The Dalai Lama's War

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IN THE late autumn of 1962, there was a short, intense border war between India and China. It resulted in the complete rout of an underprepared and poorly led Indian Army. For the two rising powers, the battle—and its outcome—was seen in national, civilizational and ideological terms. These nations were, or at least saw themselves as, carriers of ancient civilizations that had produced great literature, philosophy, architecture, science and much else, but whose further evolution had been rudely interrupted by Western imperialists. India became free of British rule in 1947; China was united under Communist auspices in 1949. The recovery of their national independence was viewed as the prelude to the reemergence of China and India as major forces in the world.

Thus, the defeat of 1962 was at once a defeat of the Indian Army by its Chinese counterpart, a defeat of democracy by Communism, a defeat of one large new nation by another and a defeat of one ancient civilization at the hands of another. In India, the defeat was also interpreted in personal terms, as the defeat of Jawaharlal Nehru, who had held the offices of prime minister and foreign minister continuously since independence in 1947.

That debacle at the hands of China still hangs as a huge cloud over Nehru’s reputation. And there is an intriguing comparison to be made here with his fellow Harrovian, Winston Churchill. British historian Robert Rhodes James once wrote a book called Churchill: A Study in Failure, whose narrative stopped at 1939. It excavated, perhaps in excessive detail, its subject’s erratic and undistinguished career before that date. But of course, all Churchill’s failures were redeemed by his heroic leadership in World War II. It is tempting to see Nehru’s career as being Churchill’s in reverse; marked as it was for many decades by achievement and success, these nullified by the one humiliating failure which broke his nation’s morale
and broke his own spirit and body. The war began in October 1962; a year and a half later, Nehru was dead.

It is a legacy that still haunts the Sino-Indian relationship.

NEHRU WAS long interested in (and influenced by) China. His prolific writings—books, letters, speeches—reveal much of the man and how he came to be so deeply misled by the threat he (and his country) faced. Nehru saw China at once as peer, comrade and soul mate. His first major book, Glimpses of World History, published in 1934, puts his predilections on full display. It has as many as 134 index references to the Middle Kingdom. These refer to, among other things, different dynasties (the Tang, Han, Qin, etc), corruption, Communism, civil war, agriculture and banditry. Already, the pairing of China and India was strongly imprinted in Nehru’s framework. Thus China is referred to as “the other great country of Asia” and as “India’s old-time friend.” There was a manifest sympathy with its troubles at the hands of foreigners. The British were savaged for forcing humiliating treaties and opium down the throats of the Chinese, this being an illustration of the “growing arrogance and interference by the western Powers.”

In all his pre-1947 writings, Nehru saw China from the lens of a progressive anti-imperialist, from which perspective India and China were akin and alike, simultaneously fighting Western control as well as feudal remnants in their own societies. Chiang Kai-shek and company, like Nehru and company, were at once freedom fighters, national unifiers and social modernizers. It stood to reason that, when finally rid of foreign domination, the two neighbors would be friends and partners.

In the spring of 1947, with India’s freedom imminent, Nehru organized the Asian Relations Conference in New Delhi. Representatives of Asian nations already free or struggling for independence from European rulers were in attendance. There, Nehru called China “that great country to which Asia owes so much and from which so much is expected.” The conference itself he characterized as an expression of that deeper urge of the mind and spirit of Asia which has persisted in spite of the isolationism which
grew up during the years of European domination. As that domination goes, the walls that surrounded us fall down and we look at each other again and meet as old friends long parted.

Nehru believed that the fundamental areas of disagreement between India and China could be bridged; in particular, the unresolved detritus of the imperialist era that largely centered on Tibet. For back in 1913–14, a meeting was held in the British imperial summer capital, Shimla, convened by the government of India and attended by Chinese and Tibetan representatives (Tibet was by then enjoying a period of substantial, indeed near-complete, political autonomy from Chinese overlordship). Here the McMahon Line (which sought to demarcate the frontiers of British India) was drawn. When India became independent in 1947 it recognized this boundary, which largely followed the path of the Himalaya, and adopted it as its own. By this, Nehru and his government thought that the border between India and China, determined at the Shimla Conference, had been reaffirmed.

Even when the Communists took power on the mainland in 1949 and began to voice their reservations about the McMahon Line, the prime minister continued to give Beijing the benefit of the doubt. So did other influential Indians. The ambassador to China, K. M. Panikkar, was greatly impressed by the new ruler, comparing Mao Tse-tung to his own boss, Nehru. Both, he claimed—or fantasized—“are men of action with dreamy, idealistic temperaments,” both “humanists in the broadest sense of the term.”

In October 1950, China invaded Tibet. Now, the home minister, Vallabhbhai Patel, in a show of realism, wrote to Nehru that Communism is no shield against imperialism and that the Communists are as good or as bad imperialists as any other. Chinese ambitions in this respect not only cover the Himalayan slopes on our side but also include important parts of Assam. . . . Chinese irredentism and Communist imperialism are different from the expansionism or imperialism of the Western Powers. The former has a cloak of ideology which makes it ten times more dangerous. In the
guise of ideological expansion lie concealed racial, national or historical claims.

This was not what Nehru wanted to hear. As he saw it, China, like India, had embarked on an ambitious and autonomous program of economic and social development, albeit under Communist auspices. Once more the two great civilizations could interact with and learn from each other. As Nehru wrote to his chief ministers in June 1952: “[A] variety of circumstances pull India and China towards each other, in spite of differences of forms of government. This is the long pull of geography and history and, if I may add, of the future.” Later the same year, after a visit to India’s northeast, Nehru insisted that there was not “the slightest reason to expect any aggression on our north-eastern frontier.”

In June 1954, Chou En-lai visited New Delhi. In a letter to his chief ministers written immediately afterward, Nehru reported that the Chinese prime minister was particularly anxious, of course, for the friendship and co-operation of India. . . . His talk was wholly different from the normal approach of the average Communist, which is full of certain slogans and cliches. He hardly mentioned Communism or the Soviet Union or European politics.

Nehru made a return visit to China in October 1954. In Beijing, a million people lined the roads to greet and cheer Nehru and Chou as they drove in an open car from the airport to the city. Then he visited Canton, Dalian and Nanjing to much the same applause.

This reception must certainly have flattered Nehru. But it seems also to have convinced him of the depth of popular support for the regime and of the desire for friendship with India. He had “no doubt at all that the Government and people of China desire peace and want to concentrate on building up their country during the next decade or so.” Indeed, in a 1954 speech on Sino-Indian relations, Nehru articulated his policy of nonalignment, based on the principle of mutual nonaggression and noninterference with (and from) any great powers.
Toward the end of 1956, Chou En-lai visited India again. The Dalai Lama was also in his party. The Tibetan leader briefly escaped his Chinese minders and told Nehru that conditions were so harsh in his country that he wished to flee to India. Nehru advised him to return home. In 1958, the Indian prime minister asked to visit Tibet but was refused permission. The first seeds of doubt, or at least confusion, were thus planted in Nehru's mind—perhaps the Chinese were not as straightforward, or indeed as progressive, as he had supposed.

Adding to the uncertainty, in July 1958 a map was printed in Beijing which showed large parts of India as Chinese territory. It was also revealed that the Chinese had built a road linking the two troublesome provinces of Xinjiang and Tibet that passed through an uninhabited and scarcely visited stretch of the Indian district of Ladakh. There were protests from New Delhi, whereupon Chou En-lai wrote back saying that the McMahon Line was a legacy of British imperialism and hence not “legal.” The Chinese leader suggested that both sides retain control of the territory they currently occupied, pending a final settlement.

Meanwhile, a revolt broke out in Tibet. It was put down, and in March 1959 the Dalai Lama fled to India. That he was given refuge, and that Indian political parties rushed to his defense, enraged the Chinese. The war of words escalated. That autumn there were sporadic clashes between Indian and Chinese troops on the border.

Now, in a letter to his chief ministers, Nehru wrote that

Behind all this frontier trouble, there appears to me to be a basic problem of a strong and united Chinese State expansive and pushing out in various directions and full of pride in its growing strength. In Chinese history, this kind of thing has happened on several occasions. Communism as such is only an added element; the real reason should be found to lie deeper in history and in national characteristics. But it is true that never before have these two great countries, India and China, come face to face in some kind of a conflict. By virtue of their very size and their actual or potential strength, there is danger in this situation.
Nehru had thus begun to come around, at least in part, to the view articulated by Vallabhbhai Patel in 1950. The Chinese state was more nationalist than Communist. Still, he felt that there was no chance of a full-fledged war between the two countries. To protect India’s interests, Nehru now sanctioned a policy of “forward posts,” whereby detachments were camped in areas along the border claimed by both sides. This was a preemptive measure, designed to deter the Chinese from advancing beyond the McMahon Line. It was also provocative.

In July 1962, there were clashes between Indian and Chinese troops in the western sector, followed, in September, by skirmishes in the east. The Chinese launched a major military strike in the third week of October. In the west, the Indians resisted stoutly; in the east, they were slaughtered. The Chinese swept through the Brahmaputra Valley, coming as far as the town of Tezpur in the state of Assam. The great city of Calcutta was in their sights. However, on November 22, the Chinese announced a unilateral cease-fire and withdrew from the areas they had occupied in the east. The territorial gains that they had made in the west before 1962, however, stand to this day.

How did Nehru get it so wrong?

INDIANS, THEN and now, have competing interpretations of Jawaharlal Nehru’s policies vis-à-vis the Chinese. The first is empathetic. Nehruvians, Congress Party supporters and a large swathe of the middle-aged middle class hold Nehru to be a good and decent man betrayed by perfidious Communists.

This point of view finds literary illustration in a novel by Rukun Advani called Beethoven among the Cows. A chapter entitled “Nehru’s Children” is set in 1962, “the year the Chinese invaded India, a little before Nehru died of a broken heart.” The action, set in the northern Indian town of Lucknow (a town Nehru knew well, and visited often), takes place just before the war, when much saber rattling was going on. The people there were spouting couplets “shot through with Nehru’s Shelleyean idealism on the
socialist Brotherhood of Man.” A slogan popular through the sixties, widely associated with the Indian prime minister if not actually composed by him, was “Hindi-Chini Bhai Bhai” (Indians and Chinese are like brothers). This brotherhood, wrote Advani, was now being denied and violated by the duplicitous Chinese. Drawing on his childhood memories, the novelist composed four couplets. I will not attempt here a literal translation but content myself with the one-line summary of the writer, which is that these verses “asked the Chinese leaders to shake hands with Nehru, eat chowmein with him, and generally come to their senses.”

The second view, in stark contrast to the first, is contemptuous of Nehru. It sees him as a foolish and vain man who betrayed the nation by encouraging China in its aggressive designs on the sacred soil of India. This viewpoint is associated with ideologues of the Hindu Right, speaking for organizations such as the Rashtriya Swayamsevak Sangh (RSS) and the Bharatiya Janata Party (BJP). In the 1960s, the RSS chief M. S. Golwalkar wrote witheringly that the slogans and paper compromise like “peaceful co-existence” and “Panchsheel” [the five principles of peaceful co-existence advocated by Nehru] that our leaders are indulging in only serve as a camouflage for the self-seeking predatory countries of the world to pursue their own ulterior motives against our country. China, as we know, was most vociferous in its expression of faith in Panchsheel. China was extolled as our great neighbour and friend for the last two thousand years or more from the day it accepted Buddhism. Our leaders declared that they were determined to stick to China’s friendship “at all costs.” . . . How much it has cost us in terms of our national integrity and honour is all too well known.

And then there was Deen Dayal Upadhyaya, the leading ideologue of the BJP’s mother party, the Jana Sangh. Week after week, Upadhyaya excoriated Nehru and his China policy in the pages of the RSS journal Organiser. When the first clashes broke out on the border in September 1959, Upadhyaya argued that “the present situation is the result of complacency on the part of the Prime Minister. It seems that he was reluctant to take any action till the situation became really grave.” Nehru was compared to the notoriously effete and incompetent nineteenth-century
ruler of the north Indian chiefdom of Avadh, Wajid Ali Shah. “Only he [Nehru] knows when a crisis is not a crisis,” wrote Upadhyaya sarcastically, only Nehru knew “how to emit smoke without fire and how to arrest a conflagration in a Niagara of verbiage!”

The argument that India’s first prime minister was pusillanimous with regard to China was also articulated by an obsessive critic of all that Nehru stood for, the brilliant and maverick socialist thinker Ram Manohar Lohia. In a speech in Hyderabad in October 1959, Lohia asked Nehru and his government “to take back the territory the Chinese have captured by whatever means it thinks fit.” “Increase the country’s strength and might,” he thundered, “Then alone China’s challenge can be met.” When Chou En-lai visited Delhi in April 1960 and was met with a hostile demonstration organized by the Jana Sangh, Lohia said that “if any one deserves a black flag demonstration, it is no one else but Mr. Nehru for extending an invitation to an outright aggressor.”

The third view of Nehru’s attitude to Chinese claims and demands was perhaps the most interesting. Exuding pity rather than contempt, this held Nehru to be a naive man misled by malign advisers and by his own idealism. Responding to the border clashes in the second half of 1959, author and politician C. Rajagopalachari wrote several essays urging Nehru to abandon his long-held and deeply cherished policy of nonalignment. “Rajaji” had once been a colleague of Nehru, both in the Indian National Congress and in government. Now, however, he was a political rival, as the founder of the Swatantra Party.

Rajaji sympathized with Nehru’s desire to avoid full-scale war, which lay behind his reconciling attitude toward the Chinese. Nor had he any illusions about the Western powers, whose policies reflected a general unwillingness to accommodate the aspirations of the postcolonial world. Still, the border conflict had, he wrote in the last week of December 1959, called for “a complete revision of our attitude and activities in respect of foreign policy.” With China backed implicitly and explicitly by the Soviet Union, India had no alternative but to seek support from the Western powers. Rajaji found justification for a tilt to the West in a verse of the
ancient Tamil classic, the Kural of Thiruvalluvar, which, in his translation, read; “You have no allies. You are faced with two enemies. Make it up with one of them and make of him a good ally.”

There were, of course, points of overlap between the positions articulated by Rajaji, Deen Dayal Upadhyaya and Lohia. This is not surprising, since all were opponents of Jawaharlal Nehru and the ruling Congress Party. However, there were also points of divergence. Rajaji more clearly recognized that India did not have the military might to combat, much less overcome, the Chinese. Hindu ideologues like Upadhyaya suggested that India’s deficiencies in this regard could be made up by a mobilization of militantly spiritual energy; socialists like Lohia thought that the gap could be filled by collective social action. Rajaji could see, however, that it was not merely a failure of nerve but of capacity, which could be remedied only through the forging of a new strategic alliance. And his is a view that may be enjoying a sort of afterlife, in the form of the argument, now quite common in the press and in policy circles in New Delhi, that India must actively pursue closer military and economic ties with the United States to thwart and combat an assertive China.

IN RETROSPECT, it is evident that in the years between the invasion of Tibet in 1950 and the war of 1962, Jawaharlal Nehru did make a series of miscalculations and errors in his dealings with China. By placing too much faith in officials who gave him wrong or foolish advice, or who executed the jobs assigned to them with carelessness or lack of foresight, Nehru created a strategically fraught environment. Two men in particular appear to have been unworthy of his trust: the intelligence officer B. N. Mullick, who advised Nehru to sanction the building of outposts along the border, ignoring the obvious Chinese reaction that would follow; and Krishna Menon, who as defense minister refused to properly arm the military, promoted incompetent generals and otherwise damaged the morale of the armed forces, creating an Indian force easily trounced. A second set of miscalculations was political, namely, Nehru’s ignorance or underestimation of the nationalist underpinnings of Chinese Communism and his taking on trust the professions of internationalism and Asian solidarity proffered by Chou En-lai and his ilk.
Nehru’s mistakes were considerable. But above all, the India-China clash of armies and national egos was structural—and inevitable. If Jawaharlal Nehru had not been prime minister, there would still have been a border dispute. And all other things remaining constant, India and China may still have gone to war had Jawaharlal Nehru never lived.

Indeed, a raft of factors provided the perfect foundation for a battle of the two emerging titans. Tibet had deep geostrategic value for both sides. China was intent on reclaiming an area—seen as having been wrongfully wrested from it by the British—that clearly increased its territorial footprint.

But for India, so long as it was semi-independent, Tibet served as a buffer state. Moreover, there were close and continuing connections between the two countries, reflected in active cross-border trade and regular visits of Hindu pilgrims to the holy mountain of Kailas.

The flight of the Dalai Lama into India in the spring of 1959 was simply the proximate cause of the war. That he was given refuge the Chinese government could perhaps accept; that he was treated as a honored visitor, and that a steady stream of influential Indians queued up to meet him, it could not abide.

Nehru could have perhaps been less trusting of the Chinese in the early 1950s. But he could scarcely have gone to war on the Tibetans’ behalf. India was newly independent; it was a poor and divided country. There was a clutch of domestic problems to attend to, among them the cultivation of a spirit of national unity, the promotion of economic development and the nurturing of democratic institutions. Bloody battle would have set back these efforts by decades; it would have led to political instability and economic privation.

And again, after the Dalai Lama fled to India, the balancing act became more delicate still. Nehru could scarcely hand him back to the Chinese. Nor could he keep him imprisoned and isolated. The exiled Tibetan leader had to be provided refuge consistent with his dignity and stature. In a
democracy that encouraged debate, and in a culture that venerated spiritual leaders, the Dalai Lama would attract visitors who would make public their admiration for him and their distaste for his persecutors. Nehru could hardly put a stop to this; nor, on the other hand, could he use the situation of the Dalai Lama to wag a threatening finger at the Chinese.

The open manifestation of support for the Tibetans and their leader, of course, was a natural by-product of India’s democratic system. The fact that China was a one-party state and India a multiparty democracy created a fundamental structural wedge between them. When, on his visit to New Delhi in 1960, Chou complained about the protection afforded to the Dalai Lama, a senior cabinet minister, Morarji Desai, compared his status to that of Karl Marx, whom the British had given sanctuary after he was exiled from his native Germany.

This, perhaps, was open to debate—and Desai was a skilled debater—but the fact that the two political regimes differed so radically had a powerful bearing on the dispute, its escalation and its intractability. Thus, when a group of anti-Communist protesters raised Free Tibet slogans and defaced a portrait of Mao outside the Chinese consulate in Mumbai, Beijing wrote to New Delhi that this was “a huge insult to the head of state of the People’s Republic of China and the respected and beloved leader of the Chinese people.”

In its reply, the Indian government accepted that the incident was “deplorable.” But it pointed out that under the law in India processions cannot be banned so long as they are peaceful. . . . Not unoften they are held even near the Parliament House and the processionists indulge in all manner of slogans against high personages in India. Incidents have occurred in the past when portraits of Mahatma Gandhi and the Prime Minister were taken out by irresponsible persons and treated in an insulting manner. Under the law and Constitution of India a great deal of latitude is allowed to the people so long as they do not indulge in actual violence.
After the first border clashes of 1959, Indian opposition MPs asked that the official correspondence between the two countries be placed in the public domain. The government conceded, whereupon the evidence of Chinese claims to territory further inflamed and angered public opinion. Chou then arrived in Delhi, with his offer of a quid pro quo. You overlook our transgressions in the west, said the Chinese leader, and we shall overlook your transgressions in the east.

In a dictatorship, such as China, a policy once decided upon by its top leaders did not require the endorsement or support of anyone else. In India, however, treaties with other nations had to be discussed and debated by parliament. In purely instrumental terms, Chou’s proposal was both pragmatic and practicable. But Nehru could not endorse or implement the agreement on his own; he had to discuss it with his colleagues in his party and government and, pending their acceptance, send it to the floor of the house. As it happened, knowledge of Chinese maps that made claims that clashed with India’s, of Indian soldiers killed by Chinese forces, of the persecution of supporters of the Dalai Lama—all this led to a rising tide of nationalist outrage inside and outside parliament. And with members of his own cabinet firmly opposed to a settlement, Nehru had no chance of seeing the agreement through.

Toward the end of 1959, after the first clashes on the border and the Dalai Lama’s arrival in India, Jawaharlal Nehru was interviewed by the American journalist Edgar Snow. In Snow’s recollection, Nehru told him that the basic reason for the Sino-Indian dispute was that they were both “new nations,” in that both were newly independent and under dynamic nationalistic leaderships, and in a sense were “meeting” at their frontiers for the first time in history.

Hence it “was natural that a certain degree of conflict should be generated before they could stabilize their frontiers.”

Nehru was speaking here not as a politician—whether pragmatic or idealist—but as a student of history. In this more detached role, he could see that a clash of arms, and of the ideologies and aspirations behind it,
was written into the logic of the respective and collective histories of India and China.

This is why Jawaharlal Nehru himself, soon after the events, came around to the thinking of critics like Rajaji, who saw the war in terms of great-power politics—with a Nehruvian twist, of course. In a fascinating, forgotten letter written to his chief ministers on December 22, 1962, Nehru admitted the lack of preparedness of the Indian Army and the lack of foresight of the political leadership in not building roads up to the border to carry supplies and munitions. But for him, the Chinese attack had to do not so much with the border dispute as with their larger desire to keep the Cold War going.

Between Russia and the United States, said Nehru, lay a large number of countries which, though weak in conventional military terms, had become symbols of his policy of “peaceful co-existence.” Nehru believed:

Both the United States of America and the Soviet Union have appreciated this. . . [but] there is one major exception, and that is China. . . . It believes in the inevitability of war and, therefore, does not want the tensions in the world to lessen. It dislikes non-alignment and it would much rather have a clear polarization of the different countries in the world.

China, claimed Nehru, was upset with “Russia’s softening down, in its opinion, in revolutionary ardor and its thinking of peace and peaceful co-existence.” And thus this difference of opinion led Russia to withdraw economic and technical support to China and even to offer aid to India. Nehru wrote that

If India could be humiliated and defeated and perhaps even driven into the other camp of the Western Powers, that would be the end of non-alignment for other countries also, and Russia’s policy would have been broken down.

Such was Nehru’s thesis—that India was the stumbling block to China’s global ambitions. With the border war, Beijing hoped to thrust India into the U.S. camp, thereby restoring the clear, sharp boundaries that once separated the Russian bloc of nations from the American one.
Behind the border dispute, then, lay the respective national aspirations of the two countries. Now, in 2011, with surging growth rates and sixty years of independent development behind them, China and India seek great-power status. In the 1950s, however, they sought something apparently less ambitious but which, in the context of their recent colonial histories, was as important; namely respect in the eyes of the world comparable with their size, the antiquity of their civilizations and the distinctiveness of their revolutions.

THERE IS a noticeable asymmetry in the ways in which the war of 1962, which was the culmination of all these disputes, is viewed in the two countries that fought it. The Indian sense of humiliation, so visible in some circles even five decades later, is not matched by a comparable triumphalism in China. This may be because they fought far bloodier wars against the Japanese and within their own borders. At any rate, while histories of modern India devote pages and pages to the conflict (my own India after Gandhi has two chapters on the subject), histories of modern China (such as those written by British journalist Jonathan Fenby, former Yale professor Jonathan Spence and others) devote to it a few paragraphs, at most. Likewise, the conflict with India merits barely a passing reference in biographies of Mao or Chou, whereas the war with China plays a dominant part in biographies of Nehru.

In 1961, when relations between the two countries had more or less broken down, India withdrew its ambassador to Beijing. China did likewise. For fifteen years, the two countries ran skeletal offices in each other’s capital. Finally, in 1976, full diplomatic relations were resumed. In the same year, Mao Tse-tung died.

Mao’s successor, Deng Xiaoping, ever the pragmatist, wished to overcome the baggage of 1962 and to set relations between India and China on a new footing. In the early 1980s, he invited Prime Minister Indira Gandhi to visit. Serving diplomats were sympathetic, but Mrs. Gandhi’s foreign-policy adviser—who had been the last ambassador in Beijing before the war—rejected the proposal, saying the Chinese could never be trusted. “They
killed her father,“ were the words he used when the gist of Deng’s invitation was conveyed to him.

After Nehru’s grandson, Rajiv Gandhi, took over as prime minister of India, the invitation was renewed. In December 1988, he visited China, the first Indian leader of any substance to do so in more than thirty years. He had a ninety-minute meeting with Deng, who is said to have told him, “You are the young. You are the future.”

In a public speech in Beijing, Rajiv Gandhi remarked that

It is now time to look beyond the past. It is now time to look forward to the future. It is now time to restore the relationship between our countries to a level commensurate with the contribution which our civilizations have made to the world, to a level commensurate with the centuries of friendship between our countries, to a level commensurate with the contribution which today we must together make to the building of a new world order. Between us, we represent a third of humanity. There is much we can do together.

The sentiments were Nehruvian, and indeed the speech was most likely drafted by two scholars who had watched Nehru firsthand. However, Rajiv Gandhi’s hopefulness was called into question by some Indian commentators. In the Statesman, one journalist noted that the territorial disputes between the two countries remained unresolved. He chastised “the myth-makers, the political pundits, the fashionable fellow-travellers, [and] the fervent promoters of Pan-Asianism” for “working overtime to build up the case for friendship in disregard to the border.”

This skepticism was also expressed in a letter to the Hindu from K. Vedamurthy, who had been a close associate of Nehru’s colleague-turned-critic, Rajaji. He recalled the debacle of 1962 and noted that the Chinese had seamlessly moved from being pro-Soviet to being pro-American when it suited them. “We in India,” wrote Vedamurthy, should not be once again caught in any euphoria of the kind in which we were when Pandit Nehru returned to Delhi from his apparent triumph in the Bandung Conference [of non-aligned nations] of the ’50s. By all means let us repair our relations . . . but let us also remember that what governs international relations is the
enlightened self-interest of the countries concerned and not any ideology. . . . Eternal vigilance, as always, remains the price of liberty.

Three years after Rajiv Gandhi visited Beijing, the Indian economy opened itself up to the world. At first, the growing international trade was chiefly with the West and the Middle East. Slowly, Chinese goods began to enter the Indian market—and vice versa.

In 2003, another Indian prime minister visited Beijing. This was Atal Bihari Vajpayee. As a young, right-wing, pro-American member of parliament in the late 1950s, he had regularly attacked Jawaharlal Nehru for being too trusting of the Chinese. Now, Vajpayee signed a document accepting that Tibet was an integral part of China.

Two years later, Chinese prime minister Wen Jiabao came to India. He chose first to go to Bangalore, the center of the software industry, traveling later to the political capital. Seconding (or perhaps explaining) the sequence, the Chinese ambassador in New Delhi said in a press conference that “the ‘B’ of business is more important than the ‘B’ of boundary.”

The most recent figures estimate annual trade between China and India at $60 billion, up from zero in the 1990s. India exports iron ore and cotton, and imports heavy machinery and electronics. Indian software and pharmaceutical firms seek a share of the Chinese market; Chinese companies think that they are best placed to build the highways, bridges and ports that India so urgently requires.

Still, despite the steady increase in trade, and the rhetoric that sometimes accompanies it, boundary disputes have not vanished. Every now and then, Chinese newspapers claim the eastern state of Arunachal Pradesh to be their territory. In 2009, when the Dalai Lama sought to visit the ancient Buddhist monastery in Tawang—which lies deep inside Arunachal—Beijing demanded that the government of India stop him. New Delhi declined to interfere; the Dalai Lama, it said, was a spiritual leader who was going on a spiritual pilgrimage.
On the Indian side, suspicions linger about Chinese intentions. Among the Hindu right wing and some sections of the military, there is talk of Chinese attempts to construct a “string of pearls” to encircle India by building and controlling ports in Gwadar in Pakistan, Hambantota in Sri Lanka, Chittagong in Bangladesh and Kyaukpyu in Myanmar. China’s consistent support to Pakistan (long a haven for terrorists who have regularly attacked India) is also a sore point in the relationship.

Beijing and New Delhi are not the deadly enemies they were between 1959 and 1962; nor are they the close and intimate friends that, back in the 1940s and early 1950s, Jawaharlal Nehru had hoped they would be. The border dispute remains unresolved; and so it will be for some time. After denouncing the McMahon Line for so long, the Chinese cannot suddenly turn around and accept it; while any significant concessions from India will have to be discussed in parliament, to be subjected to, and rejected by, an always-contentious opposition. Meanwhile, the presence of a large and vocal Tibetan community in India still irks the Chinese; as does the steady popularity the Dalai Lama enjoys within India and across the world.

The year 2011, then, looks awfully similar to 1951 or 1961. Such is the argument of the historian, based (he thinks) on a detached, dispassionate analysis of both evidence and context. Alas, the conventional wisdom will most likely remain impervious to his work. Citizens and ideologues shall continue to personalize the political conflict, seeing it principally through the lens of what Jawaharlal Nehru did or did not do, or is believed to have done and not done, with regard to China—some empathetic, some pitying and some contemptuous.

I shall end this essay with a verdict that was offered by H. V. Kamath, a civil-servant-turned-freedom-fighter, who served several terms in parliament and was jailed both during British rule and during Indira Gandhi’s emergency period. In a book entitled Last Days of Jawaharlal Nehru, published in 1977, Kamath took his readers back to a parliament session in September 1963, when he saw “an old man, looking frail and fatigued, with a marked stoop in his gait, coming down the gangway opposite with slow, faltering steps, and clutching the backrests of benches
“for support as he descended.” The man was Jawaharlal Nehru, then prime minister of India, as he had been for the past sixteen years.

As Kamath watched “the bent retreating figure,” a cluster of memories came to his mind. Was this the same man who, while studying at the Presidency College in Madras, Kamath had seen “sprightly, slim and erect” speaking at the Congress session of 1927 in that city? The same man who, when Kamath visited him in Allahabad ten years later, had “jumped two steps at a time, with me emulating him, as I followed him upstairs from his office room on the ground floor to his study and library above”? The same man who, when they were both members of the Constituent Assembly of India, during one session “impulsively ran from his front seat and literally dragged a recalcitrant member from the podium rebuking him audibly”? The same man on whom the nationalist poetess, Sarojini Naidu, had “affectionately conferred the sobriquet ‘Jack-in-the-box’—a compliment to his restless agility of body and mind”?

Kamath was clear that it was the war with China that alone was responsible for this deterioration and degradation. As he wrote,

India’s defeat, nay, military debacle in that one-month war not only shattered [Nehru] physically and weakened him mentally but, what was more galling to him, eroded his prestige in Asia and the world, dealt a crippling blow to his visions of leadership of the newly emancipated nations, and cast a shadow on his place in history.

As a consequence of Jawaharlal Nehru’s “supine policy,” wrote Kamath, “our Jawans, ill-clad, ill-shod, ill-equipped were sent like sheeps to their slaughter.”
Hegemony with Chinese Characteristics

Aaron L. Friedberg

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THE UNITED States and the People’s Republic of China are locked in a quiet but increasingly intense struggle for power and influence, not only in Asia, but around the world. And in spite of what many earnest and well-intentioned commentators seem to believe, the nascent Sino-American rivalry is not merely the result of misperceptions or mistaken policies; it is driven instead by forces that are deeply rooted in the shifting structure of the international system and in the very different domestic political regimes of the two Pacific powers.

Throughout history, relations between dominant and rising states have been uneasy—and often violent. Established powers tend to regard themselves as the defenders of an international order that they helped to create and from which they continue to benefit; rising powers feel constrained, even cheated, by the status quo and struggle against it to take what they think is rightfully theirs. Indeed, this story line, with its Shakespearean overtones of youth and age, vigor and decline, is among the oldest in recorded history. As far back as the fifth century BC the great Greek historian Thucydides began his study of the Peloponnesian War with the deceptively simple observation that the war’s deepest, truest cause was “the growth of Athenian power and the fear which this caused in Sparta.”

The fact that the U.S.-China relationship is competitive, then, is simply no surprise. But these countries are not just any two great powers: Since the end of the Cold War the United States has been the richest and most powerful nation in the world; China is, by contrast, the state whose capabilities have been growing most rapidly. America is still “number one,”
but China is fast gaining ground. The stakes are about as high as they can get, and the potential for conflict particularly fraught.

At least insofar as the dominant powers are concerned, rising states tend to be troublemakers. As a nation’s capabilities grow, its leaders generally define their interests more expansively and seek a greater degree of influence over what is going on around them. This means that those in ascendance typically attempt not only to secure their borders but also to reach out beyond them, taking steps to ensure access to markets, materials and transportation routes; to protect their citizens far from home; to defend their foreign friends and allies; to promulgate their religious or ideological beliefs; and, in general, to have what they consider to be their rightful say in the affairs of their region and of the wider world.

As they begin to assert themselves, ascendant states typically feel impelled to challenge territorial boundaries, international institutions and hierarchies of prestige that were put in place when they were still relatively weak. Like Japan in the late nineteenth century, or Germany at the turn of the twentieth, rising powers want their place in the sun. This, of course, is what brings them into conflict with the established great powers—the so-called status quo states—who are the architects, principal beneficiaries and main defenders of any existing international system.

The resulting clash of interests between the two sides has seldom been resolved peacefully. Recognizing the growing threat to their position, dominant powers (or a coalition of status quo states) have occasionally tried to attack and destroy a competitor before it can grow strong enough to become a threat. Others—hoping to avoid war—have taken the opposite approach: attempting to appease potential challengers, they look for ways to satisfy their demands and ambitions and seek to incorporate them peacefully into the existing international order.

But however sincere, these efforts have almost always ended in failure. Sometimes the reason clearly lies in the demands of the rising state. As was true of Adolf Hitler’s Germany, an aggressor may have ambitions that are so extensive as to be impossible for the status quo powers to satisfy
without effectively consigning themselves to servitude or committing national suicide. Even when the demands being made of them are less onerous, the dominant states are often either reluctant to make concessions, thereby fueling the frustrations and resentments of the rising power, or too eager to do so, feeding its ambitions and triggering a spiral of escalating demands. Successful policies of appeasement are conceivable in theory but in practice have proven devilishly difficult to implement. This is why periods of transition, when a new, ascending power begins to overtake the previously dominant state, have so often been marked by war.

WHILE THEY are careful not to say so directly, China’s current rulers seem intent on establishing their country as the preponderant power in East Asia, and perhaps in Asia writ large. The goal is to make China the strongest and most influential nation in its neighborhood: a country capable of deterring attacks and threats; resolving disputes over territory and resources according to its preferences; coercing or persuading others to accede to its wishes on issues ranging from trade and investment to alliance and third-party basing arrangements to the treatment of ethnic Chinese populations; and, at least in some cases, affecting the character and composition of their governments. Beijing may not seek conquest or direct physical control over its surroundings, but, despite repeated claims to the contrary, it does seek a form of regional hegemony.

Such ambitions hardly make China unique. Throughout history, there has been a strong correlation between the rapid growth of a state’s wealth and potential power, the geographic scope of its interests, the intensity and variety of the perceived threats to those interests, and the desire to expand military capabilities and exert greater influence in order to defend them. Growth tends to encourage expansion, which leads to insecurity, which feeds the desire for more power. This pattern is well established in the modern age. Looking back over the nineteenth and twentieth centuries, Samuel Huntington finds that every other major power, Britain and France, Germany and Japan, the United States and the Soviet Union, has engaged in outward expansion, assertion, and imperialism coincidental with or immediately following the years in which it went through rapid industrialization and economic growth.
As for China, Huntington concludes, “no reason exists to think that the acquisition of economic and military power will not have comparable effects” on its policies.

Of course the past behavior of other states is suggestive, but it is hardly a definitive guide to the future. Just because other powers have acted in certain ways does not necessarily mean that China will do the same. Perhaps, in a world of global markets and nuclear weapons, the fears and ambitions that motivated previous rising powers are no longer as potent. Perhaps China’s leaders have learned from history that overly assertive rising powers typically stir resentment and opposition.

But China is not just any rising power, and its history provides an additional reason for believing that it will seek some form of regional preponderance. It is a nation with a long and proud past as the leading center of East Asian civilization and a more recent and less glorious experience of domination and humiliation at the hands of foreign invaders. As a number of historians have recently pointed out, China is not so much “rising” as it is returning to the position of regional preeminence that it once held and which its leaders and many of its people still regard as natural and appropriate. The desire to reestablish a Sino-centric system would be consistent with what journalist Martin Jacques describes as an overwhelming assumption on the part of the Chinese that their natural position lies at the epicentre of East Asia, that their civilization has no equals in the region, and that their rightful position, as bestowed by history, will at some point be restored in the future.

Conservative scholar Yan Xuetong puts the matter succinctly: the Chinese people are proud of their country’s glorious past and believe its fall from preeminence to be “a historical mistake which they should correct.” If anything, the “century of humiliation” during which China was weak and vulnerable adds urgency to its pursuit of power. For a nation with China’s history, regaining a position of unchallengeable strength is not seen as simply a matter of pride but rather as an essential precondition for continued growth, security and, quite possibly, survival.
DEEP-SEATED patterns of power politics are thus driving the United States and China toward mistrust and competition, if not necessarily toward open conflict. But this is not all there is to the story. In contrast to what some realists claim, ideology matters at least as much as power in determining the course of relations among nations. The fact that America is a liberal democracy while China remains under authoritarian rule is a significant additional impetus for rivalry, an obstacle to stable, cooperative relations, and a source of mutual hostility and mistrust in its own right.

Relations between democracies and nondemocracies are always conducted in what political theorist Michael Doyle describes as an “atmosphere of suspicion,” in part because of “the perception by liberal states that nonliberal states are in a permanent state of aggression against their own people.” Democracies, in short, regard nondemocracies as less than legitimate because they do not enjoy the freely given consent of their own people. In their heart of hearts, most self-governing citizens simply do not believe that all states are created equal or that they are entitled to the same degree of respect regardless of how they are ruled.

Seen in this light, disputes between the United States and China over such issues as censorship and religious freedom are not just superficial irritants that can be dissolved or wished away. They are instead symptomatic of much deeper difficulties. To most Americans, China’s human-rights violations are not only intrinsically wrong, they are also powerful indicators of the morally distasteful nature of the Beijing regime. While the United States may be able to do business with such a government on at least some issues, the possibility of a warm, trusting and stable relationship is remote to say the least.

Democracies also tend to regard nondemocracies as inherently untrustworthy and dangerously prone to external aggression. Because of the secrecy in which their operations are cloaked, the intentions, and often the full extent of the military capabilities of nondemocratic states, are difficult to discern. In recent years, U.S. officials have pressed their
Chinese counterparts to be more “transparent” about defense programs, but there is little expectation that these pleas will be answered in any meaningful way. And even if Beijing were to suddenly unleash a flood of facts and figures, American analysts would regard them with profound skepticism, scrutinizing the data for signs of deception and disinformation. And they would be right to do so; the centralized, tightly controlled Chinese government is far better situated to carry off such schemes than its open, divided and leaky American counterpart.

Their capacity for secrecy also makes it easier for nondemocracies to use force without warning. Since 1949, China’s rulers have shown a particular penchant for deception and surprise attacks. (Think of Beijing’s entry into the Korean War in December 1950, or its attack on India in October 1962.) This tendency may have deep roots in Chinese strategic culture extending back to Sun Tzu, but it is also entirely consistent with the character of its current domestic regime. Indeed, for most American analysts, the authoritarian nature of China’s government is a far greater concern than its culture. If China were a democracy, the deep social and cultural foundations of its strategic and political behavior might be little changed, but American military planners would be much less worried that it might someday attempt a lightning strike on U.S. forces and bases in the western Pacific.

Such fears of aggression are heightened by an awareness that anxiety over a lack of legitimacy at home can cause nondemocratic governments to try to deflect popular frustration and discontent toward external enemies. Some Western observers worry, for example, that if China’s economy falters its rulers will try to blame foreigners and even manufacture crises with Taiwan, Japan or the United States in order to rally their people and redirect the population’s anger. Whatever Beijing’s intent, such confrontations could easily spiral out of control. Democratic leaders are hardly immune to the temptation of foreign adventures. However, because the stakes for them are so much lower (being voted out of office rather than being overthrown and imprisoned, or worse), they are less likely to take extreme risks to retain their hold on power.
But the mistrust between Washington and Beijing is not a one-way street—and with good reason. China’s current rulers do not see themselves as they once did, as the leaders of a global revolutionary movement, yet they do believe that they are engaged in an ideological struggle, albeit one in which, until very recently, they have been almost entirely on the defensive. While they regard Washington’s professions of concern for human rights and individual liberties as cynical and opportunistic, China’s leaders do not doubt that the United States is motivated by genuine ideological fervor. As seen from Beijing, Washington is a dangerous, crusading, liberal, quasi-imperialist power that will not rest until it imposes its views and its way of life on the entire planet. Anyone who does not grasp this need only read the speeches of U.S. officials, with their promises to enlarge the sphere of democracy and rid the world of tyranny.

In fact, because ideology inclines the United States to be more suspicious and hostile toward China than it would be for strategic reasons alone, it also tends to reinforce Washington’s willingness to help other democracies that feel threatened by Chinese power, even if this is not what a pure realpolitik calculation of its interests might seem to demand. Thus the persistence—indeed the deepening—of American support for Taiwan during the 1990s cannot be explained without reference to the fact that the island was evolving from an authoritarian bastion of anti-Communism to a liberal democracy. Severing the last U.S. ties to Taipei would remove a major source of friction with China and a potential cause of war. Such a move might even be conceivable if Taiwan still appeared to many Americans as it did in the 1970s, as an oppressive, corrupt dictatorship. But the fact that Taiwan is now seen as a genuine (if flawed) democracy will make it extremely difficult for Washington to ever willingly cut it adrift.

Having watched America topple the Soviet Union through a combination of confrontation and subversion, since the end of the Cold War China’s strategists have feared that Washington intends to do the same to them. This belief colors Beijing’s perceptions of virtually every aspect of U.S. policy toward it, from enthusiasm for economic engagement to efforts to
encourage the development of China’s legal system. It also shapes the leadership’s assessments of America’s activities across Asia, which Beijing believes are aimed at encircling it with pro-U.S. democracies, and informs China’s own policies to counter that influence.

As China emerges onto the world stage it is becoming a source of inspiration and material support for embattled authoritarians in the Middle East, Africa and Latin America as well as Asia—antidemocratic holdouts who looked to be headed for the garbage heap of history after the collapse of the Soviet Union. Americans may have long believed that growth requires freedom of choice in the economic realm (which is presumed to lead ineluctably to the expansion of political liberties), but, at least for now, the mainland has successfully blended authoritarian rule with market-driven economics. If it comes to be seen as offering an alternative model for development, China’s continued growth under authoritarian rule could complicate and slow America’s long-standing efforts to promote the spread of liberal political institutions around the world.

Fear that the United States has regime change on the brain is also playing an increasing role in the crafting of China’s policies toward countries in other parts of the world. If the United States can pressure and perhaps depose the current leaders of Venezuela, Zimbabwe and Iran, it may be emboldened in its efforts to do something similar to China. By helping those regimes survive, Beijing wins friends and allies for future struggles, weakens the perception that democracy is on the march and deflects some of America’s prodigious energies away from itself. Washington’s efforts to isolate, coerce and possibly undermine dictatorial “rogue” states (such as Iran and North Korea) have already been complicated, if not defeated, by Beijing’s willingness to engage with them. At the same time, of course, China’s actions also heighten concern in Washington about its motivations and intentions, thereby adding more fuel to the competitive fire.

It may well be that any rising power in Beijing’s geopolitical position would seek substantial influence in its own immediate neighborhood. It may also be true that, in light of its history, and regardless of how it is ruled, China will be especially concerned with asserting itself and being acknowledged
by its neighbors as the first among equals. But it is the character of the nation’s domestic political system that will ultimately be decisive in determining precisely how it defines its external objectives and how it goes about pursuing them.

As Ross Terrill of Harvard’s Fairbank Center points out, when we speak of “China’s” intentions or strategy, we are really talking about the aims and plans of today’s top leaders or, as he describes them, “the nine male engineers who make up the Standing Committee of the Politburo of the Chinese Communist Party.” Everything we know of these men suggests that they are motivated above all else by their belief in the necessity of preserving CCP rule. This is, in one sense, a matter of unadulterated self-interest. Today’s leaders and their families enjoy privileges and opportunities that are denied others in Chinese society and which flow directly from their proximity to the sources of political power. The end of the Communist Party’s decades-long reign would have immediate, painful and perhaps even fatal consequences for those at the top of the system. Rising stars who hope one day to occupy these positions and even junior officials with more modest ambitions will presumably make similar calculations. This convergence of personal interests and a sense of shared destiny give the party-state a cohesion that it would otherwise lack. Party members know that if they do not hang together they may very well hang separately—and this knowledge informs their thinking on every issue they face.

But the motivation to continue CCP rule is not rooted solely in self-interest. The leadership is deeply sincere in its belief in the party’s past achievements and future indispensability. It was the CCP, after all, that rescued China from foreign invaders, delivered it from a century of oppression and humiliation, and lifted it back into the ranks of the world’s great powers. In the eyes of its leaders, and some portion of the Chinese people, these accomplishments in themselves give the CCP unique moral authority and legitimate its rule.

Looking forward, party officials believe that they are all that stands between continued stability, prosperity, progress and an unstoppable ascent to greatness on the one hand and a return to chaos and weakness on the
other. An analysis of the leaked secret personnel files of the current “fourth generation” of Chinese leaders (with Mao Tse-tung, Deng Xiaoping and Jiang Zemin leading the first three) by Sinologists Andrew Nathan and Bruce Gilley concludes that, on this question, there is no evidence of dissension or doubt. President Hu Jintao, his colleagues and their likely successors are aware of the numerous internal and external challenges they face, but they are confident that they, and they alone, can find the solutions that will be needed to keep their country moving forward and enable it to achieve its destiny. Indeed, they believe that it is precisely the magnitude and complexity of the problems confronting China that makes their continued rule essential.

The party’s desire to retain power shapes every aspect of national policy. When it comes to external affairs, it means that Beijing’s ultimate aim is to “make the world safe for authoritarianism,” or at least for continued one-party rule in China. Over the last several decades this focus on regime security has led, first of all, to an emphasis on preserving the international conditions necessary for continued economic growth. The party’s ability to orchestrate rapid improvements in incomes and personal welfare is its most tangible accomplishment of the past thirty years and the source of its strongest claim to the gratitude and loyalty of the Chinese people. Economic growth, my Princeton colleague Thomas Christensen argues, “provides satisfaction and distraction to the population, and, therefore garners domestic support for the Party (or at least reduces active opposition to the Party).” Growth also generates revenues that the regime can use to “buy off opposition and to channel funds to poorer regions and ethnic minority areas to try to prevent violent uprisings.”

As China has grown richer and stronger, the regime’s pursuit of security has also led it to seek an increasing measure of control over the world outside its borders. This outward push has both offensive and defensive motivations. As the steward of national greatness, the party has the responsibility of returning China to its rightful place at the center of Asia. The visible deference of others will provide evidence of the regime’s success in this regard and will help to reinforce its legitimacy at home. Especially if economic growth should falter, “standing up” to traditional
enemies and resolving the Taiwan issue and other disputes on Beijing’s terms are likely to become increasingly important parts of the CCP’s strategy for retaining its hold on power. China’s leaders believe that the stronger their country appears abroad, the stronger their regime will be at home.

Conversely, the appearance of weakness or the widespread perception that the nation has been defeated or humiliated could be extremely dangerous to the party’s prospects for continued rule. Underlying concerns about its legitimacy make the regime more sensitive to slights and setbacks, and even more determined to deter challenges and to avoid defeat, than it might otherwise be. The best insurance against such risks is for China to accumulate an overwhelming preponderance of power in its neighborhood.

Moreover, the CCP’s hypersensitivity to what it sees as “separatism” is a direct result of its belief that it must retain tight central control in all places and at all times. Pleas for greater autonomy from Tibet or Xinjiang are thus seen as deadly threats to national unity and hence to continued Communist Party rule. The regime believes that if it loosens its grip, even a little, the entire country will spring apart. China’s leaders see the need to develop sufficient strength to deter its neighbors from providing aid and comfort to separatist groups and will build the capabilities to intervene directly to stop them, should that become necessary.

Even as it grows stronger and, in certain respects, more self-confident, the CCP continues to dread ideological contamination. Pliant, like-minded states along its borders are far more likely to help Beijing deal with this danger than flourishing liberal democracies with strong ties to the West. The desire to forestall “peaceful evolution” at home gives the regime another compelling reason to want to shape the political development of its neighbors.

To sum up: China’s current rulers do not seek preponderance solely because they are the leaders of a rising great power or simply because they are Chinese. Their desire for dominance and control is in large
measure a by-product of the type of political system over which they preside. A strong liberal-democratic China would certainly seek a leading role in its region and perhaps an effective veto over developments that it saw as inimical to its interests. But it would also be less fearful of internal instability, less threatened by the presence of democratic neighbors, and less prone to seek validation at home through the domination and subordination of others.

THOUGH NOT everyone is convinced, it is likely that a more democratic China would ultimately create a more peaceful, less war-prone environment in Asia. In the view of some realists, domestic reforms will only make Beijing richer, stronger and hence a more potent competitor without deflecting it from its desire to dominate East Asia and settle scores with some of its neighbors. It is undoubtably true that even if, in the long run, China becomes a stable, peaceful democracy, its passage will prove rocky. The opening of the nation’s political system to dissent and debate is likely to introduce an element of instability into its foreign policy as new voices are heard and aspiring leaders vie for popular support. As one observer, economist David Hale, ruefully points out: “An authoritarian China has been highly predictable. A more open and democratic China could produce new uncertainties about both domestic policy and international relations.”

Nationalism, perhaps in its most virulent and aggressive form, is one factor likely to play a prominent role in shaping the foreign policy of a liberalizing Middle Kingdom. Thanks to the spread of the Internet and the relaxation of restraints on at least some forms of “patriotic” political expression, the current regime already finds itself subject to criticism whenever it takes what some “netizens” regard as an overly accommodating stance toward Japan, Taiwan or the United States. Beijing has sought at times to stir up patriotic sentiment, but, fearful that anger at foreigners could all too easily be turned against the party, the regime has also gone to great lengths to keep popular passions in check. A democratically elected government might be far less inhibited. U.S.-based political scientist Fei-Ling Wang argues that a post-Communist regime would actually be more forceful in asserting its sovereignty over Taiwan, Tibet and the South China Sea. As he explains:
A “democratic” regime in Beijing, free from the debilitating concerns for its own survival but likely driven by popular emotions, could make the rising Chinese power a much more assertive, impatient, belligerent, even aggressive force, at least during the unstable period of fast ascendance to the ranks of a world-class power.

The last proviso is key. Even those who are most confident of the long-term pacifying effects of democratization recognize the possibility of a turbulent transition. In his book China’s Democratic Future, Bruce Gilley acknowledges that democratic revolutions in other countries have often led to bursts of external aggression and he notes that, since the start of the twentieth century, pro-democracy movements in China have also been highly nationalistic. Despite these precedents, Gilley predicts that, after an interval of perhaps a decade, a transformed nation will settle into more stable and cooperative relationships with the United States as well as with its democratic neighbors.

Such an outcome is by no means certain, of course, and would be contingent upon events and interactions that are difficult to anticipate and even harder to control. If initial frictions between a fledgling democracy and its better established counterparts are mishandled, resulting in actual armed conflict, history could spin off in very different and far less promising directions than if they are successfully resolved. Assuming the transition can be navigated without disaster, however, there are good reasons to believe that relations will improve with the passage of time. One Chinese advocate of political reform, Liu Junning, summarizes the prospects well. Whereas a “nationalistic and authoritarian China will be an emerging threat,” a liberal, democratic China will ultimately prove “a constructive partner.”

This expectation is rooted in more than mere wishful thinking. As the values and institutions of liberal democracy become more firmly entrenched, there will begin to be open and politically meaningful debate and real competition over national goals and the allocation of national resources. Aspiring
leaders and opinion makers preoccupied with prestige, honor, power and score settling will have to compete with others who emphasize the virtues of international stability, cooperation, reconciliation and the promotion of social welfare. The demands of the military and its industrial allies will be counterbalanced, at least to some degree, by groups who favor spending more on education, health care and the elderly. The assertive, hypernationalist version of China’s history and its grievances will be challenged by accounts that acknowledge the culpability of the Communist regime in repressing minorities and refusing to seek compromise on questions of sovereignty. A leadership obsessed with its own survival and with countering perceived threats from foreign powers will be replaced by a government secure in its legitimacy and with no cause to fear that the world’s democracies are seeking to encircle and overthrow it.

A democratic China would find it easier to get along with Japan, India and South Korea, among others. The trust and mutual respect that eventually grows up between democracies, and the diminished fear that one will use force against another, should increase the odds of attaining negotiated settlements of outstanding disputes over borders, offshore islands and resources. A democratic government in Beijing would also stand a better chance of achieving a mutually acceptable resolution to its sixty-year standoff with Taiwan. In contrast to today’s CCP rulers, a popularly elected mainland regime would have less to gain from keeping this conflict alive, it would be more likely to show respect for the preferences of another democratic government, and it would be more attractive to the Taiwanese people as a partner in some kind of federated arrangement that would satisfy the desires and ease the fears of both sides.

For as long as China continues to be governed as it is today, its growing strength will pose a deepening challenge to American interests. If they want to deter aggression, discourage coercion and preserve a plural, open order, Washington and its friends and allies are going to have to work harder, and to cooperate more closely, in order to maintain a favorable balance of regional power. In the long run, the United States can learn to live with a democratic China as the dominant power in East Asia, much as Great Britain came to accept America as the preponderant power in the Western
Hemisphere. Until that day, Washington and Beijing are going to remain locked in an increasingly intense struggle for mastery in Asia.

**Great Debate**

Andrew J. Nathan

June 22, 2011

China is not one of those regimes, like Iran, whose commitment to a world-changing ideology causes it to pursue foreign policies that are damaging to its own security. Instead, the Middle Kingdom of today is a realist power, concerned with regime survival, territorial integrity, and protecting access to resources and markets.

This means that a change of regime in China is unlikely to bring a fundamental change in the country’s foreign-policy objectives. Democratic rulers in Beijing would still want to preserve control over Tibet and Xinjiang and assert Chinese authority over Taiwan because these territories have fundamental strategic importance for the defense of China. A democratic leadership would also want to press its claims to valuable strategic and economic assets in the East China and South China Seas; build up its navy so that it can participate in the defense of the sea-lanes that are crucial to the country’s prosperity; project influence in crucial neighboring regions like Central Asia, Korea and Southeast Asia; maintain the military capability to deter attacks; exercise influence in the far-flung territories where it acquires resources and sells goods; and in general, pursue much the same national-security agenda as the authoritarian regime follows today. Indeed, as Friedberg points out, a democratic China may be in some respects even a little harder to deal with than the current regime because of its responsiveness to public opinion, which is likely to be nationalistic.

The big difference between today’s China and a democratic China would not be in the security imperatives that geography imposes on anyone who rules this piece of territory but in one of the key threats that the government now faces: the Western challenge to the existence of the regime. It is not
only that current Chinese leaders believe that the United States intends to “topple [their regime] through a combination of confrontation and subversion.” It is also that, as Friedberg says, “[American] ideology inclines the United States to be more suspicious and hostile toward China than it would be for strategic reasons alone.” He puts the point even more clearly in his forthcoming book, A Contest for Supremacy, from which his essay is drawn: “Stripped of diplomatic niceties, the ultimate aim of the American strategy [toward China] is to hasten a revolution, albeit a peaceful one, that will sweep away China’s one-party authoritarian state and leave a liberal democracy in its place.”

That being so, it is natural that the Chinese leaders behave suspiciously. After all, regime security is part of the security agenda of any government—even of illegitimate regimes. As long as the West wants to change the Chinese political system, Beijing’s rulers will, as Friedberg says, quite rationally “believe that they are engaged in an ideological struggle, albeit one in which, until very recently, they have been almost entirely on the defensive.”

I therefore agree with Friedberg’s conclusion that a more democratic China would have a more trusting relationship with the United States and would contribute to a more peaceful Asia, but for what I think are different reasons. The improvement in relations would not come about because China would change its security agenda, but because Washington would have achieved its goal—call it strategic or call it ideological—of regime change in Beijing. That may make the issues of Tibet, Xinjiang, Taiwan, Korea, Iran, China-Japan relations, the naval balance, trade deficits, currency manipulation and others easier to handle. But it will not change Beijing’s interests in these issues.
The question whether a democratized China would be a more peaceful great power has been raised before. In the current issue of The National Interest, professor Aaron Friedberg’s essay discusses this question so exhaustively that there is very little to add. However, an analysis of how domestic politics would change in China if it became a democracy reveals why a Beijing ruled by the people would not be a threat to its neighbors or the West.

One of the most important changes democratization would bring to China is a new civil-military relationship. This issue has not received adequate attention in discussions about how civilian control of the military influences a country’s external behavior. In the case of China, it is a critical factor. As we all know, at the moment, the Chinese military is under the control of the ruling Chinese Communist Party (CCP). It is not a national army, which would be politically neutral and loyal to the Chinese state not to a particular political party. The mission statement of the People’s Liberation Army is revealing: its top priority is to defend the political monopoly of the CCP. Understandably, the CCP has made it abundantly clear that it will not allow the military to become a national army. If China became democratic, the Chinese armed forces would be much less subject to political manipulation and more loyal to national interests. This fundamental change alone would reduce the likelihood of conflict between China and its neighbors.

A democratic China would also have real political checks and balances. Opposition parties and civil society in a liberal democracy play an important part in constraining the freedom of action of the ruling party in national-
security policy. At the moment, the CCP’s national-security policy is completely unchallenged. But that would change if China had well-organized opposition parties and strong nongovernmental organizations that could force the leadership to justify and seek public support for its agenda.

The military establishment itself would be placed under greater scrutiny in a competitive political system as well. Opposition parties and NGOs would raise questions about defense expenditures and force the military to be more transparent regarding its doctrine and capabilities.

Democratic institutions would also make the national-security-policy-making process more open and accessible to different interest groups. As a result, advocates for peace and cooperation would have the ability to rally public opinion and influence policy. Taken together, these institutional checks and balances would make the ruling party and the military more accountable.

No doubt, democratization in China would bring an enormous expansion of press freedoms and would fundamentally change the political dynamics of public discourse on national-security issues. At the moment, the lack of freedom of the press makes it very difficult for the Chinese public to gain a well-informed view of issues critical to the country’s national security. Take the Taiwan question, for example. The mainland’s official press coverage of Taiwan is so distorted that it is impossible for ordinary Chinese people to have a decent understanding of the history of the matter, its complexity and the risks of a military conflict. If China were a liberal democracy, press freedom would allow far more open and objective discussion of foreign-policy issues. Hawkish views would be countered by more moderate voices. Nationalist sentiments would be constrained by more cosmopolitan perspectives. And dangers of an aggressive foreign policy would be readily apparent.

The only caveat about the prospect of a more peaceful democratic China is that the process of democratization within the country could be violent. The
research on the connection between democratization and war shows that transitions to democracy are likely to lead to conflict. In the Chinese case, such risks are highest in two ethnic-minority areas, Tibet and Xinjiang. Depending on the transition scenario, a collapse of CCP rule inside China could very likely inspire the hard-core secessionists in these two restive regions to declare independence. Under this scenario, Taiwan could follow suit. Such developments are almost certain to elicit a military response from Beijing, regardless of whether the democrats or the autocrats are in power.

However, should China’s democratic transition unfold in a gradual, managed and peaceful way, these nightmarish scenarios may be avoided. Such a transition is more likely if the CCP takes the initiative to start the democratization process from a position of strength. Unfortunately, at the moment the CCP shows no sign of doing so. That means Washington can do little besides wait to see whether history will vindicate the application of the democratic-peace theory in the Chinese case.
China-India Relations: New Starting Point and New Framework

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The year 2010 marked the 60th anniversary of the establishment of China-India diplomatic relations. The two countries held a host of grand celebrations to mark the occasion. The past year saw generally steady progress in the bilateral relations, frequent high-level interactions, more pragmatic business cooperation and enhanced cultural and people-to-people exchanges. However, the complexity of the relationship was highlighted. Against the backdrop of major changes in international landscape and profound adjustment of the international system, China-India relations are at a new historical starting point. The maintenance and enhancement of the mutually-beneficial, reciprocal and cooperative relations between China and India, two great ancient civilizations, two emerging powers and close neighbors sharing the same rivers and mountains, will be of great significance to their own development as well as to the regional stability and world peace, development and cooperation.

I. Overview of China-India Relations in 2010

The year 2010 saw new progress in China-India exchanges and cooperation across the board. Thanks to the joint efforts, the two governments worked to comprehensively implement the strategic agreement between their leaders, enrich the strategic partnership, and promote bilateral relations.

1. Close Bilateral Interactions

To mark the 60th anniversary of the establishment of diplomatic ties between the two countries, the two governments decided to concurrently
hold the “China Festival” and the “India Festival”. In March 2010, Vice Premier Hui Liangyu visited India, launching the prelude of celebration activities. In April, Minister of External Affairs S.M.Krishna visited China and attended the opening ceremony of the “India Festival”. In May, Indian President Pratibha Patil paid an official visit to China, which was the first visit by an Indian head of state in ten years. The Chinese side attached great importance to the visit. Apart from her meetings with President Hu Jintao and other Chinese leaders, Vice President Xi Jinping attended the reception hosted by the Indian Embassy in China. Cultural and people-to-people exchanges and cooperation featured prominently in President Patil’s visit to China. During her visit, President Patil attended the inauguration of an Indian-style Buddhist temple in the White Horse Temple in Luoyang and unveiled the bronze bust of Indian Poet Rabindranath Tagore in Shanghai.

In December 2010, Premier Wen Jiabao visited India, which was a major event in the bilateral exchanges. During the visit, the two countries issued a joint communiqué and decided to set up the regular meeting mechanism between heads of state/government and the regular meeting mechanism between foreign ministers, and open the hotline between the two prime ministers. Leaders of the two countries proposed the goal of increasing the bilateral trade to US$100 billion by 2015 and designated the year 2011 the “Year of China-India Exchange”. Business communities of the two countries signed over 40 agreements involving more than US$16 billion. During his visit, Premier Wen reached out to people of all walks of life in India and delivered important policy speeches. Premier Wen stressed that the China attached great importance to India’s role in international affairs as a developing country, and understood and supported India’s desire to play a bigger role in the UN including its role at the Security Council. On top of the bilateral visits, leaders of the two countries maintained the close interactions on multilateral occasions during the year. President Hu and Premier Wen held several meetings with Prime Minister Singh on such international fora as the G20 summits, the BRIC Leaders
Meeting and the East Asia Summit, when they exchanged views on bilateral relations and major regional and international issues.

2. Renewed Dynamism in Bilateral Business Ties

The frequent high-level interactions injected strong impetus to the steady growth of bilateral ties, resulting in an expanded economic cooperation and trade and closer cultural and people-to-people contact. In 2010, bilateral trade between China and India totaled at US$61.7 billion, up by 43% year on year. The goal of US$60-billion trade volume was realized, which showed that business cooperation between the two countries overcame the impact of the international financial crisis and once again demonstrated strong vigor and vitality. China-India cooperation was expanded to more areas and conducted in more forms. In September 2010, the Shanghai Electric Group signed with Reliance ADA a power equipment sale contract, under which the Shanghai Electric was to sell 36 660MW supercritical thermal units to the Reliance ADA and the total contractual amount of US$8.29 billion would be financed by the EXIM Bank of China and several Chinese commercial banks. Reliance ADA Chairman Anil Ambani said that this transaction was the biggest in the history of the power sector and the largest single transaction between India and China.

Bilateral investment between China and India also saw substantial increase. Over 100 Indian companies were operating in China’s Information technology, software outsourcing and financial markets. Over 60 Chinese enterprises were engaging in R&D, telecom and power project contracting in India. Thanks to the joint efforts, the visa issue, a long-standing problem plaguing Chinese businessmen’s normal commercial activities in India was basically resolved. In December 2010, the Indian government announced that the policy of issuing project visa for senior technicians going to India for power and metallurgical projects and skilled workers. This pragmatic policy measure, to a certain extent, eased the visa pressure on the relevant Chinese companies and helped facilitate normal business activities between the two countries.
Mutually beneficial business cooperation was also expanded to the sub-national level. China’s western regions including Yunnan and Sichuan and southeast coastal regions like Guangdong, Jiangsu and Shanghai all regarded India as a huge potential market. In October, the Hong Kong Special Administrative Region and the Guangdong Provincial People’s Government held in New Delhi the “2010 Guangdong-Hong Kong-India Economic, Technological & Trade Fair”. Over 1,800 business representatives from Hong Kong, Guangdong and India attended the fair and discussed about business cooperation between the two countries and the three sides. Chinese and Indian companies signed 25 investment and trade agreements during the meeting, totaling at nearly US$1 billion covering such areas as telecommunications, automobile, environmental protection and home products.

3. Unprecedented Cultural and People-to-People Exchanges

The year 2010 saw new breakthroughs in China-India cultural and people-to-people exchanges. There were over 500,000 two-way visits during the year. The Indian government attached great importance to the Shanghai World Expo and sent a high-caliber delegation to showcase its most advanced industrial technology and best cultural products to China and the world. During the expo, India also sent an artist delegation including Bollywood artists. New progress was made in exchanges between the political parties. In November 2010, Zhou Yongkang, Member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and Secretary of the Political and Legislative Affairs Committee of the CPC Central Committee, led a CPC delegation to India and delivered an important speech at the second Seminar on China-India Relations co-sponsored by the CPC and the National Congress Party of India. In January 2011, Chairman Nitin Gadkari of India’s Janata Party (BJP) paid a 5-day visit to China. During the visit, the Chinese side expressed desire to strengthen bilateral cooperation with all the states led by the BJP, especially in the area of manufacturing, IT,
pharmaceuticals and agro-products. It was the first visit to China by the top leader of the BJP as an opposition party.

4. Enhanced Cooperation on Multilateral Fora

China and India continued with close coordination and cooperation in the global affairs in 2010. Especially at the Climate Change Conference held in Cancun, Mexico, Chinese and Indian delegations engaged in full coordination and communication with the other two BASIC countries and contributed to the success of the conference and jointly protected the rights of developing countries. Climate cooperation has become a shining example of the pragmatic and mutually beneficial cooperation on major global issues between the two countries.

II. Reasons for the Overall Advancement of China-India Relations

It should be noted that the trend of overall positive growth of China-India relations has not changed and the will of the two countries to enrich and deepen strategic cooperation has not wavered.

1. Chinese and Indian Leaders Attach Great Importance to the Bilateral Relations

Both China and India stand for a multi-polar world and insist on comprehensively improving and developing relations with major powers in an effort to create a sound international environment for their economic development. This is one of the most important reasons for the constant progress of the bilateral relations during the first decade of the 21st century. Chinese and Indian leaders have drawn a clear road map for the improvement and development of the bilateral relations. In June 2003, Indian Prime Minister Atal Bihari Vajpayee visited China and the two countries signed the Declaration on Principles for Relations and
Comprehensive Cooperation between the People’s Republic of China and the Republic of India. In April 2005, Premier Wen Jiabao visited India and the two sides decided to build a strategic partnership for peace and prosperity. In November 2006, the two sides designated ten priority areas for enriched strategic partnership. In January 2008, the two prime ministers issued a Shared Vision during Prime Minister Singh’s visit to China. All these documents, charting the course for China-India relations, have withstood the test of changes in India’s ruling party and political situation, and constituted the political foundation for the steady growth of bilateral ties.

2. Pragmatic Cooperation in Economy and Trade Has Become the Stabilizer for China-India Relations

Bilateral trade between China and India soared from about US$3 billion at the beginning of the 21st century to US$61.7 billion in 2010, an over 20-fold increase in ten years. Now, China is India’s largest trading partner and India is China’s biggest trading partner in South Asia and the biggest overseas project contracting destination. Chinese project contractors focus on the power sector in India, and therefore are crucial to India’s rapid economic growth. During Premier Wen’s visit, China and India reached common ground on further exploring new cooperation areas and approaches.

III. Problems in the China-India Relations and Their Causes

Undoubtedly, the development of the China-India relations in 2010 encountered a host of problems. Some were political, some were economic, some were cultural and some had something to do with the public opinion.

1. Strategic Mutual Trust Needs to Be Further Enhanced
Despite the enormous efforts by the leaders and governments of the two countries, there were no changes in the negative view on China-India relations by the media and the public opinion. Due to repeated exaggeration by the Indian media, the border issue remained a hot issue and the visa issue became a new problem, undermining the sound atmosphere of the bilateral ties and causing obstacles to the China-India defense dialogue and setbacks in the healthy momentum of military exchanges and cooperation. Sensitive issues in China-India relations were thrown into sharp relief. Some India media institutions even put forward extreme suggestions that India should play the “Taiwan card”, triggering worries among the Chinese media and public opinion about a backslide in India’s one China policy. At the same time, the Chinese media expressed a lot of concerns over India’s increasingly enhanced security and defense cooperation with the US, Japan and Australia in recent years. They closely followed India’s military modernization program and large procurement of advanced fighters and military vessels. They also voiced concern over India’s constant intensification of the military deployment in the China-India border areas, believing that India’s intention was to increase strategic pressure on China. To some extent, the changes in the views of Chinese and Indian media and public opinion show the necessity to step up political mutual trust between the two countries, and put forward a new task for the two governments as to how to properly handle cooperation and competition in order to promote healthy and steady development of the bilateral ties.

Research shows that the pending factors in China-India relations are the specific reflection of the accumulation and overlapping of multiple challenges in the course of simultaneous rise of China and India against the backdrop of major changes in the international paradigm and profound adjustment of the international system. Given different political cultures, China and India differ in security and strategic thinking. Although both countries stand for a multi-polar world, the two countries are in quite different situations. China is the beneficiary of the current international
system, while India calls for fundamental changes in the current international system and paradigm.

2. Bilateral Relations Need Stronger Popular Support

Changes in the views on China-India relations held by the Chinese and Indian media and the general public pose a new challenge for the two governments in terms of bilateral relations. Indian scholars believe that there are at least three forces inside India that are instigating “ill will towards China”, namely, people including quite a few high-ranking officials in the diplomatic and security policy-making circles who hope to develop closer ties with the West, interest groups such as retired military officers and arms dealers, and right-wing Hindi nationalists who want to score marks by opposing the incumbent government. At the same time, there are people in China who harbor bias and misunderstanding about India. Due to the complicated political and social transformation and rising nationalist sentiments, things are getting more and more complicated. People of the two countries can not view and handle bilateral problems and differences in a normal, calm, positive and inclusive way.

3. Addressing Trade Imbalance Has Become the Top Priority

The undeniable existence of structural problems in China-India relations leads to many uncertainties in the development of bilateral ties. The rapid economic development and the consequential huge market potential in India has fundamentally improved its external environment, uplifted its international standing, and thus become a natural ally to the countries that are seeking to contain China’s development. Demand for natural resources, energy in particular, brought by the rapid economic growth of both countries, has put China and India on the competitive terms in maintaining their respective resources security.

As things stand now, the increase in the bilateral trade frictions may continue to be the hot potato for the Chinese and Indian leaders. In the past, business ties had always served as a stabilizer and driving force for the healthy and steady development of the bilateral relations. However,
recent years have witnessed the intensified trade frictions between the two countries. India frequently initiated anti-dumping investigations on imports from China. It claimed that two-way trade in 2010 reached US$61.7 billion, among which however, US$20.8 billion belonged to India’s exports and US$40.8 billion were India’s imports. Imports from China accounted for 10% of India’s total imports, and the US$20-billion trade imbalance was almost as large as Indian government’s fiscal deficit. Besides, trade mix was unreasonable. India mainly imported machinery and manufactured products from China and exported cotton, iron ore and other raw materials to China. India believes that such a trade situation is unsustainable. On the other hand, Chinese companies are complaining about India’s discriminative policy against Chinese investment and its restrictions on the Chinese enterprises through security clauses or the visa policy.

4. Sub-Regional Cooperation Needs to Find Breakthroughs

The competition between China and India in South Asia and Southeast Asia is evolving. From India’s perspective, South Asia is its backyard and sphere of influence. Since the end of last century, India has made major adjustment to its South Asia policy, shifting to the policy of “giving more and asking for less” towards its neighbors and promoting a free trade agreement with Sri Lanka. Its relations with neighboring countries have thus been substantially improved. In recent years, India has taken the development of relations with its neighbors and consolidation of its leadership as the diplomatic priority for South Asia. On the other hand, China, as a neighbor of South Asian countries, has seen rapid growth of its ties with countries in the region. It has overtaken India to be the biggest trading partner of the countries concerned, which has undoubtedly shocked India’s leadership in the region.

To expand its influence in Southeast Asia and catch the fast train of East Asia’s rise, India introduced a “Looking East” strategy in the early 1990
s and strengthened ties with Southeast Asian countries. In recent years, India’s influence on the regional political, economic and security affairs has been constantly on the increase. Despite the repeated statements by China and India that they support multilateral cooperation mechanisms in Asia and view each other’s participation in Asian inter-regional, regional and sub-regional cooperation processes in a positive light, Chinese public opinion still has misgivings about India’s strategic interactions with Vietnam and Indonesia, especially about India’s cooperation with the US, the ROK, Japan and Australia in strengthening Asia-Pacific security.

IV. Countermeasures and Thoughts for the Future China-India Relations

Future progress in strategic cooperation between China and India in the next decade or beyond will be determined by the will, and more importantly, concerted efforts of the two countries. Chinese and Indian leaders are devoted to developing healthy and stable China-India relations on the basis of equality and mutual benefit, enriching strategic cooperation and expanding the convergence of interests. Such commitment is required if the two countries are to avoid the tragedy of the rise of other major powers, break the shackles of geopolitical calculation and jointly shape a future of mutual benefit and common prosperity.

1. Vigorously Explore New Thinking and Model for the Development of Bilateral Ties

To tackle the complex situation of the China-India relations, the two countries should on the one hand, stick to the consensus and principles already reached, and on the other, design new ways and means for interactions. First of all, they should rise above geopolitical calculation and foster a new framework of thinking. The Chinese Indian Professor Tan Chung believes that China and India must give up the logic of horizontal expansion by a geopolitical model and adopt a model of geo-civilization, in order to avoid clashes and realize common development. He has pointed
out that unlike the geopolitical model based on comparison between “me and others” and consideration about military power, territory and alliances, the geo-civilization model advocates the pursuit of “self comparison” and reflects the diversity of fair and equal relations between individuals and the group. As two ancient civilizations, China and India enjoy favorable conditions for promoting interactions by a geo-civilization model, due to their history, culture and values.

**2. Pay Attention to the Effectiveness of Strategic Communication and Constantly Build Strategic Mutual Trust**

To address the lack of strategic mutual trust between China and India, the role of existing mechanisms should be given full play. The two countries should constantly enrich their strategic dialogue and increase dialogue and communication between their military and security agencies. At the same time, they should explore new dialogue agendas and areas.

After the American scholar Robert Kaplan put forward the view that the Indian Ocean would be the center stage for 21st century rivalry among major powers, maritime security on the Indian Ocean became a new hot topic. China’s participation in the escort missions in the Indian Ocean to counter piracy off the coast of Somalia further prompted the international media to focus on maritime security cooperation and competition between China and India. The Indian media worried that China would seize the opportunity to implement its “Pearl Chain” strategy and seek to establish naval bases in the littoral countries, in order to protect the security of its energy passage.

In a speech at the National Maritime Foundation of India in November 2010, Foreign Secretary Nirupama Rao put forward the idea that India was a consensual stakeholder in the Indian Ocean. She stressed that India would promote and play a leading role in the establishment of a stable, open, inclusive and balanced security cooperation framework in the Indian Ocean on the basis of common security and shared prosperity. China and India have agreed that the two navies will carry out a joint counter-piracy
exercise in the Gulf of Aden and exchange views on maritime security issues.

3. Seek Ways to Resolve Bilateral Issues with a Pragmatic Attitude

The current mentality will not only help gradually build mutual trust, but more importantly, reflect the maturity of China-India relations. The two countries should patiently seek fair and equitable solutions to the boundary issues under the existing mechanisms and principles, dilute the negative impact of the said issues in the bilateral relations, reduce its negative impacts and prevent it from becoming a burden on the bilateral relations or an obstacle holding back normal growth of bilateral ties. Just as the Hindu journalist Siddhat Varadarajan said that the fragility of the China-India boundary question was caused by artificial demand for an expedited resolution. Premier Wen also recognized that the complete resolution of the boundary question needed more patience and time.

Pending the resolution of the boundary issue, the two sides should genuinely act on the principle of mutual understanding and mutual accommodation. The early resolution of this issue also requires proper handling of new problems in the bilateral relations. Cross border water resource bears on the development and utilization of water resources and environmental protection. On this issue, China has always been positive. Now a joint working mechanism for the cross border water resource has been established. China clearly stated that it would take seriously India’s concerns over this issue and stand ready to further improve this mechanism. China’s positive and constructive stance should get positive response from India. Besides, cross border interactions are an important way to increase trust and dispel misgivings. Connectivity between China and India is conducive to the development and stability of China-India border areas.

4. Vigorously Boost Coordination and Cooperation on Regional Issues
South Asia and Southeast Asia are areas where China and India share converging interests. The changes in Afghanistan have made Central Asia a new stage for China-India interaction, which will become an important factor in the development of regional paradigm as this region undergoes the reshaping of order and transformation. How to promote the stability of their neighbors through cooperation and avoid vicious competition is of great significance to the open and inclusive Asia-Pacific security mechanism advocated by both China and India.

5. Further Step up Cooperation on Global Issues

The Copenhagen Conference highlighted the global and strategic dimensions of China-India relations. The sound cooperation on climate change between the two countries was determined by their similar situation and concerns on this particular issue. To make the best of the features of the bilateral ties, the two countries should tap the potential of coordination and cooperation in multilateral mechanisms and groups such as the China-Russia-India cooperation mechanism, the BRICS cooperation and the G20. On 1 January 2011, India began its two-year term as a non-permanent member of the UN Security Council. Coordination and cooperation between China and India at the Security Council will provide new opportunities for bilateral cooperation on major security issues. In responding to the sudden changes in the Middle East and North Africa and opposing the establishment of the no-fly zone in Liberia proposed by US-led Western countries, China and India showed quite a lot of cooperation potential at the Security Council.

6. Reinforce Economic and Cultural Basis and Popular Support for Bilateral Ties

In the new era, the two countries should deepen business ties, strengthen cultural and people-to-people exchanges, reinforce the bond of mutual interests and consolidate popular support for greater progress in their friendship and cooperation. Premier Wen put forward four important initiatives during his visit to India, i.e. making joint efforts to boost two-way trade and investment, such as exploring the possibility of establishing
overseas economic cooperation zones in the two countries; expanding cooperation in finance, tourism, energy, environmental protection and other areas, and beefing up exchanges in social undertakings such as science, technology, education, culture and health in order to deepen mutual understanding and friendship between the two peoples; and encouraging greater business exchanges, setting up more platforms for such exchange, giving fuel to the role of industrial associations and chambers of commerce as a bridge and an intermediary, and helping enterprises understand and explore market potential of the two countries. All these initiatives should be implemented in real earnest. The history of exchanges between China and India during the last decade shows the importance of mutual learning. The two countries have a lot of common language in exploring a development path that would be in line with the national conditions, improving domestic governance, and meeting economic and social challenges.


Why China is Subject to Suspicion and Hostility

By Bhaskar Roy

No outsider really knows what goes on behind those high walls of Zhongnanhai in Beijing where the top leadership live, work, discuss, plot and strategize. Analysis and assessments are done by following the official media, think tank reports, open interactions with Chinese officials and intellectuals (though very limited), and official statements which have to be carefully read to decipher the main message.
Whatever perception is drawn about China is from China’s words and actions, and in recent years the conclusion that is drawn is one of discomfort and concern about China’s intentions. Lack of transparency on China’s side, especially on strategic and military dimensions adds to the confusion, though the country is far more translucent today than in the Maoist decades. Even then, that is not enough. One issue on which China’s seaboard neighbours are unified is that the Chinese leaders are determined to re-live their ancient history when neighbours used to pay tributes to the Imperial court. And the greater wrong is that Beijing, drummed up with economic, military and diplomatic power, is in a tearing hurry to rule the region once more.

But what confounds the entire world is China’s play with ‘denial and deception’. Denial and deception strategies have been honed from ancient Chinese war strategy. But when this is applied in modern diplomatic, trade and other such engagements, it demolishes trust of China. In today’s world international relations are conducted with a high degree of transparency.

Some small examples. China purchased the Ukranian aircraft carrier, the Varyag, in 1998 on the assurance that it would be turned into a floating casino. Otherwise, they would not have got it. The Chinese navy had been trying to acquire the Varyag from 1992-93 when the vessel was fairly new. Finally, they purchased the vessel without engine, armaments and other fittings. On August 10, this year, the Varyag was put on trial cruise as a full fledged carrier. Even then, the official Chinese media continues to give out conflicting reports about its use. One side says that this not for military use, while another says it is the nucleus for the PLA Navy’s upcoming aircraft carrier fleet.

Most of China’s maritime neighbours, except Japan, can hardly compare to Beijing in military and economic strength, and are naturally worried. Obviously, therefore, no neighbour believes Chinese propaganda that their huge military modernization is only for self-defense. What that “self-defense” is, is never clarified in typical Chinese style of maintaining ambiguity.
Chinese President Hu Jintao’s strategic ideology of maintaining “harmonious” relationship with all countries, especially neighbours with which China has maritime and territorial disputes is losing its shine not only overseas but also inside China. Hu Jintao started with the theory of “Rise of China” in 2004, formulated by close adviser Zheng Bingxian. Following questions from neighbours what this exactly meant, Hu changed it to “Peaceful rise of China”. Events proved that both “peace” and “harmony” had to prevail under conditions laid down by Beijing. If not, the consequence would be “or else”. The Chinese position seems to be “under us, or against us”.

To put it briefly 2010 was the water shed year of China’s “arrogant” and “threatening” display of power in the region. The whole assertive behaviour was crafted from 2003 when Chinese strategists began to conceive a new “Monroe” doctrine to share the globe between China and the US. This concept was put to US Secretary of State Hillary Clinton at the Hanoi ASEAN meeting in July, 2010. Though rejected by Ms. Clinton, China resorted to aggressive moves with Japan and the ASEAN claimants to partial areas of the Spratley Islands and South China Sea.

The China initiated 2002 Declaration of Code of Conduct in the development of assets in the South China Sea (DOC), and the new guidelines in July this year for implementation of the DOC remain unworkable. The agreements do not move from China’s full sovereignty over the South China Sea and the Spratley Islands, and any adjustment must be under this condition.

A highly respected strategic analyst of Shanghai’s Fudan University, Prof. Sheng Dingli, pointed out in an article in July this year, several holes in China’s claims and subversion of the UN conference of the Law of the Sea (UNCLOS), to which China is a signatory.

Dr. Jian Junbao, a young assistant professor of the Shanghai Institute of International Studies (SISS) at Fudan University, and currently a visitor at the London School of Economics (LSE) questioned (August 17) in an article in Asia Times Online (Holdings) Ltd, Hong Kong, why “No other big
power like the US, the European Union or even India is subject to so many unfriendly or hostile accusations from its neighbours”. He explained this succinctly, stating “Instead of flexing its military muscle in territorial disputes, China could encourage political, economic and cultural integration in East and South East Asia”. Dr. Jian also mentioned that part of the distrust of China went back to China’s military hegemony over these countries in ancient times. Prof. Sheng Dingli and Prof. Jian Junbao are not the only Chinese strategic experts in China that are looking at China’s foreign relations and strategic policies with a different eye. Assessing North Korea’s sinking of a South Korean frigate which claimed the lives of 47 South Korean sailors in 2010, and North Korea’s shelling of a South Korean island without provocation the same year, several Chinese strategic analysts propounded the view that blind support to North Korea was hurting China internationally. But China’s political and military leadership see the North Korean regime as a strategic card, relevant to China’s own Communist Party’s leadership. But the bottom line of the Chinese Communist party hardliners and the Chinese military establishment remains execution of military power. A section of very senior military leaders are openly charging some of China’s top political leaders of weakness. These expressions do not raise confidence among China’s neighbours who have territorial disputes with China.

After confronting the US including militarily, that is, suspending all military relations with the US late last year, Beijing has reverted to accommodate and even appease the US. Economic relations between China and the US and now the currency issue, are very important. But military relations are critical to its ambitions in the region. Return of the US to South East Asia, which also has a military component, has disturbed China’s hegemonic plan, in its neighbourhood. China’s military backed actions have changed the strategic calculus in the region. Japan’s strategic defence paper for 2011 published earlier this month (August, 2011) takes the hardest look even at China’s lack of military transparency, and threat. It was made clear that Japan may be no longer defensive if it’s immediate territorial interests and beyond in the region are threatened by China.
Australia, which has been pussy-footing with China in its economic interest, especially in iron ore and uranium exports is gearing to maritime security interests, and reaffirming its military alliance with the US. Unstated, this is a US-Japan-Australia security triangulation in the forming, in which the European Union has a solid interest in free economic and trade engagement.

There is a lack of trust between China and Russia. Moscow is uncomfortable with Beijing’s heavy handed behaviour. According to a Russian general, the deployment of the warship Mistral in its eastern region was not against Japan, but for a “million and more strong army”. Russia has other problems with China, too, which has held up its oil supply agreement with China for so long. China has given all signals to be the ombudsman of the East and South East Asia region. It is trying to make the US play ball, which is not a new endeavour.

Nobody should grudge China’s economic growth. That contributes to the region and the world. But if, as developments suggest it wants to clasp the region in its fist, there will be a huge problem. At the moment, it is still the USA, the strongest power in the world that can induce sanity in the region. If the US takes a narrow view and decides to share the region with China, a small Armageddon is waiting below the horizon. It is time the Beijing leaders made some deep introspection to discover why it is the most distrusted large power in the world.
Asia Banyan

China's military power

Modernisation in sheep's clothing

J.M. BEIJING

Aug 26th 2011

THE good news, as suggested by the Pentagon's latest annual report on China's military power, is that Chinese leaders are still eager to avoid confrontation with other powers and focus on beefing up the economy. The bad news, it hints, is that this might not last. With its rapidly improving
military capability (described by the Pentagon in great detail), China has the wherewithal to challenge the security status quo in the Pacific as well as potential motives to do so.

The report is diplomatically couched—though from China's perspective, not nearly enough. It hints at considerable unease about long-term trends in China's military buildup. The last few months have seen some headline-grabbing aspects of this: an assertion by the Pentagon in December that China was making faster progress than expected on an aircraft-carrier-killing ballistic missile, the DF-21D; a new stealth fighter, the J-20, making its first test flight just as Robert Gates, then defence secretary, was visiting Beijing in January; and then this month the maiden launch of China's first aircraft carrier, a refitted Kuznetsov-class ship (as yet unnamed) from the former Soviet Union.

About these particular weapons, the Pentagon avoids sounding alarmed. Of the DF-21D missile, it says that it is still being developed. It does not repeat the claim made by Admiral Robert Willard of America's Pacific Command in December that the missile has reached "initial operational capability". The J-20, it says, is not expected to reach "effective operational capability" before 2018 (China, it says, has yet to master high-performance jet-engine production). China is likely to build "multiple" aircraft-carriers with support craft over the next decade. But it will take "several additional years" for China to achieve a "minimal level of combat capability" with them, says the report.

The Pentagon does say, however, that China is steadily closing its technological gap with modern armed forces. The country’s lack of transparency about this, it says, is fuelling concern in the region about China’s intentions, with some of its neighbours fearing that China’s growing military and economic weight is "beginning to produce a more assertive posture, particularly in the maritime domain". A senior Pentagon official, Michael Schiffer, told reporters that China’s capabilities could “contribute to regional tensions and anxieties”.

Like previous such reports, this one lists forces which could cause China’s self-proclaimed “peaceful development” to become less so. One of these, which was not listed last year, is a growing expectation at home and abroad that China will become more involved in addressing global problems and pursuing its own international interests. This is causing some of the Chinese leaders in responsible positions to worry about taking on more than they can handle, says the Pentagon. Nationalists at home, however, are pushing for a “more muscular” posture.

China is outraged that anyone could doubt its commitment to a peaceful ascent. The Pentagon’s assertions, said China’s state-run news agency, Xinhua, were “utterly cock-and-bull” and based on “a wild guess and illogical reasoning”. Thumping furiously on the table, China apparently believes, is a good way of convincing the world of its pacific intent.

As China gazes upwards, watch this space

Beijing is less likely to seek astral dominance if it is treated as a partner, not a pariah.

Gerard De Groot

25 Aug 2011

Ever since the first rocket shot, man has fantasised about the strategic potential of space. Just after the launch of Sputnik, for instance, one analyst advised detonating an atom bomb on the Moon, purely for dramatic
effect. Another starry-eyed strategist proposed crashing two rockets on to the lunar surface, one filled with blue powder, the other with red. That would make the Moon red, white and blue, just like the American flag. How cool is that?

These ideas quickly burned up in the atmosphere of President Dwight Eisenhower’s good sense. He understood perfectly the danger of allowing soldiers and scientists to gather together and dream. In his farewell address, he warned Americans about the “military-industrial complex” and the possibility “that public policy could become the captive of a scientific-technological elite”. That speech was directed, in particular, at Nasa.

When John Kennedy entered the White House, sanity again gave way to lunacy. JFK saw space as a “high ground” that Americans must occupy. “If the Soviets control space, they can control the Earth, as in past centuries the nation that controlled the seas dominated the continents.” That “high ground” idea never went away. It was, after all, the inspiration behind Ronald Reagan’s Star Wars programme, which had the great defect of being physically impossible, not to mention economically unaffordable. George W Bush nevertheless revived the plan, which he thought might be useful against terrorists. (Don’t ask.)

Recently, the US Air Force has proposed development of “hypervelocity rod bundles” or “Rods from God”. These weapons would involve sticks of tungsten, titanium or uranium hurled from deep space. Hitting Earth at 7,200mph, they would effectively be man-made meteors. (At this point, the reader is free to ask “Why?”)

What no one has yet explained is how space can ever be “controlled”. It is, after all, rather big. Fortunately, in recent years, sanity has returned to American space policy, for the simple reason that the US is now broke. Americans seem also to have realised that they no longer possess the enemies against whom space weapons might be useful. We’re currently in the longest period of peace between great powers since Roman times. Major war seems unthinkable.
Or so it appears. The joker in the pack is China. No one knows quite what they’re planning to do in space. Recent musings from Beijing – highlighted in a new Pentagon report – sound a lot like what Kennedy was saying 50 years ago, with occasional reference to “space dominance”. Evidence suggests that they might be developing a comprehensive capacity to disable satellites. The effect of such a strike would be catastrophic, instantly paralysing the world’s communication and transportation systems.

In a rather disturbing article published a fortnight ago, Dean Cheng speculates on Chinese space intentions and concludes by advocating a more “robust” American military space capability. In other words, he wants the tit-for-tat escalation we saw during the Cold War. Granted, Cheng works for the Right-wing Heritage Foundation, where analysts are paid to panic. None the less, we do perhaps need to pay attention to Chinese behaviour in space.

The big question is why the Chinese might want space dominance, since they are well on their way to the terrestrial kind. Simply by selling things to the rest of the world they’re set to achieve the kind of empire Hitler once coveted, without having to kill anybody. In this scenario, aggression seems ludicrous, since what advantage lies in a shopkeeper killing his customers? The Chinese seem to understand this, as evidenced by the fact that they do not have the massive military capability that once went with great power status. But then why are they practising shooting satellites with lasers? Cheng seems to think that China’s suspicious behaviour in space might be the symptom of a rift between hardliners in the People’s Liberation Army and more pragmatic politicians. Another explanation might be that it’s not the Chinese who are being inscrutable, but the Americans. The Chinese are rightly worried about how the US will react when economic dominance inevitably shifts eastward. They probably feel safe with Obama, but fear what a President Palin might do to restore American prestige. In other words, given uncertainty in Washington, a bit of careful planning for war in space makes sense.

Space is undoubtedly a strategic asset. Modern society is dependent upon satellites in ways most of us cannot remotely imagine. Their destruction
would cripple our communications systems, imperil our safety and send stock markets into freefall. Protecting the system militarily is not feasible, despite what space enthusiasts claim. Putting weapons into space would simply initiate a new arms race.

We must take solace in the fact that global communications and international trade has brought the world closer together. In other words, dependency has to be recognised as an asset. Given our mutual reliance on fragile satellites, advanced nations – including the Chinese – must learn to swim together, or risk sinking as one. That means keeping weapons out of space and co-operating to advance space science for the benefit of all. Quite simply, China needs to be brought into the orbit of nations. The reason China acts like a pariah is perhaps because she has so long been treated like one.

Gerard De Groot is author of 'The Dark Side of the Moon'

Will China Be Rome or Greece?

Richard Weitz

August 26, 2011

The Pentagon’s new report on China’s military underscores the rapid progress it is making. But what exactly is this build-up for?

On Wednesday afternoon, in post-earthquake Washington, the US Defence Department released the latest edition of its annual report to the US Congress on China’s military power. Since the Chinese military remains opaque about its defence plans and programmes, many international
security experts rely heavily on the report’s judgments, notwithstanding its frequent caveats about their limited information concerning these issues – or the objections of Chinese officials that the reporting is misleading.

The latest report offers the balanced assessment that China will need several decades to develop the capacity to project and sustain large high-intensity military operations far from Chinese territory, but it still expects the Chinese armed forces to acquire considerable regionally focused capabilities by 2020. It also estimates that China spent more than $160 billion for its military in 2010, well above China’s official figure, which sounds about right since the Chinese government excludes several categories from the official defence budget.

True to form, on Friday, China’s Defence Ministry, in the first official Chinese response to the report, accused the United States of exaggerating China’s military power. In its faxed comments to Reuters, the Ministry said that: ‘It is very normal for the Chinese military to develop and upgrade some weapons and armaments.’ Chinese officials have repeatedly denounced the annual reporting process as inherently divisive and hypocritical in light of the enormous US defence budget, which is several times greater than even the highest estimate of Chinese military spending.

Even so, the US Congress, building on the precedent set by an earlier Soviet military power report, has directed the Pentagon since 2002 to submit an annual report, with both a public and a classified version, on the People’s Liberation Army (PLA). The report assesses the PLA’s current and likely future capabilities, doctrine, strategies, technologies, force structure, organization, and operational concepts. The FY 2010 National Defense Authorization Act mandated more detailed coverage of military contacts between China and the United States. It also renamed what previously had been known as ‘Military Power of the People’s Republic of China’ as ‘Military and Security Developments Involving the People’s Republic of China.’
The report offers considerable evidence that Chinese strategists and political leaders have assigned an increasing range of missions and tasks to the Chinese armed forces, from winning wars to maintaining stability at home to defending the China’s commercial and economic interests overseas. According to the Pentagon, the Chinese military has been receiving additional resources, altering its doctrine, and restructuring its organization to accomplish these missions better.

The authors document the progress made by each branch of the Chinese military in improving its capabilities and expanding its range of operations since the first report on China’s military power appeared in 2000. The PLA, which previously concentrated on winning a lengthy war of attrition against any possible foreign invader, is now developing the capacity to win short, high-intensity conflicts around China. The PLA Navy (PLAN) is transforming from a primarily coastal defence force into one that could operate outside China’s territorial waters in defence of China’s maritime interests. The PLA Air Force (PLAAF) has transitioned from a service focused almost exclusively on territorial defence to one that could conduct diverse offensive and defensive missions outside China’s borders.

In terms of aggregate operational capabilities, not only have the Chinese armed forces increased the quantity of many of its major weapons systems, but the PLA is acquiring more advanced systems and improving its capacity to integrate the key elements of Chinese military power. The Chinese military has been strengthening its logistics and other support networks for all its individual services. Chinese strategists have placed special importance on making their C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) systems more reliable, survivable, interoperable, and integrated.

Despite its coming out in late August, this year’s report attracted more interest than usual in Washington. Not only is the US Defense Department fighting to defend its budget during a time of major cutbacks, but the PLA has demonstrated a series of new military capabilities, including the PLAN’s first aircraft carrier and the PLAAF’s first stealth fighter. ‘Militarily,
China’s sustained modernization programme is paying visible dividends,’ the report states. ‘During 2010, China made strides toward fielding an operational anti-ship ballistic missile, continued work on its aircraft carrier program, and finalized the prototype of its first stealth aircraft.’

But the report shares the ambiguous judgment of many foreign analysts over whether the PLAN really does possess a stealth aircraft. It states that the J-20 ‘highlights China’s ambition to produce a fighter aircraft that incorporates stealth attributes, advanced avionics, and super-cruise capable engines over the next several years.’

The report also concurs with most experts that the PLAN’s first aircraft carrier, launched earlier this month without combat aircraft, ‘will likely serve initially as a training-and-evaluation platform.’ But the Pentagon also agrees that China is unlikely to simply stop with one obsolescent training carrier, and will instead soon start building a fleet of its own. ‘China could begin construction of a fully indigenous carrier in 2011, which could achieve operational capability after 2015,’ it concludes. ‘China likely will build multiple aircraft carriers with support ships over the next decade.’

The report still doesn't rank the PLA as a global military superpower. In fact, it argues that China will require several more decades to achieve this status. It notes the large quantity of ‘antiquated hardware’ in the PLA’s inventory as well as ‘gaps in some key areas’ in addition to continued ‘deficiencies in inter-service cooperation and actual experience in joint exercises and combat operations.’ According to the authors, the PLA is only ‘steadily closing the technological gap with modern armed forces’ through lavish spending.

Still, in his Pentagon briefing, Deputy Assistant Secretary of Defense for East Asia Michael Schiffer said that US officials weren’t concerned about any single weapon system China is developing. Rather, they are alarmed by the comprehensive and sustained nature of China’s military build-up, which the Pentagon fears could be a ‘destabilizing’ force in the Asia-Pacific region.
The pace and scope of China’s sustained military investment have allowed China to pursue capabilities we believe are potentially destabilizing to regional military balances, increase the risk of misunderstanding and miscalculation and may contribute to regional tensions and anxieties,’ Schiffer said. ‘Such capabilities could increase Beijing’s options to use military force to gain diplomatic advantage, advance its interests or resolve military disputes in its favour.’

Schiffer differed in tone from the report in arguing that, over the next decade, the PLA will field a number of combat systems ‘on par with’ or exceeding global standards, saying China is ‘on track’ to become a regional military power by 2020.

Writing in The Diplomat yesterday, David Cohen nicely captured the balanced gist of the report: ‘While decades away from being able to think about fighting wars far overseas, China may soon be able to plausibly demand the United States get out of its back yard.’

Like previous reports, the latest report stresses that the PLA is seeking to overcome it weaknesses through ‘asymmetric strategies to leverage China’s advantages while exploiting the perceived vulnerabilities of potential opponents.’ Pentagon analysts conclude that the PLA is pursuing ‘disruptive military technologies’ to overcome China’s continuing weaknesses in the more traditional dimensions of military power and to exploit the vulnerabilities of China’s most likely adversaries. In particular, Chinese military leaders are seeking to take advantage of the US reliance on global communications and information support networks through such asymmetric strategies and tactics, hoping if necessary to impose a temporary information blockade on American military forces and otherwise degrade their ability to fight China.

The report documents China’s growing strengths in the unconventional domains of warfare—nuclear, outer space, and the electromagnetic spectrum. These capabilities include China’s improving strategic missile fleet as well as its anti-satellite, cyber warfare, and other programmes designed to neutralize an adversary’s technological advantages. Elements
of China’s conventional forces (such as missiles, mines, submarines and other anti-access/area-denial weapons) also help Beijing deny foreign militaries access to areas around China or at least prevent them from operating effectively there.

This year’s report also notes China’s interest in developing cyber warfare capabilities. ‘In 2010, numerous computer systems around the world, including those owned by the US government, were the target of intrusions, some of which appear to have originated within (China),’ the report found. ‘These intrusions were focused on exfiltrating information. Although this alone is a serious concern, the accesses and skills required for these intrusions are similar to those necessary to conduct computer network attacks.’

In the eyes of Defence Department analysts, ‘Cyber warfare capabilities could serve (Chinese) military operations in three key areas.’ They note that, ‘First and foremost, they allow data collection through exfiltration. Second, they can be employed to constrain an adversary’s actions or slow response time by targeting network-based logistics, communications, and commercial activities. Third, they can serve as a force multiplier when coupled with kinetic attacks during times of crisis or conflict.’

The report was due in March, but was delivered to Congress 170 days late. The months-long delay was presumably due to government agencies’ fighting over changes when reviewing the document.

The main initial impact of the report will be to reinforce the campaign of congressional hawks to shield the US military budgets from major cutbacks. Representative Buck McKeon (R-Calif.), the House Armed Services Committee chairman, highlighted two concerns in a statement issued following the report’s release: ‘First, Beijing’s increasing assertiveness and military capabilities, particularly China’s ability to deny access to the western Pacific, is of growing concern not only to the United States but to China’s neighbours, leading to changes in the military posture of regional actors.’
In addition, McKeon fears that the Chinese are seeking to exploit the global financial crisis to sow doubts about US staying power in the Asia-Pacific. He warned that ‘security in the Pacific could be further jeopardized if our regional allies also come to believe that the United States will sacrifice the presence and capability of the US military in an attempt to control spending. This is an unacceptable outcome in such a vital region of the globe.’

Chinese analysts often complain that China is held to an exceptionally high standard regarding its military activities, and that much of the foreign concerns about China’s growing military power are hypocritical since other countries have carriers and engage in ambitious military activities without evoking international alarm. The reason why China is often treated differently is that many people see in China the world’s next superpower. People naturally ask themselves—will the newly empowered China act like Greece or Rome, like Imperial Germany or England, like Imperial Japan or Soviet Russia. The answer to this question will go far toward defining the state of belligerence in the world during this century.

An effective US grand strategy today requires managing the rising power of China. Like earlier rising great powers, China might use its growing economic and military power to uphold common interests, such as freedom of the seas against pirates, political reconciliation and economic development in the Afghan-Pak region, or nuclear non-proliferation in Iran and the Koreas. But such a benign power transition is rare and certainly can’t be presumed.

Across any number of indicators, China’s economic success has been staggering. Since Deng Xiaoping’s economic reforms in the late 1970’s, China has averaged more than nine percent annual GDP growth. China has attracted hundreds of billions of dollars of foreign investment and its population hasn’t yet peaked. The PLA has increased its capabilities dramatically in many areas, acquiring more powerful warships, warplanes, and unconventional space and cyber capabilities. These new capabilities generally aim to disrupt US military operations in times of conflict.
Power transitions are primed for problems. Historians and other scholars have noted how, at the level of the international system, the rise and fall of great powers typically entails major tensions and often major wars. Ascending powers seek to alter international institutions and the rules to their advantage as well as pursue territorial and other concrete goals. These rising states generally convert some of their growing wealth into power projection and other military capabilities—which they can in turn employ to pursue their foreign commercial goals. Declining great powers will resist these predations on their overseas economic interests and the existing world order of institutions and norms from which they benefit. Unresolved border disputes, competition for scarce resources, and status and prestige considerations can precipitate an armed conflict.

Rising powers also tend to apply their growing strength to resolve territorial conflicts in their favour. Beijing’s case is more menacing because so many of its land and sea borders are contested with other states. China’s excessive claims to sovereignty over neighbouring waters are worrying given the conflicting claims and the vital importance for maritime navigation of these sea lanes. US forces provide strategic deterrence and military security for many East Asian states, like Japan, South Korea and Taiwan, among others. Many Asian leaders privately, and some openly, look to Washington to balance a more assertive Chinese foreign policy in the region.

US defence analysts in the Pentagon and elsewhere, meanwhile, have stressed the need to maintain US command of the ‘global commons,’ i.e., the maritime, air, outer space, and the cyber domain. This primacy gives the United States the ability to strike anywhere very quickly, and very hard, while at the same time allowing allies to benefit from US extended security guarantees. As long as the United States acts to keep the commons open to all legitimate users, other countries will support this US hegemony because it directly benefits them—they are able to enjoy free use of the commons without having to pay the full burden of upholding it.

Unfortunately, China’s development of ballistic missiles and other anti-access, area denial, and asymmetric capabilities is challenging US primacy
in the sea and air near China, as well as the cyber and outer space domains more broadly. The Chinese apparently aim to disrupt US space satellites, computer systems, and use other vital Defence Department information and communication networks in an attempt to degrade US military capabilities while the PLA uses the opportunity to establish a fait accompli, such as the occupation of Taiwan.

The fundamental question is whether this Chinese-driven power transition will engender major wars, as has often occurred in the past, or whether the transition can be managed in a way that avoids unnecessary loss of life, time, and resources. When confronted by rising powers, the established state can respond in many ways, from graceful retrenchment as occurred during the transition from British to US leadership, to pre-emptive war, as several powers responded to the growing power of Germany. As China’s economic and military power increases relative to the other great powers, Chinese leaders are likely to demand more influence over the world’s key international institutions and norms. In some cases, these demands should be embraced. But not all of them.

**Decoding China’s Aircraft Carrier**

Trefor Moss

August 13, 2011

There’s been much speculation about the implications of China’s first aircraft carrier. The Diplomat answers some of the key questions.

When is an aircraft carrier not an aircraft carrier? The answer could be: when it is Chinese.

The first aircraft carrier in the history of the People’s Liberation Army Navy’s (PLAN’s), which began sea trials earlier this week and churned up
no shortage of media conjecture as it got underway, has to be understood on two different levels: the symbolic and the purposive.

Symbolically, the launching of the carrier is another instalment in the narrative of China’s achievement of great-power status. It belongs in the same bracket as the Three Gorges Dam, the Qingdao-Haiwan sea bridge and high-speed rail: mega-projects that demonstrate China’s technological prowess and boundless capacity to accomplish whatever it sets its mind to (even if, before too long, the dams crack and the trains crash).

The carrier’s military symbolism is also immensely powerful. In truth, the PLA’s most successful modernisation programmes haven’t been conventional platforms like warships so much as asymmetric weapons – systems that aim to subvert the enemy’s strengths rather than counter them with like-for-like solutions. Anti-ship ballistic missiles, anti-satellite systems and cyber warfare all fit into this category. Aircraft carriers most certainly don’t. However, the general public – not to mention the mainstream media and presumably many politicians, including Chinese ones – have no idea what asymmetric weapons are; they are esoteric concepts that don’t capture the imagination. Aircraft carriers on the other hand, just like the flashy new fighter jet that China debuted in January, are part of the widely understood lexicon of hard power. People appreciate that a country with an aircraft carrier is part of an elite and powerful club – and that’s precisely the message that the Chinese government wants the carrier to convey both to its domestic and foreign audiences. It’s a comprehensible metaphor for China’s arrival, and something to keep the nationalists sweet.

The ship has great economic symbolism as well. Just as China was launching its carrier, the United States was announcing that it was trimming the size of its carrier fleet in order to save money. It was the perfect moment for the Xinhua news agency to chide has-been America for spending reckless amounts on defence so that it could ‘meddle’ internationally while ‘paying no heed to whether the economy can support this.’ The message was that only China, sitting pretty atop $2 trillion in reserves, now has the fiscal right to build these military luxuries.
However, the practical purpose of China’s aircraft carrier programme is more open to interpretation. Is the carrier a symbol, and nothing more? Or is the refurbished ex-Soviet vessel also the thin end of a wedge that will culminate in a bona fide Chinese carrier capability, with all the security implications that that entails? With many countries in the Asia-Pacific looking on with varying degrees of concern, there are important questions that need to be addressed:

What is China’s first carrier actually capable of?

China’s own declaration that the ship is ‘obsolete’ and ‘for training purposes’ is probably fairly accurate. Naval analysts Andrew Erickson and Gabriel Collins have described the ex-Varyag – widely reported to have been renamed Shi Lang – as a ‘starter carrier,’ and it’s hard to imagine it ever being used as a weapon of war. This is a ship with training wheels for a navy that has never operated a carrier before. The first major milestone, after confirming that the ship itself functions, will be equipping the carrier with its air arm of naval J-15 fighters, which are themselves unproven and still in development. Dean Cheng, a research fellow at the Heritage Foundation, estimates that the PLAN could achieve this objective within a six to 18-month timeframe. But training pilots to fly off carriers will be a long and costly exercise, he says. ‘This will inevitably involve failures, they will lose pilots,’ Cheng warns. ‘How will they handle that and what will be the political ramifications?’

How will China develop its carrier fleet thereafter?

This is unknown. China is rumoured to be constructing two new indigenous carriers at the Jiangnan Shipyard in Shanghai, though this hasn’t been confirmed, and to be targeting a 2015 launch. This assumes that Chinese ship-builders are able to overcome the problems of constructing this particularly complex type of ship (it took five years just to refurbish Varyag). The design of the new carriers will reveal a great deal about their capabilities, not least their size, whether they are nuclear or conventionally powered, and whether they have ski ramps (like Varyag) or catapults that might accommodate larger aircraft capable of flying reconnaissance and
command-and-control missions (Chinese engineers have no experience so far of many of these technologies).

Developing doctrine for the carriers will be less of a challenge, Cheng reckons. ‘Shi Lang has been in refurb at least five years, so they’ve been thinking about doctrine for a long time.’ China might be expected to build these first two indigenous carriers and then pause, as it hasn’t historically constructed large series of naval vessels (except small patrol and attack craft). However, Stacy Pedrozo, of the Council on Foreign Relations, writes that China intends to use aircraft carriers to help ‘put an end to US military dominance in the Pacific and Indian Oceans’ in the 2020 to 2040 timeframe, and achieving this would seem to require the construction of several additional carriers, working on the principle that you need three carriers to keep one continually at sea. In a recent congressional report, naval affairs analyst Ronald O’Rourke suggests that China could build as many six in total.

What peace-time applications would a fleet of Chinese carriers have?

China will use its carriers as bearers of diplomatic signals, both friendly and unfriendly. They will be used for high-impact port calls and humanitarian/disaster-relief missions. They will also be called upon to express Beijing’s dissatisfaction. ‘An early operation will be the conducting of air operations outside the 12 nautical mile limit off the United States’ west coast to counter US operations off the Chinese littoral,’ predicts Cheng. They could also be deployed to bolster China’s presence in the disputed territories of the South China Sea, especially as long as the PLA Air Force’s range is limited by its lack of air-to-air refuelling capability. However, Beijing would have to weigh this option against the incendiary – and potentially escalatory – impact that a carrier’s presence might have during times of tension.

And what are the war-time applications?

‘The carrier would be a sitting duck in a conflict,’ suggests a US naval analyst, speaking on background. ‘The prestige value is its serious function.’ There is therefore a real possibility that China has no intention of
ever using its carriers as war-fighting assets, since to risk losing one would be a significant blow to national prestige, just as the carrier’s launch has been a boost. The deep water of the South China Sea, ideal for submarines, would be an unforgiving operational environment for a Chinese carrier in war-time, unless China significantly advances its anti-submarine warfare capabilities, masters highly complex naval air operations and develops a range of other protective systems and escort operations (which, given China’s vast R&D budget, it has a realistic chance of doing).

But even then, Robert Rubel of the US Naval War College writes that, while the aircraft carrier is far from obsolete, ‘the seas, at least certain areas of them, are becoming no-man’s land for surface ships’ – and remember that Chinese carriers are entering this harsh environment from the lowest possible base. It’s hard to imagine, therefore, that the PLA intends for these carriers steam into battle to be nothing more than soft targets for enemy aircraft, missiles and submarines. ‘We should not assume that the Chinese are going to use these carriers in the ways that we would like them to,’ says Cheng. Feasibly, China could employ its carriers to participate in international operations requiring air power, but Beijing doesn’t yet seem politically minded to involve itself in this kind of mission. As for warfare against peer or near-peer nations, China might be calculating that it’s highly unlikely ever to be involved in this type of warfare, and that its carriers’ vulnerability will therefore never be exposed.

Do Chinese carriers alter the balance in the Taiwan Strait?

The PLA’s modernisation programme has been heavily guided by the Taiwan contingency, and China already has over 1,300 missiles in place with which to strike the island. So it’s hard to see how a Chinese aircraft carrier changes the calculus. In fact, the carriers are probably the clearest indication of post-Taiwan thinking that the PLA has demonstrated to date. Still, Taiwan reacted to the launch of Shi Lang by trumpeting its new Hsiung Feng III anti-ship cruise missile, complete with a picture of the weapon dispatching a Chinese carrier. Yet this was only a PR exercise – Taipei knows that the PLA’s missiles, not its new ship, are the real threat.
It’s ironic that while the original Shi Lang was a Qing commander who captured Taiwan, this Shi Lang has little prospect of following meaningfully in his footsteps, even if China one day reclaims the island.

What are the implications for the South China Sea?

The possession of aircraft carriers undermines China’s argument that its defence strategy is purely defensive in nature. As a power-projection asset, an aircraft carrier has no defensive application, and this fact hasn’t been lost on China’s neighbours. Vietnam, for example, is investing in six Russian Kilo-class submarines in direct response to PLAN modernisation (though not aircraft carriers specifically) – mainly because it disbelieves China’s statements of benign intent. ‘The Kilos plus Vietnam’s Sukhois, as well as the land-based Bastion [anti-ship] missiles that Vietnam has, would all be a big problem for a Chinese flotilla,’ explains Carlyle Thayer, a professor at the Australian Defence Force Academy. So we return to the PLA’s age-old problem: communication. China has never articulated what its aircraft carriers are for, and until it does so its neighbours – already sensitive about perceived acts of aggression in the disputed zones of the South China Sea – will continue to wonder whether Chinese power is about to be projected in their direction. ‘It’s for some of those smaller powers on China’s periphery, much more than Taiwan or the US, that this could fundamentally change things and force them to respond,’ says William Murray, a professor at the US Naval War College. ‘China is going to have a tough time persuading them.’

China’s aircraft carriers, far from being the anachronistic conventional weapons they seem, could therefore prove to be the most impressive asymmetric weapons that China has developed so far: warships that pack an almighty diplomatic punch – raising esteem at home and commanding respect abroad – but which aren’t designed for battle. Meanwhile, the United States and others will expend a huge amount of energy over the next few years trying to figure out if this is really the case.

Chinese capitalism has relied on diaspora entrepreneurs like Tang. In this sense, the rise of China represents the triumph of a race and a culture.
Indeed for most of its history China’s most important export was not silk or porcelain but people. To measure the rise of the Sinosphere, one has to consider not just China itself but what historian Lynn Pan has described as the “sons of the Yellow Emperor.”

The Sinosphere’s roots lie with the Han expansion into southern China during the Tang dynasty (618-907). By the 12th century, the newly Sinofied southern Chinese had started moving south. There they created trade-oriented colonies like Vietnam, Burma, Malaya and the island of Java. In the 1600s Chinese settlers overcame the aboriginal inhabitants of Taiwan, creating another powerful base in the South China Sea.

At its height, during the expeditions of the legendary eunuch Admiral Zheng Hein in the early 15th century, China’s maritime “sphere of influence” extended all the way to the Indian Ocean and beyond.

Although ensuing Chinese regimes pulled back from expansion and all but abandoned their scattered children, the colonies, particularly in Southeast Asia, survived. They developed business and industries suitable to their new homes, but also maintained their cultural heritage and language. After the Chinese Communist takeover of the mainland in 1949, the diaspora colonies retained their capitalist orientation. Many established trading operations and sent their children to the United States, Canada and Australia, where they enjoyed remarkable success.

Hong Kong, Singapore, Taipei, Rangoon, Bangkok and Jakarta can be seen as the original testing grounds for Chinese capitalism. In the past few decades North American regions such as Silicon Valley, Southern California, Toronto, Vancouver and New York-New Jersey have been added to the mix. Overall the entire overseas Chinese population has risen to nearly 40 million. Taiwan, which is de facto independent, is home to an additional 23 million, and Hong Kong and Macau, officially part of China but governed under different laws, boasts some 7.5 million.
Even today the ties between overseas Chinese and their home country remain close. The original diaspora countries—including Hong Kong—remain principal sources of investment into China. Among the ten largest sources for inbound investment to the PRC are Hong Kong, by far the largest investor, fourth-ranked Singapore and ninth-ranked Taiwan. Each brings more investments into China than such major powers as Germany, France, India and Russia. The United States, home to the largest overseas Chinese population outside Asia, ranks fifth.

Other investments come from places like British Virgin Islands, the Cayman Islands and Samoa, which often act as conduits for investors who do not want to be too closely monitored. This seems to include many Chinese investors, particularly in Taiwan, who may not want too much scrutiny of their outlays into the PRC. This includes even Chinese government-owned firms such as China Mobile Communication Corp., which has established an investment HUB in the far away British Virgin Islands.

As China itself has become wealthier, financial flows from the diaspora have continued to increase. Hong Kong’s investment into China grew from $18 billion in 2005 to $45 billion four years later. Singapore’s investment surged from $2.2 billion to $4.1 billion in the same years. This has occurred while new investment from such powerhouses as the United States, Japan, Korea and Germany has stagnated or even dropped.

The second phase of the Sinosphere has been dominated largely by industrial projects, many of them financed or helped technologically by the diaspora. Much of trade, initially, was targeted to the rich consumer markets of North America, Europe and Japan. Between just 2007 and 2009 China’s share of world exports expanded from 7% to 9%.

But today the Sinosphere’s trade flow is shifting. An analysis of trade growth between 2005 and 2009 shows a significant change in focus away from advanced countries to the developing world. In the second half of the last decade, for example, trade with the United States, Japan, Germany, South Korea and the Netherlands grew by less than 50%. In contrast, commerce with key developing countries—including Afghanistan, Tajikistan,
Mauretania, the Democratic Republic of the Congo, Liberia Turkmenistan, Iraq and Laos–grew ten times. Trade with large emerging economies, notably Brazil, India, Mexico and South Africa, increased five times during the same period.

China’s thirst for resources is a big driver of this shift. Now the world’s largest car market and consumer of energy, China is in great need of oil, gas, and other natural resources. It also requires vast amounts of foodstuffs, notably corn and soybeans, for its increasingly urbanized population.

Two of China’s new trade thrusts follow historic patterns of expansion, the first being growing investment in the Mekong Delta and Southeast Asia (Laos, Vietnam, Myanmar, Thailand, Cambodia and Malaysia). For 2010, Chinese invested $7.15 billion in energy projects alone in Myanmar. On the military side, this also includes moves by China to secure offshore islands for energy development, which is a potential source of conflict with Vietnam, the Philippines and Japan.

The second big expansion is along the old “silk road” connecting eastern China to the energy and mineral rich “stans” of Central Asia. This shift enhances the importance of inland Chinese cities, such as Xi’an, Chengdu and Chongqing, which are natural entrepots for central Asian trade. Perhaps even more important may prove the role of Kashgar, which was designated last year as the Special Economic Zone. Sitting on the western edge of the Xinjiang Uyghur Autonomous Zone near the border of Tajikistan, the Chinese envision Kashgar as the main rail and air link to the stans. Recent disturbances by the local Muslim majority, however, could threaten these ambitious plans.

As China’s economy and wealth has grown, it has moved from being merely a recipient of inbound investment into a major exporter of capital. China’s outbound investment is growing much faster, rising 21% in just the past year; its overseas investment overall has grown from 53.3 billion in 2005 to 224.4 billion in 2009.
Although still the largest destination for foreign investment, the country has vaulted into the top four in terms of outbound outlays just behind the U.S., Japan and the U.K. It is not inconceivable that China could challenge the U.S. as the world’s top foreign investor.

The country’s investment strategy seems to be following two powerful trends. One has to do with the acquisition of resources to feed the Chinese industrial machine and its growing consumer market. This explains the rapid growth of investment into the Middle East, South America and Africa. Four of the five fastest-growing investment areas for large scale investments—South Africa, Canada, Nigeria and Australia—are all major commodity exporters. Chinese investment in these countries has been growing from three to five times as quickly as those in the U.S. or Western Europe.

The second, less obvious, trend relates to the idea that these countries, with generally faster growing populations, represent the most lucrative future markets for Chinese exporters. This may be best seen in the rapid growth of Chinese government grants as well as the provision of interest-free and concessional bank loans, such as those provided by the government’s Exim bank, primarily to Chinese companies seeking to invest in developing nations, especially Africa, over the past decade. PRC financial backing for companies and projects in countries such as Angola, India, Equatorial Africa, Turkey, Egypt, the Congo and Algeria have grown over 100 times since 2005. Other key developing countries such as South Africa, Ethiopia, Somalia and Ghana all saw increases of tenfold or more.

These developments tell us something of the future of the Sinosphere. It will be largely funded by the Chinese and their diaspora, less focused on the West and more on developing countries, including increasingly those outside the traditional stomping grounds of Chinese entrepreneurs. The emerging Sinosphere is also likely to be somewhat less focused on manufacturing and more on services like real estate, finance and high-technology exports. This is partially due to the appeal, for manufacturers, of less expensive, more youthful countries like Bangladesh, Vietnam and
Myanmar. Wages for manufacturing workers in the Philippines, Vietnam and Indonesia are now less than half of those in China.

These shifts are already evident by looking at recent trends in inbound investment to China, much of it from the diaspora and tax havens. Between 2005 and 2009, for example, industrial investment fell from 70% to barely 50% in 2009. The total investment in industry has remained stagnant while dollars into scientific research have grown almost five-fold. We can expect more of this as China prepares to challenge America, Japan and other advanced countries in basic research. At the same time investment into real estate has tripled, while both software and financial flows have more than doubled.

All this explains the importance Chinese officials place on expatriates like the Taiwan-born Tang. In the 1980s and 1990s Taiwanese and Hong Kong firms spearheaded the development of China’s manufacturing prowess. Now the mainland leadership hopes that high-tech executives such as Tang will nurture and direct China’s leap into the first ranks of the global digital economy, with Perfect World’s Chengdu engineers epitomizing the future imagined by China’s aggressive regional officials. The fact that the company’s games are based largely on Chinese mythology makes the effort an even more natural fit. But Perfect World is not just looking at the Chinese or diaspora markets; it is also marketing aggressively to young gamesters in Europe and North America.

All this can be seen as a direct challenge to the long dominant software and entertainment industries of the West, heretofore largely unchallenged by China. In a world increasingly ‘SINOFIED’ there may be huge potential for Sinosphere companies to move beyond exporting tangible goods, and increase their trade in ideas and culture to the rest of the world.

“We are well on our way,” Tang explains from his perch in Chengdu. “China’s move into this kind of business is just beginning.”

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The Growing Threat of China's Air Force

Michael Auslin

China watchers have been fixated on the maiden voyage of Beijing's first aircraft carrier this month. However, U.S. and Asian defense planners should take care not to ignore another aspect of China's growing military might. The Chinese Air Force may one day play the most significant role in challenging America's military presence in the Asia-Pacific. At the same time, looming cuts to the U.S. Air Force may wind up reducing its ability to protect American interests.
As the U.S. Air Force's National Air and Space Intelligence Center put it in a report last year, the People's Liberation Army Air Force, or Plaaf, has been "transforming itself from a poorly equipped and trained organization into an increasingly capable fighting force. Dramatic changes have occurred, and continue to occur, in the areas of mission, organizational structure, personnel, education, training, and equipment."

Today, the Plaaf remains years behind the U.S. Air Force in experience, training and operational planning. But it is emphasizing those areas in an attempt to catch up.

Analysts of China's Air Force warn against focusing solely on the planes it has, or "tail counting." An appreciation of its capabilities instead begins with what it can fly. The leading edge of its air power is the advanced Russian Su-27/30 fighter, of which it has 150 planes, followed by more than 100 indigenously produced J-11s, based on the Su-27 model, and nearly 200 multirole J-10s, which have both air-combat and ground-attack capabilities.

The Su-27/30 compares with any U.S. fighter, save the stealthy F-22, and China plans on adding nearly 100 more related J-11s. Overall, the Plaaf has more than 1,600 combat aircraft, which does not count the nearly 300 combat aircraft of the separate PLA Navy air forces. China's Navy, with its own combat air arm, is also flying advanced fighters and has been training its pilots to get ready for carrier operations.

The Plaaf is also looking to the next generation of weapons. Earlier this year, it flew the first prototype of a fifth-generation stealth fighter, the J-20, ostentatiously doing so while then-Secretary of Defense Robert Gates was on a visit to China to repair military relations.

While the J-20 is at least a decade away from being operational, even Mr. Gates was forced to shorten his predictions of when American pilots would face Chinese stealth fighters. As Chinese pilots begin to engage in joint operations, night exercises and longer-range missions from its dozens of bases in coastal regions, the specter of a Chinese air umbrella over eastern Asia begins to look less far-fetched.
China has moved beyond simply buying more planes and improving its training. In 2004, it came up with its first specific Plaaf strategy, focusing on "integrated air and space operations, both defensive and offensive." Using cyberwarfare, space assets and quick offensive strikes, the Plaaf is trying to become a high-tech, high-tempo aerospace force.

Not surprisingly, this doctrine is designed to negate the strengths of U.S. air and naval forces in the region, which would be fighting along extended lines, without immediately accessible bases for repair and resupply. China's military leadership, moreover, is building the missile capacity to try to destroy those vulnerable bases in Japan, Guam and elsewhere.

All this development may be emboldening China's Air Force. This June, two Su-27s chased a U.S. reconnaissance plane flying over the Taiwan Strait. According to press reports, one of the Chinese fighter planes crossed the median line of the Strait, which has served as a de facto border between Chinese and Taiwanese territory for decades.

Earlier this year, Manila complained that Chinese jets flew into Philippine airspace during a dispute over maritime territorial claims in the South China Sea. Not forgotten in either Washington or Beijing is the March 2001 incident in which an aggressive Chinese pilot collided with a U.S. EP-3 reconnaissance plane, killing himself and causing the Americans to crash-land on Hainan Island, where they were held for 11 days.

In the face of this Chinese buildup, Washington needs to do more to maintain its air-power superiority. In any conflict with China, the U.S. would rely on U.S. air power from the outbreak of hostilities. However, its aging F-15s and F-16s increasingly will be unable to match more modern Chinese counterparts, and even the far superior skills of U.S. pilots can't make up for outdated aircraft.

China's development of a carrier-killer missile means that U.S. naval air power may be pushed farther out into the Pacific. The rash decision to cancel the F-22 means the U.S. is dramatically limited in the numbers of the one aircraft that could assure command of the skies, while the F-35 is becoming increasingly expensive and is still behind development schedule.
The Pentagon must resist any temptation to cut the number of F-35s, lest it become permanently outnumbered by Chinese fighters whose pilots will get better and more experienced over time.

Large numbers of Air Force tankers, with escort, will be needed to keep American birds in the fight. Moreover, hardening key bases at Kadena in Okinawa and Andersen on Guam is needed to assure the survivability of the U.S. forces that may be able to limit hostilities early on.

Given the dispersal of China’s bases and its bomber fleet, the U.S. must develop a credible long-range strike bomber, in part as a way to ensure escalation control in any conflict with China. Relying solely on land- or sea-launched missiles for mainland strikes may prove to be destabilizing in a crisis, whereas stealthy manned bombers that can be recalled can serve to hold major targets at risk while preserving operational flexibility.

Finally, the U.S. needs to ensure that its allies have up-to-date air capabilities. The Obama administration is wrong to deny Taiwan the more advanced F-16s that it has requested, and it should do everything possible to help Japan and South Korea choose the F-35 for their next-generation combat aircraft. Without all these measures, the skies of East Asia may one day become as turbulent as the seas below.

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**Did China Tip Cyber War Hand?**

Andrew Erickson & Gabe Collins

August 25, 2011

A programme broadcast on the military channel of China’s state TV raises new questions about Beijing’s support for cyber attacks.
Amid growing US concerns over ongoing Chinese cyber attacks, attribution remains the most complex issue. At the open source level at least, it has been hard to find a ‘smoking cursor.’ That is, until the broadcast of a recent cyber warfare programme on the military channel of China’s state TV network.

The programme appeared to show dated computer screenshots of a Chinese military institute conducting a rudimentary type of cyber attack against a US-based dissident entity. However modest, ambiguous—and, from China’s perspective, defensive—this is possibly the first direct piece of visual evidence from an official Chinese government source to undermine Beijing’s official claims that it never engages in overseas hacking of any kind for government purposes. Clearly, Washington and Beijing have much to discuss candidly here if they are to avoid dangerous strategic tension.

China Central Television 7 (CCTV-7) is China’s official channel for military and agricultural issues. As part of its wide-ranging coverage, every Saturday it runs a 20-minute programme called ‘Military Science and Technology.’ It’s always worth watching, given the range of timely topics covered and the detailed analyses offered by Chinese specialists. The July 16 edition was particularly so.

Entitled ‘The Internet Storm is Coming’ (网络风暴来了), it begins with a broad discussion of cyber attacks. It showcases a statement by then-US Defense Secretary Robert Gates at the Shangri-La Dialogue in Singapore in June. This important international conference was also attended by Gates’ Chinese counterpart Gen. Liang Guanglie. Emphasizing that the United States was extremely concerned about the cyber attacks that it was continually suffering from, Gates suggested that some attacks could rise to the level of an act of war and prompt the United States to respond with force.

Chinese Military expert Du Wenlong then highlights President Barack Obama’s May 2009 remarks in which he emphasized the importance of securing the nation’s digital infrastructure and declared it a strategic national asset. Du explains that Washington would regard some types of
cyber attacks as acts of war because modern military operations rely heavily on digital networks and cyberspace: ‘networks have become the basis for military action and for winning a war.’ Du appears to be well acquainted with his subject matter, and provides cogent explanations of complex cyber issues.

But here is where the programme deviated from its typical theoretical coverage of broad military trends for six seconds to offer an unusually-specific Chinese example. An initial screen was labelled ‘Vulnerability Report’ in large letters; a narrator intones that ‘there are many Internet attack methods.’

As the narrator discusses a means of implementing hard and soft cyber/network attacks, footage displays what appears to be a human-operated cursor using a software application with Chinese character labelling to launch a ‘distributed denial-of-service’ (DDOS) attack.

This particular DDOS is against a website formerly affiliated with the dissident religious group Falun Gong. Under large characters reading ‘Select Attack Target,’ the screenshot shows ‘Falun Gong in North America’ being chosen. Here it must be emphasized that DDOS attacks are generally extremely rudimentary. As will be explained later, if the footage in question was real, it’s likely a decade old.

Drawing on a ‘Falun Gong website list’ encoded in the software, the cursor selects the ‘Minghui Website’ from a pull-down menu of Falun Gong websites. Minghui.org is the main website of Falun Gong’s spiritual practice, and hence a logical target.

Hovering over a software window labelled ‘IP Address of a Website Chosen to Attack,’ the cursor selects the IP address 138.26.72.17. This was once linked to the University of Alabama in Birmingham. According to the Falun Gong-supporter-founded Epoch Times, a UAB network administrator ‘recalled that there had been a Falun Gong practitioner at the university some years ago who held informal Falun Gong meetings on campus. They
couldn’t confirm whether that individual used the IP address in question, and said it had not been used since 2010.’ PC World added that the site was created ‘by “a former student and was decommissioned in 2001 as it violated our acceptable use policy,” according to Kevin Storr, a UAB spokesman.’

During this sequence, some interesting characters remained at the top of the screen: ‘Attack system…PLA Electronic Engineering Institute.’

The programme then returns to general cyber attack themes.

As this research note went to press, the programme footage remained readily visible and viewable on the CCTV website.

Why is this important? It’s significant that an official Chinese state TV channel showed even a symbolic representation of a cyber attack, particularly one on an entity clearly located in a foreign sovereign nation. First, as one of its central emphases, China insists forcefully on realizing an extremely expansive definition of national sovereignty—it’s difficult to see how such activities could possibly be in accordance with this overall approach. One of the greatest sources of friction in US-China relations are fundamental differences regarding the scope of sovereignty, with China almost invariably the more indignant and assertive party. Second, official spokespeople for most other nations thought to have substantial offensive cyber and intelligence capabilities studiously refrain from addressing those capabilities directly, and hence from potentially making statements that don’t appear to be credible about such issues. But Chinese officials instead issue blanket denials in this regard.

In 2010, for example, Chinese Foreign Ministry spokeswoman Jiang Yu denied that China has been responsible for cyber attacks: ‘Some reports have, from time to time, been heard of insinuating or criticising the Chinese government…I have no idea what evidence they have or what motives lie behind. Hacking is an international issue and should be dealt with by joint efforts from around the world.’
That same year, a spokesman for China’s Ministry of Industry and Information Technology declared: ‘accusation that the Chinese government participated in (any) cyber attack, either in an explicit or inexplicit way, is groundless and aims to denigrate China…We are firmly opposed to that…China’s policy on Internet safety is transparent and consistent.’

Unfortunately, despite this recent incident and a larger ‘inbox’ of mounting evidence to the contrary, Chinese official responses are likely to follow the well-trodden path of distributed denial of responsibility—thereby further straining Beijing’s credibility in foreign audiences.

Of course, as with many incidents involving apparent, alleged, or uncertain Chinese military capabilities, this one raises more questions than answers – what was the motive for displaying the software footage? Where did the footage come from, and how was it created? At what level were decisions to insert and retain coverage made? Who was the intended audience?

Since it seems unlikely, given its professed cyber security concerns and substantial technological capabilities, that Beijing allows itself to be defenceless against what it alleges to be the extensive predations of others in the offense-dominant domain of cyberspace, the alternative would appear to be that China is not being forthcoming in public about its development of offensive cyber capabilities. But why should this be, since virtually no Western experts or government officials believe such statements to be true?

The most plausible answer would appear to be that China’s government sees value in appearing to be defensive, and morally virtuous, before a domestic audience—its most important audience. It’s also possible that calling too much Chinese public attention to the nation’s cyber capabilities could remind Chinese netizens further of the extensive Internet censorship that currently constrains their lives online, and which many find increasingly frustrating.

Then there’s the issue of the extent to which China’s government may work with semi-, loosely-, and irregularly-affiliated, or firewalled-off, ‘Patriotic Hackers’ to do its bidding. Perhaps it’s seen as best to preserve at least
some form of plausible deniability to deflect inquiries concerning these controversial issues, the better to unite citizens against perceived foreign threats and avoid unpredictable foreign invitations to strategic dialogue.

None of this, of course, explains the CCTV-7 footage’s provenance and appearance per se. On the one hand, a large ‘Attack’ button may seem cartoonish. On the other hand, this is no doubt a popular concept among Chinese cyber warriors and their foreign counterparts alike, who have been schooled originally in video and computer games like World of Warcraft and may have some say in how software is constructed—there’s no reason why such a configuration would be inherently dysfunctional.

Perhaps the least unlikely explanation is that programme producers sought specific footage to document specific cyber attack techniques. For reasons of Chinese pride, and perhaps PLA assertiveness, they wanted to show that China could do something itself in the face of perceived threats. Falun Gong, particularly despised by Beijing, offered a politically-correct and ‘morally justified’ target even for ideologically dubious techniques. Footage from previous interviews and interaction with the PLA Electronic Engineering Institute may have happened to be available in convenient form, and met visual requirements. In any case, it would seem that nobody in the decision-making chain objected at the time.

Perhaps most importantly, the CCTV-7 software contents appear to correlate so closely with a set of attacks that China is alleged to have engaged in a decade ago that their construction would appear to be tedious for the production schedule of a major weekly television programme.

Regardless of the realities concerning these particular software images, there does appear to be a larger pattern of related Chinese government activity. A 2002 RAND study by noted China security/cyber experts Michael Chase and James Mulvenon offers both context and a plausible explanation for the CCTV-7 footage. It may date to activities occurring in 1999 and 2000 that they analyse in depth, marshalling a range of sophisticated inductive and deductive approaches to support their arguments:
There is some evidence to suggest that the Chinese government or elements within it have engaged in hacking of dissident and antiregime computer systems outside of China...evidence exists to support the conclusion that the Chinese government or elements within it were responsible for one or more of the China-origin network attacks against computer systems maintained by practitioners of Falungong in the United States, Australia, Canada, and the United Kingdom. After the exposure of the role of certain Chinese security agencies in the attacks, the later, more sophisticated intrusions were believed to have been carried out by cut-outs, making it more difficult to ascertain the extent of government involvement. This was especially true of the attacks that occurred in winter and spring 2000.'

Chase and Mulvenon acknowledge that a Ministry of Public Security ‘rogue element’ might conceivably have perpetrated these attacks without senior party leadership or MPS leadership sanction. In analysing the considerably more sophisticated follow-on attacks of 2000, however, they offer evidence to suggest a state-level interest in their coordination:

‘The first of the renewed attacks against Falungong servers occurred on March 11, 2000, coinciding with the meetings of the National People’s Congress in Beijing. The hack, which used a denial-of-service technique...brought down the main server in Canada (www.minghui.ca), as well as three mirror sites (www.falundafa.ca, www.falundafa.org, and www.minghui.org).’

‘Attacks on Falungong servers reached a crescendo in mid-April 2000...The timing of the attacks coincided with two sensitive political events: (1) the impending vote in the United Nations Human Rights Commission on a UN resolution condemning Chinese human-rights abuses, including persecution of Falungong; and (2) the one-year anniversary of the April 25, 1999, gathering of Falungong practitioners outside the central leadership compound in Beijing.'

In viewing this summer’s CCTV-7 footage, then, we are quite possibly afforded a peek into relatively unsophisticated techniques from a decade
ago. It certainly looks like a ‘smoking cursor,’ albeit a relatively modest one. China undoubtedly has far superior capabilities at its disposal today.

Regardless of the Chinese government’s public positions for domestic consumption regarding cyber attacks launched from Chinese soil, it will have to deal increasingly with an important foreign audience. The US International Strategy for Cyberspace, issued in May 2011, reflects the increasing seriousness with which the US government views cyber security.

The report declares that ‘When warranted, the United States will respond to hostile acts in cyberspace as we would to any other threat to our country…We reserve the right to use all necessary means—diplomatic, informational, military, and economic—as appropriate and consistent with applicable international law, in order to defend our Nation, our allies, our partners, and our interests.’

To be sure, identifying an attack source that could be retaliated against is exceedingly difficult. However, taking a more aggressive stance against cyber attacks, even to the point of having cyber attacks serve as a potential trigger for alliance mutual defence obligations such as Article 5 of NATO, raises a number of interesting doctrinal possibilities.

One is that physical infrastructure utilized in a cyber attack on US government assets could be held at risk, while another is that—similar to the US position on terrorism—the source country of a cyber attack could be held responsible for the actions of parties operating from its soil, whether or not they can be credibly linked to the country’s government.

As one of his last major official contributions to US-China relations, Robert Gates placed a very important message in China’s inbox:

‘I think we could avoid some serious international tensions in the future if we could establish some rules of the road as early as possible that let people know what kinds of acts are acceptable, what kinds of acts are not, and what kinds of acts may in fact be an act of war,’ Gates said. ‘I think that one of the things that would be beneficial would be for there to be a more
open dialogue among countries about cyber (threats) and establishing some rules of the road (to achieve) clearer understanding of the left and right lanes, if you will, so that somebody doesn’t inadvertently or intentionally begin something that escalates and gets out of control.’

At the very least, it is in both Washington and Beijing’s interest to have such substantive cyber talks before attacks enter into new domains in ways that neither nation wants to see. It’s vital for the security of both Pacific cyber powers that Beijing reply in kind, without attempting to block or delete the message.

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China's shift in posture as the West wanes

By Francesco Sisci

BEIJING - China is flabbergasted by the inability of the United States and Europe to take tough political decisions over their economies, especially since the current malaise has a huge bearing on its own regional strategic decisions.

With its coffers filled with US$3.2 trillion, China is at once America’s largest single creditor, number two economy in the world, and sitting on over 40% of global monetary reserves. So, even moving small amounts of its treasure around - to the US dollar, euro, or some other currency - could affect many
financial balances that the global stock market crash and volatility have already rendered precariously placed.

Today, about 70% of China's reserves are in dollars, 20% in euros and the rest is divided among other currencies. The recent appreciation of the Japanese yen against other currencies seems to owe to Beijing's decision to start diversifying its reserves.

Beijing is worried and puzzled by the apparent difficulties that America and Europe face in governing their economies. The recent crisis was likely due to vast quantity of hedge funds moving around looking for high returns that are no longer available, as Spengler wrote (see End of the road for hedge funds Asia Times Online, August 9, 2011). This in turn means that some financial institutions have not yet woken up to the fact that after the 2008 financial shock those magical derivatives' yields are now no longer possible.

Famed American economist Nouriel Roubini believes this is a crisis of the capitalist system and writes:

A financial and economic crisis caused by too much private-sector debt and leverage led to a massive re-leveraging of the public sector in order to prevent Great Depression 2.0.

But the subsequent recovery has been anemic and sub-par in most advanced economies given painful deleveraging. Now a combination of high oil and commodity prices, turmoil in the Middle East, Japan's earthquake and tsunami, the eurozone debt crises, and America's fiscal problems (and now its rating downgrade) have led to a massive increase in risk aversion. (Project Syndicate, August 15, Is Capitalism Doomed?)

However, anti-capitalist and communist China does not draw the same conclusions. All of this was not a surprise, it had been there for months. The knife fight between Republicans and Democrats, which ended in a last minute compromise, could have been reached much earlier, without dragging down American credibility. From Beijing it looked as if many
politicians just wanted to advance their parties' agendas, even at the cost of sacrificing the public interest and downgrading the US credit rating.

In parallel, the over one year of inertia in Europe to agree on a solution to the problems in Greece led to the contagion of the crisis and its spread to Italy. The reason for this inaction in Europe is even less clear than that in America. Whether it is due only to the differing agendas of the parties in Germany, or, as some here believe, if there may be a more sinister Franco-German strategy at work - a plan to scuttle the economically misbehaving southern Europe, in order to reward virtuous northern Europe.

Whatever the reasons, politics in the two continents put at risk and devalue about 90% of China's reserves, and, at a moment of deep reflection about Chinese policy, stressed the inefficiency of the Western democracies. They seem incapable of thinking long-term and especially have a hard time taking care of their general interests, and yet they want to tell everyone else how they should rule by exporting some kind of "democracy for dummies" from Libya to Afghanistan. This cools the already lukewarm Chinese enthusiasm for Western democracy.

Because of the quantity of its reserves, it is unthinkable that China would sell all its dollars to buy Indonesian rupiah or Brazilian real - there are no other currencies in the world that can accommodate that amount of money. Furthermore, selling dollars now would accelerate the depreciation of the greenback. Finally, the Chinese yuan has a quasi-fixed exchange ratio with the dollar, and in practice the two economies are enmeshed into each other.

But for Beijing, the absolute centrality of the dollar seems to be near its end. China would like to reform the international financial system, some think of reducing the role of the dollar and instead pushing for the creation of a basket of currencies of which the yuan could be part. This basket would safeguard China against future risks.

Might this reform ever happen? Or will it come in time to stop the impending avalanche? Although it has delayed it, the US Federal Reserve could still launch a new program of "quantitative easing" as economic
stimulus. This would increase the flow of speculative funds into China and stoke the flames of inflation here, which in July reached 6.5% despite months of government efforts to lower it.

Beijing thinks that the Fed's maneuver could perhaps alleviate the situation in America, but then any new economic difficulties in China or Asia would fall back on America itself. China would rather see Washington cutting military spending and the welfare state, reforms that just might ease America's financial burden and open new security concerns (with military spending). These ideas would imply crucial discussions with China. But if American Republicans and Democrats cannot agree between themselves, how can Washington agree on an economic and strategic policy with Beijing?

The present crisis then is not so much economics but politics: a lack of government leadership and the inability to find compromises other than at the lowest level, such as the recent ones in America and Europe. It is this weakness of the American and European governments that scared markets in recent weeks.

This lack of clear political direction points to a deeper crisis than that of 2008. Today, China is concerned that the failure of political solutions in America or Europe could give new momentum to protectionist pressures, which in turn could crack the free-market system that has driven the last 20 years of globalization and China's 10%-per-year growth.

If you crack the market system, even global politics could take a new direction. The system of free market exchange was one of the main forces enriching the West while ultimately causing the collapse of the Soviet Union and the overall convergence of countries of the world around the American economic model.

There could be another economic order around the corner after the present market crisis, for which Beijing could begin in the coming months to prepare. Then, if in this climate of global nervousness and confusion, China, the one country that managed to stem the crisis since 2008, also becomes more nervous and possibly aggressive, the overall risks are
multiplied. It could be a dangerous game of mirrors and reflections where each country second-guesses the other misperceiving the whole situation and sending the wrong signal to the other. There is nothing more dangerous than the volatile cocktail of economic tension spruced up with military posture.

Is this already happening?

The superstitious are already concerned for the omens. Last week from the northern port of Dalian China launched into the sea its first aircraft carrier for a 15-day tour around its coasts. It was China's major move to shift towards a blue water navy and projecting its forces well beyond its borders.

The vessel is actually an old Soviet carrier, the Varyag, which has been refitted and put back into operation - something almost as difficult as building a new one from scratch.

There are questions concerning when the former Varyag will be fully operational. It is possible that during this first cruise, the navy will attempt to have aircraft land and take off, but it will probably just be helicopters not jets. Training pilots and crews of an aircraft carrier is extremely difficult, and experts estimate that it will take about ten years before it will be fully operational.

However General Liu Yuan, son of former President Liu Shaoqi, said already that one carrier is not enough - he wants three. The numbers actually make sense in tactical terms, as a fleet with aircraft carriers should need at least three: one at sea, one in maintenance, and one in port and ready to intervene.

It is unclear when such a fleet could be available to Beijing, but it would take at least 15 years. With it, China would have fully operational projection into the South China Sea, an area contested in part or in whole by five other countries and territories: Vietnam, the Philippines, Brunei, Malaysia, and Taiwan; and China could probably look even further with missions to control the shipping routes from vital supplies from Africa. Moreover, China
would satisfy a dream born in 1929, when Admiral Chen Shaokuan, asked for its first aircraft carrier.

It would be so prestigious. Chinese admirals and generals repeat that even smaller countries such as Thailand have aircraft carriers - what's so strange about China wanting one? However, the strategic outcomes for China may be different from those desired.

In fact, anticipating the relaunch of the Varyag as a Chinese vessel, the Philippines in recent weeks called for two aircraft carriers from America. And certainly Vietnam, if only it could completely overcome Washington's reservations, would not reject the offer of a carrier.

To these requests, some in China smirk ironically: how will the poor Filipinos pay for two expensive aircraft carriers? Of course, the question is even more relevant in times of global economic crisis. But the irony ignores an important strategic consequence of the launch of the Varyag.

The ship is to be followed by spy planes and satellites looking over the world - something that has in fact ignited the fuse of a possible arms race in the Asia-Pacific. From California in the US to the Gulf of Bengal in India, countries now know that along with being a new world economic power, China does not want to remain a military dwarf.

The ambition is legitimate and normal, but strategy does not proceed in a linear fashion.

By itself, China's economic growth in recent years is changing the world's strategic balance.

Furthermore, if on one hand it has driven the growth of other developing countries from India to Africa, on the other it is also raising a lot of problems and new rivalries between old and new players on the global scene.

Chinese exports of industrial goods and imports of raw materials and semi-processed products are creating and destroying fortunes around the world. If these actions combine with Beijing's aspirations for a truly modern
military force, fears begin to grow - especially as these concerns are swelled by the opacity of the Chinese political system and its radical difference from Western political systems, dominating the rest of the world.

At a time of general instability, a bogeyman against whom all fears are projected might be quite destabilizing as it shows off an objectively dangerous weapon.

Yet it is not simply a Chinese issue. The recent politicking, bickering and wavering on economics in the United States and Europe, the indecisive intervention in Libya, the confused position in Syria or Yemen that fans the flames of revolt but is short of viable political outcomes, all of this dents Western credibility in China. This occurs on the backdrop of the lingering instability in Iraq or Afghanistan and the growing fragility in Pakistan, all victims of many American wrong decisions a decade ago. America and the West have proved unable to move out of those mistakes.

It is the perceived waning of this credibility that also plays up China's strategic necessity of a carrier, All builds up a very dangerous game of reflections, smoke and fear, something that historically has led to the direst consequences, which now would be the unutterable word since the fall of the Soviet Union: World war.

**US harangue over, China can look to its own policies**

Vivian Yang

On August 2, after a long partisan stalemate, the US Senate finally agreed to lift the US$14.3 trillion debt ceiling. President Barack Obama then signed the bill, thus avoiding a near-crisis that would have enormous repercussions around the world. This bill, as The New York Times puts it, signals "a pronounced shift in fiscal policy, from the heavy spending on
economic stimulus and warfare to a regime of steep spending cuts aimed at reducing the deficits".

The debate over the debt has generated as much international interest as domestic controversy. China, the largest US foreign creditor with about $1.2 trillion of US government debt, is undoubtedly the most relevant actor. As the largest US foreign creditor, China has a huge stake in ensuring the safety of its investments in US treasury bills.

Having closely observed the US debt turmoil, China has likely concluded that the US economy is in deep trouble and that full economic recovery might take quite some time. The Chinese, on the contrary, are convinced that their economy is on the rise. Consequently, they are more vocal than before when it comes to pointing fingers at US economic behavior.

China's advice

Before August 2, when the debt deal was still up in the air, the Chinese government cautiously voiced its concerns, saying it had confidence in the US government to avoid default. After Standard & Poor's downgrading of US long-term debt from AAA to AA+, however, Beijing could not hold it anymore.

China's official Xinhua news agency published a harshly worded English commentary on August 6, stating that "the days when the debt-ridden Uncle Sam could leisurely squander unlimited overseas borrowing appear to be numbered" and that China has every right to "demand the United States to address its structural debt problems and ensure the safety of China's dollar assets". It urged the United States to "cure its addiction to debts" and "reestablish the common sense principle that one should live within its means".

Ordinary Chinese have not taken the downgrading and US debt issue lightly either. On the Chinese version of Twitter, the Sina blog, for instance, one blogger complained, that the US downgrading of its long-term debt could jeopardize Chinese foreign exchange reserve. Another more
indignant blogger wrote that the United States "owed every Chinese citizen 5,700 RMB" (US$80).

Naturally, the Chinese, from whom the US government borrows massively, feel like teaching Uncle Sam some lessons. For one, the Chinese government urges the United States to be more responsible. According to People's Daily, the Chinese Communist Party (CCP)'s mouth piece, the People's Bank of China governor Zhou Xiaochuan, when interviewed by the Financial Times, stated that the US government and congress should take responsible measures in handling the debt issue so as to ensure the safety of investment in US treasury bills. On a harsher note, according to The New York Times, Beijing has called on Washington to make substantial cuts to its "gigantic military expenditure" and its "bloated social welfare" programs.

Chinese scholars have also voiced their opinions. Take, for example, Xiang Songzuo, deputy director of the Institute of International Currency Studies at Renmin University, who believes that the United States should provide "exchange loss and inflation loss warranty for China's investment in US treasury bills."

He also urges the United States to open its foreign direct investment market to China. In short, both the Chinese government and academia would most likely agree with what David Rothkopf from Foreign Policy has written: "celebrating the pending debt-ceiling deal is like a cancer patient in a burning house surrounded by hostile troops celebrating finding his empty wallet." To the Chinese, reaching a debt deal is not the end of the problem. Rather, the United States should shoulder the responsibility of tackling its debt problems and ensuring the interests of its creditors, namely China.

What China has learned

After all the finger-pointing, the Chinese should learn their own lessons. Although the CCP might feel superior to the United States on economic policy, it does acknowledge the problems with holding too much US debt, which subjects it to fluctuations in the US security market and the possible devaluation of the dollar.
The US debt debate has only reinforced Chinese anxieties over financial security. According to central banker Zhou Xiaochuan, China should "continue the principle of investment diversification regarding its foreign exchange reserve and strengthen risk management." Xiang Songzuo from Renmin University raises an even more ambitious plan: the "internationalization" of China's currency, the yuan, also known as the renminbi.

In other words, the yuan should become a world currency, a substitute for the dollar. That said, however, given the looming debt on the European continent, there is not much room for China to diversify its investment in Europe, nor is it easy for the yuan to become internationalized.

At a deeper level, however, the problems that China faces involve its export-oriented economic growth model. According to Professor Patrick Chovanec of Tsinghua University, China’s growth model for the past 30 years has relied in large part on running a trade surplus. The export profit flows into China and piles up, mostly in dollar form. The Chinese government buys up these dollars and invests them in US treasury market because even with the S&P downgrading the US market is still the largest and most liquid.

Chovanec believes that as long as China does not change its export-driven growth model and continues to accumulate the reserves, it has no choice but to keep buying treasury bills, leading to a vicious circle. Also, since China's economic growth largely derives from its export industry, it is easily affected by the global economy. For instance, the US debt deal requires the United States to cut deficit spending, which might lead to a decrease in US imports that would hurt the Chinese economy. China's stock market plunged on August 8, as investors worried that the recent stock market drop in the United States and Europe would reduce demand for Chinese exports.
The CCP is well aware of problems with China's export-oriented growth model and tries to adopt different policies such as boosting domestic consumer spending.

In October 2010, the CCP released its 12th Five-Year Plan, the CCP's principal guideline for China's economic development. In this document, one of the key tasks is to "establish [a] long-term mechanism of expanding domestic demand" and "gradually make the overall size of domestic market rank among the largest internationally".

Policy objectives, however, are by no means magic bullets. China's economic transition is fraught with difficulties. China needs to boost domestic consumption, argues Chovanec, but China's relatively low average household income reduces its purchasing power. It should also reorient the economy, but strong, vested interests support the status quo. "There is no threat to China from the United States," observes Edward Friedman, a China expert at the University of Wisconsin-Madison. "If there are any threats to China's rise, they lie inside China, ie, local greed and conservative politics."

With gross domestic product (GDP) growth the major indicator of local officials' performance, it's in their best interests to form close relations with local enterprises, many of whom are the beneficiaries of the current model. In order to derive benefits from these businesses and maintain good performance, the local bureaucracy does not want to implement policies that will bring down GDP growth, thus making it difficult for the center to achieve economic transition.

The third way?

Difficult though it might be, China's economic transition is not impossible. The CCP can still realize the danger of bureaucratic and crony capitalism - the unsustainable paths China now seems to be taking - and choose a third way that can sustain China's development.

In the new model, both manufacturing and domestic consumption can thrive. For instance, China can have it both ways through a geographic
reorientation of its economy. China should relocate its manufacturing industries to inland provinces where manufacturers can take advantage of the relative cheap labor. As domestic consumption rises, these industries can balance out their exports and domestic markets. Of course, the Chinese government should improve basic infrastructure and adopt policies that benefit manufacturers who are willing to relocate to inland provinces, such as tax holidays and land provision.

Environmental problems, if not properly tackled, will remain daunting. As Jonathan Watts points out, China has become the world's largest energy consumer and greenhouse gas emitter. Pollution, overuse, and drought add to the problem of water shortage in northern and northwestern China. Although the CCP has been trying to solve environmental problems by tinkering with the supply side by investing in solar and wind power, more should be done on the demand side by reducing the resource demands of consumers and manufacturers.

These problems will not vanish automatically with a successful transition to a consumption-oriented economy. Indeed, the wealthier Chinese population will only want to consume more resources, which will in turn place a greater burden on the environment. The CCP thus has two crucial tasks to accomplish simultaneously: increasing domestic demand while minimizing its negative environmental repercussions.

One possible solution lies in encouraging coastal provinces to focus on the service sector and high value-added high-tech industries. Stephen Roach, a senior research fellow at Yale University, believes that services are the "antidote" to labor-saving manufacturing-led growth. The high-tech industries might in turn help alleviate the energy and environmental problems the inland manufacturing industries pose.

Besides geographical and structural reorientation, to boost domestic consumption, the government should encourage rural entrepreneurship which can increase household income. According to Michael Pettis at the Carnegie Endowment for International Peace, consumption grew quickly over the past two decades, but not as quickly as China's economy. China's
consumption share of GDP continues to decrease, reaching a low point of 35.1% in 2009. Without growing household income, ordinary people cannot afford manufactured goods.

One way to increase household income is rural entrepreneurship. In his provocative book Capitalism with Chinese Characteristics, Massachusetts Institute of Technology professor Yasheng Huang points out that policies in favor of rural entrepreneurs created China's fantastic growth in the 1980s. He believes that Chinese capitalism is of rural origin: many large private manufacturers come from China's backward agricultural provinces. For example, in 1982 the Liu Yongxing and Liu Yonghao brothers abandoned the city to start a business of breeding quails and chickens in the rural part of Sichuan province.

Today, it is China's largest agribusiness firm with wealth totaling $1 billion.

In the 1990s, however, China reversed its policies to re-emphasize urban industries and state-owned enterprises. Consequently, the positive effect of rural entrepreneurship in increasing household income, especially in rural areas, largely disappeared. The CCP needs to rediscover the importance of rural entrepreneurship so as to increase employment rate, household income, domestic consumption, and the social stability it so desires.

The US debt problem and looming "double dip" certainly are not good news to China, yet they do trigger a rethinking of China's growth model. China is right to urge the United States to be more responsible, but China too must put its own house in order. The CCP should have the political will to rid its entrenched interests and adopt correct policies that will sustain its economy. After all, a domestically oriented growth pattern will benefit both China and the United States.
Pride and prejudice over China's carrier

By Craig Guthrie

HUA HIN, Thailand - Beijing's low-key launch of its first aircraft carrier on Wednesday was aimed at allaying fears of the United States and regional neighbors over the vessel's impact on the balance of power in the Pacific. However, even Chinese officials admit the as-yet-unnamed craft remains a warship at its heart.
Labeled a "scientific research and training" vessel by Beijing, the craft is the result of years long retrofitting of the Soviet-era, Ukrainian-built Varyag. It is expected to be the named the Shi Lang after a 17th-century admiral who reclaimed Taiwan for the Qing Dynasty (1644-1911), but this won't be confirmed until its official maiden voyage.

As the silhouette of her distinctive sloped runway crossed the horizon and headed out to sea early on Wednesday - authorities have forbid navigation "in an area of sea 13.25 nautical miles wide and 22 nautical miles long in the northern Yellow Sea and Liao Dong Bay from August 10 to 14" - decades of speculation over the craft's significance showed no sign of abating.

While some argue the carrier, the first of three believed to be under construction in China, is so technically inferior to the US's behemoth carriers that it is more a threat to its own sailors than other nations, others see it as menacing statement of intent over China's claims to Taiwan and islands in the South China Sea.

More realistically, its immediate tasks will be boosting the morale of the People's Liberation Army Navy (PLAN), escorting cargo ships through pirated waters and anti-terrorism and emergency relief operations, according to a senior captain and director of Naval Research Institute of the People's Liberation Army writing in the China Daily.

However, he adds, "Since an aircraft carrier is a warship, it has a very important military value and can be used as a deterrent against other countries ... There is no doubt aircraft carriers will continue to play a decisive role in sea battles. Some other countries have forcibly occupied some of China's islands and their surrounding waters, and other maritime resources."

United States military officials mostly agree with the PLAN estimations of the carrier's future roles, even suggesting there is scope for joint operations.
"The Chinese will learn from the Shi Lang and design a carrier best suited to provide 'organic air' capability for PLA Navy surface forces operating beyond the range of Chinese land-based tactical aircraft," Eric A McVadon, Rear Admiral of the US Navy (Retired), told Asia Times Online. He adds that the while the name Shi Lang is likely aimed at intimidating Taiwan, a carrier would be neither needed nor useful in a Taiwan scenario, since China has plenty of airfields and a PLAN carrier would be easy target.

"I would like to see the US move toward greater cooperation that could lead to sea-lane protection operations with the PLA Navy. I have often suggested the goal, which we should work toward, of USN and PLAN combined operations including a moderate-capability PLAN aircraft carrier for sea-lane security (such as the anti-piracy operations off Somalia). We should ensure that we do not find ourselves having to sink Chinese carriers in a Taiwan scenario," said McVadon.

However, other observers say the prospect of joint policing of areas like shipping lanes is unlikely, as the US Navy (USN) and PLAN are "competing for carrier presence", particularly in the Pacific and South China Sea. The US currently operates 11 carriers.

"It would be unlikely that the USN and PLAN would both put their carrier at one specific sea lane together, except for a photo op," says James Bussert, co-author of PLAN Combat Systems Technology 1949-2010. "Since the Chinese Navy's main mission is control and sovereignty over South China Sea and waters within 200 miles [321 kilometers] of China, a prime goal is exclusion of our carriers, as they demonstrated when the USS Kitty Hawk tried to operate within range of Beijing after the South Korean ship [Cheonan] was sunk last March by a North Korean sub.

"PLAN and USN warships can operate together in joint exercises as in Somalia, but the Chinese carrier is not intending to compete against our carriers. They do not seek world-wide ocean responsibilities, as the USSR tried to do." The base needed to fulfill these responsibilities will be military facilities China is building on its southern coast, said Bussert.
"Large shelters, hardened ammunition depots and base support infrastructure being built for the last several years near Sanya on southern Hainan Island, will support Chinese aircraft carriers for South China Sea and Indian Ocean operations. Associated battle support group ships will also be based there. The Varyag will be mainly a training platform for crew and pilots of the following new construction carriers," said Bussert.

The 302-meter long carrier, which boasts 10-barreled Gatling gun Close-In Weapon System (CIWS) in comparison to the US Navy's six-barreled Phalanx CIWS guns, and an estimated 12 J-15 "Flying Shark" carrier-based fighters, dwarfs the French navy's flagship Charles de Gaulle (261 meters) and the British Invincible-class aircraft carriers (209 meters).

However, there are fears that her "power plants" or turbine engines could run a high risk of malfunction - or fail to achieve a high enough speed to make the vessel useful in naval combat. The turbines that China reportedly purchased from the Ukraine have suffered repeated mechanical failures in the Varyag's sister vessel, the Admiral Kuznetsov.

"Leaving aside her modest size compared to American carriers, her incomplete air wing and escort force and the fact that she'll sail without the company of allied flattops, Shi Lang could be even less of a threat than her striking appearance implies. Shi Lang's greatest potential weakness could be under her skin, in her Ukrainian-supplied engines, " Wired magazine wrote on June 1.

The Ukrainian DN-80 gas turbine engines supplied to China each have an output power of 24,300 horse power, but it remains to be seen if they will produce enough power to reach the 30-knot standard for American aircraft carriers and escort ships, since the Varyag had an estimated full ship load of 58,600-67,500 tons.

Despite doubts over the Chinese carrier's construction and usefulness in a conflict with Taiwan, Taipei has wasted no time in responding to the ship's launch, swiftly unveiling its own "carrier killer" missile. The Taiwanese
military on Wednesday displayed a poster of a model Hsiung Feng ("Brave Wind") III (HF-3) anti-ship missile with its backdrop a large burning aircraft carrier with a similar sloping "ski jump" runway to the Chinese carrier. While next to the burning carrier were the Chinese characters for "carrier killer", the Taipei Times reported that its 120-kilogram payload would be unlikely to sink an aircraft carrier.

Craig Guthrie is a correspondent for Asia Times Online based in Thailand.

Big boat, little punch in South China Sea

By Phil Radford
SYDNEY - The Chinese aircraft carrier that began sea trials last week is by far the largest warship of any country in Asia and in certain realms could give China game-changing capabilities. However, the carrier cannot help China assert sovereignty over the South China Sea - its biggest maritime headache - and the ship could prove to be more of a diplomatic liability than a military asset.

At 300 meters long and displacing over 60,000 tons, the carrier is by far the largest warship of any navy in Asia. No other country in the region can operate fighter aircraft from a warship except Thailand, whose Chakri Narubet is less than a fifth the size. Once fully operational, the Chinese carrier should be able to sustain up to 40 Sukhoi 33-derived J-15 naval air-superiority fighters and up to 20 rotary aircraft, including Ka-28 anti-submarine helicopters.

On the surface, this capability would seem to decisively shift the balance of power in the South China Sea, where China has territorial disputes with Vietnam, Taiwan, the Philippines, Malaysia and Brunei. Currently, China claims its territorial waters skirt the Philippines' coast as far south as Brunei, on Borneo island, before looping north and hugging the Vietnamese coast back to southern China. This 80-year-old claim neatly encompasses the Spratly and Paracel island reefs, assumed to be rich in hydrocarbon resources by surrounding countries that have erected research installations on them.

With an operational carrier based at China's expanded naval facility at Sanya on Hainan Island, China could conceivably maintain local air superiority over any point in the disputed South China Sea - a precondition for decisive military or diplomatic efforts to enforce its maritime claim and force the withdrawal of rival commercial operations and installations from the islands.

This capability would also help China reduce other countries' enthusiasm for the frequent maritime spats that occur in these contested waters and the nationalist outpourings that follow. In the latest incident in mid-June, China's Foreign Ministry spokesman accused Vietnamese exploration
vessels of conducting unlawful oil and gas surveys off the Spratly archipelago, harassing Chinese fishing vessels and "gravely violating China's sovereignty and maritime rights".

Despite Chinese defense officials claims that the new carrier is intended for scientific research and training, the ship clearly fulfills a strategic function. The official Xinhua news agency published a commentary shortly before the ship departed saying, "Building a strong navy that is commensurate with China's rising status is a necessary step, and an inevitable choice for the country to safeguard its increasingly globalized national interests."

However, even if it becomes operational, the carrier and its air groups will be hugely vulnerable and China is unlikely to risk using it in any confrontation with rivals in the South China Sea.

Without catapults or arrester wires, the carrier will not be able to operate any airborne early-warning aircraft needed to provide comprehensive radar coverage for fleets. This means the carrier will have limited area awareness, unable to see or respond to threats beyond the horizon of ship-based radar.

Logistical constraints will also limit the time the carrier can spend at sea: the People's Liberation Army-Navy (PLA-N) possesses only five seaworthy replenishment ships, none of them over 22,000 tons.

The biggest liability, however, will be inadequate protection. China has two Type 52C destroyers with active phased array radar that enables them to track multiple incoming missiles and aircraft - with four more under construction.

But integrating that radar with China's domestically developed HHQ-9 anti-air missiles so they can shoot down supersonic sea-skimming missiles will prove exceptionally challenging. Nor can the carrier rely on sub-surface protection. Without very-low frequency radio communication systems, China's long range patrol submarines would struggle to operate tactically in defense of a carrier group.

Defensive postures
But even without these deficiencies, China’s southern neighbors will likely ensure that the South China Sea becomes too dangerous for China to risk sending its prized carrier into contested waters.

In the first week of June, an article in Vietnam’s state newspaper, Nhan Dan, carried pictures of the world’s fastest anti-ship missile, the Indo-Russian BrahMos, in a clear statement of procurement intentions and its navy’s readiness to respond to incidents of Chinese aggression within waters it claims as its exclusive economic zone. With a speed of Mach 2.8, the missile is four times as fast as a US-made Tomahawk missile and would present a lethal threat to any vessel within its 300-kilometer range. (Even with exceptional anti-missile capabilities, North Atlantic Treaty Organization (NATO) navies would keep well out of range of this threat.)

BrahMos procurement requires joint Indian and Russian approval, and Vietnam is rapidly improving its relations with both nations. During a high profile defense cooperation visit to New Delhi by Vietnam's navy chief at the end of June, the Vietnamese government gave permission for Indian navy ships to drop anchor at Nha Trang, which has been off-limits to foreign navies since 2003.

The offer followed an announcement on June 6 by Lieutenant General Nguyen Chi Vinh that part of the strategic Cam Ranh Bay would be made available for technical and logistical support of foreign military ships. To ensure that China properly understood the significance of that offer, the announcement was followed-up on August 14 with an unprecedented visit by senior Vietnamese government officials to the American carrier, USS George Washington, as it traversed the South China Sea.

On July 2, Vietnam also took a decisive step forward in its long-heralded defense procurement deal with Russia. According to the Russian VNA newswire, Oleg Azizov, representative of the Russian state defense export company Rosoboronexport, confirmed Vietnam has signed a contract to buy six Kilo-636 MV diesel electric submarines for delivery in 2014. The 2,300 ton boats are optimized for shallow water operations and are exceptionally quiet running. Without leaving port, these submarines would
provide a powerful deterrent to China against sending the carrier far into the South China Sea in a possible confrontation situation. Malaysia already has good submarine capabilities, with two recently commissioned French-designed Scorpene class boats.

Both Indonesia and the Philippines could also quickly develop powerful deterrent capabilities, and at relatively little cost by deploying anti-ship missiles to key outposts. Indonesia has already held discussions with India to acquire the BrahMos missile. The Philippines could either purchase US missiles off-the-shelf, or negotiate purchase of Taiwan's new ram-jet Hsiung Feng III anti-ship missile, unveiled with exquisite timing last week at the Taipei Aerospace and Defense Technology Exhibition against a mural backdrop of a burning carrier.

The fact that the South China Sea will be an exceptionally dangerous environment for the carrier will present the Chinese government with an acute dilemma. The carrier is hugely popular in China, where it has been touted as a symbol of the country's ascent to great-power status. Ardent online fans have already christened the vessel Shi-Lang, after the 17th century Taiwan-conquering admiral. And the government has invested vast political and financial capital in the project, both in terms of the propaganda value of the images and the cost of naval fighters and training establishments.

But the one nautical environment where Chinese opinion is most anxious for an assertion of naval authority - the South China Sea - is the one place that Chinese admirals will almost certainly never risk launching the carrier. With this knowledge, the countries on the South China Sea's littoral have every reason to welcome the carrier program. Indeed it may even strengthen their claims, knowing that they can taunt China to send it out. In any looming confrontation, the Chinese leadership will suddenly need to explain why its totemic flagship is useless for asserting power in the country's own self-claimed territorial waters or risk seeing it reduced, almost immediately, to a flaming wreck.
Phil Radford is a freelance writer and specialist on naval strategy based in Sydney.

China losing Asian popularity contest

By Jian Junbo
LONDON - Though China purses a "good neighbor policy" in Asia, it faces increasing criticism from regional officials, media and populations. It seems the time is ripe for Beijing to review and improve its Asia strategy.

The latest challenge came from Japan. On August 10, chief cabinet secretary Yukio Edano said Japan would dispatch its Self-Defense Forces should a foreign country invade the (disputed) Senkaku Islands (called Diaoyu islands by China). "If other countries invade the islands, [Japan will] invoke the right of self-defense and remove them by making any sacrifice," Edano said in Tokyo, apparently referring to China's naval activities in the region.

Edano made the remarks after the publication of the 2011 Japan Defense White Paper, which had been approved by Japanese Prime Minister Naoto Kan's cabinet a week earlier. That paper described China's stance in its maritime territorial disputes with its neighbors as "assertive".

"Given the modernization of China's naval and air forces in recent years, its sphere of influence is likely to grow beyond its neighboring waters ... It is expected that China will try to keep expanding the area of activities, and to make naval activities a routine practice in waters surrounding Japan including the East China Sea and the Pacific Ocean, as well as in the South China Sea."

China described the paper as "irresponsible", rejecting the suggestion that its ongoing military modernization would impact on its regional neighbors. Before the Japanese paper, the Philippines dispatched five congressmen and some military officials to Zhongye Island (called Pagasa Island by the Philippines) on June 20. As these officials landed on the disputed island - some singing the national anthem with Filipino residents - China's foreign minister was at an Association of Southeast Asian Nations (ASEAN) forum in Bali, Indonesia, seeking ways to ease tensions in the South China Sea.

Meanwhile, territorial disputes in those waters have fueled incessant street protests in Vietnam over the past few months against a so-called "Chinese
invasion". Criticism has even come from Singapore, which has no territorial disputes with China and is considered to have a friendlier stance in Southeast Asia. Earlier this year, senior statesman Lee Kuan Yew said he would like the United States rather than China as a hegemon in Asia, because he saw the US as more benevolent.

Around the region, anti-Chinese rhetoric can often be found in government officials' speeches and media commentaries. No other big power like the US, the European Union or even India is subject to so many unfriendly or hostile accusations from its neighbors. Such remarks don't reflect well on China's efforts to build and enhance friendly relations with its neighbors under its "good neighbor policy" policy.

The diplomatic policy is based on four strategic principles: big powers are key partners, neighboring countries are primary partners, developing countries are the foundation of China's diplomacy and multilateral institutions are important platforms.

In order to implement the strategy of making neighboring countries primary partners, Beijing adheres to the principles of "dealing with neighboring countries as partners and treating them with goodwill" and of "building an amicable, tranquil and prosperous neighborhood". In April at the Bo'ao Asia Forum, a regional platform for economic integration, Chinese President Hu Jintao said that to build a harmonious Asia, countries needed to respect the diversity of civilizations and promote neighborly relations.

"We need to transform the development pattern and promote all-round development ... We need to share development opportunities and meet challenges together ... We need to seek common ground while shelving difference and enhancing common security ... We need to champion mutual benefit and deepen regional cooperation," said Hu.

Under its "good neighbors policy", Beijing naturally considers improving relations with ASEAN an important strategic task. China has built up a strategic partnership with the 10-member ASEAN since 2003, and also with some of its members, one after another.
Despite all China's efforts to improve relations with its neighbors, especially those in Southeast Asia, it seems many mistrust a smiling Middle Kingdom. And it seems likely that as China expands its influence due to its growing economic and military strength, these neighboring countries will dislike China even more.

So why is China failing to win these countries over? There are several reasons: some may be traced to concerned neighbors, others derive from within China itself.

Firstly, there are historical reasons. Throughout ancient history, some Asian countries under the influence of Confucian civilization would pay tribute to China's imperial courts, including in today's Vietnam, Korea and Japan. Some other non-Confucianized Southeast Asian countries (including today's Philippines, Indonesia, Cambodia and Thailand) also have a record of paying tributes to China as required by its emperors.

There are also more modern feuds. The Chinese people have yet to heal the psychological wounds inflicted by the Japanese invasion during World War II. Some Southeast Asia countries were under the threat of China's "export of revolution" in the 1950s and 1960s, and there was a bloody border war between China and Vietnam in 1979.

Perhaps the biggest factor damaging mutual-trust and undermining efforts to build partnerships are bilateral disputes over territorial sovereignty. China has water and/or island territorial disputes in the South China Sea or East China Sea with Vietnam, Indonesia, Brunei, Malaysia, the Philippines and Japan.

For many East and Southeast Asian countries, China's growing economic, military and political influence in Asia reminds them of the China-centered tributary system in history, in which vassals around the Middle Kingdom had to acknowledge China's dominance in the region. Fears about the return of a new China-centered tributary system perhaps remain a psychological barrier for some countries when it comes to believing in Beijing's good neighbor policy.
Poor relations between China and its neighbors also partially result from China's domestic conditions. Since the 1960s, many of China's Southeast Asian neighbors have become democratized and are now influenced by so-called cosmopolitan values, especially "democratic peace" that maintains that democratic states will never be at war. Under this doctrine, a non-democratic state is naturally, and constantly, on the offensive.

Unfortunately, China under the rule of the Chinese Communist Party is considered by its neighbors as an undemocratic state, despite its pledges of a peaceful rise. While China has long given up the "export of revolution", it has yet to clarify its strategic intent of military modernization. For many neighboring countries, for such a big power to lack a clearly defined global strategy is dangerous.

Naturally, given China's size and population, as well as its deep cultural influence, strong economic muscle and military power, any relatively smaller and weaker country in Asia is suspicious and frightened over what move the big dragon will take.

To address this, in addition to making verbal pledges, China has to make real efforts to show it will contribute to the benefit and stability of the region when needed. For instance, in the aftermath of the ongoing global financial crisis, China should have taken the lead to jointly build a sound regional financial system that stabilized the regional financial market.

China should honor its commitment to a peaceful rise with concrete measures to help safeguard regional security and ensure peace in the region.

As in China, nationalistic sentiments are growing across Asia, with economic reasons encouraging governments - backed by the US - to take more adventurous policy steps and challenge China.

Needless to say, Asia's current political tensions, arms races, hostility and long-lasting disputes are not the ideal choice for the region. Because of the complex state of relations, China and its neighbors must devote more time and effort to building genuine partnerships.
China should act as a responsible actor that consistently adheres to shared principles; it should have a clear-cut, operational and pragmatic Asia strategy. Under this policy, Beijing should function as a stabilizing economic power. This would require China to be more innovative in international finance areas, and more courageous in initiating reforms of existing financial systems. China should help ensure regional public security with its growing military capability. Beijing should be broader-minded than its neighbors in regard to the use of its military to maintain regional stability by fighting piracy, terrorism and other international crimes in the Pacific Ocean. Instead of flexing its military muscle in territorial disputes, China should encourage political, economic and cultural integration in East and Southeast Asia.

All in all, China should reshape its Asia strategy with an aim to functioning as a stabilizing force, while maintaining its strategy to keep a balance with the influence of the US in this region. China must show its goodwill and sincerity with words and deeds in carrying out these policies to the letter. Only in this way can it rise peacefully without causing alarm and be considered as a friend by its Asian neighbors.

China's Asia strategy should go beyond only seeking mutual economic benefits and encompass the responsibility to help maintain financial, maritime and political stability. If China as a socialist state with Confucian traditions can become a sophisticated player in a capitalist-style market economy, it has the ability to harmonize an Asia in diversity.

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Where the River Ends

The mighty Yangtze is dwindling -- and a debate has emerged in China over the role of the Three Gorges Dam in exacerbating this summer's devastating drought.

Christina Larson

June 2, 2011

SHANGHAI — In glittering Shanghai, known for its hopping night life and influx of Western luxury stores, a VIP cocktail reception last Thursday night, May 26, marked the opening of a new H&M clothing store on upscale Nanjing Road. As a parade of BMWs, Audis, and Mercedes pulled up to valet parking alongside a red carpet unfurled on the sidewalk, an observer might never have suspected that the local government here in China’s richest and most urbane city has been struggling with two very basic problems: keeping the water running and the power on.
Both problems stem from a drought that has been plaguing central China since January and the related shriveling of the Yangtze River. The Yangtze -- Asia's longest river -- tumbles down from the Tibetan plateau, traversing nearly 4,000 miles across the length of China, before emptying into the East China Sea near Shanghai. The water of its final tributary, the Huangpu, winds along the famed Bund area and sparkles at night under the glow of illuminated skyscrapers and the Oriental Pearl Tower. For centuries a source of inspiration for poets -- and frustration for emperors trying to manage its turbulent flooding -- the Yangtze remains in many ways essential to the modern Chinese economy.

Today, it carries 80 percent of China's river freight -- a steady procession of barges laden with coal, construction materials, and container traffic, floating from the megacity of Chongqing to the port of Shanghai, now the world's busiest. The Yangtze and its tributaries are now the site of thousands of small and large dams, including the $45 billion Three Gorges Dam, the world's largest hydropower station. It also supplies water for drinking, farming, and industrial activity to 400 million people in the Yangtze delta, where 40 percent of China's economic activity is located.

The mighty Yangtze's water level has been dropping for years as new towns crop up along its banks and older settlements, such as Chongqing, grow into vast megacities, with factories and farmers siphoning off their take, often in unregulated serve-themselves fashion. Meanwhile, the phalanx of dams has changed the river's hydrology, and Chinese and U.S. scientists project that glacial melt in Tibet, where the river begins, points to a diminished future. But most troubling, whether related to climate change or not, is that this year's rainfall in the provinces that water the upper Yangtze has been a trickle -- as much as 40 percent below the annual average for January to April. China is facing its worst drought in half a century.

The Yangtze, and all who depend on it, are suffering. In May, freight shipping was halted for a 140-mile stretch near the central city of Wuhan due to low water levels. In the parched central provinces of Hubei and Hunan, farmers have been struggling to keep vegetables alive, delaying planting the summer rice crop and losing livestock. The farmers' woes aren't theirs alone. The People's Daily reported on May 28 that in just one week the price of some key vegetables jumped more than 10 percent at a time when the central government is desperately trying to control inflation.

Meanwhile, rolling blackouts have hit central and southern China as many of the dams on the river are operating below capacity. That includes the Three Gorges Dam, whose operator reports that water levels behind the dam are 40 percent lower than usual. Shanghai, which receives a portion of its electricity from Three Gorges, is one of many cities feeling the crunch. (Barge traffic carrying coal down the river has also been
strained by the low water levels.) Last week, Shanghai's largest utility company announced that factories and retail stores could soon face outages.

Shanghai's well-heeled elite are often blissfully isolated from the development woes facing China's poorer hinterlands, but the drought has revealed their common vulnerability. In addition to its power, Shanghai's water supply is at risk. The city's municipal water is drawn from two reservoirs that tap the mouth of the Yangtze. With less water flowing downstream into the river's mouth, salt-laden seawater has begun to push upstream. On May 25, the Shanghai Water Authority disclosed possible contamination of the city's freshwater supply by unusual "salt tides."

The plight of the Yangtze is becoming impossible to ignore. Newspapers across the country have lately been plastered with photos of mournful farmers standing in parched fields and river barges marooned in low water. Inevitably, with so many lives affected -- from Hubei peasants to Shanghai glitterati -- people have begun to ask: Who's to blame? Who killed the Yangtze?

One common, if incomplete, answer is the Three Gorges Dam.

China's state-run newspaper *Global Times* reports that it has tallied 100,000 messages on the microblogging site Weibo -- China's homegrown equivalent of Twitter -- venting about whether Three Gorges caused or exacerbated this summer's dire water shortages. Accusations have ranged from the reasonable to the inflammatory, such as alleging a deliberate plot by dam-builders to shortchange downstream residents. In response, the reliably patriotic paper has published a defense, of sorts, saying that such an ambitious undertaking necessarily involved risks: "Droughts in China's Yangtze River have sparked a new wave of criticism over The Three Gorges Dam.... As the biggest hydropower project ever in history, both the dam's pros and cons could hardly [be predicted]. It was built at a special juncture of transition from the planned economy to market economy."

The Three Gorges Dam, first proposed by Sun Yat-sen and later championed by Mao Zedong and Deng Xiaoping, has long been a source of controversy. But until recently, it was risky to voice criticism. A dogged anti-dam activist, Dai Qing, was arrested in 1989 and spent a year in maximum-security prison for publishing a book-length exposé on problems the proposed dam would cause. (Many of the book's predicted woes have since come true, including frequent landslides and geologic instability in the region. Indeed, Columbia University scientists have connected the devastating 2008 earthquake in Sichuan province with increased seismic pressure partly attributable to the Three Gorges reservoir.) Ground was broken on the dam in 1992, forcibly relocating 1.4 million people living upstream. It was completed in 2008.
In today's slightly more open media climate, faulting the Three Gorges Dam is increasingly common among Chinese bloggers, reporters, activists, and even some officials -- those who don't have to take direct responsibility for green-lighting it, anyway. "The primary cause of this drought is a lack of rainfall. But we can also be certain that the Three Gorges Dam has had a negative impact on the water supply downstream," prominent Beijing-based environmentalist Ma Jun told the Guardian's Jonathan Watts. In a similar vein, Wen Bo, a Beijing-based fellow with Pacific Environment, told me: "Three Gorges Dam is part of the problem" for shrinking the Yangtze and destroying the resiliency of the delta's ecosystem.

Shockingly, Beijing agreed. In May, China's State Council released a statement, approved by Premier Wen Jiabao, acknowledging severe problems caused by the dam. Not quite a mea culpa, it read: "At the same time that the Three Gorges project provides huge comprehensive benefits, urgent problems must be resolved regarding the smooth relocation of residents, ecological protection and geological disaster prevention."

Of course, blaming the Three Gorges Dam doesn't alone revive the Yangtze. Nor will fancy technical tricks, like recent efforts at cloud seeding to bring water to a parched land -- there's little moisture to be wrung from the region's dry summer sky. What's needed is a long-term vision for river restoration. Indeed, a discussion is bubbling up among municipal officials and NGOs about the need to create a new environmental planning body to coordinate watershed planning among the provinces and major cities along the Yangtze. Meanwhile, better regulation of industry and agriculture now siphoning off water upstream would give teeth to current water-conservation regulations.

Going forward, the looming question is whether the current drought will prompt the central government to reconsider its future plans for the river -- such as building 100 new large dams on the upper Yangtze in a bid to boost China's hydropower output 50 percent by 2015. Or constructing the final legs of the controversial South-North Water Transfer Project, by which massive quantities of water would be channeled from the southern Yangtze to the northern Yellow River. (The Yellow River is even more polluted and diminished than the Yangtze.) Dai Qing, among others, has warned of the water-transfer project's pitfalls for years.

At some point, the Yangtze, like poet Shel Silverstein's metaphorical "Giving Tree," will have nothing left to give. There are only so many uses to which its water can be apportioned and diverted -- there is little left to take. Or, as environmentalist Ma Jun puts it, "The water in the Yangtze is not unlimited. We cannot bet everything on this river."