China’s arms sales are a significant, though manageable, problem for the United States. Beijing’s transfers have increased the strength and autonomy of pariah states and helped missile and NBC systems spread, although Beijing in recent years has been less supportive of pariah states and more responsible in its NBC-related transfers. Despite these improvements, further progress is necessary before China’s behavior stops posing a threat to U.S. interests.

Our analysis supports three significant findings about China’s arms sales behavior. First, the claim that China’s arms transfers are motivated primarily by the desire to generate export earnings is inaccurate. In fact, virtually all of China’s arms transfers are at least partly driven by foreign policy considerations, and revenues from arms sales are of diminishing importance to Beijing. Second, the related claim that China’s central government has only a limited ability to control arms transfers is also inaccurate. China’s weapons export system is in fact quite centralized, with the most sensitive transfers of complete systems requiring the approval of a member of the Central Military Commission—comparable to requiring the approval of a member of the U.S. Joint Chiefs of Staff or the National Security Council.\(^1\) The third conclusion is more positive from a U.S. perspective: China’s adherence to international nonproliferation norms is in fact increasing. China has joined several international nonproliferation regimes since 1992, including the Non-Proliferation

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\(^1\) Note that this statement applies only to complete weapon systems, not dual-use materials and equipment.
China’s Arms Sales: Motivations and Implications

Treaty, Chemical Weapons Convention, and Zangger Committee, and has not egregiously violated any of the regimes it has formally joined. In addition, there are signs that Beijing intends to comply with or even join the Missile Technology Control Regime and the Nuclear Suppliers Group.

However, China has a long road to travel before its behavior meets U.S. standards:

- Beijing has not completely accepted the norms embodied in some arms control regimes, and thus often reverts to excessive legalism when interpreting its obligations, using any loopholes in an opportunistic fashion to continue transfers.

- The central government’s ability to monitor and control transfers of dual-use materials and equipment is currently limited, in contrast to its control over transfers of actual weapon systems. It is logistically difficult to monitor over $100 billion in manufactured exports annually in an increasingly decentralized economy with a poorly developed legal system. Beijing also lacks experience and expertise in implementing a monitoring system.

- China’s commitment to the Missile Technology Control Regime is weaker than its commitment to other nonproliferation regimes.

- China is likely to remain resistant to the idea that it should refrain from transfers of certain types of conventional arms because of concerns about the nature of the recipient regime. For example, although China has reportedly agreed not to make further transfers of antishipping missiles to Iran, it remains to be seen whether China accepts as a general principle that it should not sell certain types of conventional weapons to countries like Iran.

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2China is, however, suspected of maintaining its own chemical weapons program in violation of the CWC. Office of the Secretary of Defense, Proliferation: Threat and Response, Washington DC, November 1997, p. 9.
IMPLICATIONS OF UNPREVENTABLE TRANSFERS

Although the United States has some ability to inhibit China’s most worrisome arms transfers, some transactions will inevitably occur. The U.S. focus should continue to be on NBC and missile systems, particularly technology transfers. Transfers of conventional weapons—even to rogues—are far less of a problem given the unsophisticated nature of most Chinese conventional weapons.

China’s transfers of conventional weapons are likely to continue at the reduced levels they have sustained since the late 1980s. China’s principal customers in the 1990s have been Iran, Myanmar, and Pakistan, and this is likely to remain true for the foreseeable future, although these countries are suffering from economic stagnation (at best) and are not likely to increase arms purchases dramatically. Because Chinese conventional weapon systems—combat aircraft, main battle tanks, and air-to-air and surface-to-air missiles—are unsophisticated, they do not present major challenges to U.S. military capabilities. The principal concern has been China’s antishipping missiles, which threaten unarmed merchant vessels such as oil tankers. Nonetheless, Chinese transfers of conventional weapons could threaten U.S. interests by altering regional balances of power or precipitating a conflict into which the United States is drawn.

Of most concern are transfers of nuclear weapons technology. Although it is possible that China may continue assistance to Pakistan’s nuclear weapons program, it is unlikely to directly assist the nuclear weapons programs of any other country. It may do so indirectly by providing assistance to civilian research and nuclear power programs. This latter type of assistance would not be in violation of China’s obligations as a member of the Non-Proliferation Treaty or Zangger Committee, although it is possible that some dual-use equipment and materials may be sold without the approval of the central government. China also appears to be committed to refraining from transferring chemical weapons abroad, although again, especially given the size of China’s chemical industry and the relatively basic nature of chemical weapons technology, some dual-use equipment and materials are likely to escape export controls. In

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China’s transfers of nuclear and chemical equipment and technology greatly aided Pakistan’s nuclear weapons program and may well contribute to further improvements in Pakistan’s capabilities. In addition, China’s arms transfers will probably make a minor contribution to Iran’s efforts to develop nuclear and chemical weapons. Furthermore, both Pakistan and Iran could pass these technologies on to other countries. The likelihood that the United States Air Force could become involved in a conflict with an adversary possessing nuclear or chemical weapons is therefore increased.

The missile technology that China has transferred to Pakistan and Iran is another serious concern. The M-series of missiles represent a qualitative improvement over the Scud missiles common in Third World inventories. They are longer range, more accurate, mobile, and, because they are solid-fueled, can be ready to fire much more quickly. If this technology spread to countries that are adversaries of the United States, it would present serious difficulties for U.S. military planners. Even if China does not specifically transfer M-series missile technology, its other transfers of missile-related technology are of concern. Iran’s Shahab-3 medium-range missile, for example, which is based on the far cruder North Korean No Dong, may have benefited from Chinese guidance technology. Although China’s outright missile sales have been restrained, the United States Air Force must nonetheless prepare for the possibility that potential regional adversaries such as Iran will be equipped with Chinese missile technology.

**FINAL WORDS**

China’s arms sales will make the future security environment more dangerous. Although Beijing’s behavior is improving, continued pressure is necessary to minimize China’s most dangerous sales, particularly those to rogue regimes. China has been, and can be, influenced by U.S. pressure, although some level of sales is likely to continue. Thus, Washington must hedge against the likelihood of sales, developing offsets in concert with allies to minimize danger.

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