

China's Naval Modernization: A Fundamental Change in its National Security Strategy?

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SHAUN SUNIL SANDU, MAY 20 2012

China has embarked on a naval modernization programme as part of a policy of increasing defence spending sharply since the early 2000s, more than quadrupling its expenditure from \$32 billion in 1998 to more than \$114 billion in 2010[1] (when R&D spending is included). In particular, some watchers have cited China's decision to construct two carrier ships with corresponding carrier-based fighter aircraft, as well as the Jin-class submarines with ballistic missile capabilities as telling of a fundamental change in its national security strategy – from one of “peaceful rise” to a more belligerent and revisionist form when it comes to its neighbours in the region. By examining the tenets of China's national security strategy (since Deng Xiaoping's rise), civil-military relations, as well as wider socio-economic trends in China, this essay will argue the truth is more nuanced. China is not undergoing a fundamental shift in national security strategy, but rather an evolutionary change whose final form will depend largely on the response of its neighbours, as well as whether this response endangers its economic growth.

Since the ascension of Deng in 1978, it was telling that defence modernization represented the last priority among his Four Modernizations. By keeping military spending static at 1.5% of GDP for several years while China's economic growth took off in the 80s, it became obvious that the former national security policy under Mao of fomenting instability in neighbouring countries (previously taking up 16% of GDP) would have to radically change. Deng's successors emphasized China's peaceful rise/development, by ensuring “that relations [were] warm enough to facilitate trade, and that tension and disputes [were] by and large kept under control”[2]. It is nonetheless important to note that this concept applies solely to the *means* that China uses to ensure its national security, not its ends. As the radical about turn post-Mao demonstrates, China has a deeper and more permanent sense of what the ends of its national security aims are and will adapt to accomplish them, taking into account the regional security situation and its own capabilities. It stands to reason that with Deng's heavy drawdown of military capabilities combined with Vietnamese antagonism following the Sino-Vietnam War, China saw diplomacy as the most efficient means to guard its interests (mending relations with ASEAN and post-Cold War, with Russia) in order to further isolate Vietnam and ensure China's weakened military would not have to be relied upon as much as possible.

What then are those more permanent, underlying national security ends? There are two main targets; maintaining domestic stability, and ensuring Taiwan continues its steady drift towards China's control[3]. In the eyes of Chinese leaders, this domestic stability rests on three crucial factors; sustained momentum[4] in economic growth, the unconditional support and loyalty of the PLA, and maintaining China's prestige (particularly that “China cannot look weak in the face of foreign pressure”[5]). One immediately notes that contradictions could easily make themselves apparent given an unfavourable domestic or international situation. For instance, in a regional situation with a lot of armed posturing, China would easily “lose face” in terms of prestige if it did not escalate militarily, but doing so would necessarily endanger the trade flows needed for its sustained economic growth. Even if the regional security situation remains peaceful and economic growth continues unhindered, any Taiwanese move towards independence would necessarily provoke a huge response that risks destabilizing the security situation (resulting in the first scenario). These sometimes conflicting imperatives explain to a large degree the reasons for the China's naval modernization, as well as its wider foreign policy goals.

In short, the Chinese leadership seeks to avoid a potentially destabilizing situation where it is forced to choose

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between sustained economic growth, a military invasion of Taiwan or maintaining the loyalty of the PLA. A few events have provoked the leadership into this course of action; particularly the 1996 Taiwan Strait Crisis, which is illustrative of the constraints facing the Chinese in their national security strategy. Following a series of moves construed by the Chinese as encouraging Taiwanese independence, the Chinese leadership conducted a series of amphibious exercises as well as missile tests calculated to intimidate the Taiwanese leadership into backing down. This instead provoked the US into deploying an aircraft carrier battlegroup to the region, effectively negating any Chinese attempts to intimidate the Taiwanese. The crisis is illustrative of the naval balance of power that holds true to today and will continue to do be true for the next few decades at least; the US has overwhelming naval superiority over PLA Navy (PLAN) forces[6] – once regional allies are included, the balance is skewed even more in favour of the US. As a result, China changed tack and pursued economic interdependence with Taiwan, negotiating a free-trade pact and allowing trade between the two countries to grow from \$39.5 billion in 2002 to \$110 billion in 2010[7] – in this way seeking to skew Taiwanese incentives away from provocative actions[8] in order for them to preserve this valuable source of income.

By and large, this pattern is repeated on most of China's borders, with the relative stabilization of the frontiers of Aksai Chin and Arunachal Pradesh with India (and bilateral trade growing exponentially as well[9]), border agreements and strategic treaties with Russia[10], and warming relations with ASEAN. Stabilizing China's land borders has allowed it to reduce spending on conventional land forces, for example by shifting the army away from the Manchurian border with Russia[11] (which was heavily militarized during the Cold War), and as a result, defence spending was able to be concentrated in the area most beneficial to its immediate national security goals; Taiwan and maintaining domestic stability. Nonetheless, in the context of overwhelming US naval superiority which would prevent any overt Chinese moves to intimidate other countries in the region, what then is the purpose of China's naval modernization?

One reason often proposed by Chinese commentators and sometimes defence officials is one of protecting sea lines of communication and maritime trade in order to safeguard China's vital economic interests should the regional situation become hostile. Yet closer examination reveals that the naval modernization plays only a minor role at best in protecting its economic growth or "lines of communication" [12]. Most of its energy requirements are provided for domestically, and China has aggressively pursued oil pipelines through Central Asia to make up the shortfall. More importantly, however, the much-highlighted aircraft carrier and ballistic missile program aimed at as part of this modernization is inefficient in a sea-lane protection function. Even projecting into the near-term future, the modernization of the PLAN's conventional warship fleet and a mature aircraft carrier group of two ships fares poorly when stacked against US naval forces in a conventional engagement – much less protecting Chinese petroleum shipping in far-off waters such as the Gulf of Aden for example, where its capabilities will remain weak for a significant period. Perhaps most tellingly, there is implicit agreement between the US and China that allows benign US naval dominance of vital sea lanes outside the East and South China Sea, with Chinese leadership pleading with the U.S. to enlarge its commitment to defending the Malacca Straits[13], and both Jiang Zeming and Hu Jintao privately telling Bush that they have no intention of ending US naval dominance in the region[14], as two examples.

It soon becomes clear that this emphasis on "protection of sea lanes" is a smokescreen for addressing three other underlying national security concerns; ensuring the PLA's loyalty's to the party, preventing any Taiwanese moves to independence, and increasingly, maintaining China's prestige in face of actions taken by neighbouring countries.

Looking beyond the emphasis on China's upcoming aircraft carrier fleet or ballistic missile capability, is it the modernization of the PLAN's area-denial (mine warfare, submarine, destroyer and amphibious) capabilities that truly alter the naval balance of power in any appreciable way – by making deployment of the US naval forces far more difficult in the event the Taiwanese declare independence[15]. One must note, however, that this steady improvement of capabilities[16] does not mark a change in China's national security policy – retaking Taiwan has always been the firm priority since the foundation of the PRC in 1949. The means have evolved slightly, however. While previously China has relied to a large degree on missile batteries aimed at Taiwan from the Chinese coast or nearby islands, its naval modernization marks a diversification of this strategy, and as such China seeks to be able to block any foreign fleet from operating within what it calls the "first island chain"[17]. It is in this light that apparently belligerent actions taken by the PLAN should be viewed – such as the surfacing of one of its submarines close to the

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USS Kitty Hawk during a naval exercise and frequent low-altitude overflights of maritime surveillance aircraft. Taken together with increasingly expansive definitions of what constitutes its Exclusive Economic Zone (within which intelligence gathering by foreign vessels is unlawful under UNCLOS), China is in effect seeking to test the resolve of US and regional allies as to the degree they are willing to expose their forces to danger in the event military assistance to Taiwan becomes necessary and make it more difficult for foreign navies to perform the reconnaissance vital for this function.

China is in effect narrowing down its national security aims down to its core concern, Taiwan, and indirectly retreating from wider ambitions of hegemony in East Asia and Southeast Asia. This coheres with China's private requests for the US to better police trade routes, but was also more clearly demonstrated by its signing of the Declaration on the Conduct of Parties in the South China Sea[18], indicating (on paper) its desire to solve sovereignty disputes in a peaceful fashion. Indeed, it realizes that instability in the South China Sea may threaten the sustained economic momentum needed for domestic stability. Nonetheless, a contradiction arises in China's conduct in the very near term. Given China acutely realizes it cannot exert total control over the South China Sea and East China Sea given the constraints posed by the US Navy and its regional allies, why has it begun acting in a more belligerent fashion in the past five years or so with regards to maritime disputes outside its key interest of Taiwan?

The reason is a mixture of two of the essential components of domestic stability; cultivating the loyalty of the PLA as well as maintaining China's prestige. It is critical in any discussion of the PLA's role in China to note that according to its constitution, the PLA takes orders from the party (CCP), not the State Council in itself. This distinction was critical during the 1989 Tiananmen Square uprisings, when a significant minority of the military leadership expressed reservations about orders from party leadership to fire on protesters. Tiananmen marked an aberration (as a time when the party exerted direct political control on the PLA) – military leadership since Deng's passing has become increasingly 'statified'[19], i.e. increasingly divorced from party apparatus while retaining its political influence. A key reason Deng was able to persuade military leadership to accept the huge reduction in defence spending after he took over was the fact that military and political leadership at the time was unified to a much greater degree than it is today[20] – and also because he offered the military a stake in running several state-owned businesses as 'compensation' (a trend that is being reversed[21], removing another key lever of influence the party has on the military's behaviour). From then on, however, the modernization of China's military has progressed hand-in-hand with its professionalization, as new technologies and strategies increasingly required a greater focus among military leaders on solely military affairs (as opposed to political affairs). Concurrently, CCP chairmen post-Deng (Jiang Zeming and Hu Jintao) have come from non-military backgrounds[22]. While party leaders have tried to restrict the remit of military officers to technical affairs[23], this division of military and political spheres represents a deep crisis of national security for China's leadership, because they realize that in any wide-scale civil disturbance beyond the ability of the police to handle, the loyalty of the PLA becomes an unknown. Increasingly vocal and open protests on government policy from senior military officials cause further alarm. Even the military purges post-Tiananmen have not quelled the leadership's worries, and as such it has steadily expanded the capabilities and responsibilities of the People's Armed Police (PAP, a paramilitary force) to take over suppression of dissent, before being forced to test the PLA's loyalty.

Despite steps taken by the CCP leadership to reduce its reliance on the PLA to ensure domestic stability, the military leadership is keenly aware of the influence it has over party leadership, and exploits their concerns to increase funding for the defence projects and larger pensions/salaries for top military officials[24]. In the long-term, however, the military realizes the best way to entrench its power is to ensure relations between China and its neighbours remain unfriendly[25]. This plays to their capability to defend China's interests (above the Foreign Ministry for example) among the citizenry, and ties into maintaining China's prestige as an emerging superpower. The way they have done this, by and large, is through harassment of other nations' vessels, for example those involved in oil exploration and fishing in the South China/East China seas, or Indian ships within Vietnamese waters for example. Though part of the reason for this harassment is the aforementioned testing of US and regional resolve as part of the "first island chain" strategy (in order to ensure Chinese freedom of action over Taiwan), the real aim is to create the impression among the Chinese people that its national pride is at stake, in effect forcing the hand of the Chinese leadership in continuing to support the military with projects designed to stroke nationalistic fervour[26] (such as the militarily ineffective aircraft carrier initiative) or risk a backlash in popular anger by "losing face". This is particularly

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borne out by the fact that the Foreign Ministry is often left in the dark as regards to Chinese naval incidents[27], indicating at the very least that these incidents do not constitute a coherent change in national security strategy, but rather actions undertaken by select parts of the Chinese leadership.

However, what is particularly pernicious is that the cumulative effects of these incidents drastically changes the reactions of China's neighbours and the US, and as a result feeds into domestic instability, reinforcing a cycle that may eventually change China's national security priorities in the near future. By raising neighbours alarms regarding its naval activities, China has indirectly pushed its neighbours into a closer security alliance with the US[28] and provoked them to increase the pace of military expansion, raising nationalistic sentiment within China to compete. This phenomenon has completely changed the dynamic of US naval hegemony in the Pacific. While China has always considered the US as a destabilizing player owing to its role in protecting Taiwan, it had privately acquiesced to its hegemony beyond the Taiwan Straits on the basis of its role as a moderating influence between the historically poor relations between China and its other neighbours, particularly South Korea, Vietnam and Japan. In contrast, China now sees the US's role as one of explicit playing sides, owing to the timing of the expansion of its forces in the Pacific, and the response of its allies to China's naval incidents. As a result, the previously benign US ownership of trade lanes is now seen by the Chinese as a potential security risk, and China increasingly sees itself as being contained by neighbours in the region. Nonetheless, the unfortunate fact is that just as China has experienced economic growth and put that dividend into modernizing its armed forces, its neighbours have likewise been doing the same[29]. In other words, this routine modernization of naval forces by all involved risks evolving into an arms race as a result of constant misperception (both unintended and otherwise) as to the intentions of neighbouring countries.

The end result in effect becomes one of a standoff, as China will act opportunistically to increase its influence should it detect wavering resolve among any of its neighbours outside its core interest of Taiwan. Should neighbouring countries call China's bluff and devise new technologies or strategies to counter its new capabilities in area denial, however, it is likely that the CCP party leadership would try to rein in belligerent factions within military. This is probably because they would judge the risk of any outright naval engagement in either the East China or South China seas to be too detrimental to its sustained economic momentum – unless nationalistic sentiment within China had grown to such a degree that it was impossible not to react. Conversely, it is for this same reason of nationalistic sentiment that neighbouring countries should be wary of being perceived to threaten China's core interest of Taiwan, as the element of unpredictability in the response of China's leadership would increase drastically (owing to the concerns they would have in addressing domestic unrest). It is not for no reason that in 1996 Clinton wisely kept the *Independence* carrier battle-group out of the Taiwan Straits proper despite arguably having the capacity to operate in defiance of Chinese resistance – the emotiveness of the Taiwan issue to the average Chinese citizen, and consequently the Chinese leadership, cannot be understated.

In conclusion, China's naval modernization does not represent a fundamental change in the ends of its national security strategy, but rather an evolution in means. One part of the modernization project (especially aircraft carrier and ballistic missiles programs) is aimed at maintaining domestic stability through the loyalty of the PLA and addressing nationalistic sentiment, while the other (that of area-denial capability) is aimed ensuring China's freedom of action, and opportunistically increasing its influence over its neighbours.

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- [1] (Stockholm International Peace Research Institute, 2011)
- [2] (Emmott, 2008), P.58
- [3] (Shambaugh, 2002), P.292
- [4] (Emmott, 2008), P.240
- [5] (Shirk, 2008), P.62
- [6] (Ross, 2009)
- [7] (Bureau of Foreign Trade, 2011)
- [8] (Shirk, 2008), P.25

China's Naval Modernization: A Fundamental Change in its National Security Strategy?

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[9] (Wu & Zhou, 2006)

[10] (Shambaugh, 2002), P.303

[11] (Kaplan, 2010)

[12] (Ross, 2009)

[13] (Overholt, 2008), P.111

[14] (Shirk, 2008), P.265

[15] (Ross, 2009)

[16] (Shambaugh, 2002), P.283

[17] Exact definitions differ, but generally it includes the Taiwan Straits, East China Sea and significant parts of the South China Sea

[18] (Li Mingjiang, 2010)

[19] (Scobell, China's Evolving Civil-Military Relations: Creeping Guojianhua, 2005)

[20] No military officer has served on the Politburo Standing Committee since 1997

[21] (Shambaugh, 2002), P.13

[22] (Shirk, 2008), P.73

[23] (Li Nan, 2010)

[24] (Emmott, 2008), P.234

[25] (Shirk, 2008), P.76

[26] (Holmes & Yoshikara, 2007)

[27] (Scobell, Is There a Civil-Military Gap in China's Peaceful Rise?, 2009)

[28] (Overholt, 2008), P.36

[29] (Emmott, 2008), P.244

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