

The Unbalancing Act of the PLAN in Southeast Asia and the South China Sea

Jeffrey B Feldman

11/19/2003

The last 30 years have seen extraordinary growth of both political and economic power of the People's Republic of China (PRC) with the Chinese Communist Party (CCP) in control. Deng Xiaoping originally led the major turning point in China's rise when he assumed control of the CCP, PRC and Central Military Commission (CMC). At this time, he "introduced a series of sweeping changes ... that dismantled Mao's revolutionary approach to domestic and foreign policies and made China a rising presence in the international economy and a potential military power" [Miller, 2002]. Most notably were the market-based economic reforms (which in 2001 culminated in China being admitted to the WTO based upon the US-China agreement (China successfully delayed the liberalization of its markets to allow for their maturing, and thus setting a precedence of defying US requested policies) [Stiglitz, 2002; Pilger, 2002]) and military modernization efforts he spearheaded.

But this rise has not gone unfettered and without the risk of future potential problems. Amongst the most grave and important projected obstacles facing present-day China are a combination of their exponential population growth, (at present time China's population is roughly 1,275 million [Economist, 2002]), their principal imports of fuels valued at roughly 20.7 billion dollars [Economist, 2002] and their relatively low Human Development Index (HDI), which attempts to capture "some of the social dimensions of a nation's socioeconomic development that are neglected by income measures alone [by including] three components of human development: longevity (measured by life expectancy), knowledge (measured by a combination of adult literacy and mean years of schooling), and standard of living (measured by per-capita GDP, adjusted for the local cost of living by means of purchasing power parity (PPP) conversion)" [Lairson, 2003]. At present time, China's HDI is ranked 85th in the world at 71.8 [Economist, 2002]. One of the main reasons for their low HDI is that 21 percent of the country being underweight [WHO, 1997 and Brown, 1999]. This despite China becoming the "world's biggest producer of seafood since 1990, with more than 160,000 fishing boats manned by more

than one million fishermen” [Austin, 1998]. One of the main reasons for China’s dependence upon fisheries is that “food security is at risk because the amount of fresh water that can sustainably be supplied to farmers is nearing its limit, even as 87 million more people are added to the planet each year ... [for example] the lower reaches of China’s Yellow River have gone dry for an average of 70 days per year” [Brown, 1996]. This increased dependence combined with an increase in international competition within contested maritime territories is now lowering the returns from the fisheries. This sets the stage for increased competition for a common good; the tragedy of the commons.

With China’s expected population to continue to rise to roughly 1.5 billion people in 2020 [Economist, 2002] and the increased development of their domestic economy, which currently has the second largest economic growth from 1990 – 2000 at an average annual real GDP growth of 9.6% [Economist, 2002] the strains on both fuel and nutritional needs can be expected to grow proportionally, if not at a faster rate as the expectation of the standard of living also increases. This is noted by China “pursuing an active campaign to secure energy supplies from international sources, with oil imports growing at an average rate of 9 percent annually since 1993 ... [and] China might [be] required to import 45 percent of its petroleum requirements by 2010” [Trough, 1999].

This assumes that none of the selected eight developments projected by the Defense Department’s Office of Net Assessment come to fruition [Wolf, 2003] all of which were speculative projections for assessing future conflicts (futurology). Each of these potential developments were deemed to have adverse impacts ranging from a 0.3 percent to a 2.2 percent decrease in annual growth and ultimately threatening to lower China's GDP by 3 to 24 percent by 2015 [Wolf, 2003]. Of course, the converse has potential as well; if “supply, not demand, limitations are currently constraining Chinese growth ... a renminbi revaluation would provide ... more scope for this investment, and would encourage the expansion of consumption” [Williamson, 2003]. In either case, future strain is predicted on China’s standard of living by limiting their ability (while simultaneously increasing their dependency) to continue to import their necessary staples of food and fuel and thus impacting their strategic natural resource problems.

A complement to China's current attempt at securing future petroleum and food resources through international market relations are the offshore natural resource reserves (both petroleum and nutritional deposits) found within the South China Sea. It's currently estimated that the South China Sea has roughly 2,000 trillion cubic feet in natural gas reserves [Leifer, 1995] and 28 billion barrels of petroleum reserves [U.S. Geodetic Survey, 1999]. Therefore, to accommodate China's projected growth their "maritime interests have steadily expanded during the past two decades, and now range from the Arctic to the Antarctic" [Cole, 2001] and have been specifically focused on the South China Sea (and the Spratly Islands). Furthermore, China's maritime territorial claims must be considered (within Southeast Asia the importance of territorial sovereignty is driven both by present day society and their cultural histories [Day, 2002]) when referring to their maritime interests. For example, at present time China is included in 6 of the more "than 2 dozen maritime disputes: the Diaoyutai/Senkaku Islands with Japan; Taiwan; the Paracel Islands with Vietnam; the Spratly Islands in the South China Sea with Vietnam, the Philippines, Brunei and Malaysia; water areas of the South China Sea with Vietnam, the Philippines, Brunei, Indonesia and Malaysia; and the maritime border with Vietnam" [Cole, 2001]. Therefore, China has both maritime economic and territorial interests, each of which can only be enforced through Naval Dominance within the South China Sea. And each of which continue to grow in importance as China increasingly becomes more dependent upon offshore resources (and as Chinese communities of East Asia become increasingly more important [Gilpin, 2000; Chua, 2003]). It's this greater dependence that "should instigate ... a drive to ensure that the PLAN is fully capable of defending China's interests" [Cole, 2001] and which western societies should take note as China continues to develop its geopolitical grand strategy through refitting the PLAN.

Although China does not publicly articulate a "national security strategy", it's believed China is "developing its comprehensive national power and ensuring a favorable 'strategic configuration of power' ... that seeks to apply diplomatic, informational, military, and economic instruments of national power" [DOD, 2003]. At present time,

China's PLAN is a formidable force within the immediate region of their shores, localized to brown-water patrols and very limited extended deployment; but they are certainly not the maritime hegemony, which the United States still claims and continues to "[pose] a significant long-term challenge" [DOD, 2003] to China's rise to local geopolitical dominance. This lack of a blue-water navy with integrated Joint-Operational-Controls puts China at a disadvantage with regards to both securing offshore natural resources in the South China Sea and the SLOCs throughout the region.

China's Naval modernization program has been active for almost 20 years, marking significant focus on resolving this particular weakness. Since the 1980s China has "widening maritime concerns and increased budget resources ... and measured pace [of Naval modernization, which] proceeded along three paths: indigenous construction, foreign purchase, and reverse engineering" [Cole, 2001]. Whereby, their present day numbers are estimated at roughly "290,000 personnel, with approximately 60 destroyers and frigates, 50 diesel and six nuclear submarines [one of which is an SSBN XIA-class equipped with SLMBs], some 40 amphibious landing ships ... and smaller patrol vessels ranging from 500 to 750" [DOD, 2003]. The last 10 years have marked even greater strides in this modernization effort. The main factor has been the collapse of the Soviet Union (and subsequent economic collapse), which has been the primary foreign source of military technology procurement for the Chinese (both for immediate deployment and reverse engineering implementations).

Most notable within China's doctrinal and infrastructure changes have been their emphasis on increasing their current military budget to continue this expansion and their overhaul of their domestic military industrial sector. In March 2002, Chinese Finance Minister Xiang Huaicheng announced that China is increasing military spending in 2002 by 17.5 percent (roughly \$3 billion) bringing the publicly reported total to \$20 billion. But "the publicly disclosed figures do not include major spending for weapons research and for the purchase of foreign weapons ... [therefore] actual military spending, including the large but difficult-to-assess off budget financing portion, could total as much as \$65 billion" [DOD, 2003]. This would make China the second largest defense

spender in the world, after the United States. Furthermore, China's defense industry (known as National Defense Science, Technology, and Industry) "is a well organized and redundant structure, consisting of factories, institutes, and academies subordinate to the organizations that represent the nuclear, aeronautics, electronics, ordnance, shipbuilding, and astronautics industries" [DOD, 2002]. Considering the projected economic growth and their current doctrine emphasis Chinese defense spending over the next 20 years could grow as much as 3 to 4 times in real terms.

Within China's PLAN modernization effort are 2 major technology resource focuses that could have detrimental destabilizing effects within the South China Sea. The immediate impact of implementing these new systems would challenge their major naval (and political) hegemony in the Southeast Asian geopolitical scene, the United States. This major challenge does not necessarily require war coming to fruition, but instead treads along the teachings of Sun Tzu when talking about the Strategy of Attack:

In sum, the method of employing the military:
Taking a state whole is superior.
Destroying it is inferior to this.
Taking an army whole is superior.
Destroying it is inferior to this.
Taking a battalion whole is superior.
Destroying it is inferior to this.
Taking a company whole is superior.
Destroying it is inferior to this.
Taking a squad whole is superior.
Destroying it is inferior to this.
Therefore, one hundred victories in one hundred battles is not the most skillful.
Subduing the other's military without battle is the most skillful.

China's main modernization pursuit (with regards to their PLAN, as I cover their pursuit of Space Technology in another brief titled *The Impact of China's Space Program and Recent Manned Flight*, 2003) seeks to fulfill their goal of leveraging "emerging asymmetric capabilities to counter or negate an adversary's superiorities [such as] US aircraft carrier battle group operations" [DOD, 2003] and general maritime commodity markets and shipping. China's military strategy appears to be consistent with applying strategy "not to overcome resistance [but instead] to diminish the possibility of resistance ... by exploiting the elements of movement and surprise" [Hart, 1967].

One of China's main pillars of their technology overhaul is their pursuit of surface combatants with capable ranges to push their maritime defense perimeter further seaward into the far reaches of the East and South China Seas. This has direct implications both for the maritime conflicts China is involved with and could compromise the SLOCs through the region, including the increased threat of the expansion of Chinese territorial sovereignty. "Oceans no longer prevent the successful invasion of distant lands, but on the other hand make such attack possible" [Lea, 1909]. The importance of Naval SLOCs and supply lines cannot be overstated. And with the increase in China's military spending to acquire a formidable "blue-water Navy", the world will be within a few weeks of the globe's largest and most fearsome conventional Army. Not to mention the control China would have over the numerous straights through the South China Sea for which Western States are dependent upon (for oil, trade and other international commodities). In addition to continuing to expand the breadth of operating capacities for their surface fleet, the PLAN modernization effort has also been focusing on more "capable air defense assets and more lethal ASCMs, over-the-horizon targeting, and sufficient sea/air lift for major amphibious operations" [DOD, 2003]. This will allow China to complete their surface force threat in the next 10 years, empowering them to effectively control "above-surface" and "surface" operations.

The other main focus of the PLAN modernization initiative that poses the greatest regional-destabilization threat is their continued pursuit of advanced submarine technologies (this includes SSBNs as nuclear deterrents and SSNs for extended resource securing patrols). In addition to their current submarine fleet (consisting of 20 old Soviet-designed Romeo-class submarines, 5 HAN-class SSNs, 1 XIA-class SSBN (which was just overhauled insuring service will be extended past 2010), and their next generation SSN Type 093-class [DOD, 2003; DOD, 2002]), China is taking aggressive measures to maintain a large force. They recently, in the summer of 2002, finalized a contract with Russia for construction of 8 Project 636 KILO SS submarines. Furthermore, they have produced 2 domestically designed SS submarines (the MING and SONG), and should have 3 additional Type 093-class SSNs by 2010 [DOD, 2003]. It

cannot be emphasized enough the importance of a lethal and ready submarine force, and the impact such a force, even in small numbers, has on securing a regional body of water. This power the submerged have over the surface combatants is best exemplified during the Falklands Islands battle between Argentina and Britain in 1977 and 1982. During this second confrontation, 2 British submarines successfully defended and drove back a sizeable Argentine surface battle group by successfully sinking the Argentine cruiser *Belgrano*. This event had the incidental effect of discouraging any future Argentine naval action [Fridman, 2001; Hughes, 2000]. Therefore the practical application of submarine technology for China is most likely to be applied, through the threat of or actual subversive first-strike capabilities, while securing their maritime interests within the South China Sea to help supplement their growing demand for natural resources (mineral, petroleum-based, and nutritional).

In addition to their current procurement efforts, within the next 10 years China should see sizable returns from their domestic research and development programs. The contribution of these programs at present time is not entirely known, but advanced research has been ongoing within China's NDSTI; this has focused on the areas of mine-warfare, submarine sonar, torpedoes, and submarine quieting technologies. All of these efforts are being pursued with the emphasis on COTS technology [DOD, 2003], and therefore should prove to be both cost-effective and consistent with present-day commercial technologies. It should also be known China launched its first oceanological satellite on May 15, 2003, and by 2010, it's projected they may have launched a constellation of satellites to form its own stereoscopic observation system to monitor the ocean's environment.

China's efforts to develop coercive military options present challenges not only to Taiwan (most recently China has threatened that the use of force may become unavoidable if the island's [Taiwan] leaders pursue independence [AP/CBS, 2003]) and the United States, but also to other countries in the region such as the Philippines, Japan and even the United Kingdom. Until recently, China has remained subordinate to the United States as the regional hegemony, as the PLA and the PLAN have been subjected

to both the dependence upon foreign borne technologies (and their associated integration problems) and insufficient domestic industrial economies to support its military development. As a result of China's continuing efforts to improve the quality of life of its people [Kaplan, 2000] and their increase in population, the PRC's and CMC's top leaders have continued to see greater importance and value in their maritime borders and resources (economic and natural). What's remarkable about this shift in China's top-leadership paradigm has been the timing of their global-market insurgence, which has afforded them the monetary base to pursue the much-required overhaul of both their military technologies and domestic infrastructure over the last 20 years. This has resulted in the culmination of a complete strategic configuration of power, and poses a threat to the current balance now present in international waters within the Southeast Asian region.

Forward looking, China is currently confronting a tumultuous next 20 years. Within which they will be faced with many socio-economic and geopolitical stressors. But at present time, they are taking the necessary steps in preparing to handle this strain by improving the overall efficacy of their Navy through intense modernization and training programs. These efforts, combined with China's present nuclear-power status, pose a clear and present danger to the future of regional and global stabilization. China's increase in its economic power will enable them to refit the PLAN and dominate the littoral and blue waters around the region. As no other countries in the area (except the US, Australia and Japan) have much of a Naval force (and military force at that), there is the possibility of the US being ousted and China assuming the hegemony role in that region. This poses to destabilize not only the South China Seas, but also the western-dependent SLOCs and conflict over offshore natural resources (specifically the natural gas and oil reserves estimated and fisheries required to feed it's growing population) amongst many of the current Southeast Asian countries claiming rights. Therefore, the world must begin to confront this problem to ensure China's maturing process and emerging diplomatic perspectives on global politics are consistent with the requirements of national and global stability and security.

Bibliography

- Associated Press/CBS, *China: Taiwan Independence = War*, CBS News, November 19, 2003
- Austin, Greg, *China's Ocean Frontier: International Law, Military Force and National Development*, Paul and Company Publishing Consortium, 1998
- Brown, Lester, *State of the World*, Worldwatch Institute, 1999
- Brown, Lester, *Water Conflicts Loom as Supplies Tighten; Food Security Threatened, Ecosystems in Decline*, Worldwatch Institute, 1996
- Chua, Amy, *World On Fire*, Doubleday, 2003
- Cole, Bernard D., *The Great Wall at Sea*, Naval Institute Press, 2001
- Day, Tony, *Fluid Iron*, University of Hawaii Press, 2002, 82-83
- Friedman, Norman, *Seapower as Strategy*, Naval Institute Press, 2001, 51
- Gilpin, Robert, *The Challenge of Global Capitalism*, Princeton University Press, 2000
- Hart, B. H. Liddell, *Strategy*, Meridian, 1967
- Hughes, Wayne P., *Fleet Tactics and Coastal Combat*, Naval Institute Press, 2000, 155
- Kaplan, Robert D., *The Coming Anarchy*, Vintage Books, 2000, 25, 64-65
- Lairson, Thomas D., *International Political Economy*, Thomson Wadsworth, 2003, 231, 242
- Lea, Homer, *The Valor of Ignorance*, Harper and Brothers, 1909, 38
- Leifer, Michael, *Chinese Economic Reform and Security Policy*, Survival, 1995
- Miller, Lyman, *China's Upcoming Leadership Changes and the PLA*, Center for Contemporary Conflict, Naval Postgraduate School, 2002
- Pilger, John, *The New Rulers of the World*, 2002, 110, 115
- Stiglitz, Joseph, *Globalization and its Discontents*, W. W. Norton and Company, 2002
- The Economist, *Pocket World in Figures*, 2002
- Troush, Sergei, *China's Changing Oil Strategy and Its Foreign Policy Implications*, Center for Northeast Asian Policy Studies (CNAPS) Working Paper, Fall 1999
- Tzu, Sun, *The Art of War*, Shambhala Classics, 2001
- United States Department of Defense, *Annual Congressional Report on the Military Power of the People's Republic of China*, 2002
- United States Department of Defense, *Annual Congressional Report on the Military Power of the People's Republic of China*, 2003
- United States Geodetic Survey (USGS), in (United States Commander In Chief Pacific Command (USCINCPAC) Memo, September 1999
- Williamson, John, *The Renminbi Exchange Rate and the Global Monetary System*, Institute for International Economics, 2003
- Wolf, Charles, *Fault Lines in China's Economic Terrain*, Rand Corporation, 2003
- World Health Organization, *Global Database on Child Growth*, Geneva, 1997