

# Reality Check

## ***Assessing the Chinese Military Threat***

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# Introduction

*“China is laying the foundations for an aggressive claim to preeminence in the Pacific. It ought to be very clear that this is a catastrophe for all of us, and could foreshadow a Cold War as bad as the last.”* Richard Perle, former Assistant Secretary of Defense (1981-1987)

*“Beijing has come to see the United States not as a strategic partner, but as the chief obstacle to its own strategic ambitions.... Moreover, the Chinese-American rivalry of the future...will increasingly challenge Western, and especially American, global supremacy.* Richard Bernstein and Ross Munro, “The Coming Conflict With China”

*“There is no fundamental contradiction of interests between the United States and China.”* Chas Freeman, former Assistant Secretary of Defense (1993-95)

*“There are no unmanageable U.S.-China conflicts. In both economic and security relations, conflicting interests are amenable to negotiation and mutually satisfactory outcomes.* Robert S. Ross, Harvard University, (*The National Interest*, Fall 1997)

**D**efense and economic analysts are clearly engaged in a sharply polarized debate over the future strategic posture and intentions of the People’s Republic of China. The pause engendered by the recent visit of U.S. Secretary of Defense William Cohen is almost certainly temporary. The debate is likely to resume and even intensify in the months ahead.

The first school, reflected in a drumbeat of books and articles in recent months, assumes the essential incompatibility of U.S. and Chinese national interests. Its proponents believe that China is determined to create a new security order, one in which Beijing will exert uncontested hegemonic power in Asia and be a power with true global reach as well. According to this view, the modernization program of the Chinese People’s Liberation Army (PLA) foretells Beijing’s plan to use its rapidly growing economic strength to build a world-class military force to drive the United States—which it sees as an adversary—

from the region and establish its control over every dimension of Asian political and economic affairs.

The logic of this thesis leads to the conclusion that the two nations are on a collision course and conflict is probably inevitable, since vital U.S. interests require opposition to any such rising power. Thus we arrive at a familiar template and policy prescription: China replaces the Soviet Union with a similar anti-American mission; and Washington should use every means available to constrain and even prevent the development of China’s comprehensive national strength. In a word, U.S. interests require “containment.”

The second school acknowledges a number of serious tension points, such as Taiwan, human rights, and arms proliferation in U.S.-China relations. But it also assumes that these can be resolved because American and Chinese national interests are essentially compatible. Proponents believe that although Beijing certainly could

“spoil” regional stability and challenge U.S. global interests, it will not do so. Good relations with Washington and continued regional stability are vitally important to China’s top priority: economic modernization. Common, or at least overlapping, interests establish a “strategic framework” for bilateral relations, making the many irritants manageable. Again, the policy prescription is clear: China’s emergence as a major power can be managed by developing a broad network of friendly relations and cementing this web for future benefit as China becomes integrated into the world system. In a word, the United States should “engage” China.

This is a fruitless debate mired in a Cold War “black hat, white hat” mind set. Major powers, particularly with 1.3 billion people, nuclear weapons, a U.N. Security Council veto, and one of the world’s largest economies, cannot be ignored or merely isolated. Indeed, the United States engaged the Soviet Union even as we contained it. In any case, the notion of Beijing as global adversary, like the view of it as a strategic partner, is based on assumptions for which there is conflicting empirical evidence. For every bit of evidence pointing in favor of Beijing’s “guilt,” and therefore the need to contain, (e.g., the 1996 military exercises in the Taiwan Strait, arms sales in the Middle East, and the jailing of dissidents), it is possible to adduce countervailing evidence of Chinese good intentions (e.g., the cross-strait visits by mid-level officials, Beijing’s adherence to the Non-Proliferation Treaty and the Comprehensive Test Ban Treaty, the spread of village elections, and laws allowing citizens to sue the government).

A critical factor shaping China’s behavior will be its military capabilities. This paper assesses the current strength of China’s military, its modernization plans, and suggests policy responses for the United States. If, as has been noted above, Beijing’s strategic objectives are shrouded in ambiguity, its military capabilities remain less so, even allowing for the PLA’s extreme emphasis on secrecy. An understanding of military capabilities can help analyze and assess, if not the intentions of the Chinese leadership, at least the most important material factors that will influence and constrain its international behavior.

The analysis in this paper concludes:

- The PLA is not engaged in a crash program designed to produce modern military capabilities within a short period of time. On the contrary, since the late 1970s, PLA leaders have clearly accepted that military modernization should be tied to overall economic development. The most optimistic Chinese expectation is that the program will produce incremental results over as many as five decades.
- At present, the PLA would be hard pressed to fulfill successfully its basic missions with respect to Taiwan and the South China Sea. Nor is the PLA a match for the military forces of its regional neighbors such as Japan and the Republic of Korea.
- The PLA is capable of harming the interests of the United States as well as those of its friends and allies. However, the PLA can only act as a spoiler. It cannot effect a qualitative change in the overall environment, or establish a military momentum that would enable it to gain and sustain important political advantage. Eventually, countervailing political and military pressure would come to bear and cause the Chinese to pay a heavy price for the economic development goals it prizes so highly.
- In general, Beijing considers itself to be more secure today than at any time since the end of World War II. China’s strategic concerns stem from a desire to complete national reunification and defend Chinese territory. The PLA focus is defensive and directed toward its borders and adjacent areas. It is an expression of Chinese irredentism—i.e. the desire to recover culturally or historically related lands now under foreign control—but not necessarily wider expansionism. If all of its plans materialize without difficulty, in 20 to 30 years, China will still be a regional power.
- It is grossly misleading to conceive China as the next Soviet Union, both in terms of capabilities and intentions. China’s military modernization program is still relatively modest

in scale and limited in means. It is unlikely that China's economy will continue to grow at the 9 to 10 percent annual rate of recent years. Beijing is not rushing pell-mell to become a military superpower.

- China's nuclear modernization is a key factor determining the future of nuclear weapons in the world. The United States and Russia continue a build down, which, if and when START III is implemented, will reduce each side to 2000-2500 warheads, some 85 percent less than at the height of the Cold War. China has roughly 350-400 warheads. Avoiding a buildup is in the Chinese interest. The United States and China should form a strategic consultative group to explore the possibility of post-START III cuts in exchange for a ceiling on numbers of Chinese warheads as part of a multilateral negotiation on nuclear arms and missile defense among the five permanent members of the U.N. Security Council.

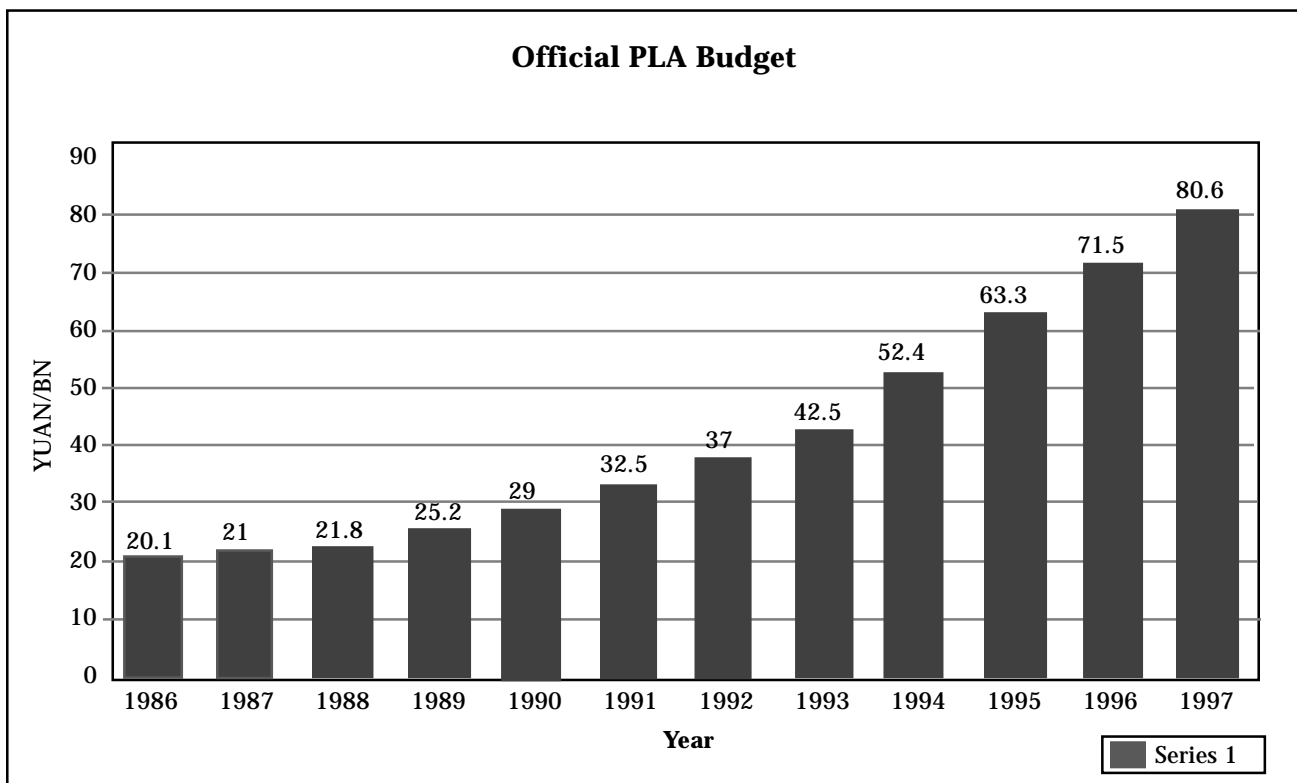
A high degree of ambiguity surrounds the question of China's future development and the direction of its internal and external policies. This ambiguity is likely to remain a factor complicating the U.S. policy calculus for at least a genera-

tion to come. But there are some certainties: China already plays a defining role in the affairs of the Asia-Pacific region. It is irredentist, with a large sense of historical grievance. In the future, Chinese power and influence will almost certainly continue to grow. As China's economic and military capabilities develop, the test will be whether China is expansionist as well. In either case, some disruption of the political, economic, and military status quo will be likely. In this sense, China already poses a challenge to East Asian security, and could also play a "spoiler" role throughout Asia.

If Beijing were willing to pay the inevitable price, the PLA today could seriously damage potential adversaries in limited campaigns. But this does not mean that China will inevitably choose to use the military instrument in pursuing its interests. Whether it chooses to do so or not depends upon many things, not the least important of which is the nature and quality of the military instruments available to the Chinese leadership.

## The Military Budget

Between 1986 and 1997, the PLA's official budget increased in nominal terms by about 150 percent



and currently stands at just over \$10 billion.<sup>1</sup> While at first glance this sharp increase might be a source of concern, the situation is not so troubling upon closer examination, since the official budget tells only a small part of the story. There is good reason to speculate that official outlays have increased so dramatically in recent years to offset shrinking non-official budget revenues. For example, in 1994 the PLA lost access to income generated by its numerous commercial enterprises when leaders—citing adverse affects on morale—announced that units would have to divest themselves of business holdings. Since then, those funds which accounted for up to one-third of the military’s budget have been made up for with inputs from official sources. In addition, newly allocated funds have also been used to improve the quality of life for forces, including a generous, across-the-board pay raise for PLA officers in 1994.

## Current Force Structure and Capabilities

### *Strategic Forces*

If one goes back to 1949, it is clear that China has made extraordinary progress in developing a credible military force. Beijing possesses the world’s third largest nuclear weapons arsenal, including more than 80 intermediate-range ballistic missiles (IRBMs) and more than 20 intercontinental ballistic missiles (ICBMs). The PLA Air Force has 120 nuclear-capable bombers, and the navy fields one nuclear submarine armed with 12 ballistic missiles. By the end of the century, China will probably deploy accurate, mobile, solid-fuel ICBMs such as the DF-31, which could reach the U.S. West Coast and Rocky Mountain states. Beijing is also expected to field ICBMs with multiple independently targeted warheads within the next 15 years or so.

ICBM	IRBM	Nuclear Capable Bombers (PLAAF)	SSBN (PLAN)
20	80	120	1@12 SLBMs

<b>Army</b>	Strength	2,300,000
	Group Armies	24
	Infantry Divisions	74
	Armored Divisions	10
	Main Battle Tanks	7,500-8,000
<b>Navy</b>	Marine Brigade	(1@) 6,000
<b>Air Force</b>	Airborne Corps	@ 3 Divisions

Strength	470,000
Bombers	470
Ground Attack Fighters	500
Fighters	4,000
Transport Aircraft	600
Armed Helicopters	400

Strength	260,000
Submarines	47
Destroyers	18
Frigates	38

### *Conventional Capabilities*

Ground force capabilities continue to reflect years of concern over the Soviet threat. They are heavily weighted toward mass rather than modern technology. Even though present priorities emphasize the PLA Navy and Air Force, PLA ground capabilities remain impressive.

At present, the ground force numbers about 2.3 million, though a reduction of 500,000 troops was announced at China’s recent 15th Party Congress. Such a reduction would be consistent with the continuing PLA drive for enhanced professionalization and key priorities such as hi-tech air and naval force projection capabilities. In any case, the ground force has 12 motorized divisions, the navy commands a 6000-strong marine brigade, and the air force has an airborne corps of three divisions. Improvements in mobility, logistical support, air defense, all-weather operations, and command and control have been targeted as future priorities.

The air force has improved its aerial combat potential with the 1992 purchase of a squadron

of Su-27 fighters from Russia as well as ten Ilyushin heavy transport aircraft. It has acquired additional Su-27 aircraft for a total of about 150, as well as the capability to produce them in China. By early next century, the PLA Air Force may field as many as 300 Su-27s. Future priorities include developing strategic airlift, aerial refueling, and ground attack capabilities.

The navy continues to develop its anti-submarine warfare, ship-borne air defense, sustained operations, and amphibious warfare capabilities in order to make the transition to a blue-water force. The navy is also interested in developing a carrier-capable aircraft, and has acquired three of the four Kilo Class submarines it has purchased from Russia. Finally, and obviously with Taiwan Strait operations clearly in mind, the navy has purchased two Sovremenny class destroyers, advanced ships deployed by the Soviets in 1980 to counter U.S. carrier battle groups.

## The Russian Connection: How Significant?

### **Chinese Arms Purchases From Russia**

Despite widespread publicity about the “Russian Fire Sale,” and a new and more intense PLA interest in purchases from abroad, actual procurements have been smaller than the popular

<b>Ground Forces</b>	
<b>Current/Confirmed</b>	<b>Potential/Unconfirmed</b>
KPB Shmel Fuel-air Explosive (10,000)	2S23 Nona-SVK Self-propelled mortar (100)
Mi-8/Mi-17 Transport/ Transport Assault Helicopter (55+)	S-300V (SA-12A/B) SAM (#?)
S-300PMU (SA-10 Grumble) SAM (100+/-)	9M330 Tor (SA-15) SAM (#?)
	300mm BM 9A52 Smerch Multiple Launch Rocket System

<b>Navy</b>	
<b>Current/Confirmed</b>	<b>Potential/Unconfirmed</b>
Type 877/636 Kilo-class Submarine (4)	Sovremenny-class Guided-missile Destroyer (2)
	3M80/3M82 Moskit (SS-N-22) Anti-ship Cruise Missile (#?)
	9M38/9M38M2 (SA-N-7) Gasfly/(SA-N-12) Grizzly SAM (3?)
	Kamov KA-27 Anti-submarine Helicopter (2)

<b>Air Force</b>	
<b>Current/Confirmed</b>	<b>Potential/Unconfirmed</b>
Sukhoi SU-27K/UBK Fighter (50: licensed to produce 200 more)	Sukhoi SU-30MK Fighter/ Attack Aircraft (50)
Phalcon/Beriev AWACS (1 + 7)	Ilyushin IL-78 Aerial Tanker (#?)
Ilyushin IL-76M Transport Aircraft (10 + 15)	R-77 (AA-12 Adder) AAM (#?)
R-27 (AA-10 Alamo) AAM (#?)	
R-73 (AA-11 Archer) AAM (#?)	

imagery would lead one to believe, and their short-term impact on actual combat capabilities has not allowed China a qualitative leap. It must be noted, however, that over the course of a decade or so, the transfer of off-the-shelf weapons systems and technology will likely have a cumulative impact advancing China’s level of military technology in some important areas to 1970s levels. With respect to the amounts involved, it is instructive to note that if the total cost of purchases from Moscow is prorated over the years it is expected to complete the transfers, the PLA will be spending between \$1-2 billion annually in Moscow. In fact, over the past two decades, Is-

rael may have contributed significantly more to China's defense industrial base than the high-profile, recent off-the-shelf purchases from Moscow. However, the transfer of technological know-how from Russian engineers and scientists is not fully known.

With respect to impact on combat capabilities, the air force provides an instructive example. China has purchased Su-27 fighters, but because the PLA Air Force is at least five to seven years away from possessing an effective Airborne Warning and Control System (AWACS), its ability to exploit the full potential of this advanced technology is extremely limited. Also, because the air force has only a small number of advanced systems, it is deprived of the synergistic effect arising from simultaneous deployment of larger numbers of a broad array of modern systems. Moreover, there are already indications that China is having difficulties with service and maintenance of the Su-27s it has acquired. Similar caveats apply with respect to the purchases of submarines and destroyers. In the short term, the total of these acquisitions does not add up to a significant increase in combat capability.

The major impact will be in the mid- to long-term. Deploying and operating the Su-27 will provide the Chinese with useful experience, even with reduced levels of combat effectiveness, and even though they represent less than current technology levels. This in turn will inevitably contribute to the slow and incremental progress that is the goal of the modernization program.

## PLA Capabilities in Relation to Potential Military Tasks

At present, the PLA would be hard pressed to fulfill successfully its basic missions with respect to Taiwan and the South China Sea. Nor is the PLA a match for the military forces of its neighbors, Japan and the Republic of Korea. China's armed forces can effectively prosecute limited land campaigns against its immediate neighbors; Beijing could mount a successful invasion of Vietnam. The PLA, however, could not move farther into peninsular Southeast Asia. More important, if Chinese forces were to become involved in a conflict on the Korean peninsula, they could, as was the case in the early 1950s, have a direct and dramatic impact on the eventual outcome.

Also, the Taiwan Strait missile tests in March 1996 clearly demonstrate that Beijing could apply military force against Taiwan and prevail on Taipei to accept a political settlement essentially on Chinese terms. Its ability to mount some sort of naval blockade would help as well. However, if Beijing were to take such actions, it would pay an extraordinarily heavy price in both U.S. and regional relations. It would also be faced with ruling a conquered, and therefore, hostile population. It is difficult to imagine that the Chinese would adopt such a course.

The PLA cannot mount a successful invasion of Taiwan and will not be able to do so until approximately 2005 at the very earliest. Quite apart from problems associated with gaining and maintaining air superiority and control of the surrounding waters, the PLA simply lacks the ships necessary to transport troops to Taiwan in sufficient quantities. There are no indications of any plan to develop such an amphibious capability, and if such a program were to materialize, it would take at least five years to produce the necessary numbers. Persistent reports—most of which emanate from Taiwan—about the PLA Navy's ability to mobilize a vast fleet of fishing vessels to transport an invasion force should be discounted. Such an effort would require a capability for organization and command and control that is beyond the PLA.

Nor can the PLA seize and hold islands in the South China Sea. Although Chinese military forces could occupy virtually any portion of the archipelago, they would have only temporary success. Even with Su27s at bases on Hainan Island, Beijing has limited air power and amphibious force projection capacities and would be unable to sustain a combat force presence in the South China Sea. Sooner or later, the PLA would have to withdraw and resupply, and any adversary could use this period to reassert its own military presence.

The PLA is no match for most of the military forces of the other regional states. For example, the Japanese Naval Self Defense Force deploys Aegis-class cruisers, and its ability to locate, track, and destroy submarines approaches that of the U.S. Navy. Also, unlike the PLA Air Force, the Japan Air Self Defense Force enjoys the benefit of many years of experience with its F-16 fighter aircraft. It also has the supporting infrastructure necessary to deploy such advanced systems successfully. The Republic of Korea Navy is bolstered

by up to six German-designed diesel-powered submarines. Like its Japanese counterpart, the South Korean Air Force enjoys a clear advantage in modern fighter aircraft. Elsewhere in the region, Indonesia and Malaysia possess F-18s and MiG-29 aircraft, providing them with clear advantages. Indeed, if the armed forces of the nations of the Association of South East Asian Nations (ASEAN) were to be organized under a unified command and brought to bear, the PLA would be hard-pressed to sustain itself.

Finally, the PLA cannot even begin to confront the military forces of the United States with anything approximating the status of a peer competitor. It will not be able to achieve such capabilities until 2025 at the very earliest. And this is a straight line projection assuming no interruption in the rise of the Chinese economy. Obviously, we are already seeing slower economic growth in China. The next phase of reforms will be more difficult than anything attempted thus far and China will eventually be affected by the same financial crises seen elsewhere in Asia. The projection also assumes that U.S. military capabilities and those of Japan, the Republic of Korea, and the ASEAN nations will remain near contemporary levels.

The PLA is capable of harming the interests of the United States as well as those of its friends and allies. But the PLA can only act as a spoiler. It cannot effect a qualitative change in the overall environment, or establish a military momentum to enable it to gain and sustain important political advantage. Eventually, countervailing political and military pressure would come to bear and cause China to pay a heavy price in relation to the economic development goals it prizes so highly.

It may be helpful to think about China's military establishment as actually consisting of several constituent elements, each of which differs significantly from the other and each of which has widely discrepant capabilities. There is an extremely small core with relatively modern capabilities by Chinese standards, surrounded by a much larger force that remains technologically backward.

In the ground forces, for example, there is the PLA of the rapid reaction forces. These comprise about 12 of the army's 90 divisions and number about 144,000. These formations receive the most

modern weapons and training and can move rapidly out of their bases to fight within China or near its borders, should this become necessary. They do not have the lift or the logistical support to operate at any distance from China's borders. The overwhelming majority of the ground forces would fight near their bases and are, therefore, essentially static. Considered from the perspective of equipment and training, the modern ground force core resembles the U.S. Army of the late 1960s or the early 1970s. As a whole, the present PLA ground forces resemble a capable 1960s force. In similar fashion, the air force and the navy remain forces of the 1960s, despite certain pockets of modernity represented by Su-27s, Kilo submarines, and, eventually, Sovremeny destroyers. China's strategic rocket force is still a 1970s-style force, though it appears to have decided to make ballistic missiles (far less expensive than air power), a pocket of excellence. China has deployed a range of short and intermediate-range missiles, such as the solid-fuel CSS-5, as well as developing a new long range ICBM, the DF-31, discussed above.

## Chinese Military Modernization in Historical Perspective

The historical development of the PLA modernization program provides additional insight. This shows that the PLA is not engaged in a crash program designed to produce modern military capabilities within a short period of time. On the contrary, since the late 1970s, PLA leaders have clearly accepted that military modernization should be tied to overall economic development. The most optimistic Chinese expectation is that the program will produce incremental results over as many as five decades. It was only after the conclusion of Operation Desert Storm in 1991—which shocked Chinese military officials, crystallizing views on the nature of future warfare—that the PLA began in earnest to modernize its equipment. That process is moving at a modest pace.

During the 1980s, PLA modernization developed very slowly, for two reasons. First, military leaders were well aware that PLA personnel lacked the education and technical skill levels necessary to absorb and use modern military technologies.

As a result, they deferred any effort to achieve a rapid increase in capabilities. Second, and more tellingly, the PLA lacked a clear vision of exactly what kind of force it wished to be. Residual commitment to Maoist notions of People's War produced resistance to those who advocated more modern approaches. As noted, it was not until 1991 that the issue was resolved for the Chinese by the overwhelming victory of the coalition forces in the Gulf War.

The 1980s is best described as a period during which the PLA implemented several reforms designed to render it better able to take advantage of modern weapons systems when these became available. In the mid-1980s the PLA:

- reduced its numbers by more than one million;
- introduced a system of ranks;
- reformed the structure of its education and training systems—the content remains under development;
- implemented a reserve system; and
- implemented a modest program of weapons and equipment modernization, comprised of quick fixes in anti-tank, artillery, communications, anti-submarine, and aircraft avionics capabilities designed to better enable the PLA to deal with what was then defined as its major task: deterring a Soviet land invasion.

As the 1980s moved into the 1990s, and as the Soviet threat declined and ultimately evaporated, PLA priorities began slowly to change. They remained vague due to budget constraints and lack of clear vision of future needs. PLA leaders opted for, or in the opinion of some were forced to accept, a strategy of so-called selective modernization, which placed priority on:

- developing anti-submarine warfare, shipborne air defense, sustained naval operations, and amphibious warfare capabilities;
- developing strategic airlift, aerial refueling, and ground attack capabilities, as well as a new generation of air superiority fighter aircraft; and

- improving ground force mobility and logistical support, air defense, all weather operations, and command and control capabilities.

Although these priorities have been supplemented in the post-Gulf War period, they remain at the core of PLA efforts to acquire and field new weapons systems.

In sum, during the period from 1982 to 1992, the military modernization program had little impact on PLA capabilities. Rather, the PLA managed to:

- produce a self-sustaining cadre of highly competent and highly professional officers deeply committed to seeing the PLA emerge as a world-class military force;
- identify a number of key mission areas and weapons systems for future development and deployment;
- produce an apparent plan for the logical development and eventual deployment of technologies and systems in these critical mission areas; and
- begin tentative efforts to deploy some of these new systems.

The point to be taken from this narrative is that if military modernization is defined as the introduction and deployment of state-of-the-art weapons systems, the PLA has been modernizing only for about five to six years. The clock began running in 1992 and all projections and assessments of future capabilities should be made with this in mind.

## The PLA in the 21st Century

What kind of force are PLA leaders attempting to build? What are their goals and objectives for the 21st century? Will China's military leaders be able to achieve them? If so, what are the implications for regional stability and U.S. relations with China?

Strategy and operational doctrine provide useful indicators of the kind of force Beijing hopes

to build for the future and relate directly to perception of the overall strategic environment. In general, Beijing considers itself to be more secure today than at any time since the end of World War II. China's strategic concerns grow out of a desire to complete national reunification and defend Chinese territory. There is, therefore, a focus on coastal and maritime issues. The PLA is not seeking to develop a global reach. On the contrary, its concerns are local and regional.

Since the waning of the Soviet threat, Chinese leaders have used political means to improve relations with Russia and the Central Asian members of the Commonwealth of Independent States. They have also improved political relations with India and Vietnam and other Southeast Asian states. Their objective was to secure these borders and thereby allow concentration on the Taiwan Strait and the South China Sea. That has been accomplished. Apart from its internal security mission, the PLA focus is now to the east and the south.

If conflict occurs within the region, what, in the PLA view, are its likely characteristics? What kind of war does the PLA think it might be called upon to fight? In 1991, the swift and decisive victory of the coalition forces against Iraq ended at a stroke lingering debate within China about the nature of future warfare. PLA strategists are firmly committed to the view that the most likely conflict will be local war. They believe that such wars will be short, extremely intense, and fought at or near China's periphery. Victory will be achieved by whichever side can concentrate high-tech arms to best advantage. Further, they believe that the first battle will be crucial and that it would be better if it could actually be joined some distance from China's political borders.

In effect, the PLA has shifted from the attrition-based strategy of a Maoist People's War to a strategy based on the principle of active defense, a principle that demands mobility, combined arms, and offensive operations. The PLA has also shifted from a threat-based strategy to a contingency-based one. Now the challenge is to perfect the strategy, develop the operational doctrine to enable its implementation, and procure the necessary weapons systems. It is worth emphasizing that even if the PLA is successful, its focus will be entirely on the areas adjacent to

China's borders.

This orientation is clear in many aspects of today's PLA activities. The army is committed to improving its rapid reaction unit capabilities to better enable them to bring military power to bear swiftly at potential flashpoints along China's long borders. Consistent with this objective, large-scale training exercises have been conducted regularly in which mechanized, airborne, and marine units moved rapidly by transport aircraft, helicopters, rail, ship, and vehicles to hypothetical trouble spots, including the Taiwan Strait and the South China Sea. All of these activities illustrate the principle of "active defense" with its corollary of keeping China's territory "free of infringement."

PLA modernization in the 21st century will continue to reflect the interplay of many forces. Although the regional focus and commitment to the local war construct will remain constant, there will be a continuing tension between the perceived need to acquire hi-tech weaponry on the one hand and financial and doctrinal deficiencies on the other. Military force planners will have to compromise.

Accordingly, emphasis on the general trends and directions already in place will continue. That is, China's military leaders will further their effort to develop and improve the existing, small hi-tech component in order to field a force capable of dealing effectively with emerging regional contingencies in the Taiwan Strait or the South China Sea. They will probably also try to reduce the size and improve the effectiveness of the medium- to low-technology portion of the force focused on internal security.

## **The Problem of Asymmetric Military Challenge**

The March 1996 firing of M-9 missiles into closure areas near Taiwan demonstrated a degree of accuracy that took many observers by surprise. The missile tests, plus observation of PLA cruise missile firings, which also demonstrated new levels of accuracy and capability, raise the issue of China's ability to achieve a major technological breakthrough or develop specific capabilities that can be leveraged to achieve superiority against regional powers or the United States. Indeed,

China's concentration on acquiring an array of missiles such as the M-9 and the new 1300 mile-range, solid fuel CSS-5 suggest a strategy seeking an economy of scale as a relatively cheap complement to its limited air capacity.

Cruise missiles aside, one of the most striking patterns in China's modernization efforts is a consistent failure to develop indigenous weapons systems. China's poor record in assimilating and exploiting technologies for maximum benefit suggests little likelihood of successfully using new technologies to achieve a major breakthrough. Take, for example, the recent acquisition of Su-27 fighter aircraft, Kilo Class diesel submarines, and Sovremenny class destroyers. Such systems have been high PLA priorities for more than two decades and China's defense industries have worked hard to produce them. However, in the end, the PLA found it necessary to purchase the systems from foreign sources in order to achieve both a quick fix and some knowledge of the basic technologies involved. Similarly, China has been trying to obtain air-refueling capability for nearly three decades. This suggests that China's defense industrial base is seriously deficient. Moreover, cruise and M-9 missiles are highly limited systems. Their use in roles normally assigned to other systems such as aircraft illustrates a real shortfall in the PLA's capability to project military force with any effectiveness. The use of cruise missiles illustrates the PLA's ability to improvise in order to mask deficiencies rather than a successful effort to skip a generation of technologies and leap into the future.

Given the historical record, it is essential to carefully analyze the PLA's capability to mount asymmetric military challenges. Although the Chinese have scored marginal success in using certain capabilities in innovative ways to compensate for deficiencies, this is far different from saying that the PLA has committed itself to developing strategies based on such capabilities. Such arguments also overlook the fact that the R&D, industrial bases, and China's financial resources are inadequate to sustain such a strategy. Chinese scientists and engineers almost certainly spend many man hours analyzing the performance specifications of various U.S. and other hi-tech systems to discover their vulnerabilities, and once discovered, they will turn them to their advantage if they can. Also, the PLA focus on

the future leads to an emphasis on hi-tech weapons systems. Prudence dictates that any potential PLA adversary be sensitive to its own vulnerabilities. But it is also necessary to proceed from a realistic set of assumptions. The PLA is also prudent and, therefore, not likely to put its security at risk by relying on developing capabilities its leaders know may not be achievable. The model for the PLA and the benchmark by which it judges its progress toward modernization is the kind of hi-tech force that achieved victory in the Gulf War, not an abstract vision based on technological revolution.

## China as a Nuclear Power

There are growing questions about the modernization goals of China's nuclear forces. Until recently, there was general agreement that China followed a strategy of minimum deterrence; that is, Beijing relied on a small, survivable force in order to deter a nuclear attack. Chinese nuclear tests over the past several years have been aimed at modernizing its force qualitatively (e.g., smaller, more accurate, and multiple warheads), not quantitatively (e.g., substantial increase in the total number of warheads). The PLA believed it would retain a sufficient capability after any first attack to enable it to inflict unacceptable damage on the attacking enemy.

However, the PLA may now be moving towards a new strategy better defined as "limited deterrence." This strategy implies the necessity of developing a slightly larger and far more diverse force than China has fielded in the past, in order to respond more effectively and flexibly to a variety of conflict scenarios. That Beijing is considering such a change is undoubtedly due to perceived changes in the defense doctrines and capabilities of potential adversaries. More specifically, Beijing judges that the growing U.S. emphasis on national missile defense and many of its theater-type variants raises the possibility that its small deterrent force may be compromised. Chinese engineers and defense strategists have begun to act in the mirror image of their American counterparts and engage in worst-case planning. This is one aspect of the mutual demonization growing among some elements in both countries. For every "hawk" in the United States declaring China an adversary, a Beijing coun-

terpart views the United States as China's chief impediment to national greatness. In the future, therefore, PLA nuclear capabilities are likely to grow more sophisticated and more complex.

## Policy Implications

Of all the uncertainties surrounding of the Asia-Pacific region's future, none is more complex or more important than the question of China's future regional role. In dealing with this issue, it is therefore important to clearly understand China's present realities and, more important still, to have a firm set of objectives for U.S.-China relations fixed firmly in mind.

China's military modernization program is still relatively modest in scale and limited in means. China's economy will unlikely continue to grow at the 9 to 10 percent annual rate of recent years. Beijing is not rushing pell-mell to become a military superpower. The PLA's focus is defensive and directed toward its borders and adjacent areas. It is an expression of Chinese irredentism, but not necessarily wider expansionism. China is not seeking global reach. If all of its plans materialize without difficulty, in 20 to 30 years, China will still be a regional power.

However, the military modernization program by itself really tells us very little about Chinese intentions. At the core, the PLA's motivation for modernization springs from a widely shared desire to see China achieve a level of comprehensive national strength to ensure it will never again be humiliated as it was in the 19th and early 20th centuries. China is following the dictum, "Rich Nation, Strong Army." In the Chinese view, a powerful military force is a tool all great nations possess. Apart from this, for China at this time, the specific purpose of the military instrument is to support national reunification. Military modernization unfolds with Taiwan and the South China Sea fixed firmly in mind. It is tied up with nationalism and patriotism. There is little that the United States or any other nation can do to influence its basic course.

However, the United States, particularly in the wake of the Cohen visit, can impact different aspects of China's military modernization. Washington can also influence the ways in

which Beijing might choose to apply military force. Especially now when the atmosphere of bilateral relations has improved as a result of the November 1997 meeting of the U.S. and Chinese presidents, the United States should use a variety of essentially political means to persuade the Chinese that their own best interests are better served by cooperation than by military challenge.

This could involve a number of extremely hard choices for the United States. For example, a decision to build a national ballistic missile defense system and/or to deploy some variant of that system within the region in the context of theater missile defense would almost certainly motivate Beijing to increase the size of its strategic missile force. Also, Beijing continues to judge that the recently redefined and expanded U.S.-Japan Security Alliance at the very least seriously complicates its military calculus vis-à-vis Taiwan, and may foretell a larger anti-China purpose.

A number of U.S. policy initiatives now in place and under discussion will directly impact how Beijing assesses Washington's strategic intentions over the longer term. The Administration may wish to consider whether any short-term benefits it might accrue from such initiatives are worth the costs in terms of long-term relations with China. Put differently, Asia-Pacific initiatives should be considered based on their impact on a wide range of U.S. regional interests. A project such as theater missile defense, which makes excellent sense from the point of view of managing the alliance with Japan, may actually have a negative impact on U.S. relations with China. Similarly, redefining the Defense Cooperation Guidelines with Japan is a highly prudent policy. However, prudence also requires Washington and Tokyo to signal to Beijing where they view China in the regional security architecture. Failure to do so is to lose an opportunity to shape China's strategy and future strategic posture.

These considerations all underscore the need for a robust, results-oriented dialogue between Washington and Beijing on a range of security issues. Such discussions should involve exchanges on what is slowly emerging as the most vexing issue in bilateral relations: the respective regional roles of the two powers in the future.

## Policy Recommendations

At present, despite the euphoria of the summit, relations continue to be influenced by a measure of mutual suspicion. Significant Chinese opinion holds that Washington seeks to constrain China's influence in order to maintain its own hegemony. At the same time, many in Washington believe that China seeks to eventually drive the United States from the region. It is, therefore, essential that the two sides attempt to reach concrete and specific understandings—not simply amorphous “dialogue”—to clarify major strategic questions fueling distrust in the U.S.-China relationship. Chief among such issues:

### ***Nuclear weapons***

China's nuclear modernization is a key factor determining the future of nuclear weapons in the world. The United States and Russia continue a build down that will reduce each side to 2000-2500 warheads, some 85 percent less than at the height of the Cold War, if and when START III is implemented. China has roughly 350 to 400 warheads. Avoiding a build-up is in the Chinese interest. The United States and China should form a strategic consultative group to explore the possibility of post-START III cuts in exchange for a ceiling on numbers of Chinese warheads. The group could be part of a multilateral negotiation on nuclear arms and missile defense (acknowledging a legitimate Chinese concern) among the five permanent members of the U.N. Security Council. This would entail Chinese transparency on its plutonium stockpiles comparable to that of the United States and Russia, including declarations of nuclear deployments and verification procedures. China's response to such an initiative is an important benchmark of its intentions.

### ***East Asian Security***

An initiative designed to reach a geopolitical understanding would reaffirm that both the United States and China are Asia-Pacific nations with vital interests in the region. An initial focal point might be to explore possible cooperation on the Korean Peninsula in the event of an end to the North Korean regime or state. Moreover, the United States should seek bottom-line Chinese

views on long-term U.S. military presence in the region, with a view toward attaining a *modus vivendi*.

### ***Technology Exports***

China's recently published export control regulations, unveiled shortly before the Clinton-Jiang summit in an effort to facilitate the implementation of a 1985 U.S.-China nuclear accord, may offer an opportunity for a cooperative rule-of-law-based initiative. The move suggests that Beijing is more willing than ever before to move in this area and establish an export control regime. The United States has a highly developed control regime as well as rich experience in dealing with such issues. An export enforcement initiative could provide technical assistance to China in managing and enforcing export controls. This should be designed so that China commits to and meets the standards to join the Nuclear Suppliers Group, the Wassenaar group, and the Missile Technology Control Regime. Approval of U.S. hi-tech exports should be pegged to verifiable progress in these areas. In the interim, counterintelligence efforts should be stepped up, and a presumption of denial should be the rule of thumb for questionable dual-use technologies.

### ***Military Cooperation***

Another major issue is the fledgling program of military-to-military relations in this strategic dialogue. Washington's policy to date has relied heavily on such interactions, but the result has been mixed, at best. Several factors account for this. First, Washington and Beijing have different expectations for military-to-military ties. For the United States, such relations are part and parcel of a normal relationship. But for China, such ties are regarded as a prize to be granted in return for positive developments in overall relations. Washington hopes to influence Chinese policy, while Beijing seeks respect, access to technology, and a source of ideas on new concepts for operational doctrine. Finally, it is worth noting that China's new generation of military leaders are essentially military commanders who have been isolated from the policy process.

This is to suggest that Washington has prob-

ably expected too much from the PLA tie and that it is time to develop a more realistic set of expectations. It is probably impossible to influence Chinese policies very much in any case, and the PLA seems to have only limited utility in this respect. In a political/strategic sense, U.S. military officers can, at the most, raise questions for their PLA counterparts and expose them to different ways of thinking. In time, such new impressions may develop and blossom, but even though it will take a great deal of time, it is undoubtedly worth the effort. It is also necessary to infuse relations between the Department of Defense (DoD) and

the PLA with a new sense of coordination and priorities based on overall U.S. goals and objectives for its China policy. DoD and the Department of State need to organize better to bring the individual services more into the flow of U.S. policy.

These are but a few examples of issues for discussion between the United States and China. The list is by no means exhaustive. These examples were chosen in order to illustrate ways in which U.S. engagement with China can be infused with priority, direction, and a sense of order that has heretofore been lacking.

# Conclusion

**C**learly, the PLA is a work in progress. China's military is in some respects an outmoded military museum, yet at the same time, possessing pockets of excellence that allow Beijing to conduct military activities that could threaten or intimidate states near its borders and damage U.S. vital interests. It will, in all likelihood, be a generation before China's military forces achieve an integrated air and naval force projection capability sufficient to wage a sustained offensive well beyond its shores.

More troubling is Beijing's historic penchant to use force for tactical or political reasons as it has done on more than half a dozen occasions since 1949. This is the great imponderable: Chinese intentions. For the United States, the policy challenge is how to deal with an ambiguous China. There is a grave danger in the loose contemporary rhetoric declaring China, *ipso facto*, an enemy. As former Assistant Secretary of Defense Joseph Nye pointed out, "If we define China as an enemy, it will become an enemy." This is already evident in some of the rhetoric on the Chinese side mirroring American hawks. A kind of "apes-on-treadmill" psychology is taking shape, where some Americans and Chinese cite each other's views as proof that the other is an implacable foe. There is an equal danger on the other side, in simply calling for more dialogue as a tonic to assuage doubts about Chinese inten-

tions. The problem is less one of misunderstanding than one of conflicting interests.

China will not be a global adversary as the Soviet Union was: an ideological and expansionist military threat to the very existence of the United States and its democratic allies. The Soviet Union was an autarchic economic system, closed to Western trade and investment. China has bet its future on becoming part of the global economy and has no serious ideology other than national pride and patriotism. Rather, China will be a great power perhaps more in 19th century terms, one whose interests will be consistent with the United States in some areas and conflict in others.

The policy challenge is how to cope with an ambiguous China. A good start would be to shed the Cold War friend/foe psychology and begin to conceptualize what an ambiguous emerging power means, what U.S. priorities are, and how to measure and judge China as to whether it is moving in a direction more accommodating to American interests. In a sense, the challenge is to define rules of the road and where to draw redlines in term of vital U.S. interests. Fortunately, the pace of Chinese military modernization provides a window of opportunity over the coming decade, before policy choices made by both Washington and Beijing move irrevocably in conflicting directions.

# Endnotes

1. Most outside observers believe that the real figure is between \$28 and \$36 billion per year, depending on the estimates of inflation and non-official revenue underlying the calculation. Chinese yearly inflation averaged around 5.1 percent during the 1980s, and accelerated sharply in the early 1990s before leveling off in 1996. Adjustments for this inflationary pattern yields, in the assessment of most observers, an increase of only 4 percent in real terms; less than 1 percent of China's gross domestic product.

## Charts and tables derived from the following sources:

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