge ahead with its programme of modernization and economic development is beyond dispute. What is in dispute, however, is how the exponential increase in Chinese economic power would affect the security of the Asia-Pacific region.¹ There is an on-going debate among scholars, analysts and policy-makers about the assessment of the impact that an economically prosperous China would have on the region, and the appropriate and effective policy to be adopted to keep it on cooperative "tracks". A number of scholars argue that there is a possibility of China posing a threat to international order. They believe that in the post-Cold War period China has replaced the former Soviet Union as a primary source of threat to regional security, and as such, its containment, or the prevention of its rise to a position of power, should be the common purpose of the regional countries, as well as the United States.² According to David Shambaugh,

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1. The term Asia-Pacific is used here to refer to East, Southeast and South Asia.
2. See, Gideon Rachman, "Containing China", *Washington Quarterly*, Vol. 19, No. 1, Winter 1996; Ross H. Munro, "Awakening Dragon : The Real Danger

Perhaps the most important uncertainty for the region is China, whose dramatic economic growth, continental size and central location in Asia, regional intentions, and military capabilities pose potential threats to its neighbours and US interests. While the prospect of a strong and assertive China is troubling so too its potential for political and social instability.³

In other words, there is much ambivalence about the impact of a rising China on the Asia-Pacific region. The purpose of this paper is to examine whether a prosperous China would pose a security threat to the region. The main argument is that China would not necessarily be a threat as there is yet scope for ensuring its cooperation. Before embar-

in Asia is from China", *Policy Review*, Vol. 62, Fall 1992; Denny Roy, "Hegemon on the Horizon? China's Threat to East Asian Security", *International Security*, Vol. 19, No. 1, Summer 1994; Aaron L. Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia", *International Security*, Vol. 18, No. 3, Winter 1993/94; David Shambaugh, "Growing Strong: China's Challenge to Asian Security", *Survival*, Vol. 36, No. 2, Summer 1994; Denny Roy, "Consequences of China's Economic Growth for Asia-Pacific Security", *Survival*, Vol. 36, No. 2, 1993; Barry Buzan and Gerald Segal, "Rethinking East Asian Security", *ibid.*; "The New World Order: Back to the Future", *The Economist*, January 8th, 1994; Colin McInnes and Mark G. Rolls, "Post-Cold War Security in the Asia-Pacific Region: Trends and Issues", *Contemporary Security Policy*, Vol. 15, No. 2, August 1994. The most far-fetched assertion is that China, along with Iran and North Korea, is trying to create an anti-U.S. Trans-Asian Axis. See, Yossef Bodansky, "The Rise of the Trans-Asian Axis: Is it the Basis of New Confrontation?", *Defense and Foreign Affairs Strategic Policy*, September 30, 1994.

3. David Shambaugh, "Growing Strong: China's Challenge to Asian Security", *Survival*, Vol. 36, No. 2, Summer 1994, p. 43.

king on the actual analysis of the main areas of concern, a brief overview of Chinese history would be provided, since the true nature of China's modernization efforts cannot be properly understood without looking at it in its historical context. Then, key areas like political economy, the armed forces, arms sales, territorial disputes, security institutions, and future prospects would be studied.

Historical Context of China's Modernization

China, to state the obvious, is not only an ancient country but a civilization as well, that can trace its five-thousand-year old roots. According to Lucian W. Pye, China is a civilization that pretends to be a state. It is much more than that. During what is now known as the Dark Ages, the Chinese were ruling an empire which in their perception had everything to deserve the appellation Middle Kingdom - they truly believed that China was the centre of the universe. This perception of centrality nurtured a sense of superiority that was challenged only as late as in the mid-nineteenth century by the European powers, which took advantage of the internal weaknesses of China, and their advanced technology to strike at the source of Chinese power and prestige.

From the Opium Wars in the 1840s until the Communist Revolution in 1949, China was subjected to various forms of indignities by the Western powers that gradually undermined the very basis of its sovereignty, so much so that, carved into a number of spheres of influence, it soon became a geographic expression, devoid of actual political independence. There were periodic attempts at restoring China's fading glory, of which the so-called Boxer Uprising of 1900 was pre-eminent. As is well-known, it failed to drive the foreigners out of China. In 1911 a group of Chinese nationalists led by Dr. Sun Yat-sen

overthrew the last vestiges of the tottering Qing dynasty. However, even a republican form of government could not effectively address the gargantuan scale of problems that a country of China's size possessed at the time. There were warlords who demanded recognition of their power, and in the process threatened the unity of the country. Not surprisingly, the country soon became wracked by a debilitating contest for power between the warlords and the central government in Beijing.

Matters took a new turn when the Chinese Communist Party (CCP) was established in 1921 under the Bolshevik guidance. Initially there was an uneasy cooperation between the Kuomintang Party led by Generalissimo Chiang Kai-shek and the CCP led by Mao Zedong, until the breach between the two became too wide to be bridged by political means. Fearing a takeover by the Communists, Chiang Kai-shek compelled them to relinquish their control of the Chinese cities, and by 1927 the communists, under Mao's leadership in their remote rural hideouts, organized themselves and mobilized the rural masses into a force that ultimately succeeded in taking over power in 1949.

Thus, the hundred years between 1840s and 1949 were marked by instability, civil war and foreign interference, which today is described by the Chinese as the "century of humiliation". Accordingly, on October 1, 1949, while announcing the birth of the People's Republic of China (PRC), Mao Zedong said, "The Chinese people have stood up. They will never again be humiliated."⁴

4. Yoichi Funabashi *et al.*, *An Emerging China in a World of Interdependence*, A Report to the Trilateral Commission, (New York: The Trilateral Commission, 1994), p. 11.

It was obvious in 1949 that a major cause of Chinese subordination during the preceding century was the technological superiority of the Western powers, as well as the backwardness of the Chinese. Throughout this period, it became a troubling issue among the Chinese intellectuals as to how to redress the asymmetric relationship between China and the West. Evidently, they needed to modernize themselves, which necessitated access to Western ideas and technology.⁵ This raised a set of inter-related questions:

- (I) what to receive from the West in order to deal with the challenge of modernization?
- (ii) what to keep from the Chinese tradition in order to maintain the "essence" of the civilization?
- (iii) what to reject from the occident because it might subvert the Chinese culture? and
- (iv) what of the past to get rid of because it could pose an obstacle to Chinese quest for modernization?⁶

The interaction and experience with the West had a two-fold impact on the Chinese psyche: the West helped create an intense nationalism that could become irrational and dangerous when fed by the provincialism and xenophobia of the hinterland. But the West also created an internationalism, a desire to be part of the world community, to meet international standards, and to contribute to humankind as an equal.⁷

In the immediate aftermath of the Revolution in 1949, the primary concern of the communist leadership was to preserve China's national, thus territorial independence, which was nothing surprising given the isolated position that the PRC

5. Cf. the policy of Japan after the Meiji Restoration in 1867 concerning modernization.

6. Funabashi *et al.*, *op. cit.*, pp. 11-12.

7. *Ibid.*, p. 12.

found itself in. However, with the relaxation of Cold War tension in the late 1960s, the goal of modernization was accorded a priority in foreign policy. It was Zhou Enlai who in 1975 first stated that modernization was a prerequisite for independence and national security, but the achievement of the four modernizations (agriculture, industry, science and technology, and the military) became a policy guideline only after the death of Mao Zedong in 1976.⁸ It was Deng Xiaoping who went ahead full steam with the four modernizations in 1978.

Though Mao was the founder of the PRC, the extremism of his rule, particularly the excesses that the Chinese experienced during the Cultural Revolution (1966 - 1969), was instrumental in generating anti-Mao sentiments. The Chinese nonetheless continue to pay homage to his accomplishments. In 1992, the Party leader Jiang Zemin said that Mao's revolution was "the greatest that China had ever seen, it ushered in a new era in the history of our country."⁹ Both Mao and Deng have made indispensable contributions toward the goal of restoring China's greatness, though in different ways. Mao elevated the status of China as a collectivity; whereas under Deng "the Chinese individual is trying to stand up and claim a place in the sun."¹⁰ According to Ross H. Munro,

If Mao had not liquidated feudalistic landlords and brutally rationalized agricultural production, his successor Deng Xiaoping would not have been able to transform China's peasants virtually overnight into efficient, small-scale farmers and rural entrepreneurs.¹¹

8. Thomas Fingar, ed., *China's Quest for Independence: Policy Evolution in the 1970s*, (Boulder, Colorado: Westview Press, 1980), p. 6.

9. *Beijing Review*, September 26 - October 2, 1994, p. 16.

10. Ross Terrill, "China Enters the 1980s", *Foreign Affairs*, Spring 1980, Vol. 58, No. 4, p. 921.

11. Ross H. Munro, "Awakening Dragon: The Real Danger in Asia is from China," *Policy Review*, Vol. 62, Fall 1992, p. 65

Political Economy

In International Monetary Fund's estimation, which takes into account the purchasing power parity (ppp) method, China is the third largest economy in the world, with a GDP of about US\$ 1.7 trillion.¹² However, the Chinese themselves vigorously deny this assessment since the commercial exchange rate method, on the other hand, yields a much smaller figure - US\$ 507.5 billion.¹³ Since 1978 China has had an average annual growth rate of about 8%-9%, and since 1992 it has been maintaining a growth rate of 12%-13%. It is believed by some scholars that this rapid growth of the Chinese economy, instead of bringing benefits for the region in particular and the world in general, bodes ill for regional security. A prosperous China, it is apprehended, would be in a position to follow an aggressive policy, and that its increased power could be perceived as threatening by the regional countries. In the words of Denny Roy, "Since military power stems from economic power, economic growth will enhance China's power-projection capability."¹⁴ It is true that economic power can be transformed into military power, but in China's case there are a number of circumstantial hurdles that would effectively foreclose such a possibility.¹⁵

Historically, China, while acting as a hegemon, was satisfied with the tributary relationship with the peripheral "countries," and unlike the European colonial powers, was not

12. A. Doak Barnett, "U.S.-China Relations: Time for a New Beginning - Again", in U.S. China Policy : *Building a New Consensus*, (Washington, D.C.: Center for Strategic and International Studies, 1994), p. 8.
13. *The Military Balance 1994-1995*, (IISS, London, 1994).
14. Denny Roy, "Consequences of China's Economic Growth for Asia-Pacific Security", *Security Dialogue*, Vol. 24, No., 1993, p. 182.
15. See, Chen Jian, "Will China's Development Threaten Asia-Pacific Security? A Rejoinder", *Security Dialogue*, Vol. 24, No. 2, 1993.

keen about physically dominating foreign territories.¹⁶ Traditionally, the Chinese rulers have been more concerned about maintaining a secure border, rather than in territorial expansion. As a Philipino senator puts it, the Chinese have been around for 3,000 years, "but have not shown any signs of wanting to control government policies or interfere in our affairs."¹⁷

Even during Mao's regime when the revolutionary fervour was at its peak, there was no attempt at expansionism, excepting for the quixotic efforts at reunification with Taiwan, but even for that the Chinese had a sound legal basis. This is in contrast to the cases of Germany and Japan, who in the late 19th and 20th centuries, by virtue of their growing power, adopted policies of overseas territorial expansion.¹⁸ In A. Doak Baronet's assessment,

The basic strategic orientation of Communist China's leaders, ever since they achieved power, has been essentially defensive. It still is. Their strong nationalism has, however, motivated them from the start (as it did the Chinese Nationalist leaders before them) to assert China's sovereign rights over, and where possible to reassert control over, many areas on China's periphery that had long been considered "lost" territories.¹⁹

16. Jian, *ibid.*, p.193. See, also Charles Fitzgerald, *The Chinese View of their Place in the World* (London: Oxford University Press, 1964); and John King Fairbank, ed., *The Chinese World Order: Traditional China's Foreign Relations* (Cambridge, Mass.: Harvard University Press, 1968).

17. "A Colossus Stirs: The Resurgence of China Sparks Debate Across the Globe", *Asiaweek*, January 27, 1993, p. 25.

18. Cf. U.S. territorial expansion in the 19th century.

19. A. Doak Barnett, "U.S.-China Relations: Time for a New Beginning - Again", in *U.S. China Policy: Building a New Consensus* (Washington, D.C.: Center for Strategic and International Studies, September 1994), p.16.

Basically, the Chinese policy is a reaffirmation of Sun Tzu's strategy, as spelled out in *The Art of War* 2,500 years ago. The substance of this treatise is to achieve victory without the direct application of military force - the strategy of defeating the adversary not through war but by manipulating his weak points and domestic problems.²⁰

Admittedly, there is a concern about China in varying degrees, but the concept of a "China threat" does not seem to have much resonance in the major capitals of the Asia-Pacific region. In fact, one does detect a certain sympathy for and identification with the Chinese position. The Malaysian Prime Minister Mahathir Mohammed does not "see the threat from China as being any worse than the threat from the U.S."²¹ Even in countries with which China has had long-standing antagonism, there is an optimistic perception of China's prosperity - contrary to Western analysis. Sang Jon Kim, a South Korean academic is of the opinion that,

The fundamental objective of Beijing's foreign policy will most likely continue to create and maintain a relatively stable and peaceful international environment and secure maximum possible economic resources from abroad... China is in favor of orderly and peaceful change without having tumultuous upheaval on its border.²²

Even Japan would probably not mind having a strong China to its north, if only to balance a potential Russian threat.

20. See, Samuel S. Kim, *China In and Out of the Changing World Order* (Center for International Studies, World Order Studies Program Occasional Paper No. 21, Princeton University Press, 1991), p. 56.

21. "Give Back Bosnia", *Asiaweek*, August 11, 1993, p. 21.

22. Sang Joon Kim, "Korea, China and a New Order for Peace in Northeast Asia", *The Korean Journal of International Studies*, Vol. 24, No. 2, Summer 1993, p. 142.

Besides, Japan would not seek to jeopardize its access to the vast Chinese market by souring its relations with China. It is, therefore, very much concerned with instability in China, since Japan has much to fear from a China that is chaotic, than a China that is powerful.²³ In the aftermath of the Tiananmen Square incident of June 1989, the Japanese government was most reluctant to toe the U.S. policy of imposing economic sanctions on China. It was concerned about the consequences of such sanctions: diplomatic isolation of China, and perhaps destabilization. The Japanese business community, in particular, was worried about isolating China since that would have adversely affected Japanese commercial interests. As a result, the Japanese government, while not supportive of the Chinese action, maintained a stance that was "non-accusatory" and "circumspect".²⁴ During the former Japanese Premier Hosokawa's visit to Beijing in March 1994, he openly stated that human rights were a relative matter, and governments should not seek to impose their concept of human rights on one another.²⁵

Singapore is one member of the ASEAN which is least comfortable with the prospect of an economically and militarily powerful China. Nevertheless, one does perceive considerable sympathy for China in the official pronouncements of the Singaporean leaders. After Beijing lost its bid to host the Olympic games for the year 2000, Singapore Senior Minister Lee Kuan Yew said that, "America and Britain

23. Vincent Cable and Peter Ferdinand, "China as an Economic Giant: Threat or Opportunity?", *International Affairs*, Vol. 70, No. 2, April 1994, pp. 259-260.

24. Seiichiro Takagi, "Human Rights in Japanese Foreign Policy: Japan's Policy Towards China After Tiananmen", in James T.H. Tang, ed., *Human Rights and International Relations in the Asia-Pacific Region* (London and New York: Pinter, 1995), pp. 100-102.

25. David Shambaugh, "Pacific Security in the Pacific Century", *Current History*, December 1994, p. 426.

succeeded in cutting China down to its size...The apparent reason was 'human rights'. The real reason was political, to show Western political clout".²⁶ The Singaporean leaders are also critical of the U.S. policy of making the extension of commercial facilities contingent on China's human rights record.²⁷ They, too, are more apprehensive about the collapse of central government in China than about its potential military might.²⁸ Singapore has recently undertaken a long-term programme of economic development of China, and is in the process of developing a 27 sq. mile municipal project in Suzhou, which has brought in US\$ 2.7 billion in investments.²⁹

The Chinese policy-makers have themselves made pronouncements which can be regarded as authoritative and credible. Foreign Minister Qian Qichen has emphatically stated that "China will always be a positive force for peace, stability and development in the Asia-Pacific region."³⁰ The China-threat syndrome of the West is categorically condemned by the Chinese, who maintain that,

Its aim is to sow discord between China and its neighboring countries and to destroy China's plans for reunification and economic development. The Chinese government declared that China is still a low-income developing country, and it will take decades of hard work for China to become a mid-level developed country. China is a peace-loving country that will never seek to form a threat to any other country.³¹

26. Denny Roy, *op. cit.*, p. 155.

27. Cable and Ferdinand, *op. cit.*, p. 256.

28. *Asiaweek*, December 20, 1991, pp. 26-27.

29. *The Straits Times*, August 10, 1993, p. 27; Gallagher, *op. cit.*, p. 185.

30. Eric Morris, "Choppy Seas for ASEAN's Security Quest", *International Defense Review*, No. 11, 1993, p. 876.

31. Wei Zhengyan, "China's Diplomacy in 1993", *Beijing Review*, January 17 - 23, 1994, p.15. Even as early as 1974, Deng Xiaoping in a speech at the Sixth

It is also quite difficult to find anti-Chinese sentiments in most of the South Asian countries - Sri Lanka, Pakistan, Nepal and Bangladesh - which are all on good terms with China; it is only India which considers it to be a potential threat, and the Indian military build-up and nuclear programme are supposedly designed to deal with the challenge posed by the Colossus beyond the Himalayas. Thus, there is a divergence of threat-perception in the sub-continent. But the fact remains that China basically acts as a balancing force in the relations among the South Asian countries, and it would bring them positive benefits if Chinese economic development continues on an even keel.

An important aspect of China's quest for modernization that has serious implications for its foreign policy behaviour is the fact that China has become inextricably interdependent, and a major source of its wealth is international trade. This is a significant departure from traditional Chinese perception of interdependence where it had negative connotations. In the post-1949 communist era, there was a similar distaste for interdependence, when self-reliance and Third world solidarity against the developed industrialized nations were the theme of Chinese foreign policy. This attitude continued to thrive long after the death of Mao. It was only in the late 1980s that there took place a positive shift in Chinese perception about interdependence, which was now believed to bring benefits for

Special Session of the UN General Assembly stated that, "If one day China should change her color and turn into a superpower, if she should play the tyrant in the world, and everywhere subject others to bullying aggression and exploitation, the people of the world should identify her as social-imperialism [*sic*], expose it, oppose it and work together with the Chinese people to overthrow it." "At Special Session of UN General Assembly: Chairman of Chinese Delegation Teng Hsiao-ping's Speech", *Peking Review*, April 19, 1974, p.11. This astonishingly self-critical and anti-hegemonic utterance is perhaps the basis of Chinese theory of international relations. See Samuel S. Kim, *op. cit.*, p. 55.

China. It is now being increasingly emphasized that other states' "development and well-being are an indispensable condition for one's own progress."³²

However, there is still some reservation among the Chinese leadership about total interdependence since that may curtail China's maneuverability in foreign policy. What it seeks, in effect, is maximization of its benefits from interdependence while minimizing its costs. China has become interdependent not only in the economic sphere (the total volume of trade was US\$ 195.8 billion in 1993, compared to US\$ 20.6 billion in 1978),³³ but has also become so in the realm of science, technology, security, politics, and culture.³⁴ In that case, there is little likelihood of China consciously and purposefully pursuing an aggressive policy that may jeopardize its prosperity which, to a great extent, depends on trade and cooperation with foreign countries. It may be mentioned that in 1996 foreign direct investment in China amounted to more than US \$40 billion.³⁵

While it may be true that China is undergoing a remarkable economic resurgence, it still has to bear the curse of a number of social ills. In a sense, China today is a paradox on a grand scale, since it simultaneously demonstrates the characteristics of both a developed and a developing country. Lucian Pye observes that, China is a classic case of the half empty or half full glass:

32. Wendy Frieman and Thomas W. Robinson, "Costs and Benefits of Interdependence: A Net Assessment", in *China's Economic Dilemmas in the 1990s: The Problems of Reforms, Modernization, and Interdependence*, edited by the Joint Economic Committee, Congress of the United States, (Armonk, New York: M.E. Sharpe, 1992), p. 731.

33. *Beijing Review*, September 26 - October 2, 1994, p. 9.

34. Frieman and Robinson, *op. cit.*, p.725.

35. *The Economist*, February 22-28, 1997. P. 20.

The optimists can point to the fact that never before in history have so many people risen out of poverty in such a short time; the "half empty" people can point to the burden of China's 200 million plus unemployed or underemployed people and the largest population of illiterates ever in the history of one country - and both are right.³⁶

Its per capita income is pretty low, which according to World Bank stood at US\$ 370 in 1990.³⁷ And there is still much poverty in the country. It is reported that 8 million people in China live in conditions of absolute poverty,³⁸ and at least 90 million farmers in the rural areas in the interior are estimated to be eking out a subsistence living.³⁹ Besides, there are food shortages in the rural areas, where 20-30% of the people live, and the rate of illiteracy at 20% is considered to be unacceptable.⁴⁰ By their own reckoning, China is still a developing country which seeks to achieve modernization "by [the year] 2049...and join the club of medium-level developed country."⁴¹

These factors should suffice to indicate the economic limitations that China has yet to overcome, invalidate the assertion that it has become a "superpower" poised to embark on an aggressive course of action. It is indeed difficult to believe that the Chinese leadership would seek to antagonize foreign investors, which it so direly needs for its economic development.

36. Lucian W. Pye, "Chinese Politics in the Late Deng Era", *China Quarterly*, No. 142, June 1995, pp. 573, 574.

37. Vaclav Smil, "How Rich is China?", in Donald Altschiller, ed., *China at the Crossroads*, (New York: The H. W. Wilson Company, 1994), p. 77.

38. *Beijing Review*, September 26-October 2, 1994, p. 10.

39. Funabashi, et al., *op. cit.*, p. 40.

40. *Ibid.*, p.84.

41. *Beijing Review*, September 26-October 2, 1994.

Military

There is much concern in the world about China's military build-up, and the fact that its defence expenditures almost doubled between 1988 and 1993 to US\$ 7.5 billion.⁴² It is also pointed out that China has embarked on an ambitious programme of military modernization, and has acquired sophisticated weaponry from abroad.

In 1992, it purchased 26 SU-27 fighter planes from Russia. It is also said to have bought from Russia SA-105 missiles - something closely resembling the American Patriot missile. It is reported that China is trying to acquire 79 MIG-31 fighters, which would most probably be assembled in China's Guizhou Province, as a part of a joint venture with Moscow.⁴³ China may also have acquired in-flight aerial refueling system from either Iran or Pakistan. The Chinese are reported to be seeking Tu-22 bombers, T-72 main battle tanks, A-50 airborne warning and control planes, and S-300 ground-based antiballistic missiles from Moscow.⁴⁴ In November 1994, China signed a deal to acquire at a minimum, four "Kilo" class submarines from Russia. In total, Moscow is estimated to have sold to China advanced weaponry worth US\$ 3-5 billion in 1992 and 1993.⁴⁵

China is also in quest of an aircraft carrier which would greatly mitigate its naval logistical problems. (In fact, it was in the process of acquiring one from Ukraine, which was cancelled at last moment). This is supposedly in accordance

42. Nicholas D. Kristof, "The Rise China", *Foreign Affairs*, Vol. 72, No. 5, November/December 1993, p.65.

43. *Ibid.*, p. 66.

44. Michael T. Klare, "The Next Great Arms Race", *Foreign Affairs*, Vol. 72, No. 3, Summer 1993, p.141.

45. *Jane's World of Defence 1995*, p. 62.

with the Chinese aspiration to build a blue-water navy that would be capable of power projection way beyond its coastal waters.⁴⁶ And this is purportedly the brainchild of Admiral Liu Huaqing,⁴⁷ whose appointment in 1982 as the Commander-in-Chief of the Navy brought about a major reorientation in China's naval strategy.⁴⁸ Toward the beginning of the 1990s China designed (making use of some Western technology) and constructed four new classes of ships:

- Luhu and Luda III-class destroyer;
- Jiangwei-class frigates;
- Dayun-class resupply vessels;
- Houjian and Houxin-class missile patrol craft.⁴⁹

This is the basis for the claim that China is all set for an aggressive course of action, in response to which the regional countries have resorted to a programme of upgrading their military hardware. Analysts are apprehensive that this is fueling a massive arms race that would have a destabilizing effect on the entire region.

Let us now examine the validity of this claim. It is true that China is modernizing its armed forces, and its defence expenditures have increased much. However, this is as far as the quantitative aspect is concerned; the picture changes somewhat when other factors are taken into account.

Firstly, it is well-documented that China is buying arms from the former Soviet Union at a rate that the regional

46. See You Ji and You Xu, "In Search of Blue Water Power: The PLA Navy's Maritime Strategy in the 1990s", *The Pacific Review*, Vol. 4, No. 2, 1991.

47. China's equivalent of the Soviet Admiral G.G. Gorshkov.

48. Yihong Zhang, "China Heads Towards Blue Waters", *International Defense Review*, Vol. 11, 1993, p. 879.

49. Col. John Caldwell, (USMC), *China's Conventional Military Capabilities: 1994-2004* (Washington, D.C.: The Center for Strategic and International Studies, 1994), p. 6.

countries have reasons to feel apprehensive about, but there is another side to the coin. China is simply making good use of an opportunity, the purpose of which is not to pose a threat to others, nor is its military build-up aimed at any particular state. As expressed by William Overholt,

Yes, China has been buying arms from Russia and other former Soviet republics. There's a post-Christmas bargain-basement sale on with all sorts of weapons going for ridiculously low prices. The Chinese would be foolish not to get their hands on some.⁵⁰

Secondly, the need to modernize was keenly felt after the Pyrrhic victory in 1979 when China incurred a huge loss in terms of manpower in the "pedagogic" border incursion against Vietnam. Then, the Gulf War of 1991 demonstrated the effectiveness of high-tech weaponry, the lesson of which was not lost on China. Clearly, Mao's doctrine of people's war was outmoded, and there was an urgent need to have access to Western weaponry and technology. Therefore, much of China's increase in military expenditures can be explained in terms of "catching-up". While it may be true that it no longer faces a hostile Soviet Union, the fact that Japan possesses considerable military might cannot be disregarded. China's force modernization, thus, cannot be considered to be incompatible with its legitimate security needs.⁵¹

Thirdly, the explanation for an increased military budget may reside in the fact that funds allocated during the 1980s were inadequate for the maintenance of more than 3 million

50. William Overholt, "A Colossus Stirs...", *Asiaweek*, January 27, 1993, p.25

51. The post-cold war international environment is fluid, to say the least, and the Chinese military philosophy is that "the best defence in uncertain times is a strong offence". David Shambaugh, "World Military Expenditures", *SIPRI Yearbook 1994*, p. 442.

armed forces personnel, and various other associated costs. The PLA units were authorized to earn revenue to make up for insufficient allocation of funds.⁵²

Fourthly, a considerable portion of the increase in military expenditures is attributable to the rise in salaries of armed forces personnel (that may have been adversely affected by inflation), with the hope that it would improve their morale.⁵³ According to a CIA report to U.S. Congress,

When adjusted for inflation, budgeted defense spending - which may account for only half of the country's military spending - fell 21 percent from 1984 to 1988, when the leadership faced no pressing security needs, but has risen 22 percent since 1988.⁵⁴

Fifthly, the recent increase in defence expenditure may be primarily for maintaining internal security and stability. It is reported that only one-fourth of China's 3 million troops are expected to be modernized, the preponderant share of which is to be deployed in northeast China, purportedly for defending Beijing from any contingent attack from the Russian Far East. However, Michael G. Gallagher is of the opinion that, "...with such a large part of the PLA left out of the modernization effort, the primary mission of the three armies may be to protect the Chinese leadership from any future unrest."⁵⁵

52. *Ibid.*, p.443.

53. Barnett, *op.cit.*, p. 29.

54. Directorate of Intelligence, Central Intelligence Agency, "The Chinese Economy in 1991 and 1992: Pressure to Revisit Reform Mounts", July 1992, p.12. Quoted in Barber B. Conable and David M. Lampton, "China: The Coming Power", *Foreign Affairs*, Winter 1992/93, p. 136.

55. Michael G. Gallagher, "China's Illusory Threat to the South China Sea", *International Security*, Vol. 19, No. 1, Summer 1994, p. 187.

Sixthly, it should also be noted that the quality of Chinese weaponry is often not quite upto the international standard, and are handicapped by serious engineering flaws and inadequate maintenance. For instance, Chinese submarines are so obsolete and poorly maintained that they make too much noise when under-water, which render them vulnerable to high-tech anti-submarine warfare. The acquisition of Kilo-class submarine would provide only marginal advantage.⁵⁶

Seventhly, it is apprehended that procurement of an aircraft carrier (which is regarded to be offensive in nature), would enable China to project its power abroad and consolidate its quest for a blue water navy. However, "a light carrier with a displacement of 20,000 tons, which can provide air support to surface combatants in a limited sea area, of say 400 square km., cannot be necessarily termed an offensive weapon..."⁵⁷

Besides, even if China does decide to build an aircraft carrier, it would not only be extremely costly but require at least a decade to do so. And, such a carrier must have supply support - cruiser, submarine, fighter aircraft, island bases, iron ore supply, etc., - most of which China does not adequately possess at present.

Lack of transparency about China's military build-up and motives remains a source of uncertainty about its military intentions, which could be redressed through the publication of a Defence White Paper. It is expected that China will make such a White Paper available soon, but whether that will be credible to the Western countries, is another question.⁵⁸ Though

56. Gallagher, *op.cit.*, p. 179.

57. You Ji and You Xu, "In Search of Blue Water Power...", *op.cit.*, p. 145.

58. David Shambaugh, "Growing Strong: China's Challenge to Asian Security", *Survival*, Vol. 36, No. 2, Summer 1994, p. 57.

it is a controversial argument, the absence of openness in matters military could be ascribed to the deep-rooted Chinese political culture of aloofness and secrecy, which is a source of profound confusion in the outside world.

Another source of security concern are reports of China's quest for acquiring overseas military bases that would give it access to the Bay of Bengal. It is believed that China is actively seeking such facilities on three important and strategically situated islands along Burma's southeastern coast, which is regarded to be particularly galling for India.⁵⁹ In the words of J. Mohan Malik, "China's inroads into Burma when juxtaposed with China's ties with Bangladesh are, from New Delhi's perspective, serious encroachments into India's sphere of influence."⁶⁰ China's goal is to open alternative routes to ports through which Southwest China's trade can be carried on. Analysts are apprehensive that Chinese presence there, commercial or military, would pose a challenge to regional security. In the words of Larry M. Wortzel,

With a move toward the Bay of Bengal and into the Indian Ocean, even without any attempt to annex territory, China has also shifted the zone of potential maritime conflict from the Straits of Malacca in the South Pacific and South China Sea to the Indian Ocean.⁶¹

However, without denying the plausibility of such a scenario, it can be argued that China's possible naval presence in the Bay of Bengal may be a stabilizing factor, just as the

59. Bertil Lintner, "Myanmar's Chinese Connection", *International Defense Review*, No. 11, 1994, p. 24.

60. J. Mohan Malik, "China-India Relations in the Post-Soviet Era: The Continuing Rivalry", *The China Quarterly*, June 1995, No. 142, p. 336.

61. Larry M. Wortzel, "China Pursues Traditional Great Power Status", *Orbis*, Spring 1994, p. 162.

U.S. Seventh Fleet, "so long as China's interests mesh with those of the countries in the region."⁶² As a matter of fact, China's presence there may have a sobering effect, and could be instrumental in balancing the growing Indian military preponderance in the regional waters. The United States has been militarily present on Diego Garcia, in the middle of the Indian Ocean for years, but is not considered to be a threat. There is no reason why similar Chinese presence should be regarded as such.

Arms Sales

The issue of China's arms sales abroad is a very sensitive and thorny issue which, in the eyes of the Western powers makes it almost a "rogue" nation. It is said that such arms sales to Third World countries are positively harmful, and are exacerbating the already unstable political situation there, as a result of which China is being subjected to the full blast of Western condemnation.

The basic reason for China's arms exports is commercial. Since the late 1970s the PLA units have been permitted to export weapons to defray the costs of their own arms imports, and export decisions were not constrained by any centralized control.⁶³ During the 1989-1993 period, China exported US\$ 5.6 billion worth of arms to the developing countries,⁶⁴ among

62. *The Straits Times*, (Singapore), August 10, 1993, p. 27.

63. Michael Brzoska and Frederic S. Pearson, "Developments in the Global Supply of Arms: Opportunity and Motivation", in Robert E. Harkavy and Stephanie G. Neuman, eds., *The Arms Trade: Problems and Prospects in the Post-Cold War World* (Thousand Oaks: Sage Periodicals Press, 1994), p.66. *The Annals of the American Academy of Political and Social Science*, Vol. 535, September 1994.

64. *SIPRI Yearbook 1994*, p. 484.

which were Pakistan, Algeria, Iran, Burma, Bangladesh, Thailand and Sri Lanka.⁶⁵ In 1986 the PRC was reported to have exported arms to Saudi Arabia with whom it did not have any diplomatic relations.⁶⁶ Apparently, this appears to be very threatening for regional security; however, on closer inspection the situation does not seem all that grim. For one thing, as mentioned earlier, Chinese arms sales are made basically on a commercial basis.

Secondly, Chinese arms export does not seek to destabilize any situation, as the two superpowers sought to do during the Cold War by supplying arms to rival countries or groups. Thirdly, such arms, while made available in bulk, are not of superior quality, which have so far failed to prove their potency on battlefield. Fourthly, in addition to the above fact, Chinese arms sales are being adversely affected by the resolution of a number of regional conflicts.⁶⁷ China also has to contend with the burgeoning competition from other indigenous arms producers in the developing world.⁶⁸

Finally, China's clients are seeking to diversify their arms suppliers, and are becoming increasingly concerned about the quality of the arms that they are buying. For instance, Burma, which for several years, was a major customer of China, is now having second thoughts about buying Chinese arms. Not only are the Burmese dissatisfied with the quality of Chinese weapons, they are also concerned about the political impact of excessive reliance on China. Bertil Lintner comments that, "The heavy dependence on China as almost the sole supplier

65. R. Bates Gill, "Curbing Beijing's Arms Sales", *Orbis*, Summer 1992, Vol. 36, No. 3, p. 380.

66. *Ibid.*, p. 383.

67. Richard A. Bitzinger, "Arms to Go: Chinese Arms Sales to the Third World", *International Security*, Vol. 17, No. 2, Fall 1992, p. 93.

68. *Ibid.*, p. 94.

has led to discontent in the armed forces which fear that the country's traditional neutrality has been compromised.⁶⁹

While China may be selling a large amount of arms, its share of total Third World arms transfer is very small. Between 1987 and 1991, the United States exported weapons worth US\$ 59 billion, of which 60% went to Third World countries. Whereas, China, even though occupying the sixth position, was far behind the two superpowers, - in 1991 its share of all weapons sold to the Third World was only 5%.⁷⁰ The justification of condemning China for its arms sales abroad is open to question when one takes into account the fact that France and Britain, not to mention the two superpowers, have been traditionally exporting arms, often indiscriminately, as a national policy, but have not been subjected to similar criticism in the West as China has been.

In 1992 China agreed to adhere to the Non-proliferation Treaty, and under American pressure, pledged to abide by the Missile Technology Control Regime (MTCR) guidelines and limits.⁷¹ Despite that, China has been subjected to chastisement by the United States over the issue of the sale of M-11 surface-to-surface missiles to Pakistan. According to the United States, that sale was a violation of the MTCR agreement, and therefore, sanctions were imposed on China, which protested that the M-11's range was less than the MTCR stipulated range of 300 kilometers. The Chinese Deputy Foreign Minister, Liu Huaqui, justifiably condemned the sanctions as "a naked hegemonic act" that "brutally violated the basic norms governing international relations".⁷² The Chinese ire about the

69. Bertil Lintner, "Myanmar's Chinese Connection", *International Defense Review*, No. 11, 1994, p. 23.

70. Barnett, *op.cit.*, p. 30.

71. Soon afterwards, China signed a new convention banning chemical weapons.

72. Quoted in Funabashi et al., *op.cit.*, p. 51.

U.S. sale of 150 F-16 fighter aircrafts to Taiwan was understandably justified, since it was in violation of the 1982 agreement between the United States and China.⁷³

It can be pointed out that despite China's adherence to the NPT and the MTCR, there is still a gap between its official policy pronouncements and actual practice in support of non-proliferation, which is viewed as rather confusing and disturbing by the Western countries, particularly the United States. There is a controversy surrounding China's role in the development of nuclear capabilities of Iran and Pakistan. However, the significant thing is that, no matter how slowly, China has moved away from its initial policy in 1968 when it was absolutely opposed to the concept of a nuclear non-proliferation regime. Since then, it has responded to international pressure and has agreed to make substantial concessions concerning the proliferation issue. Since economic development and modernization are China's priorities, it would be irrational for it to imperil its economic agenda by provoking international sanctions for not abiding by the non-proliferation norms. Among the possible reasons for acceding to the NPT in 1992 was the fact that "China accepted the rationale that nuclear proliferation would threaten its interests and that the NPT could contribute to China's security."⁷⁴

73. "...[T]he United States government states that it does not seek to carry out a long term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, whether in qualitative or quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final solution." *United States - China Joint Communiqué on U.S. Arms Sales to Taiwan, August 17, 1982.*

74. Zachary S. Davis, "China's Non-proliferation and Export Control Policies: Boom or Bust for the NPT Regime?", *Asian Survey*, Vol. XXXV, No. 6, June 1995, pp. 593.

The Chinese government has shown willingness to cooperate in the area of the comprehensive test-ban treaty (CTBT). Even in the short term, China has pledged neither to become the first to use nuclear weapons in any conflict, nor to ever attack another non-nuclear weapon state with nuclear weapons. In the words of Dingli Shen, "With this policy, China has given a maximum security guarantee to the world."⁷⁵

China is emerging as an important player in international politics, possessing the capacity to negatively or positively affecting the future of the non-proliferation regime. Therefore, it would require eliciting China's cooperation in this area, since unduly antagonizing it would prove to be counter-productive.

Territorial Disputes

Territorial disputes are a major source of debate about Asia-Pacific security. It is argued that since China has territorial disputes with a number of regional countries (Russia, India, Japan, Vietnam, the Philippines, etc.), it would feel inclined to settle them through the use of force. The dispute that has riveted attention is the case of the Spratly Islands in the South China Sea.

The Spratly Islands are a group of desolate islets and coral reefs, the ownership of which is claimed by China, Vietnam, Taiwan, the Philippines, Malaysia and Brunei. But China is regarded to be potentially the most threatening since it possesses, and has shown signs of readiness to use, military force to occupy these islands, if necessary. In fact, China did use military force in its territorial disputes with India and the former Soviet Union in the 1960s, with Vietnam over the Paracel Islands in 1974, and most recently, over the Spratlys in

75. Dingli Shen, "Toward a Nuclear-Weapon-Free World: A Chinese perspective", *The Bulletin of the Atomic Scientists*, March/April 1994, p. 54.

1988. There is thus a deep and understandable concern about China's future intentions and behaviour in the region.

It is a historical fact that China had waged wars to defend its territorial rights in the past, but analysis indicates that their causes and China's motivations were far more complex, and even baffling, than is generally acknowledged. In the case of the Sino-Indian War of 1962 and the 1969 Sino-Soviet border clashes, geopolitical factors were more persuasive in explaining Chinese behaviour than the irredentist claims. According to Chi-kin Lo,

Most major studies agree that China's decision to launch military operations along the Sino-Indian and Sino-Soviet borders respectively were motivated less by the desire to control the "territories" under dispute than by the concern to deter perceived threats to its security.⁷⁶

It cannot be denied that China has territorial ambitions in the South China Sea, that it can use military force there, and that its control of the Spratly archipelago would turn this Sea into a Chinese lake, which, in turn, may jeopardize vital interests of the regional powers since it is a major sea lane.⁷⁷

76. Chi-kin Lo, *China's Policy Towards Territorial Disputes The Case of the South China Sea Islands*, (London: Routledge, 1989), p.7. See also Neville Maxwell, *India's China War* (London: Jonathan Cape, 1970); T. W. Robinson, *The Sino-Soviet Border Dispute: Background, Development and the 1969 Clashes* (Santa Monica, CA.: Rand Corporation, 1970); Richard Wich, *Sino-Soviet Crisis Politics* (Cambridge, Mass.: Harvard University Press, 1980); Allen S. Whiting, "Forecasting Chinese Foreign Policy: IR Theory vs. the Fortune Cookie", in Thomas W. Robinson and David Shambaugh, eds., *Chinese Foreign Policy: Theory and Practice* (New York: Oxford University Press, 1994).

77. See John W. Garver, "China's Push through the South China Sea: The Interaction of Bureaucratic and National Interests", *The China Quarterly*, No. 132, December 1992, p. 1028.

However, there are a number of factors that inhibit the actual Chinese use of force to reclaim the Spratlys. Firstly, there is an internal dispute between the Chinese Foreign Ministry and the Navy: the former "is making reasonable, cooperative noises at the same [the latter] is sounding more jingoistic".⁷⁸ Secondly, its programme of modernization would be upset by any military adventure abroad, which would not only have to confront sophisticated military forces of the neighbouring countries, but would in all probability involve the United States, as well.⁷⁹ Col. John Caldwell is of the opinion that, "At this time, based on an assessment of its limited military capabilities and force balance, it would be overly simplistic to label China a threat."⁸⁰

Thirdly, it is not only China that has been flexing military muscles - Vietnam, the Philippines, Taiwan, as well Malaysia have demonstrated aggressive intent over the disputed islands. Of all these contenders, Taiwan has adopted the most assertive posture. It has dispatched 600 soldiers to control the Spratly's biggest islands. It has even threatened to launch surprise submarine attack, if necessary.

One noteworthy point here is that China may be harbouring a long-term, but peaceful, strategy that is based on the expectation that other parties to the dispute would in the long run forget about the sovereignty issue and thereby forfeit their claims. This is being referred to as the "Tibetization" of the South China Sea.⁸¹ On the other hand, it is argued that, as time passes, and if there is no military confrontation in the region, the neighbouring countries will acquire enough military capabilities to deter China. One Vietnamese view is that, to

78. Kristof, *op.cit.*, p. 70.

79. Caldwell, *op.cit.*, p. 16.

80. *Ibid.*

81. *International Defense Review*, No. 11, 1993, p. 876.

keep the Spratly Islands dispute pending for an indefinite period would actually be against Chinese interests and plans:

We need to stop China from full-fledged aggression against the Spratlys for twenty years... after that, they will have to think twice because others will be stronger. Right now...the only constraint is China's need for foreign investment.⁸²

Finally, it must be borne in mind that there are other territorial disputes in the South China Sea which, though not much less vexing than the Spratly Islands issue, have received relatively less attention.⁸³ It may be mentioned that in order to launch operations, more than 500 kilometers from China's border would necessitate the protection of ground assault airplanes, which at the moment Beijing is unable to provide.⁸⁴ To fully build the capabilities (training of troops, air support, and naval artillery), would require at least a couple of years. Therefore, while it is not impossible for China to launch military operations in the South China Sea, Robert Ray, the Australian Defense Minister argues that, "any major... contingency threat to the region will be preceded by a warning time of a few years."⁸⁵

Though there is a pervasive feeling that the Spratly Islands dispute is potentially threatening, the worst-case scenario suggests that any outbreak of war there would be limited in territorial extent and duration. The dispute is basically an artificial one, since there are no local people with irreconcilable historical enmity, like in the former Yugoslavia.⁸⁶

82. Audrey Kurth Cronin and Patrick M. Cronin, "The Realistic Engagement of China", *The Washington Quarterly*, Winter 1996, Vol. 19, No. 1, p. 157.

83. *International Defense Review*, No. 11, 1993, p.876.

84. Wortzel, *op. cit.*, p. 172.

85. *Ibid.*

86. Michael Hindley and James Bridge, "South China Sea: The Spratly and Paracel Islands Dispute", *The World Today*, June 1994, p. 112.

It is possible that there may be a large deposit of petroleum in the archipelago, but then, it may not be large enough. Even if there is oil, the cost of exploration, extraction and refining may not yield a cost-benefit advantage. In that case, it may be cheaper to import oil from the Middle East and elsewhere. Perhaps, in the long run, the issue of oil reserve in the Spratly Islands may loom large.

There are a number of factors which would, in all probability, deter China from resorting to military force to reclaim the islands. Firstly, their strategic location would make an international outrage inevitable in the event of any Chinese massive military action there, as a result of which China may become diplomatically isolated.⁸⁷ Secondly, a realistic assessment indicates that if China wants to ensure its access to the potential resources in the seabed of the South China Sea, it would have to seek a negotiated settlement. Thirdly, the regional countries are making serious efforts to reduce the likelihood of military confrontation due to misperception and misunderstanding. So far, China has been responsive to such efforts.⁸⁸ Besides, if China remains uncompromising in its claims in the South China Sea, then the other regional countries may join their forces and form an anti-Chinese coalition.

Not only conventional political analysis, but computer-generated quantitative analysis has also revealed that there is little likelihood of China becoming an aggressive power in the near future. If challenged, China's reaction would be somewhat assertive, but it would not significantly divert funds from the economic sector to strengthen the military power in the South China Sea. Samuel S. G. Wu and Bruce Bueno De Mesquita

87. Gallagher, *op. cit.*, p. 193.

88. *Ibid.*

"see no reason to believe that China will undertake a big policy shift and become more aggressive..."⁸⁹

It can be argued that there are options for a negotiated solution of the Spratly Islands dispute. The example of the way access to the North Sea oil was assured in West Europe may be referred to in order to seek a peaceful settlement of the South China Sea territorial dispute.⁹⁰ Even though China has taken a rigid stand on the question of sovereignty over the Spratly Islands, there is yet scope for a negotiated settlement. If China's past conduct in the resolution of other territorial disputes is any guide, then it could be expected to follow a "hard/soft" line. That is to say, follow a "hard" uncompromising official policy over the issue of sovereignty, while at the same time pursue a "soft" line and respond to overtures for a political solution. Thus, China's military build-up in the South China Sea may be a ploy to gain an advantageous bargaining position in any prospective negotiation in future.⁹¹ The Chinese approach to territorial disputes is indeed a complex phenomenon that could perhaps be better understood if China's unique political cultural traits are taken into account.

China has consistently upheld its commitment to peacefully settle its outstanding border disputes, and there is virtually nothing to suggest anything to the contrary. During the December 1988 visit to China of the late Indian Prime Minister Rajiv Gandhi, the late Chinese leader Deng Xiaoping expressed

89. Samuel S.G. Wu and Bruce Bueno De Mesquita, "Assessing the Dispute in the South China Sea: A Model of China's Security Decision Making", *International Studies Quarterly*, Vol. 38, No. 3, 1994, p. 399.

90. Hindley and Bridge, *op. cit.*, p. 12.

91. See Eric Hyer, "The South China Sea Disputes: Implications of China's Earlier Territorial Settlements", *Pacific Affairs*, Vol. 68, No. 1, Spring 1995, pp. 34-54.

optimism for Sino-Indian solidarity, and stated that "If China and India become developed, it can then be said that we have made contributions to mankind".⁹² This is not to say that this rapprochement signifies the end of Sino-Indian rivalry, but the unwillingness of the two countries to return to the atavistic era of open confrontation.⁹³

Even concerning the issue of unification with Taiwan, the Chinese Government has expressed sincere willingness to politically settle the matter: "...[P]eople believe, the Chinese living on both sides of the Taiwan Straits will find a satisfactory way to fulfill the great cause of reunifying their motherland."⁹⁴ Military confrontation between China and Taiwan may occur in the eventuality of the latter's declaration of independence, but the responsibility of forestalling such an unfortunate occurrence resides with Taiwan.

The United States has no commitment to come to Taiwan's assistance if the latter is attacked by China, though according to the Taiwan Relations Act of 1979, such a belligerency would be of "grave concern to the United States," that would involve discussion between the White House and Congress. The U.S. position is to deliberately appear vague so as to "keep either China or Taiwan from taking provocative actions."⁹⁵ However, it is yet to be seen how the potential conflict is resolved by both the sides, which leaves scope for optimism. Though it could be argued that China would certainly attack Taiwan in

92. *Selected Works of Deng Xiaoping*, Vol. III. Quoted in *Beijing Review*, January 17-23, 1994, p. 9.

93. John W. Garver, "China and South Asia", in Allen S. Whiting, ed., *China's Foreign Relations*, (Newborn Park, CA.: Sage Publications, 1991), p. 85.

94. Lie Habit, "Heading for the 21st Century", *Beijing Review*, September 26-October 2, 1994, p. 12.

95. "China Plans Maneuvers Off Taiwan", *The Washington Post*, February 5, 1996, p. A18.

the event of its declaration of independence, Michael Oksenberg of Stanford University and Ronald Montaperto of National Defence University, estimate that there is less than 10% probability of such an attack.⁹⁶ This is a quite reasonable assessment, in view of the fact that Taiwan currently possesses a superiority in air power over China.

China is currently making great efforts at persuading the outside world that it is not expansionist or aggressive, but that, with adequate provocation and threats it would retaliate, (which major power would not?). The analogy of "ant hill" is used to describe the basis of Chinese defence strategy. China is compared to a large, bustling ant colony, which is basically

isolated, tribal, mistrusting of outsiders, and keeps to itself. The colony sends out a few workers to get what it can from outside, but, left to its own devices, the colony stays essentially isolated... It is only when other countries venture near or kick the anthill that they are in trouble. Then, millions of "ants" of the Chinese People's Liberation Army (PLA) will come out all over them.⁹⁷

The fact that China has sought to normalize relations with most of its erstwhile adversaries including Russia, India, Vietnam, Indonesia, South Korea, Malaysia, and Japan, is indicative of China's willingness to pursue a path of friendship and cooperation. It has even established diplomatic relations with Israel. And, most importantly, China has abandoned the Maoist policy of exporting revolution, which in the 1960s and 1970s had posed a threat to regional stability. Last, but not the least, there is the possibility that China's bark may be bigger

96. *The Far Eastern Economic Review*, February 22, 1996, p. 16.

97. Larry M. Wortzel, "China Pursues Traditional Great Power Status," *Orbis*, Vol. 38, No. 2, Spring 1994, p. 158.

than its bite, and its rhetorics mere "empty cannons"! Audrey Kurth Cronin and Patrick M. Cronin insightfully conclude that,

...the major powers...need to accept the fact that the present Chinese policy does not flow from some Machiavellian template for regional hegemony. Chinese leaders, including future leaders, have not yet forged firmly and finally a new consensus on China's role in the world. Their intentions...can still be affected - for both good and ill - by the actions of the other major powers.⁹⁸

Security Arrangements

There is much concern and ambivalence about China's growing prosperity and increase in military capabilities. In some quarters China's resurgence is considered to be a threat, and ways are being thought of to effectively deal with it.

The primary source of threat-perception about China is its potentials for destabilizing the region through military adventurism; therefore, the absence of any security arrangement like those in Europe is regarded to be a disturbing fact. However, to date, there has been no successful attempt at establishing any collective security institutions for the region, nor are the regional countries keen about them. Security so far has been maintained through a rough balance of power, and the factors that so far have restrained military activism, have been internal rather than external. China, in particular, is seriously constrained by its internal problems.

Nevertheless, efforts are being made to establish some sort of regional security arrangements, so as to bring all the regional

98. Cronin and Cronin, *op.cit.*, p. 164.

countries together in a common forum. At the ASEAN Post-Ministerial Conference in Singapore in July 1993, the ASEAN Regional Forum (ARF) on political and security matters was inaugurated. This is the first step toward the establishment of a region-wide institution where the Asia-Pacific nations can get together and discuss common security-related matters. It is hoped that the ARF would, in future, lead to the establishment of a multilateral security arrangement, something akin to the Organization for Security and Cooperation in Europe (OSCE). The fact that both the United States and China are participants in the forum is considered to be a significant development, which augurs well for the future.⁹⁹

Two contending trends can be discerned in the region about security arrangements: one trend is to emphasize the informal arrangements, and the other is to build formal security institutions. At present, the first trend is the more favoured of the two. The Malaysian Prime Minister, Mahathir Mohammed is said to believe that the first thing is "the tedious business of getting to know each other." There is a strong current of opinion which is summarized in the statement of the former Indonesian defence minister, L.O. Moerdani, that "process is more important than structures."¹⁰⁰ A senior ASEAN official articulates that, "Sitting and talking and holding meetings also increases transparency and as such can be seen as confidence building."¹⁰¹

In the security realm there is a prevalence of the informal approach to cooperation, with minimal structural formality. So far, such informal security dialogue has succeeded in promoting

99. *Asia Yearbook 1994, Far Eastern Economic Review*, p. 18.

100. Pauline Kerr, "The Security Dialogue in the Asia-Pacific", *The Pacific Review*, Vol. 7, No. 4, 1994, p. 404.

101. *Ibid.*

better mutual understanding and generated sufficient confidence. In near future, it is expected that three core security issues will demand attention:

- (i) the importance of greater transparency in matters like military budgets and expenditures. In particular, greater openness and clarity about China's plans and intentions are called for;
- (ii) arms acquisition needs to be discussed multilaterally; and,
- (iii) territorial issues should be resolved through multilateral dialogue.¹⁰²

For the time being, the U.S. military presence in Asia - Pacific is welcome by all the regional countries for the sake of maintaining stability. However, this cannot be expected to continue for an indefinite period, since in due course, the major regional countries would inevitably demand a voice in the management of security affairs. Proposals have been made to construct a security structure in the region modeled after the nineteenth century Concert of Europe, where the three or four most powerful countries would assume responsibilities for maintaining security, and apply force, if necessary. There could be a trio, comprising of the U.S., Japan and China, or a quartet comprising of the United States, Russia, Japan and China.

In the trio China is included because it is too powerful to be ignored, but on the other hand, Russia is excluded, since there are questions about its major power status.¹⁰³ However, in order to be successful there has to be mutual trust and a common approach to regional security, which at present cannot

102. David Shambaugh, "Pacific Security in the Pacific Century", *Current History*, December 1994, p. 428.

103. See Charles E. Zigler, "Russia in the Asia-Pacific: A Major Power or Minor Participant?", *Asian Survey*, Vol. 34, No. 6, June 1994.

be found in the triangular relationship between the three countries concerned. The problem could be mitigated by including Russia (which may not be as weak as was assumed), so as to create a quartet, with the hope that it would be an improvement on the trio. This arrangement also suffers from shortcomings since here, too, there is a lack of understanding, and a divergence of threat perception: China and Russia could achieve friendship, but the achievement of friendship between Japan and Russia on the one hand, and amity between China and the U.S. on the other, are problematic. Besides, the middle and small countries would feel left out and disgruntled, thereby, depriving such a four-power security arrangement of legitimacy. There is also the question of burden-sharing - Japan and the United States could be expected to contribute the lion's share of resources, while China and Russia would have a "free ride".¹⁰⁴ That leads one back to square one : the creation of a multilateral security arrangement, that has already been adumbrated. Despite its obvious limitations under the present circumstances, a multilateral security frame-work could ultimately prove to be the optimum solution for the security dilemma of the Asia-Pacific region in future.

Future Prospects

So far China's economic development has positively contributed to, as well as strengthened, the foundation of the dynamism of East Asia. The region's prosperity has shifted the world's economic center of gravity from the West to the East, with major Western companies jostling among themselves to stake out a place in the sprawling market.

104. Chung-in Moon and Jung-Hoon Lee, "Unravelling the Next East Asian Regional System: Historical Memory, Finite Deterrence, and Regional Cooperation", *Pacific Focus*, vol. X, No. 2, Fall 1995, pp. 144-147.

So far so good. Though China is committed to the modernization process, there are factors that may impede its economic development, with dire consequences not only for itself but for a good portion of the world as well. For one thing, there is an asymmetry in China's economic development process where the coastal provinces like Guangdong and Fujian have become the main beneficiaries, while the interior is still mired in poverty. There is a substantial level of migration from the interior to the coast, resulting in resentment at the latter's contrasting prosperity. This has generated much tension, but that does not mean that the centrifugal tendency is accelerating and the disintegration of China *a la* former Soviet Union is imminent.¹⁰⁵ According to Yasheng Huang, "If history is any indication, China tilts towards unity rather than disintegration."¹⁰⁶ Even with their growing assertiveness, the more prosperous provinces could still be expected to accept the *de jure*, if not *de facto*, authority of Beijing, - a stratagem that Lucian W. Pye refers to as "the great art form of feigned compliance."¹⁰⁷

Environmental pollution is another aspect of the negative impact of Chinese economic growth. Its growing population is inevitably leading to a greater use of coal, as its demand for energy increases. It is estimated that over 66% of China's energy requirements are met by coal, 15% by petroleum, and less than 10% by hydro-electricity, natural gas and atomic energy. The over-reliance on coal (a major pollutant) consumption is leading to a serious environmental problem which is receiving attention from the international lending agencies.¹⁰⁸

105. See Jack A. Goldstone, "The Coming Chinese Collapse", *Foreign Policy*, Summer 1995, and Yasheng Huang, "Why China will not Collapse", *ibid*.

106. Huang, *op.cit.*, p. 58.

107. *The Far Eastern Economic Review*, May 11, 1995, p. 18.

108. Richard L. Grant, "China and Its Asian Neighbors: Looking Toward the Twenty-First Century", *Washington Quarterly*, Winter 1994, p. 67.

Prior to the demise of Deng Xiaoping, there was much uncertainty about succession in the Chinese leadership, which was expected to be chaotic and destabilizing. It was apprehended that a post-Deng leadership would appeal to Chinese nationalism and decide that asserting China's hegemony in the regional affairs may be worth the sacrifice in terms of economic well-being. So far, the transition process has proved to be smooth, leaving little scope for any successor to even consider replacing Deng's "Production in control", by Mao's "Politics in control." The Chinese people have already been exposed to the lure of material comfort, and there is a rising expectation among the younger generation to seek a better standard of living, which would indeed make it difficult to subordinate these demands to the quest of military dominance that would necessitate shifting resources from the domestic sectors. Observers are confident that, "The economic momentum China now has - and its resulting diplomatic clout - means that Jiang [Zemin] will not consider any major repeal of Deng's reforms."¹⁰⁹ In fact, he has expressed his willingness to accelerate the process of modernization, an important aspect of which is down-sizing the loss-making state-industries whose profits at present amount to less than 1% of GDP.¹¹⁰ Significantly enough, last March, the National People's Congress passed anew criminal code which did not even mention the term "counter-revolutionary. Although, people can still be imprisoned for anti-state activities, the code has a symbolic value since it "...helps China move from a state defined in Marxist terms of class dictatorship toward a civil society."¹¹¹

109. Bill Powell, "A Fast Drive to Riches", *Newsweek*, March 3, 1997, p. 22.

110. "Taking to the Streets", *Time*, August 4, 1997, pp. 32-33.

111. "Exorcising Ghosts", *Asiaweek*, June 6, 1997, p. 14.

Of course, the new leadership could resort to political repression, but that would be at a tremendous cost to economic well-being, human development, access to advanced technology and foreign investments. In other words, a repressive regime would in effect negate the modernization efforts so carefully and elaborately orchestrated by late Deng Xiaoping over the last couple of decades, something which is based on a broad consensus, and is buttressed by popular support. It would simply be counter-productive and unleash political unrest which, in turn, would lead to an assault on the territorial integrity of the country. The mere scenario of a disintegrating China conjures up a horrendous vision - hordes of refugees pouring into neighbouring countries. Deng was reported to have warned that, "If China becomes embroiled in turmoil, Hong Kong will be deluged by 500,000 Chinese, 10 million will go to Thailand and 100 million will go to Indonesia."¹¹²

China is at present standing at a cross-road where a number of factors would determine the course that it may be compelled to follow. It is obvious that it wants to have a stable international environment conducive to its economic growth, and therefore, has no interest in disrupting the existing order, unless things turn out to be different. In this regard, the United States, as the preeminent power in the world, has not only an interest but a responsibility as well, to ensure that China does not seek to become a disturbing element in regional politics. The United States' role is crucial for the peaceful transformation of China into a modern prosperous country. The first thing to be borne in mind is that, despite its anti-U.S. rhetorics, China actually wants U.S. presence in the Asia-

112. Quoted in Vincent Cable and Peter Ferdinand, "China as an Economic Giant: Threat or Opportunity?", *International Affairs*, Vol. 70, No. 2, April 1994, p. 259.

Pacific region, if only to keep Japan tied to the American security system. A militarily powerful and independent Japan would give China every incentive to become aggressive. As so persuasively argued by Henry Kissinger,

China wants America to help balance its relationships with powerful neighbors (Japan, Russia and India) at least until it is strong enough to do so on its own. America needs Chinese cooperation on these matters as well as on a peaceful evolution of the future of the future of Taiwan, on nuclear proliferation and on the transfer of weapons technology. If these geopolitical issues move to the center of Chinese -American relations, other issues such as human rights and nuclear proliferation will have a context.¹¹³

He rightly assesses that over the long term, it may be Japan rather than China that would turn to expansionism, and a Sino-U.S. collaboration could be instrumental in reigning in an economically and militarily powerful Japan.¹¹⁴

Apart from that, the United States needs to craft a more nuanced policy toward China as far as human rights and democratization—the two major irritants in Sino-American relations—are concerned. It behooves the U.S. not to put undue pressure on China to change its human rights record, since doing so would not yield immediate and satisfactory results. China, it must be remembered, has a different concept of human rights, - the right to development, which is basically translated as being able to provide two square meals a day and shelter for its citizens. External pressure and punitive measures in the form of economic sanctions and diplomatic isolation

113. Rachman, *op. cit.*, p. 135.

114. Referred to in Francis Fukuyama, "The Beginning of Foreign Policy", *The New Republic*, August 17 - 24, 1992, p. 25.

would only raise the spectre of historic Western interference and subjection, about which the Chinese are still so very sensitive, though this important facet of the Chinese mental make-up is underestimated and trivialized in the United States.¹¹⁵ There are currently three approaches in the United States toward dealing with China - engagement, confrontation and destabilization, the basic of which is to bring about changes in Chinese domestic and foreign policies. However, that still continues to remain an elusive goal. According to Congressman Richard Gephardt (D. Mo.), "The truth is that none of us know what to do to get China to change."¹¹⁶

China has come a long way since 1949, and at present there are a number of democratic features in the country, though the Communist Party continues to control the levers of power. There is as yet, no independent judiciary, and ownership of private property is not permitted. There is a part of the economy which is referred to as township and village enterprises, but they have an ambiguous status since the ownership is neither public nor private. China has transformed itself in the recent years, but the pace of democratization has been gradual. It would be imprudent under the prevailing conditions to hasten the work of time, since there is a big difference in the Western and Chinese perspectives, - it is said that where the former thinks in terms of years, the latter thinks in terms of centuries. China at present is following the development strategies of South Korea and Taiwan, where it took them decades before there could make a transition from authoritarianism to multi-party democracy. The strategy of the Chinese leaders in the arena of political reforms is to follow the policy of the above mentioned "dragons": "Keep one foot

115. Rachman, *op. cit.*, p. 133.

116. David Shambaugh, "The United States and China: A New Cold War?", *Current History*, September 1995, pp. 243- 244.

on the economic accelerator and the other foot on the political brake".¹¹⁷ According to Yoichi Funabashi,

Most Asian political leaders maintain that the most desirable mode of democratization emerges spontaneously from economic growth, which sparks political consciousness among a middle class.¹¹⁸

In gradually relaxing the grip of the Chinese Communist Party, the Chinese leadership, in contrast to the Soviet counterpart, has demonstrated remarkable pragmatism. To do otherwise would be to court disaster, and pave the way for disorder and, maybe disintegration - like in the former Soviet Union. Democratization, while a desirable goal, would take time to be fully implemented in China. As Lee Kuan Yew of Singapore has rightly pointed out, "China is a vast disparate country; there is no alternative to strong central power."¹¹⁹ Just as it took the Chinese Communist Party a protracted struggle to come to power, it would take time for it to exit from the position of authority. The Bolshevik Revolution, by comparison, was a "quick seizure of power"; correspondingly, its surrender of power was a quick process of "spasm and collapse."¹²⁰ Most probably, what would emerge in the short term, is "authoritarian-pluralism", a term coined by Robert Scalapino, as a reference to the Communist Party's exercise of power alongside a burgeoning civil society and a market economy.¹²¹ A. Doak Barnett foresees, "an incremental process

117. Conable and Lampton, *op. cit.*, p. 140.

118. Yoichi Funabashi, "The Asianization of Asia", *Foreign Affairs*, Vol. 72, No. 5, November/December 1993, p. 76.

119. Quoted in Fareed Zakaria, "Culture is Destiny: A Conversation with Lee Kuan Yew", *Foreign Affairs*, Vol. 73, No. 2, March/April 1994, p. 123.

120. Steven L. Levine, "China and America: The Resilient Relationship", *Current History*, Vol. 91, No. 566, September 1992, p. 244.

121. *Ibid.*

of political liberalization in the relatively near future, leading to some Chinese form of democracy some years hence."¹²²

U.S. interests in the region would obviously be best served not by any confrontation with China but by engaging it in a dialogue. Likewise, the key to a durable structure of peace in the Asia-Pacific region is not the strategic containment of China but constructive engagement. Fareed Zakaria rightly asserts that, "The containment of a great power... is impossible without support from regional states, and in China's case none wish to join such a project. Vietnam would be the only taker. Imagine having tried to contain the Soviet Union with only Belgium as an ally!"¹²³

It is amply clear that as an emerging power China's cooperation is vitally important for ensuring a peaceful resolution of disputes, and for maintaining international stability. Incentives need to be provided for China to perceive the benefits involved in international cooperation, and so far it has moved toward, and not away from, such cooperation, which unfortunately receives far less attention than its assertiveness, which is magnified.¹²⁴ It is now seeking membership of the World Trading Organization, which calls for greater economic transparency, but the issue of safeguarding intellectual property rights in China is posing an obstacle. This is surfacing as a bone of contention in Sino-U.S. trade relations, where the Clinton administration is tempted to impose trade sanctions on China. When wondering whether it would be worth endangering Sino-U.S. relations "over the copyright on Mickey Mouse",¹²⁵ Lawrence Summer,

122. Barnett, *op. cit.*, pp. 40,41.

123. Fareed Zakaria, "Hedging It", *Newsweek*, March 3, 1997, pp. 26,27.

124. Cronin and Cronin, *op. cit.*, p. 164.

125. James Shinn, "The China Crunch: Three Crises Loom in the Next 30 Days", *The Washington Post*, February 18, 1996, p. C4.

the Deputy Secretary of Treasury, lends a sense of proportion to U.S.' China policy which often fails to see the forest for the trees.

Conclusion

From the preceding analysis, it can be concluded with some confidence that in the foreseeable future the possibility of a prosperous China posing a threat to Asia-Pacific security is considerably limited. Under the present circumstances, China would prefer to have a peaceful international environment, so that it can pursue its goal of modernization. Thus, the basis of apprehension about an aggressive and hostile China is quite weak. The Western perception of a resurgent China is, however, somewhat different, as they see in it a potential competitor for a big power status. They are imbued by profound skepticism about China's capacity to act in a responsible manner in the international arena, which they believe can only be ensured through periodically reprimanding it for what is perceived to be "delinquency". They presuppose that there is a "China threat", without taking into account the fact that a pathological reference to China as a threat could turn out to be a self-fulfilling prophecy.¹²⁶

China, it may be reiterated, is basically a large, populous developing country trying to become modern and prosperous, and probably "appears" stronger than it really is. By their own admission, China will emerge as a "developed" country half a century hence. Therefore, assumptions of a security threat emanating from it are essentially incorrect and misleading. A

126. The Chinese Foreign Minister Qian Qichen has stated that, "The more the world sees China as a threat and takes action to block its economic progress, the more likely will that fear be realized". See, Cronin and Cronin, *op. cit.*, fn., p. 169.

poverty-stricken China, as the well-being of a large portion of the world is linked to the way China's economic development and modernization take place. It would, therefore, benefit the world at large to encourage and assist China to emerge as a developed country in the real sense of the word, rather than seek to thwart its goal.

From all perspectives - economic, military, commercial, territorial - this paper indicates that China's intentions, while not hostile, are rather complex, and at times difficult to gauge, which call for an exceptional degree of sensitivity when dealing with the Chinese government. It is evident, that its capabilities are limited, and opportunities for adventurism are circumscribed, though it cannot be absolutely asserted that conflict will never take place between China and other countries- conflict can occur due to misperception, miscalculation, accident, or the exhaustion of all diplomatic means. The important thing to remember is that conflict is possible, but not inevitable, since there are ways of managing, containing and resolving it. How China would wield its economic and military power over the long run is another question, a satisfactory answer to which cannot be provided at this point in time. It would perhaps not be inappropriate here to paraphrase the Anglo-Saxon legal principle - China can be presumed to be innocent until proven otherwise.