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***NATIONAL DEFENSE UNIVERSITY***

***JOINT FORCES STAFF COLLEGE***

**JOINT ADVANCED WARFIGHTING SCHOOL**



**THE IMPACT OF INTERNAL UNREST AND DISPUTED BORDERS ON  
CHINESE MILITARY FORCES**

**by**

**Michael May**

***Commander, United States Navy***

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A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning and Strategy. The contents of this paper reflect my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.

This paper is entirely my own work except as documented in footnotes.

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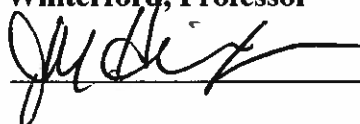
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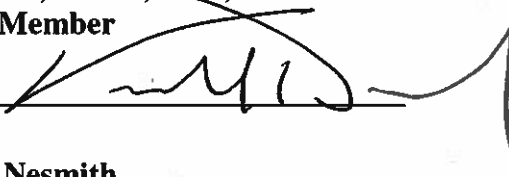
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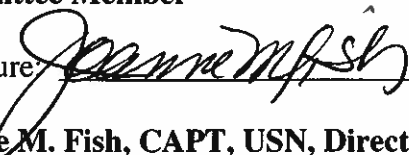
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## **ABSTRACT**

The thesis of this paper is that internal unrest and disputed borders will shape the military forces of the People's Republic of China (PRC) for the foreseeable future. Modern Chinese history is examined to help the reader understand the origins of the People's Liberation Army (PLA) and the influence of history on modern Chinese military forces. The strategic environment of China in 2011 is discussed with an emphasis on economic, demographic and social challenges that may influence future Chinese military development and employment. In order to craft an effective policy for engagement with China, U.S. military planners must take a holistic view, including consideration of the PLA's ethos, its place in Chinese society, ongoing modernization efforts and challenges in the short and long term.

## **ACKNOWLEDGEMENT**

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## **INTRODUCTION**

Military forces of The People's Republic of China (PRC) will be shaped by internal unrest and disputed borders for the foreseeable future. Extensive modernization during the past three decades has created a modern military for China, and the world has speculated as to what the purpose of these forces might be and how they might be employed in the future. A look at recent Chinese history, including the origins of China's forces, provides clues to their ethos and philosophy and may provide some clarity concerning their possible future employment. But, study of the PRC military is incomplete without consideration of the strategic environment that exists in modern China. The future of the now robust Chinese economy, the success of which has been critical to military spending and modernization, will play a direct role in the continuing modernization and development of PRC forces. Without continued success in the economic realm, China may not be able to continue military advancement and progress. In this light, the paper will consider key historical events, demographics and territorial claims which may weigh heavily on China's future economic and military success.

China seems, at first, to be an enigma; a nation which has partially embraced capitalism, while clinging to authoritarian rule. Under Mao Zedong's leadership, cataclysmic events shaped China and formed the relationship between the people, the government and the military. Mao believed that these three elements of Chinese society were inextricably linked. The analysis will begin by considering a few of the key historical events of Mao's time including the "Long March", "Great Leap Forward" and "Cultural Revolution." During each of these events, Mao and the military set the tone for China's authoritarian regime, defining the role of the military and the government. While



he remained in control, the economics of poverty and failed attempts at industrial and agricultural modernization led to an incomplete victory for Mao and the Chinese Communist Party (CCP). Mao's attempts to establish a perfect Socialist system failed, but his development of the People's Liberation Army (PLA) must be counted as a success. As the largest standing land army in the world, the PLA proved its ability to effectively wage war during the Korean conflict, in spite of equipment and tactics that were considered obsolete by modern standards. A shift in economic policies towards capitalism in the post-Mao period, and the relative prosperity that followed, has allowed rapid modernization of the Chinese military.

Chinese leaders were forced to change economic tactics in the late 1970s and, under the leadership of Deng Xiaoping, a new sort of market economy emerged, "socialism with Chinese characteristics." The new economic model has been highly successful for three decades, with newfound wealth creating a Chinese middle class and allowing defense spending to increase exponentially. But the Chinese experiment is still incomplete, as most citizens remain impoverished and disputed territories and borders remain unresolved, creating both strategic and cultural challenges for the central government, and endangering the successful completion of China's military expansion and improvement.

In spite of its economic success, Chinese government attempts at population control have exacerbated looming demographics issues, which may also impact its economic future. If the government cannot provide an adequate standard of living, restive regions of China will become even more difficult to govern and border disputes, both on land and in maritime spaces, may provide flashpoints for future conflict. China

is well aware of pending troubles and has taken numerous steps to posture its military and diplomatic forces to allow a range of future options for PRC decision makers.

As with other authoritarian regimes, the PRC central government's policies may be its future undoing. The Tiananmen Square killings, in 1989, highlighted the paranoia of the CCP and the ongoing influence of Mao's philosophy that "political power grows from the barrel of a gun." Recent history, in 2011, has seen authoritarian regimes challenged and, in some cases overthrown, in Egypt, Tunisia and Libya. While this paper will not attempt to directly compare China with any of these Middle Eastern states, broad trends of history are often repeated, and China should not be considered immune to the possibilities of regime failure. The U.S. must consider how Chinese leaders might use their military forces if facing internal upheaval and central government collapse.

## **CHAPTER 1: THE ROAD TO POWER AND PROSPERITY**

*Mao, Lenin and Smith*

The values and ideals that shaped the PRC are epitomized by several key events from the 20<sup>th</sup> century. A study of the “Long March”, “Great Leap Forward”, “Cultural Revolution”, and the Tiananmen Square killings provide insight into a governing philosophy that does not adhere to modern Western thought or standards.<sup>1</sup> Successful engagement with China will depend on a clear understanding of the disparity that exists between Western thinking and that of the polity formed by Mao Zedong. The United States and partner nations must understand the unique culture of the PRC, in order to both negotiate effectively and to respond properly to future crisis scenarios. Though Mao’s economic model has been discarded by modern China, many of his core principles of authoritarian rule remain intact today.

In 1934, following years of civil war, Chinese communist guerrillas had suffered tens of thousands of casualties and mass defections. They were nearly annihilated, as remnants of the Red Army began the “Long March” from southern China to safe havens in the north. The march began with 87,000 soldiers, broke into several different groups and swarmed north. A year later, only 10,000 survivors reached their goal. They had fought through 6,000 miles of rugged terrain and endured unimaginable hardships. Although wide disagreement exists among historians on the distance covered and amount of soldiers who participated in the march, the survivors formed a core group of dedicated

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<sup>1</sup> Nicholas D. Kristof and Sheryl Wudunn, *China Wakes: The Struggle for the Soul of a Rising Power* (New York: Random House, 1994), 66-70.

Mao Zedong supporters.<sup>2</sup>



Figure 1. The Long March. Source: <http://unimaps.com/chinaLongMarch> (accessed January 15, 2011).

Along the way, the marchers won the admiration of local peasants and garnered support for their cause. Mao Zedong solidified his place as leader of the Communist party and a “glorious” myth was borne, as the march became a formative event for modern China. “It was a mark of Mao’s acuity and extraordinary farsightedness, turning what was retreat into a victory and making it a powerful symbol of Communist success

<sup>2</sup> Richard Cavendish, “October 22<sup>nd</sup>, 1935: The Long March,” *History Today* 60, no. 10 (October 2010): 8.

that has lasted until the present day.”<sup>3</sup> The lore of the Long March and the peasant’s admiration of Mao sustained the Communist party, formed the core of his army, and kept the country together through the radical events that followed. Mao’s rise to power and his unusual attempts at reform would create chaos in China during the decades after the Long March, but his effective use of the military allowed Mao to hold on to power through times of national crisis.

After attaining power in 1949, Communist leaders used “land reform” as a means to reshape rural Chinese society. Historic social structures were broken down as some citizens were branded as “landlords”, while peasants were separated into “rich”, “middle” and “poor” classes. Binning citizens into these new categories allowed the communist government to create “rich” enemies, who needed to be eliminated for the good of the state. Citizens unfortunate enough to be considered in the “rich” classes were killed by the hundreds of thousands. “Rich” middle class survivors were encouraged to offer up their “surplus land” for redistribution.<sup>4</sup> 118 million acres of land, or approximately 43 percent of the country’s entire cultivated acreage, along with millions of farm animals and tons of equipment was redistributed to “poor” peasants.<sup>5</sup>

The joy of acquiring new land was short lived for the poor peasant class. Government cadres established themselves in villages and enacted strict regulations on all aspects of agriculture from plowing, planting, weeding and harvesting to market price controls.<sup>6</sup> Chinese agriculture and rural society was in shambles by the 1950s, setting the

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<sup>3</sup> Sun Shuyan, *The Long March: The True History of Communist China’s Founding Myth* (New York: Random House, 2006), 203.

<sup>4</sup> C.M. Chang, "Mao’s Stratagem of Land Reform," *Foreign Affairs* 29, no. 4 (July 1951): 550-563.

<sup>5</sup> Wolf Ladejinsky, "Carrot and Stick in Rural China," *Foreign Affairs* 36, no. 1 (October 1957): 91-104.

<sup>6</sup> Ibid.

stage for the disastrous “Great Leap Forward.”

During “The Great Leap Forward,” between 1958 and 1960, Mao and Chinese leadership attempted to industrialize the nation and collectivize all agricultural land. Rural communities were required to meet smelting production goals, using primitive furnaces. One hundred million Chinese built one million “backyard” smelters, but the iron produced was low quality and useless.<sup>7</sup> Virtually anything made of iron, including pots, pans, tools and agricultural implements were sent to the smelters. These misguided efforts diverted valuable manpower and material away from agriculture. Farmers lost their homes, land and possessions as villagers were gathered into massive communes.<sup>8</sup> Famine, a wrecked economy and rural unrest followed.

Political fallout between China and Russia prevented Soviet assistance with collectivization and curtailed ongoing engineering projects between the Soviets and Chinese.<sup>9</sup> Mao became paranoid and determined to fully commit China to the effort without outside assistance. The results were disastrous, as 30-45 million people are estimated to have died.<sup>10</sup> Aside from starvation, 2-3 million victims were killed by the state for minor crimes. Stealing food for survival often resulted in execution or torture.<sup>11</sup> Despite the failure of the “Great Leap Forward,” Mao was able to distance himself from

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<sup>7</sup> Neil C. Hughes, *China's Economic Challenge: Smashing the Iron Rice Bowl* (Armonk, New York: East Gate, 2002), 76.

<sup>8</sup> Frank Dikötter, "The Great Leap Backward," *History Today* 60, no. 11 (October 2010): 3-4.

<sup>9</sup> Roots of the Sino-Soviet split can be traced back to Stalin's support of the Kuomintang Party and Mao's rival Cheng Kai-shek. In later years, Mao considered Soviet Premier Khrushchev's policy of “peaceful coexistence with the West” to be an abandonment of Marxist/Leninist principles. Amardeep Athwal. "The United States and the Sino-Soviet Split: The Key Role of Nuclear Superiority." *Journal of Slavic Military Studies* 17, no. 2 (January 2004): 271-272.

<sup>10</sup> Dikötter, 3-4

<sup>11</sup> Ibid.

the fiasco and his reputation with much of the populace remained intact.<sup>12</sup> His cult of personality and effective use of state propaganda allowed Mao to stay in power, with most Chinese convinced of his personal infallibility. But questions regarding Mao's leadership and doubts about his ability to govern arose from within the CCP, setting the stage for the "Cultural Revolution."

The power of the Chinese state and Mao was displayed again in 1966 during the "Cultural Revolution."<sup>13</sup> In an effort to solidify his political power base and purge both political competitors and undesirable citizens, Mao encouraged Chinese youth to form "Red Guard" units. Red Guards descended on Chinese cities by the millions and effectively ruled the country. Much of China's academia, religion, and culture were systematically destroyed, deemed out of line with Communist ideals. Citizens were murdered by the tens of thousands and sent to work in forced labor camps. As China descended into near civil war, chaos reigned and armed battles broke out between warring factions. Even the State President Liu Shaoqi, a participant in the Long March, was jailed and died in prison.<sup>14</sup> In 1968, Mao reinstated Army control of the population and effectively ended the uprising that he himself had started, having failed in his attempt to completely transform Chinese society.<sup>15</sup> But by separating the army from the party, and forcing the PLA to sit idle while Chinese Communist Party (CCP) members were persecuted and killed, Mao began a rift between the PLA and their civilian leaders.<sup>16</sup> The

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<sup>12</sup> Mao used his local party base, shifting blame onto dissenters, using "anti-rightist" rhetoric, and blaming natural disasters to distance him from the "Great Leap Forward" fiasco. Ralph A. Thaxton, Jr., *Catastrophe and Contention in Rural China: Mao's Great Leap Forward Famine and the Origins of Righteous Resistance in Da Fo Village* (Cambridge: Cambridge University Press, 2008), 29-30.

<sup>13</sup> Kristof and Wudunn, 70-71.

<sup>14</sup> Ibid.

<sup>15</sup> Roderick MacFarquhar, "Mao's Last Revolution," *Foreign Affairs* 45, no. 1 (October 1966): 112-124.

<sup>16</sup> Ibid.

split between the PLA and the CCP leadership may still be in place today.<sup>17</sup>

Examining the student uprising and military response to demonstrations in Tiananmen Square in 1989 provides more evidence of the extreme measures that the PRC government may be willing to use against citizens. Urban citizens' anger over corruption, inflation and economic inequities fueled massive demonstrations in Beijing in 1989.<sup>18</sup> Demonstrations spread to several other major Chinese cities and events culminated in the summer. More than 100,000 Chinese students camped in Tiananmen Square for weeks. Supported by 500,000 Beijing residents, the military appeared powerless to stop the spectacle.<sup>19</sup> Senior CCP officials lost patience. Fearing another Chinese civil war, they enacted martial law and ordered the military to clear the demonstrators from the square. Chinese citizens were stunned as the PLA attacked its own citizens, inflicting thousands of casualties on student protesters. Mao's theory that "political power grows from the barrel of a gun" was, once again, proven effective as the PLA allowed the CCP to remain in control of the country. It is worth noting that many of the same indicators that existed in 1989, including rising inflation and income inequity, are, once again, present in China in 2011.

Each of these events shows the absolute power that has been successfully wielded over the Chinese population. When faced with perceived threats to his rule, Mao Zedong and his successors used every instrument at their disposal to consolidate political power.

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<sup>17</sup> Three recent events highlight an apparent disconnect between Communist Party Leadership and the PLA: the use of an anti-satellite weapon in 2007; a near collision between Chinese Naval vessels and a U.S. survey ship in 2009; and the public test flight of the newest PRC stealth fighter, hours before the U.S. Secretary of Defense was to visit in 2010. Each of these tactical military events had global strategic implications, but the CCP has claimed no prior knowledge of their planned execution. Yochi J. Dreazen, "A Chinese Military with a Mind of Its Own," *National Journal* 15 (January 2011): 11-15.

<sup>18</sup> Andrew Scobell, "Why the People's Army Fired on the People: The Chinese Military and Tiananmen," *Armed Forces & Society* 18, no. 2 (Winter 1992): 193-213.

<sup>19</sup> Ibid.



This blueprint has been ingrained in the Chinese political culture. As China continues development towards becoming a near peer military competitor to the United States, history shows that PRC leadership is first and foremost concerned with regime survival. No measure has been shown too harsh and no sacrifice of life and treasure too great, when the Chinese government's authority is challenged.

After Mao's death in 1976, his successors transformed China into a global economic power. Led by Deng Xiaoping, China continued to follow the authoritarian model of Lenin in governing its population, but the country's economy was shifted to a more open model. Foreign investment, though tightly controlled, was allowed and manufacturing ties to the outside world were developed under government oversight.

### *Rise of the Middle Class*

Chinese economic reforms began in earnest in 1978. The official government position was support of a "socialist market economy with Chinese characteristics."<sup>20</sup> A new form of market emerged in China; foreign money was allowed to flow into the country but investment was controlled by the government through a state-managed banking system. With state-run banks in control and a weak judiciary, corruption arose at all levels of government. The remnants of this financial system are still in place and may prove to be the Communist regime's undoing, as different groups of citizens from farmers to factory workers have emerged with very different economic agendas.<sup>21</sup>

Despite government sponsored urbanization and a push towards a market economy, farmers still comprise 60% of the Chinese population. Farmers would benefit

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<sup>20</sup> Ta-Mu Chien, "Chinese Economic Miracle: Capitalism Meets Socialism," *Chinese American Forum* 19, no. 4 (Apr 2004): 30-32.

<sup>21</sup> Richard W. Carney, "Chinese Capitalism in the OECD Mirror," *New Political Economy* 14, no. 1 (September 2007): 73-74.

most from a political shift towards democracy, as they currently have few rights towards the ownership and use of their land. To support the urbanization of Shanghai and other major Chinese cities, much agricultural land was taken by the state and given to developers and businessmen.<sup>22</sup> Farmers also have an interest in maintaining financing and the flow of money at a local level, where they can exert influence. The Chinese government must placate farmers and have admitted that rural unrest is a 'life or death issue' for the party.<sup>23</sup>

In the manufacturing sector, workers favor a push toward globalization. Increased ties to the international marketplace would potentially allow higher wages and increased standards of living. But the government must balance the desire to compete with the rest of the world with the inherent risk of doing so. Successful manufacturing competition with other nations may bring prosperity, but it also offers the risk of failure. The possibility of ineffective or inefficient companies failing, and the corresponding loss of jobs, would be difficult for the government to manage. Mass unemployment could cause widespread unrest, posing a direct threat to the regime's survival, as the recent upheaval and riots in Tunisia, Egypt, Libya and Iran have demonstrated.

A middle class has arisen from Chinese economic reform, but it is not typical of its namesake in the West. The prosperity enjoyed by the Chinese middle class has been orchestrated by the government. This environment does not foster a mindset of freedom and democracy. Instead, each group of farmers, laborers, merchants and entrepreneurs is acutely aware of its reliance on the central and local government's permission for its

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<sup>22</sup> Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State* (Cambridge: Cambridge University Press, 2008), 127-135.

<sup>23</sup> Jonathan Watts, "Democracy in China: Civil Rights Protests Surge as Reforms Fail to Match Rising Hopes," *Guardian International*, October 11, 2005.

livelihood. Each group has chosen to support government policies that allow their respective success to continue, while shying away from questioning controversial government policies. For example, the rise of hundreds of environmental groups in China shows a population willing to stand up to their government on universally accepted issues like clean water and air pollution, while quietly allowing the suppression of basic freedoms to continue. Government suppression of news and information carries on, unabated.<sup>24</sup>

The central government has created an unwritten contract with Chinese citizens. Middle class citizens have been allowed to pursue economic success, in exchange for their unwavering support for the CCP. Poorer citizens have been placated by minor, but steady, increases in their standards of living, while personal freedoms for everyone remain curtailed, under a deeply authoritarian regime. For the government to maintain this system, economic growth must continue at a rapid pace and with a regularity not seen in modern times. U.S. policy makers should be prepared to address a scenario in which China's economy falters and hundreds of millions of citizens do not achieve the new prosperity, promised or implied by their government.

### *Twenty Feet Tall*

Business analysts have forecast continued success for China's economy. It is difficult to cite a study that does not project China's Gross Domestic Product (GDP) surpassing the United States within the next 25 years. Urbanization has caused rural poverty to decrease, as farmers and peasants have moved to the cities to become entrepreneurs, merchants and factory workers. The Chinese central government has

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<sup>24</sup> He Li, "Emergence of the Chinese Middle Class and Its Implications," *Asian Affairs, An American Review* 33, no. 2 (Summer 2006): 66-87.

managed potential crises effectively, stopping negative economic trends with gradual corrections to markets and currency. The number of Chinese citizens living under the infamous “dollar a day” poverty standard is now below 200 million.<sup>25</sup>

But the regime’s response to the “Jasmine Revolution” of 2011 seems to indicate a lack of confidence in Chinese reform efforts; government paranoia and heavy handedness, seen frequently in previous generations, is still alive and well. In response to a few dozen activists and college students’ calls to congregate in the name of political reform, the State blocked the phrase “Jasmine Revolution” from all Chinese internet servers and arrested more than 200 citizens. President Hu Jintao called for stricter control of the internet, while state media blamed “enemy forces in the West.”<sup>26</sup> PRC leadership appears acutely aware of the challenges that China will face as she continues on a path to modernization, and is clearly concerned about the possibility of dissent within Chinese borders. Increases in income disparity, shifting demographics, regional unrest and corruption may pose a bigger threat to the future of the PRC than the rest of the world realizes.

In order to mitigate strategic risk to the U.S., it is worth considering an alternate future scenario for China. Should the Chinese economic model fail, either through its own inherent design flaws or because of outside pressures in a global economy, the results would be catastrophic. The next chapter will discuss some contemporary impediments to continued Chinese growth and will consider how the PRC government, faced with regime change, may respond.

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<sup>25</sup> Albert Keidel, “China’s Economic Rise: Fact and Fiction,” *Carnegie Endowment for Peace, International Policy Brief* (July 2006), 9.

<sup>26</sup> Willy Lam, “Jasmine Overreaction Undermines Regime's Credibility,” *East-Asia-Intel Reports*, February 23, 2011, <http://www.east-asia-intel.com/eai/> (accessed March 17, 2011).

## **CHAPTER 2: INCOMPLETE SUCCESS, INTERNAL UNREST**

The economic success enjoyed by China over the past decades may not continue. Fiscal hurdles, demographics and regional disputes will pose significant challenges to the government of the PRC. Wealth disparity between citizens in the rural countryside and those in urban areas and significant income gaps between villages may be an increasing drain on national prosperity.<sup>1</sup> Conversion of rare arable land to business or infrastructure development has put additional burdens on China's agriculture industry and farmers.

Within Chinese urban areas, different classes of workers exist. Those who have migrated without government approval face numerous obstacles to reaching full employment.<sup>2</sup> The shift from State Owned Enterprises (SOE) to private or semi-private ownership of businesses has also created a host of new worries for Chinese workers. Previous generations' full reliance on the government and its "iron rice bowl" has been replaced by a pseudo-capitalist system, rife with corruption and mismanagement.<sup>3</sup>

The aging Chinese population will demand a level of care not seen in previous generations, as their numbers continue to increase. Government family planning efforts, enacted in previous decades, are now impacting the country's demographics and are

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<sup>1</sup> United Nations, Mandate of the Special Rapporteur on the Right to Food, "Mission to the People's Republic of China from 15 to 23 December 2010", by Olivier De Shutter (Beijing, December 2010), 3.

<sup>2</sup> Chris Nyland, Mingqiong Zhang and Cherrie Jiuhua Zhu, "Hukou-based HRM in contemporary China: the case of Jiangsu and Shanghai," *Asia Pacific Business Review* 16, no. 3 (2010): 377-393.

<sup>3</sup> The "iron rice bowl" refers to the Communist Party control of job security based on loyalty and position in the Party, instead of merit or achievement. The state-worker contract extended beyond the work environment, as a citizen's entire life was governed by the system. Quality of housing, food rations and social life were all contingent on party loyalty. Won Jaeyoun, "Withering Away of the Iron Rice Bowl? The Reemployment Project of Post-Socialist China," *Studies in Comparative International Development* 39, no. 2 (Summer 2004): 71-93.

causing an unnatural spike in the ratio of elderly and male citizens.<sup>4</sup> A generation of “missing girls” has created a troubling social experiment in China.

The issues outlined above may create more hardships in China’s restive regions and provinces. Ethnic and regional unrest could become more acute as citizens become further disillusioned with central government control. In spite of its power, the central government may be unable to keep its grip on outlying regions, such as Xinjiang and Tibet.

### *Flat Screens and Donkey Carts*

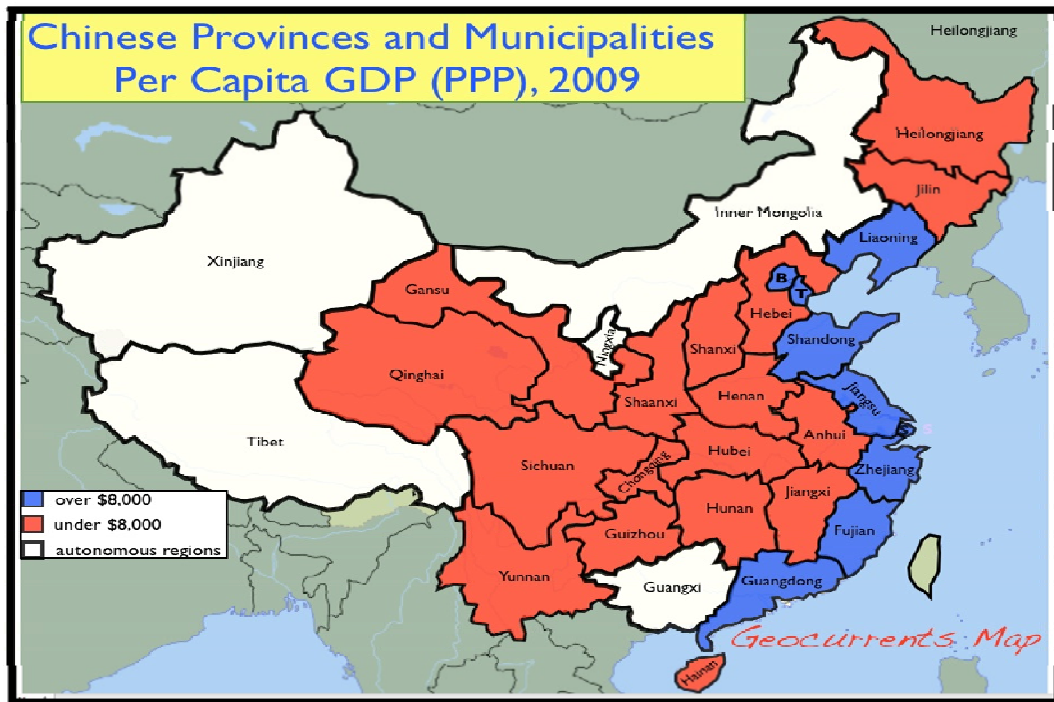
Chinese wealth is concentrated in the eastern provinces and urban areas (see figure 2). The central and western provinces have fewer population centers and much less industry. Besides the lack of jobs, peasant farmers must also contend with village level corruption as local officials operate with little oversight from the central government. Arbitrary taxation, fees and fines are routinely collected and levied on rural Chinese.<sup>5</sup> Land seizures and the conversion of farmland to highways, industrial areas and power plants have caused further angst and are a contributing factor to the tens of thousands of “public disturbances” that occur in China each year. Approximately 58,000 such disturbances were confirmed by the Chinese government in 2008.<sup>6</sup> The PRC stopped releasing data on public disturbances after 2008.

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<sup>4</sup> Therese Hesketh and Wei Zheng Tzui, “Abnormal Sex Ratios in Human Populations: Causes and Consequences,” *Proceeding of the National Academy of Sciences of the United States* 103, no. 36 (July 2006): 13271-13275.

<sup>5</sup> David Shambaugh, *Is China Unstable?* (Armonk, New York: East Gate, 2000), 95-96.

<sup>6</sup> Hannah Beech, “Powerless In the Paddy Fields,” *Time International (South Pacific Edition)* no. 4, January 2006, 54.



**Figure 2. China per capita GDP, by Province.** Source: Martin W. Lewis. 2009. “Mapping Economic Disparity in China”, *Geocurrents*, <http://geocurrents.info>, (accessed January 15, 2011).

According to a United Nations report published in 2010, losses of arable land may also threaten China’s future ability to sustain adequate grain production. “Since 1997, China has lost 8.2 million hectares of arable land due to urbanization and forest and grassland replanting programs, as well as damage caused by natural disasters, and the country’s per capita available land is now at 0.092 hectare, 40 per cent of the world average.”<sup>7</sup> This shrinking of arable land represents a major threat to the ability of China to maintain its current self-sufficiency in grain production and may eventually drive food prices to levels that will exacerbate rural poverty. Along with its agricultural base, China’s manufacturing industry has also been transformed.

Dramatic restructuring of the State Owned Enterprise System (SOE) began in earnest in the 1990’s. Mao’s system of communism had created the “iron rice bowl”,

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<sup>7</sup> De Shutter, 3.

which guaranteed citizens employment in exchange for party loyalty. As reforms took hold, the safety net of the government was rapidly removed. Chinese workers now faced massive unemployment, as many state-run factories were closed or transformed to more efficient operations.<sup>8</sup> Many SOE's were closed haphazardly, without regard to properly closing out workers pay. Laborers were surprised to find themselves jobless, sometimes with months of unpaid wages.<sup>9</sup> Unemployment, inadequate wages, inflation and corruption became new concerns for Chinese workers. Workers were thwarted from moving to new locations to find work because of the "Hokou" system.

The urban household registration system, known as "Hokou," was established in 1958. The system was originally designed to ensure that citizens in urban areas were properly registered and established eligibility for government benefits. Minimum subsistence payments, layoff subsidies, and unemployment insurance were and are subject to approval, based on "Hokou" registration.<sup>10</sup> Today, "Hokou" also serves as an internal passport, controlling citizens' movement within China. Citizens without proper registration papers are easily identified. Potential employers are aware of their tenuous legal status and often take advantage of these "illegal" workers.

For over 150 million migrant rural workers, the "Hokou" system has created a two-caste society in Chinese cities.<sup>11</sup> Lower pay, poor training, and exploitation are common as rural migrant workers are assigned the most dangerous and difficult jobs. This network of "lower class" workers underpins much of the success story in Chinese

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<sup>8</sup> Won Jaeyoun, "Withering Away of the Iron Rice Bowl? The Reemployment Project of Post-Socialist China," *Studies in Comparative International Development* 39, no. 2 (Summer 2004): 71-93.

<sup>9</sup> John Hassard, Jackie Sheehan and Yuxin Xiao, "Chinese State-Enterprise Reform: Economic Transition, Labour Unrest and Worker Representation," *Capital & Class* no. 96 (Autumn 2008): 31-52.

<sup>10</sup> Mukhopadhyay, Sankar, Shunfeng Song and Erqian Zhu, "Employment and Earnings of Low-Income Residents in Urban China," *Chinese Economy* 44, no. 1 (January-February 2011): 6-17.

<sup>11</sup> Nyland, Zhang and Zhu, 377-393.



cities and, indeed, much of the PRC economy.

Prosperity continues to elude most citizens, as the upper and middle classes seek to hold on to their economic gains. The loss of agricultural land, closure of SOE's, and misuse of the "Hukuo" system all exacerbate problems faced by citizens in the lower tiers of the Chinese workforce. It is easy to imagine a scenario where political support for the Communist party and central government fractures as rural patience and the patience of the urban working poor wears thin.

### *An Aging Male Population*

China enacted the "one child" policy during the 1970's to help slow population growth. The head of China's National Population and Family Planning Commission announced that government "one child" and other family planning policies had prevented more than 400 million births in the last three decades.<sup>12</sup> There are two demographics that have been significantly affected by the Chinese government policy: the average age of the population; and, the ratio of males to females.

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<sup>12</sup> Andrea Den Boer and Valerie M. Hudson, "China's Security, China's Demographics: Aging, Masculinization, and Fertility Policy," *Brown Journal of World Affairs* 14, no. 2 (Spring 2008): 185-200.

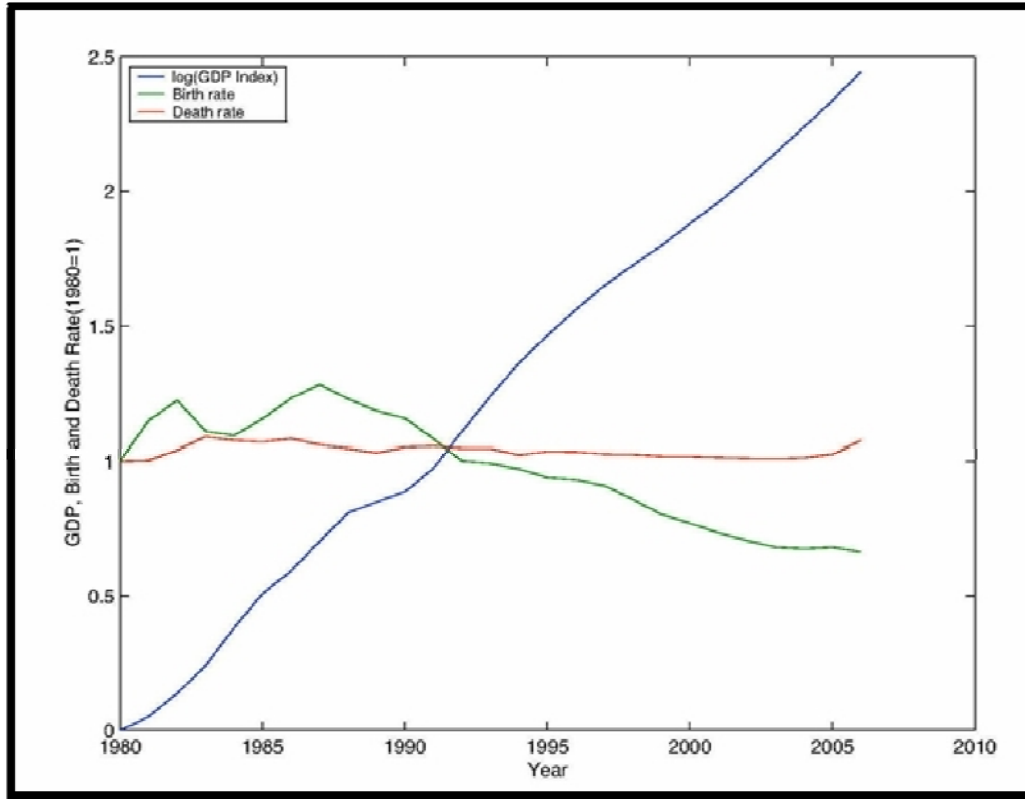


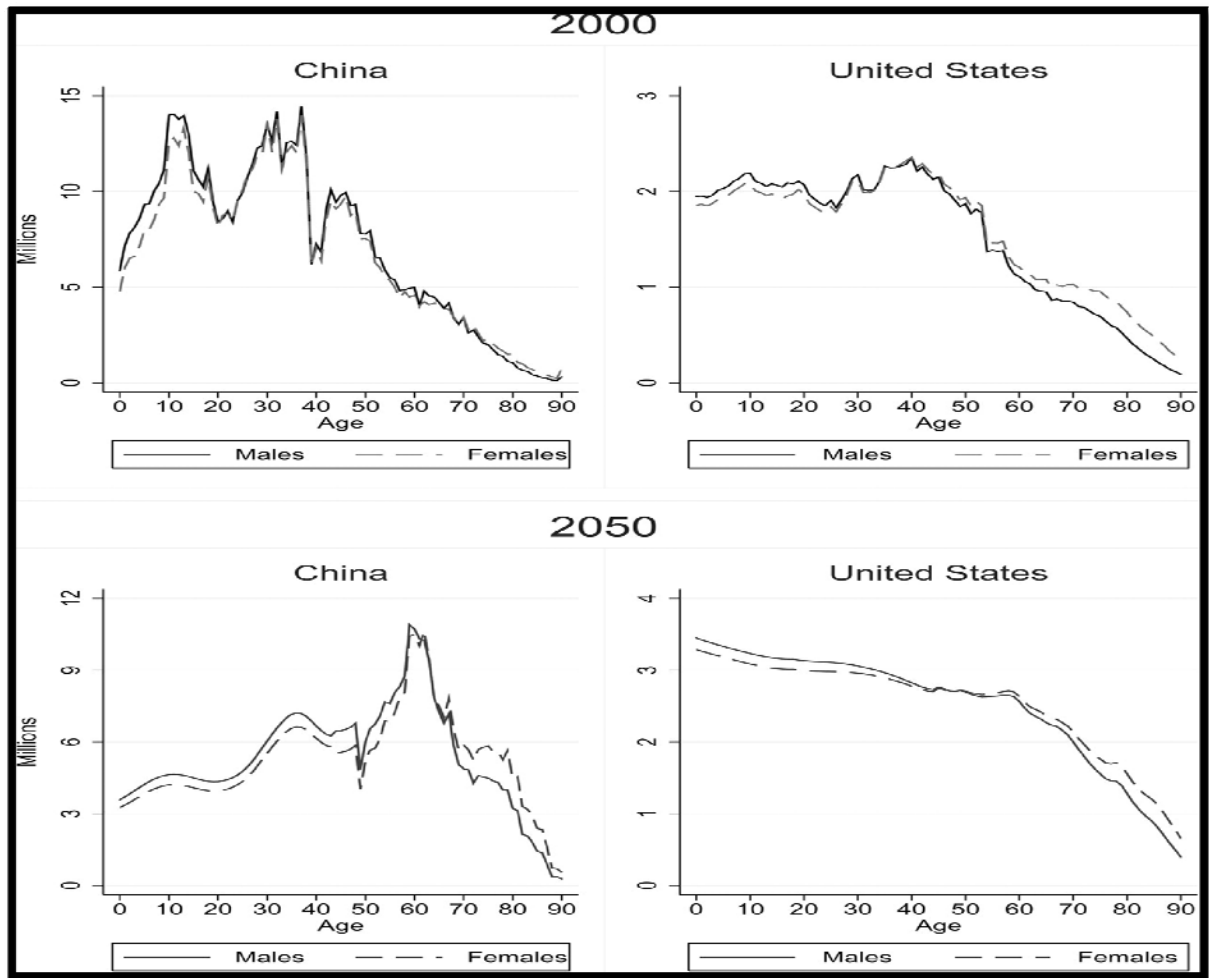
Figure 3. GDP Index, Birth and Death Rates in China. Source: Yuanyi, Pan, and Wu Jianhong. 2009. "Population profiling in China by gender and age: implication for HIV incidences." *BMC Public Health* 9, 1-11. Academic Search Premier, EBSCOhost (accessed January 21, 2011).

The preference for having sons is deeply ingrained in Chinese and Asian culture.<sup>13</sup> As a result of the one child policy and a preference for boys, selective abortion and abandonment of girls has led to a shift in sex ratios. By 2020, Chinese males aged 20 to 45 are projected to outnumber females by 30 million.<sup>14</sup> This experiment in altering sex ratios is historically untested, as warfare tended to produce the opposite sort of imbalance. Researchers speculate that a society with too many males will be more violent, crime ridden and unstable.<sup>15</sup>

<sup>13</sup> The preference for sons is most prevalent in an arc of countries from East Asia through South Asia to the Middle East and North Africa. Sons are preferred because they have a higher wage-earning capacity, they continue the family line and they are generally recipients of inheritance. Girls are often considered an economic burden because of the dowry system. Hesketh and Tzui, 13271-13275.

<sup>14</sup> Den Boer and Hudson, 185-200.

<sup>15</sup> Avraham Y. Ebenstein and Ethan Jennings Sharygin, "The Consequences of the Missing Girls of China," *World Bank Economic Review* 23, no. 3 (November 2009): 339-42.



**Figure 4. Age Structure in China and the United States in 2000 and 2050.** Source: For China, China National Bureau of Statistics (2000); for the United States, data from 2000 Census and projections by the U.S. Social Security Administration (U.S. SSA 2007).

Though the social impact of an unbalanced sex demographic is debatable, the impact on birthrates is clear. China faces an increase in the average age of its citizens and a declining birthrate as shown in figures 3 and 4. As the population ages, the Chinese workforce will shift towards more dependence on the state and away from full employment. Whether prosperity will arrive in time to mitigate the effects of poverty on an aging population is a key question for China's economic future.<sup>16</sup>

<sup>16</sup> The aging labor force will result in a decrease of 250 million workers, between 2015 and 2050. With less labor available, manufacturing jobs are forecast to move to other developing nations, such as

Many factors, including the demographics outlined in this chapter may impact the future of the Chinese economy and PRC military development. Chinese military and government leaders are acutely aware of the potential for widespread internal unrest and have shaped a military force that is rapidly deployable to conduct internal policing operations.

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Bangladesh and Vietnam. China will be forced to attempt a move towards a consumer-driven economy to maintain its Gross Domestic Product. Richard Morrow, "China's Aging Population to Drive Change," *Asiamoney* 21, no. 10 (November 2010): 21.

### **CHAPTER 3: RESTIVE REGIONS AND DISPUTED BORDERS**

China's expansive geography and territorial overreach has proven a detriment to government control of far reaching areas. Both land and maritime border disputes have been commonplace. In the last century, China has engaged in armed conflict with Russia, Japan, India and Vietnam over land territorial disputes.<sup>1</sup> The land border between India and China, in the Tibet region, remains in dispute, as the PRC still does not accept Indian sovereignty over the disputed area. Brunei, Malaysia, Taiwan, Vietnam, Japan and the Philippines all have ongoing disputes over excessive Chinese maritime border claims in the South China Sea and the East China Sea.<sup>2</sup> The contested maritime spaces, Xinjiang and Tibet regions are particularly important to China as control of each area allows access to vital energy resources and control of strategic approaches to China. In the northwest, citizens of the Xinjiang region and of Tibet have continued to resist government control on cultural and religious grounds. Lastly, Taiwan may be the most vexing issue for PRC and U.S. diplomats and for each nation's military forces.

#### *Xinjiang and Tibet*

The regions of Xinjiang and Xizang (Tibet) have proven especially difficult for the central government to control. Xinjiang, translated as "new territories," is the furthest

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<sup>1</sup> Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March* (Cambridge: Cambridge University Press, 2003), 193.

<sup>2</sup> Simon Long, "A Sea of Troubles," *Economist*, November 22, 2010. <http://www.economist.com/node/17493342> (accessed April 20, 2011).

Northwest region of China.<sup>3</sup> Formerly known as East Turkestan, residents of the region were historically Uyghur Muslim.<sup>4</sup> Following the Communist party's rise to power, the government moved ethnic Han Chinese into the region, making the Uyghurs a minority in their own land.<sup>5</sup> In 1996, more than 5,000 Uyghur intellectuals, religious leaders, artists, and members of banned groups were arrested.<sup>6</sup> Uprisings and revolts among the Uyghur have been frequent, with some fighters transporting weapons and ammunition from neighboring countries.<sup>7</sup> In 1997, two days of rioting left nine dead and 200 wounded as a mob of 1,000 Uyghurs looted businesses and burned cars. In response, the central government conducted military exercises with over 50,000 Chinese troops maneuvering through the region.<sup>8</sup> 2007 saw additional riots, with over 200 dead. The central government arrested thousands and is accused of torture and mistreatment of imprisoned rioters.<sup>9</sup> Beijing has instituted a "strike hard" campaign against "splittists" in the still restive regions. The terrorist attacks of 9/11 provided an excuse for the central government to fight an expanded conflict against independence movements in Xinjiang and Tibet, using armed police units to put down pro-democracy movements under the guise of "fighting terrorism."<sup>10</sup> Since 2007, the "strike hard" campaign continues to be used to criminalize dissent and further human rights violations, while media access to

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<sup>3</sup> Elizabeth Van Wie Davis, "Uyghur Muslim Ethnic Separatism in Xinjiang, China," *Asian Affairs: An American Review* 35, no. 1 (Spring 2008): 15-30.

<sup>4</sup> "China's Muslim Rebels," *The Economist* 340, no. 7974 (July 13, 1996): 33.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Davis, 15-30.

<sup>8</sup> Ibid.

<sup>9</sup> "Marking Time at the Fringes," *The Economist* 396, no. 8690 (July 8, 2010): 40-41.

<sup>10</sup> Chien-peng Chung, "Confronting Terrorism and Other Evils in China: All Quiet on the Western Front?" *China and Eurasia Forum Quarterly* 4, no. 2 (May 2006): 75-87.

disputed areas is tightly controlled by the Chinese government.<sup>11</sup>

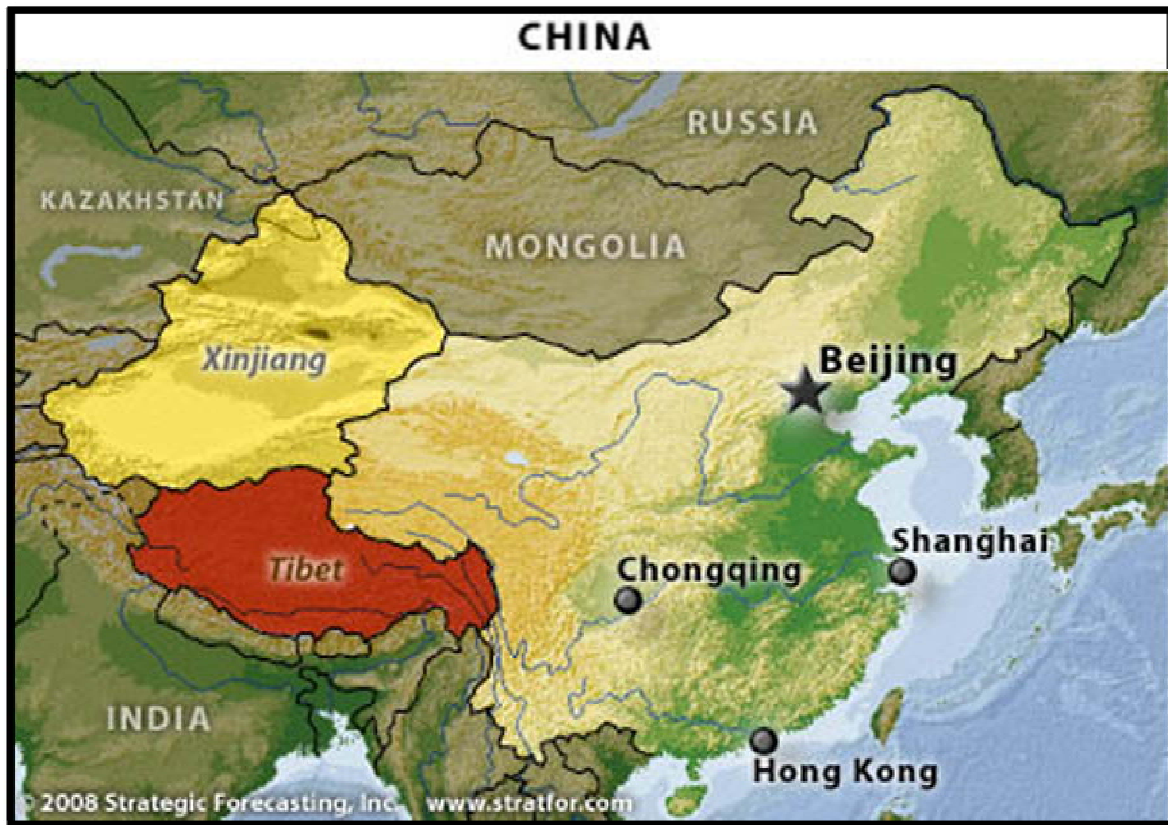


Figure 5. Restive Regions of Xinjiang and Tibet. Source: [www.digitaljournal.com/article294088](http://www.digitaljournal.com/article294088). (accessed March 30, 2011).

The Xinjiang area is of critical importance to China for two reasons: its gas pipelines and its location as a strategic approach to China's interior regions.<sup>12 13</sup> Pipelines in this region allow access to gas reserves in countries that border the PRC. China completed construction of the Kazakhstan-China pipeline in 2009, ending a

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<sup>11</sup> Michael Clarke, "Widening the Net: China's Anti-terror Laws and Human Rights in the Xinjiang Uyghur Autonomous Region," *The International Journal of Human Rights* 14, no. 4 (July 2010): 542-55.

<sup>12</sup> Kenjali Tinibai, "Kazakhstan and China: A Two-Way Street," *Transitions Online*, May 27, 2010, <http://www.tol.org/client/article/21490-kazakhstan-and-china-a-two-way-street.html> (accessed February 01, 2011).

<sup>13</sup> George Friedman, "Chinese Geopolitics and the Significance of Tibet," *STRATFOR Global Intelligence*, April 15, 2008, [http://www.stratfor.com/weekly/chinese\\_geopolitics\\_and\\_significance\\_tibet](http://www.stratfor.com/weekly/chinese_geopolitics_and_significance_tibet) (accessed February 01, 2011).

Russian monopoly on the delivery of natural gas. The system is part of a larger Turkmenistan-Uzbekistan-Kazakhstan-China network. After completion in 2013, this network will have the capacity to supply nearly 40 billion cubic meters of gas, or nearly half of China's annual usage.<sup>14</sup> These energy arrangements have been lucrative for neighboring countries, and publicly many of their political leaders have denounced the violence in Xinjiang. But, the continued flow of weapons and material support to insurgents in China provides evidence that there may be continued allegiance between the region's Muslims, or at least tacit support to the Uyghur cause.

Fourth century nomads, and later Islamic invaders, used Xinjiang as a highway into China.<sup>15</sup> Recent construction of larger railroads and highways has been part of the government's plan to increase prosperity and, at the same time, bring this region to heel (see figure 6). But there is also risk involved in creating such clear paths into China's interior. The geostrategic value of the region is not lost on current Chinese leaders. Today, as in antiquity, Xinjiang provides a Line of Communication (LOC) that stretches from Beijing through Kazakhstan to Russia. PRC leaders realize that this LOC is critical and must remain secure at any cost. Lying south of Xinjiang, Tibet is another region where ethnic tensions and political unrest combine, creating a flashpoint in a location that is of vital strategic interest to the PRC.

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<sup>14</sup> Tinibai.

<sup>15</sup> Friedman.





Figure 6. Major PRC Roads and Railways. Source: <http://www.ciaonet.org/atlas/CN/map.html> (accessed January 18, 2011)

In the Mandarin language, Tibet is known as Xizang or “western treasure-house.”<sup>16</sup> The region lies south of Xinjiang and marks the western border of China. Chinese troops invaded Tibet in 1950, marking an end to 40 years of Tibetan independence.<sup>17</sup> In an effort to chip away at Tibet’s autonomy, the central government has used similar programs in Tibet as the ones in Xinjiang. Railroads carry thousands of new Han Chinese immigrants into the region each year, with a goal of “swamping” Tibetan culture. New immigrants are “offered various incentives to move permanently

<sup>16</sup> “Tibet is believed to hold as much as 30m-40m tons of copper, 40m tons of lead and zinc and more than a billion tons of high-grade iron ore. China’s steel-hungry construction and car industries imported 386m tons of iron ore in 2007.” David Eimer, “Tibet’s Treasure Trove; Despite Political Tensions in the Country, its Huge Deposits of Gold and Other Metals are Proving Irresistible to Foreign Miners,” *The Sunday Telegraph* (London), July 27, 2008.

<sup>17</sup> Ramesh Chandra Dhussa, “Tibet: A Nation in Exile,” *American Geographical Society’s Focus on Geography* 52, no. 2 (September 2009): 1-6

into the region: higher wages, lower taxes, housing, allowances for altitude, bonuses for remoteness, and longer holidays.”<sup>18</sup> There are now 7.5 million Chinese and only 6 million Tibetans living in the region.

Protests in Tibet continue, in spite of the government’s efforts. Prior to the 2008 Olympic Games, riots spread across the region, from the capital city of Lhasa to the adjoining provinces of Gansu, Sichuan, and Qinghai, flummoxing the local authorities.<sup>19</sup> PLA troops eventually put down the uprising. The Chinese people have been convinced that their government’s interest in Tibet is another case of regaining stolen territory and that protesters are merely “splittists.” But, as in Xinjiang, the real interest in Tibet may be its position as a critical strategic buffer; in this case between the PRC and India.

### *Borders and Maritime Regions*

The Tibet-India border was the flashpoint for the 1962 Sino-Indian war. The Chinese achieved a quick victory, winning the fight in only 32 days.<sup>20</sup> But the border region remains contentious. In the 1990’s China began upgrading more than a dozen airfields in Tibet and deployed SU-27 fighters in the surrounding military region.<sup>21 22</sup> China and India have conducted military exchanges and signed new agreements, but a cold war mentality still persists in the region. China contributes to the tension through its support to India’s arch-rival Pakistan. Weapons sales and public support of Pakistan in

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<sup>18</sup> Wanda Bliss, "Tibet Inside and Out," *New Leader* 93, no. 2 (March-April 2010): 11-12.

<sup>19</sup> Manjeet Kripalani, "World Watches India's Response to Tibet," *BusinessWeek Online* 19, March 21, 2008, [http://www.businessweek.com/globalbiz/content/mar2008/gb20080321\\_596271.htm](http://www.businessweek.com/globalbiz/content/mar2008/gb20080321_596271.htm), (accessed February 15 2011).

<sup>20</sup> Rudra Chaudhuri, "Why Culture Matters: Revisiting the Sino-Indian Border War of 1962," *Journal of Strategic Studies* 32, no. 6 (December 2009): 841-869.

<sup>21</sup> Guilin Deng, "Sukhoi Base in the East to Counter China," *Times of India*, September 28, 2007.

<sup>22</sup> Bao Jiefangjun, "Air Force in Tibet Sets Up a Comprehensive Logistics Support System," *Liberation Army Daily*, 17 Jul 2007.

the Kashmir conflict continue to mar relations with India.<sup>23</sup> In 2008, the Indian military recorded 270 border violations and nearly 2,300 cases of “aggressive border patrolling” by Chinese soldiers.<sup>24</sup> Chinese border troubles are not confined to obscure regions in the North. Maritime boundaries in the East China Sea and South China Sea are troublesome as well, with many nations vying for control of the water space and resources (see figure 7).

China, Taiwan, Brunei, Malaysia, Vietnam, and the Philippines all have overlapping claims on islands and maritime space in the South China Sea. In accordance with the United Nations Convention on the Law of the Seas (UNCLOS), China’s disputed historical rights should be ignored in favor of the claims of the littoral states.<sup>25</sup> But since 1987, the PRC has clashed with several of the other claimants, as it ignored international law and established Chinese outposts on several uninhabited islands in the Spratly chain.<sup>26</sup> Chinese claims stretch well beyond the internationally accepted 200NM Economic Exclusion Zone, with some claimed territory positioned over 600 miles from the PRC mainland. The Chinese Navy has aggressively defended its newly claimed territory. The most serious encounter occurred in 1998, when more than seventy Vietnamese sailors died in a clash between Chinese and Vietnamese ships near Johnson Reef, in the Spratlys.<sup>27</sup>

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<sup>23</sup> John W. Garver, "Sino-Indian Rapprochement and the Sino-Pakistan Entente," *Political Science Quarterly* 111, no. 2 (Summer 1996): 323.

<sup>24</sup> U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China* (Washington, DC: Government Printing Office, 2010): 4.

<sup>25</sup> Leszek Buszynski and Isakandar Sazlan, "Maritime Claims and Energy Cooperation in the South China Sea," *Contemporary Southeast Asia: A Journal of International & Strategic Affairs* 29, no. 1 (April 2007): 143-171.

<sup>26</sup> Ibid

<sup>27</sup> U.S. Congress. Senate. Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs. *East Asia Maritime and Sovereignty Issues*. Testimony by Richard Cronin. 111th Cong., 1st Session. 2009, 38-54.



**Figure 7. China's Disputed Territories.** Source: 2010. Annual Report to Congress: The Military Power of the People's Republic of China.

While China purports to have a right to these maritime spaces as more “lost territories”, the real interest may, once again, be economic and strategic. Gas and oil deposits and valuable fishing grounds are extensive in and around the areas that China seeks to control. Critical Sea Lines of Communication (SLOC) also lie in these contested territories. Shipping lanes in this region provide a majority of the world’s sea cargo transport and are essential, not only to Asian economies, but to the United States and Europe. If a single nation controlled these global commons, it could exert influence on

the entire global economy. China has proclaimed the South China Sea to be a “core” interest, as important to its sovereignty as Tibet or Taiwan.<sup>28</sup>

China has, however, provoked the suspicion of its neighbours. Its ships treat the sea as a Chinese lake. Its mysterious maps show Chinese sovereignty extending over areas far bigger than would be justified merely by reference to its claim to the Paracel and Spratly archipelagos. And, in 2010, it engaged in stunts such as sending a tiny submarine down more than two miles (3,759metres, to be precise) to plant a Chinese flag on the seabed.<sup>29</sup>

To the North, China and Japan have a long standing dispute over maritime territory in the East China Sea. The Senkaku Islands, known as Diaoyu by China, have been contested since the end of World War II. Much of the discussion is similar to the situation in the South, with resources and national pride at stake. In September 2010, Japanese forces arrested a crew of Chinese fishermen near the disputed territory. China suspended all official contacts with Japan and escalated the event to a full-blown diplomatic crisis.<sup>30</sup> Discussing the Chinese response to the incident, Pacific Commander, ADM Robert Willard said, "From the detention of Japanese representatives that were in China to the suspension of rare earth mineral contracts, it was clear that China had intended to exert a number of levers in order to very strongly establish its position regarding the claim and the incident itself....At the end of the day, that was a signal to the region, and I think it was certainly eye-opening enough to raise concerns in The Association of Southeast Asian Nations (ASEAN)...”<sup>31</sup>

As the central government stokes nationalistic fervor over these sorts of disputes

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<sup>28</sup> Long.

<sup>29</sup> Ibid.

<sup>30</sup> "Asia: Deng's Heirs Ignore His Advice; China's Spat with Japan." *Economist*, September 25, 2010, <http://www4.economist.com/node/17101152>, (accessed April 20, 2011) .

<sup>31</sup> Yoichi Kato, "U.S. Commander Says China Aims to be a Global Military Power," *Asahi Shimbun (Japanese Daily Newspaper)*, December 28, 2010.

and the Chinese Navy asserts itself more in the East and South China Seas, the stage has been set for a military confrontation between China and its Asian neighbors. Centuries of shared animosity and the increasing value of natural resources, as oil prices near \$100 a barrel, make these flashpoints less likely to be peacefully resolved.

### *Taiwan*

The CCP regards Taiwan as a “lost” province of China, ruled illegally by separatists. After decades of fervor over reunification, the CCP has made Taiwan a core national issue to its citizens. To the Chinese, there is no other option besides Taiwan reunification with the mainland. In 2008, PLA General Xiong Guangkai questioned whether the U.S. would be willing to “trade Los Angeles for Taiwan”, implying that China preferred nuclear war to losing Taiwan.<sup>32</sup> The Chinese government frequently uses Taiwan as an irritant, stoking nationalistic sentiment among the populace and making Taiwan a potential military flashpoint with the U.S.

Historically, the U.S. policy on Taiwan has remained intentionally ambiguous. In accordance with the Taiwan Relations Act of 1979, the U.S. will not stand idly by and allow the PRC to invade Taiwan.<sup>33</sup> On the other hand, Taiwan must maintain the status quo and avoid declaring independence. This policy, including the sale of U.S. military equipment to Taiwan, has successfully kept the peace and status quo since 1979.

But the situation with Taiwan is changing. The PRC is now a global power and

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<sup>32</sup> Barton Gellman, "U.S. and China Nearly Came to Blows in 1996," *Washington Post*, June 21, 1998.

<sup>33</sup> The Taiwan Relations Act states that the U.S. will “consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States; (5) to provide Taiwan with arms of a defensive character; and (6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.” 22 USCS 3301 (1979): “Taiwan Relations Act.” Text from: *United States Code Service*. Available from: LexisNexis® Congressional; (accessed February 13, 2011).

its increasing political influence and growing military strength may well lead China to challenge the status quo.<sup>34</sup> Much of the PRC regional military buildup has been focused towards Taiwan. Hundreds of short range missiles are poised across the Taiwan Strait, new long range anti-ship missiles are being fielded and amphibious assault ships are being constructed in record numbers. China is not yet capable of invading and occupying Taiwan, but capabilities continue to improve as the PLA develops its mobility and tactics. After decades of conditioning the public, the CCP may be able to use Taiwan as an effective propaganda tool, distracting the public from government shortcomings during times of national crisis.

Mao Zedong used propaganda, reinforced by a system of cradle to grave control of China's citizens, to effectively control a billion people. While the "Iron Rice Bowl" was not always efficient, it provided a sense of security for many Chinese. Mao's economic policies lessened the prosperity gap between rich and poor, allowing central government credibility to be realized through the shared suffering of its leaders and people. Communist Chinese society was further held together by a strong and efficient internal security apparatus, which effectively used propaganda to emphasize the "underdog" role of the PRC; its wealth and territories lost to external Western greed and internal deceit by disloyal "splittists." Centuries-old disputes over territories, in the northern and western regions and in the South and East China Sea maritime spaces, have been used to stoke nationalistic fervor. A generation of Chinese believes the state sponsored propaganda and seem convinced of their "manifest destiny" in the Asia-Pacific region.

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<sup>34</sup> Ted Galen Carpenter, "Rising China and America's Dilemma," *CATO Institute*, January 21, 2011, [http://www.cato.org/pub\\_display.php?pub\\_id=12729](http://www.cato.org/pub_display.php?pub_id=12729) (accessed February 14, 2011).

As China faces a new era of “capitalism with socialist characteristics”, citizens’ perceived social safety nets have been quickly taken away. State propaganda may not be effective at explaining away a widening income gap, as demographics inevitably come into play and the promises of Communism go unfulfilled. Restive provinces and rural regions will be the most difficult to control, as they have borne the brunt of economic hardship and cultural losses. The Chinese military will be forced to commit significant resources to maintaining order and control of the strategic avenues within these regions. PLA troops will be forced to remain garrisoned within restive areas, or will have to develop more effective rapid response forces to defend key LOCs. As railway lines and highways into the restive regions continue to be expanded and improved upon, the creation of effective internal Chinese lines of communication appears to be well underway.

Central government maritime territorial claims and claims on Taiwan have been deeply ingrained into the national psyche. These claims will continue to be challenged by China’s neighbors and by Western nations. The People’s Liberation Army Navy (PLAN) will continue to develop more robust sea control and amphibious assault capabilities, as discussed in the next Chapter. If China’s economy falters, the central government may look to its decades-long strategic communication campaign to distract citizens from internal economic problems. Improved ships and hardware may offer opportunities for the government to incite limited conflict and rally citizens under the auspices of patriotism. Armed conflict, used as a political tool to control the people, is rooted in the history of the CCP. Just as Mao turned citizen against citizen to protect his regime, so might the current PRC leadership turn the Chinese military against its people



to put down internal dissent; or it may chose to use the military as a distraction, fomenting regional conflict as a diversion to a failing national economy.

## **CHAPTER 4: MILITARY DEVELOPMENT: EXTERNAL MISSIONS AND INTERNAL REPRESSION**

Scholars and pundits offer widely varied views on the purpose of China's growing military and the philosophy behind its potential employment. From the academic and business communities, optimistic opinions concerning the future of the PRC military and its peaceful purpose are abundant.<sup>1 2 3</sup> Writings from the defense community are more pessimistic and, often, ominous.<sup>4 5</sup> One can never say with certainty how a nation will act in the face of crisis or exactly how it will chose to employ military forces, but China's military investments and doctrine may provide valuable indicators to future intent. Planners should also remember the lessons of Korea and Vietnam. In both cases, China voluntarily entered a conflict, arguably for purely political reasons, at a time when the PRC was struggling with internal unrest and political upheaval.

Several new developments in PLA doctrine and technology have captured the attention of U.S. military planners. Coupled with new technologies that are being developed and fielded, the PRC concepts of "active defense" and "anti-access" are easier to understand. Many of the programs discussed in the paragraphs below will directly contribute to the key Chinese war fighting ideas of asymmetric engagement and non-

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<sup>1</sup> Sandra A. Wawrytko, "Winning Ways: The Viability (Dao) and Virtuosity (De) of Sunzi's Methods of Warfare (Bingfa)," *Journal of Chinese Philosophy* 34, no. 4 (December 2007): 561-579.

<sup>2</sup> Renato Cruz De Castro, "Exploring the Prospect of China's Peaceful Emergence in East Asia," *Asian Affairs: An American Review* 33, no. 2 (Summer 2006): 85-102.

<sup>3</sup> Jia Qingguo, "Peaceful Development: China's Policy of Reassurance," *Australian Journal of International Affairs* 59, no. 4 (December 2005): 493-507.

<sup>4</sup> *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 1-9.

<sup>5</sup> Chaisson, 20.

linear operations.<sup>6</sup>

The PLA has undertaken a military-wide campaign, translated as “Informationization”, designed to upgrade its hardware to modern computing standards and exploit the cyber systems of its adversaries.<sup>7</sup> The People’s Liberation Army Navy (PLAN) now conducts frequent blue water operations, in regions outside their traditional area of operations.<sup>8</sup> Upgrades to the quantity, accuracy and range of China’s ballistic missile arsenal have increased its potential effectiveness against U.S. forces.<sup>9</sup> The Chinese continue to expand their military global reach. Upgrades in military technology, hardware and training have improved the range and accuracy of PRC weapons systems and allowed their operating areas to expand exponentially.<sup>10</sup> Many of these developments may be aimed at allowing the PLA the capability to reclaim “lost territories”; exerting direct and indirect influence on states that border its contested land and maritime boundaries.

The flag and the military have sometimes followed commerce, as Chinese business interests have established their presence across the Asia-Pacific region.<sup>11</sup> Commerce has served as an enabler for military presence as China has used “checkbook

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<sup>6</sup>“The ‘active defense’ military doctrine is based partially on ‘non-linear, non-contact and asymmetric’ operations. Non-linear operations involve launching attacks from multiple platforms in an unpredictable fashion that range across an opponent’s operational and strategic depth. Noncontact operations entail targeting enemy platforms and weapons systems with precision attacks from a distance sufficient to potentially preclude the enemy from striking back directly. Asymmetric operations involve exploiting inherent physics-based limitations to match Chinese strengths against an opponent’s weaknesses.” Andrew S. Erickson, “China’s Evolving Anti-Access Approach: Where’s the Nearest (U.S.) Carrier?” *China Brief* 10, no. 18 (September 2010): 5-8.

<sup>7</sup> Chaisson, 20.

<sup>8</sup> Ronald O’Rourke, “China Naval Modernization: Implications for U.S. Navy Capabilities-Background and Issues for Congress: RL33153,” *Congressional Research Service: Report* (December 2010): 1-67.

<sup>9</sup> *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China*, 32.

<sup>10</sup> Ibid.

<sup>11</sup> Vijay Sakhuja, “The Karakoram Corridor: China’s Transportation Network in Pakistan,” *China Brief* 10, no. 20 (October 2010): 5-7.

diplomacy” to court foreign nations and quietly establish a global network of potential operating locations, often referred to as a “string of pearls.”<sup>12</sup> While the present day level of military involvement at these locations may be low, there is certainly opportunity for surveys of ports and airfields, and there is an invaluable chance to quietly coordinate with host nations for all types of future logistics support.

A significant amount of energy and resources are also focused on internal security. Chinese leaders understand the difficulty of keeping 1.3 billion citizens placated in a “harmonious” society. Their investment in equipping, training and deploying internal security forces, such as the People’s Armed Police Force (PAPF) shows another major facet of PRC defense.<sup>13</sup>

### *Sun Tzu, Confucius or Mao?*

Many academic essays concerning Chinese foreign policy and military development emphasize the peaceful nature of the PRC military.<sup>14 15 16</sup> Sun Tzu’s idea that war and violence are indicative of failed strategy has been cited as proof that the PRC is not an aggressive nation.<sup>17</sup> But, modern history shows the PRC is willing to engage its military for a variety of reasons; fighting, not as a last resort, but using conflict to extend political gains when reward seems to outweigh risk.

In her essay on Chinese culture and warfare, San Diego State Professor Dr.

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<sup>12</sup> The phrase “String of Pearls” was first used to describe China’s emerging maritime strategy in a report titled “Energy Futures in Asia” by defense contractor, Booz-Allen-Hamilton. This report was commissioned in 2005 by the U.S. Department of Defense’s Office of Net Assessment.

<sup>13</sup> “China’s National Defense in 2008,” *Information Office of the State Council of the People’s Republic of China*, Beijing, January 2009.

<sup>14</sup> Wawrytko, 561-579.

<sup>15</sup> De Castro, 85-102.

<sup>16</sup> Qingguo, 493-507.

<sup>17</sup> Wawrytko, 561-579.

Sandra Wawrytko overlays Tzu's ideas on the modern Chinese military when she states, "Taking death seriously requires that the military option be pursued only as an unavoidable last resort, with the understanding that it brings regret rather than glory in its wake."<sup>18</sup> Writing for *Asian Affairs*, Dr Renato DeCastro believes that, "Beijing sees economic growth as the key to the development of its overall, comprehensive power, and does not simply rely on the military instrument to ensure its security."<sup>19</sup> Dr Jia Qingguo makes an even greater leap of faith when writing about China's foreign policy:

China's policy of reassurance has contributed to understanding and trust between China and other countries...China and the US have engaged in various forms of cooperation ranging from fighting the war against terror, defending the nonproliferation regime, managing the Korean nuclear crisis, to environmental cooperation, promoting economic relations, and even opposing Taiwan independence. China and the EU have enhanced cooperation on various fronts at an unprecedented level. China and the ASEAN countries are committed to deepening their relations as the latter takes on a positive view of China.<sup>20</sup>

Some military analysts have arrived at different conclusions. The mantra of many in the defense industry is that China is preparing for war. In a discussion of PLA ballistic missile modernization, National Institute for Public Policy senior analyst Mark Schneider states, "China is the only nuclear power that is increasing its strategic nuclear forces, both qualitatively and quantitatively. It is also rapidly building its "conventional" missile forces. These developments are linked to preparations for a war against Taiwan, which China believes may require the People's Liberation Army (PLA) to fight the United

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<sup>18</sup> Wawrytko, 561-579.

<sup>19</sup> De Castro, 85-102.

<sup>20</sup> Qingguo, 493-507.

States and, possibly, Japan.”<sup>21</sup>

The Department of Defense (DoD) remains unsure, unable to ascertain whether China is friend or foe. From a 2010 DoD report to Congress, “Many uncertainties remain regarding how China will use its expanding military capabilities. The limited transparency in China’s military and security affairs enhances uncertainty and increases the potential for misunderstanding and miscalculation.”<sup>22</sup>

Chinese policy and doctrine provides some clues to PRC behavior and possible future intent. As stated in its 2008 Defense paper, the PRC believes that:

(China) faces strategic maneuvers and containment from the outside while having to face disruption and sabotage by separatist and hostile forces from the inside. Being in a stage of economic and social transition, China is encountering many new circumstances and new issues in maintaining social stability. Separatist forces working for ‘Taiwan independence,’ ‘East Turkistan independence’ and ‘Tibet independence’ pose threats to China’s unity and security.<sup>23</sup>

PRC military modernization programs and expenditure show the nation’s concern for both external and internal disputes. The U.S. should be especially aware of the Chinese “Informationization” program. Informationization refers to Chinese efforts to incorporate information technology (IT) into their military.<sup>24</sup> The Chinese have realized that they cannot hope to defeat a modern Western military with outdated hardware, so they have begun a multi-layered approach to technical modernization. Older hardware, that is not obsolete, will be upgraded with modern technology; newer guidance systems for missiles, improved guidance packages for bombs and communications upgrades top

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<sup>21</sup> Mark Schneider, "The Nuclear Doctrine and Forces of the People's Republic of China," *Comparative Strategy* 28, no. 3 (July-August 2009): 244-270.

<sup>22</sup> *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 4.

<sup>23</sup> China’s National Defense in 2008.

<sup>24</sup> Chaisson, 20.

the list of offensive weapons improvements. New defensive measures include: improved electronic countermeasures, electronic and infrared decoys, and false target generators.<sup>25</sup>

Perhaps the most serious threat to both U.S. military forces and the civilian computer infrastructure is the Chinese emphasis on cyber warfare. In December 2009, Google and more than two dozen other technology, defense and financial sector companies' computer networks were struck, in what is now called the "Aurora Attacks."<sup>26</sup> The Vice President of threat research for McAfee antivirus firm stated, "We have never ever, outside of the defense industry, seen commercial industrial companies come under that level of sophisticated attack...It's totally changing the threat model."<sup>27</sup>

Four months later, on 18 April 2010, a Chinese internet service provider called IDC China Communications routed 15% of all global internet traffic through PRC servers for 18 minutes. In October 2010, the Nobel Peace Prize website was taken offline by a cyber attack, shortly after the Nobel Prize was awarded to Chinese dissident Liu Xiaobo. Experts believe that China is responsible for each of these events.<sup>28</sup>

A likely connection to the Chinese military was discovered after another attack. A wave of cyber intrusions across Asia led to an investigation by the Canadian group Information Warfare Monitor (IWM).<sup>29</sup> As reported in the periodical *Military*

*Technology*:

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<sup>25</sup> Chaisson, 20.

<sup>26</sup> Tim Greene and Ellen Messmer, "Top Stories of 2010: Security Snafus," *Network World* 27, no. 24, December 02, 2010, <http://www.networkworld.com/news/2010/120210-security-snafus.html> (accessed April 15, 2011).

<sup>27</sup> Kim Zetter, "Google Hack Attack Was Ultra Sophisticated, New Details Show," *Wired*, January 14, 2011, <http://www.wired.com/threatlevel/2010/01/operation-aurora> (accessed February 6, 2011).

<sup>28</sup> Valeria Criscione, "Was China Behind Cyber Attack on Nobel Peace Prize Website?" *Christian Science Monitor*, October 27, 2010, <http://www.csmonitor.com/World/Europe/2010/1027/Was-China-behind-cyber-attack-on-Nobel-Peace-Prize-website> (accessed April 15, 2011).

<sup>29</sup> The Information Warfare Monitor is public-private venture between two Canadian institutions: the Citizen Lab at the Munk School of Global Affairs, University of Toronto and The SecDev Group, an operational think tank based in a Ottawa (Canada). The Secdev Group conducts field-based investigations and data gathering.

Many of the high profile targets reflect some of China's most vexing foreign and security policy issues including Tibet and Taiwan. The methodical research by IWM has also gone to reveal that the IP addresses of malware attackers could be traced back to Hainan Island, which is home to Lingshin signals Intelligence facility active in monitoring U.S. naval movements in the regions. Incidentally, the Hainan Island happens to be the nerve centre of a massive Chinese naval buildup.<sup>30</sup>

Chinese Naval forces have become significantly more capable in the past two decades. The PLAN has improved every area of its operational capability.<sup>31</sup> Both hardware and doctrine are being expanded upon and modernized. PRC surface, subsurface and naval air forces have all enjoyed increased production numbers, with strategic thinking extending beyond the scope of traditional Chinese operating areas. China has been outspoken in its need to project power, to protect PRC resources abroad and to ensure the continued flow of goods in and out of China.<sup>32</sup>

Clashes over excessive PRC territorial claims and maritime jurisdiction, discussed in Chapter 2, have expanded in recent years, to include incidents with ships from the U.S. Seventh Fleet.<sup>33</sup> China has improperly used UNCLOS rules to harass U.S. vessels operating legally within its Exclusive Economic Zone.<sup>34</sup> PLAN interest in developing global operating capabilities is discussed in a 2004 article, written by PLAN Senior Captain Zu Qi. He states, “To meet the requirements of national security and

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<sup>30</sup> Radhakrishna Rao, "The Looming Shadow of Cyber Terrorism," *Military Technology* 34, no. 10 (October 2009): 10.

<sup>31</sup> O'Rourke, 1-67.

<sup>32</sup> Xu, 46-66.

<sup>33</sup> “China is now directly challenging the U.S. Navy. In March 2009, five small Chinese vessels interfered with operations of a US Navy survey ship, the Impeccable, some 75 miles from the shore of China’s Hainan Island. China claimed that the Impeccable was violating its EEZ by conducting seabed survey operations. Even when the U.S. ship turned fire hoses on the Chinese boats they kept interfering with its forward movement. China also threatened to send an armed patrol boat to protect the smaller craft harassing the US ship and support its jurisdiction over the Paracel and Spratly islands.” U.S. Congress. Senate. Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs. *East Asia Maritime and Sovereignty Issues*. Testimony by Richard Cronin. 111th Cong., 1st Session. 2009, 38-54.

<sup>34</sup> Raul Pedrozo, "Close Encounters at Sea," *Naval War College Review* 62, no. 3 (Summer 2009): 101-111.



development interests, the navy must not only develop the important function of defending national sovereignty but also unceasingly move toward [the posture of] a “blue-water navy” [and] expand the scope of maritime strategic defense....”<sup>35</sup> The article also mentions ongoing Chinese naval construction projects in Burma, Pakistan and, surprisingly, a 2003 lease of the Russian Far East port of Zarubino. Captain Zu seems to be stating that China will need the ability to project naval power forward, in order to defend its economic and political interests abroad. China’s 2011 deployment of a Type 054 Jiangkai-II class missile frigate, in support of Libyan evacuation operations, confirms the capacity of the PLAN to quickly and effectively deploy naval forces in response to crisis.

In line with its broader naval mission set, China has conducted significant “out of area” deployments since 2006, including anti-piracy missions off the coast of Africa and deployments to the Persian Gulf.<sup>36</sup> Blue water deployments are complex, expensive affairs and are a challenge for any nation’s naval forces. China’s expansion into this level of operations demonstrates advanced technical skills and a financial commitment to establish a navy with global reach and capability.

China has the most active ballistic and cruise missile weapons program in the world.<sup>37</sup> The PRC missile arsenal has dramatically increased in quality and quantity. Chinese missiles can now accurately range U.S. bases throughout the Western Pacific and, in 2007, China conducted its first test of an anti satellite weapon. China is

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<sup>35</sup> Qi Xu, “Maritime Geostrategy and the Development of the Chinese Navy in the 21st Century,” translated by Andrew Erickson and Lyle Goldstein, *Naval War College Review*, 59, No. 4 (Autumn 2006): 46-66.

<sup>36</sup> Cronin, 38-54.

<sup>37</sup> *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China*, 10.

developing other technologies and concepts for kinetic and directed-energy (e.g., lasers, high-powered microwave, and particle beam) weapons for ASAT missions.<sup>38</sup>

Turning to PRC internal security issues, the People's Armed Police Force (PAPF) routinely maintains 260,000 armed personnel within China.<sup>39</sup> This internal security force is designed to suppress uprisings. Specific missions mentioned in a PRC 2008 Defense Paper include:

public security incidents, natural disasters, disastrous accidents, and public health incidents. The specific tasks are to control affected areas, check the identifications, vehicles and belongings of suspected persons, protect important targets, disperse illegal assemblies, rescue hostages and those trapped by troublemakers, nip illegal activities and criminal offenses in the bud, hunt down criminal suspects...

The restive provinces and autonomous regions discussed earlier in this paper are likely prime targets for PAPF deployment and engagement. Fear of internal uprisings and determination to avoid the international embarrassment of another Tiananmen-type spectacle appear to be strong motivations for the central government. Given the economic and social statistics discussed in Chapter 2, Chinese leadership has good reason for concern.

It is also worth noting that the PAPF blurs the line between Chinese military and police forces. At its core, the organization has been augmented by PLA personnel and is a deployable force, participating in numerous United Nations operations. PAPF units have been taking part in Haitian relief operations since 2004, intensifying their efforts with the deployment of the 3<sup>rd</sup> PAPF Contingent during the 2009 Haitian earthquake.<sup>40</sup>

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<sup>38</sup> *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 45.

<sup>39</sup> "China's National Defense in 2008," *Information Office of the State Council of the People's Republic of China*, Beijing, January 2009.

<sup>40</sup> Zhuqing Jiang, "Chinese Peacekeepers Prepare for Haiti Mission," *China Daily*, June 7, 2004.

As with any military organization, these extended, persistent deployments are likely to have improved the PAPF ability to mobilize, conduct operations in complex environments, sustain operations and redeploy. Working with the United Nations forces has also exposed the PAPF to other country's tactics and procedures, expanding their understanding of how both U.S. and U.N. forces are commanded and controlled.

The lessons of U.S. conflicts during the last three decades have not been lost on PRC leaders. In 1998, China's military was described as a "numerically impressive" but "immobile, antiquated behemoth."<sup>41</sup> In January 2011, the Peoples Liberation Army Air Force (PLAAF) completed initial test flights of China's first stealth aircraft.

Finally, despite PRC claims of being defensive in nature and having benign intent, the retooled Chinese military raised natural suspicions. Consider this observation from the 2010 Department of Defense report on China:

The history of modern Chinese warfare provides numerous case studies in which China's leaders have claimed military preemption as a strategically defensive act. For example, China refers to its intervention in the Korean War (1950-1953) as the "War to Resist the United States and Aid Korea." Similarly, authoritative texts refer to border conflicts against India (1962), the Soviet Union (1969), and Vietnam (1979) as "Self-Defense Counter Attacks."<sup>42</sup>

### *Dissent in the New Millennium*

China is a markedly different country in 2011 than it was during the Tiananmen riots of 1989. The Chinese Communist Party (CCP) has developed a hierarchy of sorts when dealing with protesters. Environmental protests are widely tolerated as discussed earlier in this paper. Worker disputes may even be blessed, if the CCP can manage to use

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<sup>41</sup> Ahmed S Hashim, "The Revolution in Military Affairs Outside the West," *Journal of International Affairs* 51, no. 2 (April 2008): 431-445.

<sup>42</sup> *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 33.

the cause for a bit of nationalistic fervor.<sup>43</sup> But questioning the CCP or military leadership is still off limits. "Beijing appears to calibrate their reactions to protest according to a complicated calculus that involves questions of history, nationalism, ethnicity, and generation."<sup>44</sup>

The case of 2010 Nobel Peace Prize winner, imprisoned dissident Liu Xiaobo, seemed especially difficult for the CCP to manage. In reading the awards presentation for Liu, in absentia, the Nobel Committee representative stated:

Liu has written nearly 800 essays, 499 of them since 2005. He was one of the chief architects behind Charter 8, which was made known on the 10th of December 2008,...Charter 8 defends fundamental human rights and has in due course been signed by several thousand persons both in China itself and abroad.<sup>45</sup>

China was able to persuade more than a dozen nations to avoid attendance at the Nobel Prize ceremony in honor of Liu.<sup>46</sup> Talks on a China-Norway free trade agreement abruptly ended.<sup>47</sup> Liu Xiaobo continues to serve an 11 year prison sentence for "subversion."

Dissent in other countries can be problematic as well. In keeping with Mao's

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<sup>43</sup> 2010 strikes and pro-union protests at a Honda factory in Southeastern China were mostly ignored by the CCP. Government press and internet reports later painted the protests as a "China vs Japan" issue. Maura Elizabeth Cunningham and Jeffrey N. Wasserstrom, "Interpreting Protest in Modern China," *Dissent* 58, no. 1 (Winter 2011): 13-18.

<sup>44</sup> Ibid.

<sup>45</sup> Presentation Speech by Thorbjørn Jagland, Chairman of the Norwegian Nobel Committee, Oslo, 10 December 2010. [http://nobelprize.org/nobel\\_prizes/peace/laureates/2010/presentation-speech.html](http://nobelprize.org/nobel_prizes/peace/laureates/2010/presentation-speech.html) (accessed February 28, 2011).

<sup>46</sup> China launched an international campaign against the peace prize ceremony, pressuring 19 nations to boycott the ceremony. Among those that did not attend were Russia and Vietnam. Vietnam's joining China in the boycott is a setback for U.S. diplomatic efforts to coax Vietnam into a anti-China alliance of states concerned about growing Chinese hegemony in Southeast Asia. "CCP Leaders Said to Offer Exile to Peace Prize Winner and Charter 08 Organizer," *East-Asia-Intel Reports*, December 08, 2010, <http://www.east-asia-intel.com/eai/>, (accessed January 15, 2011).

<sup>47</sup> Negotiations between China and Norway over a bilateral Free Trade Agreement have been postponed indefinitely. Beijing has also drastically curtailed people-to-people exchanges with the Scandinavian country. For example, Chinese academics have received orders from their superiors not to visit Norway. Willy Lam, "Beijing Tallies Results of its All-Out Campaign to Quash Peace Prize Ceremony," *East-Asia-Intel Reports*, December 08, 2010, <http://www.east-asia-intel.com/eai/>, (accessed January 15, 2011)

“Turn a bad thing into something good” philosophy, the CCP aired footage of February 2011 unrest in Egypt as a cautionary tale to citizens who might seek a more democratic China. Chinese censors then restricted access to internet or twitter feeds discussing Egypt and “sanitized” news reports.<sup>48</sup> In an official statement, the Chinese government kept with the CCP tradition of maintaining order and the status quo, Beijing’s official comment stressed that “social stability should be of overriding importance.”<sup>49</sup>

CCP handling of any internal unrest has evolved to include nearly every facet of society. Implications for U.S. policy makers, regarding this level of social control, are vast. The Chinese have learned to effectively leverage their economic might, even managing to turn free nations against the very ideals of democracy. But, the Chinese government’s use of extreme measures to squelch dissent seems to indicate a lack of confidence in their ability to maintain control of a restive population, and this bureaucratic paranoia has created opportunities for the United States.

The CCP has exposed a core weakness; the Party cannot endure criticism of its revisionist history or exposure of inconsistent, sometimes incoherent policies. U.S. Strategic Communications planners should be prepared to exploit central government paranoia. There is opportunity to influence the PRC citizenry, under some circumstances. Planners should take a deeper look at where the Chinese public might be influenced, during a crisis scenario. Caution is warranted though; planners must keep in mind that the CCP has mastered the skill of stoking nationalistic fervor and turning “something bad into something good.”

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<sup>48</sup> Tini Tran, “China, Other Authoritarian Regimes Restricting Reporting on Protests,” *The Boston Globe*, February 3, 2011.

<sup>49</sup> “China Newspaper Warns Egypt of ‘Nightmarish’ Instability,” *Reuters*, February 12, 2011, <http://www.Reuters.com/article/2011/02/12/us-egypt-china> (accessed February 12, 2011).

## *Posturing for Resources and Influence*

There is no doubt that China is expanding its global influence through political, military and economic means. China's economic policy of "Zouchuqu" or "going out" has sought to expand the PRC economy by sending Chinese investment abroad. Zouchuqu incorporates Chinese government diplomatic and economic support into foreign business ventures, with the intent of strengthening diplomatic relations and advancing a political agenda while courting new economic partners.<sup>50</sup> Economic prosperity in China has allowed Chinese business interests to flourish, and expand around the world. In 2005, a DoD sponsored report first mentioned the "string of pearls" theory, a belief that the PRC was quietly developing a network of possible basing locations around the world.<sup>51</sup> The "string of pearls" theory is still unproven, as there is disagreement on whether PRC military presence follows, or will eventually follow commerce.<sup>52</sup> Some of the key PRC projects, with potential for basing interests are included in the following paragraphs.

China has provided billions in financial support to port and railway upgrades in Southeast Asia. Writing for the Carnegie Endowment for International Peace, analyst Michael Swaine discusses PRC-financed port development in Bangladesh, Pakistan and Myanmar: "(Chinese) assistance has primarily been designed to improve the abilities of these ports to operate as commercial entities and establish facilities where resources, primarily energy supplies, can be shipped inland. There is little, if any, evidence that the

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<sup>50</sup> Choo Jaewoo, "China's Relations with Latin America: Issues, Policy, Strategies, and Implications," *Journal of International & Area Studies* 16, no. 2 (December 2009): 71-90.

<sup>51</sup> U.S. Department of Defense, *Annual Report to Congress: Military Power of the People's Republic of China* (Washington, DC: Government Printing Office, 2005).

<sup>52</sup> Danial J. Kostecka, "Places and Bases: The Chinese Navy's Emerging Support Network in the Indian Ocean," *Naval War College Review* 63, no 1 (Winter 2011): 59-78.

Chinese military is involved.”<sup>53</sup> But, a holistic look at the relationship between China and its new business partners shows the possibility of much closer military cooperation than might, at first, be apparent.

In the case of Myanmar, China is also the country’s primary weapons supplier, providing tanks, fighter aircraft, missiles and naval vessels to the Myanmar Armed Forces.<sup>54</sup> Though it is not well documented, military trainers and advisors would almost certainly accompany weapons sales programs of this magnitude. Myanmar is a key strategic location for the PRC, providing access to the Indian Ocean. The addition of high speed rail lines, connecting the two nations, military “trainers” and a stockpile of interoperable hardware sets conditions for a rapidly expandable military operating location.

The Chinese have followed a similar pattern in Pakistan. PRC weapons sales to Pakistan have included fighter aircraft, missile technology and other conventional hardware.<sup>55</sup> Road, rail and port projects between Pakistan and China are currently being planned and executed. Of particular note is the Karakoram road expansion project. China has assisted Pakistan with financing to expand the highway from 10 to 30 meters wide.<sup>56</sup> When completed, the project will provide a significant increase in throughput between Islamabad and the Xinjiang region of China.<sup>57</sup> An accompanying rail project is in the planning phase, with an eventual link to upgraded Pakistani port facilities at

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<sup>53</sup> Michael Swaine, “China’s Military Muscle,” *Carnegie Endowment for International Peace*. <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=42332> (accessed February 15, 2011).

<sup>54</sup> Andrei Chang, "Analysis: China Arms Myanmar Military," *United Press International*, March 14, 2008, [http://www.upi.com/Business\\_News/Security-Industry/2008/03/14/Analysis-China-arms-Myanmar-military/UPI-22111205503679](http://www.upi.com/Business_News/Security-Industry/2008/03/14/Analysis-China-arms-Myanmar-military/UPI-22111205503679), (accessed April 22, 2011).

<sup>55</sup> Chansoria, 10.

<sup>56</sup> Sakhuja, 5-7.

<sup>57</sup> Ibid.

Gwadar.<sup>58</sup>

While the full extent of PLA involvement in these construction projects and business ventures may not be known, it is worth considering that the linkages formed between improved highways, upgraded rail lines and port facilities are creating new lines of communication or expanding the capacity enhancing existing ones. Besides their commercial applications, many of these projects would be good candidates for rapid conversion to military use in a crisis. The addition of PLA engineers and visits from other military personnel could help facilitate such use and might serve as a key indicator for the U.S., providing more proof of PLA strategic intent.

China will continue to develop her military forces, modernizing and upgrading as economics allow, with the dual missions of external influence and internal control. The PLA understands that it will take years of more modernization and training before the capability gap between PRC forces and the U.S. military can be closed. In the meantime, China will further its development of asymmetric warfare to counter U.S. capabilities. The PRC will continue to use its economic clout and quiet diplomacy to woo cooperative nations; using its wealth to develop ports, airfields, road and rail lines which are commercially viable today and available for possible military use in the future. On the home front, the CCP will maintain the strength of the PAPF, its readiness serving as a hedge against domestic economic or social disorder. PAPF members will continue to deploy in support of international missions, in order to hone their skill sets, should they be needed for future use against the Chinese people.

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<sup>58</sup> Sakhuja, 5-7.



## *Internal Unrest, Disputed Borders and Chinese Economic Decline*

Tensions in restive regions of China will continue to increase as economic and social pressures combine to change the political landscape of China. Government responses to protests will follow the old CCP model, using a heavy hand to put down dissenters, while stoking nationalism through the dissemination of state-sponsored propaganda. These tactics have managed to contain uprisings in the past, with the Chinese economic “miracle” providing the fiscal means for the central government to dissuade people from massive, regime changing unrest. Economic incentives have proved to be a powerful sedative to much of the Chinese middle class, as their livelihoods have been inextricably linked to the success of the leadership in Beijing. But economic troubles, driven by demographic and social issues, may begin to exacerbate discontent among the Chinese people, forcing Beijing to focus much of its military power inward to manage discord inside of China.

Disputed borders and maritime regions will continue to serve as possible flashpoints, where the U.S. or partner nations may find themselves in direct conflict with PRC forces. As the central government struggles to maintain control of the “harmonious” society, old border disputes and disputed territories will provide a relief valve, using nationalism to channel the Chinese people’s discontent away from their leaders and towards the outside world. Heightened aggression by PRC forces and an increase in unwarranted territorial claims should be expected, if economic and social conditions within China deteriorate.

## RECOMMENDATIONS

U.S. policy makers should take a holistic view of China to craft effective diplomatic and military policies which will quietly, but firmly provide a counter to Chinese diplomatic influence and military power in Asia and the Pacific region, while being careful not to stoke further nationalistic fervor among the Chinese population. The U.S. should continue its global support for free and representative governance. China should be no exception. According to the National Security Strategy (NSS):

The United States supports the expansion of democracy and human rights abroad because governments that respect these values are more just, peaceful, and legitimate. We also do so because their success abroad fosters an environment that supports America's national interests. Political systems that protect universal rights are ultimately more stable, successful, and secure.<sup>1</sup>

Unfortunately this statement is buried on page 45 of the 60 page NSS. When negotiating with China, human rights and democracy ought to be clearly placed at the top of the U.S. agenda. Vocal support to millions of oppressed Chinese citizens will directly and indirectly benefit the U.S. agenda; this policy is in line with American ideals and will complicate the PRC regime's equation, as they are forced to balance internal control of their citizenry with external expansion desires.

Continued support to U.S. alliances with Japan and South Korea are critical. Both countries provide key basing locations for U.S. presence in the Asia Pacific region. The combined operations of U.S. and allied forces should continue to challenge excessive PRC maritime claims and give pause to Chinese Naval ambitions in the region.

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<sup>1</sup>U.S. President, *National Security Strategy*, (Washington, DC: The White House, May 2010), 45.

Chinese heavy-handedness in its dealing with Southeast Asian nations, such as Vietnam, has allowed the possibility of a larger role for ASEAN. U.S. policy makers should support the combined efforts of smaller Asian nations to be heard in international forums. Their maritime territorial claims must not be lost under the weight of PRC diplomatic, economic and military pressure. Left unchecked, the PRC may succeed in its goals of dominating the Asian maritime spaces. The U.S. cannot afford to cede control of Asian waters and the accompanying control of the global economy to China.

Planners and policy makers must prepare for several courses of action concerning Taiwan. A best case scenario may be that the government of Taiwan decides that reunification is in its best interest and peacefully returns to PRC control, with caveats. For the worst scenario, a PRC attack on Taiwan, the U.S. must have enough forces forward based to successfully defend Taiwan. Basing and infrastructure in the Western Pacific are frequently discussed in the media as targets for DoD cost savings, even as the expansion of Guam and improvements to bases in Japan, through the Defense Policy Review Initiative, are underway.<sup>2</sup> Maintenance and upgrades to these locations are essential, if defending Taiwan is to be a viable option.

In an era of shrinking defense budgets, maintaining maritime superiority and countering the threat of a more capable PRC navy will pose significant challenges to U.S. Naval planners. The U.S. should continue to exploit its naval strengths by increasing the quantity and quality of joint and combined operations. The “AirSea Battle Concept” (ASBC) is one attempt to maximize the effectiveness of U.S. combat forces through the

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<sup>2</sup> U.S. Government Accountability Office, “Defense Infrastructure: GAO-08-722T,” *GAO Reports* (May 01, 2008): 1-20.

coordinated use of U.S. Air Force and Naval assets.<sup>3</sup> The ASBC concept is especially relevant to the Western Pacific region, as U.S. forward deployed naval and air forces, based in Japan, would form the first line of defense against a potentially belligerent PRC military.<sup>4</sup>

The “Thousand Ship Navy” (TSN) concept is part of a renewed effort by the Chief of Naval Operations to improve U.S. and partner nation cooperation. With missions of patrolling choke points, maritime interdiction, and maritime domain awareness, the TSN concept seeks to integrate the efforts of the U.S. and the navies of partner nations.<sup>5</sup> TSN and the re-emphasis of joint Air-Sea doctrine, coupled with a renewed interest in strengthening old alliances and partnering with like-minded nations, is sound policy. Whether the TSN concept will be publicly successful remains to be seen, but continued cooperation and capacity building with like-minded nations in the Pacific is essential to achieving long term U.S. goals of stability and freedom of navigation in the region. These concepts show a realization that the brief period of unchallenged U.S. naval dominance may be nearing an end, but peace and stability can still maintained, if nations act in concert.

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<sup>3</sup> “Neither the term ‘AirSea Battle Concept’ (ASBC) nor the concept itself is brand new. Rather, this integration of sea and air forces has roots that extend back over a half-century. The first useful example of an ASBC occurred during the Battle of the Atlantic campaign to defeat German U-boats.” Jose Carreno, Thomas Culora, George Galdorisi, and Thomas Hone, “What’s New About the AirSea Battle Concept?” *U.S. Naval Institute Proceedings* 136, no. 8 (Fall 2010): 52-59.

<sup>4</sup> The U.S. has undertaken numerous initiatives to improve the capabilities of forward deployed forces and strengthen the alliance with Japan. Defense Policy Review Initiative (DPRI) agreements, signed by the U.S. and Japan in 2006, include 17 separate agreements on basing, interoperability and access. DPRI is the capstone of a \$20B Pacific re-alignment program that will improve the capabilities of U.S. forces in Japan and expand forces on Guam. Statement of Admiral William J. Fallon, U.S. Navy Commander U.S. Pacific Command before the House Appropriations Committee Subcommittee on military construction in U.S. Pacific Command, March 07, 2007.

<sup>5</sup> Ronald E. Ratcliff, “Building Partner’s Capacity,” *Naval War College Review* 60, no. 4 (Summer 2007): 44-58.

The U.S. should continue to develop its ballistic missile defense technology. The deployment of land-based X-band radar to Japan and sea-based X-band radar to Alaska allow early detection of ballistic missile launches from Asia. As part of the Guam development plan, missile defense has been included in the planning process.<sup>6</sup> U.S. planners should ensure that the new PRC “anti-access” ballistic missile capabilities have been fully considered in contingency planning efforts.

Along with forces, the U.S. must ensure that diplomatic relations with allied and partner nations remain strong. Conflict with China would have significant economic consequences for nations who opposed the PRC. Planners can assume that China will continue to use economic leverage to gain support for their regional policies and to thwart support for the U.S. in the event of a regional conflict.

The United States should act rapidly and decisively in developing a coherent China policy. The Pacific Region is a mature theater, with established treaties and alliances and limited military options for the United States. As the PRC continues to modernize their military forces, we must avoid fixation on tactical objectives. Expending finances and energy to match every new PRC weapons system is futile. Trying to maintain a 20 year technological lead is unlikely to work either, as the U.S. may be fiscally unable to maintain current levels of support to defense industries in the near term.

Moving beyond military technology, the Chinese have inadvertently provided the rest of the world with tremendous leverage in the economic realm, if nations act in concert. In coordination with allied and partner nations and with cooperation from international organizations such as ASEAN, “red lines” for border disputes and

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<sup>6</sup> U.S. Government Accountability Office, "Defense Infrastructure: GAO-08-722T," GAO Reports (May 01, 2008): 1.

boundaries must be established. Acting together, economic pressure can be applied to the PRC to limit unreasonable claims, silencing the PRC drumbeat of a nation “humiliated” and “victimized.”

## CONCLUSION

PRC leaders must keep their military focused on quelling internal unrest among Chinese citizens, and on developing capabilities to provide military options for the resolution of historic territorial claims, which have served as state sponsored propaganda for decades. A failure to manage either issue effectively could combine with economic and demographic pressures, threatening the regime. The CCP will continue to shape its military forces, with an eye towards maintaining internal security and improving the ability to rapidly respond to uprisings within China's borders. A second effort will focus on defending contested land borders; and reclaiming land and sea areas that are considered "lost territories." Should internal controls fail and domestic unrest increase, the regime may attempt to maintain the appearance of authority by exploiting long-standing border or territorial disputes.

After transitioning the state economy to the "Chinese model", the PRC has enjoyed three decades of economic success. This transition has been mostly smooth and the resulting fiscal windfall has funded unprecedented increases in military and domestic spending. But several factors may provide challenges to China's future economic prosperity. Unemployment was virtually non-existent under the old PRC economic model, but with the closure of State Owned Enterprises and the participation of workers in the global competitive marketplace, Chinese workers are now at risk for becoming jobless. Income inequity, both between regions and among individuals, adds another layer of uncertainty, as does corruption, inflation and speculative real estate markets. Economic success is the glue that holds Chinese society together and, should the economy falter, today's placated Chinese citizens may become tomorrow's protesters.

While China posed a regional military threat to the United States under the leadership of Mao, the country's newfound prosperity has allowed it to develop capabilities that extend its military reach. But, the central government will remain primarily concerned with regime survival. China will be forced to continue its military focus on internal affairs, but the U.S. should plan carefully when considering actions involving Taiwan or other disputed regions, as these areas will become more volatile as PRC forces capabilities improve and are tailored to meet regional requirements.

Demographics further complicate the future for China, as government population control policies have inadvertently created a bubble in the aging population. China faces a significant rise in the number of elderly citizens, as a percentage of the total population. The preference for sons, prominent in Asian culture, further exacerbates this trend. These demographics pose a direct threat to future PRC economic and social stability, and will force the central government's continued support of the 300,000 member People's Armed Police Force and other internal policing mechanisms, sapping resources away from traditional military forces.

Propaganda has been effectively used by the Chinese government for decades, playing on nationalistic themes to distract the population from economic and social repression. Generations of exposure to this message has convinced many Chinese of their "rights" to wide swaths of international maritime spaces in the South and East China Seas and their accompanying resources; and of their governing authority over Taiwan, and the autonomous regions of Xinxiang and Tibet. The International Community, including the U.S., should consider the strategic importance of these disputed regions, both from a geopolitical and strategic resource perspective. The Chinese military of the



future will continue to be built around maintaining domestic “harmony,” defending currently held territories, and providing the option of military force to reclaim “lost pearls”.

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