Great Expectations

Interpreting China's Arrival

Avery Goldstein

It has become nearly conventional wisdom that China is the post–Cold War world's emerging great power that poses the most difficult questions for the future of international security. Whether scholars, pundits, and policymakers are interested in environmental impact, human rights, economic affairs, or traditional military-security issues, most who think about the dynamics of the international system in the twenty-first century believe it essential to consider the rise of China and its implications.[1] This article focuses mainly on the military-security dimensions of this topic, exploring the basis for claims about China's growing power and the expectations about its significance that are rooted in relevant strands of international relations theory.

Perhaps the interest in China's international role should not be altogether surprising, inasmuch as it has long been a country with three of the least malleable attributes required for membership in the great power club—vast territory, rich resources, and a large population. And, in the course of the past century, other key requirements for international influence have been successively added. By the mid-twentieth century, the victory of the Chinese Communist Party (CCP) resolved a century-long pattern of internal political disunity and ended a series of varied foreign encroachments on China's sovereignty. During the Cold War, the new regime's leaders gradually enhanced

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1. The new wave of scholarly interest in East Asian security and China emerged in about 1993. Just two years earlier, such matters received relatively short shrift in one of the first serious comprehensive overviews of the post–Cold War world landscape. See Robert J. Art, "A Defensible Defense: America's Grand Strategy after the Cold War," *International Security,* Vol. 15, No. 3 (Spring 1991), pp. 5–53. Capturing the spirit of the recent "China-mania," the February 18, 1996, *New York Times Magazine* carried as its cover story, "The 21st Century Starts Here: China Booms. The World Holds Its Breath," by Ian Buruma, Seth Faison, and Fareed Zakaria. The editors of *International Security,* sensitive to market demand, have published an edited volume of selected articles entitled *East Asian Security,* whose largest section is a collection of major articles under the heading, "The Implications of the Rise of China." Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller eds., *East Asian Security* (Cambridge, Mass.: MIT Press, 1996).

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their international prestige and eventually overcame attempts at diplomatic isolation to assume their role as the sole legitimate representatives of the Chinese state in key international bodies, most notably the United Nations Security Council. In addition, during the Cold War the CCP invested heavily in the rapid development of the modern era's military badges of great power status—nuclear warheads and the ballistic missiles to deliver them.

Into the last decade of the Cold War, however, China remained a "candidate" great power because the communist regime had failed in its efforts to promote domestic development that could provide the basis for comprehensive economic and military clout at world-class levels. A vast army supplied with obsolete conventional, and crude nuclear, weaponry left China as one of a group of second-ranking powers, and among them perhaps the least capable.[2] But beginning in 1979, while the Soviet Union was retrenching internationally and then imploding, new leaders in Beijing were initiating a series of sweeping reforms that would result in high-speed growth—both quantitative expansion and qualitative improvements.[3] By the end of the Cold War, China was more than a decade into an economic takeoff that led many to reach the seemingly inescapable conclusion that the country was destined finally to add the last pieces to its great power puzzle. Beijing would have the wealth and expertise to be a leading player in international economic affairs, assets that might also provide the foundation for a large, first-class military capability. In short order, many who had comfortably spoken about a Chinese great power some time in the future began to worry about the implications of a China sooner, rather than later, having the ability to pursue its own interests more aggressively. Often, those thinking about this prospect believed it spelled trouble for international security, at least in the East Asian region and perhaps beyond.[4]

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2. See Avery Goldstein, "Robust and Affordable Security: Some Lessons from the Second-Ranking Powers During the Cold War," *Journal of Strategic Studies,* Vol. 15, No. 4 (December 1992), pp. 478–479, 519.

3. For concise accounts of China's reforms, see Harry Harding, *China's Second Revolution* (Washington, D.C.: Brookings Institution, 1987); Kenneth Lieberthal, *Governing China* (New York: W.W. Norton, 1995); and Nicholas R. Lardy, *China in the World Economy* (Washington, D.C.: Institute for International Economics, 1994).

4. On the increased importance of China for U.S. foreign policy, see then-U.S. Secretary of State Warren Christopher's May 1996 speech to a joint meeting of the Council on Foreign Relations, the Asia Society, the National Committee on U.S.-China Relations, and *Business Week*. "'American Interests and the U.S.-China Relationship' Address by Warren Christopher," Federal Department and Agency Documents, May 17, 1996, *Federal Document Clearing House,* from NEXIS Library, Lexis/Nexis, Reed Elsevier (hereafter NEXIS). For samples of the emerging scholarly literature, see Aaron L. Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia," *International Security,* Vol. 18, No. 3 (Winter 1993/94), pp. 5–33; Richard K. Betts, "Wealth, Power, and Instability: East Asia and the United States after the Cold War," *International Security,* Vol. 18, No. 3 (Winter

In this article, I analyze the conventional wisdom. First, I examine its basis. In what sense has China's power been increasing? To what extent do the claims of a rapidly rising China reflect reality as opposed to perceptions? What accounts for divergence between objective indicators and judgments about China's power? I then consider the key interpretive question: What are the expected consequences of China's rising power, whatever the pace at which it is increasing, for international security? My analysis (1) indicates that the recent increases in China's capabilities most important for international security, especially military power, have thus far been modest; (2) explains why expectations for great gains in the foreseeable future may well be exaggerated; and (3) acknowledges that although international relations theory provides persuasive reasons to expect China's growing power to increase the frequency and intensity of international conflicts, it also suggests ways to manage such conflicts and, perhaps most important, suggests why dire scenarios involving major war are unnecessarily alarmist.

Several caveats are in order. First, the core topic of this article, "power," is a highly contested term, and the debate about its meaning cannot possibly be resolved in this space.[5] Second, and perhaps ironically, in this case it is easier to deal with the theoretical-interpretive issues than with the empirical ones. The CCP has changed much about the way it runs China since it initiated its reform program, but it has not warmly embraced the notion of transparency in the military-security realm.[6] Third, the accuracy of assessments of China's

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1993/94), pp. 34–77; Denny Roy, "Hegemon on the Horizon: China's Threat to East Asian Security," *International Security,* Vol. 19, No. 1 (Summer 1994), pp. 149–168; Michael G. Gallagher, "China's Illusory Threat to the South China Sea," *International Security,* Vol. 19, No. 1 (Summer 1994), pp. 169–194; Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Alfred A. Knopf, 1997); and Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security* (New York: W.W. Norton, 1997).

5. For a brief introduction to the debate and references to some of the key positions, see William Curti Wohlforth, *The Elusive Balance* (Ithaca, N.Y.: Cornell University Press, 1993), especially pp. 3–10.

6. On the strategic rationale for China resisting transparency, see Goldstein, "Robust and Affordable Security," pp. 485–491, 500–503; Alastair Iain Johnston, "China's New 'Old Thinking': The Concept of Limited Deterrence," *International Security,* Vol. 20, No. 3 (Winter 1995/96), p. 31, fn. 92. China's Defense White Paper in 1995 was an unrevealing disappointment. The PLA has reportedly begun a more forthcoming draft for release in late 1997. See "White Paper—China: Arms Control and Disarmament," Xinhua News Agency, November 16, 1995, from NEXIS; Banning N. Garrett and Bonnie S. Glaser, "Chinese Perspectives on Nuclear Arms Control," *International Security,* Vol. 20, No. 3 (Winter 1995/96), pp. 43–78; Christopher Bluth, "Beijing's Attitude to Arms Control," *Jane's Intelligence Review,* July 1996, pp. 328–329; and Barbara Opall, "Skeptics Doubt Value of PLA White Paper," *Defense News,* December 9, 1996, p. 3, from NEXIS. Nevertheless, since 1979 Western scholars have been better able to interview relevant policymakers, Chinese academics, and military personnel, to gather the increasing volume of Chinese publications, as well as to obtain many imperfectly controlled "internal-circulation-only (*neibu*)" materials often discovered on the shelves of China's bookstores.

growing power, and thus its potential significance for international security, depends upon a variable only loosely connected to current patterns of economic and military growth—the country's future political coherence. Until the violent crackdown on demonstrators in 1989, few China experts concerned themselves with the possible collapse of the communist regime or disintegration of the nation-state. In the immediate wake of the events in Tiananmen Square, speculation about such extreme outcomes was rampant. But the success of the CCP in weathering the domestic and international pressures it faced in 1989 and 1990 has again shifted the balance, so that by the late 1990s most expect gradual rather than convulsive political change for China as it moves into the post–Deng Xiaoping era. The sobering experience of the unexpected collapse of the Soviet empire, however, has weakened whatever confidence political scientists may have had in their ability to anticipate the evolution of even ostensibly well-entrenched regimes. Thus heavily qualified rather than firm predictions are the order of the day.[7] Although close consideration of China's internal politics falls outside the scope of this article, it must be acknowledged that analysis of an international system in which a more powerful China plays a leading role may well be taking for granted answers to questions about the country's political coherence that are at least as vexing as those about its economic and military capabilities.

Interpreting China's Power

Although an assessment of China's power might seem a methodologically straightforward exercise, even if it is one that faces serious practical problems, there are important differences in the meaning conveyed by references to China's economic and military might at the end of the twentieth century. Some discuss its power in absolute terms. Such descriptions provide a snapshot of the quantity or quality of current Chinese capabilities (e.g., standard of living, trade volume, military assets). Given the country's huge population, it has long been easy for numbers alone to suggest the importance of patterns of consumption, expenditure, or military personnel without much apparent need for further elaboration. But for analysts whose interest in China has been piqued

7. For competing perspectives, see Jack Goldstone, "The Coming Chinese Collapse," *Foreign Policy,* No. 99 (Summer 1995), pp. 35–53; Huang Yasheng, "Why China Will Not Collapse," *Foreign Policy,* No. 99 (Summer 1995), pp. 54–68; Arthur Waldron, "After Deng the Deluge: China's Next Leap Forward," *Foreign Affairs,* Vol. 74, No. 3 (September/October 1995), pp. 148–153; and Richard Baum, "China after Deng: Ten Scenarios in Search of Reality," *China Quarterly,* No. 145 (March 1996), pp. 153–175.

by recent developments, this sort of static, absolute measurement of capabilities is not of much use. For those interested in changes in China's power, relative assessments are essential.

Broadly speaking, there are two ways to distinguish work that discusses power in relative, as opposed to absolute, terms. The first is whether the analysis is national or international in scope. A national assessment is one in which the analyst draws comparisons between a state's current and past capabilities, the sort of developmental story often told in the area studies literature. An international assessment is one in which the analyst draws comparisons between one state's capabilities and those of other states, the sort of "great game" story often told in various genres of the international relations literature. A second broad distinction can be made within the realm of international assessments. They may entail either synchronic comparison of current capabilities relative to other states (depicting a current balance of power, for example), or diachronic comparison that traces changes in such relations over time (depicting the rise and fall of great powers).

ESTIMATED POWER

Those familiar with the literature on the Chinese "miracle" will recognize that, with a few important exceptions discussed below, it chronicles China's growing power by describing the country's current capabilities, implicitly suggesting their impressiveness, or more often by identifying significant changes relative to China's own past. These accounts set forth measures of what William Wohlforth has termed "estimated power," that is, looking at indicators that many believe are the building blocks of international influence.[8] The two most important sets of indicators in the Chinese case have been economic and military statistics.

Economic statistics that describe the size or growth rate of China's aggregate and per capita gross domestic product (GDP) as well as the expanding volume and changing composition of China's international trade provide a startling picture of transformation since 1978. During the 1980s, China's GDP doubled, and by the mid-1990s was doubling again.[9] Although per capita levels remain low, here too statistics reveal increases that only partly reflect the fundamental

8. William C. Wohlforth, "The Perception of Power: Russia in the Pre-1914 Balance," *World Politics,* Vol. 39, No. 3 (April 1987), pp. 353–381.

9. See Lieberthal, *Governing China,* p. 126; also "Statistical Communiqué of the State Statistical Bureau of the People's Republic of China," released annually each March and available in *Beijing Review.*

improvements in the standard of living of most of China's citizens—changes better captured by statistics that detail patterns of consumer behavior.[10] Over the same time span, China's trade volume ballooned from $38.2 billion to more than $250 billion.[11] Equally impressive, the composition of imports and exports shifted during the reform era as China went from being an exporter of raw materials and importer of foodstuffs to being an exporter of labor-intensive consumer goods and an importer of industrial products.[12] Moreover, a string of trade surpluses led to stunning increases in the country's foreign exchange reserves.[13] In short, statistics indicate a remarkable increase in the quantity of China's involvement in international trade and an equally remarkable change in the quality of this involvement, as the country was transformed from a reluctant, small-scale international economic actor into an eager, larger-scale participant playing the role other East Asian export-led growth economies had pioneered.

The focus on China's emerging military capabilities lagged behind the interest in economic performance. Certainly, those specializing in the Chinese military wrote about basic changes in force structure and doctrine that were initiated in the early 1980s,[14] but only in the early 1990s did a broader community begin to pay attention to the indicators suggesting quantitative increases and qualitative improvements in China's military capabilities.

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10. See Dong Li and Alec M. Gallup, "In Search of the Chinese Consumer," *China Business Review,* Vol. 22, No. 5 (September 1995), p. 19, from NEXIS; "Diversifying Consumer Purchases in China," *COMLINE Daily News Electronics,* June 18, 1996, from NEXIS. Even so, a substantial fraction of the Chinese population remains mired in poverty. See Patrick E. Tyler, "In China's Outlands, Poorest Grow Poorer," *New York Times,* October 26, 1996, p. A1, from NEXIS.
11. See Lardy, *China in the World Economy,* p. 2; "China Confident in Fulfilling Foreign Trade Target for This Year," Xinhua News Agency, July 9, 1996, from NEXIS.
12. Lardy, *China in the World Economy,* pp. 29–33.
13. From roughly $15 billion at the end of the 1980s, China's foreign exchange reserves reached $84.3 billion by August 1996, ranking China fifth in the world. Its reserves topped $100 billion by November 1996 and were headed for $150 billion by mid-1997. See Nicholas R. Lardy, "The Future of China," *NBR Analysis,* Vol. 3, No. 3 (August 1992), p. 7; "China's Forex Reserves Not Too High—Official," Reuters, November 30, 1996, from Clari.world.asia.china.biz, ClariNet Communications (hereafter Clari.china.biz); "China Growth Seen at 9.8 Pct, Reserves at $140 Bln," Reuters, June 3, 1997, Clari.china.biz.
14. See Paul H.B. Godwin, *The Chinese Defense Establishment: Continuity and Change in the 1980s* (Boulder, Colo.: Westview Press, 1983); Harlan Jencks, "'People's War under Modern Conditions': Wishful Thinking, National Suicide, or Effective Deterrent?" *China Quarterly,* No. 98 (June 1984); Paul H.B. Godwin, "The Chinese Defense Establishment in Transition: The Passing of a Revolutionary Army?" in A. Doak Barnett and Ralph N. Clough, eds., *Modernizing China* (Boulder, Colo.: Westview Press, 1986); Charles D. Lovejoy and Bruce W. Watson, eds., *China's Military Reforms* (Boulder, Colo.: Westview Press, 1986); Ellis Joffe, *The Chinese Army after Mao* (Cambridge, Mass.: Harvard University Press, 1987); and Larry M. Wortzell, ed., *China's Military Modernization* (New York: Greenwood Press, 1988).

ESTIMATING CHINA'S MILITARY POWER. Following a decade during which the People's Liberation Army's (PLA) budgets were kept relatively low as domestic economic development was accorded highest priority, beginning in 1989 China's government announced a succession of large peacetime increases in military spending.[15] Although part of the increase was, as Beijing claimed, designed to offset the effects of inflation and a decade of relative neglect, most analysts concluded that the official increase, combined with the many hidden sources of PLA revenue that comprise its funding base, reflected a serious effort to upgrade China's armed forces.[16]

Nevertheless, the significance of the increase in resources devoted to military modernization is sometimes exaggerated in estimates of the various unofficial revenues, such as earnings from China's international arms sales and PLA commercial enterprises. The annual cash value of China's arms exports in the first half of the 1990s actually "dropped significantly from levels posted in the late 1980s" (as high as $3.1 billion) to a level of roughly $1.2 billion.[17] Earnings from the PLA's commercial activities probably generate between $1.2 and $1.8 billion annually, more than the officially announced figure (less than $1 billion) but significantly lower than the $5–$20 billion used to posit total PLA budgets in excess of $50 billion.[18] Moreover, although a thriving military business complex provides hidden revenues, it also exacts hidden costs, spreading corruption within the military, diverting the PLA's attention from its principal

15. On the reduced PLA budgets of the 1980s, see Paul H.B. Godwin, "Force Projection and China's National Military Strategy," in C. Dennison Lane, Mark Weisenbloom, and Dimon Liu, eds., *Chinese Military Modernization* (New York: Kegan Paul International, 1996), p. 77.

16. Figures on China's military spending range from the low official report of about $8 billion to foreign estimates exceeding $100 billion. For discussion of the technical and practical complexities of calculating China's defense spending that result in such conflicting results, see "China's Military Expenditure," *The Military Balance 1995–1996* (London: International Institute for Strategic Studies [IISS] and Oxford University Press, 1995), pp. 270–275. See also David Shambaugh, "Growing Strong: China's Challenge to Asian Security," *Survival,* Vol. 36, No. 2 (Summer 1994), p. 54; Shaoguang Wang, "Estimating China's Defence Expenditure: Some Evidence from Chinese Sources," *China Quarterly,* No. 147 (September 1996), pp. 889–911; the estimates regularly published in the U.S. Arms Control and Disarmament Agency's *World Military Expenditures and Arms Transfers* (Washington, D.C.: U.S. Government Printing Office); and Stockholm International Peace Research Institute, *SIPRI Yearbook* (New York: Oxford University Press).

17. Bates Gill, "The Impact of Economic Reform upon Chinese Defense Production," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 153–154; and John Frankenstein and Bates Gill, "Current and Future Challenges Facing Chinese Defence Industries," *China Quarterly,* No. 146 (June 1996), p. 426.

18. Tai Ming Cheung, "China's Entrepreneurial Army: The Structure, Activities, and Economic Returns of the Military Business Complex," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 184–187. For the higher-end estimates, see Solomon M. Karmel, "The Chinese Military's Hunt for Profits," *Foreign Policy,* No. 107 (Summer 1997), p. 106; and Bernstein and Monroe, *The Coming Conflict with China,* p. 72.

responsibility of readying itself for possible armed conflict, and redirecting the focus of China's defense industry away from strategically important military, to economically profitable civilian, production.[19] And whatever the precise level of China's military spending during the late 1990s may be, so far at least, much of the inflation-adjusted annual increases of roughly 4 percent has gone to operations and maintenance, not weapons procurement.[20]

Improvements in the PLA's deployed capabilities, as well as increases in its budget, seemed to point in the same direction. China's military spending has supported a program of force modernization consistent with the shift in doctrine that began in the early 1980s when Beijing heavily discounted the likelihood of major, potentially nuclear, war with the hostile Soviet superpower. The new view, formally articulated by the Central Military Commission in 1985, stressed instead the need to prepare to fight limited, local wars, for which neither the People's War doctrine of protracted national resistance nor China's small nuclear arsenal would be very useful.[21] During the late 1980s, the PLA began to revamp itself in line with this change in strategic outlook. The most dramatic tangible results emerged only in the 1990s, however, when the breathtaking demonstration of advanced Western military technology in the Gulf War, and the intensification of regional disputes in locations beyond the PLA's largely continental range of operation, provided strong incentives for accelerating a modernization program that increasingly emphasized the importance of "limited war under high-technology conditions."[22] At the same time, the continuing strength of China's growing economy and the availability of advanced armaments from an economically strapped Russian military industry provided a golden opportunity to act on these incentives.[23] The result was the

19. See Cheung, "China's Entrepreneurial Army"; Arthur S. Ding, "China's Defence Finance: Content, Process, and Administration," *China Quarterly,* No. 146 (June 1996), pp. 428–442; and Gill, "The Impact of Economic Reform," pp. 150–152. On the difficulties posed by China's Soviet legacy of a well-insulated military-industrial complex, see Eric Arnett, "Military Technology: The Case of China," *SIPRI Yearbook 1995: Armaments, Disarmament, and International Security* (New York: Oxford University Press, 1995), pp. 359–386.

20. Michael D. Swaine, "Don't Demonize China; Rhetoric about Its Military Might Doesn't Reflect Reality," *Washington Post,* May 18, 1997, p. C1, from NEXIS. See also Frankenstein and Gill, "Current and Future Challenges," pp. 411, 420–421. A good case can be made for total budget estimates in the $30 billion range. See "China's Military Expenditure," pp. 270–275.

21. For an overview of these doctrinal shifts, see Nan Li, "The PLA's Evolving Warfighting Doctrine, Strategy, and Tactics, 1985–1995: A Chinese Perspective," *China Quarterly,* No. 146 (June 1996), pp. 443–463; and Paul H.B. Godwin, "From Continent to Periphery: PLA Doctrine, Strategy, and Capabilities Towards 2000," *China Quarterly,* No. 146 (June 1996), pp. 464–487.

22. Li, "The PLA's Evolving Warfighting Doctrine," p. 448; and Godwin, "From Continent to Periphery," pp. 472–473.

23. See Godwin, "Force Projection," pp. 79–81.

emergence of what have been labeled "pockets of excellence" within the ground, air, and naval forces of the PLA.

The wave of modernization that began in the 1980s initially focused on the organization of elite units, so-called rapid-response or fist forces, that are better supplied and take the lead in using more advanced equipment to master the techniques of combined arms and joint service operations. Analysts estimated that by the mid-1990s, between 15 and 25 percent of the PLA (i.e., several hundred thousand troops) was comprised of such elite forces designed for airborne and marine assaults as well as ground attack missions.[24] There are questions, however, about just how much of an improvement this ostensibly dramatic reorganization represented. Two U.S. Defense Department Asia analysts have argued, for example, that widely publicized exercises demonstrating new weapons and techniques (such as the simultaneous deployment of forces from multiple services and their use of multiple categories of armaments) should not be mistaken for the existence of a well-trained force with the doctrinal understanding and command-and-control capabilities essential to genuinely effective combined arms operations. Enduring shortcomings in the PLA's ability to coordinate tactical air power with quickly evolving ground or sea operations also cast doubt on the actual capabilities of China's new elite units.[25]

China's military modernization has also entailed a determined effort at reequipping its forces. In this process, as in other aspects of the military's modernization, the immediate goal has been to create pockets of excellence; comprehensive modernization remains a distant goal to be achieved perhaps in the middle of the next century.[26] The most noteworthy aspect of the procurement effort has been the selective purchase of equipment from abroad for the PLA Air Force (PLAAF) and Navy (PLAN) to quickly compensate for the most serious shortcomings in China's military capabilities and, if possible, to catalyze the production of better indigenously produced equipment.[27] What

24. Chong-pin Lin, "The Power Projection Capabilities of the People's Liberation Army," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 110–111; and Godwin, "From Continent to Periphery," pp. 469–470, 482.
25. Dennis J. Blasko, Philip T. Klapakis, and John F. Corbett Jr., "Training Tomorrow's PLA: A Mixed Bag of Tricks," *China Quarterly,* No. 146 (June 1996), pp. 488, 517; also Dennis Blasko, "Better Late than Never: Non-Equipment Aspects of PLA Ground Force Modernization," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 125–143, especially pp. 130–135; David Shambaugh, "Growing Strong," p. 53; and Godwin, "Force Projection," pp. 83–86.
26. Godwin, "From Continent to Periphery," p. 484.
27. New equipment for the ground forces has apparently been assigned a lower priority than air, naval, and ballistic missile forces. See Blasko, "Better Late than Never," p. 126.

have been the key improvements in the PLA's equipment, and to what extent have these increased China's military power?

Air Forces. In the 1990s the PLAAF has begun to overhaul a fleet dominated by thousands of obsolete, first- and second-generation fighter aircraft based on 1950s' Soviet designs (the MiG 19–based J-6 and MiG 21–based J-7), with an eye to improving both the combat effectiveness and the range of forces that would have to play a key role in projecting China's power across the Taiwan Straits or in the South China Sea.[28] The long-standing weaknesses of China's aircraft industry limited Beijing's ability to rely on indigenous production of modern fighters and bombers, and even to improve existing platforms without foreign assistance. Plans in the 1980s to upgrade China's J-8 with modern avionics supplied by the United States were dealt a serious blow by the sanctions imposed following the Tiananmen Square incident in June 1989. Shortly afterward, however, the collapse of the Soviet Union and diplomatic fence-mending with Russia gave China the opportunity to obtain advanced aircraft from a new major supplier. Beijing purchased 24 Su-27 fighters (designated J-11 in China) in 1991, and another 22 in 1995, and in 1996 reached agreement to coproduce additional batches of Su-27s, totaling perhaps 200, possibly including the upgraded Su-30MK or Su-37 versions.[29] In addition to providing the PLAAF with its first truly modern (i.e., fourth-generation) fighter aircraft, Russia also supplied China with a package of advanced capabilities, including Sorbtsiya ECM jamming pods and AA-10 Alamo and AA-11 Archer infrared-guided air-to-air missiles with helmet-mounted sighting.[30] Complementing the infusion of Russian equipment was the apparently imminent

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28. In September 1996 Taiwan's deputy chief of the General Staff estimated that only about one-quarter of China's air force was operational (Barbara Opall, "China Boosts Air Combat Capabilities," *Defense News,* September 2, 1996, p. 3, from NEXIS). There have also been reports that China had ceased operating its nuclear strategic bombers (Barbara Starr, "China Could 'Overwhelm' Regional Missile Shield," *Jane's Defence Weekly,* Vol. 27, No. 16 (April 23, 1997), p. 16, from NEXIS). Production of the most obsolete aircraft was sharply reduced during the 1980s (Frankenstein and Gill, "Current and Future Challenges," pp. 412–413). Other upgraded Chinese aircraft—the J-7MG, J-8II, and the FC-1 (being codeveloped with Pakistan)—may continue production mainly for the export market (Richard D. Fisher, "The Accelerating Modernization of China's Military," *Heritage Foundation Reports,* June 2, 1997, from NEXIS).

29. "Arms Exports to China Assessed, Moscow" Itar-Tass, April 22, 1997, from FBIS-TAC-97–112; and Fisher, "Accelerating Modernization."

30. See Fisher, "Accelerating Modernization"; and Richard D. Fisher, "China's Purchase of Russian Fighters: A Challenge to the U.S.," *Heritage Foundation Reports,* July 31, 1996, from NEXIS. The upgraded version of the Su-27, if produced, may be fitted with the even more advanced Russian AA-12 air-to-air missile (Robert Karniol, "China Is Poised to Buy Third Batch of Su-27s," *Jane's Defence Weekly,* Vol. 25, No. 17 [April 24, 1996], p. 10, from NEXIS).

production of the Chinese J-10 aircraft, whose design benefited from cooperation with Israel Aircraft Industries and its work on the canceled Lavi project.[31]

Compared with the fighters available to the PLAAF just a decade earlier, deployment of Su-27s and J-10s constitutes a dramatic upgrade in capabilities, and may yield a contingent of several hundred genuinely modern aircraft early in the next decade. But questions remain about whether this promise will be fulfilled. China's track record in aircraft manufacturing is poor, in part explaining its current turn to imports despite an enduring preference for self-reliance. It is also unclear whether China's military and defense industry has the ability to maintain the advanced equipment it is importing and coproducing.[32] At a minimum, such problems cast doubt on the PLAAF's ability to smoothly translate new equipment purchases into *operational* pockets of excellence, especially given that the latter will depend also on adequate training of personnel and the integration of better equipment with revised doctrine for its use.

In addition to procuring of well-equipped fighter aircraft, in the 1990s the PLAAF has sought to purchase both AWACS and in-flight refueling systems, which are essential if China is to project its increased power any significant distance beyond its coastline. Once again, the PLAAF has looked abroad to fill these gaps in its capabilities. In-flight refueling technology has reportedly been obtained from Israel, Iran, or Pakistan; and China has begun modifying aircraft to serve as tankers.[33] After protracted negotiations, China has also agreed to

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31. Godwin, "From Continent to Periphery," p. 480; Fisher, "Accelerating Modernization," especially n. 60; and Chong-pin Lin, "The Military Balance in the Taiwan Straits," *China Quarterly,* No. 146 (June 1996), pp. 587–588. The U.S. Office of Naval Intelligence believes this multirole fighter "may be more maneuverable than the U.S. F/A-18 E/F" but with "less sophisticated radar and countermeasures." The J-10 is expected to be deployed in significant numbers by the middle of the next decade. See "China Develops Stealthy Multi-role Fighter," *Jane's Defence Weekly,* Vol. 27, No. 9 (March 5, 1997), p. 3, from NEXIS.

32. The enduring shortcomings of China's military industry are in part a legacy of the Maoist era practice of "copy production" and "reverse engineering" (Gill, "The Impact of Economic Reform," pp. 147–149; see also Frankenstein and Gill, "Current and Future Challenges," pp. 414–415; and Lin, "Power Projection Capabilities," p. 107). On challenges facing China's indigenous combat aircraft industry, including quality control, limited funding, and competition from Russian imports, see Gill, "The Impact of Economic Reform," pp. 152–153. Such problems also raise doubts about China's ability to bring to fruition the XXJ advanced stealth multirole fighter program projected for sometime in the second decade of the twenty-first century (Joseph C. Anselmo, "China's Military Seeks Great Leap Forward," *Aviation Week and Space Technology,* Vol. 146, No. 20 [May 12, 1997, p. 68], from NEXIS).

33. See Lin, "The Military Balance in the Taiwan Straits," p. 587; Lin, "Power Projection Capabilities," p. 104; David Shambaugh "China's Military in Transition: Politics, Professionalism, Procurement, and Power Projection," *China Quarterly,* No. 146 (June 1996), p. 293; and Opall, "China Boosts Air Combat Capabilities." China is reported to have modified up to five of its H-6 bombers to refuel J-8II Finback fighters; U.S. intelligence reportedly estimates China may convert up to twenty

purchase an AWACS system from Israel that will marry its Falcon radar to the Russian Il-76, a platform with which the PLAAF already has experience.[34] Deployment of this equipment will provide China with the potential to sustain air operations throughout the most plausible theaters of engagement in East Asia. Mastering the techniques of in-flight refueling, however, involves much more than the construction of tankers and modification of aircraft.[35] Translating this potential into a usable capability will require substantial training of personnel and exercises sure to tax the PLA's capacity to maintain and repair this equipment.

Naval Forces. China's navy, too, is in the process of selective modernization focused on deploying vessels that have greater range, are more survivable, and carry more lethal weapons systems than the largely obsolete, vulnerable, coastal defense force that China possessed at the end of the Cold War.[36] Shortcomings in China's shipbuilding industry, as in its aircraft industry, help explain the extent to which the current naval modernization effort has depended on the import of foreign equipment and technology while attempts are made to combine it with or adapt it for indigenous production.

By the mid-1990s key improvements in PLAN equipment included the upgrading of two of China's seventeen aging Luda-class destroyers and its twenty-nine Jianghu-class frigates,[37] along with the introduction of at least two new Luhu-class destroyers and five Jiangwei-class frigates that incorporate significant elements of Western propulsion and weapons technologies.[38] Perhaps most significant was the announcement in December 1996 that China

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H-6 bombers into air-to-air refueling aircraft; China's SU-27s are not modified for air-to-air refueling, but this capability could be acquired later. Fisher, "China's Purchase of Russian Fighters."

34. "Russia and Israel to Supply Airborne Radar to China," *BBC Summary of World Broadcasts,* May 20, 1997, from NEXIS. Between one and four such AWACS systems, at $250 million apiece, may be assembled for China by Elta, an Israel Aircraft Industry subsidiary ("AWACS for China," *Defense and Foreign Affairs Strategic Policy,* March 1997, p. 19, from NEXIS).

35. See Shambaugh, "China's Military in Transition," p. 295; Godwin, "From Continent to Periphery," pp. 478–480; and Godwin, "Force Projection," p. 86.

36. The goal is to transform the PLA Navy, in successive steps, from a white-water, to a green-water, to a blue-water force. On China's naval plans, see John Downing, "China's Evolving Maritime Strategy," Parts 1 and 2, *Jane's Intelligence Review,* Vol. 8, No. 2 (March 1, 1996), pp. 129–133, and Vol. 8, No. 4 (April 1, 1996), pp. 186–191; "PLANs for the Predictable Future," *Jane's Intelligence Review,* Vol. 3, No. 5 (May 1, 1996), p. 6, from NEXIS.

37. Upgrades included "C901 SSM launchers, improved missile and gun fire control electronics suites, a towed variable-depth sonar system and improved torpedo capabilities…[and] facilities for…Z-9a helicopters." (Godwin, "From Continent to Periphery," pp. 474–475); see also Frankenstein and Gill, "Current and Future Challenges," pp. 416–417.

38. These include U.S.-built General Electric turbine engines, French Crotale surface-to-air missile systems, C801 ship-to-ship missiles based on the French Exocet, and improved antisubmarine capabilities based on Italian torpedo launchers and torpedoes along with French Dauphin-2-based Z-9A helicopters. (Godwin, "From Continent to Periphery," pp. 474–475.)

would purchase from Russia two Sovremennyi-class guided missile destroyers, a larger, less vulnerable, and much more lethal ship than any in the PLAN's inventory.[39] The PLAN also improved its ability to sustain its forces at sea by deploying additional, more sophisticated oilers and storeships (especially the Dayun-class for vertical replenishment); furthermore, it enhanced its ability to transport troops and undertake amphibious landings with the addition of the Qiongsha attack transport and a small number of newer Yukan- and Yuting-class LSTs (landing ships, tank).[40]

Complementing its improvement in the surface fleet, China also has begun to replace its obsolete and noisy Romeo-class conventional and unreliable Han-class nuclear attack submarines. China has imported from Russia four (and reportedly plans to purchase as many as sixteen more) Kilo-class conventional submarines (two of which are the advanced "project 636" version rated by the U.S. Office of Naval Intelligence as comparably quiet to the Los Angeles–class SSN). Beijing has also begun production of its indigenous Song-class vessel (not yet as quiet as the most advanced Kilos) and continues development of a replacement for the troubled Han-class SSN, although it appears this may take at least another decade.[41]

As a result of these efforts, China's navy is beginning to deploy a range of modern forces that will enable it to undertake operations in regional conflicts at ever greater distances from the mainland. Again, issues of training and maintenance will partly determine whether this potential is realized. Moreover, even within these naval pockets of excellence, the surface fleet is, with few exceptions, still fitted with inadequate air and missile defense systems.[42] This vulnerability not only constrains the PLAN's ability to project power, but also helps explain the apparent delay, if not cancellation, of China's plans to purchase or construct an aircraft carrier.[43] The enormous investment (procure-

39. Carrying "a balanced suite of weapons: 8 SS-N-22 anti-ship missiles [additional quantities of these 'Sunburn' missiles may be sold to China for retrofitting on other destroyers and frigates], 44 surface-to-air missiles, and one anti-submarine warfare helicopter, plus advanced radar, sonar, and systems to defend against incoming missiles and torpedoes," the Sovremennyi-class destroyers allegedly can disable aircraft carriers and other surface ships, even those armed with advanced Aegis systems (Fisher, "Accelerating Modernization"; "Russian-Chinese Military-Technical Cooperation Background," Itar-Tass, April 22, 1997; and Anselmo, "China's Military Seeks Great Leap Forward.")

40. Godwin, "From Continent to Periphery," pp. 475–476.

41. Ibid., pp. 476–478.

42. Godwin, "Force Projection," pp. 87–88.

43. If China decides to build an aircraft carrier in the near future, it would most likely be in the 40,000-ton range and serve mainly as a project for mastering construction techniques and for training exercises in preparation for a genuine capability several decades into the next century. See Godwin, "From Continent to Periphery," p. 480; and Godwin, "Force Projection," pp. 96–97.

ment, maintenance costs, and personnel training) required to deploy an aircraft carrier battle group, which must include surface and submarine forces for the carrier's protection, makes it an unattractive proposition unless its prospects for survival are good. To the extent that China's land-based air force, by combining longer-range aircraft, in-flight refueling, and AWACS-assisted command and control, is able to extend the range of its operations and deliver its punch in the regions most important to China for the foreseeable future, the opportunity costs of rushing to deploy a potentially vulnerable carrier are likely to appear forbiddingly high.

Ballistic Missile Forces. In addition to modernizing its air and naval forces, during the 1990s China continued to invest in a well-established, comprehensive ballistic missile program that has been given preference by Beijing since the mid-1950s. With an eye to improving survivability and target coverage, and foiling anticipated missile defenses, China has pushed ahead with development of a second generation of long-range nuclear-armed intercontinental ballistic missiles (DF-31, DF-41) and a submarine-launched ballistic missile (JL-2) that will most likely be fitted with multiple warhead packages; these programs, however, are unlikely to bear fruit before the end of the century.[44] Until then, China's intercontinental nuclear ballistic missile arsenal will be limited to its five to fifteen first-generation, liquid-fueled ICBMs (the DF-5). The key area of growth in China's missile capabilities during the 1990s has instead been the deployment of increasing numbers of medium- and shorter-range, mobile, conventional (or dual-capable) ballistic missiles (DF-11, DF-15, DF-21). Beyond increasing the numbers of such missiles available for regional contingencies, Beijing has continued its efforts to improve their accuracy by incorporating data from global-positioning satellite systems and providing warheads with terminal guidance packages (with obvious potential applications to future intercontinental-range systems). China may also be pursuing advanced guidance and ramjet technologies from Russia and Israel in order to develop long-range, supersonic cruise missiles.[45] And despite Beijing's vocifer-

44. See Alastair I. Johnston, "Prospects for Chinese Nuclear Force Modernization: Limited Deterrence versus Multilateral Arms Control," *China Quarterly,* No. 146 (June 1996), pp. 548–576, especially pp. 562–563; also Johnston, "China's New 'Old Thinking'"; James A. Lamson and Wyn Q. Bowen, "'One Arrow, Three Stars': China's MIRV Programme," Parts 1 and 2, *Jane's Intelligence Review,* Vol. 9, No. 5 (May 1, 1997), p. 216ff., and Vol. 9, No. 6 (June 1, 1997), p. 266ff., from NEXIS; Godwin, "From Continent to Periphery," pp. 482–484; Wyn Q. Bowen and Stanley Shephard, "Living under the Red Missile Threat," *Jane's Intelligence Review,* Vol. 8, No. 12 (December 1, 1996), p. 560ff, from NEXIS.

45. See Bowen and Shephard, "Living under the Red Missile Threat"; and Fisher, "Accelerating Modernization."

ous opposition to the deployment of ballistic missile defenses by its prospective adversaries, China has purchased 100 Russian SA-10 surface-to-air missiles comparable to early versions of the U.S. Patriot system, and may be attempting to combine the SA-10 technology with that derived from a Patriot missile allegedly purchased from Israel to synthesize an improved HQ-9 SAM system.[46]

In short, compared with the legacy of the Maoist era, by the mid-1990s China's military profile—like its economic profile—was being dramatically transformed. But the importance of such a national assessment for international security is not self-evident. Most of the concern among policymakers outside China, and most of the interest among scholars (reflected in the various theoretical perspectives presented below) depends on the significance of changes in capabilities in relative terms that entail international comparisons, especially those that track changes in relative standing over time. How are China's military capabilities changing relative to those of its potential adversaries? In this respect, the PLA's power has also grown, although to an extent that continues to be significantly limited by ongoing improvement in the forces deployed by other regional actors.

Military Balances. Unlike the situation during the Cold War, the most important contingencies for the use of China's military no longer entail ground engagements on the Asian mainland[47] (aside from the possible use of the PLA as a last-ditch internal security prop for the communist regime[48]). Today's active disputes and most plausible confrontations lie across the sea (in decreasing order of importance) with the rival regime on Taiwan, with Southeast Asian states making claims in the Spratly Islands, and with Japan over the disputed Diaoyu (Senkaku) Islands. As such, China's military power should be measured against four prospective adversaries—the ASEAN (Association of Southeast Asian Nations) states with competing claims in the South China Sea; Taiwan; Japan; and because it has the ability and sometimes the interest to intervene in the region, the United States. A full evaluation of the rapidly

46. Ibid. China is also deploying Russian built S-300 air defense systems around Beijing and at the Wuhu and Suixi air bases for the PLAAF's Su-27s (Opall, "China Boosts Air Combat Capabilities").

47. This is good given that ground-force modernization has been modest at best. See Blasko, "Better Late than Never," p. 141.

48. China's People's Armed Police (PAP) have been revamped to be better able to play this role in any future domestic crisis, though as long as it remains willing, the PLA (especially its crack fist-, or rapid-reaction, units) is today probably more able than ever to ensure internal security. On the roles of the PLA and PAP, see Tai Ming Cheung, "The People's Armed Police: First Line of Defence," *China Quarterly,* No. 146 (June 1996), pp. 525–547.

changing dimensions of each of these military balances is not the purpose of this article. Nevertheless, some important general points can briefly be set forth.

The 1990s' phase of China's military modernization is lifting the PLA from what has been a position of near impotence against all but the smallest of its regional adversaries. The PLAAF's contingent of better-armed modern fighter aircraft, when combined with the range-extending effects of in-flight refueling and AWACS capabilities, together with the PLAN's strengthened contingent of missile destroyers, frigates, and submarines for which the PLAAF can provide a measure of air cover, should at least ensure China an edge over any individual ASEAN state it might face in the South China Sea. That said, many of the ASEAN states, although possessing forces smaller than those China will be able to deploy, have more experience with their modern air and naval equipment, and almost all have been augmenting their capabilities in response to China's programs. In this effort, the United States is usually the preferred source for prized modern fighters (especially F-16s and F-18s); but like China, the ASEAN states can now also tap the Russian (or French) market, as some already have.[49] More important, if China were to confront not isolated ASEAN adversaries, but a coalition, this would diminish the prospects for the decisive air superiority necessary for it to project naval power in the region. Given its quantitative edge (when one includes less-modern equipment), a determined China could most likely still prevail, but at a terrific cost—both military and diplomatic. As in most of the other plausible contingencies discussed here, without a high probability of success, it is unlikely that the PLA would be eager to put at risk its best new equipment—the few gems in its pockets of excellence—needed to ensure victory.[50]

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49. See Michael G. Gallagher, "China's Illusory Threat to the South China Sea"; Godwin, "Force Projection," pp. 78, 90–91; Godwin, "From Continent to Periphery," p. 485; and Michael Klare, "East Asia's Militaries Muscle Up: East Asia's New-found Riches Are Purchasing the Latest High-tech Weapons," *Bulletin of the Atomic Scientists,* Vol. 53, No. 1 (January 11, 1997), p. 56ff, from NEXIS. See also "Philippines Studying Russian Offer of MiG-29s," Reuters, March 7, 1997, from NEXIS; "Russia Offers Its Jetfighters to Indonesia," UPI, June 9, 1997, Clari.tw.defense (hereafter Clari.defense), from ClariNet Communications. ASEAN air forces now include the following modern combat aircraft: Malaysia (8 F/A-18C/D, 18 MiG-29s); Thailand (36 F-16A); Singapore (17 F-16A); Indonesia (11 F-16A); and Vietnam (3 Su-27, 3 more on order).

50. See Gill, "The Impact of Economic Reform," pp. 160–161. China could of course find itself facing a coalition that included not just ASEAN members but also forces from Australia, New Zealand, and Britain who conduct exercises with Singapore and Malaysia under the Five-Power Defense Arrangement (Godwin, "Force Projection," p. 91). Intervention by extraregional powers, especially the United States and Japan, would doom Chinese operations in the South China Sea. See Lin, "Power Projection Capabilities," pp. 113–114.

Against Taiwan the effects of Beijing's military buildup have in large measure been offset by Taipei's efforts geared specifically to dealing with a potential PLA threat. During the 1990s, as China was selectively modernizing its air, naval, and ballistic missile forces in ways that make long-range operations in and across the Taiwan Straits technically more feasible, Taiwan substantially upgraded its military capabilities. While the PLAAF is deploying Su-27s, Taiwan is deploying a fleet of modern fighters comprised of 150 F-16s, 60 Mirage 2000s, and 130 domestically produced F-16–based Indigenous Defense Fighters supported by E2C Hawkeye AWACS. While the PLAN is deploying more sophisticated destroyers, frigates, and submarines, Taiwan is upgrading its surface fleet by adding at least 20 modern U.S., French, and indigenously produced frigates and improving its ship- and land-based antisubmarine warfare capabilities.[51] And while China's Second Artillery is deploying more numerous and more sophisticated missiles that place the entire theater within range, Taiwan is deploying ever more sophisticated, if inevitably imperfect, ballistic missile defenses.[52]

The point is not that Taiwan would easily be able to defeat an increasingly modern PLA assault. The point instead is that Taiwan's sustained military modernization will make it very costly for the PLA to prevail, even if others (most important the United States) choose not to intervene, something about which China cannot be certain. Beijing's political motivation to ensure Taiwan's reunification with the mainland may lead it to opt for military action, even if it means risking a substantial fraction of its best forces. But with the competitive modernization of forces on both sides of the Taiwan Straits, the direct military option is not becoming much more attractive than it was in the recent past. Despite increases in the PLA's absolute power, the smaller shifts in its power relative to Taiwan mean that the more plausible approaches remain for Beijing to rely on continued diplomatic and economic pressure, and when that

51. See Godwin, "From Continent to Periphery," p. 485, Godwin, "Force Projection," pp. 92–94; Lin, "The Military Balance in the Taiwan Straits," pp. 580–583; and John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 260–261. Taiwan is taking delivery of the Mirage 2000–5 and a version of the F-16A/B, called the F-16 MLU (midlife upgrade), reportedly "nearly as good" as the F-16 D/C. See "Taiwan to Take Delivery of Five More U.S. F-16s," Deutsche Presse-Agentur, May 15, 1997, from NEXIS.

52. They include post–Gulf War upgraded U.S. Patriot systems and the indigenously developed and improved Tiangong SAM systems. See Bowen and Shepherd, "Living under the Red Missile Threat"; and Lin, "The Military Balance in the Taiwan Straits," p. 579.

seems to be failing to use limited, indirect military action in attempts to deter or compel the regime in Taipei, as was evident in 1995 and 1996.[53]

China's other potential adversaries that provide a benchmark for measuring the significance of the PLA's improved military capabilities are Japan and the United States. Either or both might confront China if Beijing's actions were judged a threat to their vital interests in the region. Japan's concerns center not only on the territorial dispute over the Diaoyu Islands, but also on the potential threat to shipping lanes in East and Southeast Asia (including the Malacca and Taiwan Straits), and more generally on the consequences of possible Chinese regional hegemony. Other than the Diaoyu Islands dispute, U.S. interests are similar to Japan's and can be broadly defined as preserving regional stability, ensuring freedom of the seas, and preventing the use of force to alter the status quo. When Japan or the United States provides the benchmark for assessing the PLA, the balance of capabilities is simple and clear. Compared with the current, and especially anticipated future, modernized air and naval forces of Japan or the United States, the PLA will remain outclassed well into the next century even if China's current round of military modernization proceeds smoothly.[54] Nevertheless, this direct force comparison may not be all that matters. Although China's military modernization is not increasing the PLA's power to the point where it can expect to prevail against better-equipped Japanese and American forces, it is providing China with the power to make it much more dangerous for either state to intervene in regional disputes. The deployment of well-armed Su-27s, Sovremennyi destroyers, and Kilo-class submarines will not turn the waters of East Asia into a Chinese lake, but it will mean that even the United States can no longer expect easily (i.e., at minimal cost) to dominate in limited conventional military engagements. Combined with China's improving ballistic missile forces, the ability to preclude swift, decisive outside intervention, and to require its most potent adversary to run

53. See Lin, "The Military Balance in the Taiwan Straits," pp. 591–595; and Lin, "Power Projection Capabilities," pp. 111–113.

54. Japan continues its own program of selective modernization and will be adding about 130 F-2 (formerly FSX) fighters to an air force that already possess 180 F-15Cs. See Chen Lineng, "The Japanese Self-Defense Forces Are Marching toward the 21st Century," *Guoji Zhanwang* (*World Outlook*), No. 2 (February 8, 1996), pp. 18–20, FBIS-CHI-96-085, May 1, 1996; and Swaine, "Don't Demonize China." For an account of the awesome capabilities at the disposal of the key units for American force projection in East Asia, the U.S. Pacific Fleet, especially its Seventh Fleet, see the weekly update of its web pages, http://www.cpf.navy.mil/pages/factfile/cpftoday.htm and http://www.c7f.yokipc.navy.mil/index.html. For a review that questions the durability of the U.S. military advantage, see Fisher, "China's Purchase of Russian Fighters."

the risk of nuclear escalation, may be all that Beijing needs in confrontations over interests it deems vital.

In sum, the increases in China's actual capabilities, compared with its own recent past and relative to others, are noteworthy, but remain limited in important respects. The recent surge in interest and concern with China's allegedly rapid rise appears to be driven more by changes in what Wohlforth labels "perceived" power than the more modest changes in "estimated" power.

PERCEIVED POWER

Four factors have helped create the perception that China is in the process of a *swift* rise to great power status—historical context, the low starting point for the current period of economic and military growth, the systems in which military modernization has been concentrated, and catalytic events.

First, history has established an expectation that China is a country in some sense deserving of a place in the ranks of the great powers. Part of this expectation is rooted in China's role as a regional hegemon during much of its imperial history. Another part is rooted in the anointing of China as at least a candidate great power by other states during the mid-twentieth century. During World War II, mainly at the behest of the Roosevelt administration, China was initially included as one of the big four allies to participate in summits planning grand strategy to defeat the Axis. The divergence between this lofty formal status and the reality of China's power limitations clearly bothered Britain's prime minister, Winston Churchill, and ultimately China's wartime great power role lost most of its substance.[55] Yet after the war the fiction of the Republic of China's (ROC) government-in-exile as a great power endured in the symbolic form of its seat allegedly representing China on the UN Security Council—again a status based on U.S. support rather than tangible capabilities. And when the People's Republic of China replaced the ROC as the internationally recognized representative of China in the early 1970s, the government in Beijing was once more anointed a great power in the emerging international system, again by a U.S. government that believed its strategic interests were served by bolstering China's status, the country's deficient economy and obso-

55. Churchill was shocked at the Americans' inflated perception of China. See Herbert Feis, *The China Tangle* (Princeton, N.J.: Princeton University Press, 1972), p. 11. Allied policy eventually adjusted to the reality of the limited military clout of Chiang Kai-shek's China. China was simply to be discouraged from seeking a separate peace with Japan in order to ensure that large numbers of Japanese troops would remain tied down in operations on the Chinese mainland.

lete military equipment notwithstanding.[56] As a consequence of history, then, "great power China" had become what cognitive theorists term "an unfilled concept," and one with deep roots; analysts were prepared to accept evidence that the promise was at last being realized.[57] In such circumstances, there may be an inclination to exaggerate the significance of limited data—whether economic statistics or military deployments.

A second influence on perceptions has been the low level from which China's economic and military growth began.[58] China's recent economic expansion has been impressive, but the perception of breathtaking change has also been enhanced in part because the opening of the country in 1979 enabled observers to pierce the veil of Maoist propaganda and grasp just how impoverished China had remained during the first thirty years of communist rule. As the Dengist reformers more successfully tapped what many believed were China's inherent economic strengths, it was easy to conclude that this was the beginning of a period during which the country's potential would be realized, rather than a brief surge resulting from extraordinary policies and efforts that could not be sustained. Confidence in China's growth trajectory was bolstered when the CCP not only succeeded in riding out the storm of international outrage that followed its suppression of domestic protests in 1989 and survived the collapse of communism in the former Soviet empire, but also accelerated its promotion of a market-based economy and posted the high growth rates and expanding trade volumes that have drawn attention in the mid-1990s.

Although many had been unaware of China's true economic conditions during the Maoist era, few harbored illusions about the backward state of China's armed forces before Deng's reforms. The dismal state of the PLA in the late 1970s, however, merely provided a stark background that highlighted the significance of each initiative in the current round of military modernization. In addition, unlike the Soviet Union, which had tapped a huge proportion of its stagnant economy in a desperate attempt to stay in the game of superpower military competition, the relatively small fraction of national

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56. See Kenneth N. Waltz, *Theory of International Politics* (Menlo Park, Calif.: Addison-Wesley, 1979), p. 130. Ironically, perhaps, China's role in the event of a war with the Soviets would—as in World War II—almost certainly have been to tie down the enemy's forces on a second front.
57. On unfilled concepts, see Robert Jervis, "Hypotheses on Misperception," *World Politics,* Vol. 20, No. 3 (April 1968), pp. 454–479. The opening subheading ("This Time It Is Real") for Nicholas Kristof's *Foreign Affairs* article reflects this long-standing expectation. In "The Rise of China," *Foreign Affairs,* Vol. 72, No. 5 (November/December 1993), pp. 59–74.
58. See Wohlforth, "The Perception of Power," p. 374.

wealth devoted to China's PLA (even when the highest estimates for budgets are used), together with robust economic expansion, suggested the sustainability of its military modernization at a pace that would narrow the gap between China and the world's leading powers.[59] That this military growth spurt became most pronounced in the 1990s, when other major powers were implementing post–Cold War defense reductions, only enhanced its apparent significance.

A third factor affecting perceptions is the extent to which military modernization has focused on the development of capabilities that would empower China to play a more active international role.[60] Beijing's efforts to modernize ballistic missiles and strategic nuclear warheads, and to fashion a usable power projection capability by reorganizing and reequipping its air and naval forces, suggest that the PLA is not being developed merely to fulfill the minimal requirements of dissuasion by territorial self-defense and deterrence. Instead, although realization of its goals might be years away, the military investment program appears to target the sorts of capabilities that would enable China to play the role of an authentic great power.

Fourth, two catalytic events transformed perceptions of China's international standing and likely future role. First, the International Monetary Fund's (IMF) decision in 1993 to switch its method of calculating national wealth from one based on currency exchange rates to one that relied on purchasing power parity (PPP) resulted in a flurry of reports that China's GDP was actually four times larger than previously thought. The announcement ostensibly portrayed a breathtaking change in the world economic order as it was, and would be. China immediately advanced from having the tenth largest GDP in the world to having the third, putting it narrowly behind Japan and on a course to surpass the United States early in the twenty-first century.[61] Nothing had actually changed overnight, of course. Indeed, the higher figures associated with the PPP method had been put forward in less visible publications prior to the IMF announcement.[62] And for those China experts and businesspeople

59. For doubts about the ease of tapping this potential, see Gill, "The Impact of Economic Reform"; and Arnett, "Military Technology: The Case of China."

60. For similar influences on perceptions of Russia's power prior to World War I, see Wohlforth, "The Perception of Power," p. 374.

61. Steven Greenhouse, "New Tally of World's Economies Catapults China into Third Place," *New York Times,* May 20, 1993, p. A1, from NEXIS. "Revised Weights for the *World Economic Outlook;* Annex 4," *World Economic Outlook* (May 1993), International Monetary Fund, Information Access Company, from NEXIS.

62. See "U.S. Report Projects China's Economic Rise in 2010," *Xinhua General Overseas News Service,* January 12, 1988, from NEXIS.

familiar with the situation on the ground, the reports merely corrected what had long been understood to be the old statistics' gross understatement of the economic vitality of the large areas of China that had benefited from the reforms.[63] But for others, these reports were a wake-up call that helped crystallize the view of China as East Asia's newest economic dynamo.

The second catalytic event, actually a series of events, was the reactivation of the dispute over Taiwan in 1995 and especially 1996. Fearful of permitting Taiwan's leadership to pursue a more independent international role, Beijing responded to what it saw as dangerous U.S. complicity in this effort by abandoning the fruitful cross-straits diplomacy of the early 1990s. Instead, China tried to signal relevant audiences in both Washington and Taipei (party leaders and the voters in parliamentary and presidential elections) that it would not tolerate a drift toward, let alone an outright declaration of, independence. Between the summer of 1995 and the spring of 1996, Beijing deployed ground, air, and naval forces to the region, staged military exercises including the repeated launching of missiles that disrupted the sea-lanes around the trade-dependent island, and floated a thinly veiled threat about the risk of nuclear escalation that could touch the American homeland should the United States become directly involved in any cross-straits confrontation.[64] These measures crystallized the perception that China was prepared to use whatever capabilities it had to pursue its international interests.[65] Although sober defense analysts noted that Beijing lacked a military capability to do more than inflict punitive damage on the Taiwanese and frighten their trading

63. See Jim Rohwer, "Rapid Growth Could Make China World's Largest Economy by 2012," *South China Morning Post,* November 28, 1992, p. 1, from NEXIS; and William H. Overholt, *The Rise of China* (New York: W.W. Norton, 1993). For competing estimates of Chinese GDP and an attempt to evaluate their merits, see Lardy, *China in the World Economy,* pp. 14–18. Although most analysts prefer the PPP calculations to those based on exchange rates, the partial nature of price reform and the persistence of a black market in China introduce distortions in prices that weaken confidence in the figures upon which PPP calculations must rely. To the extent that economic reforms eliminate the legacy of dual-track (market-based and subsidized or state-regulated) pricing, PPP estimates should become more reliable. I thank Mark Groombridge for explaining this complication to me.

64. See Patrick E. Tyler, "Beijing Steps Up Military Pressure on Taiwan Leader," *New York Times,* March 7, 1996, pp. A1, 10; Jim Wolf, "China Aides Gave U.S. Nuclear Warning, Official Says," Reuters, March 17, 1996, clari.tw.nuclear, ClariNet Communications (hereafter Clari.nuclear); and Patrick E. Tyler, "As China Threatens Taiwan, It Makes Sure U.S. Listens," *New York Times,* January 24, 1996, p. A3.

65. See "Testimony, March 20, 1996, Floyd D. Spence, Chairman House National Security, Security Challenges: China," *Federal Document Clearing House, Congressional Testimony,* Federal Document Clearing House, from NEXIS; also David Morgan, "Gingrich Calls for U.S. Defense against Nuclear Attack," Reuters, January 27, 1996, Clari.nuclear.

partners, these actions seemed to confirm concerns about the PLA's modernization program.[66] Prior to the mid-1990s, some in the foreign policy elite had been talking about China replacing the former Soviet Union as the United States' principal great power security concern and military planning contingency. But the Taiwan Straits confrontation of 1995–96 appeared almost certain to be a watershed in shifting the perception of a wider audience.[67] Its significance lies not in capabilities displayed (if anything, the episode confirmed the relatively disadvantaged state of China's current forces[68]), but rather in catalyzing the belief that China's first steps in modernizing its military should be interpreted as foreshadowing a trajectory of growth with consequences that had not been fully appreciated.

China's self-perception

How do these changes in the way the outside world views China fit with China's self-perception? Some inferences can be drawn from circumstantial evidence or official policies and statements, though it must be conceded that these may not necessarily reflect actual beliefs. With this limitation in mind, I offer the following brief sketch, because it is relevant to the theoretical arguments presented in the next section.

As China's economy has expanded and become more integrated with global trade and investment, Beijing's view of its international position has changed. At the beginning of its "opening to the outside," China played the role mainly of economic suitor, attempting to entice foreign investors with preferential tax arrangements; a large supply of relatively inexpensive, submissive labor; and the ever-present lure of a potentially huge domestic market demand for consumer goods. By the mid-1990s, Beijing appeared to be moving beyond seeing itself in the role of suitor to seeing itself as an emerging major player with the strength to negotiate more aggressively, although not to stipulate, the terms on which it will participate in the international economy. Beijing's hard bar-

66. See Jeffrey Parker, "China Taiwan Drills 'Proof' of PLA Modernization," Reuters, March 19, 1996, Clari.world.asia.china, ClariNet Communications (hereafter Clari.china); "China Claims Readiness for 'Future War,'" UPI, March 18, 1996, Clari.china; and Gerald Segal, "The Taiwanese Crisis: What Next?" *Jane's Intelligence Review,* June 1996, pp. 269–270.

67. Debate began to focus mainly on a choice between "containment" and "engagement." See "Containing China," *The Economist,* July 29, 1995, pp. 11, 12; David Shambaugh, "Containment or Engagement of China: Calculating Beijing's Responses," *International Security,* Vol. 21, No. 2 (Fall 1996), p. 202; and Gerald Segal, "East Asia and the 'Constrainment' of China," *International Security,* Vol. 20, No. 4 (Spring 1996), pp. 107–135.

68. See Patrick E. Tyler, "Shadow over Asia: A Special Report; China's Military Stumbles Even as Its Power Grows," *New York Times,* December 3, 1996, p. A1.

gaining to gain admission to the World Trade Organization (WTO) as a charter member, without relinquishing its demand that it be granted the favorable status of a developing country, reflects China's attempt to become a force in the councils of economic power while retaining the advantages it has enjoyed during the early stages of its economic takeoff.[69] The CCP is also using China's emerging economic strength as a diplomatic tool. Beginning in June 1989, China was threatened with economic sanctions for various policy infractions, most notably the recurrent U.S. warnings that most-favored-nation trading status would be revoked if China's domestic and international behavior did not meet certain standards. By the mid-1990s, China was not only continuing to stand fast against such economic pressure, but despite prior claims that political disagreements should not complicate mutually beneficial economic exchange, Beijing was using its own economic leverage to signal unhappiness with U.S. complaints about China's exports of arms and dual-use technologies, and more important, anger at the Clinton administration's policy in the Taiwan Straits.[70] Beijing's behavior suggests that it sees itself in a transition from "object to subject" in the international economy, a shifting self-perception already visible in its activism within the Asian Pacific Economic Cooperation forum, one that will likely inform the role China plays once it joins the WTO and be fully completed when Beijing decides the time is ripe to join the Group of Seven.

In the military realm, China's view of its international role has also been changing. During the Cold War, China saw itself, correctly, as outclassed in a system dominated by rival superpowers. The CCP regime's goal was to ensure its security through varying combinations of self-reliant military preparation (to support a strategy of dissuasion by conventional deterrence while developing a nuclear alternative) and grudging dependence on the support of one superpower against the threat posed by the other.[71] China was essentially a

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69. Despite suggestions after the revision in IMF calculations in 1993 that China should be invited to join the Group of Seven, Beijing has not shown interest, probably to avoid discrediting its claim to being a developing country entitled to preferential trading arrangements within the WTO. See Greenhouse, "New Tally," p. A1; and "China Bucks G-7 Membership, Wants WTO," UPI, July 2, 1996, Clari.china.

70. See Rajiv Chandra, "China: European, U.S. Aircraft Producers Compete for Boom Market," Inter Press Service, July 19, 1996, from NEXIS.

71. See Avery Goldstein, "Discounting the Free Ride: Alliances and Security in the Postwar World," *International Organization*, Vol. 49, No. 1 (Winter 1995), pp. 39–73. For an analysis that highlights the importance of influences other than the strategic triangle, see Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969–1989* (Stanford, Calif.: Stanford University Press, 1995).

survivalist state, husbanding its limited capabilities and adjusting to the realities of its precarious position in a dangerous environment. Since the end of the Cold War, China has become a thriving state basically secure against foreign threats, and seeks to employ its growing capabilities to shape, and not just cope with, a fluid if still potentially dangerous environment. It is pursuing this goal using a two-pronged approach—cultivating independent economic and military strength, which reduces the need for dependence on powerful allies, and trying to prevent foreseeable international roadblocks on the path to greatness that Beijing plans to follow. The first task, self-strengthening, is easy to grasp, if hard to accomplish. The second, diplomacy, requires some clarification.

China's diplomatic challenge is to prevent three undesirable outcomes. First, China needs to prevent the United States from maintaining its de facto hegemony in East Asia, although a continued U.S. presence in some respects is desirable (especially as an anchor on Japan). Second, China needs to prevent Japan from becoming a full-fledged great power rival in East Asia. Third, China needs to prevent lesser regional actors (ASEAN states, Russia, and India) from siding with a rival United States or Japan in ways that could result in China's strategic encirclement. These three challenges are complicated by their own interconnections and partial incompatibility (e.g., a reduced U.S. role may encourage others to hedge their bets against China through patterns of alignment and armament) as well as their collective incompatibility with the other prong of China's strategy for becoming a great power. It is not easy for big states to repeat the virtuoso performance of Bismarck who at least temporarily postponed the more adverse reactions to growing German power. Early indications suggest that Beijing's leaders lack the subtle diplomatic skills that are needed for them to succeed in such an effort. During the 1990s, at least, China's determined pursuit of its interests in the South China Sea and the Taiwan Straits, and insistence on continuing its nuclear weapons testing through mid-1996 while others observed a moratorium, have married concerns about future Chinese capabilities with behavior that raises doubts about its intentions.

THE FIT BETWEEN ESTIMATED POWER, PERCEPTIONS, AND REALITY

A state's estimated power and perceived power—that is, the fit between various data usually thought to reflect the influence a state can bring to bear internationally and the beliefs of policymakers about such influence—are unlikely to coincide. The degree of disparity varies for reasons discussed with reference to the Chinese case above, but in addition is also likely to vary directly with the occurrence of events that provide for the hard test of actual

competition in the international arena. Crises, militarized conflicts, and wars provide the most accurate guide to real power relations; the absence of such direct tests provides the greatest leeway for faulty estimates and distorted perceptions.[72]

Power tests, enabling China and others to assess the country's ability and determination to act on its foreign policy preferences, were relatively frequent during the first three decades of China's existence. The Korean War, crises in the Taiwan Straits in 1954–55 and 1958, war with India in 1962, border clashes with the Soviets in 1969, and the brief invasion of Vietnam in 1979, each clarified China's true capabilities relative to its adversaries at different points in time. After 1979, however, seventeen years passed before anything occurred that might qualify as a clarifying event testing China's ability to wield military power. Moreover, 1979 marked the beginning of the reform program that has triggered the claims of China's growing power. Thus, although analysts can agree that the reforms are producing a militarily stronger China, they can debate but not resolve the key question, "How much stronger?"[73]

The Taiwan Straits "military exercises" in 1996 provided some information. First, they signaled that Beijing was prepared, as it had repeatedly stated, to use force if necessary to ensure Taiwan's future political reunification with the mainland. Second, they demonstrated that the PLA had the ability to rely on missiles to coerce Taiwan, either through disrupting its economic lifeline of trade or through engaging in a campaign of strategic bombardment designed for punitive purposes. Such a capability can serve to frighten the Taiwanese in order to dissuade them from moving toward independence or, if dissuasion fails, could serve as the means to compel Taiwan to reverse steps that Beijing finds intolerable. Third, the military exercises revealed the enduring limits on the PLA's ability to actually project power, even in China's backyard. Analysts observing the exercises noted that the PLA could not muster the forces to launch an invasion of Taiwan that could succeed at reasonable cost, whether or not the United States chose to assist the island in its defense.[74] And the Clinton administration's naval maneuvers, together with guarded warnings to

72. Wohlforth, "The Perception of Power," pp. 377–378.
73. This situation parallels that which Wohlforth observed with regard to Russia just prior to World War I. See Wohlforth, "The Perception of Power," pp. 377–378. A similar uncertainty may have characterized France's position just prior to the 1870 war with Prussia. I thank Tom Christensen for pointing this out.
74. For a May 1996 U.S. Office of Naval Intelligence assessment, see Jim Wolf, "U.S. Navy Says China Rehearsed Taiwan Invasion," Reuters, November 11, 1996, Clari.china. See also Peter Slevin,"China Could Not Easily Overwhelm Taiwan, Analysts Agree," *Philadelphia Inquirer,* February 16, 1996, p. A4.

China, indicated that despite the ambiguity of U.S. policy toward Taiwan, Beijing should anticipate some sort of American military response with forces against which China still could not match up.[75]

China's Growing Power: Theoretical Expectations

China's power is clearly on the rise, although current estimates and perceptions may well be exaggerating the speed and extent of this change. Much of the attention paid to this trend is rooted in this concern that China's rise could make international politics more dangerous. In this section, I set aside disagreements about the rate of China's ascent and briefly consider what international relations theory has to say about its likely consequences, looking for early indicators about the usefulness of its insights. Simply put, most of the well-established strands of theory provide strong support for the expectation that as China's power grows in the coming decades, potentially dangerous international conflicts involving China will be more frequent. Some, however, suggest that the expected conflicts need not be uncontrollably intense, and one offers persuasive reasons to believe that the worst-case scenario of major power war will in any event remain implausible. I examine five theoretical perspectives distinguished by their emphasis on changing power relations, the significance of regime type, the role of international institutions, the effects of economic interdependence, and the strategic consequences of the nuclear revolution.

POWER PERSPECTIVES

Theories that explicitly focus on the dynamics of changing power relations in the international system provide some of the most troubling predictions. Two such theories—"hegemonic instability theory" and balance-of-power theory—emphasize the difficulties associated with the rise and fall of the system's dominant states. "Hegemonic instability theory" asserts that incongruity between a rising power's growing capabilities and its continued subordinate status in an international political system dominated by an erstwhile hegemon

75. Ambiguity dates to the 1972 Shanghai communiqué that provided a framework for Sino-American relations in the years following President Nixon's visit. Continuing ambiguity may have led China to underestimate the likelihood of a forceful U.S. reaction. See "Perry Criticized on Taiwan," Associated Press, February 28, 1996, Clari.china. After the March 1996 exercises, the United States more clearly signaled that it would respond to Beijing's future use of force against Taiwan. See Paul Basken, "Clinton: U.S. Wants 'Peaceful' One-China," UPI, July 23, 1996, Clari.china.

results in conflicts that are typically resolved by the fighting of major wars.[76] Although one does not yet see the intense sort of rivalry the theory expects to precede such a hegemonic showdown, recent conflicts between an ever-more capable China and the world's leading power, the United States, are consistent with the theory's logic. In the 1990s Beijing has more vociferously than ever criticized U.S. human rights policy as an effort to impose American values on the rest of the world, and U.S. international economic policy—especially on China's accession to the WTO—as an attempt to preserve American economic dominance.[77] In Washington, growing trade deficits with China have aroused concerns about allegedly unfair economic competition, while Beijing's military modernization and regional assertiveness have contributed to China becoming a prominent planning contingency for assessing the adequacy of the U.S. armed forces, especially its strategic nuclear arsenal.[78]

Balance-of-power theory, like hegemonic-instability theory, alerts one to the potentially disruptive effects of a rising China. The theory's core argument about balancing behavior leads to the expectation that China's increasing capabilities will trigger a reaction among those most concerned about the uses to which its power can be put.[79] As Stephen Walt has emphasized, great power in and of itself may not be deemed a threat requiring a response, but geography as well as the region's experience with China's dominance prior to the arrival of Western imperialism in the nineteenth century suggest it will be hard for Beijing to allay fears about how it may wield its growing capabilities. And there have already been rumblings of the sort that balance-of-power theory would predict, including reactive arms buildups in the region and the search for allies to compensate for limits in national strength (most notably, the still-tentative consultations among ASEAN states and the April 1996 reaffirmation of the U.S.-Japan security treaty).[80]

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76. See Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981); A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: University of Chicago Press, 1980); and Paul Kennedy, *The Rise and Fall of the Great Powers* (New York: Vintage, 1987).
77. See "China Slams U.S. Demands for WTO Entry," UPI, July 21, 1996, Clari.china.
78. See William W. Kaufmann, *Assessing the Base Force: How Much Is Too Much?* (Washington, D.C.: Brookings Institution, 1992); and Michael O'Hanlon, *Defense Planning for the Late 1990s* (Washington, D.C.: Brookings Institution, 1995).
79. On balancing, see Kenneth N. Waltz, *Theory of International Politics* and *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 1959). See also Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y.: Cornell University Press, 1988).
80. See President Clinton's speech to the Japanese Diet in "Clinton: Japan, U.S. Must Continue to Be Partners," *Daily Yomiuri,* April 19, 1996, from NEXIS; also "United States to Retain Strong Presence in Pacific: Christopher," Agence France-Presse, July 23, 1996, from NEXIS. See also Ball,

Balance-of-power theory alone does not indicate that the dynamics it explains must result in war. Some scholars, however, have argued that the polarity of an international system may determine whether or not it will be characterized by peaceful balancing.[81] What does their work suggest about the consequences of China's rise to prominence? First, it is important to note that it remains unclear whether post–Cold War East Asia, where China's influence will first be felt, will be a bipolar or multipolar arena. Bipolarity may return, anchored this time by the United States and China, with a militarily self-limited Japan and an internally weakened Eurocentric Russia playing marginal roles. If so, China's rise might pose the dangers identified as the risks of balancing under bipolarity, especially hostile overreaction. Early in the post–Cold War era, it would certainly appear that China and the United States rather quickly have come to focus on each other as the two key players in the game and to view each other's actions as potentially threatening. Each worries about allegedly shifting balances of military power and mutual perceptions of resolve. The early signs suggest that a bipolar East Asia would be dominated by recurrent Sino-American conflict.

What expectations prevail if China emerges instead as one of several great powers in a multipolar East Asia (including not just the United States but also a less restrained Japan, a resurgent Russia, perhaps even a more widely engaged India, and a newly risen Indonesia)? Unfortunately, as Aaron Friedberg has noted, some of the influences that reduce the dangers of multipolarity in post–Cold War Europe (e.g., consensus on the lessons from past war fighting, long experience with international diplomacy, the homogeneity of

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"Arms and Affluence"; "SE Asians Arming Up to Protect Their Resources," Reuters, January 29, 1996, Clari.defense; Shambaugh, "Growing Strong," p. 44; "Singapore's Lee Warns of Growing Power of China," Reuters, February 24, 1996, Clari.china; and "Asian Reaction Swift to China's Maritime Expansion," Reuters, May 17, 1996, Clari.china.

81. For three articles that helped trigger the polarity debate, see Karl W. Deutsch and J. David Singer, "Multipolar Power Systems and International Stability"; Richard N. Rosecrance, "Bipolarity, Multipolarity, and the Future"; and Kenneth N. Waltz, "International Structure, National Force, and the Balance of World Power," all available in James N. Rosenau, ed., *International Politics and Foreign Policy,* 2d ed. (New York: Free Press, 1969). On the dangers inherent in bipolar and multipolar systems, see Thomas J. Christensen and Jack Snyder, "Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity," *International Organization,* Vol. 44, No. 2 (Spring 1990), pp. 137–168; also, Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany between the World Wars* (Ithaca, N.Y.: Cornell University Press, 1984); John J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security,* Vol. 15, No. 1 (Summer 1990), pp. 5–56; Stephen Van Evera, "Primed for Peace: Europe after the Cold War," *International Security,* Vol. 15, No. 3 (Winter 1990/91), pp. 7–57; and Thomas J. Christensen, "Perceptions and Alliances in Europe, 1865–1940," *International Organization,* Vol. 51, No. 1 (Winter 1997), pp. 65–98.

domestic political orders) are not as evident in East Asia.[82] Moreover, military-strategic considerations that can sometimes offset the dangers of balancing under multipolarity may be lacking. It is not clear, for example, that a need for allies would exert much of an inhibiting effect on China, especially given that many scenarios for its disruptive behavior in the region would not require joint efforts.[83] Instead, because some of the most important flash points entail disputes over maritime claims to largely unpopulated islands or undeveloped surface and subsurface geological formations, belief in the feasibility of offensive military actions with minimal risks of escalation could tempt adventurous behavior if it is anticipated that multiple potential adversaries will pass the buck and accept a fait accompli—one of the classic risks under multipolarity. That such seemingly safe bets sometimes turn out to be disastrously incorrect predictions is one of the reasons to worry about the consequences of China's rise in a multipolar setting.

Theoretical discussion of the security dilemma, closely related to balance-of-power theory, also suggests that China's growing power will contribute to increased international conflict. It indicates that unavoidable uncertainty about others' capabilities and intentions, combined with the difficulty of establishing binding commitments under anarchy, means that each state's effort to enhance its security poses a potential threat to which others are likely to respond.[84] Although the literature does suggest that variations in strategic beliefs and military technology may dampen this dynamic,[85] at the end of the century China's policies and the reaction to them are intensifying rather than mitigating the security dilemma. Beijing's investment in power projection capabilities, reassertions of sovereignty over waters and territory from the Diaoyu Islands to Taiwan to the Spratlys, and the limited military actions it has already undertaken all contribute to consternation in Tokyo, Taipei, the capitals of the ASEAN countries, and most openly in Washington, D.C. Seeing China's current assertiveness as a portent of things to come, all others hedge against the

82. Friedberg, "Ripe for Rivalry," pp. 9–10, 27–28.
83. See Van Evera's "drunk tank" analogy to explain the beneficial restraining influence of allies in a multipolar world. "Primed for Peace," p. 39.
84. See John H. Herz, "Idealist Internationalism and the Security Dilemma," *World Politics,* Vol. 2, No. 2 (January 1950); Waltz, *Theory of International Politics,* pp. 186–187; Robert Jervis, "Cooperation under the Security Dilemma," *World Politics,* Vol. 30, No. 2 (January 1978); Glenn H. Snyder, "The Security Dilemma in Alliance Politics," *World Politics,* Vol. 36, No. 4 (July 1984), pp. 461–495; and Christensen and Snyder, "Chain Gangs and Passed Bucks."
85. See Jervis, "Cooperation under the Security Dilemma"; and Christensen and Snyder, "Chain Gangs and Passed Bucks."

possibility of a more potent future China threat.[86] Beijing, in turn, deems such fears as at best groundless and at worst as disguising the interest rivals have in keeping China down.[87] Beijing sees its own relative weaknesses, not its emerging strengths, and views its policy statements and limited military efforts in the East Asian theater merely as efforts to ensure its vital interest in defending national sovereignty. Beijing considers the exaggeration of its capabilities and misinterpretation of its motives a smoke screen for revived Japanese militarism, or a U.S.-sponsored strategy of containment aimed at China that includes military assistance to regional actors and the cultivation of regional anti-China alliances.[88] In short, this is a situation in which malign mutual perceptions seem to be feeding worst-case (or at least "bad-case") planning that results in spiraling conflict.

REGIME PERSPECTIVES

Two strands of international relations theory suggest that conflict will increase, not because of China's growing capabilities, but rather because China is a flawed regime. The first is democratic peace theory, which argues that the distinctive domestic institutions and political values of liberal democracies ensure peace among them, but not between liberal democracies and nondemocracies.[89] This perspective suggests that democratic great powers will feel

86. See "Vietnam, China in Dispute over Offshore Drilling," Reuters, March 17, 1997, Clari.china; "U.S. Forces Welcome in South China Sea," UPI, May 20, 1997, Clari.china; Nicholas D. Kristof, "Tension with Japan Rises alongside China's Star," *New York Times,* June 16, 1996, p. E3. Japan's 1996 Defense White Paper added a call to keep a cautious eye on China's buildup and activism. See Brian Williams, "Japan Sees China as Growing Military Challenge," Reuters, July 19, 1996, Clari.china.

87. See, for examples, "China Defense Minister Says Threat Theory Absurd," Reuters, June 27, 1996, Clari.china; David Shambaugh, "Growing Strong," p. 43; and Benjamin Kang Lim, "Beijing Slams West for Playing Up China Threat," Reuters, November 3, 1995, Clari.china.

88. For criticism of U.S. motives, see Jane Macartney, "China Army Wants Nuclear Arms Destruction, Test End," Reuters, June 13, 1996, Clari.nuclear; and "China Says Future U.S. Ties Hinge on Taiwan," Reuters, February 8, 1996, Clari.china. Statements of U.S. China policy are not unambiguous. See "China Building Up for Spratlys—U.S. Official," Reuters, January 23, 1996, Clari.china; also "Testimony before the House International Relations Committee Subcommittee on Asia and the Pacific, by Admiral Richard C. Macke, U.S. Navy Commander in Chief, United States Pacific Command," Federal News Service, June 27, 1995, Federal Information Systems Corporation, from NEXIS; and "'American Interests and the U.S.-China Relationship' Address by Warren Christopher." On China's suspicion of Japan's motives, see "China's Jiang Zemin Warns against Japan Militarism," Reuters, November 13, 1995, Clari.china; Thomas J. Christensen, "Chinese Realpolitik," *Foreign Affairs,* Vol. 75, No. 5 (September/October 1996), pp. 37–52; and Holly Porteous, "China's View of Strategic Weapons," *Jane's Intelligence Review,* Vol. 8, No. 2 (March 1996), pp.134–137.

89. For a small sample from the wide-ranging debate about the interdemocratic peace, see Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs," *Philosophy and Public Affairs,* Vol. 12 (Fall 1983), pp. 323–353; Christopher Layne, "Kant or Cant: The Myth of the Democratic Peace,"

justified in embracing confrontational policies against a Chinese regime that rejects liberal democratic values and in which the foreign policy decision-making process on crucial security matters is not much constrained by institutions, but rather monopolized by at most a handful of leaders only loosely accountable to a slightly larger elite.[90] And because China's small, authoritarian ruling group believes that the West is engaged in a campaign of "peaceful evolution" designed to subvert communist rule without a fight, hostility and intransigence will be reciprocated.[91]

The second flawed-regime approach is "democratic transition theory," which focuses on states making the shift from authoritarianism to democracy.[92] It suggests that competitors for leadership in these regimes adopt aggressive foreign policies that garner popular support by tapping into nationalist sentiments and elite support by placating the institutional remnants of authoritarian rule, especially the military. China has hardly made much of a shift toward democracy, so the relevance of this line of reasoning remains to be seen. But the strength of nationalism among the Chinese people in the 1990s, in particular among the young, raises concerns about its potential role if political participation does expand. Contemporary Chinese nationalism manifests not merely pride in the accomplishments of the reform era, but also popular resentment at alleged mistreatment by foreigners that may make it difficult for leaders in a future democratizing China to compromise in disputes with other states.[93] The likelihood that China's military will continue to be a significant political player in any transitional Chinese regime is also cause for concern. As

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International Security, Vol. 19, No. 2 (Fall 1994); pp. 5–49; and Henry S. Farber and Joanne Gowa, "Polities and Peace," *International Security,* Vol. 20, No. 2 (Fall 1995), pp. 123–146.

90. On lower priority matters, the foreign policy process is less centralized, and more bureaucratized. See Michael D. Swaine, "The PLA in China's National Security Policy: Leaderships, Structures, Processes," *China Quarterly,* No. 146 (June 1996), pp. 360–393; Shambaugh, "Containment or Engagement," pp. 196–201; A. Doak Barnett, *The Making of Foreign Policy in China: Structure and Process* (Boulder, Colo.: Westview Press, 1985).

91. See David Shambaugh, "Growing Strong," p. 50; and David Shambaugh, "The United States and China: A New Cold War?" *Current History,* Vol. 94, No. 593 (September 1995), p. 244.

92. Edward D. Mansfield and Jack Snyder, "Democratization and the Danger of War," *International Security,* Vol. 20, No. 1 (Summer 1995), pp. 5–38.

93. See Gerald Segal, "China Takes on Pacific Asia," *Jane's Defence '96: The World in Conflict,* pp. 67–68; Allen S. Whiting, "Chinese Nationalism and Foreign Policy after Deng," *China Quarterly,* No. 142 (June 1995), pp. 295–316; Michel Oksenberg, "China's Confident Nationalism," *Foreign Affairs,* Special Issue, Vol. 65 (1987), pp. 501–523; Jonathan Unger, ed., *Chinese Nationalism* (Armonk, N.Y.: M.E. Sharpe, 1996); Fei-ling Wang, "Ignorance, Arrogance, and Radical Nationalism: A Review of *China Can Say No,*" *Journal of Contemporary China,* Vol. 6, No. 14 (March 1997), pp. 161–165; Hongshan Li, "China Talks Back: Anti-Americanism or Nationalism? A Review of Recent 'Anti-American Books' in China," *Journal of Contemporary China,* Vol. 6, No. 14 (March 1997), pp. 153–160.

competition among the leadership's elite expands, those who hope to lead will still need to earn the support of the military,[94] and this may require a commitment to large defense budgets and a willingness to permit the military to demonstrate its credentials as a professional fighting force, rather than as a tool of domestic suppression.[95]

INSTITUTIONAL PERSPECTIVE

Theories that adopt what might loosely be termed "the institutionalist perspective" also suggest that China's greater role in international politics may increase the level of conflict. Institutionalist approaches depict formal and informal organizational practices that mitigate the effects of anarchy, dampen conflict, and enhance the prospects for cooperation.[96] Unfortunately, the conditions for successful institutionalization that have contributed to its effectiveness in post–World War II Europe are largely absent in post–Cold War Asia.[97] In contrast with Europe, organized attempts at international cooperation on economic and security affairs in East Asia have a comparatively short history; conflicting rather than common interests are salient; cultures are diverse; and an overarching transnational identity and sense of community that might undergird institution building are lacking.[98] Perhaps most troubling, China's clear preference for bilateral, rather than multilateral, approaches to resolving its international conflicts *has* diminished the prospects for effective regional institutions. Beijing *has* sometimes demonstrated a willingness to participate in international regimes and multilateral efforts at problem solving, but not when China's vital interests, especially historically sensitive issues of territorial

94. On the current web of military-political elite ties, see Ellis Joffe, "Party-Army Relations in China: Retrospect and Prospect," *China Quarterly,* No. 146 (June 1996), pp. 299–314; Swaine, "The PLA in China's National Security Policy"; and Baum, "China after Deng."

95. For this sort of interpretation of the Taiwan Straits military exercises of 1995 and 1996, see Shambaugh, "Containment or Engagement," pp. 190–191; also Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," in Lane, Weisenbloom, and Liu, *Chinese Military Modernization,* pp. 209–245.

96. See, for example, Stephen D. Krasner, ed., *International Regimes* (Ithaca, N.Y.: Cornell University Press, 1983); and John Gerard Ruggie, ed., *Multilateralism Matters* (New York: Columbia University Press, 1993), p. 7. For a flavor of the intense debate with realists about the importance of international institutions, see John J. Mearsheimer, "The False Promise of International Institutions," *International Security,* Vol. 19, No. 3 (Winter 1994/95), pp. 5–49, and the exchange of views it provoked in *International Security,* Vol. 20, No. 1 (Summer 1995).

97. See Friedberg, "Ripe for Rivalry," pp. 22–23; John Gerard Ruggie, "Multilateralism: The Anatomy of an Institution," in Ruggie, *Multilateralism Matters,* p. 4.

98. Friedberg, "Ripe for Rivalry," p. 24. See also Charles A. Kupchan and Clifford A. Kupchan, "Concerts, Collective Security, and the Future of Europe," *International Security,* Vol. 16, No. 1 (Summer 1991), pp. 124–125.

sovereignty, are at stake.[99] China's track record during the 1990s in pressing its claims to the Spratly Islands has in fact undermined the region's most significant effort at building international institutions to dampen security conflicts, the ASEAN Regional Forum (ARF).[100] As a result, states concerned about China's maritime aspirations continue to pursue traditional realpolitik methods for coping with their insecurity.[101] Although the ongoing efforts of regional and extraregional states to nurture the ARF make it premature to write off its possible future importance,[102] weak institutional arrangements have not yet provided much of a constraint on the international behavior of an increasingly powerful China.

INTERDEPENDENCE PERSPECTIVE

Economic interdependence theory offers a comparatively sanguine outlook on the consequences of China's growing capabilities. It identifies incentives for states to contain their international disputes when the costs of conflict are great (because one alienates valued economic partners) and the benefits from the use of force are small (because the foundations of modern economic and military power depend less on assets like labor and natural resources that conquerors can seize and more on knowledge and its technological fruits).[103] China's rising power in the late twentieth century is based on rapid economic development fueled by dramatically increased levels of international trade and

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99. See Johnston, "Prospects for Chinese Nuclear Force Modernization," pp. 575–576. On possible differences within China's leadership about the acceptability of multilateralism, see David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," pp. 234–235; and Shambaugh, "China's Military in Transition," p. 273.

100. See Michael Leifer, *The ASEAN Regional Forum,* Adelphi Paper, 302 (London: International Institute for Strategic Studies [IISS], July 1996), pp. 37, 43–44; and Mark J. Valencia, *China and the South China Sea Disputes,* Adelphi Paper, 298 (London: IISS, October 1995). On other "confidence- and security-building measures," see Ball, "Arms and Affluence."

101. On Indonesia's bilateral security treaty with Australia, see Leifer, *The ASEAN Regional Forum,* pp. 50–52. On the Philippines' efforts to rejuvenate its military alliance with the United States after clashing with China over Mischief Reef in 1995 and Scarborough Shoal in 1997, see "Philippines to Seek Revision of Defense Pact with U.S.," Japan Economic Newswire, May 14, 1997, from NEXIS.

102. Leifer, *The ASEAN Regional Forum,* pp. 53–60.

103. Robert O. Keohane and Joseph S. Nye Jr., *Power and Interdependence,* 2d ed. (Boston: Scott, Foresman, 1989); and John E. Mueller, *Retreat from Doomsday: The Obsolescence of Major War* (New York: Basic Books, 1989). For criticism of this line of reasoning, see Kenneth N. Waltz, "The Myth of National Interdependence," in Charles P. Kindleberger, ed., *The International Corporation* (Cambridge, Mass.: MIT Press, 1970); Robert J. Art, "To What Ends Military Power?" *International Security,* Vol. 4, No. 4 (Spring 1980), pp. 3–35; Peter Liberman, "The Spoils of Conquest," *International Security,* Vol. 18, No. 2 (Fall 1993), pp. 125–153; and Norrin M. Ripsman and Jean-Marc F. Blanchard, "Commercial Liberalism Under Fire: Evidence from 1914 and 1936," *Security Studies,* Vol. 6, No. 2 (Winter 1996/97), pp. 4–50.

investment. Sharp reductions in international economic activity would seriously damage China's ability to sustain the high rates of growth that are necessary, if not sufficient, for its emergence as a great power. Thus, because of the easily understood consequences of provoking sanctions among its most valued American, Japanese, and European economic partners, and not just because of possibly temporary limitations on the PLA's capabilities, China's leaders will continue to be constrained in their efforts to resolve international disputes. States' arms may not be tightly chained by economic concerns, but they may yet be loosely bound in ways that are conducive to international cooperation.[104]

NUCLEAR PEACE PERSPECTIVE

What might be termed "nuclear peace theory" provides the strongest reasons to expect that the dangers associated with China's arrival as a full-fledged great power will be limited. This theory asserts that the advent of nuclear weapons, especially thermonuclear weapons that can be loaded atop ballistic missiles, has revolutionized international politics by fundamentally altering the costs of conflict among the great powers. Because nuclear powers cannot confidently eliminate the risk of unacceptable retaliation by their adversaries, they cannot engage one another in military battles that have a real potential to escalate to unrestrained warfare. Thus, in its purest form, nuclear peace theory argues that among the great powers the nuclear revolution has resulted in easily established relationships of mutual deterrence that provide not only a robust buffer against general war, but also a strong constraint on both limited war and crisis behavior.[105] Limited wars and crises between nuclear states with survivable retaliatory forces may yet occur, but their outcome is more likely to be determined by the balance of political interests that underpins international resolve than by estimates of the balance of military capabilities.[106]

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104. In the China case, the dangerous attractiveness of valued natural resources, especially oil, in disputed maritime territories must somehow be weighed against the interest in not disrupting broader patterns of trade and investment.

105. See Bernard Brodie, *War and Politics* (New York: Macmillan, 1973), especially chapter 9; Kenneth N. Waltz, "Nuclear Myths and Political Realities," *American Political Science Review,* Vol. 84, No. 3 (September 1990), pp. 731–745; Robert Jervis, *The Illogic of American Nuclear Strategy* (Ithaca, N.Y.: Cornell University Press, 1986); and Robert Jervis, *The Meaning of the Nuclear Revolution* (Ithaca, N.Y.: Cornell University Press, 1989). For an introduction to the debate about the logical and empirical validity of nuclear deterrence theory, see the special issue of *World Politics,* Vol. 41, No. 2 (January 1989).

106. See Richard K. Betts, *Nuclear Blackmail and Nuclear Balance* (Washington, D.C.: Brookings Institution, 1987). The stability/instability paradox suggests that the frequency of limited wars

Nuclear peace theory, then, suggests that the alarmist implications for international security of China's rise to power have been overstated, because many analysts fail to explain why the powerful nuclear constraints on policymaking would not apply for a Chinese decision maker and his counterpart in a rival great power.[107] Uncertainties about shifts in relative capabilities caused by China's growing strength, this theory suggests, will be overshadowed by certainty about the unacceptable damage even a small nuclear exchange could cause. In this view, China's probes against Taiwan and adventurism in the South China Sea or elsewhere in East Asia are feasible only as long as the risk of an escalating conflict with a nuclear-armed rival is virtually zero. Once such a risk-laden military engagement becomes a serious possibility, the incentives for nuclear adversaries to keep their conflicts within bounds would lead Beijing and Washington, for example, to feel the same pressures to find negotiated solutions that Washington and Moscow felt during their various Cold War crises.

Conclusion

Assuming China's political coherence is not dramatically undermined, early in the twenty-first century its military capabilities will have increased, but will continue to lag behind those of the other advanced industrial states, certainly behind those of the United States. Even if the PLA's modernization program overcomes the many challenges described above, it will field forces by the second or third decade of the next century, most of which would have been state of the art in the 1990s. And despite impressively robust economic growth, there is little likelihood that Beijing can greatly accelerate this modernization process, mainly because China has not yet established the necessary world-class scientific research and development infrastructure. Moreover, as the revolution in military affairs takes hold, and the battlefield advantage increasingly

involving nuclear powers may even increase, but only in situations where they feel confident that the risks of escalation are minimal and can be managed.

107. Nuclear peace theorists would dismiss the recent Chinese interest in a nuclear war-fighting capability as a futile attempt to "conventionalize" strategy, which has repeatedly emerged among those who must plan for the use of the state's armed forces. See Johnston, "China's New 'Old Thinking.'" Nuclear peace theorists see such conventionalization as at best irrelevant and at worst recklessly wasteful, but not strategically destabilizing because the dominant deterrent logic prevails when leaders are forced to make war/peace decisions. For pessimistic views of the effects of nuclear weapons in East Asia, especially under conditions of multipolarity, see Friedberg, "Ripe for Rivalry"; Christensen and Snyder, "Chain Gangs and Passed Bucks"; and Christensen, "Perceptions and Alliances in Europe, 1865–1940."

shifts to those best able to exploit the frontiers of computer science and advanced electronics, it is unlikely that the PLA can compensate for shortcomings in quality by deploying lesser forces in greater quantity. In any case, without a problematic restructuring, China's defense industry will be unable to produce and maintain quantities of modern weaponry, including selective imports, that would decisively overmatch its most potent adversaries. China's regional and global rivals have their own impressive resources that will continue to make it difficult for the PRC to dramatically increase its power in relative rather than absolute terms.

Nevertheless, although China's power will fall short of some observers' greatest expectations, in the first half of the next century the country will become an increasingly capable actor. Insights from the various strands of theory presented above can be combined to understand better the implications of this process for international security. Most of the theoretical perspectives identify reasons why a rising China, with extensive and growing international interests, will find itself in conflict with others. Concerns about power transitions, the complexities of power balancing, flawed regime type, and inadequate institutions highlight the likely sources of conflict. Although identifying the difficulties ahead, these more pessimistic theories leave open questions about the intensity of anticipated conflicts and the chance they will lead to war. Interdependence theory and (if regional organizations evolve beyond their current infancy) institutionalist arguments suggest reasons to expect the muting of conflicts in which a rising China will be involved. Nuclear peace theory reminds us that while conflict is a necessary condition for war, it is far from sufficient.

Even some of the theories that raise red flags suggest guidelines for managing if not eliminating conflict. Democratic peace theory indicates that encouraging political liberalization in China may eventually yield peace dividends, while democratic transition theory instructs that such efforts be carefully designed to discredit rather than feed the more xenophobic varieties of nationalism. The security dilemma literature alerts one to the spirals of conflict that will result if states hedge against the presumption of a more dangerous China and China interprets such behavior as an unprovoked indicator of hostile intent. Yet avoiding such spirals will be difficult. Important institutional interests in China have a stake in resisting the steps to improve transparency that might defuse exaggerated concerns about the PLA's capabilities; at the same time, important institutional interests elsewhere, especially in the United States, have a stake in highlighting the specter of a threatening China to justify

the burden of large-scale military investment in a Soviet-less post–Cold War world.

If other theories provide, at best, modest hope of soft constraints on the conflicts likely to characterize a more active China's international relations, nuclear peace theory explains why such conflicts, however wisely managed, are unlikely to result in great power war. Because the lessons of the nuclear revolution are so simple to grasp, indeed hard to ignore, their effects should prevail regardless of the many complicating influences that might otherwise lead states into war with their rivals. Thus the warnings from the literature about hegemonic shifts and the security dilemma notwithstanding, even a future filled with recurrent spirals of conflict between a dominant United States and an increasingly capable China should at worst result in manageable, if undesirable, cold war.

In sum, this review supports a forecast that is less alarmist than many. It also underscores the importance for policymakers of assessing actual capabilities rather than presumed potential. Overestimating China's strength may well create a self-fulfilling prophecy of rivalry based on premature extrapolation; this could prove costly if it results in unnecessarily burdensome military budgets and unnecessarily intense international conflicts. China's rise to the ranks of the great powers will be an unsettling and frequently difficult experience. As long as the constraints of the nuclear revolution prevail, the danger that China's ascent will trigger great power war is small, but mismanaging the process may make it a more painful experience than necessary.