



## CHINA AS REGIONAL HEGEMON?

PAUL H.B. GODWIN

### INTRODUCTION

In the late 1970s, Deng Xiaoping initiated the reform programs that were to end the internal chaos generated by Mao Zedong's obsessions and China's self-imposed isolation from the world. The success of Deng's reforms and his strategy of 'opening China to the world' have transformed the People's Republic of China (PRC) into a major player in world politics. Deng's market-oriented reforms resulted in a booming economy and made China a significant global trading country. His comprehensive defense modernization programs are reconstructing the once lumbering, obsolescent People's Liberation Army (the PLA—as the services and branches are collectively named) into a modern defense force. The benefits accruing to China from Deng's reform programs were complemented by the Cold War's end, the dissolution of the USSR, and Beijing's diplomatic efforts to establish working, if not cordial, relations with its Asian neighbors. The combined effect of internal reforms, major changes in the international environment and Beijing's diplomatic activism has made China more integrated with Asia and the world, and militarily more secure than at any time in the past 150 years. This transformation has added real gravitas to China's pre-existing status as a veto-wielding permanent member of the UN Security Council.

Few doubt that China is a now great power. China's population and land area are huge, and its geopolitical location means that no part of Asia—northeast, southeast, south, central and northern—is without a Chinese presence or interest. The robust Chinese economy—not Japan's, which remains mired in the economic doldrums—is the engine of Asia's economic growth. China's defense establishment, although far from the most modern in the region, is large and undergoing a systemic modernization of its air, naval, and ground forces. Although India and Pakistan weaponized their nuclear programs in 1998, China holds Asia's only operational combination of strategic, regional and possibly tactical nuclear weapons, and these systems are also in the midst of modernization programs.

Consequently, no regional power can challenge China's pre-eminence in continental Asia. With the exception of Japan, it is very unlikely that in a decade or two any Asian state will be capable of contesting China's pre-eminence in maritime East Asia. Only India will be able to challenge a Chinese naval presence in the Indian Ocean and the Bay of Bengal, should Beijing choose to patrol that distance from its home waters. Simply stated, China is now militarily more secure than at any time in the past 150 years. Indeed, one could argue that the 'one hundred years of humiliation' that so traumatically scars Chinese memories of its unfortunate modern history has ended. With the return of Hong Kong and Macao to Chinese sovereignty, the only major territories claimed by China outside Beijing's control are Taiwan and the many rocks and islets in the South and East China Seas.

With the restoration of China's status in the world, an expanding economy and no major military threat to its security, one would expect Beijing to be a 'satisfied' power. Satisfied in the sense that its influence in international politics continues to increase and that no state or combination of states presents an immediate military threat to China. Yet, even a casual perusal of Chinese commentaries on the trends in global and regional international affairs demonstrates that this is not the case. From Beijing's perspective, the world in which China now exists is far from the world it desires.

This chapter will attempt to assess whether Beijing seeks and can achieve regional hegemony. It will begin by identifying Beijing's core objectives and the logic behind them. This will be followed by an overview of Beijing's perceptions of the United States and the role these perceptions play in China's security strategy. Finally, the issue of Chinese hegemony will be addressed. The chapter's conclusions will focus on the implications of these findings for US policy.

## HEGEMONY AND ASIA

Before entering any assessment of China's security objectives and strategy, it is necessary to provide an operational definition of 'hegemony'.<sup>1</sup> For the purpose of this assessment, a state will be granted the status of hegemon when it is the single great power in its region. When a region contains more than one great power, there cannot be a hegemon. An assessment of Beijing's security

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<sup>1</sup> The following discussion is drawn from John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001); and Glenn H. Snyder, 'Mearsheimer's World—Offensive Realism and the Struggle for Security,' *International Security* (Vol. 22, No. 1 (Summer 2002), pp.149-173.

objectives also raises the question of China as a *potential* hegemon. A potential hegemon is a state that has the capability to dominate a region by overpowering its great-power neighbors. Nonetheless, as John Mearsheimer notes, hegemony is rare because ‘the costs of expansion usually outrun the benefits before domination is achieved’.<sup>2</sup> Consequently, potential hegemons only seek to achieve domination when the anticipated costs are low.<sup>3</sup> Therefore, whereas China’s economic development and military modernization programs may in the future grant it the status of a potential hegemon, the decision to become the region’s hegemon does not directly derive from the capacity to dominate. The costs and risks of achieving domination must be perceived as lower than the benefits derived from hegemony.

These definitions require an appraisal of Asia as a *region*. The most important strategic characteristic of Asia is that it has two parts: continental and maritime. To be the regional hegemon, a state must be dominant over the both the continental and maritime components of Asia. The disintegration of the former USSR and the ensuing Russian economic crises and degradation of its military capabilities essentially removed from contention the only power that could challenge China’s continental pre-eminence.

In maritime Asia, the United States functions as the countervailing power to China. With alliances and access to military facilities along Asia’s littoral from South Korea and Japan in the north, down to Australia in the south and Diego Garcia in the Indian Ocean, the United States performs the role of offshore balancer to China’s continental dominance. Certainly from the US perspective, the United States with its alliances and access maintains ‘the current continental-maritime military balance in East Asia’.<sup>4</sup>

As long as there is a second regional great power in Asia, by definition China cannot become the region’s hegemon. With its strong alliances and access to naval and air facilities along Asia’s periphery together with its diplomatic and economic influence within the region, the United States is in an extremely robust offshore position. In this sense, as Robert Ross has suggested, East Asia has become bipolar; China and the United States share the regional balance of power.<sup>5</sup> The question therefore becomes whether

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<sup>2</sup> John J. Mearsheimer, ‘Back to the Future: Instability in Europe After the Cold War,’ *International Security*, Vol. 15, No. 1 (Summer 1990), p.13.

<sup>3</sup> *Ibid.* p.37.

<sup>4</sup> Personal communication with RADM Michael McDevitt, USN (ret.) September 2002.

<sup>5</sup> Robert S. Ross, ‘The Geography of Peace: East Asia in the Twenty-First Century,’ *International Security*, Vol. 23, No. 4 (Spring 1999), pp.81-118.

China's regional security objectives have as their ultimate purpose the removal of the United States as Asia's other great power. This question becomes important when it is recognized that China's principal objection to the current distribution of global and regional power is focused on the role of the United States. China resents the manner in which the United States employs the dominant military, economic and diplomatic power it achieved with the Cold War's end in global as well as regional affairs. Before evaluating Beijing's perceptions of the United States, however, it is necessary to assess China's security priorities.

### **BEIJING'S QUEST FOR SECURITY: PRIORITIES<sup>6</sup>**

China's national security requirements are conceptualized in very broad terms. Beijing is extremely aware that China lags far behind the world's major powers in economic, scientific and technological strength. Accordingly, the Chinese Communist Party (CCP) defines its fundamental task as transforming China from a developing to a fully developed modernized country matching the strength of other world powers. Moreover, Beijing recognizes that the rapid pace of China's modernization over the past two decades and more has created major problems of instability and tension within society. Not the least of the political problems Beijing confronts is massive underemployment and unemployment. As the huge and once dominant inefficient state-owned enterprises (SOEs) are shut down, thousands of employees are thrown out of work. Worker protests have increased in recent years as their jobs have evaporated with little compensation from their former employers.<sup>7</sup> These tensions have been accompanied by rampant corruption throughout the CCP and government.<sup>8</sup> In rural areas, improper taxation and corruption among local officials create frequent farmer demonstrations.<sup>9</sup> Millions of underemployed rural workers migrate to the cities seeking a living as poorly paid construction workers on the edge of the dynamic urban economy. Corruption, dislocation

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<sup>6</sup> This discussion draws extensively from Thomas J. Christensen, 'China' in Ellings and Friedberg, *Strategic Asia*, pp.27-69.

<sup>7</sup> See, for example, Jiang Zemin's speech to the 16<sup>th</sup> Party Congress November 17, 2002. Beijing, Xinhua, November 17, 2002, in Foreign Broadcast Information Service, China, (hereafter FBIS-China) November 17, 2002 and John Pomfret, 'China Cracks Down on Worker Protests: Leaders Detained As 2 Cities Face Continued Unrest,' *The Washington Post*, March 21, 2002, p.A21.

<sup>8</sup> See, for example, John Pomfret, 'Corruption Charges Rock China's Leadership,' *The Washington Post*, Jan 2, 2002, p.A15.

<sup>9</sup> See, for example, *Agence France Press (AFP)*, Hong Kong, 'More Details on Clashes Between Farmers, Riot Police,' August 29, 2000.

and instability among the workers and farmers have created severe stress in China's society that simmers beneath the broad trend of growing wealth so evident in the major coastal cities and Beijing. Accordingly, official documents and speeches by CCP leaders stress the importance of balancing economic development with political stability. As Jiang Zemin put it in his Work Report to the 16<sup>th</sup> National Party Congress held in November 2002: 'Stability is a prerequisite for reform and development'.<sup>10</sup>

China's continued economic growth and modernization is critically dependent on trade and foreign direct investment (FDI). From 1990 to 1999, China's total external trade increased from US\$116.6 billion per year to US\$360.6 billion. In Asia, this placed China second only to Japan's US\$729.9 billion in total trade.<sup>11</sup> Foreign direct investment in 1999 amounted to some US\$38 billion—the highest level in Asia.<sup>12</sup> Sustaining and expanding China's trade and FDI is dependent upon an international environment conducive to commerce and investment. This linkage between trade, FDI and the modernization and expansion of China's economy means that any major disruption of the peace and stability of Asia would have dire consequences for what Beijing defines as its fundamental national objective.

Beijing's primary security objectives are therefore maintaining internal stability and the CCP's political monopoly while increasing China's national strength and enhancing its international prestige and influence. The 2002 defense white paper's foreword acknowledges the importance of the international environment when describing China's security environment. The white paper declares: 'A developing China needs a peaceful international environment and a favorable climate on its periphery'.<sup>13</sup>

China's defense policy is integrated into this fundamental concept of security with a very specific and expected set of objectives. The white paper presents these objectives in what appears a priority listing:<sup>14</sup>

- To consolidate national defense, prevent and resist aggression. China's territorial land, inland waters, territorial seas and territorial airspace are inviolable.

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<sup>10</sup> The requirement to balance economic development and stability was stressed by Jiang Zemin in his report to the 16<sup>th</sup> Party Congress.

<sup>11</sup> 'Strategic Asia by the Numbers.' Ellings and Friedberg, *Strategic Asia*, Table 9.6, p.364.

<sup>12</sup> *Ibid*, Table 9.8, p.365.

<sup>13</sup> *China's National Defense 2002* (Beijing: The Information Office of the State Council, December 9, 2002), in FBIS-China, December 9, 2002, p.1

<sup>14</sup> *Ibid*, pp.3-4.

- ☞ To stop separation and realize complete reunification of the mainland.
- ☞ To stop armed subversion and safeguard social stability.
- ☞ To accelerate national defense development and achieve national defense development.

The priority granted Taiwan's reunification with the mainland is made very clear by the statement that 'Taiwan is an inalienable part of the motherland.' After asserting Beijing's commitment to peaceful reunification, the white paper declares that 'China's armed forces will unswervingly defend the country's sovereignty and unity, and have the resolve as well as the capability to check any separatist act'.<sup>15</sup>

## CHINA'S PERCEPTIONS OF THE UNITED STATES

Beijing's 2000 defense white paper portrayed a threatening security environment. The United States was the primary source of concern in China, which did not attempt to mask its apprehension over the menace seen in US power and purpose.<sup>16</sup> Negative developments in the Asia-Pacific region were attributed to the United States.<sup>17</sup> The strengthening of US military alliances, revision of US-Japan defense guidelines, planned deployment of ballistic missile defenses, and the supply of advanced American arms to Taiwan were identified as detrimental to China's interests. In the South China Sea territorial disputes, the United States is clearly the most important of the 'extra-regional countries' seen as interfering in this issue.

Beyond Asia, although only by the use of code words, the United States was condemned for threatening world peace and security in a variety of ways. Using the 'pretext of humanitarianism', the United States was criticized for resorting to the threat or use of force in violation of the UN Charter. The US-led NATO attack on Yugoslavia was particularly condemned for bypassing the UN Security Council. Overall, the United States was charged with maintaining a 'Cold War mentality' and using 'hegemonism and power politics' to undermine UN authority, enlarge its military blocs through NATO expansion and seek even greater military superiority.<sup>18</sup> Given this security environment, especially the US transfer of advanced weaponry to Taiwan, Beijing's defense

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<sup>15</sup> *Ibid*, p.4.

<sup>16</sup> *China's National Defense 2000* (Beijing, Information Office of the State Council, October 16, 2000), pp.1-6; and Michael McDevitt and David Finkelstein, *Assessing China's Year 2000 White Paper: A Workshop Report* (Alexandria, VA: The CNA Corporation, 16 November 2000).

<sup>17</sup> *China's National Defense 2000*, p.3.

<sup>18</sup> *Ibid*. pp.3-4.

white paper concluded that ‘China will have to enhance its capability to defend its sovereignty and security by military means’.<sup>19</sup>

China’s 2002 defense white paper reflected the warming of Sino-American relations following the tragic terrorist attacks of September 11, 2001. The United States was not named as the primary source of China’s concerns, but the issues remained. China’s apprehension over the expanding military relationship between the United States and Taiwan was seen in the white paper’s statement that ‘by continuing to sell weapons and military equipment to Taiwan and elevating relations with Taiwan authorities, a handful of countries have interfered in China’s internal affairs, inflated the arrogance of the separatist forces and undermined China’s reunification’.<sup>20</sup> Similarly, the white paper noted that ‘Certain countries are stepping up their military deployments and strengthening their military alliances in the Asia-Pacific region’. The US-Japanese security arrangement was the obvious subject of the white paper’s observation that ‘other countries have time and again enlarged the terms of reference and scope of operations of their armed forces’.<sup>21</sup> Thus, while the vitriol was removed, China’s apprehension over US strategic intentions remained.

Mistrust of US strategic intentions goes back more than a decade to the deterioration of Sino-American relations in the aftermath of the 1989 Tiananmen Square protests and their violent suppression. At its core, Beijing’s wariness is rooted in the belief that despite Washington’s public commitment to a ‘strong, peaceful and prosperous China’,<sup>22</sup> the United States’ security objective is to restrain China’s emergence as a strategic competitor and uphold at least the *de facto* independence of Taiwan. In Beijing’s eyes, China need look no further than the US Department of Defense 2001 *Quadrennial Defense Report* (QDR) to confirm this suspicion. Although not mentioned by name, the report’s reference to a possible ‘military competitor with a formidable resource base emerging in Asia’ can refer only to China.<sup>23</sup>

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<sup>19</sup> *Ibid.* p.5.

<sup>20</sup> *China’s National Defense 2002*, p.3.

<sup>21</sup> *Ibid.*

<sup>22</sup> *The National Security Strategy of the United States of America* (Washington, D.C.: The White House, September 17, 2002) [hereafter *National Security Strategy 2002*], p.18 (Internet version from [www.whitehouse.gov](http://www.whitehouse.gov)) is just the most recent statement of this longstanding US commitment.

<sup>23</sup> *Quadrennial Defense Review Report* (Department of Defense, September 30, 2001) [Internet version, p.4]

**PERCEPTION SINCE SEPTEMBER 2001<sup>24</sup>**

The US response to the September 11 attacks served to heighten Beijing's apprehensions. China's concern over American diplomatic influence and military capability was reinforced by the speed with which the Bush administration built a coalition against terrorism and initiated military operations inside Afghanistan. Although China was among the first to pledge support for the United States' actions, the ease with which the US gained access to bases for military operations in Pakistan and several Central Asian states created misgivings in Beijing. This was perceived as another demonstration of the United States' ability to surround and possibly 'contain' China.<sup>25</sup> Furthermore, US forces and political influence had moved into China's inner Asian backyard, where Beijing had exerted considerable diplomatic effort to create a security system that excluded the United States

Since 1996, China had worked with Russia, Kazakhstan, Kyrgyzstan and Tajikistan to establish a Central Asian security framework. In June 2001, this 'Shanghai Five' became the Shanghai Cooperation Organization (SCO), adding Uzbekistan to its membership. While not a formal alliance, presidential summits have been held annually and their joint statements have indicated steady cooperative progress in military and security matters together with trade and cultural affairs. Summit statements, including those of the annual meetings held by defense and foreign ministers, have also introduced common views on international security matters that are outside the members' borders. Past summits had expressed opposition to US withdrawal from the Anti-Ballistic Missile (ABM) Treaty with Russia, to American ballistic missile defense programs and support for Beijing's stance on Taiwan.<sup>26</sup> It is difficult not to conclude that the SCO was viewed by China as offsetting the US presence in Central Asia, slight though this was before Operation *Enduring Freedom*.

The cooperation and warmth emerging in Russo-American relations undoubtedly undermined China's confidence in the SCO's potential to counter US influence. Not only did Putin and Bush seem to get along, but also Russia

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<sup>24</sup> For a valuable assessment of post-9/11 consequences for China's security policy, see J. Mohan Malik, 'Dragon on Terrorism: Assessing China's Tactical Gains and Strategic Losses After 11 September,' *Contemporary Southeast Asia*, Vol. 24, No. 2 (August 2002), pp.252-293.

<sup>25</sup> I am grateful to Professor Bernard D. Cole for bringing this point to my attention.

<sup>26</sup> See, for example, Beijing, *Xinhua* Domestic Service, 'Defense Ministers of the 'Shanghai Cooperation Organization' Members Sign a Joint Communiqué, June 15, 2001, in FBIS-China, June 19, 2001.



did not strongly object when the United States withdrew from the ABM Treaty. Moreover, in agreeing to an American military presence in Central Asia, Putin had demonstrated a lack of concern over US inroads into Russia's 'near abroad'. US progress in its relations with Russia was accompanied by a reversal of its opposition to General Musharraf's military rule when he agreed to allow US military operations to be based in Pakistan and to suppress his own Islamic militants. In South Asia, Beijing saw the US war against terrorism contribute to an accelerating improvement in American relations with India, including arms sales and military exercises with Indian forces.<sup>27</sup>

Beijing's apprehension over the growing US military presence and diplomatic influence in Central Asia and South Asia was expressed in such journals as *Liaowang*, a weekly published by China's official news agency, and *Qingnian Cankao*, a weekly publication of the CCP's China Youth League.<sup>28</sup> The arguments presented suggested that the United States is using the war on terrorism to gain strategic advantage in Central Asia, adding to its ability to contain both Russia and China. Furthermore, there is the expectation that the US presence is not temporary but will endure for many years. This concern was undoubtedly enhanced by the congressional testimony of the Assistant Secretary of State for European and Eurasian Affairs, Elizabeth Jones, in December 2001. She stated that the United States did not intend to depart Central Asia when the anti-terrorism operations are completed. Rather, that American interests in preventing terrorism, assisting in political and economic reform, establishing the rule of law, and developing the Caspian Sea energy resources required a sustained American regional presence.<sup>29</sup> Thus, from Beijing's point of view, the US presence in Central Asia may not be permanent but it will not quickly fade.

To what extent arguments seen in official Chinese media present the view of China's political leadership is uncertain. It is clear, however, that an enduring US presence in Central Asia is not what China's leadership would prefer. As long as the United States military presence is a function of anti-terrorism operations, then it is acceptable. Continuing a military presence

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<sup>27</sup> Ding Zengyi, 'Indian-US Military Cooperation Raises Concern,' *Jiefangjun Bao*, February 24, 2002, in FBIS-China, March 1, 2002.

<sup>28</sup> See, for example, Chen Qimin, 'The United States pries Open the Geopolitical Pattern in Central Asia,' *Liaowang*, January 21, 2002, in FBIS-China, January 30, 2002, in FBIS-China, January 30, 2002; Yun Zhen, 'US Troops Quietly Enter Into Kyrgyzstan,' *Qingnian Cankao*, January 10, 2002, in FBIS-China, January 11, 2002.

<sup>29</sup> 'US pledges not to abandon central Asia after Afghan War,' Almaty Interfax-Kazakhstan, December 19, 2001, FBIS-China, December 19, 2001

beyond this operational requirement and becoming a strategic presence makes the United States a competitor for regional influence with Beijing.

Secretary of Defense Donald Rumsfeld's August 2002 annual report to Congress will not ease Beijing's perception that the United States views China as the principal potential regional threat to US interests. The report reasserted the *QDR's* assessment made a year earlier by stating that Asia was 'emerging as a region susceptible to large-scale military competition' and that this required the United States to improve both its access to regional facilities and its capability to conduct long-range operations with only minimal theater support.<sup>30</sup> Such an assessment will confirm Beijing's perception that despite the Bush administration's focus on terrorism the US views China as a potential threat.

Nonetheless, the Bush administration's determined concentration on terrorism had some positive consequences for Beijing. President Bush's meetings with President Jiang Zemin at the Asia-Pacific Economic Cooperation's (APEC) Shanghai meetings in October 2001 and in Beijing four months later indicated that both Washington and Beijing were using the war on terrorism to ease the tensions in Sino-American relations and find common ground for cooperation. In their October meeting, Presidents Bush and Jiang agreed that their common goal was to develop a 'cooperative, constructive relationship,' with President Bush adding that he sought a relationship that was 'candid, constructive and cooperative'.<sup>31</sup> Both leaders recognized the disagreements between their two countries. Both raised the Taiwan issue, with President Bush adding disagreements over the proliferation of missile technologies and weapons of mass destruction. The tone suggested that both sides believed their differences should be and could be discussed with mutual understanding and respect.

Notwithstanding the positive tone of these meetings, the Chinese press and journals continued to portray the United States as Beijing's most difficult foreign security problem. In the post-Cold War era, the United States is seen as overwhelmingly superior to any other state in its military, economic, political and scientific power, and with unmatched influence in international politics. With this superior position, the United States is expected to increase its power and thereby its ability to intervene in world affairs and sustain its role

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<sup>30</sup> Donald H. Rumsfeld, *Annual Report to the President and Congress* (Washington, D.C.: Department of Defense, August 2002), p.12.

<sup>31</sup> 'Remarks by President Bush and President Jiang Zemin in Press Availability Western Suburb Guest House' (The White House, Office of the Press Secretary, October 19, 2001).

as the world's leader.<sup>32</sup> This perception can only be confirmed by the 2002 release of *The National Security Strategy of the United States*, which commits the Bush administration to maintaining military forces so strong that no state can surpass or match them.<sup>33</sup> The question for Beijing became how to respond to the United States' now dominant military, economic and political power, especially when China is identified as the single potential challenger to American military pre-eminence in maritime Asia.

## COUNTERING US INFLUENCE

In seeking to counter US influence in Asia, Beijing fully recognizes that the United States is the pre-eminent global power. The multipolarization of world power and politics that Chinese analysts had been assessing and hoping for over the past 20 years is seen now as possible only in the distant future. Not only is the world unipolar, but those states that could form 'poles' are most often aligned with the United States. In Asia, Japan is allied with the United States and India is putting great value on its emerging ties with America. Despite their disagreements on a number of economic and security issues, the European Union's members are aligned with the United States. Russia's economy is too feeble and its military too demoralized and growing weaker by the year to be considered a pole. More importantly, Russia under President Putin has no intention of challenging American pre-eminence, but would rather foster a new strategic relationship with the United States.<sup>34</sup> Beijing has accepted the reality that US ascendance in world politics will continue, most likely for decades. This recognition has led to what appears to be a strategic debate in China over how to respond effectively to this functionally unipolar world.<sup>35</sup> Nonetheless, directly challenging US pre-eminence does not appear to be at the heart of China's strategy and policy. As Bonnie Glaser has written, the consensus in Beijing is 'that a confrontational policy toward the US while it

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<sup>32</sup> See, for example, Li Zhongjie, 'Understanding and Promoting the Process of World Multipolarization – Part 3 of 'How to Understand and Deal with the Current International Strategic Situation,' *Liaowang*, June 3, 2002.

<sup>33</sup> *National Security Strategy 2002*, p.19.

<sup>34</sup> *Ibid.* It should be noted that as Director of the Department of Scientific Research of the Central Party School involved preparing for the upcoming 16<sup>th</sup> Party Congress, Li Zhongjie's views probably come close to the current assessments held by the CCP leadership.

<sup>35</sup> Jonathan D. Pollack, 'Chinese Security in the Post-September 11 World: Implications for the Asia and the Pacific,' *Asia-Pacific Review* 9:20 (November 2002), pp.12-30.

occupies a position of unparalleled strength would be counterproductive and should be avoided if possible'.<sup>36</sup>

Accepting the reality of America's strength, China's current strategy is to restrain the United States' *exploitation* of its political, military and economic strength. To achieve this goal, Beijing is pursuing two parallel courses of action, both of which antedate the second Bush administration. First, Beijing is sustaining a two-decade policy of active diplomacy designed to expand China's regional political and economic influence.<sup>37</sup> Enlarging China's influence is seen as the most effective way to counter the United States while avoiding direct confrontation. Second, the modernization of China's armed forces is being maintained and perhaps accelerated by the double-digit percentage augmentation of defense allocations that have permitted increasing acquisitions of advanced weaponry from Russia.

Countering American power and influence over the next decade or two could well be a near-term objective. Beijing's long-term purpose could be to engage the United States in a strategic competition with the objective of supplanting US influence in maritime Asia. If displacing US influence is China's long-term objective, Beijing faces an extremely difficult task. Most of the states on Asia's maritime periphery view China's growing power, especially its growing military capabilities, as their major potential external challenge.<sup>38</sup> Their approach to China is therefore one of hedging against the worst possible outcome. Only South Korea, with its security focuses on North Korea and Japan, does not view China as a probable security problem.

The hedging strategy pursued by Tokyo consists of engaging Beijing economically and politically while relying on its own extremely competent forces and Japan's security alliance with United States to offset China's increasing military strength. Nonetheless, Japan's apprehension is mitigated by the fact that China's military power, especially its force-projection capabilities, is far less threatening than that of the former USSR in the 1980s.<sup>39</sup> Tokyo's

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<sup>36</sup> Bonnie S. Glaser, 'Playing up the Positive On the Eve of the Crawford Summit,' *Comparative Connections*, Vol. 4, No. 3 (October 2002), p.7.

<sup>37</sup> Robert Sutter, 'China's Recent Approach to Asia: Seeking Long Term Gains,' NBR Analysis, Vol. 13, No. 1 (March 2002).

<sup>38</sup> For Southeast Asia, see Sheldon W. Simon, 'Southeast Asia,' in Ellings and Friedberg, *Strategic Asia*, pp.269-297. For Japan, see Eric Heginbotham and Richard J. Samuels, 'Japan's Dual hedge,' *Foreign Affairs*, Vol. 81, No. 5 (September-October 2002), pp.110-121. For India, see Ashley J. Tellis, 'South Asia,' in Ellings and Friedberg, *Strategic Asia*, pp.223-267.

<sup>39</sup> Kenneth B. Pyle and Eric Heginbotham, 'Japan,' in Ellings and Friedberg, *Strategic Asia*, pp.95-97.

public policy does not define China as a potential military threat, and China continues to be the leading recipient of Japanese aid.<sup>40</sup> Moreover, Prime Minister Junichiro Koizumi has set as policy the principle that Tokyo would work with Beijing to ensure regional stability. In part, this reflects China's status as one of Japan's most important economic partners. Japanese businesses and bureaucrats view China's economy as complementary to Japan's. Beyond providing raw materials and parts, China is Japan's second largest trading partner and the preferred offshore production base for Japanese firms. Political dialogue has intensified as economic ties have deepened. In 1997, Japan and China agreed to cooperate in the then-new ASEAN + 3 (the 'three' being China, Japan and South Korea) meetings, and in 1998 they agreed to annual heads of state meetings and to expand their consultations to include security matters. In large part, Japan's hedging strategy is rooted in the belief that China will not be openly confrontational, but for the foreseeable future will continue to emphasize economic development and its attendant cooperative approach to the world.

The hedging strategy pursued by the major states of Southeast Asia is also based on the political and economic engagement of China. Relations with Beijing are generally cordial, with trade and commerce expanding. Beijing is politically engaged through its participation as a full dialogue partner of the ten-member ASEAN (Association of South East Asian Nations), as a member of the security-oriented ASEAN Regional Forum (ARF) and the ASEAN + 3 ministerial sessions. Despite the progress the ASEAN states believe they have achieved in persuading Beijing to be a cooperative and responsible partner in the region, there remains apprehension over China's growing military, political and economic power. Beijing's claims to the Spratly Islands and the South China Sea are of primary concern.<sup>41</sup> Currently, however, with the exception of the Philippines, the ten states of ASEAN are not overly worried about China's gradual military buildup. Beijing's defense modernization programs are seen as focused on Taiwan. The South China Sea territorial disputes are not expected to become critical until the question of Taiwan is settled. There is, however, concern that Chinese military capabilities—driven by Taiwan's US-supported defense modernization and in anticipation of American ballistic missile defenses—will one day be employed by China in the South China Sea. Consequently, in a manner similar to that of Japan, a sustained US military presence in the region is viewed as offsetting China's burgeoning military strength.

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<sup>40</sup> This discussion is drawn from Heginbotham and Samuels, 'Japan's Dual Hedge.'

<sup>41</sup> The following discussion draws primarily from Simon, 'Southeast Asia.'

India has long viewed China as its greatest potential military threat; this was the driving force behind its ties with the former USSR in the era of Sino-Soviet enmity. Border disputes and China's relationship with Pakistan, especially its military assistance and covert support of Islamabad's missile and nuclear weapons program, have been a constant security concern. These longstanding tensions have been joined more recently by China's inroads into Burma (Myanmar), which have aroused India's sensitivity to a Chinese presence in the Bay of Bengal. New Delhi's recently developed 'Look East' policy is driven by this unease over China's growing influence in Southeast Asia.<sup>42</sup> India is the only South Asian state to be a full dialogue partner of ASEAN and a member of ARF, and seeks to counter China's influence by expanding its political, military and economic ties in Southeast Asia.

New Delhi's hedging strategy, however is distinctly different from that pursued by Japan and ASEAN.<sup>43</sup> Whereas the Japanese and Southeast Asian strategies ultimately rely on the United States to offset China's growing military capabilities, India's goal is to remain as South Asia's hegemon and an independent power on China's periphery. The political and economic aspects of India's engagement strategy place foremost emphasis on the political component. New Delhi wants to avoid being locked into an antagonistic relationship with Beijing and has therefore sought to diplomatically manage its longstanding border disputes with China. Economically, India's focus is inward. New Delhi wants to revitalize its economy to provide a strong base for its political ambitions and to ensure internal stability. Despite the political and military initiatives now embraced by Washington and New Delhi, the place of the US in India's strategy is not as an ally. New Delhi wants a close working relationship with Washington, especially access to US military technology, doctrine and training, but primarily seeks recognition that India's hegemonic role in South Asia is in the US interest. At the heart of New Delhi's strategy is a commitment to establish India as an autonomous regional and global power—not a junior partner in any alliance or security arrangement.

Despite China's constant criticism of US alliances and utilization of Asian bases and port facilities as demonstrating American 'Cold War mentality,' Beijing recognizes that the United States' military presence is welcome in the region. Similarly, although Beijing blames the United States for sponsoring the image of China as a military threat, its active program of military-to-military

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<sup>42</sup> Simon, 'Southeast Asia,' p.294.

<sup>43</sup> This discussion is drawn from Ashley J. Tellis, 'South Asia,' in Ellings and Friedberg, *Strategic Asia*, pp.223-267.

diplomacy demonstrates recognition that its own increasing military capabilities are the primary cause of regional apprehensions.<sup>44</sup> Countering the exercise of US political and military strength has therefore involved seeking to allay maritime Asia's fear that China's growing power will ultimately result in an attempt to dominate the region. China's efforts have been made easier by the region's own strategy of engagement. Beijing's participation in regional multilateral organizations and its push to increase mutually beneficial trade and investment with the region have been welcomed—especially following East Asia's 1997 financial crisis.

China desire to present itself as a good neighbor and responsible member of Asia's multilateral organizations led to Beijing's introduction of the 'New Security Concept' (NSC).<sup>45</sup> Formulated in the spring of 1997, and occupying a prominent place in Beijing's 1998, 2000 and 2002 defense white papers, the NSC is China's proposal for a post-Cold War security system. Beijing made clear that the principles China espouses are in distinct contrast to the United States' 'Cold War mentality' seen in its use of military power and alliances as the bedrock of Washington's approach to regional security. In the place of military arrangements, Beijing recommends mutual trust, dialogue between sovereign states as equals, mutually beneficial economic cooperation, and no resort to military threats. Beijing's 2002 defense white paper summarized China's approach as based on 'mutual trust, mutual benefit, equality and cooperation'.<sup>46</sup> Given the apprehensions driving maritime Asia's hedging strategy, it is very unlikely China's NSC will supplant the confidence derived from US forward deployed forces and the alliances and facilities that enable their presence.

### **A CHINESE 'MONROE DOCTRINE'?**<sup>47</sup>

Beijing's diplomacy, economic cooperation and military diplomacy over the past decade and more have markedly improved China's influence throughout Asia. China's relations with Russia, the new states of Central Asia, India, Southeast Asia, South Korea and Japan are now the best they have been

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<sup>44</sup> A summary of the past two decades of China's military diplomacy can be found in, 'China's Military Diplomacy Forging New Ties, 'Beijing, Xinhua, October 28, 2002, in FBIS-China, October 28, 2002.

<sup>45</sup> This discussion draws heavily on David M. Finkelstein, *China's New Security Concept: Reading between the Lines* (Alexandria, VA: The CNA Corporation, October 29, 1998)

<sup>46</sup> *China's National Defense in 2002*, p.3.

<sup>47</sup> The notion of a Chinese Monroe Doctrine is taken from John J. Mearsheimer, 'The Future of the American Pacifier,' *Foreign Affairs*, Vol. 80, No. 5 (September/October 2001), pp.46-61.

than at any time since the PRC's founding in 1949. This increase in Beijing's influence and Asia's response to China's initiatives is essentially inevitable. China is continental Asia's dominant power, with a flourishing economy that in some ways competes with other Asian economies but also contributes to the whole region's economic growth. Asia's hedging strategy toward an increasingly powerful China stems from the reality that little can be gained and much could be lost by pursuing confrontational policies.

It is unclear whether Beijing views its present success as laying the groundwork for an Asian 'Monroe Doctrine', in which US involvement in regional affairs would be acceptable only with China's approval. Such a doctrine would be plausible only if China had the military capability to enforce it. Assuming China remains politically stable and its economy continues to expand and technologically advance over the coming two decades, Beijing will have the resources required to support the research and development (R&D) programs and manufacturing capabilities required for a post-industrial economy. This same economy will be capable of supporting a sophisticated military-industrial complex. Furthermore, if China continues its present approach to defense modernization, over the next two or three decades Beijing's armed forces will be increasingly equipped with arms and supporting systems allowing them to contest US military pre-eminence in maritime Asia.

The American military presence in the Western Pacific is that of an extra-regional power using its force-projection capabilities and access to regional facilities to sustain a forward deployment. China's defense modernization programs seem deliberately designed to threaten US forward deployed forces and the regional foreign-hosted infrastructure required to sustain and augment them in times of military crises. The programs of greatest concern to the United States, many of which originated in the 1950s and 1960s, are:<sup>48</sup>

- ## R&D in space systems to develop wide-area space-based intelligence, surveillance and reconnaissance (ISR) systems.
- ## R&D in anti-satellite weapons.
- ## Cruise missile programs dedicated to improving the range and accuracy of land, air and ship-launched weapons.
- ## Ballistic missile programs that seek to improve the reliability, survivability (mobile systems), accuracy and response times of tactical, regional and intercontinental-range weapons to augment or replace current systems.

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<sup>48</sup> This discussion is drawn primarily from Report to Congress, *Annual Report on the Military Power of the People's Republic of China* (Department of Defense, Washington, D.C. July 2002).



- ⚡ Continuing R&D on nuclear-powered ballistic missile and attack submarines to augment or replace older ships now in service.
- ⚡ Acquisition and development of advanced diesel-electric submarines armed with submarine-launched cruise missiles and guided torpedoes to augment or replace older ships in service.
- ⚡ Development and acquisition of more capable naval surface vessels armed with advanced anti-ship cruise missiles for offensive missions. Because destroyers and frigates currently in service are deficient in air defenses and anti-submarine warfare capabilities, we should anticipate significant improvements in these realms over the coming decade.
- ⚡ Air-power programs that develop and acquire technologically sophisticated multiple-role combat aircraft together with airborne warning and control system (AWACS) aircraft and aerial refueling to increase their effectiveness and combat radius.
- ⚡ Ground-force programs that update armor and artillery weapons; development and deployment of helicopter aviation units; improved airlift capabilities for paratroop units; introduction of special operations forces; and increased amphibious warfare capabilities.
- ⚡ R&D on offensive and defensive information operations.
- ⚡ R&D and employment of improved command, control, and communications systems.
- ⚡ Exercises designed to prepare the PLA for the joint operations essential for force projection and offshore defense.

It is correct to assume from Beijing's declared security priorities and PLA exercises over the past several years that the current defense modernization is focused on a potential conflict in the Taiwan Strait, most likely involving US forces. Over the long-term, however, these same programs have a wider significance for the region and the United States. Beijing does not now plan to match the military capabilities of the United States with its commitment to global force projection. Nonetheless, the trajectory of China's military R&D and acquisitions does suggest that Beijing is seeking at a minimum the capability to implement an 'area denial' strategy along China's maritime periphery.

The purpose of the strategy would be to make it extremely hazardous for US naval forces to operate inside an approximately 600-mile buffer zone off China's coast.<sup>49</sup> Space-based ISR will permit the PLA to locate and track

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<sup>49</sup> See Bernard D. Cole, *The Great Wall at Sea: China's Navy Enters the Twenty-First Century* (Annapolis, MD: Naval Institute Press, 2001), pp.165-176, for a more detailed discussion of this strategy.

surface forces that approach China, exposing them to attack by ship- and air-launched long-range cruise missiles. Modern, quiet submarines will be armed with guided torpedoes and cruise missiles. The foreign-hosted military facilities granting US forces much of their sustainability and land-based air power will be susceptible to targeting by extremely accurate conventionally armed cruise and ballistic missiles. Fourth-generation combat aircraft together with AWACS and aerial refueling will give China greater effectiveness in the air in both offensive and defensive missions. This area denial strategy will be backed by a nuclear deterrent credible in the face of US ballistic missile defenses. In short, US dependence on maritime force projection and foreign-hosted bases could be exploited by the capabilities China is now developing. These same capabilities will allow China to operate far more effectively in defense of its maritime claims and sea lines of communications.

The defense of China's continental periphery will be equally improved by current defense modernization programs. Upgraded ground-force weapons and mobility, combined with multiple-role combat aircraft and space-based ISR, provide the basis for a quick-reacting lethal response to any border confrontation. Force projection beyond the immediate border area is not a Chinese concern—Beijing's intent is to make an adversary's initiation of a military conflict along any part of China's borders a dangerous endeavor.

Although China's potential to challenge US military pre-eminence in maritime Asia is clearly present, it is uncertain whether Beijing will attempt to employ its future military capabilities to eliminate the United States as Asia's offshore balancer and establish China's regional hegemony. As John Mearsheimer has suggested, Beijing would first have to assess whether the costs and risks involved in the process of eliminating the United States are greater or less than the benefits accruing from hegemony.<sup>50</sup> Past assessments suggesting that a powerful China will seek hegemony have based a major part of their argument on the probable post-Cold War reduction of US forces in East Asia.<sup>51</sup> Because of the American perception that China is the single Asian state most likely to become the United States' strategic competitor, such a force reduction has not occurred and is unlikely to take place in the foreseeable future. The US Defense Department's current *QDR* and *Annual Report to the President and Congress* make this US apprehension clear despite the

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<sup>50</sup> Mearsheimer, 'Back to the Future,' p.13.

<sup>51</sup> See, for example, Denny Roy, 'Hegemon on the Horizon? China's Threat to East Asian Security', *International Security*, Vol. 19, No. 1 (Summer 1994), pp.149-168.

thaw in Sino-American relations that emerged as the Bush administration sought China's assistance in its war on terrorism.

Moreover, when speculating on potential Chinese military capabilities as far distant as two or three decades hence, it must be recognized that Asia and the United States will not have stood still in those years. US forces are undergoing continuous modernization, and current planning is aware that reliance on foreign-hosted facilities to sustain forward deployments in the Western Pacific is a liability. Assuming no regional economic collapse, many Asian states will be building their own military strength. In particular, Japan and nuclear-capable India will be bolstering their capabilities, as will the major states of Southeast Asia. If the current mistrust of China's future course is not alleviated, Beijing will continue to face a regional hedging strategy in which the defense establishments on Asia's maritime periphery are militarily more capable and many governments look to the United States to counter China's military power. These decades also provide Moscow the opportunity to recover from its current economic dilemmas and begin reasserting its power and influence in the Asia-Pacific.

Looking ahead two decades, it is far more probable that Asia will become multipolar than remain bipolar or subjected to Chinese hegemony. Russia and India are potential great powers with important security interests in Asia and would oppose Chinese hegemony. There is the remote possibility of a Sino-Russian alliance to oppose the United States, but this would be costly for Russia's European interests. Moreover, the history of Sino-Russian relations over the past 150 years suggests that both Moscow and Beijing would view their partner with doubt and suspicion, making such an alliance inherently fragile. Japan would not want Chinese hegemony and would therefore sustain some form of its current security relationship with the United States. Nor would the states of Southeast Asia desire Chinese hegemony. Too weak individually or collectively to confront China, Southeast Asian states would rely on external powers to constrain Beijing.

## **IMPLICATIONS FOR US POLICY**

Despite the present spirit of *rapprochement*, mutual apprehension remains the fundamental characteristic of Sino-American relations. The United States has good reason to be apprehensive over the course China may follow when it achieves the level of economic, technological, scientific and military capability it seeks. Although currently obscured by Beijing's pragmatic response to Washington's overwhelming political, economic and military power and its

need for US trade and investment, China's opposition to American pre-eminence is clear. Not only is China's opposition to the United States evident, but Beijing's military modernization programs also appear to be specifically focused on countering the US maritime strategy and the foreign-hosted bases enabling that strategy in the Western Pacific.

China's apprehension over US strategic intentions may well be misplaced, but Beijing has good reason to be suspicious. Much of US policy and strategy goes against Beijing's interests. American arms transfers to Taiwan have been accelerated and the Bush administration is pursuing much closer military ties with Taipei than any administration since the mutual security pact between Taiwan and the United States was terminated in 1979. The high priority the Bush administration has placed on developing national and theater ballistic missile defenses does threaten the credibility of China's small nuclear deterrent and its much larger inventory of theater weapons. Until the recent thaw in Sino-American relations, the Bush administration's hostility toward China was evident.

Nonetheless, the pragmatic approach adopted by Washington and Beijing as they now approach each other can be sustained as they develop strategies and policies for Asia. Longstanding US policy and strategy in Asia has been to prevent hostile domination of the East Asian littoral.<sup>52</sup> The United States has never had the strategic objective of becoming the hegemon of Asia. Asia is simply too vast and complex to set such a goal. US policy has been to prevent the rise of a regional hegemonic power or coalition of powers. Thus, whereas the United States would oppose a Chinese thrust for hegemony, a multipolar Asia would be, or should be, as acceptable to the United States as the current bipolar Asia. Whether Beijing would find a future multipolar Asia acceptable for its security interests cannot be determined at this time. To the extent that a multipolar Asia has diminished US influence, there is good reason to believe that China would find that arrangement acceptable.

What does seem to be evident is that the United States must sustain its strategy and capability to function as the offshore balancer to China's growing power. Beijing's progress toward an effective area-denial strategy does more than complicate US plans to provide Taiwan assistance in the event of an unprovoked attack. It also can raise doubt in Asia about the willingness and ability of the United States to sustain its offshore balancing role. A robust US military presence is therefore essential if Asia is to maintain its confidence in the United States. This, however, will entangle the United States and China

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<sup>52</sup> This objective is stated in the current *QDR*, p.4.

even further in the present security dilemma, in which actions taken by one as defensive are seen by the other as offensive.

Purely military responses to each other's military deployments will not resolve this dilemma. As the United States adjusts its force deployments in response to China's increasing military capabilities and the need to reassure Asian allies and friends, it must also engage Beijing in high-level discussions of Asian security. Without such discussions, the mutual apprehension underlying Sino-American relations will only increase bilateral tensions and arms proliferation and enhance the potential for military conflict. The recent decision by Washington and Beijing to revive their suspended Defense Consultative Talks is an encouraging step toward restoring the high-level strategic dialogue required to ease the risks of mutual apprehension.<sup>53</sup>

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<sup>53</sup> Nathan Hodge, 'US, China To Resume High-Level Military Talks,' *Defense Weekly Daily Update*, October 28, 2002.