DRAFT

CHINA: THE SECURITY DILEMMA

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Introduction

When a country as big as China rises – or falls – it is bound to create waves. China is the world's most populous nation. One in every five humans lives in China. It is the third largest country, occupying 1/15th of the world's land mass. It is also the second largest economy in real or PPP terms.

What has been fuelling apprehensions though is not just the size of China, but the rate at which it is growing and the implications of this to the prevailing strategic and power balance. Its economy has been growing at a ferocious average of more than 9 percent every year in the last decade; it achieved a growth rate of 10.7 percent last year. It is also a nuclear power and its military expenditure has been growing at double digit levels for the last decade as well.

Apprehensions regarding the rapid rise of China are evident almost everywhere. Some, like Malaysia and Thailand, are extremely mindful of the economic challenges posed by the giant economy. While fully welcoming the opportunities, they are seriously concerned about the loss of foreign investment and challenge to the competitiveness of some of their industries posed by the high technology-cheap labour advantage of China. They do not however, see China as a major security or military threat.

Other countries seem to be more concerned about the strategic and security challenge posed by China. The countries most concerned are the United States and Japan. The United States is concerned about a challenge to its regional if not global hegemony. Countries that have chosen to align their strategic interests and mindsets with the United States are similarly concerned. Japan, which has

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failed to come to terms with its neighbours over its past aggression and occupation of their territories and is uneasy over revenge, sees China as both a security threat to itself as well as its strategic influence in the region. Indonesia, which views Southeast Asia as its traditional area of influence and sees China as a rival and prone to domination, is similarly apprehensive about a growth in Chinese strategic power.

The security dilemma

What really is the security challenge posed by China to the region and the world? How much of the threat assessment is borne out by objective facts, and how much of the discourse is deliberately skewed by vested national interest? How far are we influenced by present realities rather than selective recollections of the past? To what extent are we driven by so-called "realist" and hard security assumptions, which cannot see the world in other than adversarial and worse case scenario terms, and whose internal logic dictates an escalating cycle of action and re-action that often sends conflicts of interest spiralling out of control and fulfils its own worst predictions? What is the best response to the strategic challenge posed by China?

China's rise – prospects

A lot will depend on how China continues to develop in the future. It could implode, with unpredictable consequences as to gravity and longevity. That there could be great instability in a country that size and with such mounting pressures caused by uneven socio-economic development and a political system that does not give adequate expression to its people, is not an unlikely possibility at all. A China that implodes, with all the attendant uncertainties and likely external repercussions, is not in the interest of the region.

The country's rate of economic growth rate is also unsustainable over the longer run. Even the Chinese government desires a cooling off, sooner rather than later.

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But the odds are China will continue to develop at a brisk pace, and to become the engine of growth for the entire East Asian region. It is conceivable that it will overtake Germany and Japan to become the second largest economy in nominal terms in the next twenty years, and the largest in PPP terms soon after.

The other unpredictable is Taiwan. If Taipei declares independence and Beijing is forced to resort to force, the likely scenarios and their consequences are numerous. China's rise could be seriously interrupted, though not terminated.

Barring implosion therefore, China's rise seems inevitable. Growth in economic and financial resources will also lead to higher expenditure on the military, as is the case with nearly all countries. In the case of China increased expenditure on the military will also be spurred by the fact that despite its nuclear capability it is still a relatively weak military power with very modest maritime and air capability. Japan and India for instance, have relatively superior maritime and air assets – in the case of Japan despite it being only a "self defence" force.

The threat of Taiwanese independence will lend even greater urgency to Chinese military enhancement. So will moves by other major powers such as the United States and Japan which can be interpreted as hostile or unfriendly, especially when together they are already in such a manifestly superior position that does not warrant further enhancement of their military capacity.

An increase in China's strategic influence in the region and around the globe therefore also appears certain, and adjustments need to be made by all parties – indeed, adjustments have already begun. Economic clout, a respectable military capability and skilful diplomacy grounded in a peaceful disposition can make China a great and benign regional as well as world power next only to the United States. Indeed, if China can resist the urge for unilateralism, ideological fundamentalism, militarism and coercive behaviour that so distinguishes the

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United States today, countries in the region and around the globe will find in China the more appealing option for collaboration and partnership.

On the other hand, if China abuses its power and inclines to coercive behaviour beyond the defence of its legitimate vital interests, it will become, if not a threat, another ugly hegemon.

Challenges to the rise of China

China faces two main external challenges to its rise in regional and global strategic stature: attempts to constrain and "balance" China by countries that see it as a rival for strategic influence; and concerns among countries and entities that see it as a threat, if not now, in the future. The two groups are not mutually exclusive. Major and medium powers that see China as an unwelcome rival and rising power are the United States, Japan and India, and to a lesser extent Indonesia. Allies and strategic partners of the United States (such as the European Union) may also find varying degrees of common cause with the United States in its attempt to constrain China. Countries and entities that see China as a threat or possible threat include all these countries as well as Taiwan, Vietnam and the Philippines, and to a lesser extent Malaysia.

Constraining and "balancing" the rise of China

The United States, Japan, India and Indonesia are engaging fully with China economically. China in fact is a leading trading and investment partner of the United States, Japan and Indonesia, and their importance to each other is growing rapidly. They also engage constructively and peacefully in a variety of regional security and economic groupings, including the ASEAN Regional Forum; ASEAN Plus Three (less India and the United States); East Asia Summit (less the United States); and the Asia Pacific Economic Cooperation (less India). These regional linkages are further bolstered by bilateral cooperative

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arrangements and for Indonesia, through arrangements between China and ASEAN.

Beyond these important areas however, Japan and the United States especially are embarking on a number of measures to balance and constrain Chinese strategic influence. The United States has clearly stated that it will oppose the rise of any power that can challenge its hegemony of the region. It regards China as a country that has "the greatest potential to compete militarily with the United States".

Balancing measures can bring benefits to third parties. For instance both Japan and the United States have launched constructive and welcome initiatives to strengthen socio-economic cooperation with ASEAN and its members, thereby hoping to offset perceived Chinese strategic gains in the region. Among these initiatives are the Japan-ASEAN Framework for Comprehensive Economic Partnership signed in 2003 following China's proposal for a Free Trade Agreement with ASEAN in 2001, and the Japan-ASEAN Declaration on Partnership in the New Millennium in December 2003 following the China-ASEAN Declaration on Strategic Partnership for Peace and Prosperity signed in October 2003.

But initiatives by the United States and Japan also include measures that are deliberately targeted at balancing and constraining China in a way that can be regarded as hostile or unfriendly by China and which is detrimental to long-term regional security and amity. The United States and Japan have strengthened security cooperation despite the existence of an already strong bilateral security alliance that more than offsets China's rise. The US and Japan made joint statements on China and Taiwan (for example the 2+2 talks of the Japan-US Security Consultative Committee) that reflected the strong alliance among the two powers on issues regarding China and the territory it regards as its own. US-

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Japan security cooperation now includes operational collaboration. Taiwan has been declared a "common strategic objective" and mutual security concern of the United States and Japan. Japan and the United States are also seeking to enhance political and security cooperation with South Korea, Australia and India (for Prime Minister Abe, they are all democracies that share the same values, unlike China). The latest development is a planned defence cooperation agreement with Australia initiated by Japan. Japan, along with Indonesia, also seek to neutralise perceived Chinese domination of the ASEAN+3 process by strengthening the East Asia Summit process which includes India, Australia and New Zealand.

Balancing and constraining, especially when they are done by powers that already clearly have the upper hand and in that sense are not necessary, can have negative consequences upon regional security. They emphasise the element of confrontation, force the other party to respond, and can easily lead to the very outcomes they profess to prevent.

In this regard, the view that rising powers destabilise the situation by threatening *status quo* powers may not describe the issue correctly. The onus and stigma is placed squarely upon rising powers, whereas there can be occasions where the destabilisation is caused by *status quo* powers who overreact in their response.

China as a threat

China's rise is stoking fears of China as a threat, actual or potential. In the view of this writer, China can be viewed as a threat by the affected parties in the following respects:

1. When China resorts to force, or could resort to force in the future, in pressing its territorial claims without provocation. China has territorial disputes with Japan, India, Vietnam, Philippines, Malaysia, Brunei and Taiwan in the South China Sea. It also has a territorial dispute with

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Indonesia in waters north of the Natunas. Where China does not resort to force however, it is just another claimant or party to a dispute, like the others.

2. When China employs force to unite Taiwan with the mainland. This seems highly unlikely, except when provoked by a Taiwanese declaration of independence. In such a case the menace is Taiwan, not China. In this regard, it must be noted that the large majority of territorial disputes around the world, including in Europe, are resolved through force, not peaceful negotiations.

The author sees no other credible threat from China. The threats relating to territorial disputes, should they materialise, will be limited and confined to specific and small maritime territories, except with respect to the disputes between China and India, where each side claims land (parts of Arunchai Pradesh and Kashmir, respectively) within the other's boundary.

Assessments of the threat from China must also bear in mind that China has no military bases on foreign soil. It is not promoting any ideology abroad, or ramming it down anybody's throat. Its military expenditure, even by the highest US Department of Defense guestimate (USD90 billion in 2005), is still just twenty percent of the highest spender (the United States – USD455.3 billion according to SIPRI). It has no blue water navy. In fact, it is unable to recover even its own territory through force or threat of force.

Given the limited nature of any Chinese threat (nobody for instance, is arguing that China will invade the United States, Japan, Vietnam, the Philippines or Indonesia), the discourse on a China threat seems grossly exaggerated and tantamount to what may be termed a threatwish that will be music to the ears of the powerful and influential arms industry.

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Of even greater concern than the discourse is the enhancement of military capabilities by some countries under the guise of preparing for a Chinese threat. Japan, which also points to a threat from North Korea, has upgraded its defence agency into a defence ministry and is revising its peace constitution, seeking permanent legislative approval to send troops abroad, strengthening military cooperation with the United States, and echoing US calls for greater transparency in Chinese military expenditure. (Transparency in military expenditure and assets is more a function of domestic demands for accountability in democratic systems, or agreements between two or more parties, rather than any desire to be transparent to external scrutiny. Disadvantaged or weak states generally resist calls for transparency for fear of exposing their vulnerabilities).

The United States has gone even further. In order to respond to long-term "competition" from China, the Quadrennial Defense Review of the Defense Department of February 2006 announced plans to increase naval deployments, diversify the network of bases in the Pacific, increase production of submarines to two each year, significantly elevate US surveillance and long-range strike capabilities, and accelerate the production of the next-generation bomber by almost two decades. All these besides enhancing defence collaboration with its treaty allies, prevailing upon Europe not to sell weaponry and technology to China, and the US' already quantum military superiority over China.

Conclusion: a sane response to the Chinese security dilemma

If present trends continue, the security climate in the Asia Pacific region will deteriorate further. The atmosphere will be particularly tense between China on the one hand and Japan and the United States on the other. There is an urgent need to manage the strategic situation better.

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A pragmatic response to the security challenge posed by a rising China could perhaps take off from the following premise:

1. China is there.
2. China is big and it will get bigger, economically as well as militarily.
3. China can get close to the US in economic terms, but it will find it virtually impossible in the foreseeable future to achieve military parity with the US.
4. Chinese strategic influence in the region and around the world will grow, especially if China sustains its present generally constructive, cooperative and non-coercive policies abroad.
5. China's primary preoccupation will be domestic peace, stability and prosperity. This will continue to require a peaceful external environment,
6. Any threat from China will essentially be limited to recourse to force over conflicting territorial claims, and here too there are strong political and military restraints on China.
7. China will go to war over Taiwan (and engage any other power that backs Taiwan) if the latter tilts towards independence.

If the above premise is generally sound, a more measured, proportionate and constructive response to the strategic challenge posed by China could include the following elements:

1. A more moderate and less overtly anti-Chinese policy in Japan that includes maintaining the US-Japan alliance without unnecessarily upgrading it; restraint from developing common anti-Chinese positions with the United States and others; and not getting involved directly on the Taiwan issue.
2. A concerted attempt by Japan to resolve tensions and distrust with its neighbours that stem from history. This will make Japan's legitimate desire to become a normal power less apprehensive for them. Priority should be given to reconciliation between China and Japan.

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3. A marked dilution of the heavily militaristic response to strategic challenges that the United States seems prone to. It already enjoys an overwhelming military advantage over China that is further reinforced by bilateral alliances. Further substantive enhancements are unnecessary and destabilising.
4. Southeast Asian states are experiencing a fresh phase of major power rivalry in the region involving China, Japan, the United States and India. They could take sides or engage with all for mutual peace and prosperity. The latter is the wiser course. ASEAN states should not be divided into pro-China and pro-US/Japan camps, and assist in the manoeuvres of one side against the other, even to the extent of undermining ASEAN initiatives such as the ASEAN Plus Three process versus the East Asia Summit process. Instead, ASEAN should seek to enmesh itself with all major and medium powers in the region through complementary (not competing and conflictual) bilateral and expanding regional networks of cooperation that give every participant a vested stake in shared peace and prosperity.
5. Southeast Asian states should continue to build on ASEAN cooperation and solidarity as a political and economic counter-weight to the major powers, including a rising China. This is an absolute necessity.
6. The primary flashpoint for a conflict between China and other countries in the region – indeed between all countries in the region – is over contested and overlapping territorial claims. Indeed, take away the territorial disputes, and there is little cause for violent inter-state conflict in the region. Regional states should therefore work towards strengthening existing arrangements for dispute management and resolution, such as in the South China Sea, and develop new ones in Northeast Asia.
7. Indonesia, Philippines, Vietnam, Malaysia and Brunei have legitimate and reasonable grounds to enhance their military capabilities to protect their interests, including in maritime areas. They should continue to do so until

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they achieve a reasonable degree of deterrence capability. Enhancement of their military capacity should be viewed as a legitimate effort to ensure their security (as well as the security of others, for instance in the Malacca Straits), and not as efforts with aggressive or belligerent intent, as they are bound by arrangements for peaceful cooperation. Singapore already has a steady and vigorous programme to sustain and upgrade its military capability. Singapore's expenditure on the military as a percent of GDP exceeds China's – in 2005 it was 4.9 percent, compared to China's 4.3 percent (The Military Balance).

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