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*A Perspective on
Arms Race in Asia*

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A Perspective on Arms Race in Asia

Introduction

The world has watched the financial crisis that started in 2008 with shock and incredulity and the troubled Global War on Terror with some trepidation. These have justifiably dominated the Western media and the strategic community outside Asia. But the last ten years have seen a sea change in the strategic climate and balance of power in Asia that may have a far greater effect on the future of the world. In this decade, China's power has risen not only inexorably, but without challenge from any quarter. Astute students of history may note that the rise was indeed initiated in the Seventies by the West as an antidote to Russian power and continued through the Eighties and Nineties under the Open Markets framework of international relations (many even felt that geo-strategy had to be replaced by geo-economics). China used the global opportunities with a high degree of sophistication, capturing wide swathes of the international economic firmament while the West was struggling with strategic overreach. It is only in the last three years that the strategic effects of the arrival of China have been felt across the region. The reactions to China's rise to pre-eminence in Asia have been varied, and, in most cases tentative and ambiguous. This reflects in equal part the limited options available to its immediate neighbours, the limited capabilities of the West in Asia and the success of the Chinese strategy of "peaceful rise" which has been, of late, replaced by 'peaceful development' to remove any negative connotations of the earlier term.

While the strategic competition of the last decade has been conclusively and peacefully won in Asia by China, Asia's strategic future looks increasingly uncertain, and even clouded. It is not intended to cover this wider issue in this paper but it is enough to note that history, culture and ambition cannot remain subsumed to economic imperatives forever. Indeed, economic imbalances highlighted by the recent global recession may themselves be the causes of the emerging strategic flux

in Asia. In many ways, the situation in Asia today closely resembles that obtaining in Europe in the years preceding the First World War. The period preceding the First World War was marked by the rapid rise of German military power. Many authors have cited Militarism, Alliances, Nationalism and Imperialism as the leading causes of the war. According to John D Clare,

Militarism ... is not just an arms race, but also a government's attitude of mind, seeing war as a valid means of foreign policy. (This often includes the influence on government by the generals.) All the nations of Europe were militaristic, but the governments of Germany and Austria-Hungary were especially so. All the countries of Europe built up their armies and navies. In 1914, their armed forces stood like this: Germany- 2,200,000 soldiers, 97 warships, Austria-Hungary- 810,000 soldiers, 28 warships, Italy- 750,000 soldiers, 36 warships, France- 1,125,000 soldiers, 62 warships, Russia- 1,200,000 soldiers, 30 warships, Great Britain- 711,000 soldiers, 185 warships. As one country increased its armies, so all the others felt obliged to increase their armed forces to keep the 'balance of power'.¹

China's military expenditure has been rising alarmingly in the last decade and so have been its military capabilities. From the Chinese viewpoint, a global power needs corresponding military capabilities to safeguard its global interests. However, the unfettered expansion of Chinese interests, and the methods it appears to be pursuing to support them, is a genuine source of apprehension amongst Asian states. Not surprisingly, Militarism, Alliances, Nationalism and Imperialism mark the strategic discourse in Asia. One of the major features of militarism is a sustained arms race. It is, therefore, but natural for the strategic community and the international community at large to wonder if Asia has indeed entered into a sustained arms race with its inevitable consequences or whether the current military build-up across the region only corresponds to a policy of 'good fences make good neighbours'.

¹ Clare, John D, http://www.johndclare.net/causes_WW12.htm#Militarism

In the succeeding paragraphs we discuss the Richardson Arms Race model and use it as a framework to discuss the evolving strategic imperatives in Asia.

Arms Race Analytical Framework

The term Arms Race, in its original usage, describes a competition between two or more parties for real or apparent military supremacy. Each party competes to produce larger numbers of weapons, greater armies, or superior military technology in a technological escalation. Nowadays the term is commonly used to describe any competition where there is no absolute goal, only the relative goal of staying ahead of the other competitors.

During the First World War, the Quaker physicist Lewis Richardson (1881-1953), noted that Anglo-German arms races had had the property that the number of extra ships built by Britain in period two partly reflected the number built by Germany in period one, and the number built by Germany in period three partly reflected the number built by Britain in period two.² Richardson worked on this model from 1940 but his results were published only posthumously in 1960 in the seminal work, *Arms and Insecurity*.³

Using historical quotes from European statesmen, Richardson developed a model to capture how each nation's fear of its rival pushes its decision makers to develop an armament program, further fuelled by long term historical grievances, and tempered only by the drag that the production of armaments puts on the country's domestic economy. Richardson modelled these phenomena as a difference equation system which might have a stable, or as in 1914, an unstable outcome. This system has become known as the ***Richardson Arms Race Model***. Richardson showed how the analysis of this simple two-variable, linear, differential equations model can actually

² http://www.answers.com/topic/arms-race-2#American_Military_History

³ Richardson, Lewis F. and Rashevsky, Nicolas and Trucco, Ernesto; *Arms and insecurity : A mathematical study of the causes and origins of war*, Stevens & Sons, London, 1960

provide answers about the causes of war. When two nations fear each other to the extent that they do not care about the impact that the armament programs have on their respective domestic economies, then the arms race will spiral off into an infinite arms level for both sides, leading to war. Only when the economic drain of an armament program outweighs fear will the two nations consider armament reductions and thereby avoid war. Using data prior to the First World War, he demonstrated that the solution to the differential equations indeed looked very much like the time line of armament build up.⁴

We use below an explanation of the model, adapted largely from David Bigelow.⁵ The basic system is given by the equations:

$$\frac{dx}{dt} = ay - mx + r$$

$$\frac{dy}{dt} = bx - ny + s$$

Each differential equation represents the rate of change of arms build-up for a particular country. x and y represent the amount of weapons that countries X and Y have at time t . Each constant has a specific meaning and a value that varies from system to system (combination of countries). The constants a and b are known as “**fear**” or “**reaction**” constants. They represent the desire of a country to increase arms at a rate proportional to the amount of arms that their opponent possesses. The constants m and n are known as the “**restraint**” or “**fatigue**” factors. They represent the desire of a nation to reduce arms stockpiles at a rate directly proportional to what they possess. r and s are the “**grievance**” constants, and represent effects not captured by the fear or restraint. These constants can contain strategic objectives, ambition, external pressure, a revenge motive, and other factors not directly related to arms stockpiles. This system of equations has meaningful

⁴ Kadera, Kelly M and Zinnes, Dina, *The Origins and Evolutions of SSIP: How Methods met Models, with a Short Interlude*, myweb.uiowa.edu/bhlai/workshop/ssip.pdf

⁵ Bigelow, David, *An Analysis of the Richardson Arms Race Model*, 25 November 2003, www.resnet.wm.edu/~jxshix/math302/bigelow.pdf

answers only in the first quadrant (weapons stockpiles can only be positive). Similarly, only r and s can be negative (or zero). This system can be expanded to include any number of equations, each one representing a single country. For example, a system of three equations would be expressed as:

$$\frac{dx}{dt} = ay + bz - mx + q$$

$$\frac{dy}{dt} = cx + dz - ny + r$$

$$\frac{dz}{dt} = ex + fy - oz + s$$

The simple Richardson model described above is of little practical significance, and many researchers have modified it in multiple ways to make suitable deductions from empirical data. At the same time, it is useful to remember that Richardson did actually fit it to the data pertaining to the period preceding the war with a degree of success. The real value of the model lies, though, in the framework it provides for analysing military capabilities and potential arms races. In particular, the attempt to determine the three constants corresponding to **Reaction**, **Restraint** and **Grievance** for a set of countries over a specified period provides the motivation for looking in a structured manner at qualitative and quantitative attributes of the geo-strategic environment that result in valuable insights.

Modelling Military Capability and Richardson Constants

Military Capability

- The Richardson Model described above models 'military capability'. However, military capability is not a unitary component with a single scalar value. At the same time, detailed force structures and plans belong more in the domain of tactics and operational art and are not ideal inputs for the study of strategy

and arms races at the strategic level. At this level, we need other metrics that can be assessed with a greater degree of accuracy and confidence.

- Therefore, the military expenditures of nation states may be taken as valid proxies of military capability (as done by Richardson himself) with certain stipulations. Major stipulations in this case pertain to the correlation between political objectives and military capability (these may be divergent) and the lag effect between military expenditures and capability. The lag works in both directions: it takes time before recently procured military systems can be converted into an operational capability due to the requirements of doctrine, training and support systems; and, major conflicts often lead to stepped up military expenditures for several years as states attempt to make up expended assets or catch up on revealed weaknesses. Thus, we may study military expenditures in the context of examining arms races by normalizing for these stipulations. Figure 1 shows the military expenditures of select Asian states for the last decade.

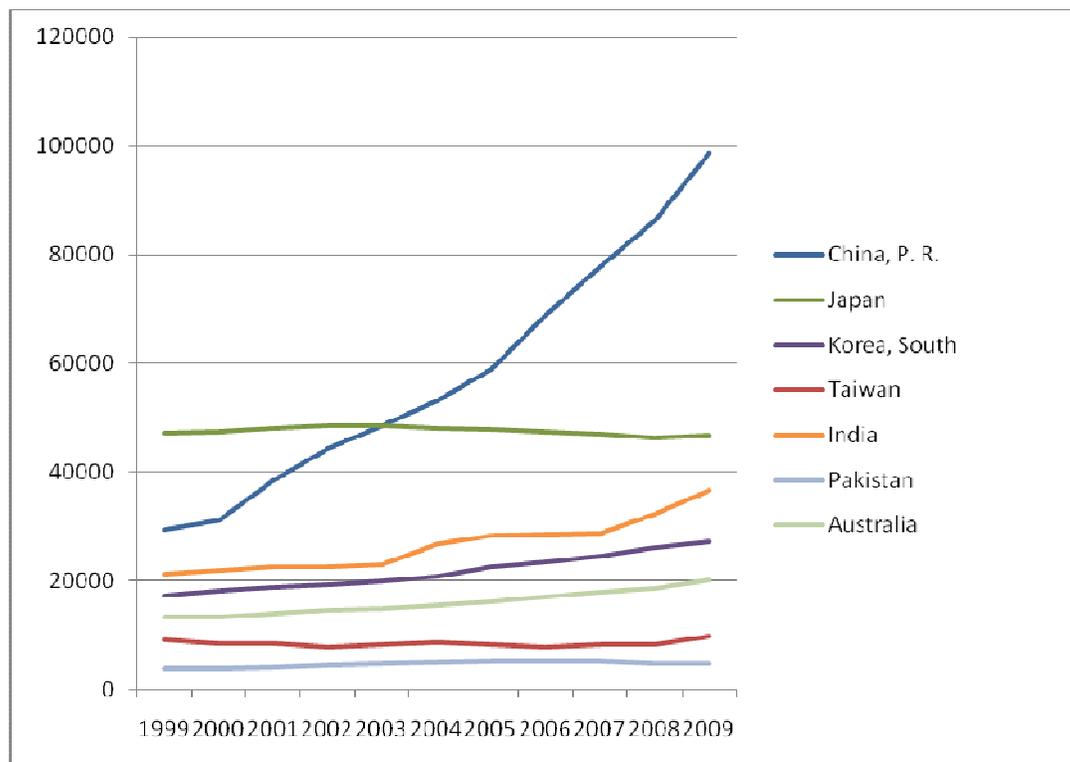


Figure 1: Military expenditure by country, in constant (2008) US\$ m, 1999-2009**Figures are in US \$m, at constant 2008 prices and exchange rates****Source: SIPRI Military Expenditure Database 2010, 08 October 2010****Restraint Factors**

- Restraint constants are derived from both measurable and non-measurable parameters and phenomena. The most common measurable parameter is the share of national income that a state is able to spend on military capability. Figure 2 shows the share of military expenditure as a percentage of Gross Domestic Product (GDP) for select Asian states for the last decade.
- The share of GDP itself is derived from GDP. A higher GDP may permit a state to incur very high military expenditures even though the share as a percentage of GDP remains low. Figure 3 shows the GDP of select Asian states.
- In a globalized scenario, advanced military capabilities are often (though not always) dependent upon imports of high technology systems. This requires the importing states to be able to pay for them. Thus free reserves available to states can be a useful metric to assess the Restraint constants. Figure 4 shows the total reserves of select Asian states.

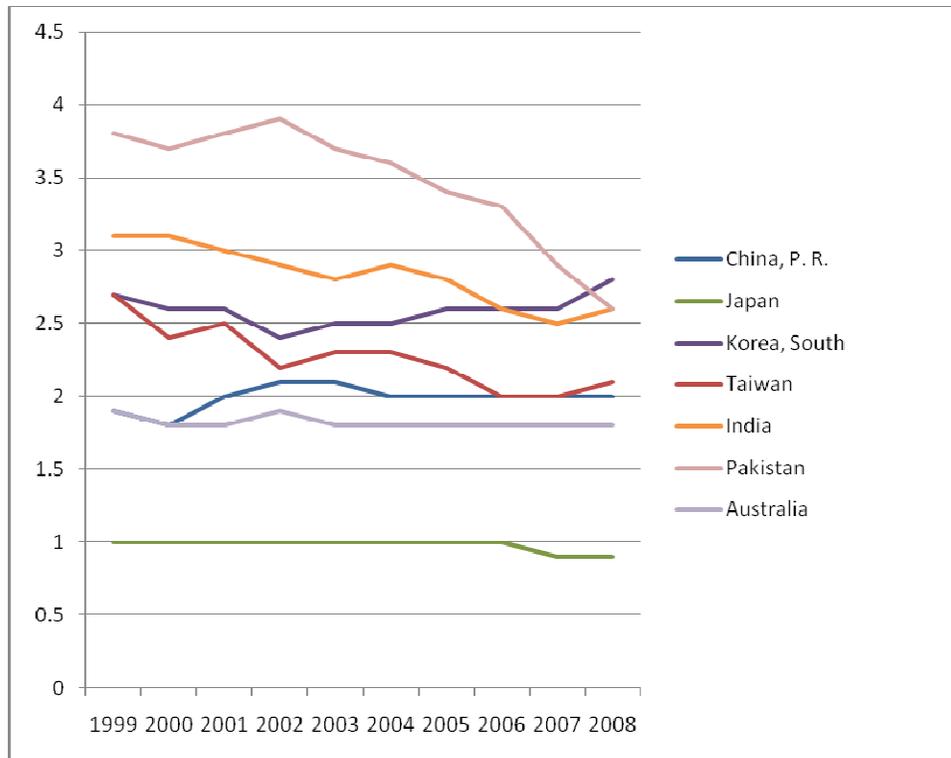


Figure 2: Military expenditure by country as percentage of gross domestic product, 1999-2008

Source: SIPRI Military Expenditure Database 2010, 08 October 2010

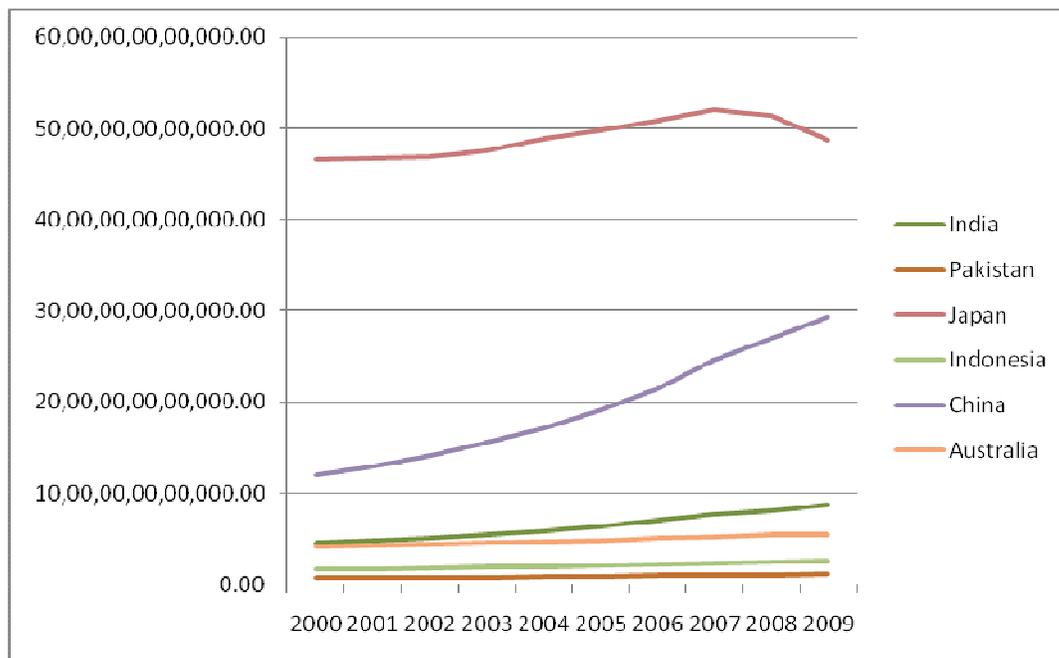
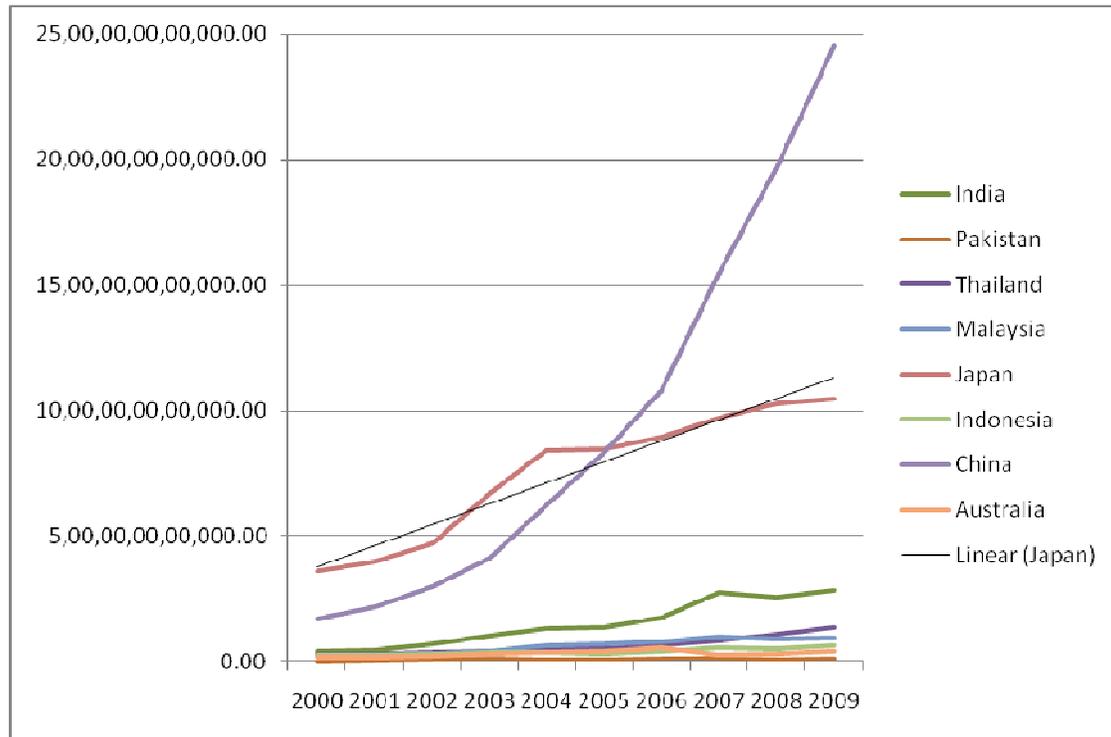


Figure 3: GDP (constant 2000 US\$)**Figure 4: Total reserves (includes gold, current US\$)**

- Restraint factors are not only military or economic but may also be political, social or socio-economic. For example, a high GDP or large reserves may be applied at priority to socio-economic development of developing countries in preference over building military capability. The per capita GDP is a good measure of the general well being of the population of a state and may provide valuable indicators of its ability (and not propensity) to take part in an arms race. Figure 5 shows the per capita GDP for select Asian states. Similarly, the requirement of food may be taken as a parallel relevant metric to other restraint metrics. Figure 6 shows the Food Production Index of select Asian states.

- In the Asian context in particular, and at the global level in general, the changes in the geo-economic environment in the last two decades have been driven by massive trade flows between Asia and the rest of the World as also within Asia. Expanded trade linkages across political and historical fractures have often been considered as restraining factors against strategic and military competition/conflict. Figure 7 shows the value of trade as a percentage of GDP for select Asian states.

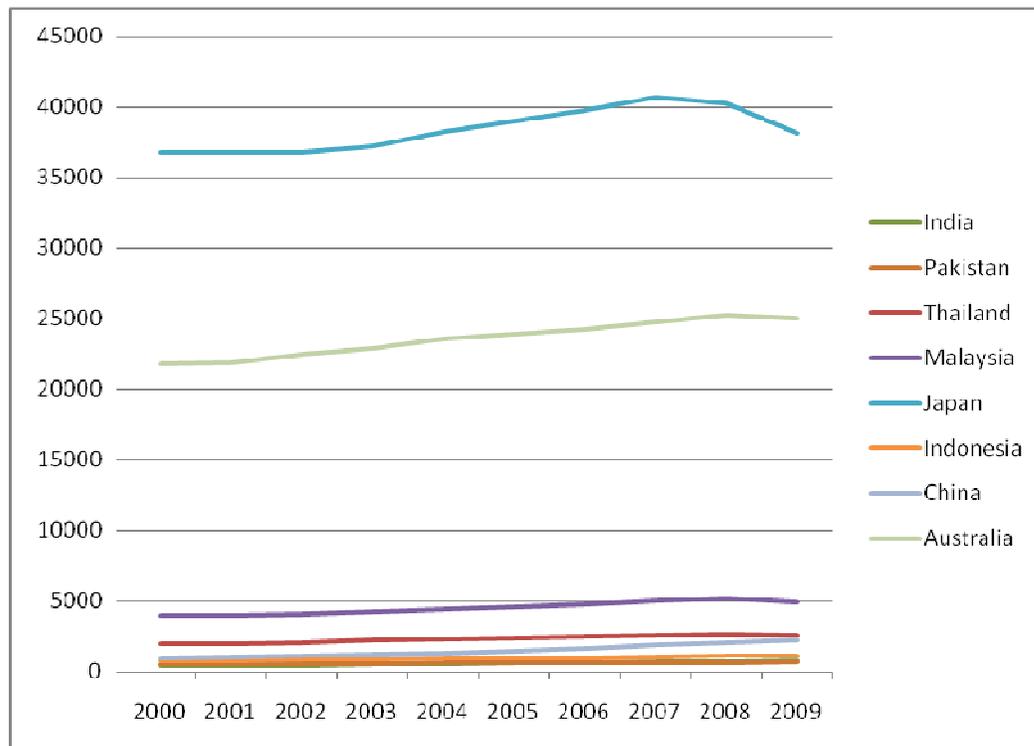


Figure 5: GDP Per Capita (constant 2000 US\$)



Figure 6: Food production index (1999-2001 = 100)

Source: World Bank Database

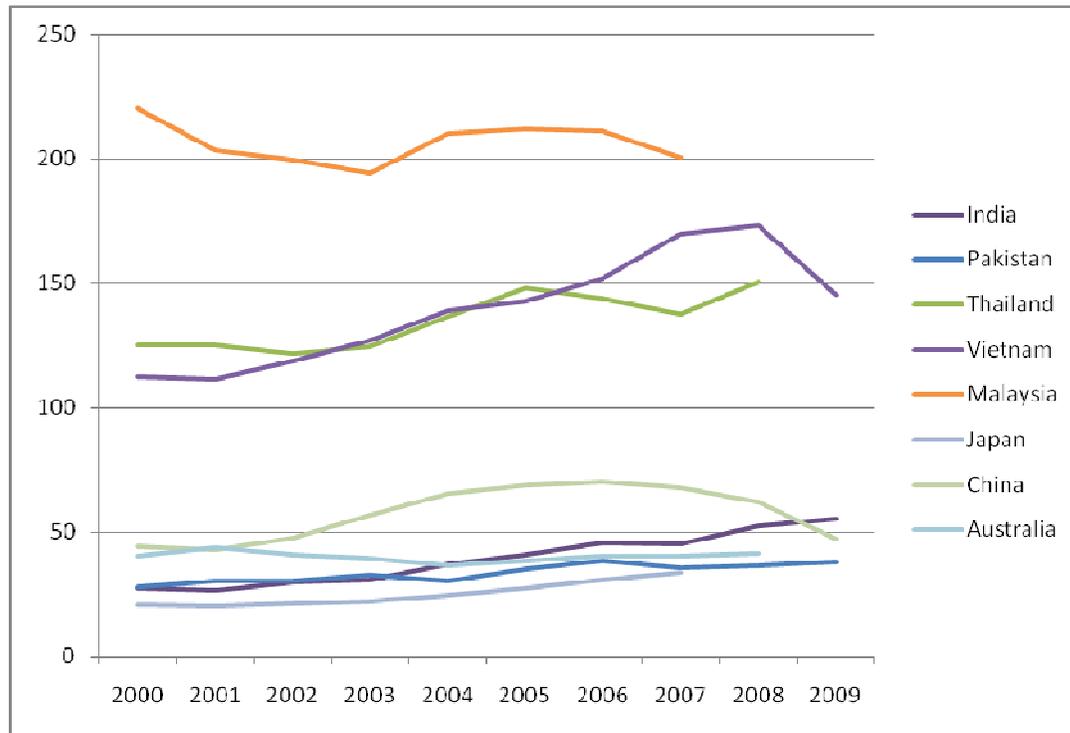


Figure 7: Trade as % of GDP

Reaction Factors

- Reaction constants in the model are derived from the assessment of the military capabilities of potential rivals and the state's desired response to those changes. Reactions need not always be military and could be manifested in the form of strategic alliances among other possible measures. The Richardson model will not be able to capture these other perspectives of strategic competition in a two state model; however, this can be done using multiple state systems with constants derived based on the alliance structures (as done by Richardson himself for the pre First World War period).
- One objective measure of the reaction effect could be arms transfers between states. Arms imports can be taken as one direct measure of the 'Fear' a state faces, while arms exports can be taken as one direct measure of its desire to expand its military capabilities through arms supplies to friendly or alliance

states. Figures 8 and 9 show the arms imports and exports respectively in Asia for select states.

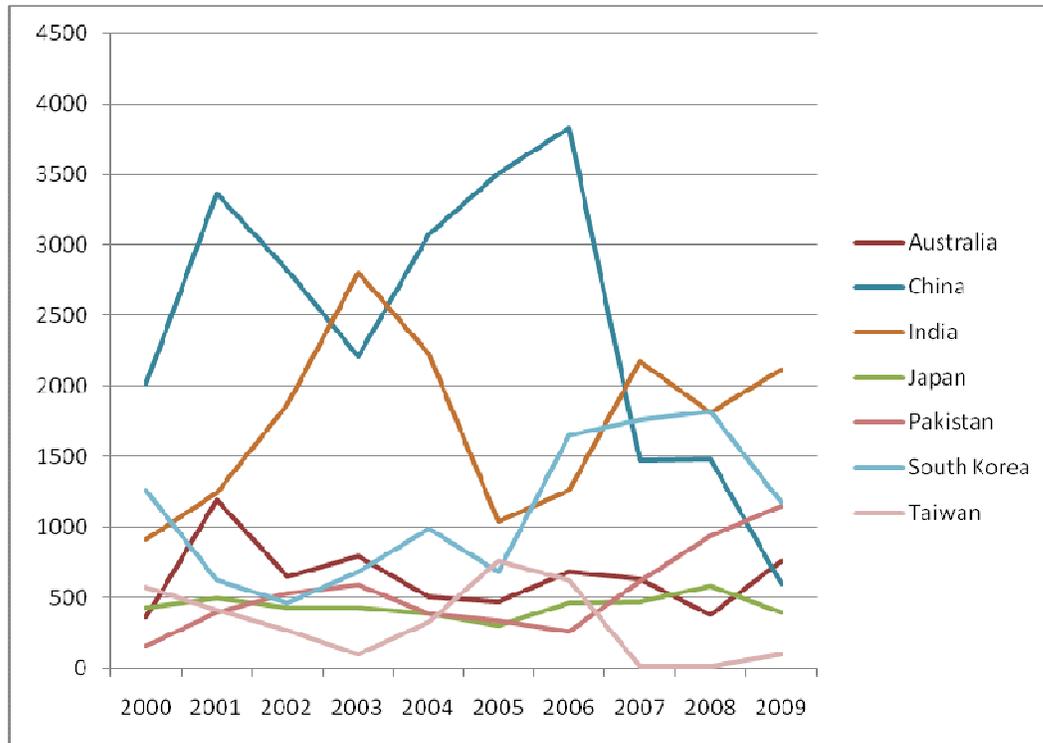


Figure 8: Arms Imports expressed in US\$ m at constant (1990) prices

Source: SIPRI Arms Transfer Database, 08 October 2010

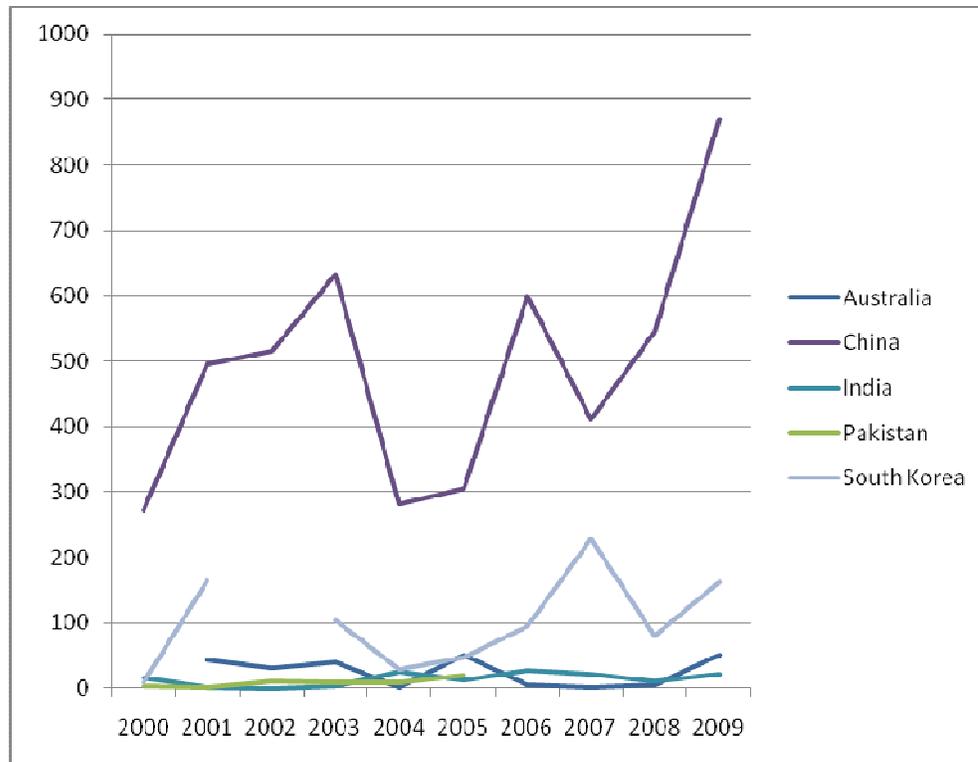


Figure 9: Arms Exports expressed in US\$ m at constant (1990) prices

Interpreting the Restraint and Reaction Factors Data

Arms Build-up in Asia

- The most striking observation from Figure 1 is the inexorable, rapid rise in Chinese military expenditure in the last decade. This needs to be considered along with internationally accepted assessments that military expenditures are significantly under reported by the Chinese.
- As also seen from Figure 1, Indian, South Korean and Australian military expenditures also show a secular upward trend. While the South Korean case is directly linked to North Korean posturing and its alliance with the US, it does indicate an exacerbation of strategic tensions in North Asia. The apparent stability in Japanese expenditure is linked to its recent pacifist history and the Pakistani expenditure is limited due to its own precarious circumstances.

Resources Available

- Figure 2 indicates that the Chinese military expenditure as a percentage of GDP has been holding steady at about 2%. As seen from Figure 3, China's GDP has almost trebled in the last decade; thus a steady percentage of GDP has translated into massive increases in military expenditure. During the same period, India is the other Asian state to have grown its GDP significantly. However, India's military expenditure as a percentage of GDP has fallen from over 3% of GDP in 1999 to about 2.5% of GDP in 2009, thus resulting in a much lower proportional increase in military expenditure vis-a-vis China.
- Figure 4 shows the almost exponential increase in reserves available to China to execute its military modernization plans. Reserves available to Japan, India, Thailand, Malaysia and Indonesia have also grown, albeit at much lower and comparable rates. This has been reflected in the ability of Asia as a whole to withstand the 2008 financial shock in a much better manner, while still retaining the capabilities to pursue their military acquisition plans.

Other Restraints

- Figure 6 depicts a major challenge facing Asian nations, and one with the potential to derail any military modernization plans. The populous and growing Asian states (thus excluding Japan and Australia) have to feed growing populations whose aspirations and dietary requirements are growing in line with their growing prosperity (as seen from the steady increase in per capita GDP in Figure 5).
- Figure 7 depicts the biggest dampener, not on the expansion of military capabilities, but on their application. The root cause here is economic globalization, represented by the high share of trade as a percentage of GDP. This is obvious for all ASEAN states but increasingly for India and Pakistan. The case of China is interesting as the percentage of trade has actually

dipped since 2007. This is no doubt due to unsustainably high positive trade imbalances in China's favour and its conscious decision to control these.

Reactions to Adversary Arming

- It has been argued that strategic culture has a lot to do with how a state responds to military capability accretion by its potential adversaries. The Japanese switch from a hegemonistic stance to an entirely pacifist stance after the Second World war has a lot to do with the forced restraint being observed by Japan till now. On the other hand, the Chinese elite sees the late 19th and most of the 20th centuries to be a period where China's 'greatness' was circumscribed by 'outsiders'. The Chinese culture and state structure support a long term and strategic view to be taken in respect of strategy and strategic capabilities. Though currently subdued, Japan has a strong militaristic vein in its strategic culture. There are many strands in the political winds now blowing across North Asia and the East China Sea, which could stoke these tendencies in the coming years. History has forced strategic accommodation on the current members of ASEAN, and this appears likely to continue for a long time to come.
- In contrast to China, India's pluralistic democracy, with a long history of assimilation of 'outsiders', is not ideally suited to long term capability building. Specifically in the India-China context, India has a history of responding to the Chinese challenge by non-military as opposed to military means. South Asia, with its long history of colonial subjugation, provides the new arena where the Islamic wave from West Asia, Chinese mercantilism and US military pre-eminence are meeting: their strategic culture and history do not provide much guidance or inspiration to the states in the region for the kind of strategic choices they now face. This is reflected in volatile political and strategic swings in Nepal, Bangladesh, Sri Lanka and Afghanistan, and seen in the most pronounced manner in Pakistan. ***This provides for a very complex set of circumstances to which the traditional arms race analogies and***

frameworks are very difficult to apply. Indeed, Zhu Feng⁶ has devised the term **flash-point driven framework**, to explain many of the arming actions of states in the region.

- Strategic culture has long been the preserve of elites. This axiom is now under close examination by the power of the mass media. The reach of the traditional media has been expanded many more times by the Internet. This is true even in a tightly controlled system like China. Indeed, national governments have often been found at major dissonance with the popular media, often having to respond with quick fix policy formulations once an issue has generated a particular kind of mass response fuelled by the media. This appears to be so in the case of the grudging and laboured response of the Indian government to the major build-up of military infrastructure and force structure in Tibet. **Indeed, one major criticism of the Richardson Model, that it treats states as unitary agents, seems to be validated in so far as the impact of the mass media on the military postures of national governments is concerned.**
- Internal political competition can also have a significant impact on the response of states to the stimulus of military capability accretion by potential adversaries. This is more so in the case of 'hybrid' states as opposed to those that are evolved democracies or outright dictatorships.

Richardson Grievance Factors or Strategic Imperatives

The Reaction and Restraint factors structured above are directly linked to the military capabilities of adversaries or to own capacities. However, relations between states are driven by many other factors that the Richardson model attempts to capture in the Grievances constant. In the Ends, Ways and Means framework of national security, Ends are driven by vision, history and interests; the Grievances factor in the Richardson model encompasses all of these. Hence, there are a large number of

⁶ Feng, Zhu, *An Emerging Trend in East Asia: Military Budget Increases and their Impact*, Asian Perspective, Vol 33, No 4, 2009, pp 17-45

Strategic Imperatives that need to be factored in. The most prominent ones from a South Asian perspective are discussed in the succeeding paragraphs.

Rise of China and Expansion of its Interests

- China's sustained industrial expansion and its becoming the manufacturing hub for the world has created a huge demand for natural resources that it cannot meet domestically. Thus, it has had to expand aggressively into unstable regions in Africa, South Asia and West Asia. The relationship with many of these states is based on sustaining existing regimes through massive arms transfers from China. Such transfers, typically, do not conform to the dynamics of bloc oriented arms races.
- Energy is another specific area from the natural resource portfolio that has an impact on China's military potential. One, the majority of China's oil and gas flows through the sea lanes of the Indian Ocean and the China Sea (as does that of many other Asian states). Protection of these assets is also driving China's naval expansion, extending all the way to the building of its first air craft carrier as also justifying the expansion of the nuclear submarine fleet.

Future of the Chinese State and its Impact on South Asia

- Despite its dramatic 'peaceful rise' China's internal political structures remain fragile. The need to ensure unquestioned ascendancy of the Communist Party leads to certain dynamics of military capability building designed to control political dissent and allay nationalistic elites in one go.
- China's development has been extremely skewed with great regional disparities. These attributes combine with the socio-cultural differences between the predominantly Han population and those in Tibet and Xinjiang to create the dynamics of expansion of infrastructure in border regions that can justifiably be seen by neighbours as military expansion. These dynamics enter into the military equation as it relates to India and its neighbours, notably

Nepal and Pakistan. The same can be said of China's activities in Myanmar, Bangladesh and Sri Lanka.

Geo-political Factors

- The typical arms race has often been driven by some overarching ideological divide. In the case of Asia, the geo-political factors of lingering territorial disputes provide a much more complicated context for the analysis of military balances.
- In South Asia, Kashmir remains an abiding point of territorial conflict between India and Pakistan. Into this equation we have to throw the variable of Afghanistan and the Pakistani perception that control of Afghanistan is required to provide it 'strategic depth' against India. It can be argued that this single factor is enough to explain the entire military competition between India and Pakistan. This is no doubt simplistic, as Pakistan has become but one element of the India -China balance in South Asia.
- China's growing 'power' has seen it become assertive regarding the Tibetan question, the activities of the Dalai Lama (who is based in India) and the status of Arunachal Pradesh in India which China aggressively refers to as South Tibet. This recent intransigence is viewed by India not as the likely cause of a regular war but as a potential flash-point with escalatory complications that China may use to pressurise India. It is, therefore, not surprising that India would attempt to put in place a minimal deterrent capability to hold ground as also be able to respond incrementally to stand-off attacks using missiles or the holding of a nuclear threat.
- It is East Asia that is witnessing the impact of Chinese assertion of territorial claims in the China Sea. As Hannah Beech puts it:

Now, a resource-hungry China is flexing its geopolitical muscle too. The Diaoyu/Senkaku islands may be uninhabited rocks, but they are thought to be surrounded by major underwater deposits of natural gas; not

coincidentally, in August Beijing announced that it had dispatched a manned submarine more than two miles beneath the South China Sea to plant a Chinese flag on the seafloor. China's increasingly assertive claim to nearly all of the South China Sea has riled other Asian nations, who believe they're entitled to at least part of that vast aquatic expanse. Most contentious are the Spratly and Paracel islands, a scattering of coral atolls across much of the South China Sea, parts of which are claimed by six governments and are located in waters - surprise, surprise - believed to hold significant untapped oil and natural-gas reserves.⁷

Armament Technology and the RMA

- While technological competition is a natural part of any military competition, the so-called Revolution in Military Affairs (RMA), demonstrated most dramatically in the second Gulf war provides a unique dynamic to military modernization and military expenditures that is not necessarily 'threat based'. Indeed, the publication *Unrestricted Warfare* by two PLA colonels was a response to the perceived US lead in certain military capabilities that could be addressed only asymmetrically. Notwithstanding the attention to asymmetric methods in the interim, China and the other major Asian militaries have launched military technology programs covering as many parts of the RMA that they can afford. To quote John Feffer:

Our notions of an arms race based on perceptions of threat - and the spiral of reciprocal spending based on those perceptions - must be altered. There are still fears of falling behind an adversary's capabilities. But equally important is the fear of falling behind new standards of modern weaponry and the latest technological advances in networked warfare. In the 1990s, for instance, the United States initiated a "revolution in military affairs" that **stimulated other countries to believe that applying new computer and communications technology to the**

⁷ Beech, Hannah, *Asia's New Cold War*, Time Magazine, Sunday, October 3, 2010, <http://www.time.com/time/magazine/article/0,9171,2022546,00.html>

modernization of their militaries was not optional but obligatory.

Without such an upgrade, national leaders believe that they are not only left behind but cannot even effectively operate in the same security environment.⁸

- Nuclear proliferation and the spread of nuclear capabilities is another dynamic that does not conform strictly to the arms race seen during the Cold War, even as it applied to nuclear weapons. The new factor here is that the competition is no longer two sided but multi-sided with the US, China, India, Pakistan, Israel and even Iran forming autonomous poles. Thus, survival of a state's nuclear forces against a 'first strike' has become the main objective of any nuclear force structure. This has led to the development of land mobile and submarine based nuclear forces, not necessarily balanced against any particular adversary. To quote Richard Weitz:

Writing in the Liberation Army Daily, retired Maj. Gen. Xu Guangyu argued that China **needed a limited nuclear force capable of surviving and retaliating against a first strike by any adversary.** China has thus far focused its resources on developing shorter-range nuclear forces capable of attacking targets in Japan, Taiwan, India, and eastern Russia, rather than intercontinental-range missiles and bombers. Xu's commentary suggested that Beijing intended to field more of such strategic systems in coming years. He said that, 'International experience shows the most effective second-strike capability is submarines.' For that reason, Xu explained, SSBNs 'and the upgraded missiles are a focus' of the PRC's current nuclear modernization drive.⁹

- Space is another frontier that countries seem to be approaching from a technological perspective rather than a threat based perspective. Space brings advanced capabilities in Command and Control and Surveillance.

⁸ Feffer, John, *Introduction to the Special Issue: An Arms Race in Northeast Asia?*, Asian Perspective, Vol 33, No 4, 2009, pp 5-15

⁹ Weitz, Richard, *China's Nuclear Options*, The Diplomat, 26 April 2010, <http://the-diplomat.com/2010/04/26/china%E2%80%99s-nuclear-option/>

Space capabilities also impact military capabilities like Ballistic Missile Defence and Electro Magnetic Pulse (EMP) weapons. This could explain much military expenditure that cannot be ascribed to a traditional arms race. A good example of such efforts is the Anti Satellite (ASAT) carried out in January 2007 and Ground-based Mid-Course Missile Interception test conducted by China in January 2010¹⁰.

Military Infrastructure

- Infrastructure development in border regions can be ascribed to either development or military capability. The genuine test whether it should be assigned to a military competition or development efforts would be the test of proportionality. As in many other areas of capability development, frenetic infrastructure development in extremely sparsely populated areas of Tibet would logically be viewed by India as military capability development, whether it was so intended by China or not.
- China's major push to bypass the vulnerable sea lanes and obtain direct access to the India Ocean is driving its trans-Himalayan infrastructure development in Pakistan (headed to the Gwadar port) and Myanmar. India cannot ignore these developments as it permits China to apply military potential in hitherto unreachable areas as also collude effectively with Pakistan in case of an India-Pakistan conflict. It is **not surprising, then, that India would upgrade its threat scenarios from a single front conflict to a two-front conflict with concomitant requirements of military capabilities.**

¹⁰ For a larger discussion see Rajeswari Pillai Rajagopalan, "*China's Missile Defence Test: Yet Another Milestone?*", available at http://www.idsa.in/idsacomments/ChinasMissileDefenceTest_rprajagopalan_010210

Emerging Asian Power Balance

- The heavy involvement of the West, especially the US, in Afghanistan and West Asia, with its emphasis on the war on terror, has enabled China to expand its influence in all of Asia. The inability of the US and the unwillingness of Europe to pose any effective challenge to China in Asia, and more specifically in East Asia has been demonstrated all through the current financial crisis. This US 'impotence' has brought the entire framework of extended deterrence under which US allies like Japan, South Korea and Taiwan structure their military capability into question. As Richard Weitz puts it with reference to Japanese nuclear capabilities:

Fears about Beijing's ambitions have worried US and Japanese policy makers concerned about sustaining the credibility of the US extended nuclear deterrence guarantee to protect Japan against Chinese aggression. In the past, American pledges to defend Japan against a nuclear attack from China or North Korea have been a major, perhaps decisive, factor in dissuading Tokyo, which has advanced civilian nuclear capabilities, from developing its own nuclear weapons. A Chinese nuclear surge, even if it didn't achieve absolute nuclear parity with the United States, would risk undermining Japanese faith in the credibility of US deterrence commitments.¹¹

- While the US remains a dominant military presence, Asian, particularly ASEAN states have been well advised to look at military capabilities in a 'hedging framework'.¹² It is no surprise, therefore to see defence spending by ASEAN states go up rapidly in recent years. Figure 8 shows arms imports by select Asian states, with India, Australia, South Korea, Taiwan and China itself emerging as major recipients.

¹¹ Weitz, Richard, *China's Nuclear Options*, The Diplomat, 26 April 2010, <http://the-diplomat.com/2010/04/26/china%E2%80%99s-nuclear-option/>

¹² Feng, Zhu, *An Emerging Trend in East Asia: Military Budget Increases and their Impact*, Asian Perspective, Vol 33, No 4, 2009, pp 17-45

- Amidst the ASEAN ambivalence about China's military capabilities, Vietnam stands out as the state directly impacted by Chinese military might and thus most subject to arms racing effects. In this, its position is very similar to that of India. As Andrew Marshall puts it:

Vietnam has made no secret of its opposition to what it calls Chinese hegemony in the South China Sea. Last December it ordered six Russian submarines in a deal worth \$2 billion or more; two months later another \$1 billion was spent on 12 Russian fighter jets. Malaysia might be less vocal about its China anxiety, but its decision to base its new Scorpène-class subs on the island of Borneo, with its strategic outlook over the South China Sea, speaks volumes.¹³

Chinese Superpower Ambitions

- The traditional discourse in the strategic community till the recent past has been how China would become the No 2 behind the US, overtaking other nations. Even the Chinese have striven to position their evolving economic and military capabilities in a non-threatening mould; indeed the Chinese frequently and aggressively decry the 'China threat' as a Western bogey designed to 'keep China down'. This has started changing. There are increasing calls in the Chinese system for China to displace the US as the pre-eminent power in the World. In this equation, the trillions of US debt held by China is seen by many to be the ultimate trump card.
- It is in the above context that China has emerged with an active Revisionist posture. The foremost strand of this revisionism is to invoke a large number of historical claims other than Taiwan. This is bound to reflect in its military capability building, particularly in the China Seas. As Toshi Yoshihara puts it:

But Taiwan is not the only prize. The 'China seas' – the Yellow, East China and South China Seas – have long been regarded by Beijing as its

¹³ Marshall, Andrew, *Military Maneuvers*, Time Magazine, 27 September 2010, <http://www.time.com/time/magazine/article/0,9171,2019534,00.html>

offshore preserve. Heavy maritime traffic, driven by fellow Asian nations' voracious appetite for Chinese goods, plied these waters in dynastic times. Indeed, these nautical thoroughfares were integral to the China-centric maritime order, which collapsed after the fleets of China's last dynasty suffered humiliating reverses at the hands of Western imperial powers and Japan. ***China's capacity to influence events at sea with its missile force could thus buttress Beijing's sense of entitlement over large bodies of Asian waters.*** Historical, strategic and operational considerations stimulate China's pursuit of disruptive technologies at sea. We should therefore expect Beijing to lavish resources on its arsenal for the foreseeable future.¹⁴

- China's 'peaceful rise' was always about Comprehensive National Power (CNP). Recently, many PLA officers have been openly calling for China to become the predominant world military power by overwhelming US capabilities all over the globe. While these are not official Chinese positions, they are a clear pointer to the future trend. As Chris Buckley reports:

Liu and other PLA officers, however, say ***they see little chance of avoiding deepening rivalry with the United States, whether peaceful or warlike.*** "I'm very pessimistic about the future," writes another PLA officer, Colonel Dai Xu, in another recently published book that claims China is largely surrounded by hostile or wary countries beholden to the United States. "I believe that China cannot escape the calamity of war, and this calamity may come in the not-too-distant future, at most in 10 to 20 years. If the United States can light a fire in China's backyard, we can also light a fire in their backyard," warns Dai. Liu said he hoped China and the United States could manage their rivalry through peaceful competition. "In his State of the Union speech, Obama said the United States would never accept coming second-place, ***but if he reads my book he'll know***

¹⁴ Yoshihara, Toshi, *China's Maritime Missile Threat*, The Diplomat, 10 May 2009, <http://the-diplomat.com/2009/05/10/chinas-maritime-missile-threat/>

China does not want to always be a runner-up," said Liu in the interview.¹⁵

Strategic Alliances – Cause and Effect

- The Cold War saw an arms race between two ideological blocs. Though there are no similar blocs in Asia, the alliance effects are prominent and likely to grow. The US, South Korea, Japan and Taiwan are all aligned under a US deterrence umbrella. However, South Korea and Japan have their own historical animosity and suspicion. Similarly, Taiwan is in no way aligned with either Japan or South Korea. This, however, is not the view from China who sees the net military capability of these states as a US threat.
- Vietnam has a history of antagonism and conflict with China. The recent rapprochement between the US and Vietnam, and a growing defence relationship between Vietnam and India is bound to raise Chinese hackles. At the same time, it opens up the possibility for the US and India to factor in Vietnamese military potential into a strategic balance with China.
- China is also worried about a possible military synergy between the 'democracies' comprising the US, Japan, Singapore, India and Australia. This sensitivity is apparent particularly with respect to the Indian Ocean, and will have an impact on naval force structures in Asia.

Pakistani Intransigence

- Amidst the complex multi-polar strategic interactions discussed earlier, Pakistan remains singularly focussed on the India Threat. This is despite successful US moderation of the Indian stance on behalf of Pakistan.
- The principal drivers of Pakistani antagonism towards India are historical issues of Kashmir and the humiliation of Bangladeshi independence. The structure of the Pakistani state has been weakening progressively and the

¹⁵ Buckley, Chris, *China PLA Officer Urges Challenging US Dominance*, Reuters, Beijing, Feb 28 2010, <http://www.reuters.com/article/idUSTRE6200P620100301?pageNumber=1>

military remains the dominant organ of state. This results in excessive arming at the behest of and with the purpose of preserving the pre-eminence of the military.

- Western incredulity and Pakistani duplicity have ensured massive transfers of arms to Pakistan, ostensibly to shore up its anti-terrorist capability. Most of this capability is such as to enter the Indian strategic calculus.
- Pakistani intransigence is further bolstered by its virtual military alliance with China for whom Pakistan is useful to keep India confined to South Asia.

Indian Response

- India remains the only state in Asia with an active pending conflict with China as well as the ability to pose a credible military challenge. This has not resulted in all out military competition till now. Yet, India appears determined to attain levels of minimal deterrence and the ability to resist escalation at will against China. This implies accretion to missile warfare capabilities (to include range and accuracy), ground holding capabilities, strategic surveillance, rapid reaction and infrastructure development in border regions. Overall, India is likely to retain a strategic defensive posture with respect to China and concentrate on managing any escalation along flash points.
- The Indian Ocean is a region that is critical to Indian security and one that China aspires to dominate in the future. For now, India retains an edge due to its littoral basing and it will continue to attempt to retain this edge for as long as it can.
- Engagement of China's neighbours, particularly Vietnam and Japan, is a natural response to China's 'String of Pearls' strategy. This is likely to be manifested mostly in the naval sphere.

- Against Pakistan, India has developed the 'Cold Start' doctrine after Operation PARAKRAM; though of late the current Indian Army Chief General VK Singh has refuted that there is anything like 'Cold Start' doctrine. In any case such pronouncements reflect India's determination to call off Pakistan's nuclear bluff. While such a doctrine has many operational complications and implications, a proactive stance is likely to continue and will be reflected in India's force development plans.
- Indian capability development will remain constrained for the foreseeable future due to demands on resources for socio-economic development. There are likely to be exceptions to this tight control over resources in case of frontier military technologies and capabilities required for nuclear deterrence against Pakistan and China. Arms transfers from Russia, the US and states like Israel and South Africa are likely to be executed within this resource availability.
- Unlike the military dominated decision making structures across much of Asia, Indian decision making will remain tied down by complex bureaucratic machinery and the limited grasp of the political leadership of strategic issues. This would be a major dampener on any potential arms race that India could be engaged in.

Prognosis

The preceding analysis shows that military expenditures and corresponding military capabilities in Asia are on an upward trajectory. There may be a degree of competition in arms acquisitions among the Asian nations but this is largely as a result of many complex motivating factors. However, there are many strategic imperatives other than the Richardson reaction and restraint factors in play. Indeed at this stage, the Richardson grievance factors seem to dominate the strategic calculus all across Asia.

Of all the strategic imperatives, Chinese intentions more than Chinese capabilities are the cause of uncertainty. While no state is willing to declare a 'China threat' as the basis of its force development, many like India and Australia have publicly conceded the risks of China's rising military power and the need to respond to such risks in terms of minimal military capabilities and hedging in the political and military technology arena¹⁶.

The following quote from David Lai is pertinent:

As a recent Chinese publication, *The China Dream*, puts it, China has the capacity and ambition to become No. 1 in the world, no matter how modest current Chinese leaders make it appear; the United States is currently the more powerful of the two and the U.S. is making every effort to defend its title; China and the United States are destined competitors; China's best bet to win this contest is to develop its military power to the extent that the United States will not contemplate military action against China; to avoid mutual destruction, China and the United States should view their contest as a sport—there are always winners and losers, no one stays on top forever.¹⁷

While a classic arms race situation can be discounted for the present, the next decade appears destined be one of continuous strategic challenges. The military challenges in South Asia will come from the military ascendance of China and an evolution of its intentions. Asian nations need to watch with care and respond with agility.

¹⁶ For instance see Australia's White Paper on Defence of 2009 titled "*Defending Australia in the Asia Pacific: Force 2030*" http://www.defence.gov.au/whitepaper/docs/defence_white_paper_2009.pdf. The White Paper notes that "the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans. China has begun to do this in recent years, but needs to do more. If it does not, there is likely to be a question in the minds of regional states about the long-term strategic purpose of its force development plans, particularly as the modernisation appears potentially to be beyond the scope of what would be required for a conflict over Taiwan".

¹⁷ Lai, David, *The Coming of Chinese Hawks*, Strategic Studies Institute, October 2010, <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB1028.pdf>

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