



China's military rise

SUMMARY *The Chinese military build-up is reflected in the steep growth in its military spending. This is rooted in a renewed foreign and security policy doctrine, manifested by a greater involvement and assertiveness of China on the international stage.*

The modernisation of China's military forces is the main thrust of its military development. Its major aim is to enhance power projection capabilities of different parts of the People's Liberation Army (PLA). The development of the naval forces is the most impressive example of this trend. China's fast-growing navy is gradually expanding its sphere of maritime activities, aiming to become a truly global maritime power by 2050.

The deterioration in US-China relations may be one of the major consequences of the growing affirmation of China's new ambitions, reflected in its military rise. According to most commentators there is no immediate risk of war, but it is creating new deep antagonism between superpowers which could profoundly mark future international relations.

The EU, increasingly aware of the necessity of a security dialogue with China, has to deal with the issue of arms embargo, viewed as a major obstacle on the road to deepening relations.



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Context

China's military rise, reflected in particular in a major expansion of its defence budget and accompanied by changes in its overall foreign policy doctrine, raises concerns among commentators and sets a new challenge for political actors. Indeed China today has the largest standing army, composed of 2.25 million¹ soldiers, and the second largest naval force. Both are in an intensive process of technological modernisation.

The decision taken during the [Third EU-China Strategic Dialogue in Beijing](#) in July 2012, to hold a regular dialogue on defence and security could be interpreted as an attempt by the EU to tackle this sensitive issue. The task is all the more difficult, because of the EU arms embargo put in place following the 1989 Tiananmen Square protests. This is a major impediment to developing stronger cooperation.²

China's evolving security and foreign policy

Official National Defence Policy doctrine

China's military build-up is acknowledged in official rhetoric as a means to expand China's "comprehensive national power". The defensive character of this policy is

strongly underlined, however the defence in question is qualified as "active".

[China's 2010 Defence White Paper](#) points to four national defence policy goals :

- Safeguarding national sovereignty, security and the interests of national development,
- Maintaining social harmony and stability,
- Maintaining world peace and stability,
- Accelerating the modernisation of national defence and the armed forces.

Taiwan

Beijing sees Taiwan as part of "greater China" and consequently pursues the strategy of unification with the mainland.

Bilateral relations with Taiwan have improved, in particular thanks to the development of economic ties and the recent free trade agreement. Despite this Taiwan remains a main focus of Chinese security policy, with the aim of deterring Taiwanese independence. Consistent with this focus, China continues to base many of its most advanced systems in the military regions nearest Taiwan.

China's growing international reach

After decades of internal development, coupled with strong adherence to non-intervention as a principle on the international stage, China's military doctrine changed. In 2004, then Chinese President Hu Jintao articulated new guidance for the People's Liberation Army (PLA), including missions extending beyond China's immediate territorial interests.

Even if foreign affairs remain a secondary priority, observers note a salient policy shift towards wider and deeper international involvement.³ This is demonstrated by China's growing participation in international peacekeeping efforts, counter-piracy operations, humanitarian assistance and disaster relief. Indeed nowadays China is one of the leading contributors of peacekeeping personnel among the five permanent members of the UN Security Council.

Some analysts note that the Chinese are now more involved in shaping global standards and institutions with the overriding aim of ensuring supply lines for natural resources and secure maritime trade links. To this end, China pursues an expansive military strategy as well as working towards establishment of stable international trade rules and a development agenda.⁴

Recent developments regarding China's territorial claims

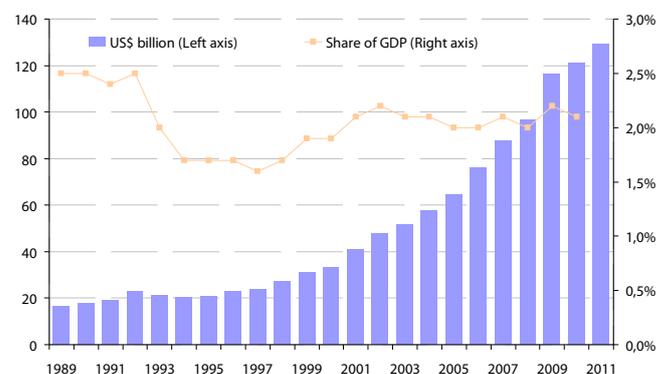
China has territorial disputes with most of its neighbours. The most critical ones concern islands in the South China Sea, where China faces competing claims from Japan, Vietnam and the Philippines.

Commentators note China's [more assertive](#) actions in the South China Sea in recent years, and its stronger naval presence in the region. This trend was illustrated by the September 2012 [escalation](#) of the conflict with Japan over the Diaoyu islands (known as Senkaku in Japanese). On the other hand, China reached an agreement with India in [January 2012](#) on a mechanism for consultation and coordination in order to maintain peace on their disputed borders.

Military spending trends

Since the 1990s, China has increased its military spending by an average of more than 10 percent per year. The growth even reached 14.5% per year from 2005 to 2011.⁵

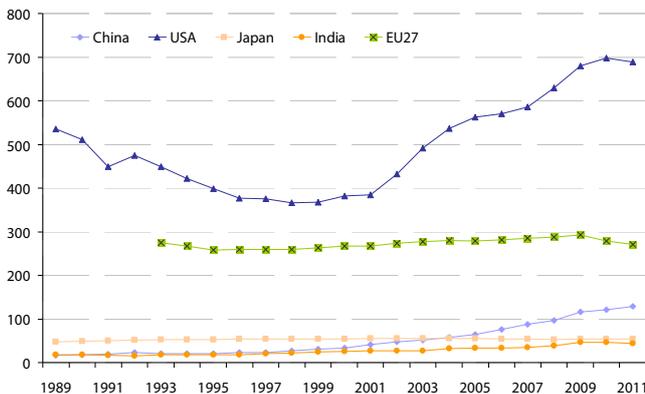
Figure 1: China's military spending



Data source: [SIPRI database](#).

Overall Chinese spending increased by 189% from 2001 to 2011, compared to stagnant military spending in almost all developed countries. One notable exception was the US, which started to reduce its [military budget](#) only as of 2012.

Figure 2: Military budgets 1989-2011 (in billion US\$)

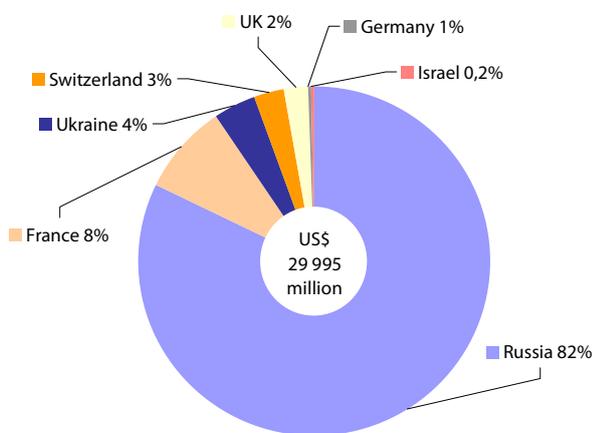


Data source: [SIPRI database](#).

Today China has the second biggest military budget, after the USA. It is estimated at US\$129 billion, compared to \$689 billion for the US.

China is also the second largest importer of military goods, with 6% of total world imports. Despite the EU embargo, in the form of a non-legally binding [political declaration](#), some Member States are major providers of arms, but are far behind Russia which dominates China's arms imports.

Figure 3: Main arms providers to China 2000-2012.



Data source: [SIPRI database](#).

Main areas of development

Chinese military growth is not primarily quantitative – indeed the number of troops has decreased since 1990 by half a million – but rather is linked to overall modernisation. In two decades, China has closed significant technological gaps, making its forces increasingly capable of off-shore defensive and offensive operations.

The development of power projection capabilities seems to be the main focus of PLA modernisation, and has concentrated on the following areas in particular:

Naval forces

The Chinese navy is the fastest growing in the world. Since 1990, China has prioritised the acquisition of large numbers of warships. It has in particular brought 12 Russian-made kilo-class submarines and deployed four new homemade submarines.⁶ The highest profile platform acquired is the ex-Ukrainian aircraft carrier which came into use in 2012, although is not yet fully operational. Currently China has the largest naval forces in Asia, composed of 54 submarines (of which five are nuclear), 26 destroyers, 53 frigates, 55 landing ships and 86 coastal patrol boats armed with missiles.⁷ This modernisation since 1990 has enabled China's navy to increase its projection capabilities beyond coastal waters, and improved its ocean presence.

Cyber capabilities

The Chinese military has put significant resources and effort into cyber security and interference. Indeed cyber warfare, together with nuclear and space warfare, are the only part of the Chinese forces currently global in nature.

The PLA has established information warfare units that are developing viruses to attach enemy computer systems, and electronic countermeasures against electronic attack. The aim in both cases is to deny the adversary access to essential information. US sources stress that electronic intrusion of US

private and public networks indicates that China is using its cyber capabilities to gather strategic military and economic intelligence.

Space warfare

The PLA perceives the development of China's space capabilities both to use space and to deny adversaries access to space as a necessary element of modern warfare. To this end, China is expanding its use of space-based intelligence, surveillance and navigation, as well as meteorological and communication, satellites. In 2010, Beijing launched 15 satellites, five of them part of its BeiDou navigation system. The aim is to provide China, up until now dependant on American GPS and Russia's Glonass, with its own global navigation system by 2020. China is also continuing work on its Long March V rocket modernisation in order to make it capable of lifting heavy payloads into space by 2014.

Nuclear weapons

According to arms control associations, China today possesses 240 nuclear warheads, of which 55-65 are for intercontinental ballistic missiles. China is currently developing these forces both in terms of quantity and quality. Special efforts are being made to counter US ballistic missile defence systems, and to increase mobility of the new generation of missiles. The official doctrine justifies these developments as maintaining the nuclear force structures' ability to respond with sufficient force after an attack.

Air force

China's air force, once mainly focused on territorial defence, is also developing into a force capable of off-shore defensive and offensive operations.

Today, China's air force is composed of 1 680 fighters, 620 bombers, and 420 transport aircrafts. A further 1 450 aeroplanes are used for training purposes. China is aiming to increase its long-range transportation and logistics capabilities, investing in stealth technology aircraft (invisible to detection).

China is also modernising its ground air defence systems and has begun to work on ballistic missile defences.

Ground forces

Although modernisation efforts in the ground forces are not as dramatic as in other branches of the PLA, they are still significant especially in regard to new equipment (attack helicopters, amphibious assault vehicles, battle tanks and self propelled artillery) and training programmes. Major weaknesses of the PLA ground forces are lack of battle experience and deficient command skills. The PLA plans to overcome these issues by 2020, through new training programmes started in 2011.

Perspectives

Towards a US-China cold war?

Even if China's defence policy, cautious and pragmatic, seems defensive in character, potential still exists for the US-China relationship to become much more adversarial.⁸ In 2012, observers pointed to growing tensions between the US and China over maritime issues in the South and East China Seas, involving traditional US allies, as well as over Syria.⁹ [US strategic guidelines](#) issued in January 2012 confirmed the shift in American defence policy, to rebalance towards the Asia-Pacific region, as a response to China's military rise.¹⁰

Some commentators point to a combination of deepening strategic distrust, China's steady acquisition of maritime power-projection capabilities, the persistence of bilateral tensions associated with territorial issues along China's maritime periphery, and a growing sense in China of the United States' economic decline. These factors could push both countries to view Asia as a zero-sum game and look for ways to counter each other's military actions.¹¹ As for direct confrontation, the major risk, judged however by analysts as of low probability, lies in Taiwan. Indeed China makes it clear that in case of a Taiwanese declaration of

independence, China would respond militarily, even if the US intervened.

However China's weapons developments, with the major focus on enhancing power projection, suggest that, even if Taiwan is still a high priority, Beijing is looking far beyond Taiwan for future contingencies.¹²

Some analysts underline the unpredictable character of Chinese intentions, which make their analysis highly susceptible to miscalculation.¹³

China's regional aspirations

Commentators stress that, after an interruption of about 150 years, China is aspiring to a more pre-eminent economic and political role in its immediate neighbourhood, while enhancing its global status. As China's self-confidence grows, concerns are being raised on both sides of the Pacific. China has a major interest in stability in the region, as the arena where its greater strategic interests can mostly be pursued through economic leverage.¹⁴

Inside view on China's reinforcement

Commentators from China consider that too much fuss is being made about China's military build-up. They stress the peaceful character of China's development and the specific nature of its defence needs. These are bigger due to the size and geopolitical situation of the country, especially at a time when it is clearer than ever that international law cannot ensure the sovereignty of a state. They also underline that the rise in China's military spending aims mostly at modernising the PLA, and raising the standard of living of personnel in order to catch up to the level of other permanent members of the Security Council.¹⁵ They emphasise as well that China's military spending in terms of GDP share is comparable to western countries, at around 2% of GDP.

Opportunities and challenges for EU and US industry

Some commentators point at the positive impact the China military rise could have for military industries in both the EU and US.

In the US this impact is first of all indirect, since the premise of an arms race between superpowers will stimulate the domestic arms industry and induce new spending on air, naval, and missile defences as well as "cyberforces".

For the EU, as [those advocating the lifting of the arms embargo](#) stress, this could foster EU arms exports, which is especially welcome at a time when EU countries are cutting defence spending. Others take the view that, besides commercial considerations, it is in the EU's interests to participate in China's military development as a means of "keeping an eye on it".¹⁶

In the long term, however, after the Chinese arms industries become more export-oriented, it will seriously challenge both EU and US arms suppliers. Indeed it has a faster weapons development cycle and lower wages making its products much cheaper than those of western counterparts.

Some commentators argue that the EU's successful cooperation with China in the field of space science and technology, including the Galileo satellite navigation programme, is probably "cooperation to compete", and therefore the EU should be cautious about sharing with China.¹⁷

The **EP** [supported](#) the 1989 embargo, and since then has voted several times against its possible lifting, even if the EP does not have a formal say on the matter. It adopted an [own-initiative report on EU-China relations](#) in March 2013, which recognises China's superpower status, based on its economic and military rise. The rapporteur encourages China to "honour America's vital interests in ensuring freedom of circulation on the seas", and calls on both sides to avoid an arms race in the Asia-Pacific region.

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