China's Grand Strategy

Ashley J Tellis

When Deng Xiaoping unleashed market reforms in 1978, neither he nor his successors could have imagined how revolutionary those decisions would turn out to be for China's geo-political fortunes. Freed from cataclysmic Maoist political upheavals and a controlled Soviet-style economy, China would, over the next three decades, experience, in the words of *The Economist*, "The most dynamic burst of wealth creation in human history."[1] This achievement, if and when it comes about, would enable Beijing to recover the geo-political preeminence it last enjoyed under the Ming Dynasty and, depending on how successfully China translates its economic strength into broad development, could enable it to mount serious political challenges to the United States both in Asia and in the larger international system.

Dealing with China as a Global Power

The evidence of the past three decades abundantly suggests that not only does China have a coherent grand strategy but also that it has adroitly adapted that strategy to meet the challenges of the times. When national interests required a singular self-regarding approach to advancing Chinese aims, Beijing's grand strategy produced the same. When mitigating foreign anxieties about China's growth in power became the issue, Beijing adjusted dexterously to alter its grand strategy accordingly. The current strategy of emphasising peaceful ascendancy will, therefore, likely satisfy Chinese interests so long as it subsists "between the times," that is, while it still remains a weaker but rising power, not yet a true peer competitor of the United States. When that point is reached, however, a further evolution of China's grand strategy is inevitable. Whether that inflection takes the form of quiet or strident assertiveness, only time will tell—but there are few reasons to believe it could be otherwise.[2]

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If it is possible to imagine that China's growth rates will remain positive for a long time to come, the prospect of a power transition within the international system becomes plausible. It is, of course, obvious that China will not be able to sustain the abnormally high growth rates witnessed during the past three decades indefinitely. The iron law of diminishing returns that neo-classical economics has explicated in exquisite detail ensures that China's growth rates will fall as its economy moves closer to full efficiency and reaches the technological frontier. But even if reduced, though still positive, growth rates are assumed to obtain—Angus Maddison, for example, assumes a 5.6 percent annual growth rate until 2010, a 4.6 percent annual growth rate between 2010 and 2020, and a little more than 3.6 percent annual growth from 2020 to 2030, for a total average annual growth rate of 4.5 percent between 2003 and 2030—the Chinese economy will at some point overtake the US economy in size, when measured by purchasing power parity methods. On the basis of his assumptions, Maddison concludes that this will occur before 2015 and that the Chinese economy will constitute a full quarter of the global Gross Domestic Product (GDP) by about 2030.[3]

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To be sure, such assessments are always controversial: the size of the Chinese economy will continue to appear much smaller when measured by exchange rate methods (even though these are not ideal for international comparisons), and the basis for purchasing power parity measurements themselves could be revised periodically, thus, resulting in adjustments of all inter-country comparisons. In any event, the protagonists of the overtaking thesis readily admit that even when the Chinese economy becomes the largest in the world, China's per capita income would still lag behind that of the United States—possibly remaining as low as one-third—not to mention Western Europe and Japan. Given all these complications, the prognosis of a genuine power transition occurring *in the prospective future* could itself become highly contestable. This, however, is an argument only about when a true transition would occur, not about whether it would occur at all. So long as the Chinese economy continues to grow at some rate faster than the American economy over a period of time, there will come a point where China

begins to rival the United States by some universally acceptable standard of measuring power. It is during this phase—assuming that Beijing's current kinder, gentler approach is not disturbed in the interim—that Chinese grand strategy would likely further evolve in more assertive directions.

Such a turn toward assertiveness, understood at the very least as an insistent affirmation or an unswerving defence of its prerogatives, could arise because of factors peculiar to the Chinese experience: its historical memory of past greatness and the desire to restore previous eminence; its determination to erase the painful legacy of a century of national humiliation; its desire to recreate the traditional Sino-centric world order as a means of regulating the political and economic structures of super- and sub-ordination, at least in Pacific Asia if not beyond; and its belief that China's external security in the past was primarily assured by a strong state able to dominate, or at the very least, neutralise, the strategic periphery. But the incentives for assertive behaviour would also—and almost inevitably—arise as a result of the normal competition in world politics, the jostling that compels every state to continually seek increases in national power in an effort to preserve security. Since this competition takes place against both the backdrop of "the uneven growth of power among states"[4] and the actions that a rising state's regional and global competitors are certain to take in anticipation of its arrival as a serious challenger, it should not be surprising that ascending powers often adopt emphatic political postures as they struggle to restructure the existing international system to better support their own interests and claims. In other words, China's own relatively superior growth rates and the anxieties that such performance will induce in Japan, India, Russia, and the United States will compel most if not all these powers to adopt active balancing strategies that, as a consequence, will force China to respond by vigorously attempting to protect its emerging advantages in the face of what would be serious security competition.

The Challenges Ahead

At the very least, therefore, a powerful China that edges ever closer to the centre of the global political system is unlikely to play the role of a "responsible stakeholder," as current US policy has often demanded. Rather than dutifully upholding an international order that was designed primarily to protect American interests, a gradually powerful China would actually seek to weaken such an order—to the degree that it constrained Beijing's freedom of action—and replace it, probably in bits and pieces, with new political arrangements that had as their principal purpose the advancement of Chinese ambitions.

These efforts, in turn, are liable to produce a Sino-American rivalry both in the Asia-Pacific region and at the core of the global system—an outcome that is most likely to ensue when China's acquisition of comprehensive national power is successful enough to make it a reasonable peer competitor of the United States. The assertiveness to be expected in these circumstances would in all probability become manifest only slowly and progressively—as a function of the gradual accretion in Chinese power—and not through some dramatic eruption that materialises soon after Beijing's national strength happens to cross a certain magical point on its growth trajectory.

In any event, it is difficult to offer precise predictions about how China would employ its expected assertiveness to restructure the international political system to its advantage, since that would depend not only on the general balance of power between Beijing and its competitors obtaining at the time, but also on the character of the regimes that govern all the relevant states, the nature of their interactions and the extent of their interdependence, and the quality of the critical civilian and military technologies of the era. These uncertainties notwithstanding, it is reasonable to postulate that as China becomes a true great power, odds are that it will behave like other great powers have in the past. If history offers any indications in this regard, it would not be surprising to see China augment its military capabilities in a manner that allows it to control, if not dominate, those regions, both near and far, that are deemed most critical to its security. Given the pressures of contemporary geo-politics, this would imply a concerted effort to establish mastery in the Asia-Pacific region and along Beijing's landward peripheries and then, depending on the available surplus of power, to maintain a modicum of influence, if not control, in more outlying areas that connect this acknowledged Chinese "sphere of influence" with the wider world.

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Within this zone of recognised preeminence, Beijing would seek to maintain relations with the regional states so as to ensure China's own vital interests as well as recognition by other states in the region of China's primacy. It would promote a steady diminution of Washington's role as a security provider—offering itself as the desirable substitute—and it would reject any vision of the United States as an "offshore balancer" because the residual presence and activities entailed by that conception would serve to limit the exercise of Chinese power along its peripheries. Sustaining this system of influence, however, will require China to engage in power politics on a global scale in order to prevent the United States and other competitors from consolidating their own power through similar arrangements elsewhere and thereby accumulating the necessary resources to resist China in Asia and abroad, even as it compels China to manage its own sphere of influence effectively enough to produce the material instruments and strategic coherence essential to successfully procure its desired outcomes worldwide.

Regional dominance and international success are, therefore, related "dialectically": they do not constitute competitive strategic goals, a consequential either/or, but rather are mutually reinforcing. China's evolution as the preponderant power in Asia—should its economic transformation be sustained over time—would, thus, be accompanied inevitably by the steady growth of its global impact through economic, diplomatic, and military instruments. Whatever its initial inclinations may have been, even if China is not forced along this path by its history and ambitions—and these arguably suffice in any case—it will almost inexorably be compelled to do so by the competitive structure of the international system, which will induce it to behave like any "ordinary" great power, even if it had originally sought to conduct itself as an "exceptional" one. The history of the United States is itself a fascinating testament to this "tyranny of the structure."

Under such circumstances, the political order in Asia would unavoidably, even if only gradually, become Sino-centric, and Sinic influence could extend to the entire globe over time, depending on what happens to the relative power of the United States and others in the interim. This dynamic does not rely on the assumption that China will consciously seek to construct a Sino-centric system on the basis of a "stealthy strategy towards global dominance."[5] Rather, that outcome will occur through a complex mixture of inadvertence, opportunism, externalities, and occasionally deliberate decision "simply" as a result of the uninterrupted accretion in Chinese national power relative to others. If China's

emergence as a peer competitor finally materialises, it would, in fact, be shocking if Beijing, in contrast to every other great power capital in recorded history and its own behaviour during past periods of preeminence, chose not to utilise its newfound power to advance its material interests, cement its status, and exercise its influence as a legitimate right. At the very least, therefore, China should be expected to ensure that every significant question in the realm of regional and global politics would be addressed, and hopefully resolved, only after its own interests have been taken into account.

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As is to be anticipated, China's leaders today insistently deny any desire to behave "hegemonically." As the official spokesman of China's Foreign Ministry encapsulated their protestations, "China is a responsible country which takes the road of peaceful development. We will never pose any threat to any country or any people. Instead, we will strive for the peace and stability of the world so as to promote the development of ourselves, and vice versa. China will never seek hegemony, or threaten any other country."[6] Chinese Premier Wen Jiabao reiterated this theme even more emphatically when he declared that "China will never seek hegemony. Some people are worried that a stronger and more developed China would pose a threat to other countries . . . Such worry is completely misplaced . . . Even if we become stronger and more developed, we will not stand in the way of others, still less become a threat to others."[7] While Beijing's interest in maintaining this non-threatening profile in the current international order is eminently understandable—it is, after all, one precondition for the successful Chinese accumulation of national power—the reaffirmation t hat China will never "seek hegemony or world dominance" is less a function of Beijing's intentions now and more a function of how its own material capabilities grow vis-à-vis those of others over time—as the transformation of the United States from its own anti-imperial past to its manifestly imperial present would doubtlessly attest.

The persistence of international structural constraints—as the American example illustrates *a fortiori*—does not, however, imply the simplistic replication of strategic behaviours in every detail. The future international system, for example, is likely to be far more complex than the one that

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engendered the rise of American power. The presence of nuclear weapons, the realities of globalisation, the cross-cutting cleavages of ethnicity and ideology, the struggle between autocracy and democracy, and China's own domestic politics and culture will all intersect in complex fashion to simultaneously constrain and liberate China's political choices. None of these realities, however, will alter the one fundamental prediction that should be of relevance here: all great powers, China included, will constantly strive to increase their security, power, and influence by peaceful means whenever possible, and by contestation and the force of arms whenever necessary, so long as the international system remains "anarchic" in the sense understood since Thucydides. This reality, more than any other, is what will drive China to assert its power in Asia and beyond, even if it does not always do so in militant ways. Yet, the very prospect of such an occurrence is likely to make Sino-American relations competitive over the long term as both states come to represent a new bipolar ordering in international politics. Of course, bilateral relations could turn out to be conflict-ridden for many lesser reasons as well, and in considerable advance of the onset of bipolarity, but such competition would be attributed to the warp and woof of normal international politics and not to the challenges imposed by what John Gerard Ruggie once called its "deep structure."[8]

Quest for Comprehensive National Power

In any event, as China continues to successfully expand its national power over time, it is likely to be resisted by both its regional competitors and the United States, no matter how much it trumpets its doctrine of peaceful ascendancy. The evidence for such balancing, whether hard or soft, is already beginning to emerge. Major regional powers such as Japan and India, for example, are already initiating significant programmes of military modernisation as well as revitalising their ties with Washington in expectation of an enhanced Chinese

threat in the future. Even Russia, which historically has been Beijing's most important supplier of military equipment, now exhibits real consternation about what the diffusion of its advanced military technologies to China would imply for its own security. The Southeast Asian states, all much weaker than China and many lacking formal alliances with foreign powers, have embarked on a novel effort at enmeshing China in a multitude of regional institutions in order to induce moderation in Beijing's behaviour and increase the costs of any future Chinese use of force—even as they engage Japan, India, and the United States as a form of insurance. Concerns about the rise of China, thus, appear to be increasingly manifest throughout Asia, and while this may appear to provide a propitious environment for containing Beijing as its accumulation of comprehensive power gathers steam, three inescapable challenges confront any such endeavour.

The Southeast Asian states, all much weaker than China and many lacking formal alliances with foreign powers, have embarked on a novel effort at enmeshing China in a multitude of regional institutions in order to induce moderation in Beijing's behaviour and increase the costs of any future Chinese use of force.

First, the vast growth of economic interdependence in Asia makes most of China's regional competitors diffident to challenge Beijing so long as the latter does not present a "clear and present danger" to them and so long as the presence of other non-military instruments continues to offer the hope of constraining China peacefully. While the military might of the United States today remains the best assurance that such diffidence will not translate into strategic vulnerability, it is not clear whether this will continue to be the case in a future bipolar system where Beijing increasingly becomes Washington's military peer across multiple indices of capability. This would be especially relevant if the United States, which would presumably stand to lose the most in relative terms as a result of growing Chinese power, found itself either weakened economically or ensnared in a tight economic embrace with China that produces strategic paralysis. The prospect of especially the latter—a deepening Sino-American trading relationship of the kind that was completely absent during the heyday of US-Soviet rivalry—and China's emerging role as an important American creditor, not to mention the

political power of key US constituencies that profit from strong ties with China, will complicate any attempt by the United States to restrain the growth of Chinese capabilities in some straightforward fashion.

China's incipient centrality in the emerging Asian economic system, and the resulting gains from trade for the countries in its periphery, has also resulted in these states seeking to avoid making any stark choices between China and the United States—a preference that could persist even in the event of conflict between these two great powers. The net result of the emerging global economic order, in any case, is that rising, more powerful states, such as China, can exploit the phenomenon of interdependence to increase their power and autonomy, even as their weaker partners become more reluctant to cut off their trading ties for fear of losing out in absolute terms. The tensions between the quest for power and the desire for plenty can, thus, make successful balancing more difficult—just when it may be most needed.

Second, the success of China's search for comprehensive national power threatens to progressively undermine the traditional American security system in Asia by producing shifts in all the relevant balances of power. The historic US approach to providing security in Asia hinged on a "hub and spoke" system of bilateral security alliances. Its success derived from the presence of a certain local balance of military capabilities between the regional states married to Washington's unchallenged ability to protect its clients when necessary without any threat to the credibility of its commitments. The growth of Chinese military power since the 1990s—precipitated initially by a desire to protect its interests in Taiwan but now driven by the necessity of fielding a competent military commensurate with its rising status—will increasingly put at risk both elements of the security system that traditionally ensured stability in Asia. The induction of a significant force of short-range and medium-range ballistic missiles (many of consequential accuracy); the integration of what will soon be the largest contingent of fourth-generation combat aircraft in Asia supported by new airborne early warning and air refuelling systems; the development of new offensive capabilities in the form of new cruise missilery, electronic warfare and computer network attack capabilities, and counter-space technologies; the selective modernisation of certain land and naval forces relevant to frontier operations and power projection along the periphery; the construction of a national command, control, communications, and intelligence (C3I) system involving multiple and redundant technologies; and the impressive modernisation of military infrastructure, improvements in

defence industrial capacity, changes in military organisation, and adoption of new doctrines for combat operations, all presage a shift in the local balance of power against China's regional rivals. Although these states will respond to China's increasing capabilities with counter-acquisitions of their own, Beijing would be in a much stronger position to apply military force successfully against major competitors such as Japan and India (not to mention the minor powers of Southeast Asia) as its own combat capabilities mature over the next few decades. The superior growth that is presumed to characterise China's economic performance relative to its Asian rivals would only bestow on it further advantages in this regard.

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Even as the local balance of capabilities changes to the disadvantage of the other Asian states, Beijing has already made tremendous strides toward undermining the other component of the traditional US security system in Asia: holding at risk America's forward-deployed and operating forces and raising the costs of implementing US security guarantees to its partners in the region. It is in this arena that the most significant changes have taken place, and these are certain only to accelerate as China continues its march toward becoming a true great power comparable to the United States. Whereas just twenty years ago Washington could deploy, reinforce, and operate its military forces along the Asian rimlands with impunity, and could conduct classic power-projection operations against the Chinese mainland without significant opposition, Beijing's evolving sea and aerospace denial, counter-intelligence, surveillance, reconnaissance, and nuclear modernisation programmes ensure that such achievements will no longer be easy. To be sure, the United States would still come out victorious in the event of any unlimited conflict with Beijing today, but whether this outcome would obtain in an age of Chinese parity is quite doubtful. Equally important, in the more relevant and the more likely possibility of a limited war today—where all manner of political and temporal constraints would operate—an American victory, though still probable, would come at significantly higher costs. That this result would be even harder to obtain in

an age of bipolarity seems close to obvious. The evolving deterioration in the strategic balance to America's disadvantage—and deterioration is exactly what it is—will, therefore, only be exacerbated as China's comprehensive national power increases over time. When China approaches peer status to become a true great power, it must be anticipated that this deterioration, which would find reflection in Beijing's ability to control the battle space in all dimensions at some distance from its frontiers while applying offensive power successfully against near and distant threats, will affect the credibility of US security guarantees and, by implication, Washington's capacity to effortlessly orchestrate an Asian balancing coalition when required.

Third, and finally, a China that becomes a great power will behave as one—as a true pole in the international system—and, hence, will employ all the instruments that great powers have used throughout history to defeat prospective balancing coalitions whenever they threatened to materialise. Given Beijing's still-significant material weakness today, it is difficult to imagine how exactly this game would unfold because current Chinese inter-state behaviour is still characterised largely by reactive decisions associated with its rising, but still vulnerable, profile. Recognising what China would do when it became a genuine great power at the core of the global system, therefore, requires a leap of imagination that is often difficult because the details required to vivify its actions are not yet available. This fact notwithstanding, there is enough historical evidence to suggest that rising powers in the past have often adroitly exploited the burdens of balancing to defeat this dynamic in multiple ways: first, by masking the increases in their power capability; second, by making "side payments" to some pivotal states to neutralise emerging efforts at external balancing; and third, by pursuing temporarily accommodative policies, either selectively or overall, to preempt coalition formation until certain thresholds of power accumulation are decisively crossed.

Conclusion

Contemporary Chinese discussions about power politics suggest that elites in Beijing are aware of all these stratagems, and the record of the last ten years or so suggests that China's leaders are, in fact, capable of utilising these approaches quite skillfully. As China grows in national strength, the necessity of using such alliance-breaking strategies would diminish in theory because Beijing's greater accumulated power would provide it with more direct coercive options, should it choose to utilise them. The benefits of exploiting

such alternatives transparently, however, would always warrant careful and continuous review, particularly because their use, or overuse, could, in fact, tip the scales to generate the very opposing coalition that Beijing sought to preempt. Mindful of the fact that a rival United States—whether it is declining or holding on to its relative power—would be ever-interested in orchestrating balancing coalitions should the growth of Chinese power increase absolutely over time, it is likely that China would choose to use its by-now even more substantial resources to engage in alliance-breaking efforts whenever it concludes that its military instruments are either too expensive or incapable of procuring the political goals it seeks. The important point of note is this: the United States simply cannot afford to be complacent in assuming that a balancing coalition against Chinese power will readily form merely because Beijing manages to accumulate threatening levels of national power relative to its neighbours and the international system. Balancing is invariably a costly exercise and its fruits are never enjoyed symmetrically by all its beneficiaries. Hence, there is a constant temptation to "free ride" and, as a result, under-produce the very goods that may be critical to common security. This reality accounts for the repeated episodes of successful empire formation in history—an insight that, though often misunderstood by neorealists, ought not to elude policy-makers in Washington.

The United States simply cannot afford to be complacent in assuming that a balancing coalition against Chinese power will readily form merely because Beijing manages to accumulate threatening levels of national power relative to its neighbours and the international system.

On balance, therefore, these three realities suggest that coping with China as a global rival will be a challenging endeavour for the United States. Thanks to its great size, China will be a far more formidable competitor than Germany was in the early half of the 20th century. And thanks to China's deep connectivity with the international economic system, including the United States, the obvious containment strategies that worked so effectively vis-à-vis the Soviet Union in the latter half of the 20th century are unlikely to lend themselves to successful replication. Dealing with an emerging China will, therefore, require strategies quite unlike those that are familiar from the past. Above all else, Washington will

need patience, subtlety, strategic flexibility, and the ability to hold the competing instruments of engagement, hedging, and balancing in a "reflexive equilibrium" that is capable of adapting rapidly, while, at the same time, rebuilding the domestic capacities required to sustain America's current preeminence and actually increase its margins of advantage to the extent possible. This effort will of necessity be long and involved. But given that China's leaders appear determined to stay in the competition and pursue the rational policies required for success, the United States, both for its own sake and for the sake of others who depend on it for their security, should do no less.

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Notes

1. "China's Growing Pains," *The Economist*, August 19, 2004.
2. For a detailed analysis, see Michael D Swaine and Ashley J Tellis, *Interpreting China's Grand Strategy* (Santa Monica: RAND Corporation, 2000), pp. 187–217.
3. Angus Maddison, *Chinese Economic Performance in the Long Run, Second Edition, 960–2030 AD* (Paris: OECD, 2007).
4. Robert Gilpin, "The Theory of Hegemonic War," *Journal of Interdisciplinary History*, 18, no. 4, 1988, p. 591.
5. Constantine C Menges, *China: The Gathering Threat* (Nashville: Nelson Current, 2005), pp. 367–417.
6. Chinese Foreign Ministry spokesperson Qin Gang, Press conference at the Embassy of the People's Republic of China in the Republic of Indonesia, September 15, 2005. Available at: http://www.mfa.gov.cn/ce/ceindo/eng/fyrth/t212428.htm.
7. "Strong China 'no Threat to Asia,' " BBC News Online, April 6, 2005. Available at: http://news.bbc.co.uk/2/hi/south_asia/4412681.stm.
8. John Gerard Ruggie, "Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis," in Robert O Keohane, ed, *Neorealism and its Critics* (New York: Columbia University Press, 1986), p. 135.