In order to fully grasp the Asia-Pacific strategic environment, it is critically important to understand the rise of China. Since the beginning of the 1990s, the Chinese economy has been enjoying rapid growth. At the 17th Chinese Communist Party Congress in October 15 2007, the General Secretary of CCPCC (Chinese Communist Party Central Committee) Mr. Hu Jintao again emphasized the policy objective of becoming a “comprehensively being well-off society” by expanding GDP to $4.4 Trillion in 2020, a fourfold increase from 2000 (Hu 2007). Based on current foreign exchange rates, if that policy objective is successfully achieved, the size of the Chinese economy will surpass Japan’s economy in 2020. Thus, China’s economic rise has the potential to bring a fundamental shift in the economic power distribution of the Asia-Pacific region and the world.

If China’s economic growth had not been sustained for a significant period of time, or it had not been linked with building “comprehensive national power,” the observed linkage between economic development and military modernization during this time would not have given Japan such deep concern (Drifte 2004: 59). Since the 1990’s, Japanese officials have been concerned about the People’s Liberation Army (PLA)’s modernization, expanded defense budget, nuclear tests, as well as China’s territorial assertion in the South China Sea and the East China Sea, etc. Especially, it can be said that the 1995-1996 Taiwan Strait Crisis fundamentally changed the Japanese security perspective toward China by making Japan
cognizantly aware of a “strong China.” (Matsuda 2007: 140-142) This episode highlights how Japan has become increasingly concerned with the questions of how China will translate its expanded economic power into military capability, and how China will use its increased influence in the Asia-Pacific region. Since the answers to these questions are not clear, Japanese officials have increasingly view and respond to security issues involving China in uncertain terms.

China’s massive demand for energy resources reflects the complicated characteristics of China’s rising national power. Ensuring secure and uninterrupted energy resources is one of the potential bottlenecks in the sustained development of Chinese economy, and some of the PLA leaders see access to energy markets as a potential role for the armed forces. Another complicating factor includes the huge consumption of natural resources causing severe environmental problems. Eighty-percent of China’s electric power is provided by coal, and the current efforts of reducing pollution are unregulated and insufficient. Currently China is the second leading emitter of harmful greenhouse gases and the need to alter energy production methods is dire. In efforts to control and reduce greenhouse emissions, it is likely that usage of cleaner burning oil and gas will increase and replace coal as a source of energy in China. In this event, Chinese dependence on foreign oil and gas will increase, and thus, increase China’s concerns for its own energy security.

Security planning in the Asia-Pacific region highlights the geographic importance of Taiwan, which is located centrally along the Sea Lane of Communications (SLOC) connecting Southeast Asia to Japan, South Korea and China. In the event of a conflict or crisis within the Taiwan Straits, some observers in China are concerned about the potential for a blockade of these SLOCs, a glaring strategic vulnerability for China. To reduce the strategic risks of depending on energy supplies traveling to China via the SLOCs, China has tried to diversify its energy transportation routes while at the same time emphasizing that a powerful blue water naval capability is
needed to defend China’s usage of these routes including the expanse of the Indian Ocean and the Straits of Malacca. Thus, the Chinese goal of energy security to sustain its energy development can be said to be one of the background factors in the linkage between China’s economic development and military modernization.

While China’s rapid growth continues, what course Chinese development will take remains to be seen. Policy planners from other nations must operate from the certain standpoint that China’s economic and military capability has developed rapidly, and careful monitoring of how China uses its increased influence is necessary. For Japanese security as well as Asia-Pacific security, it will be vital to examine the linkage between China’s economic development and military modernization in the context of China’s overall security and foreign policies. This paper highlights security policy ideas in the CCP (Chinese Communist Party), address the transformation of debates regarding the linkage between economic development and military modernization from the 1980s to October 2007. Then highlights the role of armed forces within China’s emerging security approach to the surrounding countries from the mid-late 1990s, and at the end how the Japan-U.S. Alliance seeks to engage China.

I. Economic Development and Military Modernization: CCP Debates during the 1980s

The current Chinese security policy framework has its roots in the shift of the CCP’s strategic view towards war and peace in the 1980s. While it was not Deng Xiaoping’s personal idea, a consensual strategic view was developed within the Central Military Commission (CMC) in 1985 that the possibility of a world war still existed, but the possibility was increasingly seen as remote (Asano 2007: 247). Previously, the PLA prepared for a full-scale war because it was thought that a world war in which China would be involved was imminent. China’s strategy in this potential global conflict was to “lure the enemy in deep” in order to overcome the enemy’s
technological superiority with China’s numbers of troops (Shambaugh 2002: 58). However, CMC determined that China should pursue “active defense” as a military strategy in September 1980, at the same time the PLA was restructured to prepare also for a “limited war” (jubu zhanzheng) and conflict arising from by accident. Its strategy in these events was not to lure the enemy in deep, but instead to fight the enemy on or outside of Chinese boundaries. This reexamination of the defense of strategic frontiers also forced a re-evaluation of the role of the PLA Navy (PLAN) in the defense of the maritime boundaries (Abe 1996: 59). Debates about the definition and contents of “limited war” continued among the PLA leaders until they reached a common understanding that the conflict’s political objective, scale, and geographic scope was limited. In their understanding of limited war, the role of restructuring the PLA was to prepare for “limited war” on Chinese boundaries.

Adoption of this strategic view gave additional impetus to the force restructuring and modernization that was already linked to the broad trend of economic development. Based on the new strategic view and restructured foreign policy, Deng Xiaoping predicted that China could then carry out the “Four Modernizations” plan with the assurance of a stable international environment (Deng 1993: 128). While military modernization was the last of the “Four Modernizations,” Deng rationalized that a successfully modernized economy would facilitate a successful military modernization, and thus PLA modernization should be focused on supporting economic success. Deng’s explanation provides the basic framework for the relationship between economic development and military modernization, and its policy effects have lasted to this day. Foremost, military modernization is not to deviate or distract from the first priority of economic modernization (Asano 2007: 248). At the 1985 CMC conference, Deng offered the explanation that, “We need to set priority on the Four Modernizations. We can modernize military equipment after we have successfully developed the domestic economy. Therefore, we have to be patient for several years,”
while clearly stating that the PLA must reduce its manpower by a million soldiers (Deng 1993: 128). Secondly, Deng emphasized that the PLA would have to determine its role in China’s future using the principle that economic growth is the highest priority. Deng’s further guidance was that all branches in the PLA would need to consider how they could adjust their strategy to support economic development at the CMC conference on November 1, 1984 (Deng 1993: 128).

China’s security policy debate in the 1980s was based on new strategic view that a large-scale total war was not imminent and although the risk of that type of conflict still existed, the PLA could be most effective with its available resources by defined preparing for a local war with limited political purpose. The military modernization would be implemented to the extent as much possible, as long as it did not take away resources from China's economic development, which held the highest priority. The PLA would have to find a positive role within the context of economic development.

The PLA responded to Deng’s principles by proposing a policy framework that incorporated preparations to wage a limited war, and suggesting future roles of the PLA within the context of Chinese economic development. One of the first Chinese Military leaders to envision the new role was Gen. Liu Huaqing. Liu, who had a close personal relationship with Deng Xiaoping since they were in the 2nd Field Army and was promoted to Commander of the PLAN in 1982, Liu published a paper on November 24, 1984 titled; “Let Chinese maritime business develop by building up a strong naval capability”. In this paper, Liu argued how the PLA should contribute to economic development by further developing the defense industrial base as a critical sector of the national economy. Liu argued that a significant part of the Chinese maritime business sector consisted of providing technical support functions to the PLAN. For example, maritime resource development, maritime transportation, and maritime survey services in support of the PLAN assisted the growth of China’s maritime industry. He
insisted that in order to contribute to the coastal area’s economic development, these maritime businesses needed strong support of the PLAN. His paper concluded that “building defense capability and economic development was inseparable.” (Liu 1984) Maritime resource development and maritime transportation seems to be linked with the principle that gave a high priority to develop the coastal area’s economy. Thus, the PLAN found its sustainable role in economic development via maritime resource development and maritime transportation.

Behind the trends that incorporate economic development and military modernization is the logic of “comprehensive national power.” Huan Xiang, who was one of the senior advisors of Deng Xiaoping in 1980s, was one of the major actors who emphasized “comprehensive national power.” A feature of this viewpoint is that it views international relations from the perspective that competition among nations is a measure national comprehensive ability including natural resources, population, economic performance, scientific technology, politics, military power, culture, and education. This all-inclusive view became the official thinking of the Chinese government on security after Deng Xiaoping advocated the concept of “comprehensive national power” in the early 1980s (Chu 1999: 9).

Deng Xiaoping and Liu Huaqing’s point of argument was subtly different in terms of their interpretation of comprehensive national power. Deng emphasized the principle that military modernization should occur in the context of a favorable balance with the Chinese economy, meaning the PLA would have to be patient as its budget was cut to free resources for economic development. In response to Deng’s argument, Liu proposed the policy framework that includes the role of the armed forces in economic development, which combines three factors: preparation for limited war, favorable balance with economy, and contribution to economic development via maritime business. That debate demonstrated that the “comprehensive national power” approach emphasizes that military power takes a comprehensive view of security and that military power is only one element
of national power. This can be understood that the debate regarding the role of the armed forces in peace in which no total war was imminent.

II. The Role of the Armed Forces in Building Comprehensive National Power

While the new security outlook was based on the view that total was unlikely, this did not mean that China abandoned the use of force to achieve its political objectives along China’s periphery. For example, the end of the 1980s saw China become more aggressive during periods of maritime territorial disputes. The PLAN clashed with the Vietnamese Navy over a reef in the Spratly Islands (Chinese name: Nansha Qundao) on March 1988, China physically occupied several islets for the first time, and built an observing station in August 1988. In February 1992, China passed a law proclaiming that the Taiwan-claimed Senkaku Islands (Chinese name: Daoyutai) belonged to China (Renmin Ribao 1992.02.26). Additionally, in 1994, China built new structures on Mischief Reef, an islet claimed by the Philippines. China’s bullying in the sea area claimed by the Philippines in the South China Sea continued after the seizure of Mischief Reef at the same time that the Chinese government repeatedly stated that China was prepared to shelve the question of sovereignty and jointly develop the Spratly Islands (Segal 1996). Chinese tactics came to be called “talk and grab” by observers because, during these territorial disputes, China made great effort to avoid regional conflicts by appearing concessionary in public statements while secretly employing aggressive military tactics to achieve territorial gain (Drifte 1989: 83).

How was the debate on these maritime territorial issues in CCP? In 1987, Liu Huaqing since promoted to the vice secretary of CMC, continued to play a major role in decision making and formulation of Chinese military security policy. According to Liu’s memoir, he discussed with Zhao Ziyang, the first vice chairman of CMC about possible maritime disputes in the South China Sea, and successfully obtained Zhao’s support for his policy proposals
regarding preparation for any such dispute (Liu 2004: 535). Zhao said to Liu, "Report quickly to me what kind of preparation is needed for the conflict." (Liu 2004: 535)

In Liu’s response—as to why military action in the South China Sea was needed—he perfectly incorporated, within the explanation the roles of the PLA in the reform and the open door era, preparation for a local war with limited political objectives, a secure Chinese economic and military interest in maritime resource and sea area, and secure sovereignty (Liu 2004: 538-539). In 1984—despite the fact that Deng Xiaoping was inclined toward co-development of the maritime resources in the South China Sea with neighboring states—he agreed to the military action in February 29, 1988 (Liu 2004: 539). Deng said that China could avoid a total war with the United States and the Soviet Union, so that it could be a rational choice, so long as the military action in the South China Sea was a limited war (Mori 2007: 384-385).

From the Chinese side, the “talk and grab” tactics appear to be a coherent foreign security policy with respect to the maritime territorial dispute in the South China Sea. At the CMC conference in December 1990, Jiang Zemin stated that the stable domestic and international climate relied on a combination of politics, economy, diplomacy and most importantly military power too (Jiang, 2006a: 138). Moreover, at the conference of the CMC in 1993, Jiang insisted on the role of the armed forces in building the nation’s comprehensive national power, viewing international politics “mainly comprised of a competition of economy and technology among nations, but the role of military power remained important.” (Jiang, 2006b: 278-294, 280-281)

To understand why Jiang emphasized the role of armed forces in creating a stable international climate in the beginning of the 1990s, while Deng set military modernization last in the Four Modernizations policy, it is necessary to examine the lessons China learned from the 1991 Gulf War. In early February 1991, China’s High Command witnessed an American force
armed with superior, high-technology weaponry decisively defeat the Iraqi armed forces. The results of the Gulf War made the PLA High Commanders realize that the winning edge in warfare had shifted to the side with superior technology. Thus, China would have to reconsider the priority of military modernization in building comprehensive national power and alter the previous policy of setting the military modernization behind economic priorities (Takagi 2000: 8). PLA strategy was thus revised to focus on the “limited war under high technology condition.” (Shambaugh 2002: 3) Hence, Deng’s guiding principal during the 1980s need to be partly revised at the beginning of the 1990s.

The Gulf War forced the PLA to revise its strategy, which had assumed any potential enemy could still be defeated by inferior weaponry. Yet, CCP leaders continued to refuse rapid increases in defense budget that would break the favorable balance with economic growth (Asano 2007: 250). Deng’s foremost guiding principle since the 1980s that gave highest priority to economic development and military modernization, while a favorable bias toward economic growth was continually emphasized in the 1990s as well. In 1991, at the third meeting for assessing the results and effects of the Gulf War, Jiang Zemin said that the precondition of technological development and improvement of military equipment was economic development, and it is reasonable for China to maintain an “active defense” strategy from views of traditional, national condition, military posture, politics and diplomacy (Jiang 2007b: 282, 2007c: 144). At the same conference, Liu Huaqing also insisted that China’s society and diplomacy determined the guiding principle of armed force (Liu 2004: 637). Liu proposed three military strategies with consideration of combination with politics, economy and diplomacy; first, deterrence with well-organized politics, economy and diplomatic balancing policy including strategies to let a potential enemy down without fighting. Secondly, China would seek to avoid of the war. The reason for conflict avoidance, Liu explained, was that China’s economic power was not strong enough and future strength lay in sustaining the pace
of the rapid development. Finally, Liu emphasized that China would adopt a posture of self-defense. Thus, Chinese leadership realized the changing nature of warfare after the Gulf War and altered their posture accordingly, but they also know China’s economy was still fragile.

China’s leadership opinion converged with building comprehensive national power in a way insisting on the importance of the armed force. Jiang Zeming stated that “if a nation-state would not enforce military capability and quality of military equipment with its socio-economic development, a war would arise in which it would be so easy to lose its international status, national interest, ethnic and national dignity in the eyes of the world.” (Jiang 2006b: 285)

How do we understand these debates in the CCP? The Chinese leadership appears to have believed that the limited use of force against Southeast Asia countries on maritime territorial disputes was needed. However, in the wake of the Gulf War, foresaw the prospect of a modernized war utilizing high-technology weaponry and realized that fundamental reform of military modernization program was needed if China was to successfully fight such a war in the future. Yet to realize such a modernization program, painful decisions would have to be made regarding the critical balance of military and economic modernization. There was considerable hesitation and opposition to any defense modernization program that sacrificed economic development. However, top Chinese leaders needed to demonstrate some guide principles for military modernization. To overcome opposition to a faster and more effective modernization program, some top Chinese leaders continued to reiterate the importance of military modernization in the grand scheme of building comprehensive national power.

During the 1980s, Deng Xiaoping defined comprehensive national power theory in terms of reducing the defense budget, but now China’s leaders use the same theory to increasingly emphasize the importance of military modernization. However, as Liu said, it was still needed to build
both a capability for deterrence as well as a policy to avoid a war that would damage the still-fragile economy. China’s “talk and grab” in the South China Sea can be seen as a restricted, but well-coordinated diplomatic and balancing policy adopted to avoid escalation of a conflict, and promote an outcome favorable to China during a time of intense re-evaluation over the role of the armed forces in building comprehensive national power. The feature of this strategy was “doing what we can do” (yousuo zuowei), while military modernization was needed to be able to successfully fight modernized war under high-technology condition—but they could not rapidly develop it.

The other important instance in which China tried to achieve political objective utilizing the possibility or threat of maritime force was during the 1995-1996 Taiwan Strait Crisis. To the strong ire of the Chinese government, the Clinton administration gave Taiwanese President Lee Teng-hui a visa to enter the United States and present a speech at Cornell University, Lee’s alma mater, in 1995. The PLA responded with a launch of missiles into the sea around Taiwan, and performed an escalating series of joint military exercise in the vicinity of Taiwan during the presidential election of March 23, 1996. The political objective of these exercises was to threaten the Taiwanese people in order to influence the result of the presidential election in Taiwan. However, Lee Teng-hui, the candidate who supported independence from Mainland China, won, and the United States deployed two aircraft carrier battle groups to the vicinity of Taiwan to oppose the Chinese intimidation tactics. Moreover, because of the potential danger of the standoff, maritime and aviation transportation traveling in the region were forced to change their routes, foreshadowing the potential damage to regional economies should conflict occur in this area.

China’s “missile diplomacy” did not achieve its political objectives to influence the presidential election in Taiwan, as much as it spread an image of an aggressive and militaristic China to neighboring countries (Takahara 2004). According to Andrew Scobell, from the PLA perspective, the missile
launches were an ideal option because they were both a clear demonstration that Beijing’s threats were credible—China had both the will to use force and the capability to strike Taiwan—and there was little danger of escalation after the launches (Scobell 2003: 181-182). It could also be said that the military exercise was an effort to use all means at its disposal to ensure that Taiwan did not attempt to fully separate itself from Mainland China. The countries of the Southeast Asian community expressed deep concerns about the Chinese action and the United States signaled its intention to defend Taiwan if necessary by deploying two aircraft carriers to the region. Furthermore, because of the aggressive nature of Chinese actions during the 1995-96 Taiwan Strait Crisis, Japanese officials officially came to state in its Defense White Paper in 1996 that China was a potential threat. Thus, the challenge for China following its use of limited force in order to achieve favorable outcome on maritime territorial disputes in the South China Sea and the 1995-96 Taiwan Strait crisis was explaining its security policy and enhanced comprehensive national power to suspicious surrounding countries.

III. China’s Approach to the World: The “New Security Concept” and “Peaceful Rise”

Since the middle of the 1990s, China began to explain its rapid economic and military development to other countries more clearly in a “new security concept” dubbed China’s “Peaceful Rising” theory. In 2002 Chinese Foreign Minister Tan Jiaxuan presented, at the 9th conference at the ASEAN Regional Forum (ARF), held in Brunei on July 2002, a statement that said that it was in 1996 for the first time China to advocate a “new security concept.” After internal discussion from the mid-to-late 1990’s about the definition and political meanings of this “new security concept” among strategists and scholars, Jiang Zemin presented the core of the “new security concept” at a speech in Geneva in March 1999, which established the basic definition of the “new security concept.” (Takagi 2003)

“The core of the 'new security concept' should be mutual trust, mutual
benefit, equality, and cooperation. The UN Charter, the Five Principles of Peaceful Coexistence and other universally recognized principles governing international relations should serve as the political basis for safeguarding peace while mutually beneficial cooperation and common prosperity are its economic guarantees. To conduct dialogue, consultation and negotiation on an equal footing is the right way to solve disputes and safeguard peace...Only by developing the “new security concept” and establishing a fair and reasonable new international order can world peace and security be fundamentally guaranteed.”

In Jiang Zemin’s policy speech at the 16th Chinese Communist Party Congress in 2002, much of the thinking of the “new security concept” was enshrined as a principal for building a “fair, and reasonable international political economic order.” (Jiang 2005)

Despite the conciliatory language in the “new security concept,” it was not successful in dispelling widespread fears about China’s growing economic clout and political stature. From the end of 2003, China’s fourth-generation leadership, the new group of leaders centered on Hu Jintao, began to speak of “China’s peaceful rise.” Zheng Bijian, chair of the China Reform Forum, a senior advisor to China’s leaders over the course of several decades, introduced a new concept in international relations, which he termed “China’s Peaceful Rise” at Bo’ao Forum in November 2003. Zheng began to explore this concept after making a trip to the United States in late 2002. His visit impressed upon him the prevalence of U.S. concern that China might one day threaten U.S. security and also the possibility that it might collapse as a failed state (Suettinger 2004: 3).

Another origin and of the peaceful rise theory seem to be the complicated leadership transition that accompanied the 16th Party Congress of November 2002. The transition saw a struggle between the upcoming Hu Jintao and Wen Jiaobao to wrest the policymaking initiative from Jiang and his supporters, who still constituted a majority on the Politburo Standing

1 “Chinese President Calls for new security concept” (Jiang 1999).
Committee (Suettinger 2004: 7). According to Suettinger, Jiang Zemin and some members of the Politburo Standing Committee are rumored to have raised objections, and it was decided in April 2004 that the leadership would not make use of the term “peaceful rise” in public (Suettinger 2004: 1, 7-8). China’s leaders became to use in favor of the phrase “peaceful development” (heping fazhan) instead “peaceful rise” (heping jueqi), which seems also relevant to a leadership contest (Takagi 2005).

After settling on the wording of the new theory, Zheng popularized the phrase in a Foreign Affairs article published in September/October 2005. Zheng explained that despite widespread fears about China’s growing economic clout and political stature, Beijing remains committed to a “peaceful rise,” and bringing its people out of poverty by embracing economic globalization and improving relations with the rest of the world. Zheng also asserted that as China emerges as a great power, China knows that its continued development depends on world peace, and China’s development will in turn reinforce world peace.

Debates about China’s approach to the world is ongoing; Hu Jintao emphasized that China must vigorously promote “China’s Peaceful Development Road” during his policy speech at the 17th Party Congress of October 2007. Along the same lines, Hu talks also about creating “harmonious world” (hexie shijie), concluding, “China’s development is non-divisible with world, peace and prosperity of the world is non-divisible with China as well.”

The development of this series of security concepts can be explained by three long-term motivations. First and foremost, the Chinese leadership generally seeks the policy to defuse long-standing concerns that China’s economic and military rise will disrupt the global status quo. The Chinese leadership is committed to maintaining a stable international environment in order to focus on critical economic, political and social challenges at home (Gill 2007: 10). As described, China’s “talk and grab” tactics appeared to be a restricted, but well-coordinated diplomatic and balancing policy, Chinese
leaders believed that a stable path to growth of comprehensive national power was essential to eventually gaining the strength to “recover” territory in the South China Sea and deter Taiwan’s declaration of independence in the mid-1990s. However, such a security policy was rapidly creating a much more cautious mood in the region with respect to China. Now Chinese leaders came to realize the importance of policy that defuses distrust and deep concern toward China developing comprehensive national power (Asano 2003: 22).

The fundamental motivation for seeking a new approach to the world is rooted in another aspect of comprehensive national power. As its economy rapidly grew in the 1990’s, China’s comprehensive national power successfully developed, but the Chinese economy’s dependence on external resources became irreversible as well. As China’s leaders have come to perceive economic security as critically important, the access to these external resources has acquired critical importance as well. Since the beginning of the 1990s, Chinese economic development accelerated, resulting in China becoming a net oil importer by the 1990s. At the end of the 1990s, the dependence on external resources of Chinese economy has become irreversible. As a result, China has grown to rely on stable SLOCs from the Middle East, Africa, through the Malacca and Taiwan Straits. The risk that these closure or denial of these SLOCs presents a grave strategic vulnerability for China. For sustainable development of Chinese economy, avoidance of excess caution on “talk and grab” security policy from other countries toward China is needed.

Second, Chinese leaders see this strategic vulnerability of external dependence also as a diplomatic and military opportunity. Namely, China’s security diplomacy aims to augment China’s wealth and influence, but in a way that reassures its neighbors, especially in Southeast Asia, of its peaceful and mutually beneficial intent (Gill 2007: 10). Dependence on external energy sources offers China a valid explanation to surrounding nations of its military modernization and expansion of capabilities. This situation offers
the diplomatic opportunity to expand China’s influence to Southeast Asian countries through maritime security as well as the initiative for developing alternative transportation options such as a canal or pipeline across Thailand and Myanmar (Zhang 2007). From the military perspective, dependence on SLOCs offers an opportunity for the PLAN to expand it role and importance within the Chinese defense establishment. As will be described later, according to a study titled “The Research for National Energy Security” conducted by the Central Policy Research Center of CCP, other powerful competitor nations, including the United States, Japan, and India are developing increased naval capability in order to secure their energy transportation routes (Ni 2005). In response to concerns about Chinese vulnerability to loss or denial of energy SLOCs, they emphasized that a powerful blue water naval capability is needed to defend China’s usage of these routes. That naval power must be capable of extending through the Straits of Malacca into the expanse of the Indian Ocean.

Such translation implies a third motivation behind the security concept, which is a soft balancing of power with respect to the United States. From the mid-to-late 1990’s, in a response to concerns about U.S. “hegemony” and alliance-strengthening, Chinese officials and analysts began to more openly embrace and foster alternative security structures as part of a broader effort to promote Beijing’s “new security concept.”(Gill 2007: 29) Seiichiro Takagi explains that China participated in the ARF back in 1993 in order to prevent both territorial disputes in the South China Sea and the Taiwan issue becoming part of the set agenda of the ARF without Chinese initiative, demonstrates China’s initial passive but confrontational role within the organization (Takagi 1997). However, China gradually realized the utility of the ARF, which also limited the role of the United States and Japan in region. Fostering, at first a series of bilateral partnerships, then a series of multilateral security arrangements, such as the ARF in the mid-1990, and eventually founding a new multilateral security mechanisms. The formation of the Shanghai Cooperation Organization (SCO) in the late 1990s, is one
such example that served to offer security alternatives to the traditional security system centered on bilateral arrangements between Asian countries and the United States. Additional examples of security cooperation forums that exclude the United States but in which China participates include the ASEAN+3, ASEAN-China Summit meetings, the East Asian Summit (EAS).

In terms of Japan’s security policy, it is important to note that China’s “new security concept” proposed at the ARF on July 1996 was announced shortly after the announcement of measures to strengthen the Japan-U.S. security alliance in April 1996, implying that the “new security concept” was partly in response to a revitalized Japan-U.S. Alliance. Jiang Zemin asserted that China’s “new security concept” was required to meet the needs of the present instead of the old security concept based on military alliances and build-up of armaments (Jiang 1999). This statement demonstrates that China’s “new security concept” takes into consideration the strengthened alliance network between the United States and other Asia-Pacific nations, and shows a new willingness of China to secure its interest not by “hard” alliance, but “soft” institutional arrangements.

As China’s global influence grows, China has come to present a series of new approaches to the world, namely the “new security concept” and “peaceful rising” theory. These new approaches demonstrate that China’s security diplomacy has become more proactive in engaging multilateral security cooperation in the region. These efforts were the result of attempts to dispel the concerns of Southeast Asia countries about China’s military and economic expansion in the process of building the comprehensive national power of China. The other side of the new security approach was to offer a counterweight to the “hegemony” of the United States in the post-Cold War era, as well as an indirect criticism of the strengthened the Japan-U.S. alliance. As we have seen the role of the Chinese armed forces shift in the years since China has started on its path of modernization, does this focus on multi-lateral security also indicate a further shift in the policy role of Chinese military?
IV. The Role of the Armed Forces in China’s New Security Approach

The armed forces play an underlying role in the new security approach. Concurrently, China’s “new security concept” and “peaceful rise” theory do not mean that China has abandoned its views on the importance of traditional security (Takagi 2003: 76). To see the emphasis on continued military modernization, one can see Jiang Zemin’s policy statement at CMC in 1999 that for effective national security, China need to build modernized military in a way commensurate with its own growing economic might within a favorable balance with economy as proof that the military still occupied a premier position within the Chinese policy sphere (Jiang 2006d: 465-466).

Within China’s new security approach, the armed forces can be expected to implement military diplomacy, participate in bilateral and multilateral dialogue, engage in confidence building measures, participate in peacekeeping operations of the United Nations, and respond to asymmetric security issues such as piracy and counter terrorism (Kang and Gong 2006: 375-378). Since the mid-to-late 1990s, China has established regular high-level strategic dialogue and security consultations with virtually all of its principal security partners, bringing together senior-level military and defense officials to convey strategic concerns and exchange views on security affairs of mutual interest. Such regular strategic dialogues is said to contribute to set more stable diplomatic relationship with key countries (Kang and Gong 2006: 375).

How can we understand the role of the armed forces in China’s new security approach? Yang Xuetong explains that Chinese security interest shifted from survival to secure economic security, the core role of defense in post cold war became to prevent any war, which harm or destroy Chinese economic development (Yang 1999a, 1999b). A research of the Central Party School of the CCPCC concludes that China’s core national interest is economic interest for ten or twenty years (Kang and Gong 2006: 323). Yang
argues that there are three specific roles for the armed forces in securing the Chinese economy, first, avoidance of the possibility of the war or clash with armed forces. Second, it is to prevent a possible war along the periphery of the Chinese border. Because China’s critically important cities are located in coastal areas of China, Yang argued that China needs a powerful defense capability to prevent a war from spreading to these coastal areas. A third role is to secure China’s economic interest within its own territory, territorial air space and territorial waters. Yang insisted China needed to have the capability to secure its own maritime economic interest because China’s opportunities to develop and use maritime resource will continue to increase. Regarding military operations, he explained that prevention of a limited war near Chinese borders is critical. Because that possibility continues to exist in China’s periphery, building a powerful military capability during peacetime is necessary. Yang concluded that in order to be effective, Chinese security policy needs to implement three types of policy, including modernization of China’s military, fostering regional cooperation architecture, and enforcing diplomatic relationship with neighbors. However, in order to pursue these policies successfully, an active and capable military is needed, thus solidifying the role of the military in this framework.

Some observers in China seem to believe that a dual approach of cooperating and balancing in policy efforts is most likely to create the favorable international conditions for China’s continued economic growth and security. The research of the PLA’s Academy concludes that China, as a developing major power, needs to cooperate and confront as well in international affairs to maximize the national interest (Ge 2006: 112).

In the Chinese view, the new security approach and building a powerful military appear to be a coherent within a framework of comprehensive national power symbolized by the phrase “rich country, strong armed forces.” This statement excerpted Jiang Zemin’s statement at the 16th Chinese Communist Party Congress in 2002 was subtly different; with a principle of “co-development between defense capability and
economic development,” promote building defense capability and modernizing military (Jiang 2005: 33). Moreover, at the 17th CCP Congress in 2007, Hu Jintao clearly stated, “Since the height of national security and national development, unify economic development and defense capability development, and achieve unification enriching the nation and building up strong the defenses at the process developing comprehensively being well-off society.”(Hu 2007) This paper have overviewed security debates in the CCP regarding how China intends to translate expanded economic power into military capability, the continued linkage between economic development and military modernization can be clearly seen in this policy statement.2

However, for China’s neighboring countries, unanswered questions exists on the outcome of China’s “rich country, strong armed forces” initiative. Namely, the questions of how China will increase transparency on military modernization as its economy develops and share international responsibility with other countries on international affairs, and how it will its developed military capability will be incorporated into the greater security fabric of the Asia Pacific region all are yet unanswered.

V. Energy and Taiwan: The Roles of the PLAN in China’s Economic Security

Wu Shengli, one of the members of CMC and the PLAN Commander, asserted a strong naval capability is needed to respond to the diversified threat, such as territorial disputes, nontraditional security issues, to secure China’s maritime interest and usage of energy SLOC, and deter Taiwan’s separatists in order to secure China’s sovereignty (Wu and Hu n. d.). As Richard L. Armitage and Joseph S. Nye argued, “some in China may believe that the ultimate guarantor of energy security is the People’s Liberation Army and alliances with states of concern,” energy and security debate in

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2 “As the state develop the comprehensive national power, we should appropriately invest for building the defense in order to improve defense capability and the level of the defense.” (Kang and Gong 2006: 372)
China, especially regarding proactive PLAN becomes a concern for surrounding countries as well (Armitage and Nye 2007: 5).

Looking first at preserving stable energy access, it is one of the key factors in China’s sustained development. Currently, China relies on the Southeast Asian region’s maritime routes for all energy imports originating from the Middle East, Africa and Latin America. China is dependent on the Strait of Malacca in Southeast Asia for 80 percent of its oil importation and estimates predict that China’s oil imports will grow to 200 million tones (per annum) by 2010, meaning that China will only increase its reliance on this sea line in the future (Zhang 2007: 19). Some strategists see that a high dependence on the Malacca Strait leaves China vulnerable not only to threats of piracy and terrorism, but also to other powerful competitor nations, including the United States, Japan, and India who may also seek to exert control over these maritime routes (Zhang 2007: 19). Therefore, they emphasize that a powerful naval capability is needed to defend China’s usage of these SLOC (Ni 2005: 151-152).

As evidenced by the discussion of energy access and maritime security as a national security challenge for China, the geo-strategic importance of Taiwan has come to be re-evaluated alongside with China’s traditional national concerns of sovereignty over the island (Ni 2005: 151-152). If the PLAN was denied the ability to access or utilize the Taiwan Strait, the coastal defense of China could not be coordinated between the North China Sea fleet, the East China Sea Fleet, and the South China Sea Fleet, diminishing their combined effectiveness (Hiramatsu 2006: 161; Ni 2005: 134-135). Chinese leaders believe that an independent Taiwan or a Taiwan operating in concert with other foreign powers would make the Chinese coastal area of the East China Sea and the South China Sea vulnerable like a “drawn sword on China’s stomach.” Viewing Taiwan as a geo-strategic necessity, Chinese leaders conclude that an independent Taiwan would be a grave threat to Chinese security as well as an unbearable blow to Chinese sovereignty (Ni 2005: 129).
From the Japanese security perspective, Chinese energy security debate provides both traditional and nontraditional security concerns about China to include: rapid modernization of PLA without transparency, a military capability imbalance in the Taiwan Strait shifted in favor of Mainland China, The PLA Navy focus on control of energy SLOCs, and the severe negative environmental impact of the spread of air pollution spread from China. The current uncertainty surrounding the future resolution of Taiwan’s status is a particular source of concern for Japanese security. Foremost, Taiwan is located centrally among the SLOC to Japan, South Korea, and China. The possibility of conflict in the area rendering them unusable would have dire consequences for the economies of East Asia. This is detrimental to the interests of all countries and regions including the United States. Therefore, while distinct differences continue to exist as to the final resolution of Taiwanese status, Japan has a particular interest in stable relations in the Asia-Pacific region that will enable a peaceful and diplomatic solution.

As with all other nations that depend on energy imports from distant sources, Chinese concerns about energy security are understandable and justified. But while using energy security as a primary cause for military expansion the PLA Navy has continued to leave unanswered the question of how they will share responsibility for this task with the other nations in the Asia-Pacific. Adding to this uncertainty, China’s increased military ability gives powerful leverage in achieving its policy goals toward Taiwan and other Asian nations. The lack of transparency surrounding military modernization gives the appearance of challenge and competition rather than cooperative partner in the realms of energy security and stable Asia-Pacific relations. As developing comprehensive national power country, China’s responsibility to explain its security policy to other countries should be translated into action.

Lt. Gen. Zhang Qinsheng, former Deputy Chief of Staff of the PLA, attended the Sixth IISS Asian Security Summit, Shangri-la Dialogue in June 2007 where he stated that the PLA’s goal of “building a harmonious
Asia-Pacific of lasting peace and common prosperity,” this was a positive sign and a constructive confidence building measure. However, despite these statements, continued proactive military modernization is still ongoing, as evidenced by Hu’s statement at 17th CCP Congress in October 2007. He stated that “achieving unification enriching the nation and building strong defenses at the process developing comprehensively well-off society.” Discerning true Chinese intentions from often-conflicting statements and images of Chinese security policy is a continuing process.

VI. A Subterranean “Guns or Butter” Debate on China’s Energy Security

It seems that there is internal controversy regarding the role of the armed forces in China’s energy security in the CCP. Ni Jianmin, who was the International Bureau Deputy Head at the Central Policy Research Center in CCP, concluded that the constant threat against China’s energy security is soaring oil prices, not embargo or blockage by war (Ni 2005: 16). Actually, China does not yet have the capability to ensure the security of its energy SLOC, and still requires cooperation with other nations to provide this security. Zha Daojiong, who is a professor in Renmin University in China, criticized some Chinese analysts who argue, “The United States controls vital sea lanes in the Persian Gulf, the Indian Ocean, and Southeast Asia, making unfettered transportation of Middle Eastern and African ports to Chinese shores a matter of U.S. choice seem to oppose the military-oriented energy security debate.” (Zha and Hu 2007) Zha offers a counter argument that “China benefits from the freedom of commercial navigation through the Strait Hormuz, which since the late 1970s has been protected by the U.S. naval presence in the region. Chinese analysts who complain about U.S.

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hegemony in the Middle East fail to take note of their own country’s need for security in maritime transport.” (Zha and Hu 2007: 108)

For Chinese economic security, stable international environment at China’s periphery, which includes the Taiwan Strait, is critically important. If the economy is the top priority, then the international status quo provides a beneficial environment for the Chinese with respect to trade, tourism, and investment, and creating jobs, wealth, and stability (Friedman 2006: 218). Taiwan’s geographic importance, situated centrally among the SLOC to Japan, South Korea, and China means that the possibility of conflict in the area rendering them unusable would have dire consequences for the Asia-Pacific. This is detrimental to the interests of all countries in the region, including the United States.

How can China most effectively engage maritime security in the Asia-Pacific region? China’s insecurity is cause mainly by dependence upon unfettered access to foreign sources of energy and trade transiting through the maritime routes. To minimize the potential risk, China is planning for diversified transportation alternative channels, routes and countries to import energy to China. For example, the development of a canal or pipeline across the Isthmus of Kra in southern Thailand, and oil pipeline from Sittwe to Kunming in Yunnan Province of China. China is “certainly considering the use of force as a last option of defense against direct threats such as a blockade during a Taiwan crisis,” (Zhang 2007: 21) but today they generally seek to expand its influence in a way of cooperation on nontraditional security issues with the littoral States, not in a way of armed conflict.

To address the situation today, it is apparent that today’s Chinese leadership feels insecurity about the level to which they rely on the stable maritime security provided by the U.S. Navy, but they also know that it is impossible to change this situation in the near future. Thus, what some critics in surrounding Asia-Pacific nations and the United States may

4 These canal or pipeline The PLAN is unlikely to make a progress due to economic, technical constraints as well as recent domestic political upheaval in Thailand and Myanmar. See Zhang (2007: 21-22).
perceive as a non-transparent and unreasonable expansion of national power may reflect more of a passive character and perceived strategic vulnerability by the Chinese leadership than a challenge to the existing order in the Asia-Pacific.

**VII. Engaging China Via U.S.-Allies Alliance Network**

China’s perceived vulnerability and undeveloped policy on energy security issues may offer political opportunities for security cooperation with the other nations in the Asia-Pacific region. In order to integrate China as a responsible and constructive stakeholder in the region, coordination of incentives that encourage China to be more cooperative, and confidence building measures for mutual understanding are needed. In this point of view, a coordinated response to energy security and environmental concerns via economic and military measure is possible to provide solutions in areas where interests converge and possibly narrow policy differences in other areas.

Through diplomacy including alliance strengthening and through technical assistance, Japan and the United States can be seen to try to influence China’s state-controlled energy policy in order to integrate China more fully into the international oil security system. Energy technical assistance and strengthening the Japan-U.S. Alliance is a dual policy on the part of the Japan and United States to engage with China. In May 2006, Taro Aso, the former minister of foreign affairs in Japan presented a speech that is titled “Discussing China in Washington D.C.” Aso insisted, “It remains uncertain what course China’s development will take, hence, we need to resolve this uncertainty in order to minimize volatility of the East Asian regional climate.” (Aso 2007) Aso believes that China understands its responsibility to enforce the international system. However, in urging China to undertake such an effort, it is important for Japan and the United States to assist China in a mutually beneficial manner to eliminate potential bottlenecks, sustain economic development, as well as addresses
environmental damage, over consumption of energy, and water resources. Aso explained that the outcome of this cooperation is not only resolving uncertainty, but also the hope that China will recognize that its constructive cooperation with other key countries contributes to its national interest. In the month following Aso’s speech, the Joint Statement of Japan and the United States entitled, “The Japan-U.S. Alliance of the New Century,” stipulated that the United States and Japan share interests in “securing freedom of navigation and commerce, including sea lanes; and enhancing global energy security.”Security cooperation between Japan and Australia, as well as the United States, would function as a collective hedge vis-à-vis a rising China (Yamamoto 2007). This cooperation will contribute to maritime and aviation security in the Asia-Pacific region.

Such mutual hedging may result in creating a situation with China on one side and Japan, Australia and the United States on the other, with all of them trying to promote close economic relations bilaterally and multilaterally at the same time (Yamamoto 2007). Strengthened relationships and healthy cooperative military exchange may also contribute to peaceful management of any future tension in the Taiwan Strait. The United States, Japan, and China can work to reduce China’s pressure on the world’s energy supplies via joint research, development and technological assistance. This cooperation provides China effective energy security and environmental technology, and helps ensure a path of sustainable development and peaceful rise within the Asia-Pacific region.

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