

Theory and practice—a comparative look at China's new defence White Paper

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The publication earlier this year of the latest Chinese defence White Paper *China's National Defense in 2010* (CND10) gives us another look—however limited—into China's thinking about its military development. Unfortunately, there is not much that is new in it. Most of its contents closely parallel its 2008 predecessor (CND08), which is perhaps not surprising given the short interval between them.

As a result, many past criticisms of Chinese public statements can be levied against this one. In particular, readers looking for more transparency in China's declaration of its military strategy will not find it in CND10. Similarly, the declared budget is likely to be judged a serious underestimate—perhaps by as much as a factor of two—by external analysts.

The differences between CND10 and its predecessor are largely at the margins, although the most recent publication continues the trend towards a more confident and assertive tone, albeit still couched in the 'new historic missions' language of Hu Jintao's 2004 formulation. ASPI published an analysis of CND08 and most of the observations there remain pertinent. Rather than reworking the same ground, this report takes a different approach. Since the publication of CND08, the United States published its 2010 *Quadrennial Defense Review* (QDR), allowing for a *comparative* assessment of the two public defence planning documents.

By comparing the two, it's possible to identify those areas where transparency—at least as it is understood in the West—is lacking in China's articulation of its defence policy. Some of the 'missing' elements of the Chinese strategy can be inferred, while others continue to be mysterious.

But we need to be careful—it's easy to make the mistake of focusing on what is *said* rather than what is being *done*. A more complete analysis requires examination of both. A distinction is required between current and planned capabilities and those that remain as a 'gleam in the eye'. This report finishes with a discussion of the resources available for the further development of Chinese capability and how that might shape both China's military thinking and the way in which strategic competition could evolve.

China's strategy

China's overarching defence goal is entirely unexceptional and closely mirrors what would be found in almost any defence White Paper (apart, of course, from that of the United States):

China's national defense is tasked to guard against and resist aggression, defend the security of China's lands, inland waters, territorial waters and airspace, safeguard its maritime rights and interests, and maintain its security interests in space, electromagnetic space and cyber space.

However, what follows is distinctly Chinese:

It is also tasked to oppose and contain the separatist forces for 'Taiwan independence', crack down on separatist forces for 'East Turkistan independence' and 'Tibet independence', and defend national sovereignty and territorial integrity.

As was the case with CND08, the United States makes an appearance in the list of destabilising forces in the Asia–Pacific, sharing the distinction with terrorists and extremists:

Asia-Pacific security is becoming more intricate and volatile. Regional pressure points drag on and without solution in sight. There is intermittent tension on the Korean Peninsula. The security situation in Afghanistan remains serious. Political turbulence persists in some countries. Ethnic and religious discords are evident. Disputes over territorial and maritime rights and interests flare up occasionally. And terrorist, separatist and extremist activities run amok. Profound changes are taking shape in the Asia-Pacific strategic landscape. Relevant major powers are increasing their strategic investment. The United States is reinforcing its regional military alliances, and increasing its involvement in regional security affairs.

That China should regard the US *increasing* its involvement in regional affairs as a negative is not surprising. There is a strong Chinese national narrative centred on the so-called 'century of humiliation' at the hands of external powers—primarily the European powers and the Japanese. Against that history, the modern rise of China is seen as an opportunity to eventually cast off external powers in favour of a regional order more favourable to China. That doesn't mean that China wants the US to withdraw precipitously from the Western Pacific—China is not currently in a position to fill the resulting power vacuum and the overall result would be destabilising. But the ultimate Chinese aim is likely to be an Asian strategic order that is not dictated by Washington.

CND08 noted that China was building forces to defeat 'strategic maneuvers and containment from the outside'. CND10 reiterates that approach and notes that 'suspicion about China, interference and countering moves against China from the outside are on the increase', reflecting Chinese unease about the posture of the United States and its allies and, by inference, their perceived attempts to limit China's strategic opportunities.

In that light, the enduring presence of one or more Western powers in its strategic approaches is an affront. The Chinese military has a long-established doctrine of 'active off-shore defense', first articulated as PLA Navy (PLAN) doctrine in 1985, and which in many ways forms the conceptual basis of Chinese maritime force development efforts over the last quarter century.¹ Those efforts received another boost in the wake of the 1995–96 Taiwan Strait crisis, when Chinese efforts towards sea and air denial were redoubled to raise the stakes for the US Navy when contemplating the deployment of carrier strike groups to the waters around Taiwan. Denial is easier to effect than control, and some US analysts believe that China is not far from possessing the ability to hold US carrier strike groups at bay in the Western Pacific or defeat the United States in an air battle over the Taiwan Strait.²

So, at least to an extent, Chinese military development is consistent with the stated aims of holding external powers at bay from China's territory and abutting waters. But a key question remains unanswered—how far out from the Chinese coast do China's ambitions extend? Driven in large part by the aim of ensuring the ultimate reunification of Taiwan (or, from a Chinese viewpoint, preventing part of China from being abetted in separatism by external forces), the PLAN has focused mostly on the development of short-range naval forces suited for operations within the 'first island chain' (incorporating the East China Sea, Taiwan, and most of the South China Sea). But Chinese thinking doesn't stop there, and there has been much speculation about Chinese ambitions out to the second island chain (taking in the South China Sea as far south as the Strait of Malacca, the Philippine Sea and the Sea of Japan). There are also indicators that Chinese naval strategists are developing a Mahan-like strategy of blue water capabilities designed to protect sea routes as far away as the Indian Ocean. The ongoing development of aircraft carrier and nuclear submarine capabilities is consistent with that long-term aim.

But none of that is to be found in CND10—and that is the basis of most criticism of China's lack of transparency. One statement shows a certain level of frustration about the current maritime balance in the Western Pacific; 'Pressure builds up in preserving China's territorial integrity and maritime rights and interests'(CND10, p5). The White Paper follows up with a criticism of the American role in supplying arms to Taiwan (hence the 'territorial integrity' concern) but there is no explanation of exactly which maritime rights are perceived to be under pressure, or where.

From other sources, the informed reader can make educated guesses. A May 2010 reference by a Chinese official to the South China Sea as a 'core interest' (and thus on the level of Tibet or Taiwan as a Chinese concern) is one indicator—albeit one that has not been reiterated in CND10 or elsewhere. Another cause of irritation is US sea and air intelligence collection operations around China.

There are a few references in CND10 to force projection capabilities, but they are not placed in the context of an overall military strategy or strategic objective:

[The PLA Air Force] is working to ensure the development of a combat force structure that focuses on air strikes, air and missile defense, and strategic projection...(p. 10).

Of course, China is under no obligation to spell out its plans to the rest of the world, but a comparison with the corresponding American document makes it clear why transparency is seen to be an issue.

The 2010 Quadrennial Defense Review

The United States is at war, and it's not surprising that the QDR has a focus on the Afghanistan–Pakistan theatre of operations. But America's view of itself in the world still extends well beyond the limits of those current conflicts to its role in the broader geostrategic landscape. Two overarching themes permeate the QDR. The first is the importance of maintaining US primacy and power projection capabilities as being vital to US national interests. The second is ensuring an international order and global institutions conducive to US interests.

The QDR presents a view of an increasingly uncertain global security environment in which power is becoming more diffuse and America's 'hard power' becoming less effective, with China and India having a greater influence on the international system. It still sees the US remaining the most powerful actor, but one that is increasingly challenged as power relativities change. Clearly the United States is worried about its relative decline and, as a result, there is an emphasis on strengthening US allies and the broader international system in order to relieve some of this pressure. That approach is also driven at least in part by the inability

of the United States to sustain high defence spending in the face of mounting government debt.³

Like CND10, the QDR highlights the increased diversity of security challenges as state and non-state actors gain advanced asymmetrical capabilities. Those actors are also challenging the security of the global commons by a variety of means, including cyber attacks, piracy and anti-satellite capabilities. But the most pertinent aspect of the QDR to the analysis here is the concern expressed by the US military about growing access-denial capabilities that have the potential to limit the ability of US forces to project power:

In the future, U.S. forces conducting power projection operations abroad will face myriad challenges. States with the means to do so are acquiring a wide range of sophisticated weapons and supporting capabilities that, in combination, can support anti-access strategies aimed at impeding the deployment of U.S. forces to the theater and blunting the operations of those forces that do deploy forward.

... China is developing and fielding large numbers of advanced medium-range ballistic and cruise missiles, new attack submarines equipped with advanced weapons, increasingly capable long-range air defense systems, electronic warfare and computer network attack capabilities, advanced fighter aircraft, and counter-space systems.

China is not the exclusive focus of American concern; North Korea and Iran rate mentions as well. But the QDR's response to these developments in the form of a 'joint air-sea battle concept' and the expansion of long-range strike platforms seems to be especially well-suited to the Western Pacific (QDR, p. 31). In a 2009 RAND study⁴, US forces found themselves at a considerable disadvantage due to the vulnerability of their few local bases (including aircraft carriers) and the geographic proximity of a large number of Chinese bases. These facts are likely a motivator for the QDR statement that 'enhanced long-range strike capabilities are one means of countering growing threats to forward-deployed forces and bases and ensuring U.S. power projection capabilities' (p. 32).

The force structuring priorities in the QDR are consistent with its strategic outlook. Those priorities include increasing the number and roles of unmanned aerial systems (including naval variants), increasing long-range strike capabilities such as the potential expansion of capabilities for the *Virginia* class attack submarine and acquisition of fifth generation aircraft; and increasing the resilience of forward operating bases and command and control networks. Those capability priorities have a strong logical link to the QDR's strategic outlook and military strategy. In short, the rhetoric and actions of the United States are consistent—which constitutes a useful working definition for transparency.

What they say about one another

As was the case in CND08, there is criticism, both implied and overt, of the United States at various places in CND10. It states that 'some powers' have developed strategies and capabilities for 'prompt global strikes', the control of space and cyberspace, and the development of missile defence systems (p. 4). Considering that (barring nuclear weapons) the United States is the only power with the ability to launch truly 'prompt global strikes' (and the only one to use that language) this can only be read as criticism of US force projection.

In other places CND10 names names. Amid a paragraph on the rising volatility of the Asia-Pacific, it points to the United States reinforcing its regional alliances and becoming more involved in security issues, tying that to Chinese fears about containment and territorial integrity.

The United States, on the other hand, is concerned about transparency. The QDR states that while the United States welcomes a stronger China playing a greater role in regional and world affairs, it is worried about a lack of transparency regarding the pace and scope of China's modernisation program, decision-making system, and its ultimate aims and long term intentions (pp. 31, 60). The US is worried about growing Chinese power projection platforms and the long-term intentions for these capabilities, and remains unsatisfied by Chinese insistence that its military modernisation is purely defensive in nature. American concerns about 'a number of states' developing anti-access capabilities is the flip-side of CND10's concerns about 'some states' being able to launch prompt global strikes.

CND10 and the QDR do have some good things to say about Sino–US relations. They both mention consultations, military dialogues and open communication. The preface to CND10 observes that:

China has now stood at a new historical point, and its future and destiny has never been more closely connected with those of the international community. ... China maintains its commitment to the new security concepts of mutual trust, mutual benefit, equality and coordination (p. 3).

The QDR echoes similar sentiments:

America's interests are inextricably linked to the integrity and resilience of the international system. Chief among these interests are security, prosperity, broad respect for universal values, and an international order that promotes cooperative action (p. iv).

However, it is in the nature of military planning to prepare for the worst and the overall tone in both documents is one of caution and suspicion. There is nothing in either to suggest that ASPI was wrong in previously observing that 'at least to some extent, [the two sides are] configuring their militaries to fight one another'. Consultations and dialogues are more useful in resolving conflicts of understanding than conflicts of national interest.⁵ To the extent that tensions can arise from misunderstanding, talks, exercises and exchanges are useful. When they arise from inherent perceptions of national interest, they are much harder to manage.

Defence spending

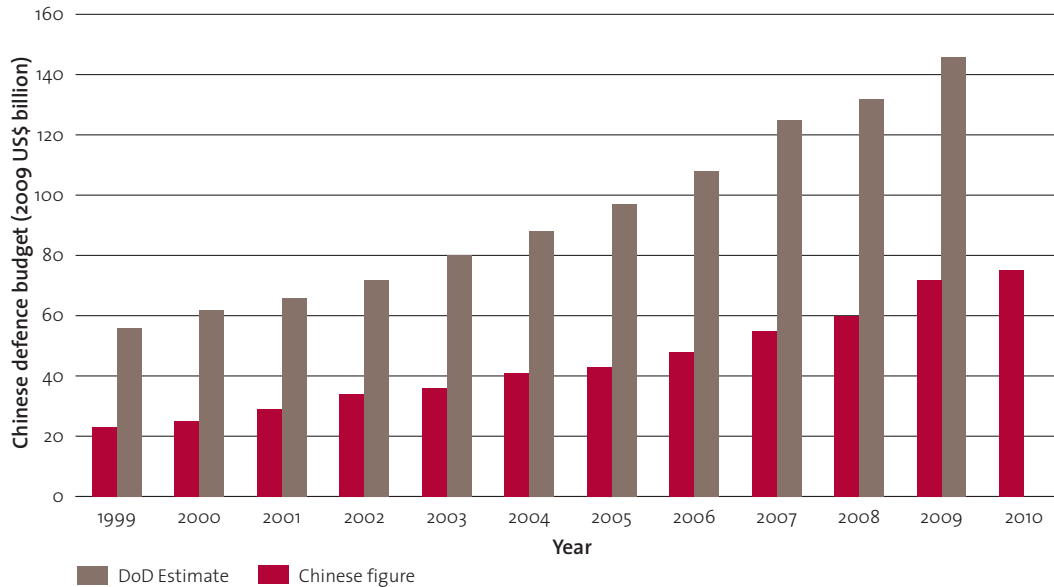
A comparison of the declaratory policies in the QDR and CND10 provide an insight into the 'worst cases' of the militaries on either side of the Pacific and the rhetorical strategic competition that is going on. However, a look at the resources available to turn rhetoric into reality reveals a different picture.

As expected, Chinese defence expenditure is set to increase in real terms for the 2011 year. The declared budget is RMB 532 billion (US\$81.8 billion at the current exchange rate). That corresponds to a nominal increase of 8% or a real increase of a little over 4%. CND10 notes that 'the growth rate of defense expenditure has decreased'—but that is compared to a probably unsustainable average real increase of more than 14% over the previous two years.

By any measure, Chinese defence expenditure has increased markedly since the mid-1990s. China's own figures show a trebling of the defence budget since 1999 (albeit from a low base—Chinese defence spending was less than 1% of GDP in the mid-1990s). Also, many outside observers regard the Chinese self-reported figure as an underestimate. Figure 1 shows Chinese numbers over the twelve most recent years, compared to United States Department of Defense (DoD) estimates, which are more than double the Chinese figures. (Interestingly, the average rate of growth implied by the US Department of Defense numbers is *less* than China admits to, but still shows an increase of more than two and a half times since 1999.)

Estimates by the Stockholm International Peace Research Institute (SIPRI) are similar to the Pentagon's.

Figure 1: China's defence budget; declared and US Department of Defense estimates



Source: 2010 Congressional report on Chinese military capabilities

China's military budget has been increasing at a much greater rate than that of any other nation in the region. However, so too has the Chinese economy, and the proportion of GDP spent on defence is not unusual by regional standards. Table 1 compares China's spending on defence compared with other regional countries outlays (as calculated using SIPRI data; the figures in CND10 give a result of only 1.5%). To external observers, the most obvious manifestation of increased Chinese spending is new and sophisticated weapon systems, but a substantial amount has also been devoted to increasing the professionalism of the PLA. And, as ASPI has noted previously, it is hard to see any obvious 'arms race' in these figures.

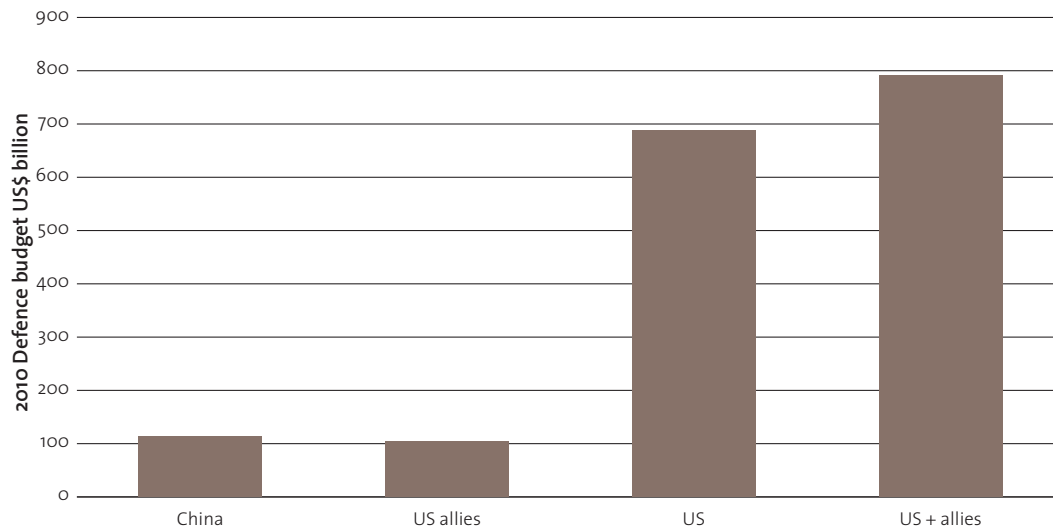
Table 1: 2009 defence spending as a proportion of GDP

Country	Defence as % of GDP
China	2.2
United States	4.7
Australia	1.5
Japan	1.0
Republic of Korea (ROK)	2.9
Singapore	4.3
Taiwan	2.4
Vietnam	2.5

Source: 2010 Stockholm International Peace Research Institute (SIPRI) defence spending statistics

It's hard to assess the significance of the Chinese defence budget in isolation. Figure 2 attempts to provide some perspective by comparing Chinese defence spending with that of the United States and its Asia–Pacific allies (Australia, Japan, the Republic of Korea and Taiwan)—again based on SIPRI figures rather than China's much more modest figure. Even so, the four allied countries collectively spend almost as much as China. The United States spends six times as much. While US spending is spread across the globe—and is currently supporting two major operations in the Middle East—total allied spending in the Asia-Pacific region remains well ahead of Chinese spending. And that has been true for many decades, meaning that the Chinese military will necessarily be playing 'catch up' in all but niche areas for some time to come. So it's no coincidence that China is only now building its first aircraft carrier while the US Navy has been operating eleven or twelve nuclear-powered carriers for decades. These realities necessarily limit what China can aspire to do on the global stage in the foreseeable future.

Figure 2: How they stack up: China's defence budget (US assessment) compared to the United States and its regional allies (Australia, Japan, Republic of Korea and Taiwan)



Source: 2010 SIPRI defence spending statistics

Conclusion

China's most recent Defence White Paper is in many ways a continuation of business as usual. China continues to see itself as poised to throw off its recent history of 'humiliation' at the hands of external powers, which means working towards an order that is not centred on the United States.

Beyond that, detail is fuzzy. Informed readers know from other sources that sea and air denial in the waters close to China have been a major focus over the last couple of decades, and that there are Chinese ambitions (and nascent programs) for power projection capabilities beyond that. But that level of detail is nowhere to be found in CND10, China's major statement of defence policy.

Like its Chinese counterpart, the US's QDR holds no real surprises. It continues to assert American primacy as a strategic goal and sets out a series of military strategies and development programs designed for that end. In that respect it is more transparent than CND10.

The language of both papers shows a level of suspicion and latent animosity between the two sides. China resents any notion of 'containment' and America resists any notion of being excluded from the South China Sea or beyond.

Today China has the ability to threaten significant losses on any American intervention on the behalf of Taiwan. As well, the ability of the US to dictate behavioural standards to China in its proximate waters is much diminished from what it was a decade ago. These trends are likely to continue as Chinese military capability continues to grow as a result of the focus and resources that have gone into it.

Further from the Chinese coastline, things are much less clear. There are indications of Chinese 'blue water' ambitions, but the underlying strategic aims are less than clear. Other nations, such as Britain and France, have aircraft carriers and nuclear submarines but have no ambitions to supplant the US Navy as the *de facto* guarantors of global maritime security. But, regardless of any unstated ambitions, the level of resources China is committing to its military compared to the United States and its allies will mean that it will be constrained in what it can achieve for the foreseeable future.

Sources and further reading

China's national defence in 2010 (CND10): http://www.china.org.cn/government/whitepaper/node_7114675.htm

The Quadrennial Defense Review (QDR): http://www.defense.gov/qdr/images/QDR_as_of_12Feb10_1000.pdf

ASPI's commentary on CND08 is *A view of China's defence white paper*, available at http://www.aspi.org.au/publications/publication_details.aspx?ContentID=206

Endnotes

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