

CHINA

THE SECURITY ENVIRONMENT

With the disintegration of the Cold War system, the Asia Pacific region has been moving towards a multipolar international political structure with the United States, China, Russia, and Japan as the major powers. Unlike the multipolar structure in Europe, however, there remain two social systems in Asia, each containing pluralistic elements. The present balance is relatively stable. The reduced deployments of Russia and the United States at the end of the Cold War have had a positive impact as have the moves toward the settlement of long-standing areas of tension such as Cambodia and the Korean peninsula.

Within this evolving structure, China has been able to improve and normalize its relations with Russia, India, and Vietnam. There is no longer any immediate military threat to China. Moreover, it is unlikely that there will be an all-out war against China for a long time to come. Chinese security specialists, however, are concerned about the many local, pluralistic, and potential threats that remain in China's security environment. These include:

- Potential "hotspots" along China's periphery. Despite the end of the Cold War, Korea, Cambodia, and Kashmir remain areas of considerable tension. If conflict among local parties breaks out again in such areas, other countries could be tempted to intervene and China's interests could be affected.
- Increased insecurity in some countries due to the end of the stable Cold War structures. This has been reflected in increased defense expenditures, especially in the ASEAN region.
- Bilateral conflicts of interests including territorial disputes and other conflicts involving vital national interests that cannot be resolved quickly. The claim of some Southeast Asian countries to China's Nansha islands represent such a problem. In these and other boundary disputes and territorial conflicts, include the Diaoyu dispute, China has sought peaceful approaches, setting aside the dispute and joint development of the areas. Although military force is only the last resort in resolving such problems, China will never relinquish its right to use force.
- Secessionist activities disrupting China's peaceful reunification. The future of Taiwan is China's most important internal problem. China's

position on Taiwan is very clear; it allows the Taiwanese people to choose their own system but Taiwan must respect the unity of China and work toward reunification. China is seeking reunification through promoting economic and cultural contacts across the Straits of Taiwan. Secessionist activities in Taiwan and foreign interference in China's internal affairs will not be tolerated. Weapons sales to Taiwan and permission for high political leaders in Taiwan to visit foreign countries encourages secessionism and is firmly opposed by China.

- The clandestine proliferation of nuclear weapons and nuclear technology. As a member of the Nuclear Non-Proliferation Treaty, China seeks to prevent the spread of Weapons of Mass Destruction. China also supports the comprehensive test ban treaty, although with some reservations.
- Economic and cultural-based frictions are affecting some important regional relationships, inhibiting cooperation and endangering bilateral relations.

Over the last century and a half China has experienced conflict with the other larger powers present in the region—the European countries, Russia, Japan, and the United States. These conflicts were defensive struggles for China, that is, they occurred in or near Chinese territory and far away from the recognized territories of the other powers. Particularly before 1950, aggressive actions by European countries, Russia and Japan were encouraged by China's military weakness. Because of this historical legacy, China recognizes the need to maintain adequate military capabilities and readiness to safeguard its security and unity.

China currently enjoys good relations with Japan and Russia. Japan is the only major power to provide China with economic assistance, while Russia does not seek to interfere in China's internal affairs. There has been a massive demobilization of forces along both side of the Sino-Russian border.

Relations with the United States are complex and difficult with elements of cooperation mixed with those of conflict. While Chinese do not believe the United States is a direct military threat to China, U.S. human rights and economic policies are often seen as efforts to undermine China's political system and slow China's economic growth. U.S. policies and actions that encourage separatism in Taiwan and delay reunification are of deep concern to China. Many Chinese analysts worry about long-term relations with the United States, but there should be no fundamental conflict of interest between the two countries.

DEFENSE POLICIES AND ISSUES

Defense Objectives. China's defense policy is aimed at providing armed forces sufficient to resist aggression. China is promoting comprehensive strength for the following purposes: (1) defend its sovereignty over its land and sea territory and its maritime rights and interests, (2) safeguard the security and reunification of the motherland, (3) possess appropriate deterrent and warfighting capacities, (4) serve the interests of national economic development, and (5) contribute to regional and global peace and stability.

"Active defense" is China's guiding military principle. According to this defensive principle, China will not attack unless it is attacked. If attacked, however, China will certainly respond. China seeks to deter or delay war by maintaining sufficient combat readiness in peacetime. In wartime, according to this principle, China will aim to win the war by using a strategic defensive posture in the earlier stages and conducting a counter-offensive in the later stages of the war.

Defense Spending. China's military modernization is still far from meeting its defense needs. Military expenditures have been very low, especially when considered against the size of the country and military. According to the State Statistical Bureau, military spending dropped steadily in the 1980s, reaching a low point in 1989, a trend quite different from other countries. In the 1990s defense spending began to increase moderately. Although absolute expenditures have been rising, when measured by 1980 purchasing power terms, China's actual military expenditures from 1988–1994 only account for 86 percent of parity and thus have actually been decreasing in terms of purchasing power. In 1995, military spending accounted for 10.2 percent of state spending and 1.1 percent of GNP. These figures were 16 percent and 4.5 percent respectively in 1985. The 1996 military budget is 70.227 billion RMB (US\$8.48 billion), again 10.2 percent of state expenditure.

China's low military spending reflects a clear-cut policy choice—that military modernization is subordinated to and supportive of national economic reconstruction. As China's economy grows, military spending will also rise. This rise, however, will be very restrained by the government's budgetary limitations as well as the army's defensive principle. Approximately two-thirds of new spending will go to improve salaries, living and working conditions, construction, and training. Pensioning off retiring soldiers as China's military manpower shrinks is another major expenditure. Only about one-third will be used for equipment (including development, testing, maintenance, transportation, and storage). It is frequently pointed out that the People's Liberation Army (PLA) has off-budget

income, but these revenues are almost entirely spent to enhance living conditions and wages.

Future Goals. China intends to build a smaller, but stronger, more technologically capable military establishment. Manpower has already been significantly cut from 6 million in 1987 to 3 million by 1995. Other important priorities are:

- To strengthen the organizational structure of the Army.
- To strengthen the Navy and Air Force, improving command and control, and providing these services with greater capability for independent operations, maneuver, and rapid response. The bulk of the weaponry of China's Navy and Air Force are generally acknowledged by both Chinese and foreign analysts to require modernization.
- To institutionalize further the training of officers and men, increasing military professionalism.
- To gradually improve technological sophistication through upgrading current equipment and importing some new equipment and defense-related technologies.

Current modernization efforts include development of a new generation of J-10 fighter aircraft, the Jiangwei class guided missile frigates, and the Song diesel attack submarine. Missile forces are also being upgraded.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

For the benefit of its own political, economic, and social development, China needs a long-term peaceful, stable and prosperous regional environment. China contributes to the achievement of this objective by pursuing economic reform, improving relations with other Asia Pacific nations, establishing good military-to-military relations, and working with other countries toward the establishment of a security mechanism for the region.

Economic Reform. China will contribute to regional security and stability by maintaining its own national unity and political stability through economic reform, increasing openness to the outside world, and improving living conditions in China. China is in the process of establishing a socialist market economy system. As part of the this process, China will gradually carry out political reform and improve the democratic and legal systems.

China's economic goal is to raise living standards to those of middle-level developed countries. This will be a very difficult task because of China's huge population. At the present time China's annual growth rate is in excess of 10

percent. But its per capita income remains rather low, about Y2500 or \$450. On other measures of economic development, the gap between China and the developed countries looks even larger. Therefore, it will take several decades for China to catch up economically.

Because of China's central position in Asia and its massive population, the economic and political future of China itself has very important implications for the entire region. Clearly a stable, prosperous, and united China will be of tremendous benefit to regional peace and order.

Diplomacy. China shares land or sea borders with 20 countries. Its active and independent foreign policy is directed towards maintaining good relations with the countries on its periphery and strengthening regional and global peace. Among its diplomatic accomplishments in recent years, China has improved and normalized relations with Russia, India, and Vietnam. Diplomatic relations were established with the Republic of Korea, placing China's Korea diplomacy equidistant between North and South. China has established good relations with the newly independent neighbors in the west formed out of the former Soviet republics. China has strictly adhered to the principle of respecting the right of these and other neighbors to choose their own political systems.

China initiated and actively promotes the Five Principles of Peaceful Coexistence as the rules for governing state-to-state relations. China will not enter into military alliances or participate in military blocs. It opposes hegemonism and power politics and has repeatedly declared that it will not seek to be a superpower. China believes that these principles are an excellent base for improving regional and global relations.

Strengthened Military Relations. Differences in historical experience and current strategic situations make it unrealistic to establish military cooperation at the regional level at the present time. However, bilateral military cooperation can improve bilateral ties and improve military security for the whole region. China has thus taken a very positive attitude toward increased bilateral contact and exchanges. It believes that such contacts can help identify common interests and concerns and provide the basis for increased transparency in border defense efforts and more general military programs on both sides.

China is establishing such confidence measures with Russia and India. Exchanges of high level visits among military leaders of respective countries and defense ministries is also favored. From 1993–1996, the military leaders of China and Russia exchanged visits in succession and signed a military cooperation agreement between the two Defense Ministries and an agreement to prevent dangerous military activities between the two governments, furthering the

relations of the two sides. China and India greatly improved their intensive relations along the border through talks and by paying mutual visits. From 1994, the Chinese and U.S. military delegations have paid mutual visits.

All these talks and visits enhanced military transparency, gradually built confidence in each other, and contributed to the creation of peaceful environment in the region. China also sought to contribute to confidence building through the registration of its arms traffic in the United Nations and the 1995 publication of its first White Paper on Arms Control and Disarmament.

Regional Dialogues. China's economy and security goals cannot be achieved without the cooperation of other countries in the region. For this reason, China has participated actively in such regional foray as the Asia Pacific Economic Cooperation (APEC) dialogue and the ASEAN Regional Forum (ARF). The efforts to establish new regional mechanisms will gain momentum with the passage of time. However, it is not yet possible to establish a security mechanism for the region similar to those in other regions, and the regional economic institutions of Asia Pacific will also take a different character from the European Union or the North America Free Trade Area.

In a scramble for predominant political influence in the region, different countries are offering their own proposals for establishment of a new security mechanism. For example, before 1993, the United States argued that Asia Pacific security should be based on its bilateral alliance relations with some countries in the region, and after 1993 it advocated a regional security dialogue to supplement those bilateral arrangements. Both positions sought to maintain its predominant position while its actual presence was being shrunk. Japan is aiming through the ASEAN-Post Ministerial Conference and the ASEAN Regional Forum to enhance its regional role and become a key actor in regional security. Although there are a variety of ASEAN positions, all seek to maintain a U.S. presence in the region as a balancer while protecting themselves against large power control. The ASEAN-PMC and the ASEAN Regional Forum are their favored mechanisms to enhance their own roles. Russia also made proposals so as to maintain and expand its influence in the region.

Eventually a multi-layered, pluralistic and loose security mechanism may develop involving a combination of bilateral coordination and multilateral dialogue. The success of such a mechanism will depend on its ability to coordinate harmoniously the interests of the four major countries and ASEAN and to avoid any exclusive and antagonistic security structures.

China believes that any successful mechanism must be based on four principles: (1) Equality for all countries, (2) Mutual respect of each country's sover-

eignty and territorial integrity and non-interference in the internal affairs of other countries, (3) Peaceful resolution of disputes, and (4) Mutual benefit and cooperation.

To deepen their mutual understanding, the Asia Pacific countries can develop multiple dialogues and consultations using different forms and channels. These can be official, semi-official, or unofficial; bilateral or multilateral; regional or subregional. All forms can be used alternatively or simultaneously. The objective—a peaceful, stable, and prosperous environment—is the important point, and if all the actors respect the basic principles of equality, non-interference, and peaceful resolution of disputes based on mutual benefit, many mechanisms can contribute toward achieving this end.