FROM WINNING TO DETERRING: CHINA'S CHANGING DISCOURSE ON DEFENCE

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INTRODUCTION

In the last decade, China has sought to express its views on national and international issues of concern through White Papers on several subjects. Although its official work reports to the National People's Congress, Communist Party documents and others did contain such views earlier, issuing White Papers has been only a recent phenomenon. As concerns on China's rise in economic and military areas have become acute, these White Papers are supposed to address such concerns. In the five White Papers on national defence from 1998 to 2006 and one more dealing with arms control and disarmament in 1995, China elaborated its views on the subject. These have been critically examined and evaluated by the international community and analysts.[1] Major policy

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1. The US Department of Defence had initiated an annual assessment of the Chinese military developments. Based on intelligence materials, these are comprehensive in nature from the point of view of military strategy and technological improvements in China. Dennis J. Blasko attempted to critically outline the nuances involved in the four White Papers till 2004 in "China's Defense White Paper for 2004 -No Change to Policy or Portents of the Future?" *Freeman Report,* January 2005 (Washington DC: Centre for Strategic and International Studies), while Li Da-Jung stressed the Taiwan factor and defence budget increase in "Assessing China's White Paper on National Defense," *Centre for China Studies Bulletin*, National Chengchi University, (Taipei) January 2005 pp. 26-28 [accessed from http://ics.nccu.edu.tw]. A workshop report by the Centre for Naval Analysis is by Julia Rosenfield, "Assessing China's 2004 Defense White Paper: A Workshop Report," Centre for Naval Analysis, VA 5p, January 2005 (accessed from http://www.cna.org). In "China's Defence White Papers - A Different Perspective on the 'Peaceful Rise," *China Aktuel* February 2007, pp. 79-94, Saskia Hieber argued that China's official rhetoric about "peaceful rise" should be viewed with scepticism given China's active military preparation over Taiwan, bridging the military gap with the US, etc. I argued that the Chinese White Papers, although they contain valuable information on defence matters, could hardly be termed transparent. See "Transparency with Chinese Characteristics: China's White Paper on National Defence of 2004 " *Chinese Military Update of RUSI Journal,* vol. 2, no. 9, July 2005, pp. 5-10. This article is partly based on my article above.

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perspectives of the Chinese government can be derived from its White Papers, including on its national defence and dynamics. In general, defence White Papers are issued by a country to convey to the world and its own people its efforts in arriving at authentic information about its defence system, its transparent attitude towards issues previously kept secret and to maintain overall effective control of the defence sector by the civilian leadership. These papers have reflected on national strategy, defence policy, external security environment and the broad ways to cope with these challenges, disarmament, military equipment acquisitions, defence budgetary estimates, training of the personnel, civil-military relations, political work among the armed forces and the like. In some respects, these are valuable pieces of information for the outside world. Overall, these papers are relatively moderate in tone and helpful in understanding the changing defence policies in broad outlines. Nevertheless, a critical evaluation of all the six White Papers indicates a gradual change in the discourse in China today on defence issues. This is more explicit in the latest White Paper issued in December 2006.[2] Thus, the 2006 White Papers argued that while "uncertainties and destabilizing factors are on the increase," the Chinese military (People's Liberation Army – PLA) is being geared up to "prevent and defuse crises and deter conflicts and wars." This appears to be a key change in the previous war preparations that stressed "fighting" rather than "winning". This transition in the PLA's mission came up during the leadership under Jiang Zemin, while by Hu Jintao's time, the PLA appears to be more

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2. References to all the White Papers issued by China on defence are accessed from http://www.china.gov.cn

confident in "deterring" wars from happening. These and other related aspects of the Chinese military are elaborated below through an examination of the White Papers.

CHANGING DISCOURSE ON STRATEGY

A textual analysis of the White Papers and other official documents and an evaluation of the context indicate that the discourse on defence related issues has undergone a major transformation in China. China's international strategy has also changed over a period of time as a reflection of perceived threats, intentions and capabilities. The guidelines formulated reflect a movement towards status quo. It is not out of context to cite the Chinese Foreign Ministry policy division's *Yearbooks* which, in the recent period, state that China stands for peace (*heping*) and stability (*wending*).[3] However, the previous political positions of China were different from the recent rhetoric. For instance, the pre-People's Republic of China (PRC) 1949 Common Programme – which can be considered to be a social contract between the Communist Party and the Chinese people – referred to China's *"stand for lasting* international peace and friendly cooperation among the people of the world, and opposition to the imperialist policies of aggression and war." In 1954, the PRC Constitution stipulated, "The steadfast policy of our country in international affairs is to work hard for the lofty goal of world peace and the progress of mankind." In this period, China was selective in the use of words such as war *(zhanzheng)* and peace *(heping)*, and such words as "balance" *(pingheng)* of power were banished, at least in the official rhetoric.

The post-1978 reforms in the economic and military spheres have ushered in a different kind of discourse. Creation of economic wealth and burgeoning cities and increase in maritime trade as a percentage of the gross domestic product (GDP) has impacted on the official discourse of China. For instance, the 1982 constitutional guidelines mentioned that China "strives to safeguard world peace and promote the cause of human progress." The 1995 White Paper on arms control and disarmament stated that China would be a *"reliable*

3. See *Zhongguo Waijiao (China's Diplomacy)*, (various yearbooks), (Beijing: Ministry of Foreign Affairs).

force in the cause of safeguarding world peace" (emphasis added). The 1998 White Paper, while characterising China as a "responsible big country," mentioned its position as a "*firm force* safeguarding world peace and stability" (emphasis added). The 2002 Paper was more explicit in this regard. It stated that China "*endorses all activities* conducive to maintaining the global strategic balance and stability" (emphasis added). The 2006 Paper stated that China is "determined to remain a *staunch force* for global peace, security and stability" (emphasis added). In regard to arms control and disarmament, the 2002 Paper argued that "it is vitally important to maintain the global strategic balance and stability."[4]

Thus, while at one level China, through these papers, turns away from the leftist revolutionary rhetoric of the Constitution of the 1970s, at another level, they reflect, in the wake of the reform process launched in 1978, a new-found confidence in its ability to influence global events. To some extent, these trends mesh with the US government's reassessment in the late 1990s that it needs to engage China in the region. Nevertheless, following the Belgrade bombings in 1999 and the EP-3 surveillance plane incident in 2001, subsequent Chinese White Papers were critical of the "unilateral" policies of the US. Currently, China has adopted a diplomatic line of "treating neighbours with kindness and of treating neighbours as partners" which means developing closer contacts with neighbouring countries and following policies of "peace and development" even as it sets it sights on global strategic issues.

Outlining a world view, reflecting on the nature of potential challenges emanating from different quarters, expressing intentions or taking measures to cope with challenges, capabilities and subjective factors may go far in explaining the major aspects of a country's defence strategy. China characterises its defence policy as "defensive in nature" (2004 Paper) and that it follows a policy of "positive defence and adheres to the idea of people's war" (1995 Paper). The 2006 Paper argued that China's defence policy is "purely defensive in nature." Several concepts recur in the five defence White

4. The 2000 Paper, written after the Kosovo War in 1999, however, made it clear that the United Nations Charter, the Five Principles of Peaceful Coexistence and other principles were to be the basis for such missions.

Papers, including people's war, people's war under modern conditions, local wars under high technology conditions to the latest local war under "informationalized conditions," indicating that the defence strategy of the country is in a transitory phase, with external stimuli posing as major components of such strategy.

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While stating that the Asia-Pacific region still "enjoys basic stability in its security situation," China argued in the 2004 Paper (as it had in the 2000 Paper) that

> ...complicated security factors in the Asia-Pacific region are on the increase. The United States is realigning and reinforcing its military presence in this region by buttressing military alliances and accelerating deployment of missile defense systems. Japan is stepping up its constitutional overhaul, adjusting its military and security policies and developing the missile defense system for future deployment. It has also markedly increased military activities abroad.[5]

Taiwan

Thus, Eastern Asia has been identified by China as posing considerable challenge to its security. More importantly, the 2004 Paper depicts the Taiwan Strait situation as "grim" and events under President Chen Shuibian (viz., referendum, proposed constitutional changes, and arms imports) as "the biggest immediate threat to China's sovereignty and territorial integrity as well as peace and stability on both sides of the Taiwan Straits and the Asia-Pacific region as a whole." These are configured as the first of the several challenges that the country faces. The principal threats facing Chinese security according to the 2004 Paper are four in number:

5. The 2000 Paper went further than this by alleging that certain big powers are pursuing "neo-interventionism, a "neo-gunboat policy" and neo-economic colonialism, which are seriously damaging peace and security." It was also critical of the "extra-regional countries" interfering in the South China Sea dispute. Nevertheless, the tone of the 2006 Paper, while mentioning about the challenges, was moderate, and stressed "Never before has China been so closely bound up with the rest of the world as it is today."

- The vicious rise of the Taiwan independence forces.[6]
- The technological gap resulting from the revolution in military affairs (RMA).
- The risks and challenges caused by the development of trends toward economic globalisation.
- The prolonged existence of unipolarity vis-à-vis multipolarity.

However, in terms of the broadening of security challenges in non-traditional aspects, the paper argued that "...world peace remains elusive. Geo-political, ethnic, religious and other conflicts interact with political and economic contradictions, resulting in frequent outbreaks of local wars and armed conflicts."[7] While the 1998 Paper mentioned the possible clash over "disputes and questions left over by history" (the characteristic Chinese euphemism for territorial disputes with Tsarist Russia, Japan, British India and their successors), by the end of the decade, these have not, by and large, crept into the subsequent papers as most of the land border disputes have been resolved with all neighbours, save for those with India and Bhutan.

The 2006 Paper identified Taiwan as posing serious challenges to its security. It elaborated thus:

> The struggle to oppose and contain the separatist forces for "Taiwan independence" and their activities remains a hard one. By pursuing a radical policy for "Taiwan independence," the Taiwan authorities aim at creating "de jure Taiwan independence" through "constitutional reform," thus, still posing a grave threat to China's sovereignty

6. The 1998 Paper, coming as it did after the 1995-96 Taiwan Straits missile crisis, has been the most extreme, of all the papers, in its position on Taiwan. It argued: "In deciding which way to deal with the issue of Taiwan, the Chinese government has no obligation to make a commitment to any country or any person attempting to split China." While China perceives Taiwan as its internal matter, in a globalisation era in which China actively participates and is integrated, this position would be reckless in regard to international shipping, insurance rates, stock exchanges, environmental fallout and other factors. The 2000 Paper refers to possible "drastic measures" by the Chinese government on Taiwan if the latter were to "refuse, *sine die*, the peaceful settlement of cross-Straits reunification through negotiations." This provision may have been incorporated at the behest of the then Military Commission Chairman Jiang Zemin in whose regime several intimidating military exercises and postures were made. Another related issue on Taiwan is the Chinese refusal to continue participation in the UN Register of Conventional Arms after 1997 to protest against "a certain country ....[which] began to register its arms sales to Taiwan in the form of a footnote to its national report."
7. The 1998 Paper mentions about "armed conflicts and local wars touched off by disputes about territory, natural resources, ethnicity or religion."

and territorial integrity, as well as to peace and stability across the Taiwan Straits and in the Asia-Pacific region as a whole.

China's "red lines" prescribed for the Taiwan Straits scenario are no to Taiwanese independence, no "to foreign interference of any form, and to arms sales to Taiwan or entrance to military alliance of any form with Taiwan by any country in the world." These proscriptions are a departure from the original "three nos" and reflect the changed security situation and ground realities. However, it needs to be seen how China responds to the Taiwanese legislative body June 2007 Letter of Request to the Pentagon for acquiring several "big-ticket" weapon systems such as F-16 aircraft, P-3 Orion aircraft, Patriot missile systems and others.[8]

United States

Continuing its decades-long strategic focus on the US, China has expressed concerns on the role of the US. In the backdrop of the US actions in Iraq, the 2004 Paper stated, "Tendencies of hegemonism and unilateralism have gained new ground, as struggles for strategic points, strategic resources and strategic dominance crop up from time to time." This is not only reflective of the US neo-conservative agenda of restructuring the West Asian region, but also of the issue of energy security in West Asia, and Central Asia, and the strengthening of US-led military alliances in Asia, especially in East Asia, with the prospect of ballistic missile defence system deployment.

On the other hand, as a consequence of its own limited prowess in influencing "high-politics" at the United Nations and other avenues, China's stance on the US has undergone a change. The Chinese foreign minister, in a speech at a meeting of foreign ministers in December 2001 in Hanoi, reportedly stated that China "did not want to squeeze the USA out of Asia."[9] This has been a major change from the early 1990s position that all "outside forces" in Southeast Asia should withdraw from the region. More importantly, in October 2002, China

8. See John Tkacik, "Approve Taiwan's Arms Buy: Don't let China Dictate US Policy," *Defense News*, July 30, 2007, p. 37.
9. See John Hill, "China's PLA Reform Success," *Jane's Defence Weekly*, December 1, 2003.

reportedly requested the North Atlantic Treaty Organisation (NATO) to engage in a bilateral dialogue on the security situation in Central Asia, after Western forces gradually entered into military arrangements or established bases in the region that borders China. However, by 2005, partly due to the "coloured revolutions" in its western backyard, China supported the Shanghai Cooperation Organisation's (SCO's) resolution on scuttling the US' role in Central Asia. China, likewise, was reluctant to expand the multilateral groupings to include the US. The two East Asian Summits in 2005 and 2007, for instance, postponed the issue of expanding the grouping's membership.

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China is currently engaged in consultations with the US on non-proliferation, the counter-terrorism campaign and bilateral military cooperation. With other countries as well, China has become increasingly engaged in security dialogues and has been moving towards multilateralism in joint military cooperation, especially with Russia, the Central Asian Republics, France, the United Kingdom, Pakistan and India in the field of maritime search and rescue and the counter-terrorism campaigns. The PLA has also stepped up its United Nations peace-keeping efforts across the globe and has increased military exchanges with, and visits to, other countries.

Japan

Next to Taiwan, Japan is considered to pose major challenges to China. Indeed, the first country to have opposed the traditional Middle Kingdom was Japan, besides Vietnam. The Chinese hark back to these times when Japan posed a considerable security challenge to them. All the six White Papers have mentioned about Japan, although the 2006 Paper is more explicit. While ignoring the October 2004 incident involving a Han-class submarine in Japanese waters, for which China for the first time reportedly "apologised" to the Japanese government, the December 2004 White Paper viewed

developments in Japan that are leading to the latter's increased strategic role as a potential security challenge to China. The 2006 Paper stated, "Complex and sensitive historical and current issues in China's surrounding areas still affect its security environment." To elaborate, these are concerned with growing Japanese military capabilities, frequent visits of high political personalities to the Yasukuni Shrine, revisions of text books, etc. It appeared that the China-Japan relations, despite last year's visit of the Japanese prime minister and his efforts at normalisation, are poised to be tense, if not in outright conflict. Given the concerted Chinese military modernisation, specifically in power projection capabilities like the medium to long range missiles and naval and air force platforms, Japan is wary of its interests vis-à-vis the Senkaku Islands, and the oil fields in the East China Sea, etc. In general, three broad scenarios were visualised by the Japanese Defence Agency in terms of Chinese attacks on Japan as follows:

The December 2004 White Paper viewed developments in Japan that are leading to the latter's increased strategic role as a potential security challenge to China.

- Firstly, in the event of a military conflict between China and Taiwan, China may attack parts of Japan to stop US forces based in the country from supporting Taiwan.
- Secondly, China may use military force to seize the disputed Senkaku Islands.
- Thirdly, China may move to secure its interests in a gas field in the East China Sea.

If the above were to be true, then the East Asian region is poised to remain a hotspot of the world for several years to come. Interestingly, the 2006 Paper has stated that small countries are poised to play a bigger role in the years to come. Perhaps, China was referring to the growing leverage of countries such as North Korea, Myanmar, Pakistan and others in Asia as having a significant impact on the evolving strategic environment. It needs to be seen whether China will continue to utilise these countries in its forward march.

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PLA MODERNISATION

The security challenges of the country are to be countered by the PLA. Emphasis is being placed on the modernisation of hardware and software within the operations of the PLA. Although all the White Papers emphasised on military modernisation, the 2006 Paper is different from the previous ones in the sense that it laid down a clear roadmap of the modernisation drive. It stated that for the PLA, the "first step is to lay a solid foundation by 2010, the second is to make major progress around 2020, and the third is to basically reach the strategic goal of building informationized armed forces and being capable of winning informationized wars by the mid-21st century." Clearly, the PLA's sights are set forth on the long-term perspective, and clubbed with the fast rising economic growth of the country, we could expect a large portion of this growth to impact on the PLA modernisation, with a significant impact on the strategic situation in Asia and the globe at large. More importantly, the PLA modernisation has been acquiring *offensive* features in the last few years in defence strategic posture, planning, military training and exercises.

Taking a cue from the 16th Party Congress at the end of 2002, the PLA emphasised that mechanisation and informationisation were to be pursued for the next two decades. As the PLA's mechanised platforms are relatively less advanced compared to other armed forces in the region, a policy of the simultaneous development of both mechanisation and the introduction of information-based platforms has been undertaken, keeping in view the current level of PLA development, budgetary aspects, technological assimilation, etc.

China's efforts highlighted in the White Papers on PLA modernisation include demobilisation, RMA, "balanced development of combat force structure (to

strengthen its Navy, Air Force and 2nd Artillery)," implementing its "Strategic Project for Talented People," training a "new type of high-caliber military personnel," joint logistics, joint operational training and transforming the PLA into "smaller but better...integrated and efficient...appropriate in size, optimal in structure, streamlined in institutional set-up and flexible and swift in command."

Of these, the demobilisation efforts are the most visible. The 2004 Paper, in describing China's troop demobilisation efforts, is brief and to the point, unlike the descriptions in previous papers. For instance, in the 1995 White Paper, China declared that it has "unilaterally adopted a series of measures aimed at disarmament. These include greatly reducing military staff, reducing defence spending, strictly controlling transfers of sensitive materials, technology and military equipment and converting defence technologies industry to civilian production." It termed these as "positive, sincere and *responsible*" (emphasis added). The 1998 Paper, likewise, argued that its demobilisation effort was an "important strategic decision of unilateral disarmament [which]...expressed China's genuine wish for peace." The dire necessity of reducing its mammoth standing army, which proved to be ineffective in the Vietnam War of 1979, was advocated here as a virtue of disarmament. To place this issue in a broader context, as early as 1975, Deng Xiaoping debunked the PLA as bloated, lax, conceited, extravagant, inert and not "combat-worthy."[10] Subsequently, three major demobilisation campaigns were launched by the PLA leadership, in 1985, 1997 and in 2003, with promises declared of demobilising one million, 500,000 and 200,000 soldiers and officers, respectively.

DEFENCE BUDGET

One of the most crucial aspects of transparency in military systems is a nation's defence allocations. Indeed, in most of the White Papers issued by China, this has been a constant item, although it appeared to be underestimated. Basic guiding principles in this aspect include the need for the proper combination of self-reliance (which means emphasising indigenous research and development) and

10. See Deng Xiaoping, *Selected Works of Deng Xiaoping* (1975-82) (Beijing: Foreign Languages Press, 1984) pp. 91 and 11.

the import of military equipment and systems, achieving "cost-effectiveness in military expenditures so as to modernize the armed forces with less input and better results," and "coordinated development of national defence and economy" rather than being "subordinated" to the latter.[11]

China has claimed either that it has reduced defence spending, or has increased it only "moderately" to bear the increasing costs of the maintenance of troops or that such spending is "fairly low level" vis-à-vis the defence spending of the advanced countries (the US, UK, France, Japan, etc.). The 2002 Paper affirms that China has increased its defence spending, but only "somewhat." All of these arguments are misleading and inconsistent. In the initial period, China argued that the increase in its defence budget was nullified by the increasing inflationary trends of the early 1990s. However, the defence budget increased in real and absolute terms over the 1990s, specifically in the latter part of the decade when inflationary trends were being successfully controlled by the government. The last five years have also witnessed double-digit increases in budgetary allocations to the official figure of about $30 billion in 2005, $35 billion in 2006 and $44 billion in 2007. Other estimates range from $70 to $100 billion, making it the second largest military budget in the world after that of the US.

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China has argued that the increase in its defence budget is due to increases in salaries and allowances, the improvement of the social insurance system of the PLA, expenditures stemming from the resettlement of demobilised personnel, an increase in investments in the recruitment of "high-caliber talent" and the purchase of modern equipment. To some extent, these explanations are valid.

11. Further increases in defence allocations are not ruled out by China. The 1995 Paper, for instance, stated, "As long as there is no *serious threat* to the nation's sovereignty or security, China will not increase its defence spending substantially or by a large margin" (emphasis added). Despite terming peace, development and cooperation as "an irresistible trend of history," China has, nevertheless, increased its defence budget in recent years.

However, trimming expenditures, cutting down on the size of the armed forces, diversifying sources of income through defence conversion, commercial activities and export of arms and earning of hard currency have generated additional funding for the PLA. The "unaccounted" for budgetary allocations may include procurements from abroad, projects of military significance but itemised under civilian headings, subsidies, etc.

ARMS CONTROL AND DISARMAMENT

China's stance on the nuclear and ballistic missile programme and proliferation has become more controversial than any other topic given the strategic nature of the subject and its significance to international security. This is partly due to China's ambiguous position on the subject despite its claims to be consistent and principled. China has stated in the six White Papers and in other documents, that it:

- will not be the first to use nuclear weapons, nor to use nuclear weapons on non-nuclear states and nuclear weapon free zones;
- is for complete prohibition and total destruction of nuclear and chemical weapons, does not support, encourage, assist or engage in proliferation of nuclear weapons;
- supports the three main goals of the nuclear Non-Proliferation Treaty, viz., preventing the spread of nuclear weapons, accelerating nuclear disarmament, and promoting international cooperation in the peaceful utilisation of nuclear energy;
- follows three principles regarding nuclear exports: exports serving peaceful use only; acceptance of the International Atomic Energy Agency's (IAEA's) safeguards; and no transfers to a third country without China's consent. In addition, China has declared that it
- is opposed to the double standard whereby anti-nuclear proliferation is used as a pretext to limit or retard the peaceful use of nuclear energy by the developing nations;
- respects the right of every country to self-defence aimed at safeguarding its own security in accordance with the relevant principles contained in the Charter of the United Nations, but, at the same time, it is very concerned

about the adverse effects on world security and regional stability arising from excessive accumulations of weaponry;.

- opposes any arms race in outer space.

The dynamics of China's role in this aspect appears to be mixed, with more evidence pointing towards deliberate proliferation in countries perceived to be adversaries of China. While China is not alone in proliferation of weapons of mass destruction, despite officially acceding to some of the international treaties, discriminate proliferation based on political and strategic considerations has been made. These range from the aborted attempt to transfer nuclear technologies to Indonesia in 1965, well-documented and reportedly continuing transfers of not only nuclear but also ballistic weapons to Pakistan from 1972, and suspected transfers to other states in West Asia, especially to Iran and Saudi Arabia. The ambiguity, nay contempt, of China's position towards arms control and disarmament can also be seen in its threat to proliferate more such weapons if the US deploys ballistic missile defence systems in East Asia.

CONCLUSIONS

Since its establishment 80 years ago in 1927, the PLA had undergone several transformations, from being a Red Army of the Workers and Peasants (its original name) to seizing state power in 1949 and installing a Communist government. Subsequently, it had helped the Communist Party to consolidate power further by military actions in Tibet, south and southwest China in the early 1950s. It waged wars against the US-led UN forces in Korea in 1951-53, India in 1962, the Soviet Union in 1969, Vietnam in 1979 and countless skirmishes against Taiwan in the 1950s and in 1995-96. During the Cultural Revolution, it helped the left and restored order across the country, and in the 1980s and 1990s, its policy was reformulated to support the spread of the market economy. Throughout its history, its principles and policies, ethos and methods, composition and outlook have all undergone radical changes and at 80 years, it wishes to transform itself into a potential force to reckon with on the international stage. With the gradual transformation of the country from a

self-sufficient economy to a manufacturing hub of the world and gradually getting integrated in the globalised world, the Chinese military has to consider new dynamics. That is, while it has to keep pace with the RMA trends of the world, it has to, given the negative fallout of the 1995-96 Taiwan Straits missile crisis and concerns on its rise, consider non-war solutions without compromising on its primary agenda (viz., protection of sovereignty and territorial integrity). Primarily then, besides preparing to successfully execute a war, the PLA is also concerned with deterring local wars from happening. In such an assessment, entering into local wars could jeopardise the cumulative gains that China posted from 1978, besides departing from the central 16th Party Congress resolution in 2002 of building a "well-off society." The PLA then has to consider both these crucial aspects – protecting core sovereignty claims, while, at the same time, serving the Party's injunctions on "economics at the centre." This tight-rope walking led to the recent emphasis on conventional and strategic deterrence.

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With more than $ one trillion as foreign exchange reserves, China has the capability to buy not only sophisticated defence equipment but also influence in several countries through a well-designed strategy of political, diplomatic and economic incentives. On the Taiwan issue, while conducting several military exercises off Dongshan Islands and others to intimidate Taiwan, China has also initiated other military political-diplomatic efforts. It has introduced "three wars", viz., the media war, legal war and psychological war. The anti-secession law of 2005 is to bind several countries in a politico-legal framework to curtail the diplomatic space of Taiwan. Through the exclusive multilateral groupings such as the SCO, East Asian Summit and others, China could reduce space for other countries.

The cross-straits profile of military strength now weighs overwhelmingly in

favour of China in quantitative and qualitative indicators. While the transition took place in 1999, the recent period with its military preparation of "three strikes and three defences" and deployment of nearly 800 medium-range ballistic missiles (MRBMs), advanced Su-27s and Su-30s and stealth vessels ensured the relative dominance of China in the region. Further, the October 2004 Han-class SSN incident near Okinawa and repeated "research" visits by the Chinese naval vessels near Japan indicate that Chinese plans are actually farther away – into the Pacific Ocean. Likewise, the recent "string of pearls" strategy in the Indian Ocean further indicates the ambitions of China.

All the White Papers issued by China on defence were relatively silent on India. No major policy pronouncements or responses were made by China vis-à-vis India. Nevertheless, the 2006 Paper mentions India in terms of the improvement in the India-Pakistan relations, border trade opening through Nathu La, military exchanges or through China's tsunami relief efforts. While the "3 pillars" of the 16th Party Congress in November 2002 (viz. China's responses towards major powers, neighbours and developing countries) and President Hu Jintao reportedly elevated India in the strategic calculus of China, as a predominantly military/strategic viewpoint, the White Papers on defence had no major position on India. This once again provides credence to the predominant assessment that the PLA constituents still have a considerable hold over China's national policy towards India. Although the Chinese commercial lobby has been visible in its India policy (with about $25 billion bilateral trade), the PLA appeared to have had a greater say on the western regions of the country. The Chinese military writings, unlike the civilian or commercial sectors, continue to raise a voice against India.[12]

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12. See Srikanth Kondapalli, "Chinese Military Eyes Southern Asia" in Andrew Scobell and Larry Wortzel, eds., *The PLA Shapes the Future Security Environment* (Carlisle Barracks, PA: US Army War College & The Heritage Foundation, October 2006) pp.197-282 at http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB709.pdf