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and its Repercussions

Editorial

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Editorial

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Since the early 1990s, the People's Republic of China (PRC) has embarked on a major modernisation drive intended to improve the capabilities of the Chinese People's Liberation Army (PLA). How have China's efforts to improve its military power affected its relations with its diplomatic partners and Taiwan? Are some aspects of China's military modernisation drive seen as more destabilising or alarming to foreign militaries than others? What are the appropriate metrics to evaluate the impact of Chinese military modernisation on its foreign relations? And what factors determine how other countries view Chinese military modernisation? This special issue examines these questions.

China has devoted increasing resources to its national defence over the past 20 years. During this period, the PRC has acquired a substantial number of advanced weapons systems and capabilities from abroad or developed them indigenously (sometimes after having appropriated or reverse-engineered the intellectual property of the core technologies).⁽¹⁾ From a largely outmoded military doctrine focused on low-technology ground warfare, the PLA has moved towards an "active defence" (*jiji fangyu* 积极防御) doctrine that places much greater emphasis on sophisticated air and naval platforms.⁽²⁾ It has also begun to carry out integrated joint operations that emphasise simultaneous multi-service coordination designed to enable the Chinese armed forces to fight and win "local, limited wars under conditions of informationisation" (*xinxihua* 信息化). These steps are intended to boost the PLA's capacity to deter China's enemies from threatening its interests and to enable it to project force at greater distances from China's shores than was previously the case.

Chinese official spokespersons routinely claim, as PRC Ministry of Foreign Affairs spokesman Liu Weimin recently did on 9 January 2012, that "Our national defence modernisation serves the objective requirements of national security and... will not pose any threat to any country," and seek to paint any expression of concern about Chinese military strengthening as either unreasonable or ill-intentioned. Still, as China has poured more resources into its military and has begun to improve the sophistication of its armed forces, it is undeniable that other countries have taken notice, and many have grown concerned about the implications of these developments for their own security. International relations theorists often talk about states as balancing capabilities versus balancing threats, and as doing so through internal self-strengthening and/or through external alliances and improved defence cooperation. As the essays in this issue of *China Perspectives* show, how China modernises its military – what platforms it acquires and how it uses them – matters to how national security managers in Japan, South Korea, Australia, the European Union, Taiwan, and elsewhere view China.⁽³⁾ China's military modernisation is leading many of these countries to improve their own military hardware capabilities, adjust their operating doctrines, and tighten up their defence cooperative relationships with the United States and other regional actors.

Methodologically, the essays in this issue evaluate the impact of China's military modernisation on its neighbours' defence policies by drawing on statements by national leaders, foreign policy and military elites, academ-

ics, and popular surveys and newspaper editorials; by examining foreign defence budgets; by identifying foreign defence acquisitions in response to new Chinese capabilities; and by analysing shifts in foreign militaries' defence doctrines and operating concepts aimed at addressing the new challenges posed by Chinese military capabilities. Some academics have suggested that Asian states might not try to balance against a rising China because they are comfortable with a Sino-centric world order owing to their past experiences prior to the mid-nineteenth century.⁽⁴⁾ By contrast, the essays in this special issue describe some of the ways that a number of states, especially those with close defence relations with the United States or who have territorial conflicts with China, are beginning to balance more actively against China's growing power through both internal strengthening and external political-military cooperation.⁽⁵⁾ Even countries without defence alliance relations with the United States, such as Vietnam and Indonesia, have been upgrading their militaries by buying submarines,⁽⁶⁾ advanced surface vessels,⁽⁷⁾ and anti-ship missiles,⁽⁸⁾ while also reaching out to the US and other regional actors to help balance China.⁽⁹⁾ It is only countries much further afield, such as in Western Europe, that seem at ease with China's approach to defence modernisation, though as some of the authors in this issue note, there are probably reasons why European analysts should be more concerned by Chinese naval modernisation than they have been to date.

The country that has been most active in responding to China's defence build-up of course has been the United States since 2009. The Obama ad-

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1. See Philip C. Saunders and Joshua K. Wiseman, "Buy, Build, or Steal: China's Quest for Advanced Military Aviation Technologies," *Institute for National Strategic Studies China Strategic Perspectives*, no. 4, December 2011.
2. See Dean Cheng, "China's Active Defense Strategy and Its Regional Impact," *Testimony before the US-China Economic and Security Review Commission*, 1 February 2011.
3. See "China Criticizes New US Defense Policy," *DefenseNews*, 10 January 2012.
4. See David C. Kang, *China Rising: Peace, Power, and Order in East Asia*, New York, Columbia University Press, 2009.
5. See "S. Korea Steps Up Defense Build-Up as China's Military Power Grows," *Chosun Ilbo*, 2 January 2012; "Supersonic Cruise Missile in Development," *Chosun Ilbo*, 17 August 2011; Marcus Weisgerber, "Japan-US to Expand Missile, Cyber Defenses," *DefenseNews*, 21 June 2011; "Japan-India Agreements Aimed at Countering China," *The Asahi Shimbun*, 29 December 2011; "Philippines Will Ask US for F-16s, Cutter," *The Associated Press*, 21 December 2011; "US Eyes LCS in Singapore, Philippines," *Reuters*, 16 December 2011; Ben Packham, "2500 US Marines on Australian Soil to Increase Defence Ties," *The Australian*, 17 November 2011.
6. See "Russian Submarines for Self-Defence: Vietnam," *The Straits Times*, 5 June 2011; "South Korea Exports Submarines to Indonesia," *DefenseNews*, 21 December 2011.
7. See "Russia to Sell Two More Gepard Ships to Vietnam," *Interfax*, 7 December 2011.
8. See "India to Sell BrahMos to Vietnam," *The Asian Age*, 20 September 2011.
9. See "3 US Ships in Vietnam to Train with Former Foe," *FOXNews.com*, 15 July 2011; "Japan, Vietnam Agree on Defense Cooperation," *The Asahi Shimbun*, 25 October 2011; "Vietnam, Singapore Agree Defense Industry Alliance," *Jane's Defence Weekly*, 10 January 2012.

ministration has stated clearly and repeatedly that even as it downsizes defence spending, it will prioritise its security interests and commitments in the Asia-Pacific, and even increase its commitment to the region, most markedly through a new Asia-Pacific-focused defence strategy announced in early January 2012.⁽¹⁰⁾ Washington has also developed a new approach to guide military operations, the AirSea Battle Concept, built around tighter integration of naval and aerospace capabilities, stealth, and long-range precision strike designed to combat asymmetric Chinese military capabilities.⁽¹¹⁾ And the US has also moved ahead with steps to diversify its basing options; position new forces and capabilities in the region; develop new, advanced military hardware; enhance partner capabilities by selling or transferring defence technologies to friendly countries; and improve interoperability and integration of forces and doctrines with its allies.

Many of these steps, including not only those of the United States but also those taken by regional actors, have come about quite quickly, and are not yet fully understood or appreciated outside of defence analysis circles. For example, Aaron Friedberg was warning as early as 1993 that China was planning to “abandon its traditional emphasis on large, low-technology ground forces and [was] seeking to buy or [build] the kinds of weapons that it would need to assert its claims against its neighbors,” which could make Asia “ripe for rivalry.”⁽¹²⁾ Still, for a long time, scholars and policy analysts did not see the kinds of military balancing that traditional, neo-realist approaches to international relations theorising predicted, and some analysts appeared to discount predictions that balancing would eventually occur if China continued to pour resources into asymmetric military capabilities. Indeed, major studies of China’s air force,⁽¹³⁾ navy,⁽¹⁴⁾ strategic seapower,⁽¹⁵⁾ missile forces,⁽¹⁶⁾ and overall military modernisation efforts during the 1990s⁽¹⁷⁾ found little evidence that PLA capabilities (with the exception of some Israeli and Russian hardware acquisitions) were advancing quickly, altering the balance of power in East Asia, or incentivising much balancing. Similarly, an open-source study completed by David Shlapak of The RAND Corporation in the year 2000 on the PLA threat to Taiwan found that Beijing’s capabilities were probably insufficient to enable it to threaten the island with military defeat.⁽¹⁸⁾ It seemed that most regional actors appeared content to profit from China’s economic expansion while leaving aside concerns about its military power improvements. And Beijing’s actions and statements, especially its widely-noted “charm offensive” towards South-east Asia⁽¹⁹⁾ and its emphasis on a “peaceful rise”⁽²⁰⁾ (later renamed “peaceful development”), sought to soften the political-diplomatic and military consequences of its defence upgrades and to discourage regional actors from seeing Chinese capability improvements as developments necessitating counter-balancing steps.

Nonetheless, from the late-1990s onwards, US security policy, as well as the policies of some other regional actors (especially Japan), gradually began to shift from “engagement” towards “hedging,”⁽²¹⁾ driven in part by concern over Beijing’s acceleration of its efforts to acquire more advanced military capabilities in the late 1990s. Since 1998, Beijing has increased the PLA’s acquisition of more advanced military technologies, a process that has been tracked since the annual US Department of Defense *Report to the Congress on the Military Power of the People’s Republic of China* began to be issued in 2000.⁽²²⁾ These reports, together with other studies, have detailed the PLA’s acquisition of more numerous and more advanced ballistic⁽²³⁾ and cruise missiles⁽²⁴⁾ married to an increasingly sophisticated overhead satellite surveillance, reconnaissance, and targeting architecture;⁽²⁵⁾ its computer-network operations (i.e., cyber-warfare) capabili-

ties;⁽²⁶⁾ its acquisition of increasingly modern and stealthy submarine forces⁽²⁷⁾ and more advanced surface vessels;⁽²⁸⁾ its advances in mine warfare;⁽²⁹⁾ its burgeoning aircraft carrier program;⁽³⁰⁾ and its increasingly capable air superiority fighters (most notably the J-20⁽³¹⁾) and fighter-bombers. Military analysts in the US began to assess the PLA’s growing conventional cruise and ballistic missile threat as an increasingly impor-

10. See David S. Cloud and Christi Parsons, “Obama Calls for Leaner Military – His Strategy Would Refocus Spending to Counter Risks from China, Iran,” *Los Angeles Times*, 6 January 2012.
11. See Andrew Krepenievich, *Why AirSea Battle?*, Washington, Center for Strategic and Budgetary Assessments, 2010; and Jan Van Tol, et al., *AirSea Battle: A Point-of-Departure for an Operational Concept*, Washington, Center for Strategic and Budgetary Assessments, 2010.
12. See Aaron Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” *International Security*, vol. 18, no. 3, Winter 1993/1994, pp. 5–33.
13. See Kenneth W. Allen, Glenn Krumel, and Jonathon D. Pollack, *China’s Air Force Enters the 21st Century*, Santa Monica (CA), The RAND Corporation, 1995.
14. See Bernard D. Cole, *The Great Wall at Sea: China’s Navy Enters the Twenty-First Century*, Annapolis (MD), Naval Institute Press, 2001.
15. See John Wilson Lewis and Xue Litai, *China’s Strategic Seapower: The Politics of Force Modernization in the Nuclear Age*, Stanford (CA), Stanford University Press, 1996.
16. See John Wilson Lewis and Hua Di, “China’s Ballistic Missile Programs: Technologies, Strategies, Goals,” *International Security*, vol. 17, no. 2, autumn 1992, pp. 5–40.
17. See David Shambaugh, *Modernizing China’s Military: Progress, Problems, Prospects*, Los Angeles, University of California Press, 2003.
18. See David Shlapak, David T. Orletsky, and Barry A. Wilson, *Dire Strait? Military Aspects of the China-Taiwan Confrontation and Options for US Policy*, Santa Monica (CA), The RAND Corporation, 2000.
19. See Joshua Kurlantzick, *Charm Offensive: How China’s Soft Power Is Changing the World*, New Haven (CT), Yale University Press, 2007.
20. See Zheng Bijian, *China’s Peaceful Rise: Speeches of Zheng Bijian, 1997–2005*, Washington, The Brookings Institution Press, 2005.
21. See James Shinn (ed.), *Weaving the Net: Conditional Engagement with China*, New York, Council on Foreign Relations Press, 1996; Evan S. Medeiros, “Strategic Hedging and the Future of Asia-Pacific Security,” *The Washington Quarterly*, vol. 29, no. 1, winter 2005–2006, pp. 145–167.
22. See US Department of Defense, *Annual Report to the Congress on the Military Power of the People’s Republic of China*, Washington, US Government Printing Agency, various years.
23. See Ian Easton, “The Great Game in Space: China’s Evolving ASAT Weapons Programs and their Implications for Future US Strategy,” *Project 2049 Occasional Paper*, 24 June 2009; Mark Stokes, “China’s Evolving Strategic Conventional Strike Capabilities: The Anti-Ship Ballistic Missile Challenge to US Maritime Operations in the Western Pacific and Beyond,” *Project 2049 Occasional Paper*, 14 September 2009; Andrew S. Erickson and David Yang, “On the Verge of a Game-Changer,” *Proceedings*, vol. 135, May 2009; Eric Hagt and Matthew Durnin, “China’s Anti-Ship Ballistic Missile: Developments and Missing Links,” *Naval War College Review*, vol. 62, no. 4, autumn 2009, pp. 87–115.
24. See Ian Easton, “The Assassin under the Radar: China’s DH-10 Cruise Missile Program,” *Project 2049 FutureGram*, 1 October 2009.
25. See Ian Easton and Mark Stokes, “China’s Electronic Intelligence (ELINT) Satellite Developments: Implications for US Air and Naval Operations,” *Project 2049 Occasional Paper*, 23 February 2011.
26. See *Capability of the People’s Republic of China to Conduct Cyber Warfare and Computer Network Operations*, US-China Economic and Security Review Commission, 9 October 2009.
27. See Michael Glosny, “Strangulation from the Sea: A PRC Submarine Blockade of Taiwan?” *International Security*, vol. 28, no. 4, spring 2004, pp. 125–160; Lyle Morris and William Murray, “Undersea Dragons: China’s Maturing Submarine Force,” *International Security*, vol. 28, no. 4, spring 2004, pp. 161–198.
28. See Ronald O’Rourke, *China Naval Modernization: Implications for US Navy Capabilities—Background and Issues for Congress*, Washington, Congressional Research Service, 30 November 2011; Office of the Director of Naval Intelligence, *The People’s Liberation Army Navy—A Modern Navy with Chinese Characteristics*, Suitland (MD), Office of the Director of Naval Intelligence, 2009.
29. See Andrew S. Erickson, Lyle J. Goldstein, and William S. Murray, “Chinese Mine Warfare: A PLA Navy ‘Assassin’s Mace’ Capability,” *Naval War College China Maritime Studies*, no. 3, June 2009.
30. See Aaron Shraberg, “Near-Term Missions for China’s Maiden Aircraft Carrier,” *The Jamestown Foundation China Brief*, vol. 11, no. 11, 27 June 2011; Andrew S. Erickson, Abraham M. Denmark, and Gage Collins, “Beijing’s ‘Starter Carrier’ and Future Steps: Implications and Prospects,” *Naval War College Review*, vol. 65, no. 1, winter 2012, pp. 14–54. A single aircraft carrier, absent accompanying battle group ships to protect it, is highly vulnerable to submarines, anti-ship missiles, and sea mines. Because China has no experience operating a carrier, lacks fixed-wing aircraft capable of operating off a carrier deck, has only a single carrier, and does not have the supporting infrastructure in place to help maximise such a ship’s effectiveness, most US defence analysts tend to see China’s carriers as highly vulnerable and not threatening. However, over the longer-term, these vessels are likely to support a broader push by China to project strategic power south and east, for which reason regional actors such as Southeast Asian states and Japan are more concerned by this development than the US tends to be.
31. See Carlo Kopp, “An Initial Assessment of China’s J-20 Stealth Fighter,” *The Jamestown Foundation China Brief*, 6 May 2011.

tant challenge to forwards-deployed US air power and air bases as early as 1999, and warned that measures would have to be taken if US military installations in Japan, South Korea, and the Western Pacific were to be maintained.⁽³²⁾

By the mid-2000s, US defence analysts were beginning to talk about a growing PLA anti-access/area denial (A2/AD) challenge to US forces in the Western Pacific that sought to raise the costs to foreign militaries of operating from bases or ports near to China (anti-access) or from operating in waters or air spaces that China chooses to contest (area denial).⁽³³⁾ The package of capabilities described above are often described as being part of an "assassin's mace" (*shashoujian* 杀手锏), or a cluster of asymmetric "trump card" capabilities comprised of relatively inexpensive yet hard to defend-against weapons that could negate a more powerful military's strength advantages at a low cost. Because many of China's neighbours (including Japan, South Korea, Australia, and the Philippines) are heavily reliant on US extended deterrence guarantees, China's acquisition of military capabilities expressly designed to erode or undermine US forces' abilities to operate in the Western Pacific has fuelled efforts by these states to develop new capabilities of their own and tighten defence cooperation with the United States and other regional actors.⁽³⁴⁾

As the essays in this issue describe, efforts by Japan, South Korea, and Australia to respond to the challenges China's military modernisation poses have been shaped by these countries' domestic political constraints, budgetary limitations, legal requirements, and the need to respond to other threats as well (most notably North Korea for Japan and South Korea). Further afield, despite occasional debates about whether or not to lift the ban, European states and analysts have maintained the post-Tiananmen arms embargo, but play a smaller role than the US, Japan, South Korea, or Australia in giving voice to concerns about the implications of China's military modernisation drive.

Surprisingly, despite being the main focus of China's military modernisation throughout most of the last two decades, most observers have assessed Taiwan's response to China's military build-up as a case of underbalancing, providing an interesting puzzle for analysts. The threat is undeniable and widely recognised today. For example, as Shlapak and his colleagues found in their 2009 *A Question of Balance*, in which they revisited the issue of how a cross-Strait military conflict would likely play out, the PLA's investments in conventional cruise and ballistic missiles, more capable fighters and fighter-bombers, and naval modernisation have put Beijing on the cusp of having a potential war-winning option in the Taiwan Strait, especially if the PLA can destroy all of Taiwan's airfields and naval ports early on in a conflict.⁽³⁵⁾ Despite this clear and growing threat, Taiwan's defence budget has been largely static, and its armed forces are falling behind in terms of the air and naval platform head-to-head matchups with their PLA counterparts. Research by Michael Chase has suggested that domestic politics largely explain Taipei's relatively anaemic military response.⁽³⁶⁾ Still, not all observers agree with the notion that Taiwan has insufficiently upgraded its defences during this period, pointing to changes in defence strategy from "decisive campaign outside the territory" to "resolute defence and effective deterrence";⁽³⁷⁾ the purchase of large US defence packages (including the acquisition of missile defences);⁽³⁸⁾ and the development of technologies designed to target vulnerable Chinese surface vessels, such as the Hsiung Feng III anti-ship ballistic missile.⁽³⁹⁾ In this issue, Arthur Ding and Paul Huang weigh in to present their own views.

This issue of *China Perspectives* examines all of the issues discussed above in greater detail. It starts off with an essay by Richard Bitzinger, who provides an overview of China's military modernisation efforts and identifies those elements that have made the most progress and those that are lagging. As Bitzinger notes, a dramatic increase in the capabilities of selected parts of the PLA has created "areas of excellence," something akin to "an army within an army." At the same time that it has been building these advanced capabilities in strategic sectors of the force, the PLA has also been pursuing a broader set of upgrades aimed at both mechanising and informationising (or integrating computers and communications/data-sharing capabilities) the armed forces as a whole. These developments mean that the PLA as a whole is getting more networked, enabling it to pursue more complex integrated joint operations with multiple services acting in support of each other over greater distances. At the same time, select strategic forces such as the Second Artillery, the PLA Navy, and China's cyber-warfare forces are not having to wait for the military as a whole to modernise, but are pressing ahead rapidly to acquire critical capabilities designed to prevent Taiwan from pursuing independence and the US from intervening should cross-Strait conflict break out. And since the mid-2000s, the PLA has begun to focus on acquiring capabilities designed for contingencies "beyond the Strait,"⁽⁴⁰⁾ fuelled in part by a growing confidence about the cross-Strait military balance, in part by its need to justify continued defence upgrades, and in part by the requirement that the PLA be able to support "new historic missions," as outlined by President Hu Jintao in late 2004.⁽⁴¹⁾

Bonnie Glaser and David Szerlip, in their contribution, look at how the PLA's growing capabilities have been affecting China's relationships with Japan, South Korea, and Australia, three major US allies near China that have expressed anxiety about the capabilities China is acquiring and the implications of these for China's intentions. Beijing's acquisition of anti-access/area denial (A2/AD) capabilities is serving to undermine these three countries' confidence in the US's extended deterrence guarantee, and in order to respond, all three nations are tightening up defence cooperation with Washington and building up their abilities to defend themselves from missile and submarine threats by acquiring missile defences and building up their anti-submarine warfare forces, often through expanded submarine fleets of their own. In exploring how the three Asian-Pacific nations are re-

32. See John Stillion and David Orletsky, *Airbase Vulnerability to Conventional Cruise-Missile and Ballistic-Missile Attacks*, Santa Monica (CA), The RAND Corporation, 1999.

33. See Roger Cliff, et al., *Entering the Dragon's Lair: Chinese Anti-Access Strategies and their Implications for the United States*, Santa Monica (CA), The RAND Corporation, 2006.

34. See Brahma Chellaney, "Asia's New Tripartite Entente," *Project-Syndicate.org*, 10 January 2012; "Japan, S. Korea to Jointly Deal with China's Illegal Fishing," *Mainichi Shimbun*, 16 December 2011; "Japan, India to Cooperate on Nuclear Technology, Rare Earths," *The Asahi Shimbun*, 29 October 2011; "Gov't Working on Defensive Cyberweapon," *The Yomiuri Shimbun*, 3 January 2012.

35. See David Shlapak, et al., *A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute*, Santa Monica (CA), The RAND Corporation, 2009.

36. See Michael S. Chase, *Taiwan's Security Policy: External Threats and Domestic Politics*, Boulder (CO), Lynne Rienner, 2008.

37. See York W. Chen, "The Evolution of Taiwan's Military Strategy: Convergence and Dissonance," *The Jamestown Foundation China Brief*, vol. 9, no. 23, 19 November 2009.

38. See Shirley A. Kan, *Taiwan: Major US Arms Sales since 1990, Updated 15 September 2011*, Washington, Congressional Research Service, 2011.

39. See Wendell Minnick, "Taiwan's 'Carrier Killer' Aims to Sink China's Carrier," *DefenseNews*, 10 August 2011.

40. See Roy D. Kamphausen, David Lai, and Andrew Scobell (eds.), *Beyond the Strait: PLA Missions Other than Taiwan*, Carlisle (PA), US Army War College Strategic Studies Institute, 2009.

41. See James Mulvenon, "Chairman Hu and the PLA's 'New Historic Missions'," *China Leadership Monitor*, no. 27, winter 2009.

sponding to China's military modernisation, the authors examine comments and analyses from military and academic observers, as well as public opinion data and media editorials. In so doing, they find that something akin to a bipolar structure is emerging in the region, with Tokyo, Seoul, and Canberra counterbalancing their growing economic dependence on China with tighter political-diplomatic and military cooperation with the United States and each other, as well as with selected partner nations in South and Southeast Asia. While Japan appears to be moving most actively towards reinforcing its ability to hedge against a conflict with China, Australia and South Korea are moving in a similar direction. Their conclusions support a 2008 RAND study that found US security partners increasingly hedging in their responses to China's military modernisation, even as they continued to deepen their economic interdependency with the PRC.⁽⁴²⁾

Matthieu Dûchatel and Alexandre Sheldon-Duplaix, in their essay, explore how the PRC's investments in naval modernisation are affecting European Union members' interests and why foreign policy elites in Europe have tended to underappreciate what the continent has at stake in China's military modernisation choices. They find that because China's new surface vessels and submarine forces are not seen as threatening European states directly, many European analysts mistakenly conclude that the Continent's interests are not much affected by China's choices. By contrast, Dûchatel and Sheldon-Duplaix argue that the EU has at least five important interests that Chinese naval modernisation affects, including the way in which it is enabling, and perhaps even incentivising, Beijing to pursue more forcefully arguments it has previously advanced about the Law of the Sea and territorial disputes in the East and South China seas, with follow-on consequences for Europe's trade with other East Asian nations, its relationship with the United States, and the global economy. In reaching this conclusion, Dûchatel and Sheldon-Duplaix echo arguments made by some US scholars who have warned that the leading edge of Chinese military assertiveness may be a new "naval nationalism" that may destabilise the region over off-shore disputes.⁽⁴³⁾

Finally, as Arthur Ding and Paul Huang highlight in their essay, observers based in Taiwan have not been as alarmed by China's military modernisation efforts as balance of power realists might predict. Instead, Ding and Huang find that it is the tenor and atmosphere of repeated interactions

between the two sides of the Strait that have framed the perceptions of Taiwan analysts about the level of threat that the mainland poses to Taiwan more than the specific hardware and capabilities China is developing. In this sense, Ding and Huang suggest that while a focus on China's military modernisation may be useful, it is certainly not the only and probably not the most important trend shaping cross-Strait relations. Instead, for a number of reasons, including Taiwan's inability to compete head-to-head with the mainland on military power and its faith in the support of the United States, the political state of the cross-Strait relationship appears to be the most important determinant of how great a threat China is perceived to pose to Taiwan.

As the essays in this special issue attest, China's military modernisation drive, and in particular its decision to focus on the acquisition of asymmetric and destabilising technologies, is fuelling a regional arms race and the expansion of strategic balancing behaviour. Countries' specific decisions about how to respond to the PLA's growing capabilities reflect a host of factors, including the extent to which their interests overlap or are in conflict with China's; the tenor of their relationship with China and their assessments of Beijing's intentions; their vulnerability to specific weapons systems and their proximity to the PRC; their focus on other threats; and their domestic politics. Military modernisation alone is of course insufficient to explain China's relationships with its neighbours; at the same time, no assessment of the PRC's ties with its neighbours, diplomatic partners, or Taiwan would be complete without an understanding of how the military dimension affects these relationships. China's decisions about the ways in which it improves its military capabilities carry important and strategic consequences for the country's relationships with its neighbours. Looking to the future, Beijing will have to decide whether or not the political-diplomatic and military costs of countries' reactions to China's military modernisation outweigh the benefits of defence development. For the first time since the end of the Cold War, China's military power is being widely talked about as a factor that is destabilising the region. Whether or not China's leaders continue to prioritise defence modernisation choices that target regional adversaries in a destabilising fashion could help determine the level of regional co-operation or confrontation in the future.

42. See Evan Medeiros, et al., *Pacific Currents: The Responses of US Allies and Security Partners in East Asia to China's Rise*, Santa Monica (CA), The RAND Corporation, 2008.

43. See Robert S. Ross, "China's Naval Nationalism: Sources, Problems, Prospects," *International Security*, vol. 34, no. 2, fall 2009, pp. 46-81.