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A view of China's Defence White Paper

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Introduction

As Australia will do later this year, China has just published a Defence White Paper (*China's National Defense in 2008*). The paper sets out China's thoughts on its strategic circumstances, the posture it will adopt in response and the resources it will expend in doing so. The Chinese document is a snapshot of their thinking—and it reveals a China that is becoming increasingly confident and transparent in the public presentation of its strategic evolution.

Transparency is precisely what other countries, especially the United States, have been asking for from China. This White Paper is the sixth in a biennial series and is a further step forward in openness. Of course, being open doesn't mean that the message will necessarily be received with open arms, and those disposed to take a negative view of China's rise will find nothing here to dissuade them.

And the Australian Government is certainly watching the impact of China's growing hard and soft power, if the Prime Minister's speech to the RSL in Townsville in late 2008 is any guide. In that speech, the PM referred to China and the United States repeatedly, often in the context of changing power balances in the Asia–Pacific region. It is the dynamic between those powers that may present Australia with some policy challenges in the years to come.

Major power calculus

The language of Defence White Papers is often oblique. Diplomacy usually requires names to remain unnamed and concerns about other nation's behaviours or perceived intentions to be alluded to indirectly, or at least be couched in terms that are less than accusatory. But the Chinese White Paper leaves the reader in little doubt that the Asia–Pacific power balance

is weighing heavily on Chinese thinking. And it does name names, pointing a finger directly at the United States in a number of places.

For example, after noting that the current security situation in the Asia–Pacific is (on the whole) stable, the paper goes on to list a number of 'factors of uncertainty'. Most of these are unexceptional and indeed are likely to appear in a similar context in the Australian White Paper; the global financial crisis, terrorism, political instability and natural disasters. But sandwiched between 'conflicting claims over territorial and maritime rights' and 'separatist and extremist forces [that] are running rampant' we find

> At the same time, the US has increased its strategic attention to and input in the Asia–Pacific region, further consolidating its military alliances, adjusting its military deployment and enhancing its military capabilities.

So, what is seen by most Australian strategic thinkers as a positive—the continued engagement of the United States in our extended region—is seen by China as an element of uncertainty and is included in the middle of a list of factors that require management and/or have the potential to lead to conflict. (To be fair, the Pentagon uses similar language to describe China in its latest annual report to Congress when it says that '… much uncertainty surrounds China's future course, in particular in the area of its expanding military power and how that power might be used'.[1])

While the White Paper lists the United States as an 'uncertainty' rather than an explicitly negative security factor, this may be an example of the coy language that can appear in such works. Certainly a view of the United States as a security negative is consistent with the thoughts expressed by Chinese academic visitors to Australia in the last year or so. The alliances the United States has with other nations in the region, particularly Japan and Australia, have been described in unambiguously negative terms as 'Cold War thinking' and disruptive to the continuance of a benign security environment. Consistent with that, the White Paper explicitly states that China will 'oppose the enlargement of military alliances'.

And make no mistake, China spells out quite clearly in the paper that it is developing and structuring its forces to defeat the 'strategic maneuvers and containment from the outside' that—by implication—it sees the United States and other nations putting in place. As an alliance partner of the United States, any conflict between the two major powers has the clear potential to draw us in.

The Chinese White Paper goals

In many ways, *China's National Defense in 2008* contains elements familiar to anyone who has read the public documents of Western defence planners. To be sure, the language is different and, at least to a Western eye, somewhat repetitive and oblique in places (at least in the English translation). Some of that is to do with the need to anchor the

paper around the language of Hu Jintao's 2004 formulation of China's 'new historic missions'.[2] For example, the overarching principle is one of 'scientifically-based' development, a concept directly attributable to Hu's ideological guidance.

Some of the other concepts are immediately familiar from Western military publications. (Australian examples include Defence Force publications such as *Joint Operations for the 21st Century* and *Network Centric Warfare*.) For example, we read that the People's Liberation Army will be

> ..taking integrated joint operations as the basic approach […] It endeavors to refine the command system for joint operations, the joint training system and the joint support system, optimize the structure and composition of forces…

The 'informationization' invoked here is essentially the 'network-centric warfare' so beloved by Western militaries. (China does show itself to be terribly 1990s by using the term RMA—Revolution in Military Affairs—rather than newer terminology, but the idea is the same.) In their White Paper, China is upfront about actively seeking to emulate the embrace of technology by Western militaries, conceding that it is currently faced with 'the superiority of the developed countries in economy, science and technology, as well as military affairs'. The aim of Chinese military development is to make 'major progress in informationization by 2020', and to have reached parity with developed militaries by 2050.

But that doesn't mean that China has conceded the military ground to other countries until such time as it reaches overall parity. The paper makes clear that, long before that, China sees itself as being able to successfully prosecute military actions in its immediate neighbourhood against sophisticated adversary forces through

> …the building of a combat force structure suitable for winning local wars in conditions of informationization.

This is, of course, consistent with much of what has been written by Western analysts before. It essentially translates into the ability of China to prevent the military power of the United States (and its allies) from prevailing in conflicts close to China. That especially means around Taiwan, but the ambition is for China to be competitive further afield as well, once its technology and military development allows.

Chinese military developments

The paper outlines the means by which China aims to achieve this goal. Some are in the areas of traditional military technologies:

- a focus on electronic warfare, both offensive and defensive
- improved naval capability for integrated off-shore operations, strategic deterrence and strategic counterattacks
- new types of shore-based anti-shipping missiles.

As well, we read that China is preparing to boost its power projection capabilities for air and amphibious operations. The Air Force will transition from purely defensive operations to 'strategic projection', while the Army will move from being a regional defence force to one with 'trans-regional mobility'. These capabilities are consistent with a country that sees itself as a force to be reckoned with on at least the regional (if not eventually global) stage.

Some of the listed developments, such as new and more anti-shipping missiles, the ability to work in a network-heavy environment and the ability to counter space-based information systems, are designed to blunt the strengths of the US military. As well as acquiring the sort of systems already in service in the West, there is also an indication that new tactical doctrine is in the offing:

> …striving to make innovations in the content and forms of people's war, exploring new approaches of the people in participating in warfare and support for the front, and developing new strategies and tactics for people's war in conditions of informationization.

This may be nothing more than a continuation of the process begun in previous White Papers of reworking the long-standing ideology of 'people's war' into a more modern formulation. But it is consistent with some reported trends. For example, there is some evidence that China is making use in cyberspace of two of its great assets (manpower and the worldwide Chinese diaspora) to infiltrate the networks and gather information from other states.

Nuclear issues

No discussion of China's military power would be complete without a discussion of its nuclear arsenal. In this respect, the White Paper adds little to what is already known. But the nuclear forces now get a chapter of their own and a secondary role of precision conventional strike is ascribed to the Second Artillery Force. It also reasserts a 'no first use' policy and promises a 'resolute counterattack against the enemy' (p40) should China itself come under nuclear attack.[3]

The topic of Asia's nuclear balance is an important one, and one that ASPI will return to in the coming year. One issue that will require a considered policy response from Australia is the potential for a credible missile defence system deployed in the Asia–Pacific region by the United States and its allies to cause China to increase the number and types of nuclear warheads in order to retain a reliable second-strike capability.

Budget

The chapter on Chinese military spending presents some useful data, presented in a way apparently designed to, as far as possible, allay concerns about the magnitude of China's military budget. (Table 1 shows

the figures presented in the paper.) The figures provided show a dramatic decrease in China's defence expenditure as a percentage of GDP and of government expenditure since the late 1970s. Of course, that has to be put into the context of a much more dramatic increase in the size of China's economy—something the paper chooses not to do. A more subtle omission is a figure for the late 1990s. In 1997 China's expenditure on defence was less than 1% of GDP. The 2006–07 figures therefore represent a significant *increase* in the proportion of GDP devoted to defence over the last decade—and that is on top of an economy that has grown 2.6 times larger in the same time.

Table 1: The Chinese defence budget, and proportions of GDP and government expenditure as given in the Chinese White Paper

	% of GDP	% of government expenditure	Defence expenditure (RMB)	Defence expenditure (USD)*
1978	4.6	14.96		
1987	1.74	9.27		
2006	1.41	7.37		
2007	1.38	7.14	355.5 billion	52 billion
2008			417.8 billion[b)]	61 billion

* At exchange rate of 1 USD = 6.84 RMB

The paper provides figures and charts comparing China's defence expenditure with other countries. It (correctly) points out that the corresponding expenditure by the United States is much larger and also claims a smaller amount than the United Kingdom. The latter claim is not accurate once purchasing power parity is taken into account. In fact, by that measure China quite likely now has the world's second highest defence expenditure. The 2008 figure shows a significant jump—around 10% once inflation is accounted for, although it remains to be seen what is achievable in the continued fallout from the global financial crisis.

Of course, there is the perennial question of the accuracy of official Chinese figures. Estimates from other sources are generally higher. But in this case the amount given in the paper for 2007 is not too different from that estimated by our own Defence Intelligence Organisation.[4] In fact, the Chinese figure of US$52 billion is actually a little *higher* than DIO's figure of US$48 billion. Pentagon estimates are consistently much higher than either Chinese figures or DIO's. For example they cite a figure of US$90–140 billion for 2007.[5]

Intriguingly, the White Paper also asserts that

> … arms races in some regions are heating up, posing grave challenges to the international arms control and non-proliferation regime.

As ASPI found last year[6], it is difficult to find hard evidence of an arms race in Asia. In North Asia, no country has come close to matching China's fourfold real increase over the last decade. The next biggest increase has been the Republic of Korea's defence spending, which is up by about 30% over the same period. There has been no response from Japan—the Japanese defence budget has remained more or less constant over the last decade. (In Southeast Asia, Australia has produced the most conspicuous defence spending increase, although this has not sparked any obvious competition. The spending of other countries around the region remains modest and stable.)

Challenges for Australia

The White Paper is at pains to point out that China is seeing a peaceful future:

> In the face of unprecedented opportunities and challenges, China will hold high the banner of peace, development and cooperation, persist in taking the road of peaceful development, pursue the opening-up strategy of mutual benefit, and promote the building of a harmonious world with enduring peace and common prosperity …

This sentiment is reassuring as far as it goes, but other elements of the paper provide a clear indication that China is not content with what it sees as outside efforts to constrain its freedom of action and is developing the wherewithal to resist if necessary. And therein lies the challenge for us. China sees alliances between other nations as security negatives and we see our alliance with the United States as a cornerstone of our defence policy.

The Chinese White Paper talks of a series of extended cooperative dialogues with regional countries as an alternative to alliance-based security structures. While that sounds reasonable enough, and is bound to be part of Australia's regional engagement strategy in any case, eschewing or downgrading the ANZUS alliance would mean that we would not have the hedging strategy in which US military strength provides us with a backup if the future turns out to be not so cooperative after all.

But holding tightly to the ANZUS alliance as our primary strategic stance does not provide us with a long-term guarantee either. While the exact timing can be debated, the Chinese economy may overtake the US economy as the world's largest sometime around the middle of the century—a fact consistent with China's ambition to reach military parity around then. Sometime before that (and, again, the timing can be debated) the ability of the United States to bring decisive conventional military power to bear in the

region will decline significantly.

We need to be aware that our closest ally and our largest trading partner regard each other with suspicion and are, at least to some extent, configuring their militaries to fight one another. There is potential for conflict if Chinese expectations of their role in the region and the willingness of the United States to make room for them cannot be balanced. Australia has to weigh these factors when deciding how it will develop its military and diplomatic strategy. And, however we choose to cast it, the future of the Asia–Pacific region is one in which our traditional ally is in relative decline and an increasingly assertive and confident China is in the ascendancy.

Endnotes

1 *Annual Report to Congress; Military Power of the People's Republic of China 2008*, Office of the Secretary of Defense, Washington.

2 'Chairman Hu and the PLA's "New Historic Missions"', James Mulvenon, *Chinese Leadership Monitor*, No 27, 2008.

3 One turn of phrase that dedicated China watchers may pick up on is this one:

> If China comes under a nuclear attack, the nuclear missile force of the Second Artillery Force will use nuclear missiles to launch a resolute counterattack against the enemy either independently or together with the nuclear forces of other services. (p40) (Emphasis added.)

There has been some debate about the size and nature of China's nuclear arsenal, with some analysts suspecting the existence of Chinese tactical (as opposed to long-range strategic) warheads. The latter remain under the control of the Second Artillery Force. The highlighted phrase may be a hint of tactical forces, or it may be—as is this author's judgement—a reference to nuclear missiles carried by China's submarine force.

4 In its publication *Defence economic trends in the Asia–Pacific 2007*, DIO quote a figure in 2000 US dollars. The number quoted in this paper is adjusted using US CPI data for the period 2000–07.

5 Pentagon estimates are often between two and three times the official Chinese figures. See for example the figures presented in the paper at note 1 above.

6 *Asian military modernisation and its implications for Australia*, Andrew Davies, Australian Strategy Policy Institute, July 2007. Available at http://www.aspi.org.au/publications/publication_details.aspx?ContentID=176&pubtype=6

About the Author

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