China as a Military Power: Peril or Paper Tiger?
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China as a Military Power: Peril or Paper Tiger?

Gary Brown
Foreign Affairs, Defence and Trade Group
15 August 1996

Research Paper
No. 1 1996-97
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Throughout its history the PLA has had to struggle against numerous handicaps. It was almost wholly reliant on the former Soviet Union for equipment up to the time of the Sino-Soviet split (early sixties). It was seriously disrupted and starved of resources by the years of chaos known as the Cultural Revolution (1965-69) and, when the Four Modernisations were announced in the mid-seventies, it had to accept that modernising defence was the lowest of China's state priorities. Its deficiencies were all too publicly revealed by its poor performance and heavy losses during the 1979 clash with Vietnam. The PLA also had to accept massive reductions in its numerical strength, in anticipation of qualitative improvements.

This legacy has left China's armed forces in a condition partly reminiscent of the Iraqi forces just prior to the August 1990 invasion of Kuwait. In particular, the air and maritime capabilities of the PLA - those components most heavily dependent on technological competence - are far behind those of the west, and even lag behind those of Russia. Some Chinese defence equipment sold overseas has come in for purchaser and user criticism. As matters stand today, the Chinese forces have a very limited ability to project military power across air/sea gaps. As the US has stated, the PLA could not successfully invade Taiwan. Although China could probably seize significant parcels of 200 nautical mile Exclusive Economic Zone by military action in the South China Sea, its ability to hold and render them sufficiently secure to allow commercial exploitation is highly questionable. In terms of maritime power-projection, China appears to have the potential to deny the approaches to China to other states, but not to control these approaches sufficiently well to mount major offensive operations of its own.

Future PLA development will effectively divide China's conventional (non-nuclear) armed forces into two classes - the smaller will be modernised and equipped with the best technology China can acquire and assimilate; the larger will be a second-string force with obsolescent equipment but impressive numbers. Even though reliable data on China's defence expenditure is not available, it remains clear that defence is still the last of the Four Modernisations. Chinese military research and development spending is estimated to be between only two percent to nine percent of that of the United States.

China remains a nuclear power, though it has just announced an end to its testing program. Although many of its delivery systems are by western standards primitive and unreliable, its nuclear weapons do work and China is capable of delivering them to targets within its region. Its ability to launch an effective intercontinental nuclear attack, however, is open to question. Very few intercontinental-range nuclear delivery systems have been deployed by China. In any event the nuclear issue is almost irrelevant when assessing China's capacity to undertake successful military operations against regional states. Since 1945, nuclear weapons have had little use except as weapons of last resort, to threaten an enemy when national survival is at stake. While they were sometimes used (by way of threat) to jockey for Cold War position, nuclear weapons are a blunt instrument of small value in disputes such as China has with Taiwan, or in the South China Sea. A Chinese nuclear attack on
Taiwan, quite aside from any retaliation it might attract, would most likely destroy the assets Beijing seeks to regain.

Recent military history, especially the 1991 Gulf War, shows the utterly lethal effect of truly modern (state of the art) weapons and platforms when fighting a Third World adversary. This truth has reportedly hit hard in top PLA circles. Until such time as China can achieve great leaps forward in conventional military technology - a process which takes many years, while other states are not standing still - the PLA will lack credibility as the armed force of a great power.
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Introduction

Is the Peoples' Republic of China (PRC) a potential threat to the military security of the Asia-Pacific? To what extent should regional nations, powers like Japan and the United States and middle states like Australia be concerned about the apparent directions of Chinese security policy? How militarily powerful is China likely to be in the early twenty first century? In recent times these questions have become of interest to a growing number of Governments and observers.

In March/April 1996 bellicose gestures and extensive PRC military exercise activity in the Taiwan Straits drew renewed attention to the prospect of a modernising China as a potential post Cold War East Asian military power. These factors, coupled to China's more forward posture in the South China Sea islands disputation (notably over the Spratlys), have led some to conclude that Chinese military power, if linked to an aggressive foreign policy, may pose significant security problems in the East Asian region into the new century.

Mao Zedong (Mao Tse-tung) once observed during his long quest for dominance in China that political power grows out of the barrel of a gun; a sentiment also expressed in somewhat different form by Josef Stalin who - when advised in 1935 that the Pope might welcome a particular course of action - said: 'The Pope? How many divisions has he got?'. These comments illustrate, albeit with the crudity one might expect from dictators like Stalin and Mao, a basic truth of the modern international system. Political power does indeed grow out of the barrel of a gun - provided always that the gun works, that adversaries do not have more or better guns, and that owners know how to use their weapons and, importantly, when not to.

This proposition was confirmed in the Gulf War of 1991 and reconfirmed during the disaster which overtook former Yugoslavia. In the final analysis, it is the capacity of a state to bring to bear effective military power which determines its influence. This was likewise illustrated after the Iraqi invasion of Kuwait (and, indeed, since the end of the Gulf War) where the application of severe economic sanctions failed to force Iraq to conform fully to United Nations requirements. This is not to say that economic power is irrelevant - clearly, without economic strength one's military power will be greatly restricted - but it is military power and the willingness to use it which remains the final arbiter. A most distressing example of Mao's dictum in operation in his own country was of course provided by the massacre in Tiananmen Square in June 1989.
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The purpose of this paper is to examine not the foreign policy intentions of the Beijing regime (for such can change very quickly, being subject to the vagaries of Chinese domestic as well as international politics), but the actual and potential military capabilities which, on reasonable expectations, China is likely to have at its disposal to support whatever foreign policy positions are taken.

In particular, the paper discusses:

- the historical development of China's armed forces, the Peoples' Liberation Army (PLA), since 1949;
- their present condition and likely future development;
- their strengths and limitations, with special reference to military power-projection in a maritime environment;
- some possible future directions for events if the 'Four Modernisations', of which defence is the lowest priority (the others being agriculture, industry and science), succeed or fail.

In concluding, the paper qualitatively considers China's armed forces vis-a-vis those of the regional and global powers it is likely to encounter should it adopt a militarily forward posture in coming years.

Background on the Chinese Armed Forces

The force with which Mao Zedong's Communists overthrew Chiang Kai-shek's Nationalists, driving them to the island of Taiwan in 1949, was essentially a mass army formed by the merger of numerous smaller guerrilla-type units around an operationally tough core of combat-experienced regulars from the war against Japan. This force, the Peoples' Liberation Army (PLA), sufficed to defeat the Nationalists on the mainland of China but was unable to dislodge them from Taiwan (Formosa), about 160 kilometres across the Taiwan Straits, or even from some small islands within a few kilometres of the mainland.

During the first phase of the Cold War, in the fifties, China relied heavily on the then Soviet Union for military equipment and expertise and, to the present day, the PLA still operates numerous items supplied by the Soviets, or developed from previously delivered Soviet materiel. The Army in which Chinese 'volunteers' fought in the Korean War (1950-53) was on the classical Soviet model (though even less well-equipped), relying on quantity when quality was too costly or otherwise unavailable. Its prevailing doctrine, 'Peoples' War', relied on mass involvement in the defence of the country, and certainly Chinese tactics
during the Korean War intervention reflected a reliance on mass attacks, often with inadequate support from heavy elements.

By the mid-to-late sixties a nuclear capability had been demonstrated by atmospheric testing of both fission ('atomic') and fusion ('hydrogen') bombs, and further delivery system development took place thereafter. There is a discussion of the Chinese nuclear force later in this paper. But China, with a Third World economy and internationally isolated - most countries at the time still recognised Taiwan (the Republic of China), which also held China's seats at the United Nations - was seriously disrupted by chaotic conditions arising from the activities of the Red Guards during the peak period of Mao's 'Great Proletarian Cultural Revolution' (1965-69).

The armed forces did not escape the Cultural Revolution turmoil, being forced to adopt the classical Marxist system (also used in the early days of the Soviet Union) which did away with military rank structures to the detriment of operational effectiveness. Thus, for ideological reasons and want of access to suitable military materiel and resources, China was able to do little to improve the capacity of its conventional armed forces in this period. They remained numerically enormous, technically backward and, despite some success in a brief border war with India (1962), of dubious operational value. The view expressed in the International Institute for Strategic Studies' annual publication *The Military Balance* for 1968 well sums up the Chinese forces of the period:

> Heavy equipment consists of items supplied earlier by the Soviet Union, such as artillery...and the JS-2 heavy tank.... Heavy field engineering equipment and heavy self-propelled artillery, as well as motor transport, are all in short supply, while radar and electronic communications equipment is generally less sophisticated than modern Western or Soviet types.4

At this time, the Chinese regular forces numbered over 2.7 million members, of whom 2.5 million were in the Army. But Chinese defence expenditure was estimated to amount to only $US9 per head of population, compared to $US109 per head for Australia, $US368 (United States), $US147 (USSR) and $97 (Great Britain).5 Even if this figure was an underestimate, the quantity/quality tradeoff implications of investment in this low range are so obvious as to require little elaboration. Indeed, the observation that even Soviet equipment types were more sophisticated than Chinese equivalents really sums up the primitive nature of the Chinese forces at this period.

The 'Four Modernisations' and China's Defence

The so-called 'four modernisations' were announced by Premier Zhou Enlai (Chou En-Lai) in 1975. These were (and remain):

- agriculture,
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- manufacturing industry;
- science and technology; and
- defence.

The order of the Modernisations is significant, reflecting China's priorities. China sought firstly to feed its huge population by improving the effectiveness of the agricultural sector. It sought as second priority to improve its manufacturing sector, expanding secondary industry, a sector severely damaged during the excesses of the Cultural Revolution. Ongoing improvements in the science and technology sector (another casualty of Maoist excesses) were an obvious prerequisite for genuine economic modernisation, especially for a state such as China, whose economy at the start of the reform process was very backward. The modernisation of defence was accorded the lowest priority of the four.

Under the hard-line Gang of Four, which included Mao's wife and dominated China during Mao's last years (he died in September 1976), the Four Modernisations did not progress but were not officially abandoned. In late 1976, after the Gang's fall from power, the low priority of defence was confirmed under Deng Xiaoping, who recognised that this decision meant that China would remain underdeveloped as a military power for a long time, but understood the necessity of a technology and industry base to support effective armed forces. Assigning low priority to defence also had the advantage of signalling other states that China was not engaged in any form of rapid military buildup designed to support an aggressive or expansionist foreign policy. In fact, at this period China's only means of intervening effectively beyond its borders lay in its support for communist insurgencies in Thailand, Malaysia, some other neighbouring states and in its diplomatic and aid activities, particularly in Africa.

'Punishing' Vietnam

For these reasons, and aside from an expanded nuclear capacity, China was able to do little more than tread water in modernising its armed forces during the seventies. In 1975, Deng Xiaoping, at the time a Vice-Premier, reportedly described the PLA as suffering from 'bloating, laxity, conceit, extravagance and inertia.' But by 1978, western estimates were that China was spending about $US36 per head of population on defence, representing a notional fourfold increase since 1968. Such estimates, however, were heavily qualified due to a lack of reliable information and cannot be taken as more than indicative of some increase in resources.

It soon became apparent in the only genuine test of military capabilities - real operations - that, despite any additional resources Beijing may have put into the military up to the late seventies, the PLA remained of dubious effectiveness.
In December 1978 Vietnam invaded Pol Pot's Cambodia ('Democratic Kampuchea'), driving the Khmer Rouge (KR) from power and into the jungle. But the KR had long enjoyed cordial relations with China, whereas Vietnam was closer to the Soviet Union, and Chinese-Vietnamese relations had deteriorated steadily, if unevenly, since the reunification of Vietnam in 1975. For several reasons, but particularly to prevent the Vietnamese from consolidating their hold on Cambodia unopposed, China attacked Vietnam on their common border in February 1979. The apparent purposes of this operation were to inflict significant losses on the Vietnamese, thereby weakening their future fighting potential; to recoup prestige lost when China's ally Pol Pot was so easily evicted from power by Vietnam; and, finally, to force Hanoi to redeploy forces from Cambodia to face China. The campaign thus had limited objectives and was not an attempt to annex Vietnamese territory.

By and large, the Chinese objectives were achieved, but at an appalling cost to the PLA. Not less than 80,000 Chinese troops were actually engaged against Vietnamese border forces which, at the outset, were outgunned, outnumbered and at the disadvantage of tactical surprise. Nevertheless the Vietnamese gave a good account of themselves and inflicted significant casualties - up to 20,000 in four weeks' fighting were reported - on the Chinese forces. It was generally agreed that the PLA achieved its objectives only by crude methods involving overwhelming numerical superiority and a complete disregard for losses. Arguably acceptable (though hardly desirable) for a one-off limited clash like that with Vietnam, an approach which generates twenty five percent casualties is clearly unsustainable in the long run. Deng's negative 1975 judgement on the PLA was largely confirmed by the outcome of the brief war with Vietnam and in September 1980 he said: 'In the past the army was a matter of millet [grain] plus rifles, and you could go into a battle if you knew how to fire your gun, use your bayonet and throw a grenade.' His clear implication was that this was no longer so, and that the PLA needed to come to terms with the changing nature of warfare.

The PLA in the Eighties: Faltering Modernisation

The eighties were a time of substantial readjustment, notably of numerical reductions, in the Chinese forces. A force which in 1980 numbered almost 4.5 million fell by 1994 to less than three million, and continues to contract. The bulk of the reductions took place in the first half of the decade. In 1984 a key reform was implemented when the PLA's military rank structure, abolished during the Cultural Revolution, was restored and increased emphasis placed on military professional competence.

The following table illustrates the numerical trends. It should be noted, however, that this data is based on western sources and cannot be guaranteed accurate. Official Chinese figures are even less reliable. The table is nevertheless of interest as showing reduction trends in Regular PLA numbers since the early eighties. Note that auxiliary units, construction troops and reservists (militia) are not included in these figures.
Since 1986 the pace of downsizing has been somewhat more measured, no doubt because of the difficulties inevitably involved in returning large numbers of people to civilian life. This is a particularly significant consideration now that economic liberalisation has created a substantial class of unemployed in a country whose communist rulers used to be able to say that everyone had a job.

By the mid-eighties it was apparent that China, though having understood the lessons of its costly clash with Vietnam, was having difficulty in applying them. Modernisation was faltering under the stress of inadequate resources. Even though training and doctrine were reformed, abandoning the obsolete concepts of 'Peoples' War', the PLA still lacked adequate quantities of modern equipment with which to put theory into practice for units in the field. As one commentator observed: "...all can learn the theories of modern warfare in the classroom [but] few can practice them in the field." Indeed, even field exercises in this period - especially at the higher end of the technological spectrum, as in naval manoeuvres - were of questionable credibility.

For this reason it was important that China placed significant effort into the modernisation of that portion of its industry which had the potential to support the PLA. By the mid-eighties evidence was emerging that this process was underway, albeit tentatively. At the time, external observers felt that China's defence industry was:

...ill-suited to the task of absorbing modern military technology. Unless China's defense sector changes its organisation and approach to the acquisition of technology, China may once again fail to modernize its military.
By 1987 China had made some progress in the modernisation of its armed forces. The principal achievements included:

- moves towards combined-arms operations integrated under a single commander, instead of unwieldy separate commands with only *ad hoc* overall command;
- reduction of the number of Military Regions in Chinese territory from eleven to seven, with a concomitant cleanout of aging and unreliable officers at the regional level;
- an attempt to revitalise the moribund militia component (equivalent to the Reserves in Australia);
- a retirement program for elderly officers: in 1985 there were a large number of retirements and replacements, with younger people coming in;
- substantial personnel reductions (already noted);
- improved individual and unit training programs (though, also as noted, good training is of little use without appropriate field equipment);\(^\text{17}\)
- retirement and scrapping, according to China itself, of 10,000 artillery pieces, 1,100 tanks, about 2,500 aircraft and 610 naval vessels - all of which were presumably of obsolete or obsolescent status;\(^\text{18}\)
- reduction of thirty six ‘Field Armies’ constructed on Maoist principles to twenty four integrated mobile armies - a major restructure to be carried through over a number of years.\(^\text{19}\)

It was also noticeable in this period that, notwithstanding the observations made above about the shortage of modern weaponry in the PLA, a conscious decision was made to refrain from massive acquisitions. Instead, resources were put into military research, development, testing and evaluation (RDT&E), so that while investment in major defence equipment fell by about one-tenth between 1978 and 1988, that in RDT&E rose by about a quarter, albeit off a low start point.\(^\text{20}\) Clearly China was taking the long view originally espoused by Deng Xiaoping in the seventies: that before modern weaponry could be successfully assimilated and effectively used by the PLA, the national defence technology base required substantial improvement.

One mechanism for improvement involved China’s entering the global trade on defence equipment to earn revenue to support its defence industry infrastructure. Once production runs for a number of relatively simple (though still, by Chinese standards, advanced) weapon systems were underway, China set about marketing them overseas. Perhaps the best known example of this policy involves the export of the HY-2 *Silkworm* (a missile originally developed from a Soviet shipborne antiship design - SS-N-2 *Styx* - but in the Chinese version designed for coast defence against ships), which was sold to Iran. It is
characteristic of China's policy that this weapon was essentially an upgraded and redesigned Soviet system: *Styx* first entered Soviet naval service in the late fifties. There has been considerable concern about China's willingness to supply weapons to states seen to be aggressive or dangerous, especially in the Middle East.

Actually, the PLA (like the armed forces in neighbouring Vietnam) has become an industrial concern in its own right. It owns and operates a significant number of factories and enterprises, not necessarily defence-related, which it runs purely for profits that can be ploughed back into PLA priorities. This provides it with a source of revenue but at the same time must have adverse effects on the 'teeth-to-tail' ratio - ie, the proportion of actual fighting troops versus those in ancillary, administrative or support roles. It also widens the opportunities for corrupt practices to damage the integrity of the armed forces (there was a recent successful prosecution in Australia involving a Chinese resident who 'laundered' $22 million in funds belonging to a PLA-controlled company). Nevertheless, involvement in manufacturing industry is now part of the PLA's corporate culture and is unlikely to change.

By the mid eighties Paramount Leader Deng Xiaoping (now China's ageing elder statesman) had concluded that the danger of catastrophic global war was receding, but that there was an increased chance of disturbances in China's region. In 1985 he made specific public reference to the possibility of 'limited and regional wars'. Accordingly, China embarked on a program not dissimilar in concept to those undertaken by certain western Defence Forces (including Australia's) in the late seventies and early eighties - creation of a 'Swift Reaction Force' consisting of highly mobile forces kept on relatively short warning times. This project has gone ahead, albeit apparently at the cost of delays in creating integrated field armies mentioned above, and so-called *quantou* ('fist') units have been established. Unlike many western rapid-reaction forces, however, the 'fist' units do not appear to possess significant over-water projection capability.

Indeed, some major PLA equipment initiatives which might enhance over-water power-projection capabilities have foundered, apparently on simple economic priority grounds. Perhaps the most notable of these has been the PLA Navy push to acquire an aircraft carrier. China bought the aged Royal Australian Navy carrier, ex-HMAS *Melbourne*, in 1985 for scrap, but it has been reported that in fact PLA(N) personnel subjected the hulk - which was of course stripped of all useful equipment prior to sale - to intense scrutiny before it was broken up. Australian Navy sources have been reported as saying that the Chinese were particularly interested in the ship's steam catapult - even requesting the operating manuals - and that we [the RAN] got the impression that *Melbourne* was being carefully dismantled and every step of the way recorded. In any event, PLA(N) plans for a Chinese aircraft carrier were shelved due to a desire to contain military spending. Although unstated, this decision may also have been motivated by a desire not to be seen to be adding a major new capability to China's maritime forces, with consequent adverse regional reaction.
Further retardation of China's military modernisation plans resulted from the semi-isolation, lasting several years, which followed the June 1989 Tiananmen Square massacre. By reducing Chinese access to western defence organisations, the massacre imposed significant costs and delays on efforts to acquire advanced technologies. At the same time, in the aftermath of Tiananmen Square the leadership in Beijing took the opportunity to remove or post to less important positions several senior officers whose loyalty to the hard-line repressive regime was allegedly open to question.

Nevertheless, the fact that the authoritarian leadership in Beijing was obliged to secure its political power with the PLA's guns meant that the military's bargaining power for resources was enhanced in the post-1989 environment. By the end of the eighties, then, China's armed forces were still very large - but substantially reduced from earlier levels - technically backward but arguably placed to benefit from an improved political position in Beijing.

The PLA in the Nineties

States do not undertake military force structure design in a vacuum, and even though the PLA's enhanced bargaining power post-1989 was a factor in developments after that time, of far greater weight was China's rapidly changing regional environment.

China's Post Cold War Regional Context

Deng Xiaoping's 1985 recognition that the threat of global war was receding and that attention should be paid to the possibility of more limited regional conflict was particularly prescient. As the Cold War abruptly ended in the late eighties, many regional states found themselves facing radically changed conditions. With the collapse of the Soviet Union, China lost its threatening northern neighbour as well as its principal rival for the mantle of Marxist orthodoxy. Although the Russian Federation inherited much of the ex-USSR's far eastern territories, in central Asia China found it had borders with newly-independent states such as Kirghizstan and Kazakhstan. These developments have brought mixed blessings, however, in that many of China's western territories are inhabited by peoples with linguistic, cultural and religious (mainly Muslim) affinities with the new ex-Soviet republics. And of course it was Beijing's fear that events in China might follow those in the Soviet Union which informed the repression at and since Tiananmen Square. It was no doubt particularly significant to the authors of repression that pro-democracy elements continually invoked the name of Mikhael Gorbachev. Deng Xiaoping and those he chose to fill key positions since 1989 clearly had no desire to be labelled - in the way Gorbachev has been by his domestic enemies - as leaders unable to preserve the unity and order so carefully built up since the communists came to power.
North East Asia

In North East Asia China's neighbours are the Russian Federation, the two Koreas and Japan. The division of Korea has survived the Cold War and, even after the death of Great Leader Kim Il-Sung, a neo-Stalinist regime of dubious credibility (and with a disturbing tendency to commit small-scale provocations) persists in the North. China, however, has entered on a period of good relations with South Korea while retaining its traditional contacts with Pyongyang. Japan entered on a period of uncertainty and (relative) political instability after the fall of the LDP Government in 1993, but remains very important to China as a trading partner and source of both aid and investment. Russia, though inheriting the former USSR's positions in East Asia, is now weak, economically retarded and preoccupied with internal problems. It has recently settled the bulk of its long-standing border problems with China, problems which in the late sixties led to low-level armed clashes. Nevertheless, no prudent Chinese military planner would omit Russia - a possibly reformed and reinvigorated Russia - from longer term considerations. Nor does it seem likely that such a planner would view with equanimity any Japanese move to expand the Japan Self-Defense Forces beyond their present, limited, level of capability. This planner would, however, be comforted by the fact that restrictions on military power are written into the American-drafted postwar Japanese Constitution (Article 9), which requires both popular and Parliamentary approval to amend.

China, however, is in somewhat of a bind on this issue. It has recently criticised the development and continuation of the US - Japan Security Treaty, reflecting a perception that this relationship may be directed against China. Yet, were Japan to terminate its American alliance, it would surely opt to take additional measures for its own defence in the absence of US support. The resultant expansion of the Japanese armed forces would hardly be applauded in Beijing.

South East Asia and the South China Sea

In South East Asia, which was troubled for many years by communist insurgencies (sometimes supported by China), the mid to late eighties was a time when - exclusive of the Philippines - the insurgent threat to national security went into rapid and terminal decline. China for its part gradually withdrew support from these movements, culminating in its termination of military supplies even to the Khmer Rouge remnants in Cambodia. In these changed conditions, and with economic growth and development increasing their resources, the South East Asian states began to modernise their armed forces, moving away from counter-insurgency structures towards more conventionally organised and better-equipped forces. This process has run somewhat in parallel with that (already described) whereby China abandoned the obsolete doctrine of 'Peoples' War' in favour of a less numerous but better organised and equipped PLA.
However, one factor driving South East Asian military developments is an underlying apprehension of China's long-term intentions, an apprehension partly driven by China's size, but not assuaged by the extensive claims it has been making in the South China Sea or by its recent military demonstrations around Taiwan. While many other factors are contributing to the expansion of military capabilities in South East Asia - including a genuine need to modernise forces originally designed for counter-insurgency operations and now obsolescent, and purely intra-regional jealousies and rivalries - fear of China is undoubtedly present.

The history of disputation in the South China Sea over various small islands - notably the Spratly group - is both lengthy and complex. In essence, several states - Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam - dispute sovereignty over some or all of these islands, principally because of the extensive two hundred nautical mile Exclusive Economic Zones (EEZ) legal possession implies. As there is believed to be oil in the region (though this is not yet proven), there is a clear economic motivation, or at least explanation, for a state to maximise the size of its EEZ by gaining control of islands. Under the Law of the Sea Convention, all habitable ocean islands have such zones.

In recent years China has stepped up its activities in this region - including the placement of structures and territorial markers on disputed islands and reefs - and has also substantially increased the extent of the territory it claims to be indisputably Chinese. There have been some small-scale armed clashes, so far all carefully contained. The ASEAN states, with Indonesia prominent, have sought to organise multilateral talks on the problem, but China has consistently taken the view that bilateral negotiations are the best way to deal with the issues. This view no doubt arises from the belief that China would achieve more favourable outcomes if it could 'pick off' the regional states one by one in bilateral talks, whereas ASEAN states consider that a multilateral approach allows the formation of a common negotiating position vis-a-vis China.

Some writers have gone so far as to characterise Chinese policy in this region as one of 'creeping annexation', and others have developed scenarios where China seizes control by relatively large-scale use of armed force, even defeating US forces in the process. Whatever the objective validity of such interpretations, they do testify to a perception that China might one day resort to arms to enforce its extensive claims in the South China Sea.

This perception may be part of Chinese strategy, given that by undermining opposing resolve China might achieve its objectives without conflict. Yet at the same time China frequently reiterates that it expects the South China Sea problems to be resolved in conformity to international law. For example, in May 1996 Chinese officials (including General Xiong Guangkai, deputy armed forces chief) visiting the Philippines reportedly produced a briefing paper which, while maintaining China's claims, said: 'China advocates peaceful settlement of the Nansha [Spratly] dispute and opposes the actions [sic] to resort to force or threat of use of force.'
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This 'tough cop, smooth cop' posture has thus far served China's purposes in that no united front has yet been formed against it and regional actors remain uncertain as to the extent to which Beijing might authorise the use of substantial force. The acid test of the 'tough cop', however, will be the credibility with which China's forces could actually enforce its claims should the leadership determine on a military course. This test likewise applies to another area claimed by China, its 'dissident province' under de facto independent control since 1949, Taiwan.

Taiwan

Taiwan is of course a central issue for China. The credibility of the PLA vis-a-vis the forces of Taiwan and its likely allies is important because China views Taiwan as a province in continuous rebellion since 1949, not an independent state, and the desire to reclaim this unredeemed territory for China is very strong. Beijing's view naturally implies that Taiwan is exempt from repeated assurances that China will not initiate the use of force against any sovereign state because (seen from Beijing) Taiwan is not one. (Technically, Taiwan would share this view, being the 'Republic of China' with a nominal claim to sovereignty over the whole Chinese territory.) At the same time, China, which of all nations has perhaps the strongest sense of history, knows that Taiwan has been separated from mainland control for long periods before, but has eventually been regained. After the fall of the Ming Dynasty in 1644, the succeeding Ch'ing (Manchus) established control over the mainland but were unable to drive Ming remnants from Taiwan for some forty years. This parallel will be obvious to any Chinese who knows the country's history.

Taiwan of course would be a prize in its own right for China. Though its population of only twenty one million is little more than Australia's eighteen million, Taiwan has established itself as one of the Asian 'tigers', with a successful modern economy and infrastructure. In 1995 Taiwan ranked ninth among Australia's trading partners, the total value of trade between the two amounting to almost six billion dollars.31 Taiwan's re-acquisition by China, especially if peaceful and internationally accepted, would be a gain which would leave the recovery of Hong Kong far behind. It is Taiwan's economic importance which drives states like Australia and the US, which recognise Beijing and must therefore accept the line that Taiwan is a Chinese province, to resort to various diplomatic subterfuges to keep open economic lines of communication to Taiwan. Devices such as 'information offices' and the reflagging of national airlines when they fly to Taiwan (eg, QANTAS does not fly to Taiwan as QANTAS but as 'Asia Air'), are used to adhere to the letter of recognising Beijing while maintaining de facto relations with Taiwan. The US Congress has passed the Taiwan Relations Act, which places American-Taiwanese relations on a semi-official footing without actually compromising the doctrine that China is one, indivisible, country.32

Chinese concerns were heightened last year when Taiwan's President Lee Teng-hui was granted a visa to visit the United States. Though officially visiting as a private person, not a
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Head of State, Lee and elements on the right of US politics used the visit to promote ideas inconsistent with the view that Taiwan is a temporarily separated province of China. Beijing indeed charges that Lee is a covert advocate of full and complete independence for Taiwan. Premier Li Peng has warned that China will not renounce the use of force should Taiwan seek formal independence, saying that 'this is not directed at our Taiwanese compatriots but at foreign forces who attempt to interfere in China's reunification and those who attempt to seek the independence of Taiwan.' This concern is driven not just by the importance of Taiwan per se, but also by fear of the precedent Taiwanese independence might create for other areas under Chinese rule - eg, Tibet. Most likely a further consideration affecting Chinese policy is Taiwan's recent transition to liberal democratic institutions, institutions - as has already been seen at Tiananmen Square and with respect to the forthcoming return of Hong Kong - greatly feared by the present hard-line Beijing leadership.

Were there no external factors to consider, it is most likely that China would already have attempted the reconquest of Taiwan. However, in the real world, such an exercise would require substantial military capabilities and, of course, run the risk of intervention from the United States and its supporters. The military conditions surrounding any attempt to retake Taiwan by force are discussed further below.

Beijing’s understandable alarm at suggestions that Taiwan might declare itself a fully independent state led it to display significant, but ultimately symbolic, force in an apparent attempt to frighten (or at least influence) the Taiwanese electorate into voting against allegedly pro-independence President Lee Teng-hui. But the high-profile PLA military activity near Taiwan was an abject failure, with President Lee re-elected in a fully democratic poll in March 1996 with a greater proportion of the vote (54 per cent) than most observers expected. Clearly China's military posturing and bluster, seen for what it was, failed to intimidate the Taiwanese electorate, and may even have had the opposite effect, stiffening Taiwanese resolve. Certainly it did little to improve China's regional image.

The PLA: current condition and future development

In a communist regime the position of the Armed Forces is always important. Communist political theory - both in the former USSR and in contemporary China - asserts the absolute primacy of the Party over the Army, a principle reaffirmed in a new draft military law presented to the National Peoples' Congress (Parliament) in May 1996. This is the communist equivalent of the liberal democratic principle of civilian control of the Defence Forces, as is practised in Australia. In reality, however, the PLA has long been conscious of its position as the ultimate support or prop of communist state power and, if it were not, it was bluntly reminded of the fact in 1989 when called on to crush the pro-democracy movement at Tiananmen Square. It is noteworthy that the Soviet plotters who attempted a coup against Gorbachev in 1991 made the mistake of relying on military units whose loyalty...
to the old regime was already doubtful. In China, the hard-liners who organised this action were more careful in selecting their troops and commanders and, after consolidating their power, removed officers considered unreliable. Nevertheless the hard-liners would do well to note that those who maintain power by the sword can lose it the same way.

It will be apparent from the background already given that the priority of defence as the last of the Four Modernisations was no mere publicity ploy. Notwithstanding the significant downsizing of the PLA which took place in the eighties and the purging of aged advocates of Maoist Peoples' War from the hierarchy, the Chinese forces today remain strongly personnel-intensive and, in general, technology-deficient. They are indeed in certain ways not dissimilar - except in gross size - to the forces with which Iraq launched its fatal bid to seize Kuwait and take on the military might of the west in 1990 and 1991.

In point of fact, if western commentators are correct, this Iraqi analogy also appears relevant to the leadership in Beijing. One writer stated that the 1991 war against Iraq:

...had a jarring effect on the PLA. The military nature of Desert Storm and the swiftness of the allied victory stunned the Chinese high command.... Every element of the allied strategy and capabilities left the PLA aghast and hammered home as never before the backwardness of the PLA... [It] was forced to confront the elements of modern warfare.... This was the PLA's first exposure to a high-tech war, and they were stunned.36

Clearly the PLA will never be short of personnel and, since the reforms of the eighties, personnel can receive at least classroom training in modern warfare concepts. The problem remains the provision of modern equipment to the field forces; firstly, in quantities sufficient for them to become proficient in its use and, later, in quantities sufficient to equip major formations. In this area China is essentially a dependant of the west, which remains the source of almost all advanced weapons, platforms and electronic systems of the types used in the Gulf War. Although China is putting resources into military research and development, its estimated $US1bn - $US4bn per annum pales in comparison with that of the United States - some $US42 billion.37

Ground Forces

China's solution to the problem of military technology deficiencies is perhaps its only feasible option. Like Iraq, it has created (or is creating) a two-tiered force. The bulk of the PLA ground field force, though substantially downsized, remains overstaffed and underequipped, but selected units - notably the quantou ('fist') units - are receiving priority. Thus the PLA is tending to become two armies - an old style mass force arguably useful for defence of the ground on which it stands but for little else, plus a much smaller, better equipped and more mobile component, analogous to Saddam Hussein's Republican Guard. This new component will comprise the mobile striking force with which the PLA would strike across China's land borders (if ever ordered) or with which it would look to deliver a
counterstroke against any invader. It would also be the readily deployable striking force if ever China embarks on significant power-projection operations such as the invasion of Taiwan. It has been slowly expanding since 1988, with perhaps three divisions being raised to quantou status and other major formations at least notionally to have a small (battalion or regiment) quantou component attached.\textsuperscript{38}

However the quality comparison between the residual mass army and the newer modernised components is strictly relative. An analysis even of the modernised sector of the PLA suggests that China has a long way to go before it can field a significant quantity of quality ground forces.

Notwithstanding its claimed scrapping of substantial stocks of obsolete equipment, China is believed to possess between 7500 and 8000 main battle tanks. However, of these at least 6700 can still only be described as obsolete types (modified Soviet Second World War T-34s and repeatedly upgraded Type 59s, which first entered service almost forty years ago).\textsuperscript{39} Thus China has only between 1000 and 1500 tanks which are not of antique vintage; most of these are probably T-69s, developed in the seventies and also sold to Iraq, Thailand and Pakistan in the eighties. More recent tank developments - the T-85 and T-90 - represent incremental improvements on earlier models rather than quantum jumps, and are not available in quantity. The Chinese armoured force cannot be described as anything like close to state-of-the-art.

Again, the comparison with Iraq is instructive. The Republican Guard was without doubt the elite of the Iraqi ground forces and as such it was equipped with the Soviet T-72, while imported Chinese tanks were relegated to regular units. But this did not mean that, against the state-of-the-art US and European land forces employed in operation DESERT STORM, the Republican Guard stood any real chance of success. Its Soviet-style T-72 tanks were picked off by hostile aircraft and by Coalition armour which could acquire a target and fire on it at ranges which no Iraqi tank could match.\textsuperscript{40} This was a factor in the astonishingly low Coalition casualties in the ground war and, as has been shown above, was carefully noted by the PLA's leaders.

Perhaps equally instructive has been the reception in Thailand of a range of ground force equipment bought from China in the eighties. This included not only the T-69 tank but also an Armoured Personnel Carrier, field artillery and anti-aircraft artillery. All these items were delivered to Thailand, where significant problems were experienced:

As the Chinese equipment...started to arrive and enter service, what looked like a good deal at the start soon became a cause for concern. In many cases the items delivered were not what was expected, the quality of equipment was below expectation and, on top of that, the [Thai Army] found itself with reliability problems.... The question of track life, or rather the lack of it, has plagued the tanks and caused most of them to be off the road for extended periods of time. Fire control system accuracy has been far below expectation...\textsuperscript{41}
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China's ground forces have a very long way to go before they could pose an offensive threat to any power with access to western equipment and support: indeed, it is probable that even the Russian Federation Forces possess armour adequate to defeat China's force.

Maritime Power Projection

Power-projection is strategic jargon for the ability to deploy effective military power at considerable distances from the homeland or secure bases. On land the instruments of power-projection, seen most recently in action in the Gulf War, are usually mobile elements such as tanks and motorised infantry, close air support combat aircraft plus strategic and tactical troop transport aircraft. In a maritime environment the instruments include troop transports and landing craft, air and naval elements sufficient to deliver a striking force more or less intact to its destination and keep it supplied, plus air power to support operations at the destination. The classic example of effective maritime power-projection is probably still the Japanese 'strike south' campaign of December 1941 to early 1942, which was almost uniformly successful in achieving assigned objectives.

The Japanese offensive actually represents one type - the most demanding - of power-projection. This is projection for the purpose of asserting control. Japan's objective was the seizure of territories like Malaya, Singapore and the Philippines. At this stage of the war the Japanese strategy was thus an offensive one, though of course this did not rule out defensive activity where needed.

But it is possible to employ a defensive strategy which still involves the projection of military power; in fact, Australia effectively does so today. Australia seeks to deny potential aggressors use of the air/sea gap between itself and its neighbours. It does not desire control, as did the Japanese, but only to prevent others from gaining control. Such a strategy (known as a strategy of denial) is essentially defensive, yet may call for offensive activity - eg, an air strike on bases used by an enemy to harass Australian territory, or on a force approaching Australia.

For China it is less the ground forces than the capacity to project power in the East Asian maritime strategic environment which provides the best yardstick by which to assess the PLA's offensive credibility. The invasion of Taiwan, for example, would require China to transport across a 160 kilometre sea/air gap forces capable of defeating the Taiwanese forces and their allies. This implies a significant ground force, amphibious and air transport capabilities to move them and air and sea forces sufficient to deliver the invaders more or less intact and to keep open lines of communication across the Taiwan Strait back to the mainland. Similarly, those concerned about Chinese intentions in the South China Sea rightly point to maritime power-projection as the key military capability China would require were it to try to impose its will by force of arms. Put another way, for so long as Chinese maritime power-projection capabilities remain restricted, the PLA - regardless of
the wishes of its political controllers - can pose only a limited military threat in the East
Asian maritime environment.

At present China has very little in the way of credible power-projection capability of the
type needed to assault Taiwan with any prospect of success. American intelligence sources
analysing Chinese exercise activity reportedly consider that as of early 1996:

[The PLA] has improved its ability to conduct operations jointly using its Army, Navy and
Air Force, but its force projection is limited and poses little danger to potential foes.... the
exercises did little to show that China could mass a major attack on Taiwan. The Chinese
military has limited reconnaissance and communications capabilities and is making little
investment to improve its ability to move troops...there is no indication as yet that China has
the area air defense needed to protect its fleet of ships, or to protect its force when it lands.42

And on the record, General John Shalikashvili, Chairman of the US Joint Chiefs of Staff,
stated unequivocally in February 1996 that the US does not believe that China has 'the
capability to conduct amphibious operations of the nature that would be necessary to
invade Taiwan.'43

Considerably less force would be required for China to operate aggressively in the South
China Sea islands dispute than that needed successfully to invade Taiwan, although part of
the difference would be in the size of the ground force component - that is, a significant air
and seaborne force would still be required. It is therefore at least debateable whether Paul
Dibb is correct in saying that China 'can already project military forces superior to those
that South-east Asian countries could deploy to the South China Sea.'44 This would depend
on the extent to which China was prepared to risk its key military assets - its limited
number of effective warships and combat aircraft - in operations against regional states
which, though small, have a considerable technological advantage. It would also depend on
the rates at which China and the modernising regional maritime forces progress in future.
One commentator writes that the PLA naval modernisation program:

...still leaves much of the PLA(N) in the fairly basic state described by Jane's Fighting
Ships in 1990-91 as 'technically backward and operationally immature...with rudimentary
command and control systems and little high seas experience.' Oddly, this is particularly
ture of its amphibious warfare fleet, although improvements are underway.45

The relatively low priority accorded to the PLA's amphibious warfare capabilities may not
actually be all that odd: it is possible (but not proven) that China, making a virtue out of a
deficiency, is deliberately restricting the growth of capabilities which it knows would be
poorly received by many regional states. If so, this would be a sign that China is more
sensitive to regional concerns than is commonly thought.

In point of fact all such analysis is probably questionable whatever conclusion it suggests,
because it is based on the assumptions that the only players are the PLA and the forces of
the South East Asian states and, that China would view the South China Sea dispute as
sufficiently critical to its interests to embark on what would at best be a dangerous and uncertain venture. Before China, even after a victory, could exploit the economic resources of the region - a matter on which there remains some debate and uncertainty - it would need to have complete and permanent control of the disputed areas. Anything less (such as an inability to prevent harassment raids by other claimants) would threaten profits, deter business activity and so rob China of the principal economic benefits of the exercise.

In the East Asian maritime environment, China has or will soon attain a capability to deny others use of disputed air or sea space out to the range of its land-based aircraft. Beyond this, China can still dispute attempts by others to seize and exploit 'territory' (eg, EEZ). In other words, China is capable of power-projection to support a defensive strategy of denial but is unlikely, even in the middle term, to have the wherewithal to implement offensive military control strategies aimed at the permanent acquisition of territory or EEZ.

Without question China is attempting to improve its presently weak maritime power-projection capabilities. In practical terms, listed in approximate degree of difficulty, this will require funding for:

- trained amphibious assault units;
- troop transports and amphibious landing craft;
- major naval surface combatants with strong anti-air and anti-submarine capabilities to protect a seaborne force;
- adequate reserves of land-based combat aircraft and trained pilots;
- aircraft carrier(s) with combat aircraft to provide a defensive screen beyond the range of land-based air and to attack hostile vessels.

In this effort China is starting from a long way behind. The development of credible maritime power-projection capabilities is not just a matter of acquiring the appropriate equipment and drawing up suitable plans. It is in fact one of the most technology-intensive efforts that can be demanded of a modernising Third World state, requiring as it does advanced platforms (aircraft and warships) and weapons which make full use of modern military science. Forces lacking these attributes will find the going very tough against forces which possess them.

The PLAr's air and sea forces generally do lack these attributes. China has continued to build warships and gradually to modernise its Navy, but off so low a base that much work remains to be done. This is well illustrated by the Thai experience of Chinese-built warships. In the late eighties Thailand ordered several Jianghu frigates from China, equipped with Chinese weapons and sensors. Apparently their principal attraction for the Thai Navy was the 'friendship price' Beijing asked for them, because - like the ground force
equipment sale noted above (p.16) - these frigates proved to be anything but exemplars of good design and construction:

...the workmanship of the frigate is said to be appalling and a considerable amount of reworking would seem to be necessary to bring the vessel up to an acceptable standard. More importantly, the ability of the ship to resist battle damage is extremely limited. Damage control facilities are virtually non-existent and fire-suppression systems are rudimentary. It is also thought that in the event of the ship's hull being breached rapid flooding would result, leading to the loss of the ship.

It is now understood that, though contractually locked into acquisition of these frigates, the Thai Navy intends to fit out at least some of them with western electronics.47

China has in recent times built more sophisticated warships but only in very limited quantities determined by its access to external technologies. For example the *Luhu* class destroyer is agreed to be a credible platform - probably the best China can build at present - but only four of these units, equipped mainly with French electronics acquired prior to Tiananmen Square, are to be procured.

More generalised comment on Chinese naval capabilities suggests that the PLA(N) is unlikely to possess credible power-projection capabilities for some time to come:

...the navy's power-projection capabilities over the next decade will be constrained by the modest number of modern, multipurpose combatants as well as the limited antiair and ASW [antisubmarine warfare] capabilities of Chinese naval vessels.48

The other key element of maritime power-projection is air power. Historically the Chinese Air Force - strictly the PLA(AF) - has consisted of large numbers of Soviet, ex-Soviet and redesigned and upgraded ex-Soviet types. Due to China's inability to acquire advanced military technology from the west, this pattern will in essence continue, with the qualification that the Russian Federation - presumably in search of revenue - is more willing than the ex-Soviet Union to supply China with advanced aircraft types.

Of all arms air power in its widest sense is the most technologically-driven form of military power. Not only aircraft propulsion and design, but radars, fuelling, communications and weapon systems all rely heavily on advanced technologies for maximum effectiveness. Driven by major western manufacturers, these technologies advance at a rapid rate and it is easy to be left behind. Chinese efforts to develop technologies critical to power-projection - notably air-to-air refuelling (AAR) - have thus far proven unsuccessful, and an overseas supplier will be needed.

In fact China's principal supplier of relatively advanced aircraft and weaponry will be Russia. China will certainly seek to avoid excessive dependence on this supplier, however, by demanding technology transfers, local production under licence and similar measures to increase the expertise and capacity of its indigenous aircraft industry. Russia has already
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sold to China twenty-six advanced Su-27 Flanker air superiority fighters, and there are suggestions that this number will increase to fifty, or even above seventy. Likewise, it is reported (but not confirmed) that China is acquiring air-to-air refuelling technology from an unlikely pair of suppliers - Iran (to which it will be recalled China sold Silkworm missiles) and Israel.49

The successful assimilation of AAR into the Chinese forces would, as did the same development for the RAAF, increase the reach of the Chinese Air Force. However, AAR technology is neither cheap nor easily brought into service. Each aircraft requires modification, pilots need training and Australia, for instance, has fitted AAR to its F/A-18 fleet but not to the F-111 inventory.

In any event, the trend in China's Air Force is likely to be an increase in quality as external and internally-developed technologies enter service, but a significant decrease in quantity. Paul Dibb records that in fifteen years (1980 to 1995) the number of Chinese combat aircraft fell from 6100 to 4970 - a relatively gradual decline that reflects an equally leisurely modernisation - but predicts that in the following fifteen years (to 2010) the number will fall further to about 3000 combat aircraft.52

China as a nuclear power

China, like the other Cold War nuclear states, retains a significant nuclear capability. Although still very much smaller and less effective than those of the United States or Russia, China's nuclear arsenal has not been subjected to the treaty-related reductions which these two countries implemented. But China has announced that its recently concluded 1996 nuclear test series will be its last, joining the other declared nuclear weapon states in support for a comprehensive nuclear test ban. In any event, the extreme destructiveness of these weapons and the risk of retaliation means that China's nuclear capacity remains - like those of the other declared nuclear powers - a weapon of deterrence, or very last resort.

The Chinese airborne nuclear force is antique; its aircraft entered service in the sixties and it is armed with free-fall bombs. A new aircraft type (B-7), possibly with a nuclear-capable variant, was to enter service in late 1995. The land-based force has only one intercontinental-capable missile type (CSS-4), of which only four are deployed. Indeed, these missiles are described as a 'first generation' type which have 'slow response time, their basing is vulnerable, they have large radar cross-sections [meaning they are easy to detect] and their accuracy is poor'.51 The submarine-launched ballistic missile system is also relatively primitive and of dubious reliability.
The following table provides basic information. In the warhead/yield column, the abbreviation *KT* means kilotons (thousands of tons of TNT equivalent), and *MT* means megatons (millions of tons of TNT equivalent).

### CHINESE NUCLEAR DELIVERY SYSTEMS

<table>
<thead>
<tr>
<th>TYPE</th>
<th>No. in Service</th>
<th>Year deployed</th>
<th>Range (km)</th>
<th>Warheads</th>
<th>Warheads in Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aircraft:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-5 (H-5)</td>
<td>30</td>
<td>1968</td>
<td>1200</td>
<td>1 x bomb</td>
<td></td>
</tr>
<tr>
<td>B-6 (H-5)</td>
<td>120</td>
<td>1965</td>
<td>3100</td>
<td>1 x bomb</td>
<td>150</td>
</tr>
<tr>
<td>A-5 (Q-5)</td>
<td>30</td>
<td>1970</td>
<td>400</td>
<td>1 x bomb</td>
<td></td>
</tr>
<tr>
<td><strong>Land-based Missiles:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSS-2 (DF-3A)</td>
<td>50</td>
<td>1971</td>
<td>2800</td>
<td>1 x 1-3 MT</td>
<td>50</td>
</tr>
<tr>
<td>CSS-3 (DF-4)</td>
<td>20</td>
<td>1980</td>
<td>4750</td>
<td>1 x 1-3 MT</td>
<td>20</td>
</tr>
<tr>
<td>CSS-4 (DF-5A)</td>
<td>4</td>
<td>1981</td>
<td>13 000+</td>
<td>1 x 3-5 MT</td>
<td>4</td>
</tr>
<tr>
<td>CSS-6 (DF-21)</td>
<td>36</td>
<td>1985/6</td>
<td>1800</td>
<td>1 x 200/300 KT</td>
<td>36</td>
</tr>
<tr>
<td><strong>Submarine Launched Ballistic Missiles:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSS-N-3 (JL-1)</td>
<td>24</td>
<td>1986</td>
<td>1700</td>
<td>1 x 200-300KT</td>
<td>24</td>
</tr>
</tbody>
</table>

In fact, if certain American projects succeed, the Chinese strategic nuclear forces may even become an expensive liability. Concern that this might happen underlies Beijing's consistent criticism of American proposals to develop so-called 'Theater Missile Defences' which rely on a combination of satellite sensors, radars and antimissile systems to defend against limited attacks by ballistic missiles. This program is the last surviving vestige of ex-President Reagan's failed 'Strategic Defense Initiative' (SDI or 'star wars'), announced in the early eighties, which was going to render nuclear weapons 'impotent and obsolete'. The present US Ballistic Missile Defense (BMD) program has no such grand objectives, being confined to defence against attacks from a very few ballistic missiles, rather than the mass Soviet strike against which SDI was supposed to function.
Beijing's concern is that this limited program might work, and that it could threaten the credibility of the PRC nuclear force. It is hard to say whether this concern is well-founded, because there is much (unresolved) debate as to the practicability of even the limited BMD program now being pursued in the United States, and it may in the end produce nothing but large costs for its American sponsors. But should a practical theatre BMD system be developed, it will be most likely to work best against lower-technology delivery systems. This, however, describes China's strategic nuclear forces perfectly and so explains Chinese concerns.

It is also important to note that none of the missile systems described above are of the modern multiple independently targetable (MIRV) type: China is limited to one warhead per missile.

**Possible security consequences of China's modernisation effort**

China's drive to modernise its economy is obviously necessary. It has a population of 1.185 billion people, and this is still increasing at about 1.4 per cent per annum. Economic efficiency is essential if the needs of this vast population are to be satisfied, and satisfied they must be if the central government is to remain in effective national control. Much progress has been made. China's per capita Gross Domestic Product rose by about two hundred percent between 1980 and 1995; the economy grew at more than ten percent per annum in each of 1992, 1993, 1994 and 1995. Exports are rising and inflation, though still high by western standards (14.8 per cent in 1995, down from 21.7 per cent in 1994), is believed to be controllable. But, these advances notwithstanding, it is important to consider the potential strategic effects of both success and failure in this endeavour.

Paul Dibb identifies two scenarios for a future China - one in which a modernised economy makes China a confident, powerful, state; another in which it leads to political upheaval possibly followed by military adventurism as a diversion from domestic problems. Surprisingly, he does not consider the consequences of a third possibility, that modernisation fails to upgrade China's economic power and its capacity to meet the needs and expectations of the people.

A *caveat* on all analysis of this type should be entered before proceeding further. History is replete with examples of failed forward strategic predictions; the analysis given here (like all others) is uncertain and subject to error, even major error. Care therefore needs to be taken lest one too directly draws conclusions from such analysis, which should really be taken only as a broad and most likely fallible guide.
Modernisation fails: a scenario

Failure of the Four Modernisations would place China in a very difficult situation. With a backward and unevenly developed economy, the capacity of the state to meet the needs of a growing population would decline. Political instability might follow, possibly leading to a resurgence of warlordism and a new breakup of China.

A backward and unstable China troubled by separatist movements - in the worst case, by civil war and disintegration - would without doubt pose a substantial regional problem. At the same time, this problem would be unlikely to be a significant military threat. The armed forces available to such a China (or parts of China) would lack many modern capabilities and would most likely be preoccupied with problems of internal order and with disputes between powerful regions and figures (historically known as warlords) in China.

From a strategic viewpoint, the failure of China's modernisations would remove the country's potential to be a threat. This is not to say that significant problems might not arise, especially for China's immediate neighbours, some of which might be faced with a serious refugee influx across the extensive land borders. Other neighbours - notably in the central Asian region - might see opportunities to free their ethnic compatriots from Chinese domination. Others again might see opportunity in encouraging eg, Tibet, to move for greater autonomy or even independence. It is noteworthy that in July 1996 China was vigorously denying claims from central Asian separatist groups that there had been armed clashes in Xinjiang Province (which covers Chinese central Asia except for Tibet) and that 450 Chinese troops or militia had been killed since early April.

Clearly, in scenarios where modernisation fails China is more likely to be a victim and a problem than a significant military threat. Australia might suffer economically if trade with a China in this situation was disrupted, but in military security terms there would be small cause for concern.

Modernisation succeeds: two scenarios

If modernisation continues to generate improvements in China's economic performance, there are at least two broad tracks along which events might proceed.

Back to the ex-USSR?

One possibility is that China might succumb to forces similar to those which brought about the downfall of the former Soviet Union. Modernisation implies that more people are at work in independent technology-oriented industrial, manufacturing and service-type
industries not managed through the state-controlled economic bureaucracy. These people will in time form the nucleus of a Chinese 'middle class', neither agrarian, nor in the PLA, nor part of the Party apparatus or elite. With China's billion-plus population, even a proportionately small middle class will in time number tens of millions, possibly over one hundred million people.

It is as clear to Beijing as it became to Gorbachev some years ago that liberalising the old-style communist command economy is a necessary precondition for economic progress. Centralised control of the Five-Year Plan type, with quotas and directives, demonstrably does not work. However, as Gorbachev's Soviet Union learned to its ultimate cost, the lifting of central controls can be extremely corrosive of traditional authoritarian approaches to government. It was Chinese fear that this pattern was about to repeat itself that led to the killings in Tiananmen Square in 1989.

But it is one thing - however unpleasant to western sensibilities - to kill a few hundred student demonstrators, and another entirely to put a long-term lid on social changes that are actually driven by state policy. If China does develop a significant middle class as a result of economic modernisation, that class will make demands on the state which the state may be unable or unwilling to concede (for example, something of this nature may be starting to occur, albeit under rather different conditions, in Indonesia). A pro-democracy movement based on such a class could not be suppressed by driving tanks over demonstrators in Beijing. Nor could the new class be destroyed without simultaneously destroying the basis of China's economic progress. Political instability, even collapse of the communist regime, are possibilities.

Nor is economic modernisation uniform across China, and more advanced regions might resent being forced by the central Beijing government to bleed off resources to subsidise areas where less progress was made. Herein lies the potential for one of Dibb's scenarios, that rapid economic growth might lead to China's breakup. Should this occur, the effects would in some ways mirror those of failure already discussed - secessionism, possible warlordism, refugee flows. Again, such a China would more likely be a problem than a threat.

**A confident China**

Should the regime successfully navigate its way around these pitfalls and achieve further significant economic progress without undermining its own stability, by early next century China will be a major economic power with renewed confidence in itself. The humiliations visited on China since the start of the nineteenth century would be a thing of the past. With a modern economy to drive it, and once the substantial technology gap described above was addressed, China would be capable of putting into the field armed forces of significant size and credibility.
This last would still take time. Economic strength is a necessary but not sufficient condition of military power, and China's military is starting from a very long way behind its competitors. But one could still imagine with Dibb that in another fifteen years, by around 2010:

... China is a confident country that uses its economic power to assert a sphere of influence in neighbouring North-east Asia and South-east Asia where China will have a local preponderance of power... it will not necessarily be aggressive, but it will seek to use its growing economic strength to assert a leadership role in the region and to gain acceptance for its views.... This China will steadily modernise its armed forces... 57

It is probably stretching the art of forward strategic analysis to go much further than this, other than to say that any ultimately successful economic modernisation program for China will tend to integrate the Chinese economy into the wider economy of the Asia-Pacific region. Such integration often tends to act as a disincentive to military adventurism, in that it is usually more profitable (in all senses of the word) to trade with one's neighbours in such an environment than to coerce them by force. Nevertheless, in this scenario, by about 2010 as a result of steady modernisation China would be approaching a situation where it could deploy significant regional maritime power-projection capabilities. Also by that time the modernised component of the ground forces could be expected to have much improved fighting power and credibility. And because, as was noted at the outset of this paper, power ultimately flows from the barrel of a gun, by 2010 China could be one of the world's top half dozen military powers.

Conclusion: peril or paper tiger?

It is now appropriate to revisit the questions posed in the Introduction: is China a potential threat to the military security of the Asia-Pacific? To what extent should other states be concerned about the apparent directions of Chinese security policy? How militarily powerful is China likely to be in the early twenty first century?

Since its foundation in 1949 the Peoples' Republic of China has been the largest of the so-called Third World powers. In one sense the goal of the Four Modernisations has been to take China out of the league of less developed countries and into that of the great powers. China is seeking to do on a vast scale what the so-called 'Asian Tigers', smaller states like Thailand, Singapore, Malaysia, South Korea and Taiwan, have achieved in the eighties.

Much will depend on the progress of the Four Modernisations, especially the first three - agriculture, industry and science and technology. The scenarios discussed above are necessarily speculative, but it seems clear enough that if Chinese military power is ever to be a significant threat, the Modernisations must succeed, must not destabilise China internally and must then flow through to the PLA, which is itself the fourth Modernisation.
Unsuccessful modernisation, or modernisation which undermines the authoritarian regime, may cause China to be a problem, but it is unlikely in such conditions to be able to pose a significant regional military threat.

This paper concludes that for the next five to ten years China will continue to have seriously underdeveloped armed forces. Although a process of continuous improvement is now in train, it will take a considerable time for this to be reflected in the forces in the field because of the very low base off which the PLA has been forced to start and the relatively low priority accorded defence expenditure. Its progress has been further impeded by the difficulty China is experiencing in gaining access to (expensive) key advanced military technologies. The western-dominated organisation COCOM, which existed during the Cold War to restrict technology transfers to the Soviet bloc, has been re-invented in the modern era as the 'Wasenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies'. The Wasenaar organisation is still embryonic, but there can be little doubt that the principal sources of high-technology with military applications - the western powers - will be wary of transferring such technologies to China.

Nevertheless China's ability to project power is slowly improving, with emphasis on slowly. Defence remains the lowest-priority modernisation. Seen from Beijing, the region is probably less threatening today than it was during the Cold War, when China shared a long land border with an unfriendly superpower. Accordingly, it would (or should) take some notable deterioration in China's strategic circumstances for defence modernisation to accelerate beyond its present measured pace. Indeed, it is significant that much contemporary debate is centred on Chinese internal, not external, security issues.

Key signals, yet to be sent, of a new military agenda would be the acquisition of several aircraft carriers for the Navy and the large-scale acquisition of air-to-air refuelling for long range strategic air strikes. These technologies are frankly power-projective in nature and would certainly be seen as such in the region. It will not be surprising if China soon experiments with them (a single small carrier or a couple of squadrons fitted out with AAR) - after all, Thailand is soon to acquire a small carrier itself - but there would be real cause for concern if developments went beyond this level. Also of note would be the acquisition or construction of large numbers of assault landing craft and troop transport ships and aircraft, as would the raising of significant numbers of amphibious infantry assault units to quantou ('fist') status.

There are several causes underlying any fear of China that may exist in the Asia-Pacific region. Among the most important are the impacts of recent Chinese domestic and international policies - the Tiananmen Square massacre, the forward policy in the South China Sea, the military posturing over Taiwan - and concerns over long-term policy following Deng Xiaoping. The de-legitimisation of Marxism and communism as a credible ideological underpinning for the state has also caused some Chinese leaders in search of a substitute to resort to a more nationalistic approach, something which of its nature can
raise regional anxieties. Finally, China's sheer size, with its implication of immense potential strength, naturally impresses itself on all who observe the region.

One measure open to China if it wishes to improve regional perceptions is to move towards additional transparency in its future military planning, and there are some signs that this may occur. In 1995 China issued what it called a 'White Paper' on arms control and disarmament, which recorded Beijing's commitment to the avoidance of war and to its role as an important member of the United Nations (especially the Security Council, of which China is a permanent member). More promising is the commitment, reported from Sino-Japanese talks in January 1996, that China will produce a genuine Defence White Paper at some unspecified near-future time.

In the short to medium term, then, the ability of the PLA to support any aggressive or expansionist agenda that may be developed in Beijing will remain strictly limited. China will not soon be able credibly threaten an invasion and takeover of Taiwan; nor will it be able to use military force to achieve effective permanent control of the disputed South China Sea islands. In both cases, China would have to reckon not only with relevant regional forces (Taiwanese, South East Asian, respectively) but probably with those of external powers like the United States (and perhaps Australia) as well.

Peril or paper tiger? of course represent two ends of a spectrum. This paper concludes that for the next five to ten years in military security terms China is more likely to remain closer to the innocuous end of this spectrum than it is to present a serious regional security threat.

Endnotes

1. Throughout this paper 'China' refers to the PRC with its capital at Beijing, and 'Taiwan' to the 'Republic of China' (Nationalist China) which controls the island of Taiwan and some smaller islands and has its capital at Taipei.


3. The PLA in China also includes what in the west would be the Navy and Air Force. These are referred to as the PLA (Navy) or PLA(N), and PLA (Air Force) or PLA(AF), respectively. For brevity's sake, this paper refers simply to Army, Navy and Air Force.


13. The source for this table is several issues of *The Military Balance*. This source is not always reliable, but as noted there is little by way of a better alternative. Data for 1986 is excluded because the *Military Balance* figure for that year is clearly anomalous - it is one million lower than the 1985 number and 350,000 lower than the 1987 number and lacks credibility.


20. 'Chinese Weapons Spending has Dropped by 10 per cent', *Aviation Week and Space Technology*, 2 May 1988, p.18.
21. Rachel Bridge, 'Mystery surrounds $133m laundering scam', South China Morning Post. 29 July 1996.


25. 'China forced to shelve carrier,' loc.cit.

26. Note the comment at page 19 about the French-equipped Luhu class destroyer.

27. 'PLA leaders in major shake-up', Jane's Defence Weekly, 16 June 1990, p.1192.

28. Still a useful summary, even though now three years old, is Allan Shephard, Seeking Spratly Solutions: Maritime Tensions in the South China Sea, Parliamentary Research Service Background Paper No.6/1993.


30. 'China Claims "Indisputable Sovereignty" on Spratlys', Asia Pulse (AAP Wire), 13 May 1996.


32. Readers with an interest in US-Chinese-Taiwanese relations issues can profitably consult a PRS' Current Issues Brief by Dr Frank Frost entitled The United States and China: Containment or Engagement? This can be ordered through the usual channels.


35. 'China drafts defence law, calls for Taiwan alert', Asia Pulse (AAP Wire Service), 13 May 1996.


37. Jason Glashow, 'DoD Sees China Molding Doctrine Based on Gulf War', Defense News, 29 April/5 May 1996, p.6. Note that all estimates of Chinese defence expenditure, or components of it, must be considered unreliable.

38. China's Conventional Military Capabilities, p.5.


43. 'US doubts China invasion of Taiwan', *The Age*, 17 February 1996.


46. Allan Shephard, 'Testing the Waters: Chinese Policy in the South China Sea'.

47. 'Thailand - Paying a Price for Security', p.28.


49. *China's Conventional Military Capabilities*, p.11.

50. *Towards a New Balance of Power in Asia*, p.93. Dibb's estimate of 1 130 aircraft retired should be compared with China's own claim that 2 500 aircraft have been scrapped in roughly this time frame (see 'Politics of Defence: Chinese White Paper on Arms Control and Disarmament', p.1092, cited at endnote 18, above).


55. *Towards a New Balance of Power in Asia*, p.28.

56. 'China denies 450 killed in fighting', *The Age*, 17 May 1996.


