

China's Territorial Future: Will Conquest Pay?

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China's rapid economic growth raises more questions for the international community than it answers. One key question concerns China's potential for involvement in violent conflict over territory. Historically, major shifts in the balance of power have been linked with episodes of tension and conflict among the leading states in this system. Often, such conflict has revolved around disputes over the control or ownership of land between these states or their allies. More generally, nations have gone to war over territory more than any other issue that divides them.¹

Will China's rise lead to increased tension and violence over territory in East Asia? Based on China's past behavior in its territorial disputes, such an outcome seems unlikely. If contested land is the most common issue over which states go to war, then China's opportunities for involvement in such conflicts have dropped significantly. Although China has participated in more territorial disputes than any other state since the end of World War II, it has settled the majority of these conflicts through bilateral agreements, usually by compromising over the sovereignty of contested land. China has used force in some of these disputes, but it has generally not seized large amounts of land that it did not control before the outbreak of hostilities. China has also not used force those disputes where it maintained a significant advantage in military power over the opposing side, suggesting paradoxically that a stronger China may not be more prone to the use of force over territory in the future.²

Past behavior, however, is no guarantee of future performance. China's economic growth, the instability associated with power shifts and the role of disputed territory

¹ John A. Vasquez, *The War Puzzle* (New York: Cambridge University Press, 1993).

² M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, forthcoming 2008).

between states as a key source conflict nevertheless raise new questions about China's potential ambitions. Will China abrogate its past boundary agreements and initiate new territorial claims against its neighbors? Will China use force in its unresolved disputes or in new disputes that might initiate? In short, under what conditions might territorial conquest "pay" for China?

After the end of the Cold War, such questions are perhaps irrelevant. Recent scholarship on international relations suggests that conquest no longer pays. To start, a norm against territorial conquest emerged in the 1920s and became entrenched after World War II. States have less frequently used force to seize territory than before. Conquest is viewed increasingly as illegitimate and, as the Gulf War demonstrated, likely to be countered by the international community.³ Likewise, the globalization of production chains and the growing importance of intellectual capital in economic growth reduce the salience of territory as a component of national power. Resources may no longer be cumulative.⁴ China has become increasingly integrated into the international community since 1979, embracing many of its norms, while its economic development and role in global production suggest that it might view territory as increasingly unimportant. China may not necessarily be more willing to compromise in its remaining territorial disputes, but it may be less likely to use force and unlikely to press new claims.

The norm against conquest and the capitalist peace offer an optimistic view of the future, but whether China will become more aggressive over territory nevertheless

³ Tanisha M. Fazal, *State Death: The Politics and Geography of Conquest, Occupation, and Annexation* (Princeton: Princeton University Press, 2007). Also, see Mark W. Zacher, "The Territorial Integrity Norm: International Boundaries and the Use of Force," *International Organization*, Vol. 55, No. 2 (Spring 2001), pp. 215-250.

⁴ Stephen G. Brooks, *Producing Security: Multinational Corporations, Globalization, and the Changing Calculus of Conflict* (Princeton: Princeton University Press, 2005); Eric Gartzke, "The Capitalist Peace," *American Journal of Political Science*, Vol. 51, No. 1 (2007), pp. 166-191.

deserves rigorous examination. In this paper, I assess the conditions under which China will pursue territorial expansion, defined as either issuing new a territorial claim or using force in pursuit of an existing territorial goal. In the analysis, I use a straightforward expected utility approach. Based on existing theories within international relations on state expansion, I determine the potential benefits that China might gain through territorial conquest. Then, I examine China's ability to project military power to capture these benefits through the threat or use of force. Finally, I outline the likely costs that China would face for pursuing territorial expansion in East Asia.

One important caveat must be noted. This paper will not examine the conditions under which China might use force in its most important dispute over Taiwan. Although steady military modernization gives China greater coercive power in this conflict, this dispute itself is less helpful in illuminating China's willingness to pursue expansion and use force over territory elsewhere in the future. Moreover, China's goal of national unification in the Taiwan dispute has not been conditioned by changes in China's relative power. Instead, it has been pursued since the establishment of the People's Republic in 1949.

For China, conquest is unlikely to pay. Overall, the expected benefits of territorial expansion are not as great as they might appear. China's ability to seize and control territory from other states remains limited, constrained largely by the limited strike range of the PLA's Air Force and the lack of robust strategic airlift and sealift capabilities to deploy and sustain troops beyond its borders. The costs of territorial expansion, however, are clear, as it would signal to the region and the world a shift away

from China's current grand strategy of reassurance and create incentives for regional powers to form a coalition to balance against China.

China's Past Management of Its Territorial Disputes

China's past management of its territorial disputes provides a useful baseline for examining its potential for territorial expansion. Since 1949, China has pursued mostly status quo goals in its territorial disputes. China has compromised frequently in disputes on its land border and used force to signal resolve to defend these claims, not to seize large amounts of contested territory. By contrast, China has been uncompromising in disputes over ethnic Han areas, using force to signal resolve to achieve national unification. Offshore, China has both compromised and occupied contested islands and coral reefs, but it has generally avoided using force to seize land held by other claimants.⁵

On its long land border, China has sought to occupy and control the territory of the late Qing dynasty, namely the boundaries created by "unequal" treaties in which China ceded large tracts of land, especially to Russia and Britain. In 1950, the PRC also recognized the sovereignty of Mongolia, which had been part of the Qing empire since the early 18th century but fell under Russian influence in the 1920s. In all but two disputes, China has accepted the general delimitation of these "unequal" treaties. Many of China's disputes on its land border centered on interpreting the delimitation of the boundary contained in these agreements, not efforts to over-turn them or to regain the land that had been signed away under the Qing. China's acceptance of these agreements

⁵ This draws on Fravel, *Strong Borders, Secure Nation*.

became clear in the 1960s when it began to settle territorial disputes with continental neighbors, including Burma, Nepal, North Korea, Mongolia, Pakistan and Afghanistan, and offered compromises in disputes with India and the Soviet Union.

The two unequal treaties from the Qing that China has sought to overturn concerned ethnic Han Chinese territories. These are the agreements that ceded Hong Kong Island to Britain in 1840 and Macao to Portugal in 1887. Along with Taiwan, China has been rigid and uncompromising in disputes over ethnic Han areas, seeking their return or “unification” (*tongyi*) with the mainland. Not unsurprisingly, China’s goals in its disputes over these Han are clearly revisionist. In 1984 and 1986, Britain and Portugal agreed respectively to return these colonies to China.

China has now settled all of its land border disputes except for those with India and Bhutan. The agreements settling these disputes have almost always affirmed the general direction of the prior boundary delimitation if such an agreement was available. In the absence of a prior delimitation, China’s settlements have affirmed the customary boundary where administrative authority had been exercised by each side. In settling these disputes, China has compromised, either dropping claims to land held by its neighbors or in some cases transferring control of land to the opposing side. Overall, China has only received about 25 percent of the land that it claimed and roughly only three percent of the 3,400,000 square kilometers of land once part of the Qing.

Although China has been militarily stronger than most of the countries with which it has settled disputes, the boundary agreements it has concluded have been robust and mutually reinforcing. In settling disputes on its land border, China agreed not only to concessions over disputed areas, but also through the mutual recognition of sovereignty it

abandoned potential claims that it might have pursued to any of the “lost” territories ceded through the unequal treaties. China thus reassured its mostly smaller neighbors about its future territorial ambitions by committing to boundaries that excluded these lost territories and making this commitment public in bilateral treaties and agreements. In return, China gained its neighbors recognition of China's sovereignty over parts of the Qing that were clearly frontier areas where the legitimacy of CCP rule has been questioned from within and without.

On its land border, China has used force when it viewed its neighbors as challenging either the rough delimitation of past agreements or historical administration. However, force was usually not used to gain disputed land on the battlefield. From a strategic perspective, the use of force signaled China's determination to defend the territory under its control when the PRC was established. China has also used force to signal its resolve to unify Taiwan through the initiation of crises in the 1950s and in 1995-96.

In disputes over offshore islands, China has pursued a combination of status quo and revisionist goals. In 1957, China transferred one disputed island, Bailongwei (White Dragon Tail) Island in the Tonkin Gulf, to Vietnam. By contrast, in a 1974 battle with South Vietnamese forces, China consolidated its control of the Paracels by occupying the Crescent Group. In 1988, China seized six features in the Spratlys, which resulted in a deadly clash with Vietnam. Nevertheless, in the Spratlys as well as the Senkakus, China has not used force to occupy features already held by other claimants, preferring instead to strengthen its position by occupying vacant features.

Logics of Expansion

Why do states expand? To determine if China will alter its mostly status quo approach as it accumulates military and economic power, this question needs to be answered. Past scholarly research has identified several logics for why states expand, logics which are grounded in the potential benefits of expansion for the state or national leaders. Some of these logics are specific to rising powers, while others are more general.

Offensive realism is perhaps the one theory of international relations that makes strong predictions about the odds of China's involvement in armed conflict. Characterizations of such conflict often touch upon territorial disputes and imply that a stronger in China will be more prone to conflict over territory.⁶ Offensive realism also asserts that states will expand as they grow stronger, if no other reason because they can.⁷ Nevertheless, these claims are hard to assess without examining specific conflicts of interest over which a state might pursue expansion, especially those interests linked with the control of territory. Although each of the logics discussed below have no necessary link with offensive realism, they offer an opportunity more generally to test theory in specific issue areas.

Lateral Pressure. As a state's economy expands or its population grows, so does its need for natural resources and other inputs necessary to sustain high rates of economic growth. Although they can be purchased on the open market, resources can also be captured through territorial expansion. As a state develops, it will deplete the resources

⁶ John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), p. 375.

⁷ Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton, N.J.: Princeton University Press, 1998).

within its boundaries, which creates lateral pressure to secure these inputs abroad, by force if necessary.⁸ Rising powers are likely to pursue expansion for this reason, especially those in the process of industrialization. Other research shows that the conquest of industrial powers can “pay.”⁹

Population Pressure. The history of territorial expansion in China’s imperial past provides another logic of expansion. Although linked to population growth, it reverses the causal process. According to this logic, population growth creates “out” migration from China to neighboring countries, as Chinese citizens pursue economic opportunity elsewhere. In the past, as these individuals settled in either non-Han areas or in foreign lands, the Chinese state was often “pulled” to govern these areas. Overtime, these patterns of migration resulted in the eventual incorporation of these areas into the state.¹⁰

Security. Historically, states have often expanded for defensive reasons, namely to create buffer zones with which to protect the national homeland. Territorial expansion for this reason results from fear and the consequences of not possessing buffers that may shield a state’s territory from current or future adversaries. The importance of such buffers increase as a state develops, as it has more wealth to defend and may attract the predation of other states. Dramatic shifts in the balance of power can create spirals of hostility in which the rising and status quo powers seek to control buffer zones to ensure

⁸ Nazli Choucri and Robert Carver North, *Nations in Conflict: National Growth and International Violence* (San Francisco: W. H. Freeman, 1975).

⁹ Peter Liberman, *Does Conquest Pay?: The Exploitation of Occupied Industrial Societies* (Princeton: Princeton University Press, 1996).

¹⁰ James Reardon-Anderson, *Reluctant Pioneers: China's Expansion Northward, 1644 - 1937* (Stanford: Stanford University Press, 2005); Herold J. Wiens, *China's March Toward the Tropics* (Hamden, Conn.: Shoe String Press, 1954).

their security.¹¹ A desire for buffers can also result from a vacuum of power on a state's border that invites intervention by a third country.

Nationalism. Nationalism and territory have always been intertwined. Nationalism can result in expansion for several reasons. First, national leaders might pursue expansion to rescue co-ethnics who reside in neighboring countries. They may pursue these goals to achieve unification of an ethnic group or, when co-ethnics abroad face persecution, to defend kinsmen by seizing the territory that they occupy. Second, national leaders might also pursue expansion to realize a given national identity, to right past injustices to the nation or regain lost status. Such incentives can be especially strong for countries with historical legacies of territorial loss, such as China.¹²

Domestic Politics. Nationalism can interact with domestic politics to create other incentives for leaders to pursue expansion. The first logic follows the conventional wisdom of "diversionary war," that national leaders will initiate or escalate a dispute to distract a restive and dissatisfied population through foreign policy adventurism.¹³ Existing territorial disputes, or perhaps the initiation of a new claim, provide an issue over which leaders can perhaps most easily mobilize society for diversionary ends. The second logic follows the concept of "log-rolling," where expansion results from bargains

¹¹ Robert Jervis, "Cooperation Under the Security Dilemma," *World Politics*, Vol. 30, No. 2 (1978), pp. 167-214.

¹² Stephen Van Evera, "Hypotheses on Nationalism and War," *International Security*, Vol. 18, No. 4 (1994), pp. 5-39.

¹³ Jack S. Levy, "The Diversionary Theory of War: A Critique," in Manus I. Midlarsky, ed., *Handbook of War Studies*, (London: Routledge, 1989), pp. 259-288.

among competing interest groups, especially the armed forces and industrial actors, which can result in the pursuit of expansion, especially when state institutions are weak.¹⁴

The Benefits of Expansion – Uncertain

Today, the potential benefits to be captured by expansion are limited. Expansion is most likely to result from either out migration to the Russian Far East or in the search for maritime buffers to protect China's wealthy coastal provinces. If China democratizes through a popular overthrow of the CCP that destroyed many of the existing political institutions, then log-rolling might be more likely to occur.

Lateral Pressure. China's acquisition of equity oil abroad has sparked much speculation about its potential to expand in pursuit of resources vital to its continued economic growth such as petroleum. Since 1993, China has been a net importer of oil and, as its reliance upon imports has increased, debate has emerged within China over the security of its access to energy and increased efforts to secure access through long-term contracts and overseas investments, often with government support.¹⁵ As a result, it is plausible that as China's economy continues to grow, it might consider using force to secure access to supply through expansion.

Around China's periphery, however, few large deposits of petroleum exist that would quench China's thirst for energy. According to the US Geological Survey, only two petroleum fields with sizeable remaining reserves are located in a country bordering

¹⁴ Jack L. Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991).

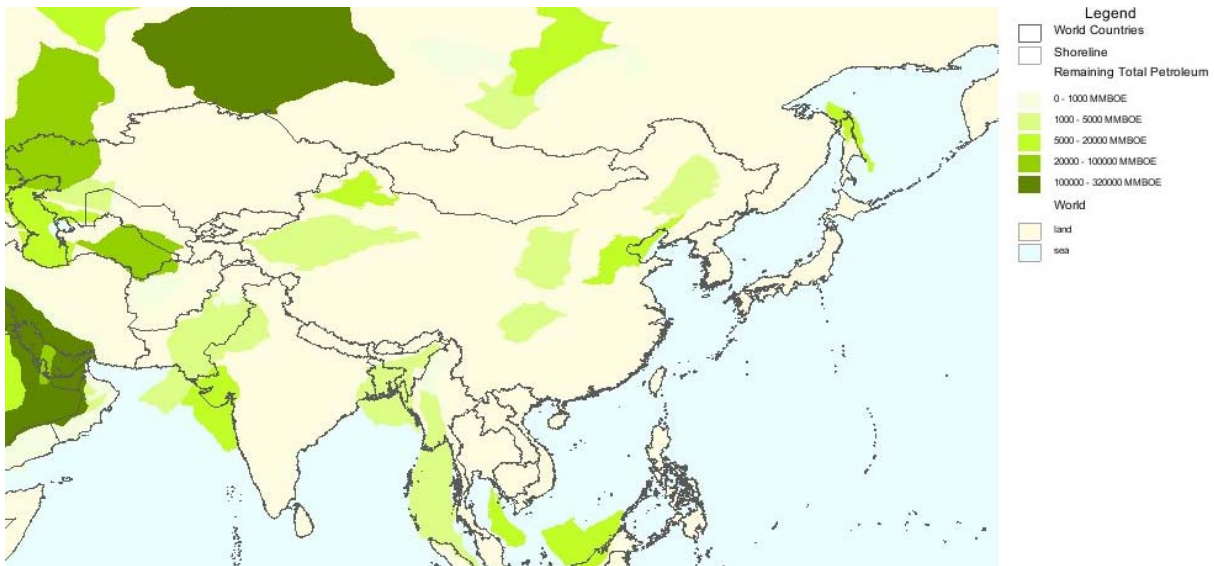
¹⁵ See, for example, the articles in *China Security*, Vol. 2, No. 3 (Autumn 2006).

China where China might be able to use force to secure access to this resource. The first is western Kazakhstan, but this field is located more than 2,000 kilometers from China's western border, a distance that falls far beyond the radius of China's power projection capabilities. Moreover, China has been able to use other means to gain access to some of this oil, including the construction of a pipeline through Alashankou in Xinjiang. The second major source of petroleum lies in Russian Siberia, approximately 1,500 kilometers from China. Yet Russia is the one neighbor on land where China would be unable to project military power. Russia maintains an advanced military, certainly the strongest force bordering China, along with a sizeable nuclear arsenal and a credible deterrent.¹⁶

At the same time, surprisingly little is known petroleum reserves in maritime East Asia. The southern portion of the South China Sea is listed in the USGS report, but its remaining reserves are estimated to be only two percent of those in Saudi Arabia. Moreover, this refers to areas off the cost of Malaysia, not the waters around the Spratly Islands in the center of the South China Sea. Moreover, no sizeable reserves are located in the East China Sea, where China's development of natural gas fields in the Xihu Trough has become a source of friction with Japan since 2003.

¹⁶ <http://certmapper.cr.usgs.gov/>

Map 1: Remaining Petroleum Reserves around China



Population Pressure. In China's imperial past, outbound migration led to the expansion of the state in China's present-day northeast and southwest. Today, however, Chinese demographics tell a different story. Although large population movements have occurred, the direction of migration has been mostly from the rural areas to the cities, from the borders to the coast.¹⁷ Internal migration trumps emigration.

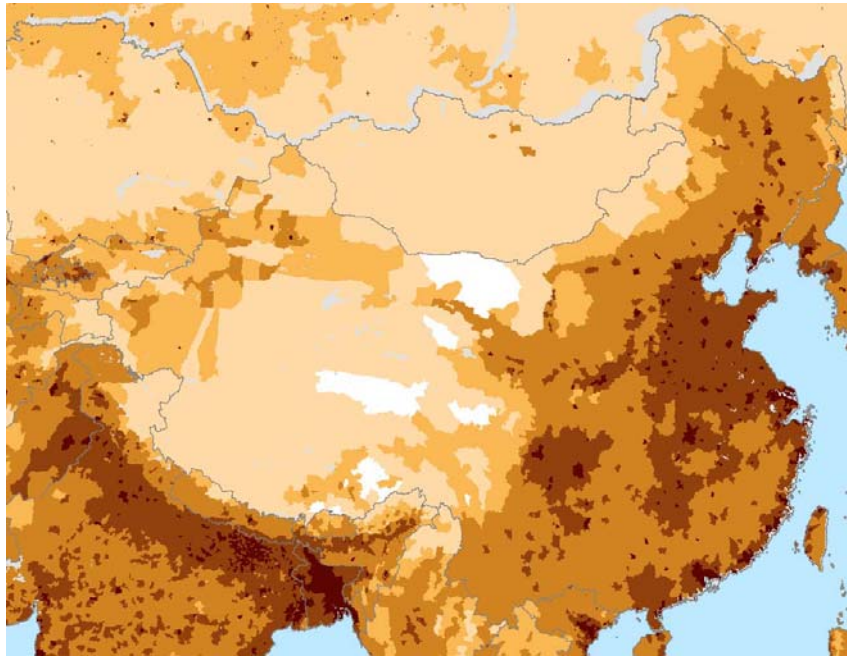
If for whatever reason, people seek to leave the crowded coastal regions, migration may remain internal. The variation in population density of Chinese provinces suggests that ample areas exist where the state might be able to release population pressure that might swell in urban areas. For example, although the Guangdong Province

¹⁷ Zai Liang and Ma Zhongdong, "China's Floating Population: New Evidence from the 2000 Census," *Population and Development Review*, Vol. 30, No. 3 (2004), pp. 467-488.

has 486 persons per square kilometer, Qinghai Province only has 7.2 persons per square kilometer.

Finally, along China's international boundaries where out migration would occur if population pressure was not released internally, population densities on either side of the border are evenly balanced and in equilibrium. Few places exist along the border where the population density on the Chinese side is far greater than the density on the opposing side.¹⁸ Moreover, as demonstrated in Map 2, in some cases more pressure for out migration is present in China's neighbors, especially India.

Map 2: Population Density in East Asia



¹⁸ <http://sedac.ciesin.org/gpw/continent.jsp?region=Asia#>

Nevertheless, the overall disparity in terms of the size of China's population and its neighbors apart from India indicate that out migration cannot be discounted entirely. One area of potential concern is the Russian Far East adjacent to China's Heilongjiang province. Here, the presence of Chinese traders and farmers has increased precisely at a time when the Russian population of these areas has decreased following the collapse of the Soviet Union. The population of China's Heilongjiang Province (38,170,000) is almost four times the combined size of adjacent Russian provinces and regions (4,673,752), which suggests that this is one area where pressure on China's population might be easily released.¹⁹

Security. If states expand to enhance their security through the creation of buffer zones, then China's potential for expansion is mixed. On the Asian continent, China already enjoys substantial buffers, namely the vast frontier regions already within China's boundaries, including Tibet, Xinjiang and Inner Mongolia. These areas account for roughly 43 percent China's land-mass but only contain 3.5 percent of its population, ideal geography to trade time for space in a military context.²⁰

China lacks such natural buffers offshore, especially for its wealthy coastal regions. These are vulnerable to attack from the sea, strikes which would likely occur if conflict erupted over Taiwan that involved the U.S. To secure these coastal regions, China has strong incentives to create a maritime buffer and has stated its intention to strengthen its strategic depth at sea. The principal military means for achieving such security is through the creation of a full-spectrum area denial capability, one which would

¹⁹ [Add cite]

²⁰ The advent of precision-guided munitions and long-range strike capabilities reduce to some degree the utility of buffers on land.

be grounded in the modernization of air and naval forces. The key to such capability, however, would be surface ships with area-wide air defense systems that China is only beginning to develop along with a robust submarine fleet. Ironically, the control of disputed offshore islands will be less important given the challenge of maintaining air superiority over large spaces that are far from the Chinese mainland.

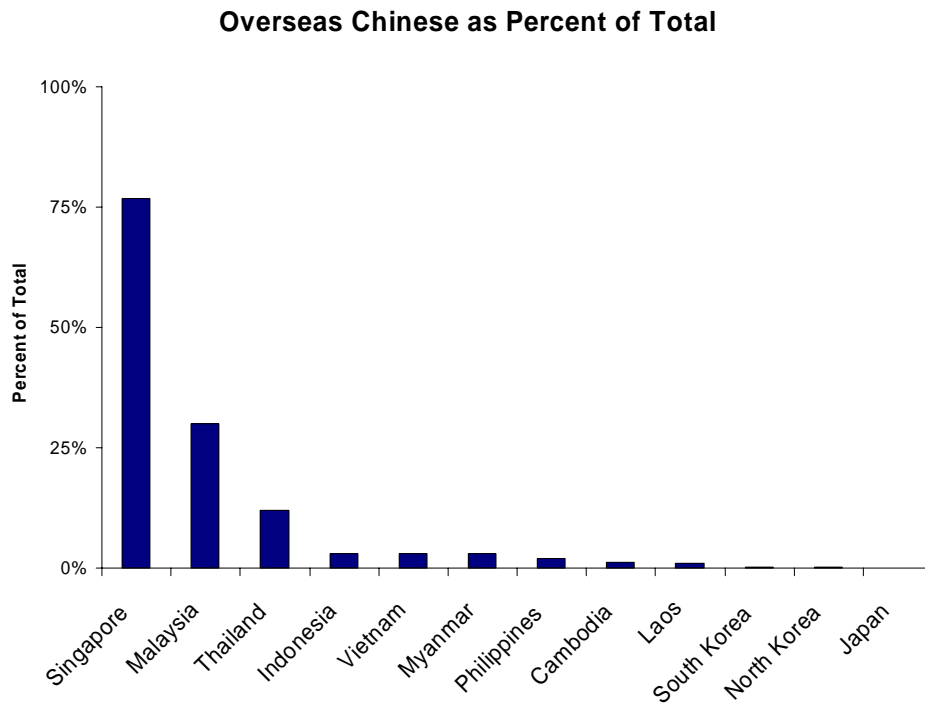
Nationalism – Ethnic Rescue. Although nationalism was potent political force in China under Mao, the de facto collapse of socialism has increased its prominence relative to other ideologies that sustain the legitimacy of the CCP. At the same time, available studies lack sufficient data to show whether popular nationalism is, in fact, increasing.²¹ Nevertheless, the April 2005 demonstrations against Japan highlight the potential of popular nationalism, especially if it is linked to a territorial claim.

Defining the nature and content of any country's national identity is tricky. For the sake of argument, I assume that a Han Chinese identity plays a central role in Chinese nationalism, as the Han comprise more than 90 percent of the PRC's population. If the rescue of co-ethnics is one important mechanism through which nationalism results in territorial expansion, then China's potential for expansion is limited. To be sure, China's rigid position in its dispute over Taiwan can be viewed through the lens of ethnic rescue, as from the mainland's perspective the island is a Han Chinese area like Hong Kong and Macao that is separated from the rest of the country. Yet this also suggests fewer incentives to use force elsewhere in East Asia. Few Han Chinese reside in countries that share a land border with China and become targets of persecution to be rescued. Large ethnic Chinese populations exist throughout East Asia, especially in Malaysia and

²¹ Alastair Iain Johnston, "Chinese Middle Class Attitudes Towards: International Affairs: Nascent Liberalization?*", *The China Quarterly*, No. 179 (2004), pp. 603-628.

Indonesia, countries that China simply would be unable to conquer much less attack with any substantial force. Nevertheless, few ethnic Chinese live along China's land border (Figure 1). One exception is Vietnam, where ethnic Chinese account for about 3 percent of the population. Nevertheless, ethnic Chinese in Vietnam live mostly in the south, especially in Saigon and other coastal towns.

Figure 1: Overseas Chinese as a Percentage of Regional Countries



Nationalism – Irredentism. National identity is a notorious amorphous concept to measure. China's history of external victimization and the loss large amounts of territory during this period suggest that as China grows stronger, irredentist pressure might follow, namely claims to lands one governed directly or indirectly by past Chinese dynasties. Although the PRC's boundary agreements dropped claims to these former imperial territories, more than 3,400,000 square kilometers of territory once under the Qing,

including Mongolia, now lies outside of China. As Map 3 suggests, the potential for expansion through pursuit of irredentism is clear.

Map 3: Qing and PRC Boundaries



Yet if a Han identity lies at the core of contemporary Chinese nationalism, and Chinese nationalism is characterized however crudely as an ethnic nationalism, then the prospects for expansion is low. For many Chinese nationalists, past and present, the Qing was not considered to be Chinese, as it was founded by members of the Manchu ethnic group from the present-day northeast who had conquered the Han-based Ming. Although China's current boundaries include many parts of the Qing, those Qing land not part of

the PRC are also not Han areas. Although such irredentism cannot be ruled out, it is not commonly expressed by many Chinese nationalists.

Domestic Politics – Diversion. Diversionary war is one of those logics that is hard to assess because it seems so intuitive and is phenomena that always might occur. China seems prone to diversion, as the authoritarian state's legitimacy depends upon economic development and broad but ill-defined appeals to nationalism. Nevertheless, quantitative research shows no systematic relationship between past domestic unrest in China and the use of force, over territory or other issues.²² Moreover, in the 1990s, actions that might be seen as diversionary, such as the demonstrations following the bombing of the Chinese embassy in Belgrade or the more recent protests against Japan, have been reactionary in nature. That is, China's leaders mobilized nationalism in response to external challenges that questioned their credibility as leaders, not in response to domestic sources of dissatisfaction from which attention needed to be deflected. Moreover, China's leaders reflect a nuanced understanding of the potential pitfalls of mobilizing nationalism and the dangers of unleashing a genie of public opinion that may impossible to contain.²³

Domestic Politics – Log-Rolling. China's political institutions suggest that the probability of log-rolling resulting in expansion is unlikely. Although many aspects of governance today in China are decentralized, national security decision-making remains tightly controlled by the CCP. Moreover, as a party-army, the CCP has maintained a degree of "objective control" over the PLA. How these institutions might change during

²² Alastair Iain Johnston, "China's Militarized Interstate Dispute Behaviour 1949-1992: A First Cut at the Data," *The China Quarterly*, No. 153 (March 1998), pp. 1-30.

²³ Phillip C. Saunders and Erica Strecker Downs, "Legitimacy and the Limits of Nationalism: China and the Diaoyu Islands," *International Security*, Vol. 23, No. 3 (1998/1999, Winter), pp. 114-146.

the course of democratization is uncertain, but current institutions offer many checks against log-rolling politics, as the interests of large organizations remain subordinated to the CCP.

The Means of Expansion – Weak

If the benefits of expansion are uncertain and perhaps few, then China's military capabilities to expand are weak.

On land, China possesses an ability to conduct limited offensive strikes against its neighbors. It has one of the largest standing armies in the world and continues to modernize its ground forces through the development of advanced weapons platforms such as the Type 98/99 tank. Moreover, the PLA has focused its efforts on rapid reaction units as well as airborne troops, for whom one mission would be power projection abroad.

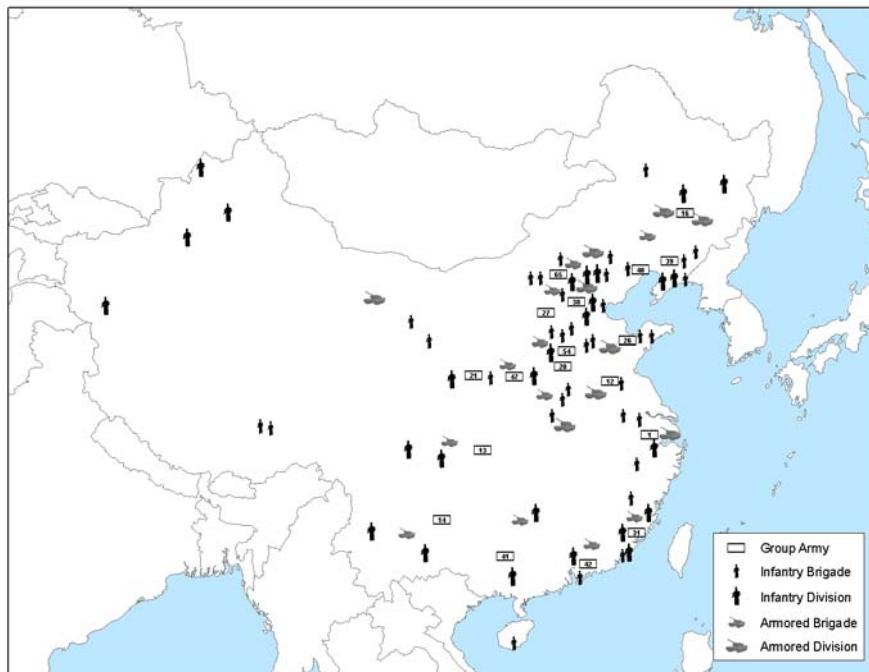
Nevertheless, several factors indicate that China is unlikely in the short to medium term to possess an armed force capable of seizing and holding the territory of its neighbors. First, even though the PLA is actively modernizing, it has yet to develop platforms and systems to sustain large numbers of troops at great distances from its borders for long periods of time. Key capabilities that the PLA lacks are strategic lift, air-to-air refueling and logistics systems capable of supporting at least two group armies or a fighting force of roughly 80,000 to 100,000 troops.²⁴ In the largest military exercise to-date beyond China's borders, Peace Mission 2007 in Russia, only 1,700 Chinese

²⁴ M. Taylor Fravel, "Secure Borders: China's Doctrine and Force Structure for Frontier Defense," *Journal of Strategic Studies*, Vol. 30, No. 4-5 (2007), pp. 705-737.

troops participated.²⁵ As a result, the PLA's ability to project power will be limited to perhaps only 100 or 200 kilometers from China. Without significant investments in an air tanker fleet, China will be unable to establish and maintain air superiority far from China's borders.

Second, China's current doctrine for its ground forces stresses defending its current borders from external attack. To a large degree, China still relies upon defense-in-depth, as the maneuver units used to repel an attack are based hundreds of kilometers away from the border. In addition, internal security remains a key mission for China's ground forces. Key maneuver units are not only based in the interior, but they are also located in and around large population centers and generally not near borders (Map 4).

Map 4: The PLA Ground Forces Order of Battle



²⁵ <http://www.sinodefence.com/news/2007/news07-07-28.asp>

China's ability to expand into maritime areas is much more complicated. To assert control over both disputed islands and Exclusive Economic Zones, China would need the capability for sea control, namely the ability to control both the water and the air above the water. Such control would need to extend roughly 1,000 kilometers from the mainland in areas such as the South China Sea. Sea control is exceptionally difficult for any advanced navy, much less China's which has only begun to modernize in the past decade. Although China is actively developing its naval forces, especially submarines, its current goal appears to be area denial, namely the ability to disrupt and complicate the operations of other navies in waters near China. Area denial might be sufficient to create a buffer for China's wealthy coastal provinces, as it can rely upon land-based air power and does not require robust air-to-air refueling. Nevertheless, it is unlikely that China will have the ability to move from area denial to sea control. Yet control would be required for an aggressive expansion in the South China Sea or against Japan, both of which would involve the U.S.

Moreover, Chinese military writings acknowledge these constraints on the projection of naval power. Unlike its predecessor, the 2006 edition of *The Science of Campaigns* contains a new type of naval campaign, described as "attacks against coral islands and reefs" (*dui shanhu daojiao jingong zhanyi*), a scenario that appears to be tailored for the South China Sea disputes where China might consider attacking islands and reefs held by other claimants. The discussion of the campaign, however, highlights the obstacles and challenges that China's navy would face, including the distance from the mainland and difficulties in command, air defense and logistics support along with

the harsh natural environment characterized by typhoons and subsurface obstacles. The prominence of the difficulties in the discussion of this campaign is noteworthy.²⁶

China's ability to sustain significant annual increases in its defense expenditure presents a final constraint on the development of capabilities to expand into neighboring countries. Although China has experienced three decades of rapid economic growth, it certainly cannot be taken for granted that such rates of growth will continue in the future. Moreover, like many other industrialized nations, China's population is aging, which will have important consequences for China's ability to sustain high rates of growth and invest substantially in its armed forces at the expense of welfare spending.²⁷

The Costs of Expansion – High

If the benefits of conquest are uncertain, the costs of expansion are certain and high. The assumption here is that China for the short to medium-term will continue its grand strategy of reassurance, persuading its neighbors and the world that it does not harbor territorial ambitions.²⁸ The utility of this strategy is to improve diplomatic ties with neighbors and prevent the creation of counter-balancing coalitions that might limit China's autonomy in international affairs or even its rate of economic growth. The virtue of this strategy is that it is self-reinforcing.

With a grand strategy of reassurance, the initiation of new territorial claims, much less the use of force in existing disputes, will carry high reputational costs for China.

²⁶ Zhang Yuliang, ed., *Zhanyi Xue* [The Science of Campaigns] (Beijing: Guofangdaxue chubanshe, 2006)

²⁷ [Mark Hass]

²⁸ Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford, Ca.: Stanford University Press, 2005).

Boundary treaties and territorial agreements are perhaps the most costly type of international agreement for a state to violate or abrogate. As such agreements delimit the scope of national sovereignty, efforts to change or violate them send clear signals of territorial ambition.

Moreover, China suffers from an “encirclement effect.” Almost without exception, violation of any one past territorial settlement, or aggressive action against any neighbor, will be viewed by all neighbors as potentially threatening and signaling a shift in Chinese foreign policy. Violation of any settlement reached since 1949, which has been ratified and accompanied by map-making and demarcation, would be seen as an important signal of China's aggressive intentions, especially in light of all the rhetoric that China invests in the sanctity of state sovereignty in its diplomacy.

Such a signal of aggression through expansion would have two clear costs. First, it would raise doubts in the region about China's intentions and the potential costs of future engagement with China. If one benefit of China's current grand strategy is a hedge against the US through improved ties with regional actors, then violating even just one boundary agreement or territorial settlement would be costly. China's past settlement of territorial disputes through compromise had the strategic effect of reassuring neighbors and regional states about Chinese intentions by taking territorial issues off the table and lessening the security dilemma. China would not have been able to engage the region as it has if it still had hot disputes with Russia, the Central Asian Republics, Vietnam or Laos.

Second, territorial expansion against any one state would increase the likelihood that regional actors would collaborate to limit China's power and prevent further

aggression. Thus one of the main costs of expansion is that it would create the very type of reaction in the international community that China's current grand strategy seeks to avoid – a counter-balancing coalition. This cost greatly limits the use of force in existing disputes, much less the initiation of new territorial claims.

Conclusion and Places to Watch

In the short to medium term, territorial conquest will most likely not pay for China. The benefits of expansion are uncertain, with the exception of the Russian Far East and maritime East Asia. China's military means to expand in both areas is weak, however, as Russia fields an advanced military and China's navy must travel a long road before it achieves a sea control capability. The costs of expansion are almost certain to be high, as it would undermine China's current grand strategy of reassurance and encourage the formation of a counter-balancing coalition.

The analysis presented above, however, is somewhat static. Overtime, the potential benefits of conquest might shift and, moreover, Chinese military capabilities will only increase even if the growth of defense spending slows. The potential benefits of expansion could increase in three areas where China might more easily project military power.

First, the weakening or collapse of states on China's continental periphery could under certain circumstances increase the benefits of expansion. Such states include North Korea as well as the Central Asian republics. State decline or collapse could result in increased flows across China's borders of refugees and other actors, especially separatists,

which would increase instability among minorities in China, including Koreans in the Northeast and Uighurs in Xinjiang. State collapse could also create incentives for other major powers to intervene in countries bordering China. Under either of these two conditions, China might conclude that it needs to move forces into a neighboring state, either to ensure border security or prevent another great power from establishing a foothold on its periphery.

Second, out migration from China to neighboring states would increase the number of ethnic Han living abroad in areas adjacent to China's borders. This has already begun to occur, albeit on a small scale, in the Russian Far East. According to one source, almost one million ethnic Chinese live in Russia, though it is unclear how many of these are in the Far East.²⁹ This migration could increase ethnic tensions with the local population. Persecution of these Han migrants might create strong pressure for China's leaders to take action, perhaps through expansion into these areas, especially if they abut China's continental borders.

Third, the content of China's nationalism might shift from an ethnic nationalism based on the Han identity to a civic nationalism based on the achievements of Chinese civilization. This new identity would emphasize the greatness of past dynasties, including those such as the Qing that were larger in size than the PRC today. An effort to regain such greatness might be cast in terms of pursuing irredentist claims to non-Han areas on China's periphery that would have been under part of the Chinese imperial system in the past.

²⁹ <http://www.ocac.gov.tw/english/public/public.asp?selno=1163&no=1163&level=B>