



CHINA'S MILITARY RISE: THE LACK OF TRANSPERANCY AND INTERNAL POLITICAL UNCERTAINTY



China's Military Rise: The Lack of Transparency and Internal Political Uncertainty

Nora Vanaga¹

When China awakes, the world will shake
/Napoleon Bonaparte /

Introduction

In the last decade, China has significantly intensified the modernization of its military by procuring military armaments and equipment, reforming their military education system, conducting military naval operations in the Gulf of Aden and increasing its contribution to United Nations peacekeeping missions. But, concerns within Western countries have increased about China's rise as a military power, mainly due to the rapid increase in its defense expenditure over the years (3.7 billion dollars in 2000, but 166.1 billion dollars in 2012 (SIPRI, 2013)) and as it has become the second largest military spender in the world since 2012. China has already become a global economic superpower, so the addition of military strength could develop into a very dangerous combination. In order to hinder the development of this kind of scenario and preserve the existing balance of power in the international system, the United States declared its policy of rebalancing towards the Asia Pacific region. The countries of the region, especially, those which have territorial disputes with China, also assess China's development into a military superpower as a serious threat to their national security. As a result, an arms race can be observed within the region. Japan and South Korea have significantly increased defense expenditures due to their tense relations with China. Developing countries in the region, like Vietnam, Singapore, the Philippines and others, must make a decision on which side to support or develop a more sophisticated balancing strategy. These processes have caused tensions within the region and have negatively affected China-West relations.

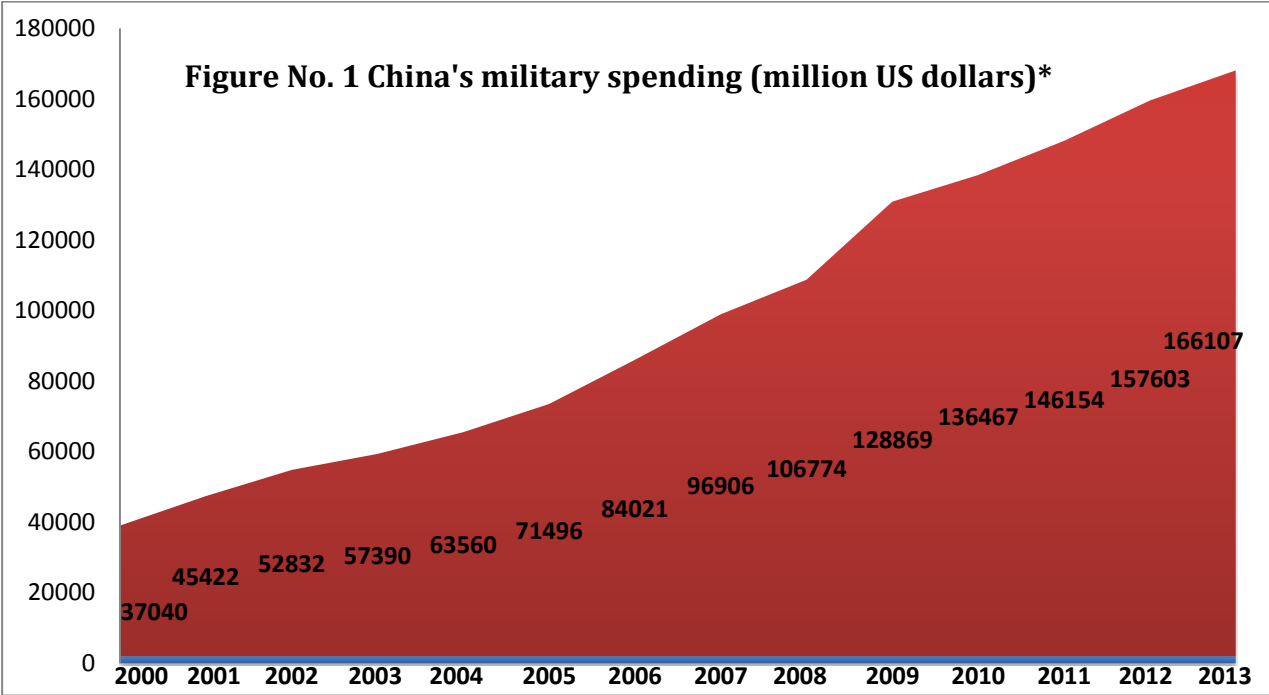
The aim of this strategic brief is to analyze the military modernization activities being conducted by China and to reveal the argumentation within the official discourse as to why the intensification of the development of military capabilities is necessary. Criticism by Western scholars about the rise of China as a military power will also be analyzed, identifying the challenges for China-West relations.

China's military modernization

Prior to 1997, the development of China's military capabilities was not on the political agenda as economic reforms were Deng Xiaoping's main focus. Only after gaining the country's confidence through rapid economic growth did China's political leadership make a decision, in the autumn of 1997, to refocus the Chinese People's Liberation Army (PLA) from commercial activities to its primary activities – deterrence,

¹ The researcher attended the 16th International Symposium Course held in China in October, 2013 and organized by the National Defense University of the People's Liberation Army.

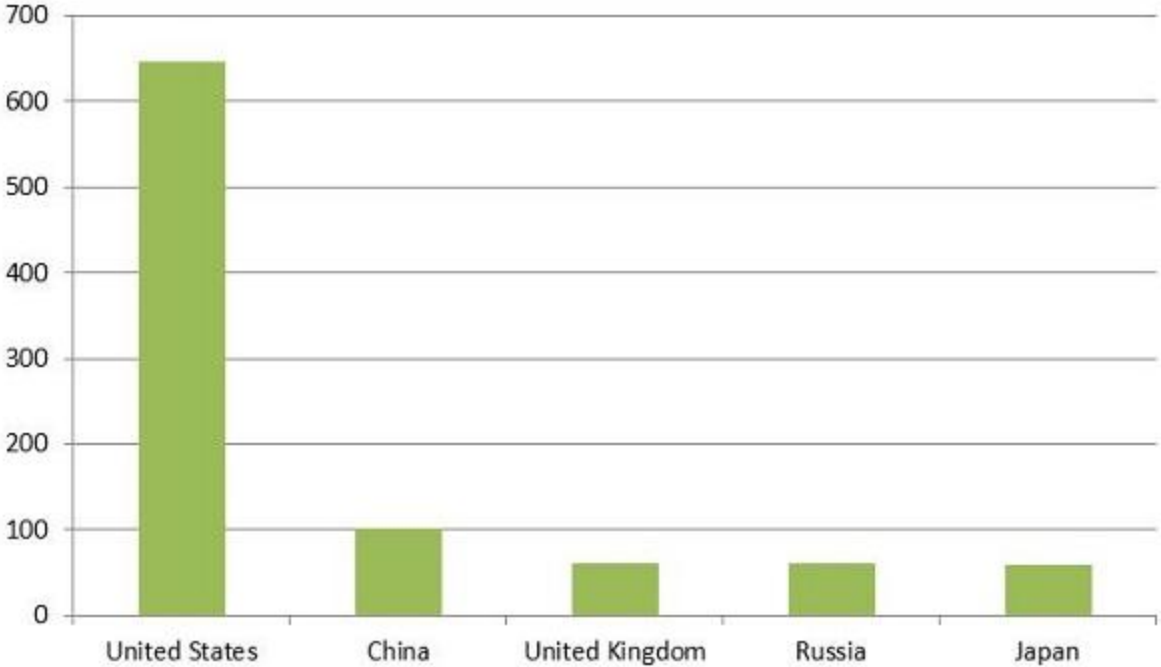
compellence and warfare. Since then, the modernization of the military has been developing in four directions (Bitzinger, 2011). The first direction, a significant increase in military spending, providing double-digit real growth nearly every year (see figure No.1) and sustaining a 2 percent allocation from GDP for defense (SIPRI, 2013).



*SIPRI (2013). SIPRI Military Expenditure Database 2012. Extracted from: <http://milexdata.sipri.org>

China has now become the world's second-largest defense spender after the US (see figure no.2). Although it lags significantly behind the US, China spends more on defense than Japan, South Korea and Taiwan combined (IISS, 2013).

Figure No. 2 Top Five Defense Budgets, 2012 (million US dollars)**



**The Center for Arms Control and Non-Proliferation (2013). 2012 Defense Expenditure. Extracted from:http://armscontrolcenter.org/issues/securityspending/articles/2012_topline_global_defense_spending/

Considerable resources are also being devoted to procurement (second highest) and defense research and development (third highest). The second direction is reforming the defense industry, bringing in new technologies and approaches in its military-industrial complex, which is the largest in Asia. China has now become one of the few countries in the world which produces a full range of military equipment. Nevertheless, there is much room for development because its technologies are still lagging behind Western countries and quality control needs to be improved. Cooperation between the military and civilian high-technology sectors has been enhanced in order to boost the development of the military industry (Bitzinger, 2011:9).

The third direction is the extensive military build-up which significantly exceeds the scope of mere modernization. The PLA has not just undergone qualitative improvements, but in many cases has gained such new capabilities as stealth, standoff precision-strike, long range airborne, undersea attack and expeditionary warfare. Additionally, it has been trying to integrate network-centric warfare elements, like improved communications systems and other high technology capabilities. Within the last decade, weapons for asymmetric warfare – kinetic energy weapons, lasers, radiofrequency and high-powered microwave weapons and anti-satellite – have been acquired. All conventional military forces are undergoing significant development. China has built six destroyers and acquired four more from Russia for its naval forces. The submarine fleet is also regarded as remarkable having 13 *Song*, four *Yuan* and 12 *Kilo* class diesel-electric submarines (Goldstein & Murray, 2004) and various nuclear-powered attack boats and one submarine. As to its air force, China has focused on the acquisition of modern fighter aircraft with advance air-to-air missiles and air-to-ground weapons and long-range surface-to-air missile systems. By 2020, it is expected that China will have 600 combat aircraft. Great emphasis is also being placed on the development of ballistic missile systems for long-range precision-strikes, including intercontinental ballistic missiles for their nuclear strategic forces as well (Bitzinger, 2011:10-13). Lastly, the fourth direction is the military modernization that foresaw an increase in the salaries of PLA personnel and an improvement in their living conditions, thereby enhancing the attractiveness of military service. Education standards for young officers have been raised and the military education system has been reformed. Training exercises have become more sophisticated and qualitatively increased the complexity, connectivity and interoperability of different forces (Dreyer, 2007:653).

China's assurance of its peaceful intentions

Chines officials consider the concerns of Western countries about the rise of China as a military power to be exaggerated, with processes taking place within China's military being nothing more than military modernization activities. There are various arguments as to why these military modernization activities can be regarded as an objective necessity. First of all, it is justifiable for China to increase its military spending, due to 'historical debt', as development of military capabilities had been neglected for 20

years. Secondly, China wants to avoid the shame of being invaded again in the future. Thirdly, China has to be able to reduce the military gap with Western countries and particular countries in the Asia Pacific region. It is also necessary, if the country is willing to play an important role in the existing international system (Yansheng, 2013). Fourthly, the security environment China faces – vast land and maritime frontiers, four nuclear neighbors, and four disputed areas in its proximity – has exacerbated tensions in the region. Diversified military tasks have also increased the multi-faceted roles of China's army (Xianozhuo, 2013).

, China should not be perceived as a threat to other countries through the increase in its military expenditure and the development of its military capabilities, because its foreign policy is based on a 'peaceful development' concept and its security strategy embraces the principles of 'active defense'. This peaceful development foreign policy has been promoted by China's political leadership since 2006, when Hu Jintao first introduced the concept to the public. Its main principles are, firstly, that China's foreign policy and national security strategy are defensive in nature. Secondly, China does not interfere in the internal affairs other countries and opposes any form of hegemonism. Thirdly, a security concept needs to rest upon mutual trust and benefit, equality and coordination. Lastly, its armed forces need to be modern, combat ready and deployable in order to increase China's international responsibility, for example, to provide its contribution to the United Nations' peace keeping operations (IOSC, 2013).

Hence, there is no risk for neighboring and Western countries of becoming involved in an arms race with China, because it is not in the latter's interests to sacrifice its economic development for a buildup in military capabilities. It has no ambition of overcoming the US's supremacy in international politics because this is simply too expensive and is not in China's national interests. All it wants is to become a developed country and a middle-sized power in the international system (Chenghu, 2013). The fact that compared to other developed countries, especially, the US and Japan, China's military expenditure is nominal, has also been emphasized. The rapid rise in military expenditure is explainable due to the increase in its gross domestic product (Yansheng, 2013).

Concerns of Western and neighboring countries

The main open criticism directed against China from Western countries is the lack of transparency in its military spending process. The defense budget figures released by China are highly aggregated, giving little indication of the funding distribution between the main categories such as personnel, operations and maintenance, research and development, and equipment procurement (IISS, 2013). A subject of considerable debate has also been the amount of extra-budgetary spending for the military sector (Bitzinger, 2011: 9). According to Western analysts, critical expenditure for research and development, arms imports, armed police and militia/reserve forces and the development of the military-industrial complex are not included in the official defense budget figures (Bitzinger, 2003: 169). In an international

study on the transparency of defense budgeting worldwide, China falls within the category of countries that are least transparent. These countries are characterized as providing little or no defense-related budget information to the public, and have poor budget-oversight laws, undefined budgeting processes and significant off-budget military expenditure (Transparency International, 2011:6, 23). Hence, although Chinese budget figures may be regarded as useful benchmarks, they should be treated with a certain degree of caution.

The fact that the rapid and vast development of China's military capability exceeds the rate of ordinary military modernization is also of great concern to neighboring and Western countries. To give an example, by reconstructing its aircraft carrier (the rebuilt Soviet ex-*Varyag*), China has all the necessary preconditions to develop a Carrier Battle Group (an aircraft carrier supported by submarines, destroyers and frigates) which would allow it to carry out far-reaching and expeditionary operations (Bitzinger, 2011:12). The development of this kind of offensive military capability contradicts China's officially stated defensive security strategy. Taking into consideration China's existing territorial disputes with its neighboring countries² and its strategic economic interests on a global scale ('energy hunger' and economic expansionism in Africa and other parts of the world³) in combination with its developing offensive military capabilities, not only neighboring countries may feel insecure but the interests of particular Western countries may also be encroached. So, within China's military modernization process, it is of the utmost importance to distinguish between the development of offensive and defensive military capability, in order to avoid a rise in tensions and worst case scenarios.

There are also significant ideological and political factors that hamper Western countries in viewing China's rapid military modernization in an uncritical manner. The ideological differences that are rooted in the political systems of the opposing sides are perceived as one of the main sources of distrust. The nature of China's foreign policy towards the West is not rooted in the growing economic power of China, but is fundamentally driven by the nature of the Chinese political system. Western countries view the Chinese political system as directly opposing the core values of the West. So, it is almost impossible to build a sustainable trust between Western countries and a communist system that denies basic freedoms to its own people (Zhou, 2011). In addition, taking into account the various internal problems that China faces – significant income inequality, uneven development in the regions, a rising real estate 'bubble', unstable external markets, rising inflation, a lack of energy resources, pollution, vast corruption, an aging society, demographic policy etc. (Jianaping, 2013) – and depending on how the political elite solves them, it is practically impossible to predict the future

² The main territorial disputes: China and Japan over the Senkaku Islands in the East China Sea, and China and Vietnam, the Philippines, Malaysia and Japan over the Nansha Islands in the South China Sea.

³ See, for example: Dorraj, M., English, J. (2013). The Dragon Nests: China's Energy Engagement of the Middle East. *China Report*. Vol. 49, No. 43, pp. 43-67.; Zweig, D., Jianhai, B.. (Sep.-Oct. 2005). China's Global Hunt for Energy. *Foreign Affairs*. Vol. 84, No. 5, pp. 25-38.; Erickson, S., Collins, G.. (2007). China's Maritime Evolution: Military and Commercial Factors. *Pacific Focus*. Vol. XXII, No. 2.

development of the country (Erickson & Collins, 2007). Hence, there is a lot of uncertainty and unpredictability about what China's actual policies will be in the future.

Lastly, from a geopolitical perspective, there is a great concern that the US will lose its position of supremacy, if China becomes a military power as well as an economic one. According to various Western scholars, from the perspective of international theory, China is being perceived more and more as a potential superpower that may begin to counterbalance the US in the near future. Japan, South Korea and other smaller countries in the region are starting to feel threatened by the regional hegemony of China, perceiving it as a coercive power. As a result, some of them even welcomed the US rebalancing strategy towards Asia. David M. Lampton argues that China is fulfilling all of the elements that characterize a coercive power: homeland defense, deterrence, power projection, and reassurance. It is attaching particular importance to reassuring its neighbors and using military, economic, and diplomatic instruments to do so (Lampton, 2008). Arvind Subramaniam also emphasizes the potential rise of China's influence, especially economic, in the upcoming two decades, as China is already able to do what the rest of the world does not want it to do (Subramaniam, 2011). Acknowledging this fact, the hegemonic position of the US is being put under question, especially if China wishes to begin reducing the military capability gap as well. This could eventually lead to the transformation of the international system from unipolar to multipolar (Wang, 2010). In order not to have this transformation process become too tense with the risk of escalating into a conflict, it is also important for the US not to be too self-centric and to try to understand China, taking a step forward and seeking a common dialogue (Lee, 2008: 537).

Conclusions

China's military rise will stay a matter of concern both for neighboring and Western countries due to the lack of transparency in the process of modernization of the military and the political uncertainty regarding the various internal challenges in China. Although China has had a long term development strategy, it has, as yet, not formulated its long term national security strategy. The blurred line between the development of its offensive and defensive military capability and its significant increase in defense spending are perceived as a threat by China's neighboring countries because they cannot be sure that China will not use force in the guise of protecting its national interest, for example in the case of territorial disputes. Western countries are cautious about China's development because its future behavior is unpredictable and uncertain due to many domestic problems and insufficient information. The US perceives China to be a serious opponent to its global supremacy. As a result, there is a great deal of mistrust that generates different kinds of false perceptions on both sides and causes tensions within the region.

The only way is to create a dialogue between both sides. But this is possible only if China becomes significantly more transparent and Western countries avoid mirroring themselves when trying to predict China's behavior. Historically, their own behavior, on

gaining such economic and military power, has resulted in devastating wars. Therefore, in the case of China, *a posteriori* they perceive it as a coercive power.

References:

Bitzinger, R.A. (2003). Just the Facts, Ma'am: The Challenge of Analyzing and Assessing Chinese Military Expenditures. Research Report. *The China Quarterly*, pp. 164-175.

Bitzinger R.A. (2011). Modernizing China's Military, 1997-2012. *China perspectives. Special feature*. No.2011/4, pp.7-15.

Dreyer J.T. (2007). China's Power and Will: The PRC's Military Strength and Grand Strategy. Foreign Policy Research Institute, pp. 651-664.

Erickson S., Collins G. (2007). China's Maritime Evolution: Military and Commercial Factors. *Pacific Focus*. Vol. XXII, No. 2, pp. 47-75.

Information Office of the State Council (IOSC). (2013, April). The Diversified Employment of China's Armed Forces. Beijing.

Gen. Chenghu Z. (2013, October18). US Rebalancing towards East Asia. Lecture at National Defense University of the People's Liberation Army, China.

Goldstein L., Murray W. (2004). Undersea Dragons: China's Maturing Submarine Force. *International Security*. Vol. 28, No. 4, pp. 161-196.

Jianping D. (2013, October 14). Achievements of China's Economic Development and the Challenges It Faces. National Development and Reform Commission. Lecture at National Defense University of the People's Liberation Army, China.

Lampton D. M. (2008). *The Three Faces of Chinese Power: Might, Money, and Minds*. Berkeley: University of California Press, 384 pp.

Lee W. (2008). Long Shot and Short Hit. China as a Military Power and Its Implications for the USA and Taiwan. *Journal of Asian and African Studies*. Vol. 43, No. 5, pp. 523-542.

Senior Colonel Yansheng G (2013, October 15). China's National Defense Policy and New National Defense White Paper. Lecture at National Defense University of the People's Liberation Army, China.

SIPRI (2013). SIPRI Military Expenditure Database 2012. Retrieved from:
<http://milexdata.sipri.org>

Subramaniam A. (2011, September/October). The Inevitable Superpower. Why China's Dominance is a Sure Thing. *Foreign Affairs*. Extracted from:
<http://www.foreignaffairs.com/articles/68205/arvind-subramanian/the-inevitable-superpower>

- The Center for Arms Control and Non-Proliferation (2013). 2012 Defense Expenditure. Retrieved from:
http://armscontrolcenter.org/issues/securityspending/articles/2012_topline_global_defense_spending/
- The International Institute for Strategic Studies. (2013, August). China's defense spending: new questions. Vol. 19, No. 2. Retrieved from:
<http://www.iiss.org/en/publications/strategic%20comments/sections/2013-a8b5/china--39-s-defence-spending--new-questions-e625>
- Transparency International UK. (2011, September). The Transparency of National Defence Budgets. An Initial Review. Defence and Security Programme.
- Wang Y. (2010). China's Response to the Unipolar World: The Strategic Logic of Peaceful Development. *Journal of Asian and African Studies*. Vol. 45, No. 5, pp. 554-567.
- Xiaozhuo Z. (2013, March 7). What China's Defense Budget Growth Means. *China-US Exchange Foundation*. Retrieved from:
<http://www.chinausfocus.com/peace-security/what-chinas-defense-budget-growth-means/>
- Zhou J. (2011, December). American Perspective versus Chinese Expectation on China's Rise. *International Journal of China Studies*. Vol. 2, No. 3, pp. 625-645.

Strategic Review № 08

May 2014

The views expressed here are solely those of the authors in their private capacity and do not in any way represent the views of the Latvian National Armed Forces, the Ministry of Defence of Latvia, or any other entity of the Latvian government.

National Defence Academy of Latvia
Center for Security and Strategic Research
Ezermalas 8, Riga, Latvia, LV-1014
Phone: +371 6707-6881 Fax: +371 6707-6888
<http://www.naa.mil.lv>