

# **The Emerging Balance of Power in Asia: Conflict or Cooperation?**

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Centre for Land Warfare Studies  
New Delhi



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KW Publishers Pvt Ltd  
New Delhi

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ISBN 13: 978-93-80502-13-7



Published in India by

Kalpana Shukla

KW Publishers Pvt Ltd

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Printed and Bound in India

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# **The Emerging Balance of Power in Asia: Conflict or Cooperation?**

## **Introduction**

Whether Asia's future is characterised by conflict or cooperation will have an impact on future security concerns – both global and Indian. All the major powers in the world today are Asian powers, as a majority of them are on the continent except the United States, and all of them have vital interests and a direct impact on the politics of this region.<sup>1</sup> While there is a general acknowledgement that the 21<sup>st</sup> century is an Asian century, there is no guarantee that the framework that emerges in the region will be stable and peaceful. In fact, Asia, for the first time in centuries, is witnessing the simultaneous rise of four major powers – China, Japan, India and Russia. Whether this will cement a stable order or foment a period of instability will depend on the military and geo-political strategies that these countries pursue.

This paper will analyse the emerging balance of power in Asia, viewed through the lenses of military strategies, geo-strategies and geo-political relations as well as through economic interactions that have altered strategic equations between various countries in Asia. The central argument of the paper is that increased focus on the securitisation of politics is likely to intensify the probability of conflicts in Asia. The paper is divided into four broad sections. The first section will provide a context to the developments taking place in Asia, wherein there is a major emphasis on military power. This, in particular, will deal with the changing security environment that is feeding into military strategies and the changing nature of warfare that is a decisive factor as to the kind of military power a nation would want to be. The second section will analyse the trend in defence expenditures of the major powers in Asia. The third section will examine the military strategies of four major powers in Asia – China, US, Russia and Japan, in addition to analysing the impact of these strategies on the

defence procurement patterns of these countries. The fourth and final section will attempt to derive possible conclusions of these developments for the region.

### **Context of the Asian Strategic Framework**

There was a general optimism at the end of the Cold War that the world was moving towards democracy and a more stable and peaceful world order. Contrary to such expectations, it led to the unleashing of virulent nationalistic and religious passions. Paradoxically, it is the replacement of authoritarian regimes by democracies that allowed free expression of demands that lead to such explosive ethnic turbulence. In fact, regional militaries are increasingly faced with challenges from non-state actors, terrorists and radical extremists. Identity politics along with resource-based politics are increasingly becoming a predominant feature in/of Asian countries. For instance, India, China and Japan have become some of the largest regional and even global energy consumers, which in turn, have reflected increasing focus on aspects like safety of the sea lanes of communication (SLOC) and so on. Additionally, the varied responses to these issues by these powers have resulted in a heightened sense of insecurity. The fact that there are four major powers rising simultaneously in Asia has produced major insecurities, due to certain issues inherent in Asia. The region is a victim of several major boundary and territorial disputes, baggage of history and trust deficit among these powers. Given this background, there has been an increasing focus, at least in Asia, on increasing security, in terms of strengthening of conventional, non-conventional and strategic forces.

A second contextualising factor may relate to the unilateral policies of the US in the post-Cold War era, particularly under the Bush administration. The unilateral intervention of the US in Iraq and elsewhere created uncertainties about the US power and its manifestations. Simultaneously, the gradual decline of US power, or at least the perception of a decline, has created worries in several countries in Asia. For instance, Japan, which depends on the US for its security cover, is seriously concerned about a possible decline in US power, as it will adversely affect its security and thereby increase its security burden. Therefore, US unilateralism as well as the (perception of) decline of the US power has increased insecurities in the region.

The third factor relates to the rise of an economically powerful and militarily strong China. There has been a growing suspicion as to what kind of power would China make as it grows even stronger and becomes a force to reckon with in Asian and international affairs. The Chinese military modernisation, along with factors of non-transparency of its programmes and objectives, has heightened insecurities in Asia. Much of the military modernisation by India, Japan, and Russia has been triggered by Chinese actions.

The fourth factor deals with the increasing insecurity in Russia and the resulting geopolitical implications emerging in Asia and elsewhere. Russia, having suffered an economic reversal at the end of the Cold War, is slowly limping back to major power status. However, given its overall weakness in terms of conventional military, strategic forces and economic factors and thereby its low standing in the global scheme of power, there has been an increased emphasis on resource-based geo-politics and military power, conventional and otherwise.

Lastly, the changing nature of warfare has had a significant impact on the way countries are trying to shape the regional and global geo-politics. Anthony Cordesman, while analysing military balance in the Middle East, categorised three 'Ts' – technology, tactics, training – as responsible for the changing nature of warfare and these appear even more relevant in Asia.<sup>2</sup> The wider application of technology and its impact on mechanisation and communication have altered future warfare patterns, which are going to be fought more through computer and similar mediums than simply conventional ones. Similarly, the importance of air power has reached great heights and will become a critical factor in affecting the outcome of future wars. In essence, net-centric warfare and air power have significantly changed the way wars will be fought in the future.

While there has been a general acknowledgement that there will not be any major conventional or even nuclear wars in the future, escalation of limited conflicts into minor regional conflicts, and the possible use of tactical nuclear weapons cannot be ruled out.<sup>3</sup> Asia, in fact, appears ripe for limited conflicts, even under a nuclear umbrella, due to factors such as unsettled boundary and territorial issues and mutual distrust among major powers. Limited conflicts may be limited by two factors – geography and the employment of tools used in a particular conflict. For instance, an India-China

conflict may be fought essentially around the border region and will likely be dominated by land forces, but the use of air power as a supplementary force will alter the outcome of the conflict.

To sum up, while resource- and identity-based issues may be the triggers for a number of conflicts in the future, these will be fought predominantly through information and electronic warfare and asymmetric means. Disruption of command and control systems, jamming and sending false data into the intelligence divisions of adversaries, attack on logistics, access denial and so on, will be features of warfare in the future.

### **Defence Spending of Major Asian Powers**

Defence spending continues to remain an important aspect in the Asian balance of power. It reflects the acquisition patterns and, in turn, the military strategies that countries pursue. Asia has clearly witnessed a sharp increase in defence spending in the last few years. While the US continues to be the largest military spending power in the world, China has increased its share of defence spending significantly, overtaking Japan in Asia. Increased defence spending by China is a demonstration of two facts: greater commitment to the Chinese military in the overall government spending and priorities; and an expanding Chinese economy that allows greater spending on defence matters.

In 2008, the combined world military spending amounted to \$1,226 billion (See Appendix I on the major military spenders for 2008). The US contributed a major share at 45 percent, followed by the UK, China, France and Japan, at four to five percent each. The total US defence budget is “more than the next 14 countries combined.”<sup>4</sup> It stood at \$607.26 billion in 2008.<sup>5</sup> While its 2007 military budget was the highest since the end of World War II, its share as a percentage of Gross Domestic Product (GDP) and total government expenditure remained low, as compared to previous peak periods. This has been so principally due to the overall growth maintained by the US economy.

The higher military spending is reflected in the US lead across spheres – from military to technology, space and even in the nuclear arena. This lead and superiority is not likely to be overtaken by any power, including Russia, anytime soon. The US has managed to maintain such a position



primarily by strengthening its strategic weapons programme, along with a corresponding decline of the Russian strategic weapons programme and a slow development of Chinese programmes. While one cannot predict with certainty how this equation will remain in the future, it should be noted that Moscow and Beijing have been strengthening their programmes. Even while the US is rooted in a number of arms control measures, it has undertaken measures that have enhanced the counterforce capabilities and the lethality of some of its programmes such as the Submarine-launched Ballistic Missile (SLBM) and Intercontinental Ballistic Missile (ICBM).<sup>6</sup>

China, on the other hand, has been emerging as the fastest growing military spender in Asia and globally, with greater emphasis on the military aspects of their national power. China has become the world's fourth largest military spending power after the US, UK, and France, but in Purchasing Power Parity (PPP) terms, Beijing has overtaken Tokyo and has assumed the second position in the world at \$188.2 billion after the US at \$528.7 billion. According to Chinese official sources, its military budget for 2007 was 350.92 billion yuan or roughly US \$44.94 billion, which is a 17.8 percent increase over the previous year (see Appendix 2 on Chinese Defence Expenditure from 1991-2007). China reiterates that the growth has been primarily caused by a sharp increase in the wages, living expenses and pensions of 2.3 million People's Liberation Army (PLA) officers, civilian personnel, soldiers and army retirees and it is true that there was a pay hike in the latter half of 2006. In the meantime, as the Chinese economy grows, so will its military spending capacity. Therefore, one can expect higher per capita military spending as well in the future. China's accelerated development and procurement of newer and updated weapon systems is a clear demonstration of its increased focussed military spending. Advancement in critical areas such as submarine systems along with air defence and unmanned aerial vehicles (UAVs) are a few examples.

Despite major discrepancies in the estimates, it still remains an important indicator of its national defence priorities and strategies. The discrepancies have varied from the current Chinese official estimates of \$45 bn to the Defence Intelligence Agency (DIA) estimate of \$115 bn. The disparity is due to the fact that several critical heads are not included in the defence budget. These include: military-related research & development (R&D) costs, arms

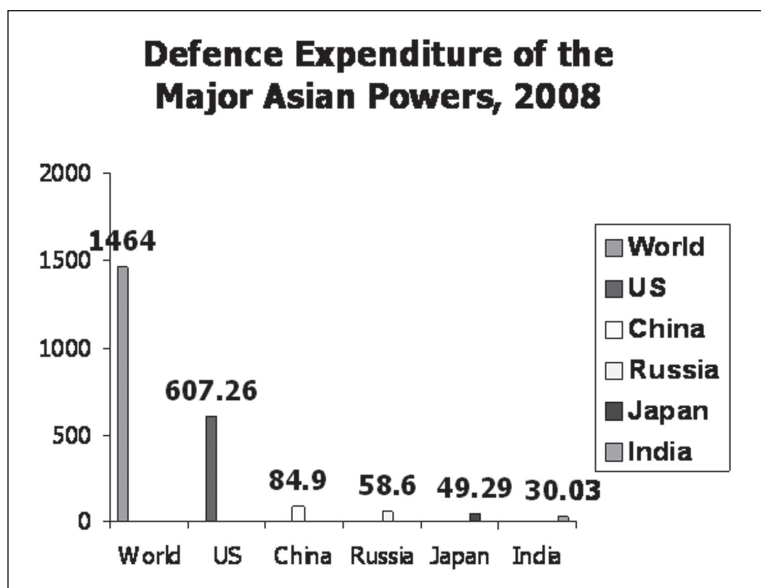
imports, expenses for the People's Armed Police and reserve forces, as well as the financial support for China's military-industrial complex that comes from the State under a different head. In the Chinese usage, there are two classifications: military research and defence research. Military research, covered under the official defence budget, covers research in military science, including medical research for military purposes, testing and evaluation of weapons and equipment currently used by the PLA. This research is done exclusively in PLA research institutes. However, defence research, covering various kinds of defence-related research, carried out by research institutes belonging to other government agencies, is not covered by the official defence budget. Allocation for military R&D is sometimes under "money earmarked" for the Commission on Science, Technology and Industry for National Defence (COSTIND), which is the main body responsible for co-ordinating military R&D as well as production of weapons. COSTIND is responsible to the Ministry of Finance for budget preparation on military R&D.<sup>7</sup>

Other powers, like Russia, are not too far behind in their military spending. According to Stockholm International Peace Research Institute (SIPRI), Russia's defence expenditure since 1998, when it began to increase, has gone up by 160 percent, although the increase from 2005 over the previous years has been 19 percent in 2005, 12 percent in 2006 and 13 percent in 2007.<sup>8</sup> The SIPRI figures point to a Russian defence expenditure of 1,458 billion roubles or an equivalent of \$58.60 billion in 2008.<sup>9</sup> In terms of the biggest military spending powers, Russia stands seventh, after the US, the UK, China, France, Japan, Germany, and third, in PPP terms, after the US and China. Despite the hike in military spending, the expenditure in terms of percentage of GDP has come down from 4.3 percent in 2003 to 3.6 percent in 2006.<sup>10</sup> This has been so due to the overall growth in the Russian economy. However, Russia's military budget can be expected to go up in the next few years, given the regional developments, including the China factor and the US missile defence in Europe.<sup>11</sup> Russia, as has been brought out through various official statements, plans to spend a large amount of money on military modernisation, prioritising areas such as air superiority, precision strikes at land and sea targets, large-scale production of warships, primarily nuclear submarines with cruise missiles and capability for rapid deployment of forces. However, it is likely to lay greater emphasis on nuclear weapons

and their delivery mechanisms, given the lacunae in its conventional military strength.

Japan, having followed a pacifist military posture after the World War II, has the smallest budget of the four major Asian powers discussed here. Japan has placed an unofficial limit on its defence expenditure, limiting it to less than one percent of its GDP. In 2008, Japan spent about 4.7 trillion yen (\$49.29 billion) on defence, which was again under one percent of its GDP.<sup>12</sup> Nevertheless, Japan is one of the largest military spending powers, ranking fifth in the world (eighth in PPP terms), given the size of its economy. This may, however, undergo a change in the coming years, with increasingly insecure and potentially destabilising regional developments, including threats from North Korea, and a rising Chinese military power in its neighbourhood. Japan has been seeking additional budgetary increases to allay these threats, essentially by strengthening its missile defence programme.

Similarly, India, which has adopted a defensive approach, particularly in the military strategic arena, spends \$30 billion in terms of military expenditure, which went up by 5 percent in 2008. It is estimated that India and China, two of the fastest growing economies, will end up spending huge amounts on their militaries in the next coming years, which is commensurate with their economic growth.



In conclusion, defence spending trends demonstrate that while the US continues to be the biggest military spending power with significant lead across spheres and thereby the most powerful nation in the world, China is gaining prominence with a sustained increase in military spending which demonstrates large and continuing growth.

The next section will identify the key characteristics of the emerging military strategies of the major powers. To the question as to whether military modernisation in general triggers instability, the answer is 'No'. It is the nature of weapon systems and the manner in which they are employed that will determine the nature of regional security dynamics. Hence, it is not only important to understand the character of these weapon systems and their capabilities, but also the nature of their strategies through which they are employed.

### **Military Strategies of Major Asian Powers**

While military strategies are a direct result of the grand strategic design of each power, they also reflect its economic power and overall standing in the scheme of international power. If one is to make an assessment of the current power structure, the US still remains the strongest nation, while China is competing and inching towards the status of a major power, Russia is limping back to major power status and Japan is in an indeterminate state as far as security matters are concerned.

#### ***China***

The Chinese military strategy is one that has been watched with great attention not only in Asia but around the world. The country's military strategy today is essentially driven by its fast-paced economic growth that is able to allocate greater economic and other resources along with greater ambitions that has led to even greater insecurity. China, for one, believes that modernisation in the military, science and technology arena is what will take it to greater heights, including being treated as a great power. As it views the emerging world order, China sees itself as a politico-economic and military powerhouse, which is able to shape the world significantly according to its terms.<sup>13</sup> Thus, the military modernisation is clearly in tune with its ambitions to become a major power in the world in a few decades. While this is one

objective, the other complimentary objective that it has pursued relates to its competition with other regional powers such as Japan, India, and perhaps Russia. A China-watcher has pointed out that Beijing looks at the US as “its principal threat,”<sup>14</sup> followed by Japan, Russia and India, in terms of priority. While Japan is considered to have an advanced military, Russia has been a superpower previously and India has its own strengths, particularly in the aerial and naval arenas. Beijing clearly wants to reduce the military gap with all of these powers as it grows stronger.

What China has done in terms of military modernisation is something remarkable and has sparked concerns across the region resulting in newer uncertainties. It has not only acquired weapons and technologies to better its capabilities, but has also indigenised several of the critical and advanced technologies into its technological kitty by reverse engineering them over a period of time. China has systematically indigenised programmes originally acquired from Russian, Western and Israeli defence firms. Additionally, it has adapted itself well by creating a sufficient base to integrate these technologies into their services, by establishing an adequate number of well-trained, motivated personnel, effective logistics, re-worked and updated doctrines, effective inter-departmental operational cooperation and so on. For instance, after the first Gulf War, the PLA, according a great deal of attention to the kind of wars they would be engaged in the future, undertook major doctrinal, organisational and logistical changes in tune with the evolving changes worldwide.<sup>15</sup>

Looking at the Chinese military strategy, it has come a long way from Mao's People's War directive, to Deng Xiaoping's People's War under modern conditions in the late 1970s, to local/limited war in 1985, to fighting modern war under hi-tech conditions after the first Gulf War in 1991, to fighting informationalised war today. Technology-driven war and limited war hypotheses have introduced new concepts like active defence, forward-positioning, pre-emptive strikes, in-depth strikes, victory through elite troops and so on. These concepts and the introduction of new weapon systems have increased insecurity and competition in the region.

It would be pertinent to outline a few specific strategies that China has evolved over the years, which would impact future warfare patterns. For one, China has mastered an area denial strategy that would essentially

restrain the ability of other countries to use a particular space or facility. This will allow China to establish a buffer zone around its land and maritime periphery, which, in turn, will make it increasingly difficult for other states to operate close to Chinese mainland.<sup>16</sup> Despite the air force being its weakest link, China appears to have developed significant air space denial capability.<sup>17</sup> Similarly, China has also improved its sea denial capability.<sup>18</sup> In addition to its potent submarine warfare capabilities, Beijing has a large number of different anti-ship missiles that can be launched from submarines, surface ships and airplanes and even shore-based launchers, such as the SS-N-22 Sunburn and SS-N-27 Sizzler systems procured from Russia.<sup>19</sup> The US Navy is yet to have an effective way of defending their aircraft carriers against these missiles.<sup>20</sup> In a potential conflict on the Taiwan Straits, the PLA Navy could possibly destroy some ships of the US carrier battle groups, including US aircraft carriers. China also has alternate means at its disposal through which it exercises its area denial strategy.<sup>21</sup>

Second, asymmetric warfare and anti-access strategy are becoming key features of Chinese military strategy. Beijing's anti-access strategies have expanded to all spheres of warfare including space, cyberspace, terrestrial, aerial and naval. China watchers note that while this strategy may not have fully evolved to defeat a superior military, it may employ "a number of tactics that are clearly anti-access in intention or effect."<sup>22</sup> Such tactics can be expected to be in wide use in a potential conflict in the Taiwan Straits, where the US and Japanese forces would be involved and would rely on information systems heavily. Logistics of the adversary is another aspect that the PLA plans to attack.

Third, amphibious warfare is now a major feature in the evolving Chinese military strategy. China has improved its amphibious capabilities in the recent years, with Beijing conducting more than a dozen such exercises in the last decade or so. One of the two exercises conducted in 2004 dealt purely with a Taiwan scenario.<sup>23</sup>

Keeping with these strategies, China has beefed up capabilities on a few key areas. For instance, tremendous progress has been made in the naval and aerial arenas. China, traditionally being a land-based power, lacked any power projection capabilities. It did not have an aircraft carrier, lacked amphibious operations capabilities, air-borne warning and mid-air refuelling capabilities.

But all this is changing in China's favour. Its ability to project sea power has also increased.<sup>24</sup> As a rising superpower, it can be expected eventually to seek significant maritime power capabilities. The continued significance of an aircraft carrier in the PLA's strategic thinking comes out essentially from its objectives of sea control and sea denial as also the recognition that air superiority is essential in future combat, besides for power projection purposes. The increased indigenous production of submarine capability is aimed at restraining other major naval powers, including Japan and the US. Chinese expertise in the area of air defense has gone up significantly as well. Recognising the backwardness of its air defence systems in the early 1990s, the PLA managed to acquire a reasonably sound capability in the last few years. After nearly two decades in development, the Chinese air defence system is now considered more dangerous than the Russian systems.<sup>25</sup>

UAVs and unmanned combat air vehicles (UCAVs) are other areas that China has made significant investments in. China has built or reverse-engineered several such systems, as in the case of US and Russian UAVs.<sup>26</sup> Its emphasis on UAVs came about with the intent to strengthen its airborne intelligence, surveillance and reconnaissance (ISR) programme. The extent to which China has indigenised both the UAVs and the combat versions of UAVs was evident at an air show in Zhuhai in November 2008.<sup>27</sup> They have also developed dual-use versions, such as the W-50 UAVs that can be employed for missions such as reconnaissance, radio-relay, and electronic jamming. With the testing of the "Blade" UAV, China is believed to have reached global standards in this aspect of military technology.

Likewise, an enhanced hunger for energy resources in China has necessitated serious debates on maritime security that, in turn, has led to massive procurement of aerial and naval systems along with systems that are critical force multipliers.<sup>28</sup> China, additionally, has managed to integrate them along with improved jointness, including logistics for the three services.<sup>29</sup>

Despite such a rising profile and innovative strategies, China continues to argue that its strategy is defensive. It is partially true that a nation's history influences its strategic and military culture. On that count, China has continued to argue that having suffered from war and imperialism, it values freedom and it will not be a threat to any nation. It also reiterates that its strategic culture is essentially Confucian.<sup>30</sup> However, there are analysts who argue that there

exist clear strands of *realpolitik* in Chinese strategic thinking.<sup>31</sup> Additionally, a careful reading of the seven Chinese military classics suggests that the Chinese strategic culture is that of a revisionist and expansionist power.<sup>32</sup> In fact, of the three grand strategies that Alastair Johnston categorised – accommodationist, defensive, offensive/expansionist – China exhibits a clear preference for offensive and violent grand strategies.<sup>33</sup>

### **United States**

The US military strategy, on the other hand, has been status quoist and thus, defensive. However, the US being the sole superpower remains the most powerful nation on earth, with global interests. Its military presence in Asia has been essentially driven by its commitments to its allies – Japan, South Korea and Taiwan – to defend and defeat adversaries.<sup>34</sup> Thus, even while adopting a defensive posture, the US believes that its military presence abroad is essential for maintaining stability and balance of power in a region, as is the case regarding its presence in the Asia-Pacific.

However, the US, which based its presence in the Asia-Pacific on the US-Japan and US-South Korea security alliance, is undertaking realignment of forces that could be detrimental to regional security as well as the security of its key allies in the region. The US military presence has assured a certain degree of regional stability and acted as a deterrent and also a guarantee against a nuclearised Japan or South Korea. Yet, beyond constraining the rise of regional hegemons, it has had some negative consequences as well. States which have traditionally perceived the US as a threat do not look upon its military presence favourably and have shaped strategies that are more offensive in nature, which, in turn, could result in regional instabilities. A regional arms race, including nuclear competition, is a direct consequence. Thus, the US military deployment and the resultant force posturing by other major regional players have consequences for the region, the emerging Asian security order and India's long-term security.<sup>35</sup>

The US has, for a while, been debating the revision of a few strategies in relation to some of its grand strategic objectives.<sup>36</sup> The next few paragraphs will deal with those debates and analyse as to which way the US is likely to go.

The US has to deal with multiple and varied challenges such as weapons of mass destruction (WMD) proliferation, terrorism, failed and failing states.



It has, in this regard, debated new strategies including pre-emption vs. prevention, deterrence vs. dissuasion and so on. It is not clear yet as to how these strategies would apply in the Asia-Pacific, where it could come into possible conflict with other major military powers and their strategies. Whether it would adopt a pre-emption strategy vis-à-vis North Korea is still debatable. This debate becomes even more relevant under the US' extended deterrence commitment to its allies – South Korea and Japan. With the continuing nuclear and missile-related activities in its neighbourhood, Japan, for instance, has considered options involving pre-emptive strikes. This is in the backdrop of an uncertain US response to different crises starting from the 1994 crisis.<sup>37</sup>

Similarly, how does the strategy of dissuasion<sup>38</sup> work in the Asia-Pacific? It is important to see how dissuasion strategy can be applied to complex security threats such as North Korea. However, when these strategies are directed against China and Russia in the military-security arena, it could possibly result in tensions. Among the major powers, China and Russia fit into such a scheme in which the US may like to channel their military policy in a particular direction. Scholars like Brad Roberts believe that the US may pursue such a policy with China.<sup>39</sup> China's WTO membership is a case in point. On the other hand, while dissuasion may work in the economic and trade arena with China (as it is beneficial to China's own development) it may not work in the security and strategic arena. How the strategy would work vis-à-vis Russia is entirely different. The US has, for a decade, tried pushing Moscow in a particular direction (democracy and reforms), although the results are not clear. It is a difficult proposition to use dissuasion and affect the behaviour of a particular country in a manner favourable to the US. For instance, how does the US implement this strategy vis-à-vis Iran, North Korea, or terrorist entities? For that matter, there are doubts as to how this strategy will work even among its allies like Pakistan. While certain activities of Pakistan may need to be altered and Pakistan dissuaded, it comes into conflict with the US objective in the 'war on terror' and other national security objectives as was evident during the Cold War era.<sup>40</sup> There is another important factor as to why dissuasion may not be an effective strategy: states by their inherent nature seek more power and power comes from a range of factors including military expansion and/or acquisition of WMD.

Lastly, given the reality or the perception of a gradual decline in American power with the rise of newer powers, US analysts have been contemplating two policy alternatives – preponderance vs. offshore balancer role. There have been studies to suggest that preponderance strategy, if continued, will result in a huge drain on the US economy, which will eventually reduce its economic might and thereby its overall geo-political standing.<sup>41</sup> This implies two effects on the geo-politics and militaries of Asia. The US, opting for an offshore balancer role, will not maintain large military commitments in Asia and Europe and will not be active in exporting democracy or even be engaged in humanitarian crises.<sup>42</sup> Christopher Layne argues that an offshore balancer should have “robust nuclear deterrence, air power and overwhelming naval power.” An effective offshore balancer strategy, then, would necessitate significant “sea-based ballistic missile defence, sea-based precision and stand-off weapon systems.”<sup>43</sup>

How does this impact the region? The US, opting for an offshore balancer strategy, could have ripple effects in the Asia-Pacific region. States like Japan and South Korea that rely on the US security cover could begin to feel insecure against a range of regional threats. In the face of a relative decline in power, whether the US would be able to maintain a robust nuclear deterrence, air power and sea power is a serious issue. In any future conflicts in this region, China and the US are bound to come face to face and the US could be faced with serious difficulties if Washington does not alter its policies.<sup>44</sup> In such a scenario, regional powers that traditionally relied on the US may be forced to go independent.

### ***Japan***

Japan, on the other hand, has tended to adopt a pacifist approach to its problems of security, although this appears to be undergoing a change. The change in the name from Defence ‘Agency’ to ‘Ministry’ is indicative of the shift taking place in Japan. This change is partially in response to the perception of a dilution in the US’ extended deterrence commitment. The situation is somewhat similar to the post-Cold War situation, when Japan felt that it was no longer a relevant power in the global and more specifically in the Asian matrix. In fact, Obama’s policies are less than reassuring to Tokyo.<sup>45</sup> The Obama administration’s approach to China is also a cause for worry to Japan,

given the kind of symbiotic relationship between Beijing and Washington. The uncertainty of the US as a reliable and credible partner, along with the variable of new nationalism among the younger generation in Japan and the changing regional military-security dynamics, is triggering serious changes in Japanese military strategy. But the shift towards change is not going to be easy, given various domestic factors including the larger public sentiment against nuclearisation and the influence of the left parties.<sup>46</sup> While there is strong public support for nuclear disarmament, this is not necessarily in tune with the views of the Japanese government, which is more uncertain about nuclear issues.<sup>47</sup>

In fact, Japanese security analysts have argued that although Article 9 of the Japanese Constitution restricts Japan's nuclear policy, it does not "prohibit these weapons as such."<sup>48</sup> Mike Mochizuki cites debates in the Diet as far back as May 1957 when Prime Minister Kishi Nobusuke argued that "possession of minimally necessary nuclear weapons for self-defence purposes" do not necessarily violate the constitution, as the possession of minimal number of weapons will be seen as necessary for self-defence. There has been a similar debate about the possession of nuclear weapons even recently.<sup>49</sup> However, Japan's non-pursuit of the nuclear option is linked to two issues. One, it is linked to the US' extended deterrence strategy. Second, the policy is linked to its domestic opposition (the public sentiment as well as the three non-nuclear principles, which are more policy statements than legally binding commitments).<sup>50</sup> This anti-nuclear weapons policy could change if Tokyo senses that the US is not able to provide a credible extended deterrence. The policy could also undergo change if North Korean missile and nuclear activities are not brought under control through the existing international arms control agreements. Japan could opt for an independent nuclear option under such a scenario. The very fact that there is a greater open and public debate about the possession of nuclear weapons is a significant step. Japan is likely to go nuclear sometime in the near future, if Chinese military modernisation and the North Korean missile and nuclear activities continue at the same pace.

However, what is more feasible in the meantime for Tokyo is to strengthen its missile defence capabilities as well as its conventional military capabilities to a greater level, while continuing its reliance on the US as a

credible partner.<sup>51</sup> However, adoption of such postures by Japan in the wake of increasing regional threats could have negative effects in the region and beyond.<sup>52</sup>

### ***Russia***

Russia is faced with a unique set of problems. First, there is a continuing debate about whether it looks upon itself as an Asian or European power. The debate becomes further complicated, with the US' pursuance of its geopolitical goals right into Russia's backyard and the deployment of missile defence components in East Europe, close to Russian borders. The current Russian military strategy is a strange mix of weakness on the conventional front along with an enhanced role for strategic weapons. While the current weakness of the conventional military is a result of the decade-long economic downturn that Russia went through, the changed security scenario in its neighbourhood and the rest of Asia has pushed Moscow towards an aggressive military strategy, including a greater role for nuclear weapons. Russia is caught in a bind, with the US pushing it to the wall. On account of US policies and the varied threats that Moscow faces, it has taken recourse to aggressive military and diplomatic measures.<sup>53</sup>

In the backdrop of varied threats challenging the Russian state, Moscow is focusing on strengthening its conventional forces, with the creation of high-alert units in the army, air force, navy and airborne force, manned only by professional soldiers, which will essentially become the core of deployable task forces. Similarly, it is also making improvements in the areas of communications, reconnaissance, and targeting systems. The Russian armed forces are to receive three UAVs in the next three years that will enhance the reconnaissance and precision-strike capabilities of ground units. Development of combat training is the third objective. Russia has moved fast in this area, with joint tactical and theatre-level exercises being conducted on a regular basis in the Russian Far East, Central Asia, China and India, which has enabled the Russian military to interact with foreign militaries, especially in simulating counterterrorist and other peacetime operations.

The modernisation programmes announced by Russia in August 2008 are expected to result in a more combat-ready and efficient force by 2020, with more contract personnel and a new organisational structure. This will mean

moving away from the traditional division-regimental structure of the Russian ground troops to a brigade-based organisation. The process of switching the Russian forces thus is expected to be concluded by 2012. However, due to the economic crisis, the modernisation of the military will be done only by 2016. Modernisation, in terms of weaponry and weapon systems, includes 955 Borey-type submarines armed with the Bulava sea-launched ballistic missile; ground-based modernised Topol-M ballistic missiles totally replacing the conventional Topols; modern tanks for the army (for instance, the T-80 Chernyy Orel [Black Eagle]); air defense systems (the S-400 surface-to-air missile system); and fifth-generation Russian fighters (series deliveries of the state-of-the-art, multi-purpose Su-35 fighters) are due to begin in 2011.<sup>54</sup>

Faced with the ramifications of the current global financial crisis and sliding energy prices, Russia is planning to optimise its spending by identifying priority areas such as communications, reconnaissance, targeting systems and also by significantly increasing arms sales, thereby improving the efficiency of the domestic defence industry, which should also be considered as part of military diplomacy to achieve larger geo-political goals.

Given these issues and challenges, it might be important for the US, Russia, Japan and India to join together and give shape to a cooperative security environment in Asia. There is some commonality to the challenges that these countries face in terms of WMD proliferation, terrorism and a rising China, although the responses have been significantly different. Russia has come to believe that any challenge to the state and its territorial integrity needs to be dealt with, not only through conventional means, but a nuclear option as well. This has been reiterated time and again through various official doctrines and White Papers, particularly after the Georgian crisis in August 2008. The Georgian War in August 2008 confirmed that Russia will not lie dormant against the “powerful” West, which seems to be trying to isolate Russia in its own backyard.<sup>55</sup> India and Japan have followed a softer approach of dialogue and negotiations whereas the US has used a ‘carrot and stick’ approach to achieve its objectives.

Next, what is the role of nuclear weapons in the emerging Asian strategic landscape? As of today, the US remains the only country that is capable enough to “disarm the long-range nuclear arsenals of Russia or China with a nuclear first strike”.<sup>56</sup> Scholars argue that a preemptive strike by the US

on Russia during a “peacetime alert”<sup>57</sup> and on China even during a “crisis time alert” can be reasonably successful.<sup>58</sup> It should, however, be noted that despite a major technological gap, Russia and China have been forced to improve their capabilities in the last few years.<sup>59</sup> China has also been expanding its nuclear capabilities, helped by the fact that it is not limited by any international arms control agreements, unlike the US and Russia. This could lead to a nuclear arms race, potentially reducing US security and increasing regional insecurities.<sup>60</sup> It is also believed that China could move away from its current nuclear posture of minimum deterrence to developing a “robust second-strike capability, perhaps with Japan as a primary target”.<sup>61</sup> However, the more worrying aspect for Japan is that the US nuclear primacy could be eroding, with a projected reduction in the US nuclear capability and an increase in the Chinese capabilities. In such a scenario, the US might enter into a bilateral arms control agreement with China that “endorses protection of a Chinese limited nuclear strike capability against the United States, with a decoupling effect that would be devastating for Japan.”<sup>62</sup>

Finally, what is the kind of interaction between major geo-political and economic vectors and how is it shaping the emerging security scenario? In the age of globalisation, there is an increasing interaction and merging of geo-politics and geo-economics. The interdependence between the two is widely prevalent in Asia where states have pursued geo-political strategies necessitated by economic factors. In fact, the latest National Intelligence Strategy of the US categorises China as a challenge in the years to come, essentially due to its resource-based diplomacy and military modernisation.<sup>63</sup>

As mentioned earlier, China has tailored its military strategy, particularly the maritime aspects, in recognition of economic necessities. For instance, the entire Southeast Asian region is of critical importance to Beijing due to the fact that almost all of China’s energy shipping routes – from the Middle East, Africa and Latin America – pass through this region. Additionally, the region is the fourth largest producer of liquid natural gas, which is an important determining factor in China’s geo-politics in Southeast Asia. The Straits of Malacca, being an important corridor for economic and energy transport have come under threat – piracy, terrorist attacks – in the last few years. Accordingly, China has been trying to build alternate routes and options so that it is not held ransom and as Xuegang Zhang argues, such a

strategy will also “help reduce political and economic pressure by any other major power’s attempt to contain China’s energy lifelines.”<sup>64</sup>

Similarly, Japan is most concerned about Malacca Straits, one of the busiest maritime trade routes. The 1,000 km-long Malacca Straits remain a major artery between East Asia and the Middle East. China, Japan and South Korea rely on these Straits for the transport of their energy resources as well as trade. Eighty percent of Japan’s oil is transported through the Malacca Straits each year.<sup>65</sup>

Therefore, the increasing hunger for resources and markets is shaping the geo-politics in Asia and elsewhere. China’s increasing footprint in Africa, Latin America and Central Asia is an example of economics driving geo-politics. While this may increasingly lead to tensions between major powers and some of the regional players, there has also been a positive outcome of these developments. For instance, the economic traction between the two sides has diluted the idea of Taiwanese independence and a conflict on the Taiwan Straits looks highly unlikely. The impact of such interactions on the emerging geopolitics is significant. Increasing Chinese interactions, and thereafter, the interdependency that is established will gradually diminish the US influence in these countries as well as the region. As China becomes even stronger with a powerful military and economic might, small- and middle-sized nations will look towards increasing accommodation with Beijing than relying on a power like the US that could possibly be on a downward swing.

## Conclusion

Geo-politics in Asia, particularly Northeast Asia, are fast changing and becoming more complex today, with an important feature being the interplay between the US-led alliance structure and China’s reinvigorated multilateral engagement in East Asia. China, after a long period of resistance to multilateral engagement, has recognised the importance of it in the last decade or so. It has come to recognise that multilateralism can be to its benefit, with a direct consequence on US geo-politics in Asia. Beijing has been of the view that its increasing interaction with the region will gradually reduce the role of the US and influence in East Asia and that the new regional framework that emerges out of China’s interactions will become a competitor to the US. Second, as China sees it, the ‘China threat’ theory may gradually diminish,

with increasing regional cooperation between China and the small- and medium-sized powers, and thereby, reduce their dependence on the US as a security guarantor.<sup>66</sup> Lastly, Chinese analysts argue that increased multilateral interactions between the US and China in East Asia should gradually seek to establish a linkage mechanism between the two multilateral approaches, that would further erode US bilateral ties with several nations in East Asia. It remains unclear whether such interactions between the US and China, creating a diarchy, will be seen as beneficial by some of the other major Asian powers, including India, Japan and Russia.

Is nuclear North Korea in the interests of China? Does China see Pyongyang as an effective buffer on its borders that would keep other powers at a distance? If Beijing had been more forthcoming on Pyongyang in terms of sanctions and other punitive measures, a nuclear North Korea could have been avoided.

Another development that could potentially impact on the emerging geopolitics in Asia relates to the Korean reunification. Though a distant possibility (not likely for the next two decades at least), the impact of reunification will be significant for Asia. The Korean reunification will have a major impact on force structures, mainly the US forces in the Republic of Korea and Japan, as they are essentially for deterrence purposes and if deterrence fails, to defeat any external armed attacks. In the wake of the two Koreas unifying, one of the key imperatives for US military presence in the region is over, although the security alliance with Japan will see some minimal presence. In such a scenario, with a minimal military presence, the US forces will have to be more expeditionary and consist of quick-response capable forces to take care of potential crises in the region. The US should also maintain systems that can undertake long-distance missions without refuelling, in the absence of major bases in South Korea or even in Japan.<sup>67</sup> Therefore, there is an urgent need for the US to invest in the development of long-range, high-speed strike aircrafts so as to minimise the loss of bases in Korea or Japan.<sup>68</sup> The role of an aircraft carrier in this regard, to respond to potential crises, including a major flare-up with China, will be highly significant. Additionally, the need to project air, land and naval superiority in the region would necessitate continued operational reach and Guam may be the next large basing facility that the US may have in the region.<sup>69</sup> The US has to look at the maritime



capabilities and critical technological breakthroughs in terms of quick sea-lift capability that will have to be created for rapid response to crises. Lastly, the US will need to have a significant military presence if it ever wants to contain or restrict China's rise. How effective it may be is a different issue, but it will at least delay the rise of a regional/ global hegemon as well as have the capability to bring it under a cooperative multilateral forum. Other major powers are also seeking ways to bring China under a multilateral fold. A case in point is that of BRIC (Brazil, Russia, India and China). Despite the Russian wariness, Moscow is actually seeking to bring Beijing under its fold through BRIC and other mechanisms than let Beijing grow into an unmanageable hegemon.

The second impact will be more geopolitical in nature. The united Korea will not be a strong dynamic power like China or Japan and will be forced to take sides. While Japan-ROK relations have been balanced due to the US factor, the absence of the US as a critical player could possibly rekindle some of the wartime memories that are not very happy for Seoul. Besides, having established strong economic ties with China and having common historical memories vis-à-vis Japan, Seoul may find much comfort in strengthening its ties with Beijing. This development could have geo-political ramifications for the region as well as the US standing in and beyond the region. This will significantly increase Beijing's manoeuvring space while reducing the US strategic space. Therefore, it appears that a US presence might be in the interest of the region, including India, as it will continue to be a factor for stability and also prevent regional hegemony by China. While the US also may like to continue with such a presence, it is not clear whether China would like to lose such an opportunity in seeking to diminish the role of the US and increase its own.

While the US continues to be the most powerful nation in the world, China is fast emerging as the greatest security challenge, not just in Asia but globally too, given the fact it has the fastest growing economy as well as military. What could, however, become more challenging would be the differential way in which it is handled by Tokyo and Washington. The Obama Administration appears to be following their traditional democratic pro-China approach, and this could have implications for regional powers as well as the US' own standing in the region in the long term. If Washington becomes insensitive

to Japanese concerns about the regional challenges including China, Tokyo may go independent in its security policies. At various crisis points, Japan has contemplated adopting hardline postures, including preemptive strike and nuclear options. However, these options have consequences that go beyond their borders. First, such changes in military postures will be seen as a return to a “militaristic” Japan. Second, Japan’s development of such capabilities could spur North Korea into testing more advanced weapon systems, which will force Japan to respond further. This will lead to a regional arms race, with several spin-off effects.

Given the fact that there is a gradual decline in American power (or at least the perception of it), countries that have traditionally relied on the US security cover could begin to feel threatened with the growing Chinese might and may accordingly change their postures to suit Chinese ambitions. One will witness an increasing trend wherein other countries might want to follow China and jump in its bandwagon. Also, as of now, the US maintains nuclear primacy, although this equation could change in the next decade or so. China and Russia are already believed to be improving their capabilities to match the US. Such upgradation on the part of Russia and China could spiral into a regional and even global nuclear arms race. However, what is more worrying for countries like Japan and South Korea is that US nuclear primacy could erode, with simultaneous strengthened capabilities in China and Russia. Concerns exist in Japan and South Korea about a possible arms control agreement between Pyongyang and Washington. Such scenarios could drive both the countries towards more independent security options.

Increasing Chinese military power and the general opaqueness with regard to their programmes and strategies are issues of concern. China’s military modernisation has a direct impact on the general military build-up in the region, particularly in countries like India, Japan, South Korea and Taiwan. If India modernises its forces, there would be almost simultaneous enhancement of defence capabilities by Pakistan. China’s military modernisation, thus, has a cascading effect in the region, with an increasing arms race as a constant feature.

There have also been concerns regarding Chinese leadership, particularly during crises. It has become evident that the military leadership in China does have an independent agenda of its own and that it does adopt a hardline

approach on important national security and foreign policy issues. It might be imprudent to say that the political leadership is more balanced, and therefore, PLA's approach should not be taken seriously. It is also important to note that the military leadership plays a critical role in decision-making particularly during crises. In some of the recent instances, including the EP-3 spy plane crisis in April 2001, the Ministry of Foreign Affairs was completely kept out of the loop.

The Russian tendency to rely on technological solutions to geo-political problems can be a worrying trend. For instance, the US decision to deploy missile defence components in Eastern Europe and the Russian reaction by placing Iskander-M missiles in Kaliningrad is worrying.

Russia has also been cornered as a result of several US policy measures which has resulted in a tactical relationship between Moscow and Beijing. Despite the Russian wariness, Moscow has chosen to strengthen its partnership with Beijing, which is reflected in the increasingly comprehensive relationship between the two. This development, if solidified, will have serious repercussions for Indian security and its several important bilateral relationships, including India-Russia ties. Firstly, it will affect Indo-Russian defence ties. These ties will get diluted in a gradual manner if Russia is not careful about the balance between its ties with Beijing and Delhi. Secondly, how this partnership will affect outcomes in the United Nations, especially at the Security Council, needs to be seen. Moscow might be compelled to follow the Chinese line at the UN, particularly on issues concerning India such as Kashmir. The strengthened partnership will affect decision-making in several international fora. Thirdly, strengthened defence ties will be part of this particularly close relationship and the technology and defence items that are transferred to China might find their way to Pakistan. In fact, there could potentially be Russian arms floating around in other neighbouring countries too, including Sri Lanka. Such developments in India's neighbourhood may not be very palatable to India.

While China is realistic enough to understand that rise of other major powers in Asia, such as Japan and India cannot be halted, it does adopt approaches that are counter-productive to a cooperative framework in Asia. India and Japan, for instance, will continue to look for an inclusive approach as opposed to the Chinese exclusivist approach that appears to be directed against India, US and Japan. Beijing has continued to believe that its peaceful

rise and emergence as a dominant power in Asia is not only an assumption of its rightful place in the region but in fact, a return to the old, natural order for the region. India may not be willing to see an Asia dominated by any one power. Therefore, competition for influence between China and Japan, China and the US, China and Russia and China and India are going to be some of the unfortunate features of the new Asian century. The choice, on the part of the US, to be either an engaged Asian power or a reclusive offshore balancer, will be an indicator to its key security partners in Asia about the credibility of its extended deterrence strategy as well as the future Asian security matrix.

## Notes

1. There have been debates whether the US is an Asian power or not. The point was reiterated as recently as in June 2008 by US Defence Secretary Robert Gates at the Shangri-La Dialogue 2008. He stated, "The United States is a Pacific nation with an enduring role in Asia. We welcome Asia's rise. Our continued presence in this part of the world has been an essential element enabling this rise – opening doors, protecting and preserving common spaces on the high seas, in space, and more and more in the cyber world. This presence has offered other nations the crucial element of choice and enabled their entry into a globalised international society. Second, I want to stress that we stand for openness, and against exclusivity, and in favor of common use of common spaces in responsible ways that sustain and drive forward our mutual prosperity. Third, and finally, as someone who has served seven United States presidents, I want to convey to you with confidence that any future US administration's Asia security policy is going to be grounded in the fact that the United States remains a nation with strong and enduring interests in this region – interests that will endure no matter which political party occupies the White House next." See Robert Gates, "Challenges to Stability in the Asia-Pacific," *The 7<sup>th</sup> IISS Asia Security Summit, Shangri-La Dialogue*, 31 May 2008, <http://www.iiss.org/conferences/the-shangri-la-dialogue/plenary-session-speeches-2008/first-plenary-session-challenges-to-stability-in-the-asia-pacific/first-plenary-session-the-hon-robert-gates/>, accessed on 02 June 2008.
2. Anthony H Cordesman, *The Military Balance in the Middle East* (Washington DC: Center for Strategic and International Studies, 2004).
3. Unlike the group of optimists who opine that in the post-Cold War period, the states are particularly more welfare-oriented and thereby interested in prosperity and welfare issues, Mearsheimer suggests that while wars due to their increasingly destructive nature may be becoming less frequent, they are not obsolete. See John J Mearsheimer, "Disorder Restored," in Graham Allison and Gregory Trevorton (eds.), *Rethinking America's Security: Beyond Cold War to New World Order* (New York: Norton, 1992), pp. 213-37.
4. Fareed Zakaria, "The Future of American Power: How America Can Survive the Rise of the Rest," *Foreign Affairs*, May/ June 2008, <http://www.foreignaffairs.org/20080501facomment87303/fareed-zakaria/the-future-of-american-power.html>, accessed on 14 July 2008. There is an opposing view that questions the feasibility of the US being able to continue with American-dominance. See Nathan Freier, "Primacy without a plan?" *Parameters*, Vol. XXXVI, No. 3, Autumn 2006, p. 8.
5. Petter Stalenheim, Noel Kelly, Catalina Perdomo, Sam Perlo-Freeman and Elisabeth Skons, "Military Expenditure Data, 1999-2008," *SIPRI Yearbook 2009* (New York: Oxford University Press, 2009), p. 232.

6. Kier A Lieber and Daryl G Press, "The End of Mad?: The Nuclear Dimension of US Primacy," *International Security*, Vol. 30, No. 4, Spring 2006, p. 28.
7. See Shaoguang Wang, "Estimating China's Defence Expenditure: Some Evidence from Chinese Sources," *The China Quarterly*, No. 147, September 1996, pp. 892 and 896; and Richard A Bitzinger, "Just the Facts, Ma'am: The Challenge of Analysing and Assessing Chinese Military Expenditures," *The China Quarterly*, No. 173, 2003, pp. 169-170. Several of the PLA-run businesses give huge revenues to the government which are being diverted for modernisation purposes. According to a Chinese scholar, profits from PLA-run businesses have been between \$600 million to \$3 billion. See Shaoguang Wang, "The Military Expenditure of China, 1989-98," [http://www.cuhk.edu.hk/gpa/wang\\_files/Milex.pdf](http://www.cuhk.edu.hk/gpa/wang_files/Milex.pdf), accessed on 23 December 2007. It is also revealed that the defence budget covers only 70 percent of the PLA expenditure, and the remaining 30 percent has to be generated from elsewhere. Earnings from foreign arms sales are believed to be a major source of PLA's extra-budgetary revenue.
8. Agence France-Presse, "Russian Military Spending to Remain Steady: Minister," *Defense News*, 11 May 2006, cited in Petter Staltenheim, Catalina Perdomo and Elisabeth Skons, "Military Expenditure," *SIPRI Yearbook 2007*, <http://yearbook2007.sipri.org/files/YB0708.pdf>, accessed on 21 June 2009; and Petter Staltenheim, Catalina Perdomo and Elisabeth Skons, "Military Expenditure," *SIPRI Yearbook 2008*, <http://yearbook2008.sipri.org/files/SIPRIYB08summary.pdf>, accessed on 21 June 2009.
9. Staltenheim, n. 5, pp. 228 and 235.
10. Staltenheim, *SIPRI Yearbook 2008*, n. 8.
11. Although there has been shelving of the missile defence programme in Eastern Europe, it appears that it is a temporary measure, as stated by US Defence Secretary Robert Gates, when he said that the second stage, possibly in 2015, will deploy the upgraded land-based SM-3s in Poland and the Czech Republic. See "Missile Defense Scrubbed," *CNN News*, 17 September 2009, <http://transcripts.cnn.com/TRANSCRIPTS/090917/cnr.02.html>, accessed on 18 September 2009.
12. Staltenheim, n. 5, pp. 226 and 233.
13. See Michael Pillsbury, *China Debates the Future Security Environment* (Washington DC: National Defense University Press, 2000) <http://www.fas.org/nuke/guide/china/doctrine/pills2/index.html>, accessed on 14 July 2007; Satoshi Morimoto, "Chinese Military Power in Asia: A Japanese Perspective," in Jonathan D Pollack and Richard H Yang, *In China's Shadow: Regional Perspective on Chinese Foreign Policy and Military Development* (Santa Monica: RAND Corporation, 1998) [http://www.rand.org/pubs/conf\\_proceedings/2007/CFI37.pdf](http://www.rand.org/pubs/conf_proceedings/2007/CFI37.pdf), accessed on 15 July 2007.
14. See Allen S Whiting, "The PLA and China's Threat Perceptions," *The China Quarterly*, No. 146, June 1996, pp. 607-09; Mel Gurtov and Byong Mao Hwang, *China's Security: The New Roles of the Military* (Boulder, Co: Lynne Rienner Publishers, Inc. 1998; Andrew Scobell, *Chinese Army Building in the Era of Jiang Zemin* (Carlisle, PA: Strategic Studies Institute, US Army War College, 2000), p. 20.
15. Ka Po Ng, *Interpreting China's Military Power: Doctrine Makes Readiness* (New York: Frank Cass, 2005), p. 108.
16. Area denial strategy assures China several benefits. First, foreign powers' ability to conduct military operations close to Chinese borders becomes difficult, thereby ensuring territorial integrity of China. Second, China's sea denial strategic capabilities, particularly in the Taiwan Straits have, to a great extent, limited or restrained US and other powers' ability to enter into military operations. Third, these capabilities have ensured a certain amount of security to some of its wealthiest provinces and cities like Guangdong and Shanghai. Lastly, the Chinese ability to counter efforts by other countries for a port blockade has been enhanced. See M Taylor Fravel, "China's Search for Military Power," *The Washington*

*Quarterly*, Vol. 31, No. 3, Summer 2008, p. 131.

17. For instance, in a move that Taiwan considered as provocative, China established an Air Defense Identification Zone (ADIZ) within the Taiwan Straits. This move would constrain or even deny access to foreign aircrafts in the area. Similar tactics have been adopted by China in the East China Sea area too. *Liberty Times*, 06 December 2007; *Taipei Times*, 20 December 2007, cited in Russell Hsiao, "China Plans Air Defense Identification Zone (ADIZ) Within Taiwan Straits," *China Brief*, Vol. 8, No. 1, 04 January 2008, [http://www.jamestown.org/china\\_brief/article.php?articleid=2373912](http://www.jamestown.org/china_brief/article.php?articleid=2373912), accessed on 11 January 2008.
18. Chinese sea denial capability is essentially enforced through its growing submarine force. It has a force of 62 submarines, including 12 new and advanced Kilo-class Russian submarines, besides different classes of domestically-developed diesel submarines and several nuclear-powered attack boats. China has a large number of surface combatants, including air-defence guided missile destroyers such as Luyang-II and Luzhou class vessels and several powerful multi-role vessels (Sovremenny class destroyers) like Hangzhou. See *The Military Balance 2008* (London: International Institute for Strategic Studies, 2008), pp. 377-79.
19. Mark Gaffney, "The Sunburn – Iran's Awesome Nuclear Anti-ship Missile," <http://www.rense.com/general59/theSunburniransawesome.htm>, accessed on 14 July 2009.
20. Tony Cappacio, "Navy Lacks Plan to Defend against 'Sizzler' Missile," *Bloomberg News*, 23 March 2007, <http://www.bloomberg.com/apps/news?pid=20601070&sid=a5LkaU0wj714>, accessed on 14 July 2009.
21. China reportedly has a range of medium- and long-range ballistic missiles that can target surface ships at great distances. See "DF-21 Delta aka CSS-5 Mod 4," <http://www.armscontrolwonk.com/2049/df-21-delta-aka-css-5-mod-4>, accessed on 14 July 2007. Similarly, the ASAT test provides a new platform for area denial. During times of conflict, the US may be restrained from using space-based assets after the test of SC-19 ASAT missile. Sea mining is another tactic that the Chinese could possibly employ. See "Taiwan Intends to Buy US Mine Sweeper for Fear of Mine Blockading Ports," *People's Daily*, 10 April 2002, as cited in Michael A Glosny, "Strangulation from the Sea: A PRC Submarine Blockade of Taiwan," *International Security*, Vol. 28, No. 4, Spring 2004, p. 139. The sea-mining by air is another option. Chinese air power remains due to the poor aerial refueling capabilities, and its surface fleet is believed to be lacking in effective air defence, although it has been enhanced to an extent. However, given the difficulty in laying mines, and in the absence of significant air superiority, use of submarines might prove to be the best option for China. Concerning Chinese Aerial Refueling, see Liu Jiafeng and Sha Zhiliang, "Haitian Duijie: Haijun Kongjun Bing Kongzhong Jiashouyou Shuenlian Jishi" (Connecting over the ocean: A record of the naval air force's aerial refueling exercise), *Jianchuan Zhishi*, No. 258, March 2001, p. 5, as cited in Lyle Goldstein and William Murray, "Undersea Dragons: China's Maturing Submarine Force," *International Security*, Vol. 28, No. 4, Spring 2004, p. 162.
22. Roger Cliff, Mark Burles, Michael S Chase, Derek Eaton and Kevin L Pollpeter, *Entering the Dragon's Lair: Chinese Antiaccess Strategies and their Implications for the United States* (Santa Monica: RAND Corporation, 2007), [http://www.rand.org/pubs/monographs/2007/RAND\\_MG524.sum.pdf](http://www.rand.org/pubs/monographs/2007/RAND_MG524.sum.pdf), accessed on 12 December 2007.
23. China has reportedly established a number of new amphibious training institutes in southern China. The sealift capabilities have been improved with induction of new vessels. However, the inventory still remains small with just 50 to 60 large- and medium-sized landing ships, although IISS *Military Balance 2008* (n. 18) suggests that China has around 110 landing ships, both medium and large and 27 landing ship tanks and about 290 landing crafts, including 130 utility ones. See Robert Karniol, "The PLA is Looking for Deeper Insights into the US Model," *China Defense Blog*, 26 February 2009, <http://china-defense.blogspot.com/2009/02/hmmm-pla-is-looking-for-deeper-insights.html>, accessed on 30 March 2009.

However, given the logistics-intensive nature of these operations, and the need for air and sea superiority, the probability of the Chinese venturing into amphibious operations is unlikely.

24. The recent discovery of a new naval base, Sanya in Hainan Island, is an indicator. It would house a large fleet of surface warships, and also serve as the underground base for submarines. The new satellite images reveal cave openings around the Sanya base that can house up to at least eight submarines. It is also believed that there is space for a supported underground structure that could have more than 20 submarines. The location is indeed critical as it will let China extend greater influence in the South China Sea areas besides allowing it greater access to the critical Straits of Malacca, while enabling China to have a larger naval presence closer to important sea lanes. This development has certainly created concern in several countries including Japan, South Korea, India and the US. Richard Fisher, Jr., "China's Naval Secrets," *The Wall Street Journal*, 05 May 2008, [http://www.strategycenter.net/printVersion/print\\_pub.asp?pubID=185](http://www.strategycenter.net/printVersion/print_pub.asp?pubID=185), accessed on 15 May 2008; and "Japan Urges Greater Chinese Transparency on Military Plans," *AFP*, 31 May 2008, <http://afp.google.com/article/ALeqM5gjnrcMWGDOTstNWHZOU8dwzg7nYw>, accessed on 02 June 2008.
25. David A Fulghum and Robert Wall, "Military Hackers Turn To Commercial Electronic Attack Tools," *Aviation Week and Space Technology*, 20 January 2008, [http://www.aviationweek.com/aw/generic/story\\_channel.jsp?channel=defense&id=news/aw012108p1.xml&headline=Military%20Hackers%20Turn%20To%20Commercial%20Electronic%20Attack%20Tools](http://www.aviationweek.com/aw/generic/story_channel.jsp?channel=defense&id=news/aw012108p1.xml&headline=Military%20Hackers%20Turn%20To%20Commercial%20Electronic%20Attack%20Tools), accessed on 23 January 2008.
26. Chinese companies have been engaged in negotiations with South African defence company Denel to build two types of UAVs, although the talks are believed to have hit a snag. See Andrei Chang, "China Seeks South Africa's UAV Technology," *United Press International*, 13 January 2009, [http://www.upi.com/Security\\_Industry/2009/01/13/China-seeks-South-Africas-UAV-technology/UPI-43551231859651/](http://www.upi.com/Security_Industry/2009/01/13/China-seeks-South-Africas-UAV-technology/UPI-43551231859651/), accessed on 15 January 2009.
27. Some of the systems on display included the CH-3 (Chang-Hong) medium-range, long-endurance UCAV developed by the China Aerospace Science and Technology Corporation (CASC). Reports indicate that these systems are comparable to the American Predator systems. See "Unmanned Aerial Vehicles," *GlobalSecurity*, <http://www.globalsecurity.org/military/world/china/uav.htm>, accessed on 14 May 2009.
28. These include advanced command, control, communication systems; technical intelligence system; electronic warfare systems; advanced radar and sonar systems; and precision-guided munitions. See "Changing Military Capabilities and the Regional Balance," in Tim Huxley and Susan Willett, "Arming East Asia," *Adelphi Paper* 329 (London: International Institute for Strategic Studies, 1999) p. 66.
29. The PLA has been able to put forward an integrated tri-service support system. For details, see "China's National Defense in 2004", The State Council Information Office of the People's Republic of China, <http://www.fas.org/nuke/guide/china/doctrine/natdef2004.html>, accessed on 03 July 2007.
30. Confucianism stresses the importance of education for moral development of the individual so that the state can be governed by moral virtue rather than by the use of coercive laws.
31. Andrew Scobell describes Chinese strategic culture as a "Cult of Defence," in which the Chinese elites and the leadership maintain that their country is pacifist, non-expansionist and that its military strategy is purely defensive, but in reality, it has a strategy in which they are able to justify any use of force, including offensive and pre-emptive strikes and consider them defensive in nature. Andrew Scobell, *China and Strategic Culture* (Carlisle, PA: Strategic Studies Institute, US Army War College, 2002), <http://www.strategicstudiesinstitute.army.mil/pdffiles/pub60.pdf>, accessed on 04 July 2007.



32. Alastair I Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton, NJ: Princeton University Press, 1995), p. 27.
33. Ibid, p. 143.
34. This is not to suggest that the US does not use military as a foreign policy or a power projection tool. On the contrary, even the Powell Doctrine that does not emphasise on military power visualises an important role for military and its presence abroad. See Colin Powell, "US Forces: Challenges Ahead," *Foreign Affairs*, Winter 1992/93, [http://www.cfr.org/publication/7508/us\\_forces.html](http://www.cfr.org/publication/7508/us_forces.html), accessed on 05 May 2008.
35. Any dilution in the US commitment to its allies could mean that these states have to shoulder security on their own. Given the kind of regional security challenges, this could mean a nuclear Japan or Korea in the future.
36. The main components of the US grand strategy are changing conceptions of how Washington would deal with emerging great powers; manage the spread of weapons of mass destruction; prosecute the war on terrorism; and finally handle the complexities of the economic dynamism of the Pacific rim.
37. However, if the US is to carry out its commitments to its allies and implement the preemption options even for deterrence purposes, its impact on the region will be significant.
38. Dissuasion strategy is applied essentially to influence the kind of military competition that the US may have to face by having the adversaries channel its focus, strategies and resources to "less threatening" situations; complicating the enemy's strategies; pursuing a policy that may gradually result in behaviour more conducive to the US. Dissuasion may not necessarily become conflictive as the military tools employed in this strategy are minimal. It is essentially being affected through a mix of tools including diplomacy, economic aid, military tools and political incentives or disincentives. Scholars have explained that dissuasion works best when a relationship is not primarily hostile, but there are potential opportunities for crises in the relationship. Some of these aspects have been brought out by speakers during the conference, 'Dissuasion in US Defense Strategy.' See Peter R Lavoy, Barry Zellen and Christopher Clary, "Dissuasion in US Defense Strategy," Conference Report, 22 September 2004, [http://www.nps.edu/Academics/Centers/CCC/Conferences/recent/dissOct04\\_rpt.pdf](http://www.nps.edu/Academics/Centers/CCC/Conferences/recent/dissOct04_rpt.pdf), accessed on 05 April 2008.
39. Ibid. In fact, he questions whether dissuasion strategy was a strategy in general or was China the pivot of that strategy.
40. Ibid.
41. Christopher Layne, "From Preponderance to Offshore Balancing: America's Future Grand Strategy," *International Security*, Vol. 22, No. 1, Summer 1997, pp. 95-96.
42. As an offshore balancer, the US would be essentially "defending its territorial integrity and preventing the rise of a Eurasian hegemon," although this strategy is different from reclusive or isolationist strategy. Ibid, p. 112.
43. Ibid, p. 113.
44. The Obama Administration is seeking serious cuts on some of its critical programmes that will enable the US to maintain air superiority. F-22 programme is a case in point. See Kosuke Takahashi, "Japan Frets over the US's F-22s," *Asia Times*, 05 February 2009, <http://www.atimes.com/atimes/Japan/KB05Dh01.html>, accessed on 14 February 2009; Dennis Sevakis, "Killing the F-22," *American Thinker*, 11 April 2009, [http://www.americanthinker.com/2009/04/killing\\_the\\_f22.html](http://www.americanthinker.com/2009/04/killing_the_f22.html), accessed on 14 April 2009.
45. Several recent decisions by the US send wrong signals to Japan. The decision on F-22 Raptor is a case in point. Analysts in Washington note that exporting F-22 stealth fighters could potentially impede the "strategically important Sino-US relations." Meanwhile, Japan is believed to be developing a Japanese stealth fighter, called *Shinshin*, meaning the heart of God. The US might be thinking of replacing F-22 Raptor with F-35 Joint Strike Fighter,



but F-35 cannot be a replacement. Although both are of the current generation, the F-22 is clearly a superior fighter that ensures air superiority whereas F-35 is intended primarily as a ground attack aircraft. Second, F-22 is a “first strike” weapon if armed with nukes, and with a 1.5 Mach speed, it would have been an apt system for Japan. Given the short duration of a missile (once launched) from North Korea, F-22 would have been the perfect weapon system. See *Ibid*. However, a recent report suggests that the US is preparing an export version of the F-22 fighter and Japan is ready to pay \$1 billion for the export variant. See Sam LaGrone, “AF Ready for F-22 Export Version,” *AFP*, 14 June 2009, [http://www.airforce-times.com/news/2009/06/airforce\\_tactical\\_061409/](http://www.airforce-times.com/news/2009/06/airforce_tactical_061409/), accessed on 18 June 2009.

46. Takako Hirose, “Japanese Emerging Nationalism and Its New Asia Policy,” in V R Raghavan (ed.), *Asian Security Dynamic* (Delhi: Delhi Policy Group, 2008), p. 65.
47. For details, see Anthony DiFilippo, “The Politics of Japanese Nuclear Disarmament Initiatives: Where Government Policies and Civil Society Converge and Diverge,” Panel on Arms Control and Disarmament: Lessons Learned and Future Prospects at the International Studies Association Convention, Portland, Oregon, 27 February 2003, <http://www.bsos.umd.edu/pgsd/publications/ISA%20Feb%2003%20Papers/DiFilippo%20ISA.doc>, accessed on 23 July 2008.
48. Mochizuki, by citing Kishi government’s defence, argues that the possession of nuclear weapons does not violate the Japanese Constitution as long as these weapons are “within the confines of what would be minimally necessary for self-defence.” See *Bo’ei Handobukku 2006* (Defense Handbook 2006) (Tokyo: Asagumo Shimbunsha, 2006), pp. 577-79, cited in Mike M Mochizuki, “Japan Tests the Nuclear Taboo,” *Non-proliferation Review*, Vol. 14, No. 2, July 2007, <http://cns.miis.edu/npr/pdfs/142mochizuki.pdf>, accessed on 23 August 2008.
49. In 2002, Cabinet Secretary Fukuda Yasuo and Deputy Cabinet Secretary Abe Shinzo stated that possession of nuclear weapons do not violate the constitution as it constitutes what is minimally necessary for self-defence purposes. Fukuda went further to state that Japan will look at the acquisition of nuclear weapons seriously if the international security environment changes significantly. See *Ibid*.
50. Mochizuki argues that the constitutional restraint pertains only to the possession of nuclear weapons by Japan and not introduction of such weapons into Japanese territory by other states like the US. *Ibid*.
51. Even while Japan may favour such an arrangement, it may look for more security ownership, including nuclear weapons. Japan may seek such an option given the advanced nature of threat particularly from North Korea. For instance, if there is a missile firing from Pyongyang directed at Japan, Tokyo will not have the liberty of time to wait for the US response. Once a missile is launched from Pyongyang, it will only be a matter of minutes before it lands on Tokyo and hence the need for rapid response and retaliatory mechanisms to be in place. *Ibid*.
52. Strengthening of even defensive mechanisms by Japan could trigger a wave of actions in Pyongyang that might accelerate its nuclear and missile programmes, besides the effects on China. China already has a sufficient number of weapon systems ready to target Japan, but Japan’s re-armament could push further action by China. The effect of Japan’s re-armament on Russia will also need to be watched.
53. For instance, despite Japan’s wariness of China and its concern about the Chinese potential to use it as a forum to raise its influence in Russia’s own backyard, Moscow joined the China bandwagon in establishing the Shanghai Cooperation Organisation (SCO). Russia has managed to keep the SCO as a politico-security organisation rather than bringing out the huge economic potential of this grouping.
54. Roger McDermott, “Medvedev’s Ambitious Military Reform Plans,” *Eurasia Daily Monitor*, Vol. 5, No. 211, 04 November 2008, <http://www.cdi.org/russia/johnson/2008-201-44.cfm>,

accessed on 14 November 2008. Makers of Sukhoi aircraft have kept in mind the need to maintain a balance between serving its own needs and arms sales. In the next two years or so, the company is planning to export at least 160 Su-35 fighters to a number of countries, including India, Malaysia and Algeria. See "Sukhoi Confirms Su-35 Deliveries to Russian Air Force in 2011," *Russian News and Information Agency*, 19 February 2009, <http://en.rian.ru/russia/20090219/120219966.html>, accessed on 23 February 2009.

55. Alexei Arbatov, "Can Russia Use Nuclear Weapons: International Security after the Crisis in Caucasus," *Open Democracy News Analysis*, 15 October 2008, <http://www.opendemocracy.net/node/46505/print>, accessed on 20 October 2008.
56. There has been considerable reduction of US strategic nuclear forces, although they are considered much "more lethal" today. While the MX Peacekeeper ICBM was dismantled in 2005, some of the critical components that gave it that lethality have been retained. In fact, the US plans to use re-entry vehicles and warheads from the MX missiles to upgrade about 200 Minuteman ICBMs. These will significantly improve the precision and accuracy of the ICBMs while increasing the warhead yield. See Lieber and Press, n. 6, p. 13 and 29.
57. Lieber and Press, n. 6, p. 9. Russia's economic difficulties have had a serious impact on its strategic weapons programme. See "USSR/Russian Strategic Offensive Force Loadings, 1956–2002," *Natural Resources Defense Council*, <http://www.nrdc.org/nuclear/nudb/datainx.asp>, accessed on 23 January 2009; and Norris and Kristensen, "Russian Nuclear Forces, 2006," p. 65 cited in Lieber and Press, n. 6, p. 12.
58. Lieber and Press, n. 6, pp. 7–8.
59. First, Russia and China want to eliminate their existing vulnerabilities; and second, because the US has continued with a policy of maintaining nuclear primacy. See *Ibid*, pp. 30–31. China and Russia could improve their nuclear capabilities by expanding their nuclear arsenals, dispersing their nuclear forces, pre-delegating the launch authority to local commanders, thus avoiding delay in decision-making, and possibly also adopting hair-trigger nuclear retaliatory doctrines.
60. *Ibid*, pp. 10 and 31.
61. Michael J Green and Katsuhisa Furukawa, "Japan: New Nuclear Realism," in Muthiah Alagappa (ed), *The Long Shadow: Nuclear Weapons and Security in 21<sup>st</sup> Century Asia* (Stanford, California: Stanford University Press, 2008) p. 354.
62. *Ibid*, p. 355; Katsuhisa Furukawa, "Japanese Perspectives on Nuclear Weapons, Disarmament and Nonproliferation," Research Institute of Science and Technology for Society, 29 November 2007, cited in Emma Chanlett-Avery and Mary Beth Nikitin, "Japan's Nuclear Future: Policy Debate, Prospects, and US Interests," *CRS Report*, 19 February 2009, <http://www.fas.org/sgp/crs/nuke/RL34487.pdf>, accessed on 29 February 2009. If a nuclear arms race recurs, the chances for an accidental nuclear war cannot be ruled out.
63. *The National Intelligence Strategy of the United States of America*, August 2009, [http://www.dni.gov/reports/2009\\_NIS.pdf](http://www.dni.gov/reports/2009_NIS.pdf), accessed on 05 September 2009.
64. Xuegang Zhang, "China's Energy Corridors in Southeast Asia," *China Brief*, Vol. 8, No. 3, 04 February 2008, [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews%5Btt\\_news%5D=4693&tx\\_ttnews%5BbackPid%5D=168&no\\_cache=1](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4693&tx_ttnews%5BbackPid%5D=168&no_cache=1), accessed on 14 February 2008.
65. The importance of these Straits was highlighted in a symposium sponsored by the Nippon Foundation, when it was stated that "with the expansion of world trade, the traffic volume is estimated to increase from 4 billion DWT (dead weight tonnage) in 2004 to 6.4 billion DWT in 2020, which will increase the risk of accidents and maritime pollution." The symposium, in a consensual document, recommended that "shipping companies and other users recognise their corporate social responsibility towards the promotion of navigational safety and environmental protection of the Straits and voluntarily provide the necessary assistance to the littoral states." See Nippon Foundation, "Symposium Held on Protection

of Malacca Straits.” Press Release, 14 March 2007, <http://www.nippon-foundation.or.jp/eng/press/2007775/20077751.html>, accessed on 18 December 2008. The increase in incidents of piracy have heightened the risk in the Straits, following which Japan provided aid to civilian law enforcement capabilities of the littoral states through the Japanese Coast Guard. Besides, the Japanese Coast Guard has been patrolling the Southeast Asian seas regularly, in addition to holding joint exercises with the civilian maritime counterparts in Southeast Asia. See Yoichiro Sato, “Southeast Asian Receptiveness to Japanese Maritime Security Cooperation,” Asia-Pacific Center for Security Studies, September 2007, <http://www.apcss.org/Publications/Maritime%20security%20cooperation%20Japan-SE%20Asia%20Sato.pdf>, accessed on 23 July 2008.

66. Qi Huaigao, “How can China’s and US’s East Asia policies co-exist?,” *Global Times*, 11 June 2009, <http://opinion.globaltimes.cn/editor-picks/2009-06/436451.html>, accessed on 12 June 2009.
67. For instance, a potential conflict in Taiwan would put the US forces at some disadvantage. The current and even next-generation fighters including F-22 and Joint Strike Fighter can do only 500 nautical miles without refuelling. Guam, which might come as the next best option (in the absence of bases in Korea and Japan) is 1500 nautical miles away.
68. Carl E Haselden, Jr., “The Effects of Korean Unification on the US Military Presence in Northeast Asia,” *Parameters*, Winter 2002-03, p. 128.
69. *Ibid.*, pp. 121-23.

### Top 15 Countries with the Highest Military Expenditure in 2008

(Spending figures are in US \$, at current prices and exchange rates)

Rank	Country	Spending (\$ Bn)	World Share (%)	Spending Per Capita (\$)	Military Burden, 2007 (%)#	Change 1999-2008 (%)
1	USA	607	41.5	1967	4.0	66.5
2	China	[84.9]	[5.8]	[63]	[2.0]	194
3	France	65.7	4.5	1061	2.3	3.5
4	UK	65.3	4.5	1070	2.4	20.7
5	Russia	[58.6]	[4.0]	[413]	[3.5]	173
<b>Sub-total Top 5</b>		<b>882</b>	<b>60</b>			
6	Germany	46.8	3.2	568	1.3	-11.0
7	Japan	46.3	3.2	361	0.9	-1.7
8	Italy	40.6	2.8	689	1.8	0.4
9	Saudi Arabia^	38.2	2.6	1511	9.3	81.5
10	India	30.0	2.1	25	2.5	44.1
<b>Sub-total Top 10</b>		<b>1084</b>	<b>74</b>			
11	South Korea	24.2	1.7	501	2.7	51.5
12	Brazil	23.3	1.6	120	1.5	29.9
13	Canada	19.3	1.3	581	1.2	37.4
14	Spain	19.2	1.3	430	1.2	37.7
15	Australia	18.4	1.3	876	1.9	38.6
<b>Sub-total Top 15</b>		<b>1188</b>	<b>81</b>			
World		1464	100	217	2.4	44.7

Source: SIPRI Yearbook 2009: Armaments, Disarmament and International Security (OUP, 2007), p. 270.

[ ] = estimated figure

# A state's military burden is military spending as a share of gross domestic product (GDP).

The figures are for 2007, the most recent year for which GDP data is available.

^ The figures for Saudi Arabia include expenditure for public order and safety and might be slight overestimates.

**Chinese Defense Budget (1991 – 2008)**

Budget of National Defense (Unit: billion yuan RMB/billion yuan US\$,  
and the exchange rate between USD and RMB is about 1:8.3)

Budget Year	RMB Yuan (billion)	=\$USD (billion)	% of total national expense	% Increase over last year
1991	32.50	3.92	NA	NA
1992	37.00	4.46	NA	13.8
1993	42.70	5.14	NA	15.4
1994	55.00	6.63	NA	28.8
1995	63.00	7.59	NA	14.5
1996	NA	NA	NA	NA
1997	NA	NA	NA	NA
1998	93.47	11.26	8.66	NA
1999	107.67	12.97	8.20	15.2
2000	121.29	14.61	8.29	12.6
2001	141.04	17.00	8.30	16.2
2002	166.00	20.00	NA	17.6
2003	NA	NA	NA	NA
2004	200.00	24.00	7.7	NA
2005	NA	NA	7.3	NA
2006	297.93	NA	7.4	NA
2007	350.92	44.94	7.5	17.8
2008	417.77	61.18*	NA	NA

Sources: White Paper on National Defense issued by Chinese Government and other government publications.

\* This is an approximate figure by converting Yuan into Dollar.

NA – not available

# Appendix 3

## Asian Militaries: Comparison of Important Variables

Country	Military Strategy	Defence Expenditure	Historical Animosities, including war	Territorial Disputes
China	Offensive	590 bn Yuan; \$63 bn	With Japan, India, Russia. Wary of a possibly 'militaristic' Japan. India's rising profile is also of concern.	With India, Japan. Territorial disputes with Russia have been settled.
US	Conservative, still the most powerful	\$ 607.2 bn; \$ 548	No serious issues, except minor confrontations with China in the recent past.	No territorial disputes. But its military bases both in Japan and South Korea are coming under criticism.
Russia	Defensive, but conventional weakness lead to enhanced role for strategic weapons	1,458 bn roubles; \$ 38 bn	With China and Japan. Relations with China have stabilised, although wary of the rising Chinese power.	With Japan, although there have been no major tensions on the border.
Japan	Pacifist, although changing given increasing threats from North Korea, China and regional insecurities	4785 bn yen; \$ 42 bn	With China. In spite of significant economic interaction, mutual wariness and distrust is very strong.	With China and Russia. Despite agreements with China for joint exploration of oil fields in contested areas, China appears to have abrogated those agreements. China appears to be carrying on with exploration of hydrocarbon resources.
India	Defensive	Rs. 1306 bn; \$24 bn	With China. Despite significant economic interaction, mutual wariness and distrust is very strong.	With China. Despite bilateral talks since 1981, there has been no progress so far, to the extent that there is not even delineation and demarcation of the Line of Actual Control (LAC).

Military expenditure data collected from SIPRI Military Expenditure Database at <http://milexdata.sipri.org/>.

Defence expenditure in dollars is calculated in constant 2005 \$.

GDP data has been collected from the World Bank website at <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>.