5. CHINA’S EMERGING POWER AND MILITARY ROLE: IMPLICATIONS FOR SOUTH ASIA

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The growth in China’s overall national power, including its military capabilities, and how China’s leaders will employ this power will have far reaching implications for Asia and the world. China is not only the largest state in the world in terms of population but is many times larger than all other states, excepting India. Rapid and sustained industrialization and modernization over the next two to three decades is likely to transform this largely agrarian state into a powerful entity, given sheer demographic realities. Power in the Chinese case has a strong military component, since modernization of the armed forces and the military-industrial complex is an important goal for China. The Chinese leadership’s commitment to build comprehensive national power (CNP) is a major factor shaping the stability and security of Asia. In addition, China’s nuclear weapon capability, its permanent status in the United Nations Security Council (UNSC), the large size of its armed forces and the crucial role the People’s Liberation Army (PLA) in its neo-authoritarian political system and national security policy-making give it a special place in the Asian security and strategic order.

Numerous Western experts argue that the Chinese armed forces and much of its weapons inventory suffer from major technological lags, especially when compared with the United States, Japan, Russia, South Korea, India and some of its other neighbors. A comparative assessment has been made in a 1995 RAND study of China’s air power. This is largely true if only the PLA’s conventional capabilities and not its nuclear forces are taken into account. In addition, two other factors must be mentioned in assessing Chinese conventional forces. First is the sheer power of numbers. With a strength of 2.9 million, China has the largest armed forces in the world. It has a corresponding size in air power and is Asia’s leading missile power. What it lacks in quality it makes up through numbers and its willingness to take heavy casualties in warfare, as demonstrated in the Korean War against the far superior forces of the United States, and against Soviet forces in 1969. Second, China is committed to steady modernization of its conventional forces to match those of the other advanced military powers.

The rise of China into a military-industrial powerhouse will therefore have a multi-dimensional impact upon other states of the Asia-Pacific region. This judgment is now well-recognized by most strategic analysts. It will in particular have direct security consequences for China’s neighbors, notably Taiwan, Korea, Japan, Vietnam, Philippines, Mongolia, other Southeast Asian states, the Central Asian states and Russia, and the countries of South Asia. Most of these countries will be affected one way or the other by Beijing’s changing economic and military capabilities, its trade and defense policies, its approach toward resolution of bilateral disputes, and how it will use its power as it grows stronger. States in Southeast Asia, such as Indonesia, which do not share a border with China, will be affected by its naval build up, its handling of its territorial claims in the South China Sea, and its strategic and military relationship with Myanmar and Indochina.

Even the United States recognizes that following Soviet disintegration and with Japanese power contained within the U.S.-Japan alliance framework China will be its leading challenger, its key concern, and the alternative center of power and influence in
the strategically vital Asia Pacific region. According to the 1997 Strategic Assessment published by the National Defense University: "Dealing with China as a rising power is the most compelling of all of the many challenges facing the United States and its regional allies." As its author further asserts:

Within the decade, China could become a power that is a peer to the US. in the East Asian theater. Moreover, as its comprehensive national strength continues to develop over the decade, Beijing might play the role of the theater peer with more assurance than is presently the case. A more capable and confident China may prove to be more obdurate in its pursuit of issues that touch upon sovereignty and national reunification, such as Taiwan or the South China Sea. In these circumstances, a miscalculation by Beijing of either Taipei’s or Washington’s intentions could produce a conflict into which the United States might be drawn. Prudence would dictate that such an eventuality be considered by US. force planners.

The study concludes: “a robust military force and an active dialogue on security issues and concerns are viewed as key elements in any strategy of dissuasion” in regard to China.

Thus, in spite of its techno-economic and military lag in comparison with the developed states, China has begun to play an international role far larger than its overall capabilities. Its status as Asia’s only permanent member of the UNSC and nuclear weapon state, its rapidly growing economy and the lure of its large market, its size and pivotal geopolitical location have given China the strategic weight and influence of a major power. China’s assertive nationalism, a strong sense of self-importance and independence, a national resolve and strategy geared towards attaining a high level of power in all its dimensions -- economic, military, technological, and politico-cultural-- are together redefining the Asian strategic environment, often in a destabilizing manner, given its unfulfilled territorial and unification agenda.

Yet very little incisive discussion has taken place or recognition exists outside India of the security implications for South Asia of the re-ordering of the balance of forces underway in Asia resulting from the growth of China’s power. South Asia has not received the attention in this discussion that it warrants even though China and India constitute the strongest military powers in mainland Asia, and that they are neighbors whose policies and capabilities directly affect each other.

China, India and most of the states in South Asia are still in the midst of economic development, industrialization, and modern state formation, and are therefore not yet in the first rung of the global power structure represented by the triad of North America, West Europe and Japan. However, according to the projections of the World Bank and other international agencies, both China and India will emerge among the five largest economies of the world within the next two decades—the U.S., Japan, and the European Union being the others. This will mean a substantial growth in the national power of the two countries. China and India straddle a common geopolitical space across the Himalayas and South, Southwest, and Southeast Asia. This makes for strategic and geopolitical competition. The growth of these two major power centers adjacent to one another would increasingly be a major factor shaping Asia’s politico-security environment. Stable relations between these two powers is therefore not only in the interest of their peoples, but also in Asian and global interest. Building the basis for a stable and cooperative relationship is a challenge in itself.
China's rising military capabilities, especially its nuclear and missile build up, has direct security implications on its neighbors in Asia with whom it has sovereignty disputes, ethnic-related insecurities and tensions, and geopolitical rivalries, and some of whom Beijing sees as potential threats. This has forced Asian states to adjust their post-Cold War strategies, with China now the dominant focus of security concern. The international strategic studies community, however, by focusing on East Asia, has not recognized the larger dynamics at play in Asia and especially South Asia. Indeed, even the October 1997 U.S.-China agreement under which China committed to curtail its missile and nuclear relations with Iran in return for U.S. cooperation in the Chinese nuclear energy sector have been driven by non-proliferation and its own security concerns in the Gulf rather than a wider view of the strategic and security environment in Asia and how to ensure long-term stability.

CHINA'S SEARCH FOR POWER

Wealth and power have been the principal goals of the Chinese elite for over a century. They remained the principal goals under Mao Zedong and Deng Xiaoping, despite the very different developmental and modernization strategies adopted by the two principal post-revolutionary leaders of China. Most major states have historically translated their power into influence and predominance vis-a-vis other states. China has not been an exception. The post-1949 Chinese leadership has been keenly conscious of the role of military power and the focus of political and strategic leverage this power provides in domestic and international politics.

This search for political and military power has been closely tied to China's perception of its own weakness, its historical memory of 19th and 20th century humiliation by Western powers, and occupation of large parts of its territory by Japan. The fact that China was militarily defeated by Britain, France, and Japan respectively before it was politically and economically subjugated is deeply etched in Chinese memory—a memory that the Chinese Communist Party (CCP) has nurtured. A strong China—that is "a rich country with a strong army" as Japanese reformers had sought to build in the 19th century—is necessary so that it is never again subjected to humiliation and hegemony. Indeed, the entire history of struggle for power in 20th century China underlies this commitment. In the years after the revolution, this belief was strengthened by its searing experience in the Korean War, the containment policy of the United States till the 1972 rapprochement, and by U.S. military threats during the Korean war as well as the Taiwan Straits crises in the 1950s. The military was an integral element of the post-1949 power structure and it was relatively straightforward for the Party to see the world through a militarized prism. Its experience, global and internal realities, and its political-strategic needs made this feasible.

In the period since the creation of the People’s Republic of China (PRC), military power has been viewed as a guarantor of China’s strategic independence, security, and influence in the world. These remain the key goals that CNP is expected to ensure in future decades. The Chinese leadership since Mao has repeatedly asserted that it does not want China to be a superpower. Yet the leadership has also repeatedly stated that China must become "a first rank power" as early as possible. The need to modernize the PLA and its key strategic role was underlined by Party General Secretary Jiang Zemin in his July 1991 speech marking the 70th anniversary of the founding of the CCP.
Thus, despite the stress on the economic dimension of modernization, military reforms have never been neglected by the leadership. The reforms have been geared towards enhancing the effectiveness and power of the PLA and the Chinese Party-State. The very fact that military modernization has been placed on the national agenda next to economic modernization (the aggregate of the three modernizations—industrial, agricultural, and technological) indicates its high priority.17

From a national security perspective, China is preparing to meet three key challenges after the Cold War. In an immediate sense, it must build a military force structure and capabilities that will enable it to use force if necessary to pursue its sovereignty and territorial claims on Taiwan, the South China Sea islands, and if necessary elsewhere—for example against India, Vietnam, and Japan. Second, its military power must provide it with adequate deterrence against the United States—the remaining superpower—and defeat all calls for a neo-containment strategy against China. Finally, in the longer run its power must ensure that China will be an integral part of a new security structure in Asia and the Pacific, and that its interests and concerns not be undermined.

Two factors make this agenda problematic and destabilizing: first, China’s increasingly assertive nationalism18 with the PLA at the core of defining national identity and security goals, and second, China’s deeply rooted realpolitik strategic culture and its repeated use of force in pursuit of the national interest.19 A heightened nationalist environment has emerged and been promoted by the Party-State since the Tiananmen crisis and the collapse of state socialist regimes in the Soviet Union, Eastern Europe and elsewhere, to meet the challenge of what it calls “peaceful evolution” supposedly intent on undermining the Communist Party rule in China. Nationalism has become a necessary defensive mechanism as socialism has declined as the ideological rationale for the Party’s hegemony, and it has gained an assertive character in external relations. This combination of rising nationalism, its key ideological role in regime stability, and the realpolitik strategic culture has made China’s military power build up a potent factor of uncertainty, insecurity, and instability in Asia. Indeed, both its dominant parabellum strategic culture and Maoist thought assume that conflict is a constant feature in human affairs. As Alastair Johnston notes:

> The Chinese leadership believes that conflict is due largely to the rapacious role of the adversary, and that in this zero-sum context the application of violence is highly efficacious for dealing with the enemy. These assumptions generally translate into preference for offensive strategies followed by progressively less coercive ones, where accommodation is ranked last.20

This makes conflict over territory and other core interests of the Chinese regime and the PLA highly likely if the other state refuses to accommodate to Chinese goals.

This combination of the PLA’s size, growing strategic and conventional capabilities, organizational restructuring and adoption of a new strategy of preparing for “high-tech limited warfare” are factors that its Asian neighbors have to take seriously. Its already acquired major power status, and the political will to achieve even greater influence and techno-military power implies that China’s expanding role will be a major feature in the world order in the 21st century. In many ways this is already evident.21

Moreover, over the past two decades of reform while the PLA’s role in elite and societal politics has seemingly declined it has become increasingly influential in the
security policy making process.\textsuperscript{22} Michael Swaine in an important recent study underlines this point:

Ultimate national strategic and security decision making authority does not rest with the Politburo Standing Committee (PBSC) as a body. Instead, a collective leadership composed of a small subset of senior party and military leaders determines policy in these areas. The PLA’s role in shaping national strategic objectives and in providing strategic analysis and intelligence to civilian leaders is particularly significant and apparently increasing.\textsuperscript{23}

Since China’s relations with its neighbors—including those in South Asia—has a substantial national security dimension, and involves disputes over sovereignty, the military is likely to set much of the tenor of the relationship and the policy line, leaving less room for flexibility in dealing with issues such as arms transfers, proliferation, and defense ties. The dominant role of the military in shaping China’s national security and important sectors of the foreign policy agenda is highly destabilizing, since the absence of democratic or other constraints mean the use of force and application of coercive strategies would not be politically impeded. Indeed, "by taking tough positions Chinese leaders demonstrate their nationalist credentials and win vitally important domestic political support."\textsuperscript{24} Asian states therefore have reasons to worry and take precautions.

This is not to argue that China fails to value diplomacy or cooperative ties with other states at a time when it needs a peaceful security environment and external support for the success of its modernization program. Indeed, over the past two decades China has steadily normalized relations with all its neighbors, expanded trade and investment ties, and signed military confidence building agreements with Russia, India, and its Central Asian neighbors; opened negotiations with Vietnam and the ASEAN states to settle territorial disputes; and joined the multilateral ASEAN Regional Forum. Its economic and political ties throughout Asia are growing and China has a major stake in preserving them. However, where core issues of sovereignty and national identity are concerned, the PRC is a prisoner of its strategic culture and assertive nationalism. For these reasons alone, the accumulation of high military power by China is destabilizing and a major security challenge.

It is pertinent to note, however, that China’s rise as a great power is not a certainty. China, for example, may ultimately experience the kind of crises that the state socialist system and the Party-State have faced in other contexts as they have grappled with marketization, democratization and globalization. Moreover, rapid modernization of the type that China is experiencing is socially and politically destabilizing as was seen through the decade of the 1980s leading up to the Tiananmen crisis in 1989. Thus, it is not inevitable that China’s transition from state-socialism to a market based, modern industrialized, and militarily advanced state will be smooth, crisis free, or painless. Indeed an examination of the reform era indicates the volatile nature of the process and the huge hurdles faced by the PRC if it is to attain its national goals in the next two to three decades.\textsuperscript{25}

There are three possible scenarios regarding China’s mid to longer-range future that deserve attention:

a. In spite of the many internal and external challenges, the PRC will continue to enhance its national power as a rapidly modernizing neo-authoritarian state;
b. It will initiate gradual political reforms and move towards a pluralist and democratic future, as have Korea and Taiwan;

c. A major breakdown of the state system would occur in China, leading to renewed civil war that engulfs Hong Kong and Taiwan with unknown consequences. China’s modernization and search for power would be seriously compromised by such political upheaval. This in turn would have very negative security and political implications for Asia and the world.

All three scenarios are possible and no theory can accurately forecast the most likely outcome. However, only the first scenario needs to be taken seriously into account by the region’s strategic planners and analysts, because it alone is based on current realities. The other two are potential scenarios for which alternative planning and preparations need to be considered, but they cannot serve as the basic framework for a China policy. An authoritarian, internally uneasy, but increasingly powerful and assertive China will, therefore, be the reference point of this essay.

CHINA’S MILITARY DOCTRINE AND CAPABILITY

China undertook a major revision of its long-standing military doctrine in 1985 when the Central Military Commission formally announced that “a world war, a major war, or a nuclear war” were unlikely in the current historical epoch and that the PLA should prepare itself for fighting “local, border, and limited wars.” The new doctrine was called “People’s War Under Modern Conditions” in keeping with the need to maintain continuity with Mao’s strategic thought. The doctrine was given a new, modernized thrust in 1993 following the PLA’s assessment of the American high-tech campaign in the Gulf War against Iraq.

The PLA has thus been given the task to prepare itself to face two potential scenarios, one which is possibly unavoidable, and the other unlikely but for which it nonetheless must prepare if its interests are to be pursued.

a. Border wars, territorial conflicts, and localized partial wars of a limited character under increasingly high tech conditions. This what the PLA expects to face and, therefore, such preparations have direct relevance for India, Vietnam, Taiwan, and other neighbors;

b. A general, modern three-dimensional war, in which the use of nuclear weapons could be threatened. This is seen as very unlikely but could occur in case Taiwan declares independence leading to a China-U.S. face off.

However, the PLA’s efforts in preparing for frontier and local wars are of greatest concern to the nations in South Asia. Indeed, ever since the Korean War the PLA has followed a frontier defense doctrine designed to meet the enemy at or beyond the border, show resolve, and demonstrate substantial firepower to deter the potential opponent. As argued by David Shambaugh: "A frontier defense policy has been the PLA’s actual doctrine for four decades despite its professed adherence to a ‘people’s war’ strategy of luring the enemy in deep to defeat them on their own soil. With the
detonation of an atomic device in 1964 and the acquisition of intercontinental delivery systems a decade later, China was able to supplement its conventional doctrine with a minimum nuclear deterrent. 

China’s current conventional power is large but not modern. Beijing is, however, determined to transform the PLA into a modern force. The officially declared defense budget has been growing at an average rate of 15 percent since 1989--among the fastest in Asia. China’s defense expenditure as estimated by international experts is at least three to four times larger than its officially stated defense budget, and is growing at over 10-20 percent annually.

In assessing China’s military capabilities as it affects South Asia, especially India, the symbiotic relationship between China’s strategic forces and conventional forces must be underlined. While its conventional forces lag behind Western, Japanese, South Korean, Russian and Indian capabilities, it is not necessarily behind China’s neighbors such as Vietnam, Myanmar, Laos, Nepal, the Central Asian states, Mongolia, or the Philippines -- most of whom are not covered by any alliance. These states are therefore vulnerable. Moreover, China’s nuclear weapons and missiles give it an edge over virtually all its neighbors, excepting Russia.

Strategic Forces

The key role of Chinese strategic nuclear forces play in creating an advantageous military climate for the PLA must be also emphasized. China is the only indigenous Asian power possessing nuclear arms and the triad of delivery systems. China’s nuclear forces create a fundamental asymmetry of power between China and other Asian states. They ensure that while others would be deterred, China can, if it feels necessary, carry out punitive attacks, “teach lessons,” occupy territory that it unilaterally declares as its own, and engage in force projection and interventions. Nuclear weapons provide China with a security shield and the overall cover under which China can use conventional power against an adversary without fearing large-scale retaliation on its own territory. China already enjoys a nuclear and missile lead over India and other states in Asia. These weapons provide it with a sense of power and assurance, allow it to pursue an assertive nationalist agenda, and furnish it diplomatic leverage.

Army

The large size of the PLA is not very meaningful when it comes to conducting military operations in South Asia. Because of the forbidding terrain, the PLA faces real difficulties in sustaining and deploying large number of troops on the high Tibetan plateau and across the Himalayas, or even across the deserts of Xinjiang. The use of armor and other heavy equipment is similarly ruled out. Tibet is sparsely inhabited and has an average height of more than 10,000 feet, and has some of the world’s most hostile terrain, placing strong limitations on weapons and manpower. Only infantry, artillery, air power and missiles can be used in a military conflict. The absence of a railway network in Tibet means only roads can be employed by the PLA. The logistical support for the military in the mountainous terrain is highly constrained, the roads are narrow, and it is very difficult to sustain a large force. This allows a smaller Indian army to be highly effective and a modern Indian air force to neutralize the PLA. However, the PLA is building rapid deployment and mountain warfare special forces and units.
Air Power

Current Chinese air power can be used against South Asia from air force bases located in Tibet but would not pose an unmanageable threat to the Indian air force. Indeed, given the absence of secure and hard shelters for its fighters in Tibet, the PLA Air Force would face serious problems of surviving a battle against India. However, the introduction of the Russian Su-27 and the agreement to proceed with serial production in China, a new generation of fighters such as the F-10, air refueling capabilities, airborne radar and an improved air defense system will substantially improve China’s capabilities in the coming years. This will require constant Indian efforts to keep its air power modern and effective in facing the challenge.

Navy

The Chinese Navy is still largely a coastal defense force, though it is being modernized. The introduction of new generation frigates and destroyers, and the Russian built Kilo class submarines will gradually improve capabilities. However, the navy’s current concern is concentrated in the South China Sea, the Taiwan Strait, and the Pacific. It would take some time before the Chinese Navy can start operating in the Indian Ocean. Availability of port facilities in Myanmar, Pakistan, and possibly Iran -- three states in the region with which it has naval cooperation--would be of key importance if it were to play that role. China, according to many Indian security experts, would attempt to develop in the longer term, a naval presence in the Indian Ocean. When that happens, Chinese nuclear submarines armed with cruise missiles are likely to be deployed. This will be of direct concern for the Indian and Indonesian navies, and for the U.S. naval forces based in Diego Garcia. The Indian Ocean is expected to become an important area for China’s naval deployments because of growing maritime activity, politico-military ties in the region, and possible energy dependence on the Gulf. This opinion is broadly shared within the Indian strategic community and the naval establishment. China’s growing military role in Myanmar is especially pertinent in this context. Chinese assistance in establishing signal intelligence facilities in Great Cocos, modernization of naval facilities and installation of new radar equipment in Hiangyi islands at the mouth of the Bassein river, and development of naval infrastructure at Akyab and Mergui in Myanmar are seen as building blocks for attaining Chinese strategic goals in the region, including the monitoring of India’s naval communications, and possibly India’s missile testing in the Bay of Bengal. A long-term Indian naval development program to safeguard its maritime and strategic interests and prevent any potential destabilizing impact of the Chinese navy in the Indian Ocean-Bay of Bengal-Arabian Sea area is, therefore, seen as crucial for India’s security.30

China has also found in cash-strapped Russia a major source for weapons and technology for the modernization of the PLA’s arsenal and its sprawling defense industry.31 Beijing’s revival of techno-military cooperation with Moscow has provided China state of the art technology it could not secure from the West. Besides acquiring Su-27 fighters with an agreement on co-production, Russian transfers include Il-76 transport aircraft, some of which have been refitted to provide in-flight refueling, Kilo class submarines, SA-10 surface-to-air missile batteries, and AA-8 Aphid air-to-air missiles. Russia is also providing assistance for China’s anti-ballistic missile defense programs, nuclear submarine technology, anti-submarine warfighting capability, tanks and artillery. In addition, a large number of Russian scientists are employed in China’s defense industries, helping its modernization.32
Access to Russian and Israeli military technology is enabling China to gain significant capabilities across the board that will transform its sprawling military system and capabilities in the coming decades. China is developing antisubmarine warfare, ship-borne air defense, sustained naval operations, and amphibious warfare capabilities. It is acquiring ground force mobility, logistical support, air defense, all-weather operations, and command and control capabilities. It is developing strategic airlift, aerial refueling, ground attack capabilities and adding a new generation of air-superiority fighters. Most of its 24 Group Armies now have rapid deployment units comprising some 18 to 20 divisions. It also has created a 5000 strong marine corps. These units are equipped with the latest in weaponry.33

CHINA'S REGIONAL POSTURE

South Asia is defined here as the region that stretches from Iran and Afghanistan in the south-west to Myanmar in south-east and the Indian Ocean, but excluding Indonesia and other Southeast Asian states neighboring India that are being analyzed separately in this volume. The principal country in the region is India. India's strategic reach and geopolitical weight; its pivotal location straddling the busy sea lanes of the Indian Ocean in the South, East, and West Asia on its two flanks, and China, Central Asia and Russia on the north; gives meaning and makes sense to South Asia, otherwise a region with a disparate group of small and medium states. Myanmar, Bangladesh on one side and Afghanistan, Pakistan and Iran on the other, or Nepal and Bhutan in the north and Sri Lanka or Maldives in the south have very limited strategic linkages. However, they all become an integral part of South Asia as a region because India binds and links each of them into a unit. This essay will therefore analyze India's perceptions of China and its policy options towards China as a central theme. Indeed, with India's impending emergence as a major power, the nature, content, and direction of India-China relations, the relations of both countries with the United States, and their evolving relations with other regional states will determine much of the strategic landscape and future power configurations in the region.

Following its takeover of Tibet, China became an integral part of the Southern Asian geopolitical and strategic environment. It shares borders with Afghanistan, Pakistan (given its occupation of a portion of Jammu and Kashmir), India, Nepal, Bhutan and Myanmar. As neighboring states, each is affected--some positively and some negatively--by China's military power, posture, strategic thinking, and evolving role. China thus shapes in a major way the regional balance of power and security environment. Only India has common borders with a greater number of states in the region than China. Beijing has over the years also developed some of its closest external relationships in the region built on defense and intelligence ties, military transfers, and political support. Unlike China's ties in East Asia where they are essentially economic, its South Asian ties are primarily politico-military in content.

While South Asia is not central to China's current priorities, it is a growing area of interest. The United States, East Asia (including the Koreas, Japan, and the ASEAN states) and Russia have greater importance for Chinese policy makers preoccupied with modernization, national security, national unification, military build up, trade, and investment. Nonetheless, the region has vital security, diplomatic, and economic interests for China. The South Asian states hold the key to the stability and security of its two troubled provinces of Tibet and Xinjiang. After Russia, China shares its longest border with India--a 4000 kilometer stretch that it has failed to settle in spite of waging a war in 1962. At the same time, Beijing has sought to improve its ties with India since the
late 1970s as part of its efforts to improve its security environment and raise its profile with nonaligned nations. Pakistan, Afghanistan, and Iran are China’s most important Muslim neighbors, its corridor to the Gulf and West Asia, and the key to the security of its Muslim majority province of Xinjiang. Nearly 90 percent of China’s total arms transfers are targeted at Pakistan, Iran, Myanmar, Bangladesh, Thailand and Sri Lanka, all neighbors of India. China has also developed naval and defense ties with all these Indian Ocean littoral states--dotting the area between the Gulf and Southeast Asia.

Crucially, since 1965-66, China has constructed long-term security cooperation with Pakistan that includes transfer of nuclear and missile technology and systems. Indeed, Pakistan and North Korea are the only countries that have managed to maintain stable and long-term cooperative relations with the post-1949 communist regime in China. Every other relationship--including with the socialist Soviet Union, Vietnam, Albania, and nonaligned Burma, Indonesia and India--have suffered as a result of China’s exaggerated need to assert itself, wars set off by its territorial claims, ultra-leftism, and the wild swings in foreign policy.

Following recent improvement in Sino-Indian relations and the signing of the 1993 and 1996 agreements on confidence building measures between the two states, Beijing has felt the need to moderate its policy towards Pakistan, projecting a more even-handed diplomatic approach. Thus, it has moved away from its backing for Pakistan’s position on Kashmir and calls for self-determination to a position supporting a bilateral settlement. Nonetheless, its defense and strategic ties with Islamabad remain an important element of its strategic posture in the region. The transfer of M-11 missiles in 1991 and nuclear know-how and materials such as ring magnets for uranium enrichment indicates China’s abiding interest in keeping alive the Pakistan card against India.

From an Indian security perspective, China’s post-1988 strategic ties and military relations with the military-dominated power structure in Myanmar has potential strategic implications almost as serious as Beijing’s ties with Pakistan. It allows China to have two major allies on the two wings of India while it straddles the northern borders. China, Pakistan, and Myanmar together cover the bulk of India’s land borders, and Beijing also has forged close naval ties with these states.

The growth of Chinese power has three very different implications for the regional states and is, therefore, perceived differently by these three separate clusters of states. The first group comprises the states that have close, friendly ties with China and that welcome the growth of China’s overall power and role: Pakistan, Iran, Bangladesh, Myanmar and Sri Lanka. These countries currently see China as an ally in their effort to enhance their political space, and to ensure a steady, and more affordable supply of military weapons and technology not available elsewhere. China to them is a benign state whose power and independent role enhances their security by balancing other major states such as India or the United States or Russia that are their principal concern. They do not have any border disputes with China, nor are they affected adversely by its military power.

A second group comprises land-locked Nepal and Bhutan which have close security relations with India but which would be directly affected by a dominant or a hostile China, by migrations from China as a result of political turmoil in Tibet, and by a deterioration in Sino-Indian relations. Neither of them are dependent on China for essential supplies or trade outlets. Their policies, economy, and security revolve around
India. China has tried to expand its ties with both countries and in the past even sought to undermine India’s special relations with them. Beijing sought to open up arms exports to Nepal in the late 1980s but retreated in the face of a strong Indian reaction that involved closing down of all except two of the 17 border posts that give Nepal virtually free access into India. It was an ill-conceived Chinese move that indicates immense insensitivity to India’s security concerns. Nepal has in recent years been more conscious of India’s concerns and has adopted a neutral posture on Sino-Indian issues. The Chinese continue to retain their presence through road building, manufacturing and other projects, and regular high-level political visits. As far as Bhutan is concerned, negotiations are continuing to settle the boundary with China. Beijing does not as yet have an embassy in Thimpu. Bhutan has special foreign policy links with India and has, therefore, been particularly sensitive to Indian reactions to its China policy.

India falls in the third category. The dominant power in the region with an independent foreign policy, India has had a troubled relationship with China over territorial and other issues such as Tibet, conflicting world views and strategic postures during the Cold War, and over Chinese policies considered hostile by New Delhi. Since the resumption of high-level political exchanges between the two countries in December 1988, regular diplomatic talks to settle outstanding issues, promote military exchanges, and agreements to prevent conflict, the relationship has improved and stabilized. But there has been little movement on resolving outstanding disputes, settle the issue of the presence of the Dalai Lama and the Tibetan refugees in India, or removing Indian insecurities regarding China’s strategic postures and defense ties in the region.

With the exception of Pakistan, most regional states have at times had strained relations with China. China refused to support the Bangladesh freedom movement and backed the Pakistani military’s efforts to forcefully and brutally suppress secessionist activities in the east. The post-independent government under the leadership of President Sheikh Mujibur Rehman was perceived as too close to India and the Soviet Union and incurred Chinese hostility. For some years, Beijing used its veto to prevent Dhaka from entering the United Nations. It was only following the Sheikh’s overthrow in an army coup d’état in 1975 and recognition of Bangladesh by Pakistan that China finally established diplomatic ties with the state. However, since then the two countries have gradually established close relations, and China not only supplies naval ships, artillery and fighters to Dhaka, but also training to the military.

Beijing’s relations were strained with Myanmar for nearly two decades over Chinese interference over Burmese internal affairs and support for insurgents. However, relations began to grow after the military assumed power in 1988. Close defense ties have been built as Burma’s military regime has felt cut off from international contacts and aid. This dependence on China could have a negative impact on the traditional neutrality and independence of Myanmar, strengthen the military regime, and create a destabilizing strategic relationship. Greater cooperation among India, ASEAN, and Myanmar alone can restore the old balance. A nonaligned Myanmar is clearly essential for India, China, and Southeast Asian security. India has thus backed Myanmar’s integration within ASEAN and has expanded its own trade and political ties to restore a balance in Myanmar’s external ties.

China was a major actor in the Afghan civil war and a key supplier of small arms to the insurgents in the combined effort of United States and Pakistan to force a Soviet withdrawal from the country. It bears the responsibility along with the Soviet Union, the United States, Pakistan, and Saudi Arabia in destroying the Afghan state, flooding it with weapons, and then failing to rebuild an alternative state structure and a regime of
peace. Current Chinese interest in Afghanistan, given its continuing civil war and virtual statelessness is low, and relations weak. But these would certainly grow should the situation stabilize.

Iran in the early Khomeni years refused to have regular dealings with China because of its close ties and support for the Shah's regime. However, since the mid-1980s, China has developed defense and arms transfer relations with Iran. These ties evolved during the Gulf War with Iraq as a result of Islamic Iran's problems in acquiring arms from its traditional Western arms suppliers and the need to develop a secure supply channel. For a time in the late 1980s, China was the largest arms supplier to Teheran. These included tanks, fighters, and anti-ship missiles such as the Silkworm. Indeed, China managed to arm both Iran and Iraq in that war. Since the 1990s, Russia has emerged as Iran's main arms supplier. China, however, remains a stable supplier of weapons to Iran. While Beijing will have to restrict the nature of its nuclear and missile collaboration with Tehran as a result of its commitments to Washington during President Jiang Zemin's visit in October 1997, its politico-military ties with Tehran will endure. Beijing has long-term strategic interests in the Gulf and these interests are growing as it comes to rely on Persian Gulf oil supplies. Post-Cold War Sino-Iranian relations have grown in the context of Iran's efforts to develop close ties with Russia, China, and India to overcome the "dual containment" policy of the United States. Long-term stability in the region requires normalization of U.S.-Iran relations.

China has also been alert in developing ties with the small island states of Sri Lanka, Maldives, and Mauritius. Though small, these Arabian Sea and Indian Ocean islands are being given their due importance by China because of its wider pan-Asian and global strategic perspective. China's trade and economic presence have been growing in these states, which also have strong ties with India. It has cultivated friendly ties with Sri Lanka since the 1950s and has been a principal supplier of arms to Colombo. Sri Lanka, like Bangladesh, has found in China a useful counter-balance to its large Indian neighbor to its north.

The post-Mao Chinese interaction with the states of South Asia have been largely stable and increasingly relaxed owing to three significant diplomatic steps initiated by Beijing. These are its decision:

• To discontinue all political and armed support to insurgencies in India and Myanmar and improve state-to-state ties;

• To adopt a neutral posture on India-Pakistan disputes, abandon its post-1964 call for self-determination in Jammu and Kashmir, and support a settlement of the Kashmir issue on the basis of the 1972 Simla Agreement between India and Pakistan;

• Not to foment regional tensions and contradictions by openly supporting the cause of the smaller regional states against India and stay out of intra-regional controversies.

These steps flowed from a fundamental shift in China’s domestic and foreign policies in the post-Mao reform years to improve its ties with its neighbors, lower its security risks, and promote development. This has led, particularly in the past decade, to normalization of relations with all South Asian states, resumption of high level political exchanges, signing of the "Agreement to Maintain Peace and Tranquillity on the Border" with India in September 1993, and the "Agreement on Confidence Building
Measures in the Military Field along the Line of Control in the India-China Border Areas in 1996. The two major powers of the region have thus established a regime of confidence and security building measures (CSBMs) and are in the process of delineating the Line of Actual Control (LOAC). All these steps have measurably benefited regional security.

Given China’s current preoccupations with internal stability, security, modernization and consolidation of territorial limits and strategic space in the Hong Kong-Taiwan-South China Sea sector, it is keen to maintain stable and good relations with the South Asian states. There is thus a direct relationship between China’s more assertive posture in East Asia, its recurrent friction in ties with the United States, and its moderation and spirit of cooperation in South Asia, Central Asia, and Russia.

In spite of the generally relaxed atmosphere, latent sources of political diplomatic friction must be addressed in the coming years if the relationship between China and South Asia is to remain stable. These flow from:

- Unsettled border problems with India and Bhutan;

- The continuing political and ethnic tensions in Tibet, China’s hostile relations with the Tibetans in-exile, and the consequent concern that separatism could lead to future regional tensions with United States, and India.

- China’s military ties and destabilizing arms transfers to Pakistan, Iran, and military-ruled Myanmar; and possible efforts to secure naval facilities in the Indian Ocean littoral, and deploy naval power, which would touch off suspicions and tensions with the U.S., India, and Indonesia.

- China’s military build up--especially its naval and air power, and modernization of its strategic weapons. This could engender growing concern about the rise of a hegemonic, militarily assertive China. India, Vietnam, Indonesia, the Philippines and a post-junta ruled Myanmar would share such concerns.

**INDIA’S RESPONSE TO CHINA’S EMERGING ROLE**

There are competitive elements and cooperative possibilities in the India-China relationship, both with wider political and security consequences. In the short run, both countries are likely to pursue peaceful ties, as this will enhance their security while they engage in modernization and grapple with internal security and political challenges. However, relations in the medium to longer term are uncertain, and could again become tense. Much will depend on internal developments in China and India, the growth of their respective military capabilities, and the response of the major powers towards both states. Sino-Indian relations could become increasingly competitive or even confrontational if China begins to pursue its major territorial claims against India, if its commitment towards détente and peaceful resolution of disputes over sovereignty diminishes; or if its arms transfer policies, defense ties, and arms build-up is viewed as threatening by India; or if the political situation in Tibet gets out of control. Current
Indian policies stress increasing cooperation with China and reduced military growth rates. A policy of engagement, détente, and peaceful resolution of disputes and enhanced cooperation are seen to be in the country’s long-term interest. However, a strategic posture that only stresses diplomacy and interdependence and downgrades military capabilities is likely to be inadequate in dealing with the medium to long term challenges posed by a rising China. A rapidly modernizing, strong and democratic India that balances China’s power in South and Southeast Asia is viewed by most Indian officials and strategic experts as important for India and for long-term peace and security in the region.

What does a powerful China imply for India and the region? For those countries that are close to China and view the steady growth in China’s military power positively--i.e., Pakistan, Iran, Bangladesh, and Myanmar--the current structure of relations is deemed highly favorable. They have no alliance commitments with China, do not see its power as a threat to their interests, and see in it a reliable source of military technology and equipment not available elsewhere. China enhances their options and independence against the West and India. But for India the growing power and strategic reach of China has very different implications that it cannot take lightly.

In the medium to longer run, the growth of Chinese power will affect India in two ways:

- As an increasingly important element of the larger Asian and global balance of forces;
- As the most powerful state in India’s neighborhood, directly affecting its security, diplomacy, economy, and politics;

To the extent Chinese power helps create a stable and peaceful Asian balance of power, to the extent its reforms and large market create new opportunities for regional growth and prosperity; and to the extent the reforms lay the basis for a more cooperative Chinese policy, India is likely to view China’s development in positive terms. This would lay the basis for cooperation between the two states on critical global issues that affect the interests of both countries—for example, trade, a future multilateral security structure in Asia, and the environment.

However, to the extent China poses a security challenge, strengthens India’s adversaries, manipulates neighboring states that are part of the South Asian security environment, or assumes hegemonic tendencies, it would be a major factor of concern. In terms of security China will continue to pose problems for India in coming decades, and the growth of its power could easily affect India’s autonomy of action in Asia. The China factor would have to be taken into account in all its external interactions—economic, military, and diplomatic. Its military power, arms transfer, and import policies, directions and dimensions of trade, its policies on the territorial issue, its military build up, defense ties, and evolving national defense, diplomatic, and economic strategies all impinge directly upon India.

The longest stretch of India’s border is with China. Beijing disputes large portions of this border. China not only occupies 38,000 sq. km in Ladakh’s Aksai Chin plateau but also claims 90,000 sq. km in Arunachal Pradesh. This claim has not been given up and could be pursued at a future date if Beijing feels India is posing a challenge or is not sufficiently friendly. India is officially committed to secure a favorable settlement of the territorial issue and to prevent any further erosion in bilateral ties. India’s military
power is seen by its strategic community as a defensive instrument to thwart the use of power as a leverage in diplomacy, to prevent sudden aggression and hostile behavior, and to enhance its politico-diplomatic influence and leverage.

Militarily, in terms of conventional power, the Indian armed forces and strategic community do not expect China to be assertive on the Sino-Indian border areas for some time to come. In terms of intentions, China will be interested in building CBMs, evolving cooperative ties, working out the LOAC, and pulling back or withdrawing of forces in certain areas. This has already taken place in Sumdorong Chu. China's primary interests lie in developing its economy, in modernizing the infrastructure in Tibet and the interior, improving military capabilities and logistics, and resolving the political issues in Tibet and Xinjiang. Moreover, China will be deeply involved in settling its external problems in the east--i.e., Taiwan, stabilizing the situation in the Korean peninsula, and improving relations with the United States and Japan.

Most Indian military experts believe that in 1962 India was caught unprepared for war psychologically, politically, and militarily, and such an outcome cannot be repeated. Indeed, in 1967 at Nathu La in Sikkim and in 1986-87 at the Sumdorong Chu in Arunachal, the Indian armed forces were able to rebuff and deter the PLA from encroachments and from employing intimidation tactics. India was militarily superior and better equipped than the PLA forces, and the army displayed its clear resolve to safeguard its territory and counter any Chinese moves. The lesson was not lost on Beijing, and the effect has been to neutralize overt Chinese military belligerence against India. This has helped move China towards CBMs and has established the basis for peace and tranquility in the border regions.

The armed forces feel that if India has to maintain its relative conventional edge against China it needs to invest significantly in force multipliers, deterrence, and communications. India’s airforce, missile program, radar network, navy, and nuclear deterrence all need a boost in the coming ten years if it is to face up to the challenge of China’s power even in the context of a generally cooperative and friendly relationship between the two countries. This is necessary to ensure that an asymmetry of military power not adversely affect India’s security, diplomacy, and economy. The challenge could turn to a threat if China’s overall attitude towards India and the boundary issue change on account of sudden developments in Tibet and elsewhere in the region.

From the Indian perspective, China’s nuclear weapons and missile program pose the most immediate as well as the most serious long-term security threat. The South Asian environment has been nuclearized since 1964, and missiles exist in the military arsenals and many neighboring states. The political uneasiness about nuclear weapons in India did not allow New Delhi to take appropriate deterrence measures, and the opposition of the major powers to India's nuclear and missile programs have worsened this problem. Management of India’s complex and difficult security environment under such conditions has become very challenging. India not only faces the Chinese nuclear challenge but also the threat of a nuclear Pakistan, and the Sino-Pakistan security nexus that has included collaboration in the nuclear and missile areas. Current Indian nuclear and medium range missile capabilities are largely in a non-weaponized, non-deployed stage. This condition is unlikely to deter China from undertaking military action. The close ties between China and some of these states operating in an anti-India framework makes the challenge even greater. India does not see any direct gains for its security from China’s joining of arms control mechanisms such as the Nuclear Nonproliferation Treaty and the Comprehensive Test Ban Treaty. None of them redress the strategic imbalance nor do they constrain Chinese capabilities in the nuclear or missile areas. Its
new nuclear export policies announced in 1997 cannot undo the transfers it made to Pakistan in the nuclear and missile domain. While Chinese participation in various arms control regimes is positive from a global perspective, their contribution to Indian or South Asian security is minimal.

What are India’s options in this complex equation? Given their respective internal challenges, the huge tasks of nation building, the consequent need for internal and external peace and security, both Beijing and New Delhi have an interest in enhancing their own security in terms of each other and the region by developing cooperative ties and confidence building measures. However, many of China’s activities push towards less cooperative ties and undermine confidence. For India, China strategy in the post-Cold War era calls for a combination of astute diplomacy and rapid development of national power and prestige. While there is broad consensus on the China policy across the political spectrum, there are differences within the Indian political and strategic community, on the relative weight between cooperation and deterrence in dealing with the challenges posed by China.

The contradictory dynamics of the relationship entail a complex four dimensional strategy for coping with the China challenge—cooperation and confidence building, deterrence, support for multilateral security building in Asia, and a stable balance of power in Asia. India does not expect China to settle the border issue to India’s satisfaction in the near future, nor weaken its defense ties with Pakistan and Myanmar, nor restrain its military build up. To maintain security and ensure long-term stability in relations with China and other neighbors, India’s politico-military options entail the following dimensions.

**Structural Engagement with China**

Both India and China face huge domestic tasks related to modernization as well as external problems and national consolidation tasks in which other countries are of greater concern. China considers national consolidation— the enhancing of its sovereign control over Taiwan and the South China Sea and overcoming political dissension in Tibet and Xinjiang—as among its priority tasks. For India, the ending of terrorism and separatism in Jammu and Kashmir and political consolidation of India’s sovereignty over the state and in the Northeast will remain the immediate tasks. These conditions create the grounds for confidence building, cooperation, and reconciliation between the two countries to facilitate these possibilities:

i. Develop a series of confidence and security building measures (CSBMs) that help maintain long-term peace along the Line of Control. This is currently underway and was given formal shape by the 1993 India-China agreement, and plans for a troop pull-back where the troops are in close confrontation;

ii. Keep up an intensive, high level leadership dialogue so as to understand China’s security concerns, strategy, and motives;

iii. Develop all-round relations with China, including border trade, giving it a stake in India’s development and growth and linking its prosperity of China’s southern provinces to India’s well-being;
iv. Make best use of the international balance of forces, improved diplomatic relations with China, and India's growing strategic importance to resolve the outstanding boundary problem to mutual satisfaction.

Deterrence and Power

India's military capability, however, remains the key for ensuring security and stability in relations with China. Defense modernization suffered during the late 1980s and first half of the 1990s owing to a major restructuring of the economic and financial system, cutbacks in defense expenditure, and the collapse of the Soviet Union which supplied the bulk of India's military hardware and technology. Military R&D also declined. However, India has remained committed to acquire capabilities to deal with a militarily more robust China. Work on the Agni missile project, the Light Combat Aircraft project, the main battle tank, and aircraft carrier projects have been sustained, though they have suffered from financial constraints and political uncertainty at the center. The signs, are however, pointing towards greater efforts in higher levels of defense modernization in the coming years.44

The growth in China's power unmatched by commensurate developments by India is not in global, regional or India's interest. A techno-economic-military asymmetry between these two Asian states will have a strategic impact on the entire South Asia-Indian Ocean region. It will affect India's South Asian neighbors as well as the major powers, who will then approach the two countries differently. A China seen as more powerful and successful by India's neighboring states would enhance Chinese diplomatic and military leverage against India. Beijing's growing influence in the international system would mean that the U.S. and other major powers will adjust to Chinese interests, sphere of influence, and concerns in Asia. China would also have a growing say in the reform of the United Nations, and in creating nuclear and missile regimes that work against states such as India.

India needs to enhance its overall national power and deterrence capability through its nuclear weapon and missile programs and its naval and air power, while keeping up the modernization of its conventional forces to ensure its security against an increasingly robust China. It also needs to find ways to make its nuclear deterrence credible in the post-CTBT phase. These are substantial challenges that will require both financial and political commitment, and active international diplomacy to explain its concerns and security dilemma.

Multilateralism

A third element of India's strategic options is to support and help create multilateral security structures in Asia that would draw in all countries and create normative and preventive mechanisms. This would involve:

i. Close multi-layered ties with the United States, Russia, Japan, Europe, ASEAN, the Gulf states, and the states of South Asia to create balance of forces favorable to India.

ii. Support for regional CSBMs, peace structures, and peaceful norms for solving disputes from which all countries could gain.
iii. Opposition to all regimes that seek to maintain the current global nuclear and missile asymmetry that are detrimental to India’s interests.

**Balance of Power**

China is expected to become increasingly active and assertive in South, Central, and West Asia, and in the Indian Ocean regions—areas that are less important to its preoccupations today. India needs to take necessary steps now to match China in techno-economic terms, so as to thwart any negative fall-out to its security and well-being. Close defense ties with the Western powers, Russia, and extensive political, economic and selective defense ties with the Gulf states and Central Asia, ASEAN (including Myanmar and Indo-China), Japan, and Korea, will become important in creating a positive external security environment. Joint military exercises, co-production and collaboration defense R&D with the advanced industrial world, and selective arms exports will also be major components of such a strategy. Concerted and coordinated efforts will also be needed to rapidly enhance the country’s overall power and diplomatic role so as to face challenges posed by the major and even some minor powers.

The question arises: what if India cannot attain an equal and balanced relationship with China? In such a case, India would clearly need security partners with which to balance China—as it previously did with the Soviet Union. India clearly would have to closely nurture its ties with the United States, Japan and Europe in order to create appropriate conditions for future contingencies.

However, most Indian decision makers view the country’s interests best served not in an alliance with a major power, but in enhancing its own power to thwart coercion and aggression. For India, an equal and balanced relationship with China is essential for its own security and strategic interests, as well as for regional peace. Therefore, while India attempts to develop a stable engagement strategy, interdependence, and diverse cooperative ties with China, it will need to continue to enhance its power and all round economic, military, political and technological capabilities if its national security and autonomy are not to be compromised. Should these efforts not succeed, India will either have to acquiesce to a dominant Chinese role in the region, or build security links with an external power to balance China which may not be feasible unless India itself is seen as a more robust, purposeful, and rapidly modernizing state. The United States, Russia, or Japan would be wary of displeasing China or jeopardizing their respective interests vis-a-vis Beijing if India is perceived as weak. Thus for India the challenge posed by China can only be met by sustained levels of economic growth, continued modernization of its military technological base, and restructuring of its military forces. These measures will ensure it an independent role in the world, safeguard its security, and advance its interests. These are also the only options around which a national consensus can be built. A subordinate role to China or a security alliance with the U.S. despite the growing congruence in Indo-U.S. interests, both remain politically unacceptable within India. Nor is it certain that the U.S. desires such a role. However, a series of strategic relationships tying India with the United States, Japan, Russia, and Europe that strengthen the forces of democracy and rule of law, help build universal norms and structures for peaceful resolution of disputes, promote multilateralism, and create a new Asian balance for peace and security are both possible and desirable.
THE ROLE OF THE UNITED STATES

There has been little understanding in the United States and the West of India’s legitimate security concerns in the nuclear and missile realm, especially vis-a-vis China. Western policy toward India has been largely driven by the Pakistan factor or by non-proliferation. To New Delhi, the current non-proliferation and technology control agenda of the Western powers is irrational and unacceptable, since it undermines both India’s security and a stable and a secure order in Asia. The U.S. policy to buttress a five-power global nuclear monopoly is not conducive for Asian or global peace and stability. Such a policy keeps India and others disarmed, while permitting the military build up of the five majors, including China. A policy that allows China’s nuclear build-up but constrains India’s defense program is not only against India’s interest but clearly not in the interest of Asia. Asia requires a balance of forces between its most important powers, not a pronounced, deliberately fostered asymmetry. Moreover, such an asymmetry and a vulnerable India that it entails cannot be in America’s interest.

This argument has been recognized in a recent report on U.S. policy towards India by a task force of the Council on Foreign Relations. In the words of its authors:

The entire effort of the United States to establish universal nonproliferation regimes that indefinitely perpetuate the inequality between the nuclear weapon states, including China, and non-nuclear weapon states, including India, is designed to relegate India to second-class status.45

India also views the U.S. decision to activate its 1985 nuclear agreement with China despite the latter’s track record in proliferation—while refusing to cooperate on similar terms with India, which has maintained nuclear restraint and refused to export missiles and nuclear materials—as bizarre and indefensible. This policy can only heighten pressures in India to go overtly nuclear. India is not against U.S.-China cooperation in the nuclear energy arena, but wants a similar arrangement with Washington. It also seeks a new dialogue and agreement with the U.S. on the entire gamut of issues involving nuclear weapons, proliferation, and missiles and technology controls so as to enhance its security and economic interests, end the two-tier approach to global security, and build a new security environment in Asia. India is not covered by an alliance or a nuclear umbrella. Its security needs must be addressed in a new structure of peace in Asia.

CONCLUSION

Since the emergence of the independent states in South Asia and Tibet’s forcible incorporation into Beijing’s sovereign orbit—China has been a key actor in the politics and security of the region. Close security and strategic ties bind China to several states in the area. Its ties with the major South Asian state and Asia’s largest democracy, however, have yet to stabilize. Military relations and strategically guided policies have dominated China’s ties with the region. It is realpolitik guided behavior, patterned on the interest-driven role of major powers of the 19th and 20th Century, thus diverges from the needs of cooperation, security and stability.

With China persisting in its military modernization and build-up, India and other states in the region need to maintain their defense modernization so as not to create any serious imbalance in conventional power. While China’s relations with most states in
South Asia are currently stable, a shift in China’s strategic mission and intentions could create an entirely new situation.

India sees itself as a stabilizing force in Asia and it is the central power that binds South Asia as a strategic and geographic unit. Its success as a modern, powerful, secular and democratic state would strongly constrain the growth of fundamentalism, militarism, and hegemonism, and promote the formation of a cooperative, peaceful and law governed order in the region. India has no pan-Asian hegemonic aspiration. However, it has vital political, economic, and security interests in the region spanning the Gulf, lower Central Asia, the Indian Ocean, China, and Southeast Asia. India’s large size; its democratic, secular, and federal polity; its growing need for oil, technology, markets, and capital; its vast market and economic potential; and its technical and military power make it important for the well-being of the rest of Asia. A powerful and prosperous India will also serve as the engine of change for the largest population concentration in the world—in South Asia. A weak India and a strong China may serve the interests of Pakistan, but not very many other countries. Some of the smaller states such as Bangladesh, Nepal, Sri Lanka—despite their occasional differences with India—have too much to gain from India’s rapid growth, prosperity, and stability. Nor would Myanmar and Southeast Asia, Iran and the Central Asian states, or Russia take satisfaction from the power vacuum that a weak India would create in the region.

What Asia needs is not a containment of China but a realistic engagement strategy that takes the interests of all countries into account. That would involve enmeshing China in trade, investment, and multilateral security ties. But it would also entail creating a new Asian balance and supporting India and other states to secure their interests.

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1 China’s 1.2 billion people and India’s 900 million are several times larger than the next largest—the United States.
2 The Chinese Gross Domestic Product (GDP) grew at an average nine per cent annually through the two decades of its reforms and modernization since 1978-79, according to both Chinese official and World Bank statistics. It is expected to maintain high rates over the next two decades barring grave socio-economic dislocation. Such a growth rate over an extended period has quadrupled its 1980 GDP, and enhanced its industrial, infrastructural, and technological capabilities several-fold. This was made possible by China’s strategic relationship with the United States and the West developed during the 1970s and has greatly enhanced the scope, resources, and technological acquisitions of its ambitious military modernization program.
3 CNP is a concept that the Chinese strategic community has used to set its goals since the late 1980s, based in part on the concept of Comprehensive Security developed by the Japanese government in 1980 and on post-Cold War discussions developed on the contribution of economic and technological factors to national power and competition among states.
4 See, for example, Michel Oksenberg and Elizabeth Economy: “While China’s capabilities have steadily improved, so have those of Japan, Korea, Taiwan, and the ASEAN states. Moreover, although China is spending more on defense compared to Russia and the United States than a decade ago, Washington and Moscow are in different league in terms of strategic capability. In short, China is not a military colossus among pygmies.” Shaping U.S.-China Relations: A Long-Term Strategy (New York: Council on Foreign Relations, 1997), p. 34. The same report also cites U.S. Arms Control and Disarmament Agency (ACDA) figures which show that China in 1993 accounted for 36 per cent of total Asian defense expenditure, ahead of Japan (29%) and Southeast Asia (10%), and South Asia (7%). South Korea and Taiwan accounted for 8 and 7 per cent respectively. Such large expenditure differentials between China and South Asian states over an extended period indicate the emergence of grave military asymmetries, especially when China’s nuclear and missile programs are taken into account.


8 Ibid., p 55.

9 Ibid., p. 56.

10 A British treasury report, among many others, cited by the *Financial Times* has predicted that within the next 20 years Britain, France, Canada, and Italy would lose their Group of Seven status and would be overtaken by China, India, Brazil, and Indonesia. See *Reuters*, 7 June 1996. Using a Purchasing Power Parity (PPP) Exchange Rate for calculating Gross National Product, China was placed second after the United States and India fifth in the 1996 *World Development Report* published by the World Bank.


The Chinese pledge not to export nuclear materials to unsafeguarded nuclear installations was the key commitment that enabled the United States to provide the necessary Presidential certification reviving the 1985 Sino-U.S. Agreement on cooperation in nuclear energy. See U.S. State Department Fact Sheet, 7 November 1997. China, however, offered no pledges regarding the supply of missiles to Pakistan.

Note, among others, this 1987 statement: "China is advancing toward modernization and has the potentialities to becoming a first class power in the world even though it is now a developing socialist country." Wan Qizhi, "The Pattern of Today's World", Ban Yue Tan, No. 18, 25 September 1987, cited in FBIS-CHI, 7 October 1987, p. 3. On the question of becoming a superpower, see Deng Xiaoping's statement: "The more powerful China becomes, the more reliable world peace will be. After becoming powerful, China will not join the ranks of the superpowers. China has declared that she will never become a superpower." See "Deng Xiaoping Talks Freely About the Situation at Home and Abroad," Liaowang, No. 37, 16 September 1985, cited in FBIS-CHI, 30 September 1985, p. K3. See also Jonathan D. Pollack, "China's Potential as a World Power," International Journal, Vol. XXXV, No. 3, Summer 1980.


This has been a major area of theoretical contribution by Alastair Iain Johnston. In particular, see "Cultural Realism and Strategy in Maoist China," in Peter Katzenstein (ed.), The Culture of National Security: Norms and Identity in World Politics (New York: Columbia University Press, 1996); and his major work, Cultural Realism: Strategic Culture and Grand Strategy in Chinese History (Princeton, New Jersey: Princeton University Press, 1995). Johnston argues that China’s parabellum traditional strategic culture has been the dominant variable explaining China’s strategic behavior and its high propensity to use force in asserting its claims and in pursuing strategic and foreign policy objectives.

As David Shambaugh argues: "It is important not to exaggerate China’s potential threat. The PLA's weapon inventory and combat capability lags significantly behind the state-of-the-art and there is no evidence that China aspires to conquer others, but the early 1990s are likely to prove the 'take-off' phase in a military build up that early next century will challenge for pre-eminence in Asia. This development, in turn, could trigger a regional realignment to contain Chinese power. From China's perspective, its current build up is a legitimate effort to acquire armed forces commensurate with its rising status as a global economic power and protect its perceived national interests. But from the perspective of many of China's neighbors an alarming trend has begun." See Shambaugh, “Growing Strong,” op.cit., pp. 43-44.

Shambaugh assesses: "Foreign policy is dominated by a handful of Politburo level officials. Defense and national security policy is handled entirely by the Central Military Commission (CMC)." See Shambaugh, "Containment or Engagement of China?", op.cit., p.201. Also see Michael D. Swaine, The Role of the Chinese Military in National Security Policymaking (Santa Monica, California: RAND, 1996). While Swaine observes that the military does not "dictate" policy, "there is increasing evidence to suggest that the military's involvement in the foreign policy subarena is growing, both formally and informally. Military views are increasingly expressed and military influence exerted on specific foreign policy issues. In fact, the military’s relationship..."
to the foreign policy subarena is probably the most dynamically changing dimension of the entire national security policy arena." Swaine, p. 31.

23 Ibid., pp. 73-74.

24 Shambaugh, "Containment or Engagement," p. 190.


29 See for example, the strategic assessment of Air Commodore Jasjit Singh, Director, Institute for Defense Studies and Analysis (IDSA), New Delhi.


33 See Strategic Assessment, op.cit., pp. 50-51.

34 For arms transfer data, see SIPRI 1996 Yearbook; also see the United Nations Arms Register data available since 1992 on seven major categories of weapon systems that form the bulk of the international trade in arms.


43 In particular, see Lin Liang Guang, "India’s Role in South Asia: A Chinese Perspective," in Vernon L. B. Mendis (ed.), *India’s Role in South Asia* (Colombo: Bandarnaike Institute for International Studies, 1992).
