

China's pearls unstrung – for now

By Vivian Yang

China's "string of pearls" consists of port and airfield construction projects, diplomatic ties and force modernization. These "pearls" range from the coast of mainland China to the recently upgraded military facilities on Hainan Island, China's southernmost territory. They extend through the South China Sea to the Strait of Malacca, over to the Indian Ocean and along the coast of the Arabian Sea and Persian Gulf. They include an airstrip on Woody Island in the Paracel archipelago east of Vietnam. A container shipping facility in Chittagong, Bangladesh, a deep-water port in Sittwe, Myanmar, and a potential naval base in Gwadar, Pakistan are also "pearls", all of them representing Chinese geopolitical influence or military presence.

Ever since the introduction of the string of pearls theory in 2004 by Booz Allen, it has been controversial and debatable. According to a 2011 Congressional Research Office report, China might be building, or may want to eventually build, a series of naval and other military bases in the Indian Ocean to support Chinese naval operations along the Sea Lane of Communications (SLOCs) linking China to Persian Gulf oil sources.

On the other hand, China is building commercial port facilities in the Indian Ocean and has not yet established any naval bases there, instead pursuing what US officials call a "places not bases" strategy. In *The Military Balance 2011* by the International Institute for Strategic Studies, a retired Chinese naval officer suggested that the People's Liberation Army Navy (PLAN, or PLA Navy) could set up China's first permanent overseas base in an unspecified location in the Middle East. The Chinese Ministry of National Defense subsequently distanced itself from these comments, stating that it has no plans for an overseas naval base.

Although it remains to be seen whether the string of pearls is real, the perceived pearls and provocative discourse from a hawkish Chinese navy unsettle the region. Indians, for instance, fear that China is surrounding their country with ports. Even though these deep sea ports are ostensibly for trade, China "could call them in for military or strategic purposes if oil becomes scarce."

Popular as it might be, the string of pearls theory is a more a matter of speculation than hard reality. For one, commercial ports do not necessarily lead to naval bases. The Diplomat writes that according to conventional wisdom, "China will settle for access to 'places, not bases' in the Indian Ocean. Beijing is negotiating agreements that grant Chinese vessels the right to call at ports like Gwadar, Hambantota, and Chittagong to rest, refuel, and perhaps refit. China entertains little desire for a wholly-owned base network."

Fear for the string of pearls also masks the reality that China has yet to achieve the capability to turn these ports into naval bases. Visiting Gwadar for a week in 2008, defense expert Robert Kaplan "was struck not only by how isolated it was, between pounding sea and bleak desert, but how unstable was the region of Balochistan, which lies immediately beyond the port in all landward directions".

According to Kaplan, the security situation is fraught with peril and a pipeline network from Gwadar into Central Asia and China must await the political stabilization of Afghanistan and Pakistan. Until such a day, Gwadar, although a potentially useful coaling station for a budding Chinese navy, remains "a road to nowhere". For the time being, the string of pearls is more a Chinese dream (or the rest of the world's nightmare) instead of reality.

Nevertheless, as *The Diplomat* put it, "Absence of evidence is not evidence of absence." The string of pearls might not be real now, yet that does not guarantee China will not build naval bases in the future. Nor should it overshadow the larger picture of China's long-term modernization of its naval capabilities.

The string of pearls theory, real or not, raises the question: how much has China's naval capability improved and what implications does it have on China's neighbors and the United States? It is not the validity of the string of pearls that matters, but the projection of Chinese naval capability and the rationale behind it that counts.



China's naval capabilities

Historically, the development of China's navy lags behind that of the army. According to a report by the Office of Naval Intelligence (ONI), in the early years of the People's Republic of China, defense was shaped to contend with perceived threats that were predominantly continental.

Until recently, China lacked the technical and industrial capacity to build a modern navy. Starting from the 1990s, China kicked off its naval modernization effort by acquiring a range of new weapons including anti-ship ballistic missiles (ASBMs), submarines and surface ships. China is also developing the world's first anti-ship ballistic missile, a system specifically designed to defeat US carrier strike groups. To quote the ONI report, "China's military modernization program has brought a range of new capabilities to the PLA Navy."

The PLA Navy has the largest force of principal combatants, submarines and amphibious warfare ships in Asia, excluding the United States. After years of neglect, the force of missile-armed patrol craft is also growing. According to the Pentagon's 2010 Annual Report to Congress, as of 2009, the PLA Navy Submarine Forces has a modernization rate of 50%, followed by its Air Defense Force (40%), Naval Surface Forces (roughly 25%), and Air Force (25%).

The navy's investment in platforms such as nuclear-powered submarines and progress toward its first aircraft carrier (a refurbished Russian Kuznetsov-class carrier) suggest China is

seeking to support additional missions beyond a Taiwan contingency. The PLA Navy has also demonstrated the capability to conduct limited deployments of modern surface platforms outside the Taiwan Strait.

Meanwhile, it has acquired new classes of ships capable of supporting conventional military operations as well as humanitarian assistance and disaster relief missions.

As mentioned in the Department of Defense report, the PLA Navy's submarine forces have undergone the most substantial modernization. According to Jane's Fighting Ships 2010-2011, as of 2010, the cumulative total for all types of PLA Navy Submarine Commissioning is 42, including several nuclear-powered subs. China also has 27 guided missile destroyers. For a rough sense of comparison, Japan has nine while the United States has 61.

Even more impressive is China's development of Anti-Ship Ballistic Missiles (ASBMs), which are theater-range ballistic missiles equipped with Maneuverable Reentry Vehicles (MaRVs) designed to hit moving ships at sea. The Pentagon believes that with its ASBM, China can attack aircraft carriers, other US Navy ships, or ships of allied or partner navies operating in the Western Pacific.

China's aircraft carrier has probably received the greatest media coverage, with observers speculating that China is planning to conduct future military operations far from its coastline. "Politically," writes Ronald O'Rourke for the Federation of American Scientists, "aircraft carriers could be particularly valuable to China for projecting an image of China as a major world power, because aircraft carriers are viewed by many as symbols of major world power status." Chinese aircraft carriers could also be used for humanitarian relief, anti-piracy operations, and to evacuate non-combatants.

As for China's naval aviation force, a RAND Corporation 2010 analysis reveals that its capabilities to conduct naval strike operations and defend naval bases against enemy air attack have improved: "Most significantly, the PLAN has acquired a squadron [ie 24] of Su-30 MK2s armed with the supersonic Kh-31A [AS-17A] air-to-surface missile." Not only has the hardware been upgraded, "the organization, doctrine and training to effectively employ" these aircraft have also improved.

According to the Pentagon, China's airborne early warning and control and aerial-refueling programs would permit extended air operations into the South China Sea. Advanced destroyers and submarines could protect and advance China's maritime interests, and improvements in China's command, control, communications, computers, intelligence, and surveillance and reconnaissance, including space-based and over-the-horizon sensors, could enable Beijing to identify, track, and target military activities deep into the western Pacific.

A recent *New York Times* article suggests that China is "increasing its maritime surveillance force to 15,000 people by 2020, up from 9,000 now" and that the navy "has been trying to grow its operational influence over civilian ships, which often patrol disputed territorial waters like the South China Sea".

China has claimed the entire South China Sea and, as columnist George Will put it, "seems increasingly inclined to define the oceans off its shores as extensions of the shores – territory to be owned and controlled like 'blue national soil', which is incompatible with the idea of the oceans as a 'common'." Although the United States and others consider the South China Sea an international waterway, China deems it as a "core interest". Just three weeks ago, China

accused Vietnam of undermining its interests and rights within its waters following a spat involving a Vietnamese oil-drilling research boat in the South China Sea.

Consequently, China's aggressiveness creates an uneasy feeling among its neighbors. Vietnam, the Philippines and Japan have all complained of China's maritime actions and have sent ships or planes to back up their concerns.

At a meeting of the Association of Southeast Asian Nations (ASEAN) Regional Forum in Hanoi, 12 Southeast Asian countries complained of Chinese assertiveness in the South China Sea, and US Secretary of State Hillary Clinton declared freedom of navigation within the South China Sea to be a national interest of the United States.

The Chinese responded by warning the US to stay out of the increasingly tense territorial disputes and maritime conflicts in the South China Sea. In response, China's neighbors have begun to increase their own capabilities.

China's rationale

The Chinese government is aware of the looming security dilemma and has tried to alleviate regional concerns. For one, it is against China's national interest to be in direct conflicts with other countries. China and India, for instance, recently restarted military-to-military relations, nearly a year after India froze exchanges because of a visa dispute related to territorial claims.

Similarly, China announced that it had agreed to hold talks with Vietnam on how to resolve conflicts arising from a sovereignty dispute over the South China Sea. For another, the Chinese government wants to portray itself as a global moral pole.

A 2008 Congressional Research Office Report indicates that China is trying to use soft power in Southeast Asia and boost economic ties with ASEAN. Thus, it is not in China's best interest to jeopardize relations with its neighboring countries. China's growing naval capabilities and assertiveness, however, do not halt because of these concerns.

According to Pehrson, the Chinese political elite has three major concerns: first and foremost the survival of the regime, followed by the stability of the country and the territorial integrity of China. Susan Shirk believes that the CCP has a deep sense of domestic insecurity, because two decades of economic reform and opening to the world have transformed Chinese society radically and created latent political challenges to communist rule.

The CCP's reliance on the military has become ever stronger since the 1989 Tiananmen student movement, which the military violently suppressed. Thus, the PLA is enjoying bigger budgets in part because today's leaders are less politically secure and have a greater need to keep the military satisfied.

Robert Suettinger, former national intelligence officer for East Asia, states that this reliance creates an obligation for party leaders that makes it more difficult to resist PLA demands for more expenditures. Consequently, double-digit increases in the military budget have given the PLA the money to purchase advanced destroyers and submarines from Russia.

Navy hawks, with their newly acquired hardware, are increasingly becoming what Professor David Shambaugh calls "hard power realists", who argue that "China should use its newly

built military and economic influence to coerce others toward the ends China desires".

According to the bigger picture, China's increasing naval capability derives from national security concerns, which involve energy security, maritime security, and territorial integrity. By the early 1990s, China's fast economic growth and the stagnation of domestic oil output required the import of more energy resources.

Beijing has been trying to find other sources of energy from around the world, but it remains dependent on Middle Eastern oil. These energy demands are beginning to noticeably influence strategic thinking and military planning. Beijing wants to hold sway over vital sea lanes between the Indian and Pacific oceans through a chain of naval facilities and military ties, which, again, leads to the debate of the perceived string of pearls.

The South China Sea not only has stores of oil and natural gas that could make it a second Persian Gulf. As Abraham Denmark reports for Foreign Policy, it is "also a major highway linking the oil fields of the Middle East and the factories of East Asia, with more than 80 percent of China's oil imports flowing over its waters", most of which go through the Strait of Malacca.

The Chinese Navy, however, is faced with a "Malacca dilemma" since the strait is currently beyond the navy's operational reach. Therefore, securing sea lanes for energy and raw materials supports China's energy policy and is the principal motivation for China's increasing naval capabilities and activities such as the construction of deep water ports at Gwadar. This will ease the "Malacca dilemma" and reduce the likelihood of a "distant blockade" of Chinese shipping by the US Navy.

Maritime security and territorial integrity are closely intertwined. "The safeguarding of a nation's territorial integrity must have a large and powerful armed force," states the PLA's National Defense University (NDU).

Similarly, the NDU's study of military strategy notes the growing importance of "the rights and interests of our continental shelf and maritime exclusive economic zones, especially the threats facing strategic resource development and strategic passageways".

According to the ONI report, China ratified the United Nations Convention on the Law of the Sea (UNCLOS) to bolster its claim to sovereignty over most of the South China Sea. Article 76 states:

The continental shelf of a coastal State comprises the seabed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance.

The Chinese government uses this article to legitimize its naval activities in the western Pacific as protection of maritime security and territorial integrity.

Implications for the United States

China's naval expansion in the western Pacific generates differences between it and the United States. For one, China is a signatory of the UNCLOS and views the South China Sea

as its own territory. The United States, on the other hand, is not a signatory, arguing that the Law of the Sea "will endanger US sovereignty, harm economic interests, and weaken national security".

Washington instead pursues an "open sea" policy in the region. For another, the United States favors a status quo that benefits it, while China seeks to become "Asia's natural leader".

These differences between the two countries are enough to raise tension in the western Pacific. On March 8, 2009, five Chinese ships shadowed and maneuvered dangerously close to a US Navy vessel in the South China Sea. Even if direct incidents are rare, China could still clash with US allies such as the Philippines, Taiwan and Japan.

Shirk fears that if there is a naval clash over oil and gas fields in the East China Sea, the United States, as Japan's military protector, could feel compelled to intervene. This scenario would constitute what Thomas Christensen calls "posing problems without catching up".

China can pose major problems for US security interests without catching up with total US military power. Again, a security dilemma, similar to the one between China and its neighbors, looms large in US-China relations.

If dealt with shrewdly, this security dilemma is not inevitable. Differences aside, the US and China share mutual security interests that provide opportunities for cooperation and strong incentives to manage and mitigate bilateral tension. These interests include meeting the challenges of globalization, transnational security concerns, "combating terrorism, protecting the environment, and public health issues".

Since the security dilemma in part derives from the inability to gauge other countries' intentions, it is crucial to improve communications between the United States and China. The Department of Defense 2010 Quadrennial Defense Review Report suggests that the US and China should "sustain open channels of communication to discuss disagreements in order to manage and ultimately reduce the risks of conflict that are inherent in any relationship as broad and complex as that shared by these two nations".

China expert Michael Swaine further suggests that the two countries engage in strategic dialogues, sustain and strengthen military-to-military links, and expand ways of cooperating on other security issues such as disaster and humanitarian relief, counter-terrorism, and other non-traditional threats.

Indeed, despite differences, the two do engage in military dialogues. According to the Wall Street Journal, the chief of the People's Liberation Army visited the United States on a weeklong trip this summer. Later, then-US defense secretary Robert Gates met with his Chinese counterpart as the two countries sought to build upon recent exchanges and a warming military relationship.

Although China's increasing naval capability has much to do with national security rather than power projection, its navy and conservatives are gaining ground in its complicated political world.

China, however, has multiple interest groups. Besides military hawks, according to David Shambaugh, a group of globalists believe that China must shoulder the responsibility for addressing global governance issues and that sovereignty has its limits as "non-traditional" challenges must be dealt with multilaterally.

They prefer soft power to hard military power. These globalists have lost their voices since 2008, which means the US should identify the reasons why they have been silent. It then should take measures to help expand the globalism camp, which backs smoother US-China relations.

The string of pearls theory fails to accurately describe the Chinese national security reality. China has not built foreign naval bases, yet the pearls are indeed manifestations of increasing Chinese naval presence and capabilities. China's increasing naval capabilities are leading to a dangerous security dilemma. But these conflicts are not unavoidable.

The United States needs to engage with China and reach out to Chinese leaders who are less hawkish and more international. In short, the US should do whatever it can to keep the string of pearls a theory rather than provoke China into making it into a reality.

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