

**The Means to an End
Chinese Grand Strategic Ambition, and the Underestimation of Chinese Defense Spending**

by

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Abstract

This paper investigates how China's leadership under Xi Jinping envisions hard power aspects of great power competition, with a focus on naval doctrine. Using a three-part mixed-methods approach, the study analyzes Chinese naval doctrines, defense budget employing the Relative Military Cost (RMC) method and explores the concepts of continuous conflict and cooperation. The analysis reveals China's defensive posture and incrementalist approach to naval strategy, challenging conventional narratives of an aggressive and expansionist China, and highlighting the need for more nuanced understanding of great power relations in the Asia-Pacific region.

Preface

This thesis is an original work by Éamonn Trofimuk. No part of this thesis has been previously published.

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Chapter 1: Introduction

In Alice in Wonderland there is an interesting exchange between Alice and the Cheshire Cat. Alice asks the Cheshire Cat “Would you tell me, please, which way I ought to go from here?” to which the Cheshire Cat responds, “That depends a good deal on where you want to get to.” National procurement strategies indeed depend, as the Cheshire Cat said, “on where you want to get to.” China has undergone a massive period of military buildup and modernization. To place the scale of these advances into focus, China has built an aircraft carrier fleet out of nothing¹. China has fielded a fifth-generation fighter ahead of every country other than the United States². China moved an infantry based conscript army to a largely mechanized professional army in two decades.

China's modernization efforts are often undersold, the sheer scale of these reforms and the institutional deepness of these reforms are difficult to understate. The transformation of the Peoples Liberation Army's (PLA) capabilities over the last two decades has been astonishing. In the 1990s China could reach the Korean peninsula with perhaps a couple of dozen conventional ballistic missiles³. By 2017 it had thousands of such systems capable of reaching out past Japan. 20 years ago, Chinese SAMs (surface to air missiles) were only capable of covering a couple of critical cities and military installations core to Chinese strategic needs. By 2017 surface-to-air missiles based on mainland China could range out over Taiwan itself. Chinese military

¹ Andrew Scobell, "China's Minimalist Global Military Posture: Great Power Lite?," *Asian Security* 19, no. 1 (2023/01/02 2023).

² Josh Rogin, "The Chinese growth story is not yet over, their ambitions in neo Mahanianism extend far beyond their current capabilities. ," *Washington Post*, 2022.

³ David Brown, "Why China could win the new global arms race," *BBC*, 28 July 2022, 2022.

capabilities have increased enormously over a brief period⁴. This rise has startled much of the leadership of much of the western security apparatus.

Importantly China and the Chinese Communist Party (CCP) are now capable of taking a much stronger line on issues of Chinese strategic interests. There are now dozens of reports on Chinese ships ramming foreign ships in contested waters⁵, violations of Taiwanese and others airspace⁶, and the introduction of “wolf warrior” diplomacy⁷. These cases indicate a greater willingness on the part of the Chinese leadership to pursue their interests with increasing belligerence. Gone are the days of Hu Jintao’s “peaceful rise⁸” China now seeks a more direct form of confrontation.

Graham Allison in his book *Destined for War* (2017) outlines a model for conflict which he termed Thucydides trap. In Allison’s model, when a power rises, it will seek to reorder the status quo, and threatens the dominance of an established power. This natural tension between an old power and a new power greatly increases the likely hood of conflict emerging from misperceptions, miscalculations, and the escalation of smaller incidents into larger crises. A period of rising tension between these two powers often leads in a decisive clash between the old and revisionist power.⁹ In this environment of heightened conflict, the vision of Thucydides

⁴ Brown, "Why China could win the new global arms race."

⁵ David Axe, "Huge New Chinese Ships Are Made For Ramming," *Forbes*, Jan 15, 2021 2021.

⁶ Al Jazeera and News Agencies, "China ‘sends record number of fighter jets’ toward Taiwan," *Al Jazeera*, 26 December 2022 2022.

⁷ Christopher Hughes, "How China Loses: The Pushback against Chinese Global Ambitions," *China Journal* 89, no. 1 (2023). 90-94

⁸ Osman Antwi-Boateng Mohamed Bin Huwaidin, "The rise of China as a hegemonic power: The case for a partial peaceful rise," *China and its region: An assessment of hegemonic prospects*, no. 2 (2022); Srđan Vučetić, "China and its region: An assessment of hegemonic prospects," *Journal of Regional Security*, no. 2 (2022).

⁹ Graham T. Allison, *Destined for war : can America and China escape Thucydides's trap?* (Houghton Mifflin Harcourt, 2017, 2017).

Trap enters the popular discourse.¹⁰ Much scholarship revolving around either objections to or affirmation of Allison's model. The Rand cooperation both independently and when contracted by the US government supports, without naming, a model, suggests a growing peer to peer competition.¹¹ Other authors note how the decline in American overmatch, and the rise of China lends itself to an overconfident America potentially overreaching and clashing with an overconfident China.¹² The US State Department of Department of Defense have spoken at length on peer-to-peer competition, and the growing risk of a decisive conflict in the Pacific region.¹³ However, there is little literature asking how China perceives Thucydides Trap, is China planning, indeed little literature analyzing how China perceives great power competition.

The central question of this paper is how does the leadership of the Peoples Republic of China envision the hard power aspects great power competition?

Chinese leadership under Xi Jinping already views the current geopolitical world as having irrevocably shifted. The Central Military Commission (CMC), and Xi Jinping their written works and their spending reflects perspective of a changed world. By arguing that the view expressed by Xi Jinping of this new era of great power competition is one of low intensity continuous conflict. Rather than a cold war model, or escalating tension followed by decisive

¹⁰ Allison, *Destined for war*.

¹¹ Timothy R. Heath, *U.S. Strategic Competition with China: A RAND Research Primer* (Santa Monica, CA: RAND Corporation, 2021). <https://www.rand.org/pubs/perspectives/PEA290-3.html>. Eric Heginbotham et al., *The U.S.-China Military Scorecard Forces, Geography, and the Evolving Balance of Power, 1996–2017* (RAND Corporation, 2015). <http://www.jstor.org/stable/10.7249/j.ctt17rw5gb>.

¹²

Kori Schake, "Lost at Sea: The Dangerous Decline of American Naval Power," *Foreign Affairs*, Mar/Apr Mar/Apr 2022, 2022.

¹³

U.S. Department of State, *WMEAT 2018 Sources and Methods, World Military Expenditures and Arms Transfers, Bureau of Arms Control, Verification and Compliance*, U.S. Department of State (2018); U.S. Department of Defense, *Military and Security Developments Involving the People's Republic of China*, Office of the Secretary of Defense, (2011); "China Naval Modernization: Implications for U.S. Navy Capabilities - Background and Issues for Congress," *DTIC* (2014 2014).

clash of Thucydides Trap, Xi Jinping and the CMC are preparing for a period defined by moments of peace and cooperation coexisting alongside prolonged conflict, punctuated by high intensity clashes.

1.5 Methods

This paper will utilize a three-part mixed methods approach to examine how the leadership of the People's Republic of China, specifically under Xi Jinping, envisions the hard power aspects of great power competition, with a particular focus on naval doctrine. Naval doctrine has been chosen for two reasons. The main theatre for hard power competition between American and China will be the Asia Pacific.

1. Analysis of Chinese Naval Doctrine: This section will involve a comprehensive review of Chinese naval military and strategic doctrines, including academic documents¹⁴, white papers¹⁵, and works by key Chinese leaders¹⁶. These sources will be analyzed to identify patterns and trends in Chinese thinking on great power competition in the Pacific, as well as the core principles guiding their naval strategic approach. Additionally, this analysis will consider any shifts in Chinese naval doctrine under Xi Jinping's leadership to determine how the current Chinese administration views the dynamics of great power competition in the Pacific region.

¹⁴ Dean Cheng, "Getting Where the PLA Needs to Be," *Testimony before U.S. - China Economic and Security Review Commission* (June 20 2019 2019); M. Taylor Fravel, "China's "World-Class Military" Ambitions: Origins and Implications," *The Washington Quarterly* 43, no. 1 (2020/01/02 2020), <https://doi.org/10.1080/0163660X.2020.1735850>, <https://doi.org/10.1080/0163660X.2020.1735850>.

¹⁵ Office The State Council Information, *China's national defense in the new era*, First edition 2019 ed. (Beijing, China: Foreign Languages Press, 2019, 2019).

¹⁶ Xi Jinping, *The Governance of China II* (Beijing: Waiwen Chubanshe, 2018); Jinping Xi, *The Governance of China I.*, ed. 2nd (Beijing: Waiwen Chubanshe, 2018).

China has a vision of the “Great Rejuvenation of the Chinese Nation” (Zhonghua minzu weida fuxing 中华民族伟大复兴)¹⁷ as well as the term “core interest”¹⁸ which create a vision of Chinese sovereignty without clear borders. Rather China views sovereignty as a series of concentric rings, with mastery of the inner ring required before projection into the next an begin.

Next, this section will analyze specific terms used to set Chinese strategic decision making. First is “the goal of a strong army, building a world-class military” (实现强军目标，建设世界一流军队)¹⁹ which outlines a broad strategic vision for global power projection. The second term is “local wars under modern, high technology conditions” (gao jishu tiaojian xia jubu zhanzheng 高技术条件下局部战争).²⁰ “Local wars in high technology conditions” outlines a vision for tactical level combat, and “pushback” capabilities.

Finally, there is the doctrinal underpinnings of neo-Mahanianism, where the military, and navy are a component of national strategy, and while important it is not the primary driver.²¹ Chinese neo- Mahanian doctrine is not seeking a decisive conflict, but a “fleet in being” deterrence. By examining these components, this analysis aims to provide a detailed understanding of China's approach to great power competition in the Pacific and the strategic goals driving its naval decision making.

¹⁷ Christopher Ford, *Technology and Power in China's Geopolitical Ambitions*, U.S. Department of State (2019). Pg. 2

¹⁸ Xi, *The Governance of China I*. Pg. 273

¹⁹Fravel, "China's "World-Class Military" Ambitions: Origins and Implications." Pg. 86

²⁰ Cheng, "Getting Where the PLA Needs to Be." Pg.1

²¹ Veysel Tekda, "China's Belt and Road Initiative: at the crossroads of challenges and ambitions," *Pacific Review* 31, no. 3 (2018). Pg. 384

2. Analysis of the Chinese Naval Budget: This section will analyze the Chinese defense budget by employing the Relative Military Cost (RMC) method developed by Peter Robertson²². This method considers wage differences between countries, skill levels that may impact military labor costs, and divides defense spending into three categories: labor, capital, and operations and maintenance. By using the RMC method will work to provide a more accurate comparison of defense spending between China and the United States, accounting for the complexities of military spending and the purchasing power parity (PPP) advantage that China enjoys.

By using the database of the Stockholm International Peace Research Institute (SIPRI) budget a stronger understanding of what is included in the PLA budget can be found. SIPRI includes the base explicitly stated PLA budget, the People's Naval Militia, the Chinese Coast Guard, and the People's Armed Police, offering a more comprehensive view of Chinese spending.²³ Examining the trends in Chinese defense spending from 2017 to 2022, will highlight the growth in absolute terms and in comparison, to global defense expenditure.

Next, applying Robertson's RMC method to the SIPRI defense budget estimates, generating a multiplier that allows for a more accurate comparison between Chinese and U.S. defense spending. By considering wage and skill differences, as well as dividing spending into three distinct categories, the RMC method helps us better understand the narrowing gap between

²²Peter E. Robertson and Adrian Sin, "Measuring hard power: China's economic growth and military capacity," *Defence and Peace Economics* 28, no. 1 (2017/01/02 2017).

²³ Diego Lopes da Silva Nan Tian, Xiao Liang, Lorenzo Scarazzato, Lucie Béraud-Sudreau, and Ana Carolina de Oliveira Assis, *Trends in World Military Expenditure, 2022.*, Stockholm International Peace Research Institute (Stockholm: Stockholm, 2023), <https://www.sipri.org/publications/2023/sipri-fact-sheets/trends-world-military-expenditure-2022>; Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database," (Stockholm International Peace Research Institute, 2019). <https://www.sipri.org/databases/milex>; Alexandra Kuimova Nan Tian, Diego Lopes da Silva, Pieter D. Wezeman and Siemon T. Wezeman, *Trends in World Military Expenditure, 2019*, Stockholm International Peace Research Institute (Stockholm, 2019), https://www.sipri.org/sites/default/files/2020-04/fs_2020_04_milex_0.pdf.

the two countries' military budgets. Finally, discussing the implications of the RMC-adjusted defense spending figures for the U.S.-China great power competition. The American overmatch is broadly overstated when using traditional methods of comparison²⁴, and that the RMC method reveals a much narrower gap between the two countries' defense spending²⁵. This finding underscores the significance of China's rise as a military power and the challenges it presents to the United States in the context of great power competition.

3. Continuous Conflict, Continuous Cooperation: In the concluding section the understanding of Chinese sovereignty as concentric rings, and neo-Mahanian power projection doctrine, will be synthesized with Chinese defense spending to highlight how Chinese views of great power conflict.²⁶ Namely that China views conflict as not necessarily exclusionary of cooperation, and they are building their fleet accordingly. China views its military expansion as secondary to other methods of power projection, and views itself as a defensive power.²⁷ That Chinese naval strategy leapfrogs, then backfills, before advancing to the net ring of sovereignty.²⁸ This focus on incrementalism, and variant methods of power projection leads China to a view of future conflict not as a decisive moment, but a push and pull over various buffer zones in which two great powers with nebulous sovereignty interact both as friend and as foe.

²⁴ Peter E. Robertson, "The Real Military Balance: International Comparisons of Defense Spending," *Review of Income and Wealth* 68, no. 3 (2022); Lucie Béraud-Sudreau Meia Nouwens, *Assessing Chinese defence spending: proposals for new methodologies*, International Institute for Strategic Studies (2020).

²⁵ Robertson, "The Real Military Balance: International Comparisons of Defense Spending."

²⁶ K. Blachford, "An Alternative to the Thucydides Trap: The Buffer Zone of Byzantium and Sasanian Persia," *International History Review* (2021/01/01/ 2021).

²⁷ Timothy Thomas, *China: Military Strategy: Basic Concepts and Examples of its use* (Fort Leavenworth: Foreign Military Studies Office, 2014); Thomas M. Kane, *Ancient China on Post Modern War* (New York: Routledge, 2007).

²⁸ Thomas, *China: Military Strategy: Basic Concepts and Examples of its use*. 161-211

Overall, this three-part methodological approach will enable a comprehensive and nuanced examination of China's approach to the hard power aspects of great power competition in the Pacific, particularly in the context of naval doctrine and spending.

The insights gained from synthesizing Chinese sovereignty as concentric rings, neo-Mahanian power projection doctrine, and defense spending have significant implications for understanding China's approach to great power competition. By viewing conflict as non-exclusionary of cooperation and prioritizing military expansion as a secondary means of power projection, China positions itself as a defensive power. This perspective challenges the conventional narrative of an aggressive and expansionist China, suggesting that its actions may be more nuanced than previously assumed.

The incrementalist approach and focus on a spectrum of power projection methods reveal that China does not seek a decisive conflict with the United States. Instead, its strategy revolves around a series of pushes and pulls in buffer zones, where both countries' sovereignty is nebulous. This dynamic interaction between cooperation and competition demands a reevaluation of traditional approaches to great power relations. Policymakers and analysts should consider the possibility of simultaneous collaboration and rivalry between the two nations and adopt more flexible and adaptive strategies to navigate the complexities of this relationship.

Furthermore, recognizing China's defensive posture and incrementalist approach to naval strategy has implications for the United States' military posture and strategic planning in the Asia-Pacific region. A more nuanced understanding of China's intentions may encourage the U.S. to adopt a balanced and cooperative approach, promoting stability and avoiding inadvertent escalation. Or perhaps encourage a decisive strike, or total non-cooperation lest a blending enables the further entrenchment of Chinese power.

1.6 Limitations

Despite the comprehensive nature of this three-part mixed methods approach, there are several limitations that must be acknowledged. These limitations stem from the availability and reliability of data, the complexity of analyzing Chinese doctrine and strategic thinking, and the potential for misinterpretation of China's intentions.

First, analyzing Chinese naval doctrine is inherently challenging due to the opacity of the Chinese government and military. Efforts to gather information from various sources, including academic documents, white papers, and works by key Chinese leaders, there is always the risk that some critical information may be overlooked or inaccessible. The Chinese government's penchant for secrecy and strategic ambiguity may also result in the misinterpretation of some key concepts or ideas. Therefore, our analysis of Chinese naval doctrine should be taken with caution, as it may not capture the full complexity of China's strategic thinking.

Second, the use of the Stockholm International Peace Research Institute (SIPRI) budget for our analysis of Chinese defense spending has some limitations. While SIPRI provides a more comprehensive view of Chinese spending by including the People's Naval Militia, the Chinese Coast Guard, and the People's Armed Police, there are still concerns about the accuracy and transparency of China's defense budget. Additionally, the Relative Military Cost (RMC) method, while innovative and useful for comparative analysis, is not without its own shortcomings. The method is sensitive to data inputs and assumptions, which could lead to overestimations or underestimations of the true relative military costs.

Third, synthesizing our understanding of Chinese naval doctrine and defense spending with the concepts of continuous conflict and cooperation is a complex endeavor. There is the risk of oversimplifying the relationship between these aspects, which could result in an inaccurate

portrayal of China's strategic outlook. Moreover, this analysis assumes that China's actions and intentions will remain consistent under Xi Jinping's leadership. However, political, and economic factors, both domestic and international, could lead to changes in China's strategic priorities that may not be accurately captured in our analysis.

Despite these limitations, our mixed methods approach offers valuable insights into the hard power aspects of China's approach to great power competition in the Pacific. By combining an analysis of Chinese naval doctrine, budget, and strategic outlook, this paper contributes to a more nuanced understanding of China's strategy under Xi Jinping and the potential implications for the future of great power competition in the region. While acknowledging the limitations of our study, this analysis will serve as a foundation for future research in this key area of international relations.

Chapter 2: Historical Roots of the Chinese Vision

Setting context for the current ecosystem in which the PLA and PLAN operate within necessitates a solid historic background.

The Xinhai (or 1911) Revolution saw the toppling of over 2000 years of Chinese imperial rule. The Qing Dynasty, descendent of Manchu conquerors, had ruled China since the 16th century. By the mid-19th century, the Qing Dynasty's armed forces were antiquated preindustrial forces, incapable of defending the nation from Westernized powers, and even quell internal dissent.²⁹ The Qing Dynasty, by the mid-19th century, was plagued both with foreign intrusions into China, and near continuous chaos caused by continuous rebellions and civil strife.³⁰

In 1839 the First Opium War saw a small British force rout several major, and significantly larger, Qing armies. In 1850, a man would declare himself the brother of Jesus, leading the Taiping Rebellion, lasting 14 years (1864) a killing an estimated 14 million people. Only with French and British support would the Qing be able to suppress the rebellion. Contemporaneously, the Qing would face major rebellions, such as the Nian Rebellion (1851-68), Miao Rebellion (1853-73), Red Turban Rebellion (1854-56), and the Da Cheng Rebellion (1851-61), and the Panthay Rebellion (1856-73). China would face major defeats at the hands of foreign powers during the Boxer Rebellion (1899-1901) against the 8 Nation Alliance, the First Sino-Japanese War (1894-95) against Japan, and the Second Opium War (1856-60) against

²⁹ S. C. M. Paine, *The wars for Asia, 1911-1949* (Cambridge University Press, 2012, 2012). 77-106

³⁰ Shiyu Bo, Cong Liu, and Yan Zhou, "Military investment and the rise of industrial clusters: Evidence from China's self-strengthening movement," *Journal of Development Economics* 161 (2023).

France and Britain.³¹ The Qing Dynasty recognized the need for massive military, and societal reform. Thousands of young Chinese men would be sent abroad to study from foreign experts.

In these waning days of the Qing Dynasty a movement to modernize the military forces was undertaken, known as the “Self-Strengthening Movement.” Foreign experts and equipment were purchased.³² The Qing Army, which since the conquest of China three centuries earlier, had centered around elite formations known as the “Banner Armies” had proven itself ineffective in combatting both foreign and domestic opponents. The self-strengthening movement saw local officials and military leaders granted significant autonomy in the procurement of foreign made weaponry.³³

Military formations were needed to quell internal dissent and eject foreign influence. To this end Qing modernization followed a model of “everywhere slowly,” rather than constructing elite formations with modernized doctrine, material, and structure, they sought to modernize the entire army piecemeal. Important to note, military reform and modernization was also seen as a component of a broader industrialization effort.³⁴ By employing munition plants, artillery factories, and naval dockyards, the bases of an industrial economy could be established.³⁵

These reforms would never be completed, the lingering political crises continued to escalate, and at the age of five, Pu Yi would be deposed as Emperor in the Xinhai Revolution. A

³¹ Paine, *The wars for Asia, 1911-1949*; Bo, Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China's self-strengthening movement."

³² Paine, *The wars for Asia, 1911-1949*. 103-123

³³ Tuan-Hwee Sng, "Size and dynastic decline: The principal-agent problem in late imperial China, 1700–1850," *Explorations in Economic History* 54 (2014).

³⁴ Bo, Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China's self-strengthening movement."

³⁵ Bo, Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China's self-strengthening movement."; Paine, *The wars for Asia, 1911-1949*. 204-210

young man, Mao Zedong, would join the republican forces in his local province. The instability of the late Qing regime would continue under this new Chinese Republic.³⁶ A series of crises culminated in the presidency of Yuan Shikai, whose death in 1916, led quickly to the collapse of any pretense of central government authority. Enabled by the diffuse procurement strategy of the late Qing dynasty, local officials and generals evolved into warlords.³⁷

Revolutionary Army

The fall of the Qing in 1911 began a period known as the “Long Civil War,” which is broken into two phases, interrupted by WWII and the Second Sino-Japanese War. The first phase of the Chinese civil war saw the CCP as a small contributor.³⁸ Rather, the remnants of the reformed Qing army engaged in large scale conventional war with opposing factions. Local warlords could muster armies at times numbering in the of hundreds of thousands, armed with comparatively modern equipment. The First and Second Zhili-Fengtian wars (1922 & 1924 respectively) saw over half a million combatants, with World War One style trench warfare. Chiang Kai Shek, and the Kuomintang (KMT) government, would eventually largely triumph in this first phase.

The CCP established itself in March of 1930 in an isolated mountain region on the Jiangxi-Fujian border, with 10,000 mostly unarmed peasants. This proto-PLA was widely ill-equipped for the task ahead, lacking training, manpower, and equipment to fight the large conventional armies of the warlords and KMT government. Here the roots of the revolutionary

³⁶ Paine, *The wars for Asia, 1911-1949*. 48-50 *Military culture in imperial China*, ed. Nicola Di Cosmo (Cambridge, Mass: Harvard University Press, 2009, 2009).

³⁷ Paine, *The wars for Asia, 1911-1949*. 60-71

³⁸ Allison, *Destined for war*. 122-148

nature of the PLA can be found.³⁹ Early PLA doctrine focused heavily on ideological purity and comradeship. Mao and his leadership cadre were unable to match the material and manpower of the KMT, and therefore developed a military doctrine based on the maxim “man over technology.” Mao centered the PLA on personal vigor, and the moral and “socialist” character of individuals, and the army. Through collective action, and the collective ideological vigor of individuals the PLA could overcome the serious strategic limitations they had.

The initial stages of the PLA saw this ill-equipped force constantly short critical supplies of food and other resources.⁴⁰ The PLA developed a culture of growing and producing their own critical supplies, to reduce the burden on rural peasantry. Mao, and his compatriots viewed this culture of self-sufficiency as critical to the ideological purity of the PLA. By maintaining a connection to the “rural proletariat” the PLA would, by the logic of the thinkers of the early CCP, continue to be a revolutionary force.⁴¹

After the end of World War II, when the PLA intervened in Korea against the United Nations forces, led by the United States. The PLA was an infantry force employing short attack tactics to overcome opponents that were superior in terms of mechanization and firepower. The PLA that entered the Korean war was very much in continuity with the Revolutionary Army of WWII. This army was infantry focused and relied completely on overwhelming numbers of

³⁹ Bo, Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China's self-strengthening movement." 200-201 Simone Dossi, "Explaining Military Change in China: Reintroducing Civilian Intervention," *Journal of Contemporary China* 31, no. 133 (2022/01// 2022).

⁴⁰ Keith Crane, *Modernizing China's Military: Opportunities and Constraints* (Santa Monica: RAND, 2005). Pg. 77-108

⁴¹ Paine, *The wars for Asia, 1911-1949*. 60-71

poorly armed soldiers to advance. Indeed, most soldiers carried their provisions, with a rudimentary supply and logistics system.⁴²

The Peoples Liberation Army, PLA, was not born as a mechanized industrialized fighting force. The PLA was born into this world as the militarized wing of the Communist party as a revolutionary force. The PLA was born fighting a mixture of symmetric and asymmetric conflict against Japan and the government of China (Kuomintang/KMT).⁴³ This infantry heavy force worked in austere conditions with constant lack of critical equipment. Importantly, PLA leadership did not necessarily view the material condition of their forces as the most critical aspect of force readiness. Rather, PLA leadership viewed the ideological loyalty of their armed forces as the most important aspect. The PLA would have an enduring leadership struggle between the “Red” and the “Technocrat.” The “Red” where those committed to Mao’s vision of the primacy of ideology, “technocrats” sought a comprehensive, non-ideological, reform of the PLA into a technical conventional force.⁴⁴ While this split is broader than simply quantity over quality, at a basic level that was the dispute.

Institutional Stagnancy

Throughout most the Cold War the PLA continued as the revolutionary army. The PLA was a relatively unmodernized and land-centric combat force. Spending on the SPLA was high as a percentage of GDP throughout the Cold War. However, China was an agrarian state, with an under industrialized economy. The total amount of funding available was not particularly high nor was the industrial base available to produce large numbers of domestically designed

⁴² Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China’s self-strengthening movement." 210-11

⁴³ David Shambaugh, *China's Military in Transition* (Oxford: Clarendon Press, 1997). 112-145

⁴⁴ Liu, and Zhou, "Military investment and the rise of industrial clusters: Evidence from China’s self-strengthening movement." 190-195

weapons. Most of the equipment the PLA used throughout most of the Cold War period were either licensed or unlicensed copies or derivatives of soviet designs whether that be handheld weapons and firearms, or whether that be artillery tanks or aircraft. To this day a lot of hardware used by the PLA are derivatives or improvements or modification of Soviet or Russian hardware.⁴⁵

Rather than a solution between solution to the conflict between the “Red” and the “Expert,” there was long détente. A series of lackluster military expeditions, such as the intervention in Korea or Vietnam⁴⁶, led to the lesser priority being placed on the PLA. When Deng Xiaoping became paramount leader of China, it would be some time before his sweeping reforms and vision would land on the PLA.

Deng Dividend

Deng Xiaoping ushered in a profound era of change for the PLA, as with much of Chinese society. In the late 1980s the military mustered out millions of men. Recall this was an infantry heavy force, the largest army, on the planet and Deng Xiaoping steadily knocked millions of men off the active-duty roles. While the details of the reform in that era are probably beyond the scope of this, or any thesis, the key point is that it was only that reduction in manpower that really would set the scene for the reform to come. Deng released resources tied up in manpower, to be available for modernization. There are several key aspects of this Deng dividend that should be focused on.

Perhaps more important than the personnel cuts were the impact that Deng’s rule had on the Chinese economy. After all he set the scene for greater interaction with the global economy

⁴⁵ Paine, *The wars for Asia, 1911-1949*. 60-71

⁴⁶ Gill Bates, *Daring to Struggle: China's Global Ambitions Under Xi Jinping* (Oxford University Press 2022).

foreign investment and the explosive economic growth that would follow. Deng provided China with the foundations for a prodigious economic growth, and while the military budget would hover just under 2% of GDP, it would nonetheless experience a tremendous rise as the economy grew.⁴⁷

Deng reduced the share of GDP that was focused on the defense spending. However, despite the reduction in the share of GDP, the explosive economic growth that he unleashed with Deng's market reforms would ultimately lift the military budget with it. Budgetary growth would follow but often would be exceeded greatly by GDP growth. Thus, the proportion of GDP spent on the PLA continued to decline, while gross inputs grew considerably.⁴⁸ Critically this additional money was not focused on making the PLA larger, rather the surplus provided by GDP growth, and force reduction, provided the capitol for the technical modernization of the PLA. Deng, and the Central Military Commission did not seek a larger PLA, rather they called for a more modern one. As the world entered the third decade of the 21st century PLA was still very much a force in transition.

21st Century Modernization

The modernization efforts undertaken are on an absolute grandiose scale. The force does retain a significant amount of legacy hardware and platforms in several areas. Furthermore, the roll out of new equipment lags in systems relative to its huge size.⁴⁹ Parts of the navy still do operate obsolete in ancient designs, parts of the air force still do fly aircraft that date back to the 70s even on occasion the 60s, but you also see modern systems being introduced on a massive and continuous scale. The inertia of the reforms set in motion by Deng are still very much the

⁴⁷ Shambaugh, *China's Military in Transition*.

⁴⁸ Jing Sun, *Red Chamber, World Dream: Actors, Audience, and Agendas in Chinese Foreign Policy and Beyond* (University of Michigan Press, 2021). Pg 16-23

⁴⁹ Paine, *The wars for Asia, 1911-1949*. 60-71

driving force behind the PLA. Moreover, it is important to note that the PLA is still very much in the middle of its modernization journey.

Deng settled a dispute between two major factions within the PLA, with the sidling of the “reds” the emphasis being placed on technical reform, and western modernization. Much like the self-strengthening movement of the late Qing dynasty, China looked beyond its borders to find models from which to base its modernization, and new doctrinal directions.⁵⁰ As Xi Jinping ascended to be paramount leader much of the internal discussion within the PLA had been settled, and strategic directions chosen.⁵¹ China would not look to the history of Chinese naval doctrine, which has been non-existent since the 16th century,⁵² but rather to the powers who had defeated the nation.

⁵⁰ Shambaugh, *China's Military in Transition*. 150-177

⁵¹ Bates, *Daring to Struggle*. 66-72

⁵² Shambaugh, *China's Military in Transition*. 12-45

Chapter 3: The Chinese Vision

“Nothing discloses real character like the use of power. It is easy for the weak to be gentle. Most people can bear adversity. But if you wish to know what a man really is, give him power. This is the supreme test.” – Robert G. Ingersoll 1883

The modern PLA is undergoing a project analogous to the “self-strengthening movement” of the late Qing. A focus on developing an armed forces that is equal to its western counterparts. There are those parts of the Chinese military that still operate relatively out of date technology. The legacy of the revolutionary origins, and institutional stagnancy of the late 20th century, remain very present within the PLA. However, it is important to understand the Chinese military of is not at the end of its modernization journey it's in the middle, and to that end, her competitors need to understand where China wants to go.

Geopolitics of Sovereignty, Peer Power Status

China, in their historiography, has been inflicted to a long century of indignities. Starting in 1839 when British ironclads inflicted defeats upon the Chinese state, China experienced foreign occupation and intrusion. Large sections of China were carved off by foreign powers. With the return of Hong Kong, the bulk of these historic wrongs have been rolled back, but Taiwan, the South China sea, and the near abroad remain stubbornly beyond her grasp. In a 2019 report to Congress Christopher A. Ford, Assistant Secretary of State for Security, noted the rising use of the term “Great Rejuvenation of the Chinese Nation” (Zhonghua minzu weida fuxing 中华民族伟大复兴).⁵³ This is a broad wholistic term cover a range of goals for a vision underlining the China Dream, for our purposes it can be understood as a revanchist or revisionist term. There are three broad elements to the basic underlying goals of the Chinese geopolitical posture, what can be termed sovereignty and peer power status. Sovereignty is the desire for

⁵³ Ford, *Technology and Power in China's Geopolitical Ambitions*. Pg. 2

China to ensure nation integrity. While peer power status encompasses a broad range of desires centering around seeking to refashioning the global order along the lines of the “China Dream.”⁵⁴

In a 2018 study group Xi Jinping urged the importance of protecting “core interest” and that “no foreign country should expect China to trade off its core interests or swallow bitter fruit that undermines Chinese sovereignty or developmental interests.”⁵⁵ The history of China as an occupied or marginalized power, facing foreign intrusion into their space, and having peripheral territories cleaved off has left a strategic imperative to ensure the Chinese core is intact.⁵⁶ The national interest as expressed under Xi’s leadership placed into greater emphasis on the revision of the current global system, and in doing so righting historic wrongs that have impacted Chinese “core interest.”⁵⁷ Taiwan represents the last major “core interest” which has been peeled away by a hostile legacy. To this end Chinese strategic posture centers around the rejection of Taiwan independence, and has a clear goal spoken often by party leadership.⁵⁸ Taiwan in the estimation of Xi Jinping and the CCP leadership is an integral part of China, much like Guangdong, or Hebei. As a critical component of the integral Chinese state, is regarded as a basic precondition of Chinese foreign policy. No Chinese foreign policy exists without Taiwan being secured first.⁵⁹

⁵⁴ Masafumi Ida, "Xi Jinping's diplomacy and the rise of his political authority," *Journal of Contemporary East Asia Studies* 9, no. 2 (2020),. Pg. 137-140

⁵⁵ Xi, *The Governance of China I*. Pg. 273

⁵⁶ Ida, "Xi Jinping's diplomacy and the rise of his political authority." 135

⁵⁷ Rana Mitter, "The World China Wants: How Power Will—and Won't—Reshape Chinese Ambitions," *Foreign Affairs* (January 2021 2021). Pg. 2-4

⁵⁸ Bates Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping* (Oxford University Press, 23 Jun 2022, 2022).

⁵⁹ Dalton Lin, "'One China' and the Cross-Taiwan Strait Commitment Problem," *The China Quarterly* 252 (2022),, <https://www.cambridge.org/core/article/one-china-and-the-crosstaiwan-strait-commitment-problem/B3920960100A0B99C1D3F1F39DDAD965>. Pg. 1104

Taiwan as the largest example of violated sovereignty, is not alone in this field. A series of island in the East China, and South China seas are viewed as integral components of the Chinese state. Aside from Taiwan, most are sparsely or uninhabited, but all represent an inner ring of Chinese interest.⁶⁰ This inner ring extends deep into the south China Sea (see map 1) and creates an oceanic strategic salient. Xi Jinping has accelerated efforts to question the sovereignty of rival states and assert Chinese sovereignty over the region. In 2013, China declared unilaterally Air Identification Zone (ADIZ) across the entirety of their claimed jurisdiction.⁶¹ A 2019 white paper published by the State Council for Information said of violation of Taiwanese airspace, the following “By sailing ships and flying aircraft around Taiwan, the armed forces send a stern warning to the “Taiwan independence” separatist forces.”⁶²

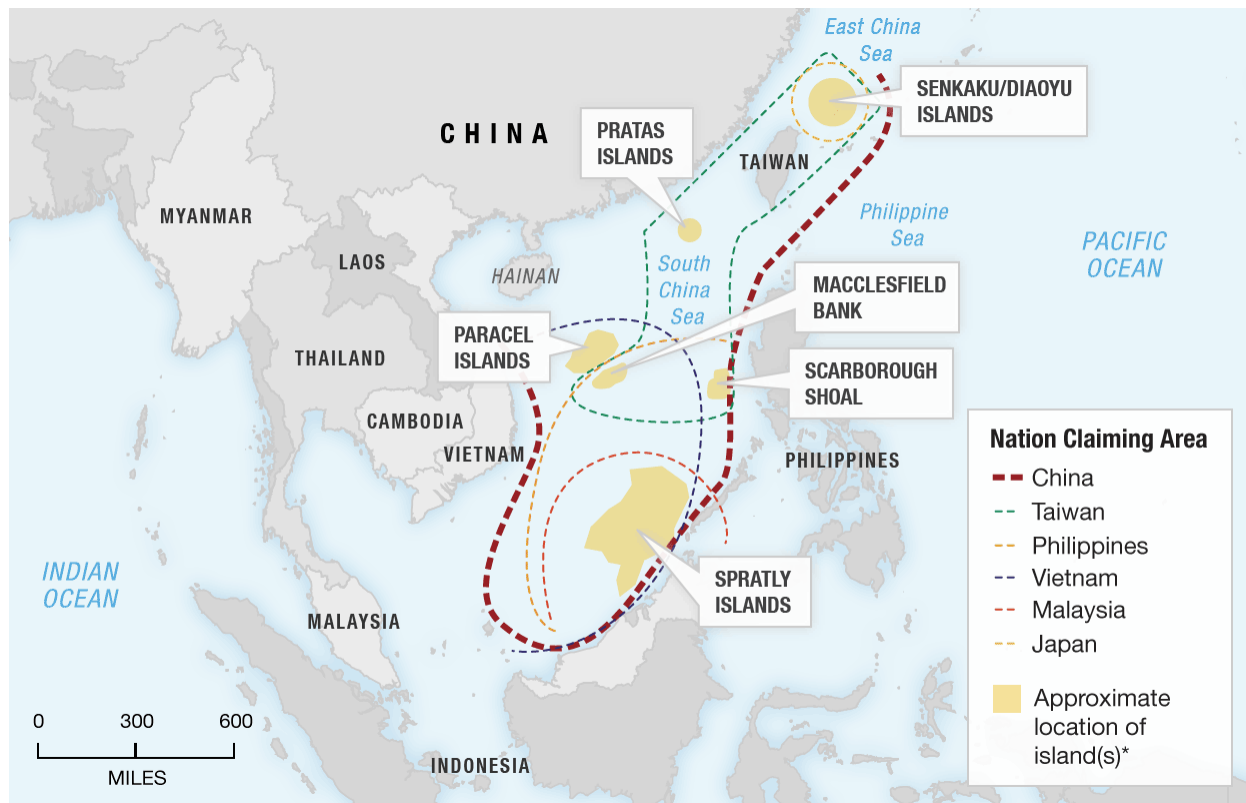
Map 1: Chinese Claims in the South China Sea

⁶⁰ Fravel, "China's "World-Class Military" Ambitions: Origins and Implications." Pg. 95

⁶¹ Ida, "Xi Jinping's diplomacy and the rise of his political authority."Pg.132

⁶² "China's National Defense in the New Era," (2019),

https://english.www.gov.cn/archive/whitepaper/201907/24/content_WS5d3941ddc6d08408f502283d.html. 21



Source: Rami Ayyub, "A Primer on the Complicated Battle for the South China Sea," National Public Radio, April 13, 2016, <https://www.npr.org/sections/parallels/2016/04/13/472711435/a-primer-on-the-complicated-battle-for-the-south-china-sea>.

In map 1 we can see the expansive claims of China into the South China Sea, and what it terms the first island chain. The Chinese claims extend deep into the sea, overlapping with the claims of six other states, Taiwan, Brunei (not depicted on map), Vietnam, Malaysia, Japan, and the Philippines. This expansive claim highlights for an expanded naval presence. China has territorial claims overlapping with nearly every one of its neighbors. The need to reinforce the Chinese position in this first island chain⁶³ has led to a promulgation of a new wave of security laws and declaration asserting Chinese need for readiness to defend these core interests. In the 2015 National Security law, article 11 states

⁶³ Schake, "Lost at Sea: The Dangerous Decline of American Naval Power."

“Citizens of the People’s Republic of China, all state organs and armed forces, all political parties and mass organizations, enterprises, institutions and other shall have duties and obligations to safeguard the national interest”⁶⁴

As China begins to enforce its “core interests” the ambitions of Chinese foreign policy become a more ambitious. The stridently revisionist stance on the global order finds its roots in the very forces which have endangered, within Chinese historiography, China’s core interests.⁶⁵ As the quote above demonstrates, there is a deep paranoia surrounding the potentiality of foreign actors once again penetrating the Chinese core.⁶⁶

The same forces of colonialism, Western Imperialism that carved the periphery from China has been inflicted on others. In stating how this new model of Chinese foreign relations will differ from traditional foreign policies of the west Xi Jinping states the following

“We will foster a new model of international relations featuring mutually beneficial cooperation, and forage partnerships through dialogue instead of confrontation and friendship rather than alliance. All countries should respect each other’s sovereignty, dignity territorial integrity, development path, social systems, and core interests, and accommodate each other’s major concerns.”⁶⁷

China seeks to position itself as a new ideological guide stone, an economic partner, and importantly to this paper security guarantor.⁶⁸ Chinese foreign policy ambition cannot be seen as simply a military goal, but as a wholistic vision for a refashioned global order, with China as the leader. Economic ties, and trade relations form a corner stone of how Xi Jinping wishes to form

⁶⁴Elsa & Lorand Laskai Kania, *Myths and Realities of China's Military-Civil Fusion Strategy* (Center for a New American Security, January 28, 2021 2021). Pg. 12

⁶⁵ Scobell, "China’s Minimalist Global Military Posture: Great Power Lite?." pg. 54-66

⁶⁶Paine, *The wars for Asia, 1911-1949*. 48-76

⁶⁷ Jinping, *The Governance of China II*. Pg. 559

⁶⁸ Ida, "Xi Jinping’s diplomacy and the rise of his political authority." Pg. 137-139

relations. Hence China is seeking a model of internationalism based in forming close developmental relations with nations.⁶⁹

China's leadership sees a series of concentric rings of interest, rather than a single border. Chinese sovereignty is contingent on Chinese power. The "Great Rejuvenation of the Chinese Nation" can be understood as an incremental expansion of Chinese sovereignty. China is willing to tolerate anomalous and nebulous borders, as has been done with Taiwan.⁷⁰ This nebulous sovereignty highlights the need for a strategy built on a multi-modal method of conflict. Commitments to Chinese unity and territorial integrity have grown proportionally to Chinese power. As Chinese power has grown, border anomalies and irregularities have been "solved." First break away states such as Tibet, and various warlords in Xinjiang were returned to the Chinese fold.⁷¹ As Chinese power grew through the second half of the 20th century, the territorial anomalies of Hong Kong and Macau were again solved.⁷² Now the consequence of Chinese power is laid bare, as the status quo becomes increasingly untenable for China.⁷³ Moreover, China is now interested in projecting power both soft and hard power into new rings of sovereignty. China is now taking a more belligerent stance in the South China Sea⁷⁴ while also building out economic pathways deep into the Indo-Pacific and Africa.⁷⁵

⁶⁹ Scobell, "China's Minimalist Global Military Posture: Great Power Lite?." 1-8

⁷⁰ Lin, "'One China' and the Cross-Taiwan Strait Commitment Problem."

⁷¹ Paine, *The wars for Asia, 1911-1949*. 260-270

⁷² Thomas, *China: Military Strategy: Basic Concepts and Examples of its use*. 170-181

⁷³ Sukjoon and Yun Yoon, Junho, "From confrontation to conflict between China and Taiwan: major challenges for Taiwan's counter strategy," *Korean Journal of Defense Analysis* 32, no. 3 (September 2020 2020).

⁷⁴ Xingxing Wang and Jiyong Zheng, "Analysis of the Relations between Chinese Aircraft Carriers and the Maritime Order of the South China Sea," *korean Journal of Defense Analysis* 34, no. 3 (2022).

⁷⁵ Tekda, "China's Belt and Road Initiative."

The recent belligerence against Taiwan is a result of the expansion sovereignty, Taiwan used to be referred to, even as recently as 2010, as a periphery.⁷⁶ However, the growth of Chinese power has expanded Chinese views of sovereignty, now Taiwan is a vital core interest, integral to the state.⁷⁷ New regions, such as the Spratly islands, and foreign military bases now represent the periphery of the Chinese realm of sovereignty. China is willing, as they were with Taiwan, to employ a wide range of tools to assert rights and sovereignty over these new zones of interest.

In the statements of the party leadership, it is constantly stated that the refashioned global order is not centered on military power, but military and economic tools acts as components in securing other objectives. The military remains important, but subservient to economic goals.⁷⁸ However Chinese strategic goals are defined first by the willingness and ability of China to assert its sovereignty in the areas Xi Jinping and China's have defined as "core interests." Secondly by a revisionist position on the global order. As the former has extended China's core deep into the South China Sea, and the desire to expand Chinese influence globally necessitate a series of reforms and milestones to achieve these objectives. As these milestones are reached, the vision of Chinese is reached, Chinese sovereignty expands into new zones, and hardens in old zones. Economic tools, political tools, act as a first wave to assert sovereignty far beyond the current zones of Chinese influence.

Achieving Chinese Strategic Goals

In 2019 the State Council for Information released a large defense White Paper, of which an official English version was also published.⁷⁹ That document alone offers incredible insight

⁷⁶ Thomas, *China: Military Strategy: Basic Concepts and Examples of its use*. 155-160

⁷⁷ "China's National Defense in the New Era." 6,10,21

⁷⁸ Ida, "Xi Jinping's diplomacy and the rise of his political authority." Pg. 129-131

⁷⁹ "China's National Defense in the New Era."

into Chinese strategic directions. When placed in the context of other strategy documents and publications that are put out by various Chinese military leaders, or statements by Xi Jinping, in his capacity as chair of the Central Military Commission, a clear set of strategic and geostrategic goals emerge. The senior leadership of the PLA has established three milestones; The first was the goal of mechanizing the military. The PLA is taking that backward revolutionary light infantry force of the late cold war era and modernizing it, mechanizing it, and making it mobile. This ambition is nothing less than the creation of a modern military. The second, a military where those older technologies copy-cat platforms and systems are universally phased out and replaced with modern equivalents. This goal of mechanizing the PLA is only due to take place by 2035. Hence, it should still be understood that the Chinese military modernization as in early stages. Therefore, it should be expected to be a mixed military, with platforms of various generations working alongside one another.

The *Chinese Military Encyclopedia*, produced by the Academy of Military Science in Beijing, uses the phrase “local wars under modern, high technology conditions” (gao jishu tiaojian xia jubu zhanzheng 高技术条件下局部战争) profusely.⁸⁰ This type of war is defined by several key aspects. 1. The side with a greater quantity of quality weapons can set the parameter of conflict. 2. Battlefields are three-dimensional, conflict in air, front lines, and deep into the strategic rear of the combatants. 3. The battle space is marked by high tempo, round the clock, all weather conditions. 4. The battle space relies heavily on joint operations between air, land, and sea assets, at long distance. 5. The role of command, control, communication, and intelligence

⁸⁰ Cheng, "Getting Where the PLA Needs to Be." Pg.1

(C3I) is paramount, the inability to communicate, direct and understand the battlespace will cripple a combatant.⁸¹

This level of analysis is at a tactical level, describing goals for a force when engaged directly within a battlespace. China is no longer reliant on the manpower advantages that formed the basis of the pre-Deng military. As the “Reds” school was sidelined and technical proficiency became increasingly important, the PLA was tasked with becoming an increasingly mechanized and technical force.⁸² The goal of a high technology force forgoes the old attitudes of “man over machine” and the revolutionary potential and purity of the PLA, in favor of a western emphasis on technical supremacy.⁸³ The fundamental battleplan of this new army would not rely on overwhelming infantry numbers, but on mechanized modern formations.

Within the 2019 Defense white paper provides an additional term to help understand Chinese military goals. The white paper stated that China aims to create a world standard military by mid-century.⁸⁴ While that statement is ambiguous, it does, nevertheless, suggest that by the middle of the 21st century China aims to count itself as a peer of the major military powers of our age, namely the United States. Notwithstanding the boasts of some particularly aggressive and patriotic “wolf warriors” China, or at the very least the CMC and Xi Jinping, do not regard itself as a military peer or equal of the United States, yet. And critically, China does have ambitions to become a peer to the United States. First used by Xi Jinping in 2016 “achieving the goal of a strong army, building a world-class military” (实现强军目标 · 建设世

⁸¹Ford, *Technology and Power in China's Geopolitical Ambitions*.pg. 1 & Kane, *Ancient China on Post Modern War*. Pg. 141- 147

⁸² David Shambaugh, *China's Military in Transition* (Oxford: Clarendon Press, 1997).

⁸³ Crane, *Modernizing China's Military: Opportunities and Constraints*. Pg. 138-148

⁸⁴ "China's National Defense in the New Era." 10, 37

界一流军队)⁸⁵ “world class” military has become an increasingly used term in Chinese military circles. China’s history with colonial wars and foreign interference have left a legacy. The need to ensure Chinese sovereignty cannot be violated by foreign actors, that the integrity of China remains unmolested.

The entrance of “world class” military into the Chinese vernacular heralded a shift away from the “strong army goal” of years past. As can be seen in figure 1, upon its first utterance in 2016, usage of the term “world class military” has risen to nearly match that of the “strong army goal.” As the army shifts from a revolutionary infantry force to a modern mechanized army⁸⁶, ambitions grow and have become more global. The initial wave of the usage of “strong army” and “world class” began the year after Xi Jinping came to power.⁸⁷

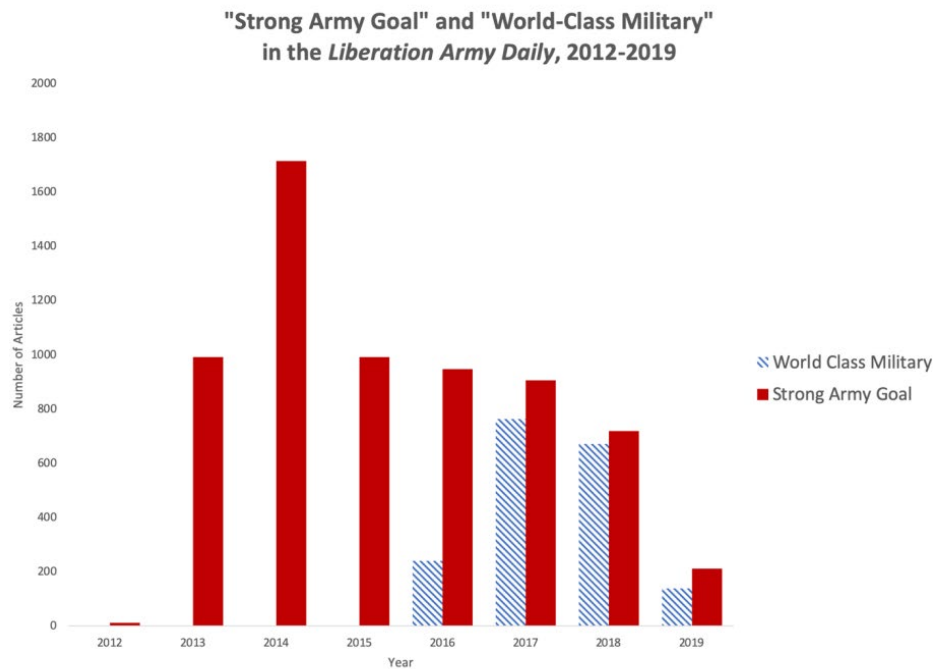
Figure 1: Usage of Strong Army goal and World Class Military⁸⁸

⁸⁵Fravel, "China's "World-Class Military" Ambitions: Origins and Implications." Pg. 86

⁸⁶ Crane, *Modernizing China's Military: Opportunities and Constraints*. Pg. 239-246

⁸⁷ Ida, "Xi Jinping's diplomacy and the rise of his political authority." 127-129

⁸⁸ Fravel, "China's "World-Class Military" Ambitions: Origins and Implications." Pg. 14



Xi Jinping more so than other leaders has placed a greater degree of urgency on the need to match other global powers in a military capacity. This goal, the creation of a “world class” military has entered mainstream Chinese strategic discourse but does not have a definition defined by Xi Jinping or the CMC. However, as the term has become increasingly common within Chinese discourse, source adjacent to the regime have begun to define the goal. Scholars within Peoples Liberation Army have used a definition provided by Xiao Tiefeng. Xiao states succinctly,

World-class militaries should ... possess advanced leadership and management concepts, and intensive and efficient military institutions and organizations; have world-class modern equipment, especially realizing the composite development of mechanization, informatization and intelligentization; have a perfected system of military regulations and rules; possess abundant and high-quality military human resources and high comprehensive quality of military and civilian personnel; realize the deep military-civil

fusion and the people and form a "whole country" and "great national defense" system; have a good international image and a high degree of internationalization.⁸⁹

Xiao is representative of the broader consensus as highlighted by English language resources.

That "world class" military means an international military. A military with deep integration into broader Chinese society, a modern and professionalized military, and a large military. And while Xiao and other Chinese sources do not describe "world class" military in the same terms of global power projection as is used to describe the American military.⁹⁰ Xiao and others use benchmarks like France, Russia, and the Americans to define current examples of world class militaries, all of which have varying degrees of global power projection.

Where "local wars under modern, high technology conditions" refers to the tactical level, "world class" military refers to the strategic. The tactical level seeks for Chinese forces to no longer be reliant on large numbers of subpar soldiery, the strategic sees China as a state able to project power beyond the core interests of China. Moreover, it seeks to directly compare the Chinese military with foreign states.⁹¹ They are seeking to match the high technology of competitors,⁹² and importantly match capabilities. The ability for China to be strong, to meet the objectives of their strategic goals, can be found in statements by their leaders. Xi Jinping stated

Achieving the great renewal of the Chinese nation has become the dream of the Chinese people in modern times. This great dream we have is to make our country strong. To the military, the dream is to make our forces strong. To achieve these aims we must strive to both enrich the country and build a strong nation defense and powerful military.⁹³

⁸⁹ Xiao Tiefeng, "从世界各国军队的发展经验中寻找攻玉之石—探索建设世界一流军队的特点规律 [Seeking the Stone of Jade from the Development Experience of the Armed Forces of the World: Exploring the Characteristics of the Building of a World-Class Military]," *Liberation Army Daily*, February 27, 2018, p. 7. Quoted in U.S.- China Economic and Security Review Commission, *Hearing on "A 'World-Class' Military: Assessing China's Global Military Ambitions"*, 1st, 116th, United States Senate (2019).

⁹⁰ Fravel, "China's "World-Class Military" Ambitions: Origins and Implications." Pg. 2-4

⁹¹ Mitter, "The World China Wants." Pg. 7-9

⁹² Ida, "Xi Jinping's diplomacy and the rise of his political authority." Pg. 132-133

⁹³ Xi, *The Governance of China I*. 241

The dream of a potent force is contingent on a powerful economy. Xi Jinping is not content to remain a regional power, but as they are now the world's second largest economy, so to must they be a world power.⁹⁴ And to be a world power necessitates a world class military.

Chinese Grand Strategy

The two broad Chinese goals, sovereignty and peer power status, act as guide stones for further reforms and milestones for the PLA, to achieve these goals the PLA must become two things. 1. On a tactical level the PLA must evolve to fight and be effective in "local wars under modern, high technology conditions." This technical dominance on the local level permits China to secure sovereignty, ensuring the local tactical space is dominated by the PLA. Moreover, mastery of local conflict high technology conditions necessitates 2. On the strategic level the PLA must become a "world class" military. A world class military in China's vision has mastered the tactical level, and is proficient in local high technology war, and is capable of projecting that power with competence globally.

Neo-Mahanianism

China's solution, and road map to meet its grand strategic objectives can be found in a doctrine of a neo-Mahanian variety. Alfred Thayer Mahan known as the father of the modern navy⁹⁵ outlined a strategic doctrine based on three pillars. 1. Controlling Sea lanes, 2. developing naval capability to protect those lanes, 3. Developing naval bases to project that power.⁹⁶ The goal of the "Great Rejuvenation of the Chinese Nation" and the milestone of the "world class" military naval implications are clearly, and explicitly Mahanian. Liu Huaqing, commander of the

⁹⁴ Jing Sun, *Red Chamber, World Dream: Actors, Audience, and Agendas in Chinese Foreign Policy and Beyond* (University of Michigan Press, 2021). Pg 16-23

⁹⁵ Edward Sing Yue Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development," *Asian Security* 18, no. 1 (2022/01/02 2022). Pg. 40.

⁹⁶ J. Michael Robertson, "Alfred Thayer Mahan and the geopolitics of Asia," *Comparative Strategy* 15, no. 4 (1996/10/01 1996).

People Liberation Army Navy from 1982-1988, and then Vice-Chairman of the Central Military Commission outlined a strategic plan to develop the Chinese navy.⁹⁷ Huaqing became the Chinese Mahan, arguing for projection capabilities, and foreign basing rights.

Chinese ambitions to become a peer power and be able to function as an alternate security guarantor is further outlined in their neo-Mahanian naval doctrine. As the Chinese government focuses on the “Great Rejuvenation of the Chinese Nation” voices have grown calling previous stances by the state as “too soft.” “Our voice has often been too soft, which resulted in the loss of the Spratly Island [located in the South China Sea]. The dispute in the Diaoyu Islands [Island north of Taiwan controlled by Japan] also remains unresolved because of this.”⁹⁸ Therefore, territorial integrity and strategic space, having the enemy far from ones shores, becomes increasingly important.⁹⁹ If a state is unable to penetrate China’s security buffer, their territorial claims that overlap with China’s “core interests” become untenable.¹⁰⁰ Chinese Mahanian doctrine starts with securing regional seas, and maintaining a strong presence within that sea, before establishing satellite regions.¹⁰¹

Importantly, Mahanian doctrine views the navy as a tool of economic as well as military statecraft. Chinese grand strategy, as has been noted views the military, and navy as a component of national strategy, and while important it is not the primary driver.¹⁰² Economics and the developmental aspects are being expanded first, establishing a base from which naval power is

⁹⁷ Chan, "Beyond Mahanianism: the evolution of China’s policy discussion on sea power development." Pg. 42-44

⁹⁸ Chan, "Beyond Mahanianism: the evolution of China’s policy discussion on sea power development."34

⁹⁹ Robertson, "Alfred Thayer Mahan and the geopolitics of Asia." Pg. 360-363

¹⁰⁰ Chan, "Beyond Mahanianism: the evolution of China’s policy discussion on sea power development." Pg. 39-41

¹⁰¹ Chan, "Beyond Mahanianism: the evolution of China’s policy discussion on sea power development." Pg. 42.

¹⁰² Tekda, "China's Belt and Road Initiative." Pg. 384

projected to secure those very same economic and developmental footholds.¹⁰³ The concentric ring of sovereignty are projected, with far flung outposts become new centers of “core interests.”¹⁰⁴

Moreover, we would expect the navy to be used as a tool to support the developmental aspects of their foreign policy. Xi Jinping when discussing the “China Dream” stated “We need to work harder to promote our diplomacy with neighboring countries, [and] strive for a sound regional environment for our development.”¹⁰⁵ The navy acts as a methods of power projection, and as a tool to protect economic interests of the Chinese state abroad. Recall how the China Dream and the Great Rejuvenation seeks a foreign policy, as stated by Xi himself, that seeks economic and diplomatic relations first.¹⁰⁶ The military acts as a tool to buttress Chinese security guarantees, and non-military expansion. In the estimation of the Chinese state, as the economic and developmental goals of the state expand, so to do her “core interests” and therefore the need to protect those interests.¹⁰⁷

Figure 2: Summary of Doctrine

¹⁰³ Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development." Pg. 42

¹⁰⁴ Thomas, *China: Military Strategy: Basic Concepts and Examples of its use*. 149-155

¹⁰⁵ Xi, *The Governance of China I*. Pg. 390

¹⁰⁶ Xi, *The Governance of China I*. Pg. 559

¹⁰⁷ Ida, "Xi Jinping's diplomacy and the rise of his political authority." Pg. 140-141

<i>Grand Strategy</i>	<i>Tactical High Technology</i>	<i>Strategic World Class</i>
	Modern War is defined by high technology, high intensity conflicts where quantity and quality of weapons is needed to defeat enemy	A military which is capable of meeting and beating other global navies, defined by technical mastery, informationization, and global mobility
<i>Core Interests</i>	High technology increases the hard power of the Chinese military, thus granting an equal footing	Grants strategic distance, a world class force can ensure that security threats from foreign powers are not able to penetrate to the strategic core
<i>Peer Power</i>	Modern militaries such as the United States, France or Japan are utilizing high technology	A military which is not capable of projecting power, and is confined to the national cannot be considered a peer power
<i>Neo-Mahanian Doctrine</i>	High technology is seen in new and emerging technologies, granting the navy the ability to secure the battle space ¹⁰⁸	Navy is used to support and secure non-military needs, namely global trade, and economic interests. A World Class military can project power to the extent needed to support a globe spanning

By controlling the technological space within their “core interests” the inner ring of Chinese sovereignty is secured, and strategic distance is granted. As China grows in military prowess, it can gain strategic distance and match foreign powers at a peer level, and Mahanian doctrine i.e., subordinating military interests to economic interests inform further expansion.¹⁰⁹

¹⁰⁸ Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development."

¹⁰⁹ Cheng Li, *Chinese Politics in the Xi Jinping Era Reassessing Collective Leadership* (Brookings Institution Press, 2016).

Chapter 4: Productive Capacity

One crucial aspect to consider when comparing defense budgets lies in the concept of purchasing power parity (PPP). Although these budgets are expressed in United States dollars, the value of a dollar varies depending on the country, often using a simple market exchange rate (MER) or by PPP. The market exchange rate is the rate at which one currency can be exchanged for another and is determined by the supply and demand in the foreign exchange market. It is a straightforward comparison of currency values but does not account for differences in the cost of living or the price of goods and services across countries¹¹⁰. Purchasing power parity (PPP), on the other hand, considers the relative cost of living and the price levels of goods and services in different countries¹¹¹. It measures how much of a specific good or service can be purchased with a unit of currency in each country, allowing for a more accurate comparison of the real value of currencies. In essence, while the market exchange rate focuses on the nominal value of currencies, purchasing power parity considers their real, effective value in terms of purchasing goods and services. However, first

Competitive Advantages in China

China is still a middle-income country, and as a result, labor is a lot cheaper, and many goods are a lot cheaper there than they are in places like the United States or Germany or France. The cost of labor in China is significantly lower, which means that China can employ more personnel in research, development, manufacturing, and maintenance of defense systems for the same amount of money spent by other countries.¹¹² This cost advantage enables China to achieve

¹¹⁰ Nan Tian and Fei Su, *A New Estimate of China's Military Expenditure*, Stockholm International Peace Research Institute (2021). 2-5

¹¹¹ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 797-801

¹¹² Richard Bitzinger, "THE MODERN DEFENSE INDUSTRY Political, Economic, and Technological Issues," (01/01 2009).

greater output and efficiency in the defense sector, ultimately enhancing its military capabilities with a smaller budget.¹¹³

Another advantage is the lower cost of materials and goods in China. The domestic production of defense-related materials and components in China is often cheaper due to the lower cost of raw materials, energy, and production facilities.¹¹⁴ China has a robust industrial base producing base inputs such as steel, and electronic components, and important it has these industries in quantity and in the right locations. This translates into reduced expenses in manufacturing and maintaining military equipment, further contributing to the PPP advantage in Chinese defense spending¹¹⁵. It should be noted that the role of state-owned enterprises (SOEs) in China's defense sector will be discussed later, as they also play a critical role in shaping the PPP advantages.

The Limitations of PPP in Defense Spending

The situation becomes more complicated when distinguishing between commodities and local goods and services. While a dollar holds consistent value for easily traded commodities across borders, prices for labor, services, and immovable goods vary greatly depending on the country. China, as a middle-income country, experiences lower labor and goods costs compared to countries like the United States, Germany, or France¹¹⁶. Consequently, this cost difference results in an advantage for China in terms of defense spending¹¹⁷. Purchasing power parity arises from economic realities, not solely from value comparisons. Adjusting PPP for defense budgets

¹¹³ James C. Mulvenon et al., *Chinese Responses to U.S. Military Transformation and Implications for the Department of Defense* (Santa Monica, CA: RAND Corporation, 2006).
<https://www.rand.org/pubs/monographs/MG340.html>.

¹¹⁴ Bitzinger, "THE MODERN DEFENSE INDUSTRY Political, Economic, and Technological Issues."

¹¹⁵ J. Mulvenon, Hagt, E., & Hitchens, M., (2005).

¹¹⁶ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 803-807

¹¹⁷ Robertson and Sin, "Measuring hard power: China's economic growth and military capacity." 2-4

is a complex task, as it is typically based on a basket of consumer goods and services. However, militaries do not purchase the same resources as ordinary consumers.

Complex machinery, and weapons systems are not commodities, to be facetious the price of a fifth-generation fighter jet will be in the tens of millions per fighter wherever you are. PPP is generally designed around cost of general goods and services produced in a state, rather than the cost of highly specialized high technology military equipment¹¹⁸. An aircraft carrier or fighter jet is more equivalent to an artisanal product than a mass-produced product, requiring intense inputs, intense specialization, and significant technical expertise. Varying labor qualities is not included in normal PPP estimates,

Relative Military Cost

The Relative Military Cost (RMC) method is an approach developed by Peter Robertson to compare real military spending across countries instead of military output. Comparing military spending is a crucial factor for countries to evaluate their security capabilities and potential threats from other nations. Comparing military spending across countries, however, presents methodological challenges. The standard approach is to convert spending in local currency to a common currency, typically US dollars, using market exchange rates (MERs). However, this method may understate the actual purchasing power in lower-income countries due to the "Penn effect." A more accurate measure of military purchasing power might be achieved using purchasing power parity (PPP) exchange rates, but these also have limitations. This summary outlines the challenges in comparing military spending and discusses various approaches, including the "relative military cost" (RMC) index.

¹¹⁸ Meia Nouwens, *Assessing Chinese defence spending: proposals for new methodologies*.

The use of MERs to convert military spending into US dollars is a widespread practice¹¹⁹ (U.S. Department of Defense, 2011; Crane et al., 2005; IISS, 2012; SIPRI, 2012). However, the Penn effect implies that MERs may understate the purchasing power of military spending in lower-income countries, particularly for non-traded goods and services such as construction, housing, and salaries.¹²⁰ Therefore, using MERs might not accurately reflect the relative military spending of different countries.

In response to the limitations of MERs, researchers have attempted to use PPP exchange rates to compare military spending.¹²¹ These rates are based on average economy-wide prices, which might not accurately represent defense sector-specific prices. Moreover, there is no consensus on which exchange rate concept – a GDP-PPP exchange rate, a market exchange rate, or something in between – provides a better approximation of defense sector prices.

While the Penn effect suggests that PPP exchange rates might offer a more accurate measure of military purchasing power than MERs, other studies have highlighted the importance of imported components, such as electronics, arms, and machinery, in defense spending.¹²² This has led to an increasing awareness of the need for a defense sector PPP exchange rate.¹²³

Attempts to compute military-PPP exchange rates have faced challenges, such as obtaining military input price data from enough countries (United Nations, 1986; Fontanel, 1986;

¹¹⁹ Institute, "SIPRI Military Expenditure Database."; Su, *A New Estimate of China's Military Expenditure*; Defense, *Military and Security Developments Involving the People's Republic of China*.

¹²⁰ State, *WMEAT 2018 Sources and Methods*; Meia Nouwens, *Assessing Chinese defence spending: proposals for new methodologies*; Richard Bitzinger, "Just the Facts Ma'am: The Challenge of Analysing and Assessing Chinese Military Expenditures," *China Quarterly* 147 (2003).

¹²¹

¹²² Fravel, "China's "World-Class Military" Ambitions: Origins and Implications."; Heginbotham et al., *The U.S.-China Military Scorecard Forces, Geography, and the Evolving Balance of Power, 1996–2017*.

¹²³ Meia Nouwens, *Assessing Chinese defence spending: proposals for new methodologies*. 15-16 & Nan Tian, *Trends in World Military Expenditure, 2019*.

Cars and Fontanel, 1987). In the absence of defense sector exchange rates, analysts have reported military spending using both GDP-PPP and MER estimates, or even weighted averages of the two based on numerous factors (U.S Department of State, 2018; Crane et al., 2005). However, these approaches yield multiple estimates of military spending that can differ substantially, with little theoretical rationale to support choosing one over another.

Another approach, known as the RMC index, has been developed specifically for China and later extended to other countries. The RMC index differs from the State Department's and the traditional MER and PPP approaches in two main ways.

First, it considers wage differences between countries, considering differences in skill levels that may impact military labor costs. This contrasts with other methods that do not factor in skill differences when evaluating labor costs across countries.¹²⁴

Second, the RMC method divides defense spending into three categories: labor, capital, and operations and maintenance. This differs from the WMEAT report, which only divides spending into labor and capital. In the RMC index, capital (equipment) is measured with MERs, as it consists of tradable goods. Operations and maintenance (fuel, food, housing, etc.) are measured with the PPP-for-GDP conversion rate. Finally, for labor, wage levels and skill levels are combined to determine relative prices for labor costs, based on the assumption that variations in 'labor quality' will result in different productivity levels for military personnel between states.¹²⁵

¹²⁴ Robertson and Sin, "Measuring hard power: China's economic growth and military capacity." 92-97

¹²⁵ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 799-801

The RMC index attempts to account for the complexities of military spending by incorporating both wage and skill differences into its calculations, as well as by dividing spending into three distinct categories. Despite its theoretical appeal, however, the RMC method also has limitations, as it relies on assumptions about labor quality and productivity levels that might not hold across all countries and military sectors.

The RMC index offers a more nuanced approach by considering wage and skill differences and dividing spending into three categories, but it also relies on assumptions that might not be universally applicable. In the absence of defense sector-specific PPP exchange rates, researchers and policymakers must carefully consider the limitations of each method and make informed choices when comparing military spending across countries. Developing a more accurate and universally applicable method for comparing military spending remains an ongoing challenge for researchers and defense analysts.

Global Actuals

When looking at defense budgets, by using a modified version of the SIPRI budget provided by Robertson¹²⁶. This budget includes the base SIPRI budget, including the Peoples Naval Militia, the Chinese Coast Guard, and the Peoples armed police. The estimates for the level of spending from 1990-2019 on the Peoples Armed Police and the Coast guard can be seen in figure 2. These do not represent an insignificant amount of spending, making up combine nearly 10% of the Chinese defense budget. These forces tend to prioritize quantity over quality, especially in the case of the coast guard.¹²⁷

Figure 2: SIPRI Budget Estimates Breakdown by Line

¹²⁶ Robertson, "The Real Military Balance: International Comparisons of Defense Spending."

¹²⁷ Cheng, "Getting Where the PLA Needs to Be."

Figure 3: PPP and MER Estimates for Chinese Defense Spending¹²⁸

TABLE 1
COUNTRIES RANKED BY REAL MILITARY EXPENDITURE USING DEFENSE SECTOR PPP EXCHANGE RATES,
2017

Rank	Country	Spending in US\$m Military- PPP, $e_{i,k}$	Percent of USA	Rank	Country	Spending in US\$m MER, $\mu_{i,k}$	Percent of USA
1	USA	605,803	100.00	1	USA	605,803	100.00
2	China	393,579	64.97	2	China	228,067	37.65
3	India	225,365	37.20	3	Russian Fed.	66,502	10.98
4	Russian Fed.	206,543	34.09	4	India	64,640	10.67
5	Rep. of Korea	82,685	13.65	5	France	60,680	10.02
6	France	80,330	13.26	6	UK	46,602	7.69
7	Brazil	70,383	11.62	7	Germany	45,579	7.52
8	Japan	60,367	9.96	8	Japan	45,358	7.49
9	UK	57,593	9.51	9	Rep. of Korea	39,323	6.49
10	Germany	54,736	9.04	10	Brazil	29,179	4.82
11	Turkey	51,792	8.55	11	Australia	27,685	4.57
12	Italy	46,590	7.69	12	Italy	26,563	4.38
13	Indonesia	39,268	6.48	13	Canada	21,372	3.53
14	Colombia	36,889	6.09	14	Turkey	17,611	2.91
15	Spain	28,397	4.69	15	Spain	16,113	2.66
16	Poland	27,547	4.55	16	Colombia	10,006	1.65
17	Ukraine	24,842	4.10	17	Poland	9977	1.65
18	Mexico	24,140	3.98	18	The Netherlands	9622	1.59
19	Canada	22,002	3.63	19	Indonesia	8168	1.35
20	Australia	21,252	3.51	20	Norway	6463	1.07
21	Philippines	14,283	2.36	21	Mexico	5778	0.95
22	Malaysia	14,213	2.35	22	Sweden	5536	0.91
23	Greece	13,779	2.27	23	Argentina	5456	0.90
24	Chile	13,080	2.16	24	Chile	5363	0.89
25	Romania	12,481	2.06	25	Greece	5116	0.84
26	Argentina	11,056	1.82	26	Switzerland	4628	0.76
27	Peru	10,862	1.79	27	Belgium	4504	0.74
28	The Netherlands	10,621	1.75	28	Denmark	3780	0.62
29	Sweden	7384	1.22	29	Philippines	3755	0.62
30	Norway	6572	1.08	30	Portugal	3662	0.60
31	Kazakhstan	6570	1.08	31	Romania	3643	0.60
32	Portugal	6135	1.01	32	Ukraine	3635	0.60
33	Switzerland	5385	0.89	33	Malaysia	3511	0.58
34	Belgium	5254	0.87	34	Finland	3445	0.57
35	Finland	4916	0.81	35	Austria	3152	0.52
36	Hungary	4808	0.79	36	Peru	2670	0.44
37	Czech Republic	4341	0.72	37	New Zealand	2323	0.38
38	Austria	4081	0.67	38	Czech Republic	2092	0.35
39	Denmark	3913	0.65	39	Hungary	1468	0.24
40	Serbia	3390	0.56	40	Kazakhstan	1388	0.23
41	Bulgaria	3241	0.53	41	Uruguay	1165	0.19
42	Lithuania	2842	0.47	42	Slovakia	1054	0.17
43	Armenia	2824	0.47	43	Ireland	1030	0.17
44	Slovakia	2496	0.41	44	Bulgaria	828	0.14
45	Croatia	2321	0.38	45	Lithuania	816	0.13
46	New Zealand	2306	0.38	46	Serbia	812	0.13
47	Uruguay	2105	0.35	47	Croatia	787	0.13
48	Guatemala	1599	0.26	48	Estonia	540	0.09
49	Ireland	1340	0.22	49	Latvia	512	0.08
50	Cyprus	1200	0.20	50	Slovenia	476	0.08
51	Estonia	1158	0.19	51	Armenia	444	0.07
52	Latvia	1090	0.18	52	Cyprus	359	0.06
53	Slovenia	1010	0.17	53	Senegal	308	0.05
54	Senegal	983	0.16	54	Guatemala	275	0.05
55	Burkina Faso	529	0.09	55	Trin. & Tob.	203	0.03
56	Trin. & Tob.	428	0.07	56	Burkina Faso	192	0.03
57	Rep. of Moldova	371	0.06	57	Jamaica	144	0.02

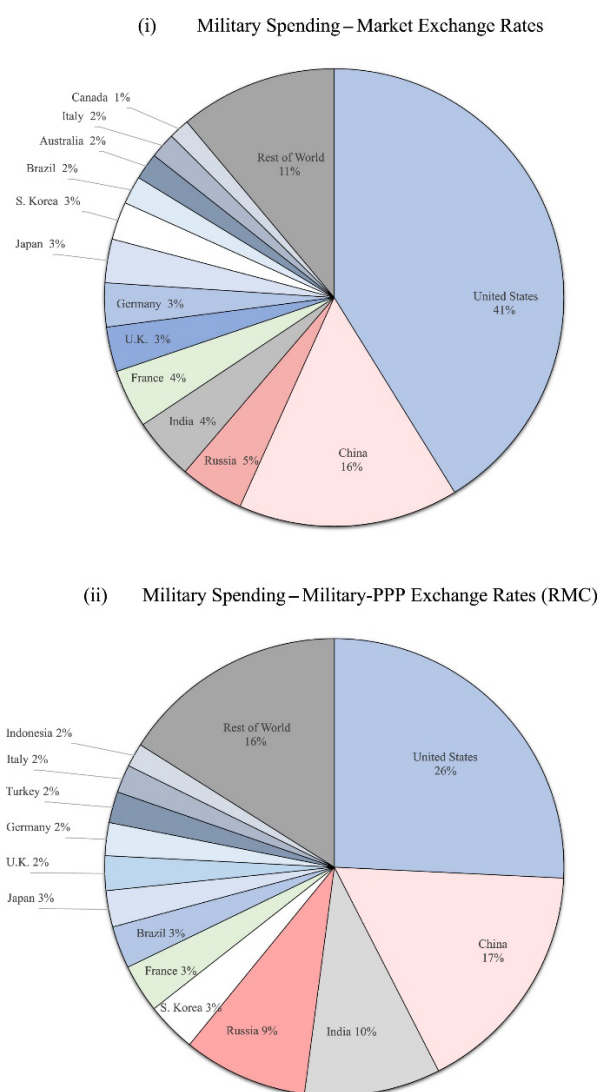
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¹²⁸ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 805

Figure 2 also provides an initial estimate for defense spending up to 2019. In 2017 SIPRI places Chinese defense spending around 228 billion USD, representing 13% of total global expenditure in 2017. By 2019 the unmodified SIPRI estimates had climbed to 260.9 billion USD.¹²⁹ By 2022, that number would limb in gross terms by another 30 billion USD to a staggering 293 billion USD.

Figure 4: RMC Method applied to PLA Budget¹³⁰



¹²⁹ Su, *A New Estimate of China's Military Expenditure*. 22

¹³⁰ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 808

When Robertson applied his method for calculating RMC, to the 2019 SIPRI estimates generates a multiplier of 1.72¹³¹. As can be seen in figure 4 ii, when the American defense spending relative to global defense spending drops from 41% of global spending to 26%. In relative terms Chinese defense spending moves from being around 39% of U.S. defense spending, to over 65% of U.S. defense spending. The 2021 estimate by SIPRI had Chinese defense expenditures climbing to 293 billion USD, applying Robertsons RMC multiplier has an estimated Chinese defense expenditure between 498.1 billion USD and 439.5 billion USD. The 2021 U.S. SIPRI defense budget estimate had the US at 801 billion USD, meaning the Chinese military budget represented in 2021 54.8-65.0% of the total U.S. defense budget.¹³²

SIPRI alone makes it appear that the U.S. budget makes up nearly 40% of total global expenditure (see figure 4 i). Furthermore, SIPRI and the State Department estimates make it appear that in gross terms, the U.S. defense budget is nearly three times larger than the Chinese.¹³³ However, the RMC model, incorporating inputs and military specific PPP modifiers, indicates that American overmatch is overstated. Rather than having a threefold overmatch with the Chinese, when the RMC model is applied the gap narrows to 1.5 times advantage.

Risk Averse Spending

Finally, there is the ongoing dispute between quality and quantity schools within the PLAN. The “Reds” and the technocrats. The current Chinese spending cornucopia has elevated

¹³¹ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 805

¹³² Nan Tian, *Trends in World Military Expenditure, 2022*.

¹³³ Schake, "Lost at Sea: The Dangerous Decline of American Naval Power."; Defense, *Military and Security Developments Involving the People's Republic of China*; State, *WMEAT 2018 Sources and Methods*; Schake, "Lost at Sea: The Dangerous Decline of American Naval Power."

much of this pressure and competition between these two factions. Chinese spending now funds both a quantity driven approach, in the form of large numbers of coastal defense crafts and anti-ship missiles.¹³⁴ Simultaneously, China has also been able to fund a large technical fleet of destroyers, cruisers, and the crowning jewel of the fleet China's new aircraft carrier fleet.¹³⁵ This kind of spending, appeasing each faction by giving them what they want, is only available due to the surpluses available to China. Deng had settled the stickier questions of "Reds" over technocrats, but the broader debate of quality vs quantity has broadly been settled in the budget.

Forces like the Peoples Armed Police, the Coast Guard, and the Peoples Maritime Militia, act as the quantity portion of the armed forces, the spiritual successors of the "Reds." The Coast Guard and Maritime militia are heavily reliant on vast numbers of small craft,¹³⁶ so many in fact that when these two forces combine are represent the largest navy in the world.¹³⁷ These forces act as the first line of deterrence, deployed to hassle foreign fishing vessels. When reports are made of attacks or ramming's of foreign vessels it is more than likely either the Coast Guard or the Peoples Maritime Militia. While receiving a not insignificant portion of the budget, more than 15%¹³⁸ they are decidedly the neglected portion of the armed forces. This budget is likely sufficient for the kinds of operations these forces are likely to do. The navy, the Peoples Liberation Army Navy, is made up solely of Mahanian technocrats. They are the successors of

¹³⁴ James Hackett, *Military Balance 2023*, International Institute for Strategic Studies (2023). 261-270

¹³⁵ Zheng, "Analysis of the Relations between Chinese Aircraft Carriers and the Maritime Order of the South China Sea."

¹³⁶ Hackett, *Military Balance 2023*. 260-270

¹³⁷ Heginbotham et al., *The U.S.-China Military Scorecard Forces, Geography, and the Evolving Balance of Power, 1996-2017*.

¹³⁸ Institute, "SIPRI Military Expenditure Database."

the Deng legacy¹³⁹ and the PLAN has the budget to achieve the goals of a “world class” military that masters “local war in high technology” environments.

It should be noted that the PLA, and PLAN are still, despite this relative spending parity, lagging far behind America in terms of raw hard power. With a 2019 Defense White Paper stating, clearly, “The PLA still lags far behind the world’s leading militaries.¹⁴⁰” Indeed the timeline for achieve the goal of a world class military is by midcentury.¹⁴¹

Importantly, the CMC are acutely aware that the large advantages they have received in terms of PPP and RMC are diminishing. 10 years ago, the RMC multiplier that could be applied to Chinese defense spending was well over 2, and 15 years ago it was approaching 4.¹⁴² Rising costs of labor and demographic changes are eroding the advantages that have propelled the rapid growth of Chinese economic and military power.

Moreover, the nature of military growth is a curve. America spends, proportionally a much larger percentage of its budget on simply maintain what it already has, nearly 2/3rds, with the remaining budget going towards personal and new equipment. The PLA does not operate nearly the same quantity of equipment as the Americans, moreover what technology they operate tends to be newer, and thus have lower upkeep costs.¹⁴³ As the Chinese military expands, those upkeep costs are going to grow considerably, as their equipment ages, their upkeep costs are going to grow. Furthermore, as the population shrinks, and becomes wealthier, manpower costs will increase. The advantages that have made

¹³⁹ Shambaugh, *China's Military in Transition*. 101-114

¹⁴⁰ "China's National Defense in the New Era." 6

¹⁴¹ "China's National Defense in the New Era." 6-10

¹⁴² Robertson, "The Real Military Balance: International Comparisons of Defense Spending."; State, *WMEAT 2018 Sources and Methods*.

¹⁴³ State, *WMEAT 2018 Sources and Methods*.

the RMC model so favorable to China are ephemeral.¹⁴⁴ The loss of a multi-billion-dollar aircraft carrier becomes more expensive when budgets become tighter.

Neo-Mahanian doctrine is not about decisive battle, but about projecting strength, and elevating the risks in a cost benefit analysis. The point of a large power fleet is not to use the fleet necessarily in peer combat, but to ensure the risks are so high neither power will deploy their fleet in such a manner as to risk confrontation with the other.¹⁴⁵ There is functionality in a Mahanian fleet, namely protecting the global trade routes of a power, and ensuring the validity of security guarantees. However, direct naval confrontation is not encouraged.¹⁴⁶ Navies are incredibly expensive tools, and China is already incredibly averse to deploying major warships to contested areas. China is building a navy to ensure its global economic and diplomatic commitments can be protected.¹⁴⁷ Finally, the types of vessels needed for neo-Mahanian doctrine are larger, more complex, and are required to operate over long distances for long periods of time, in short, far more expensive.¹⁴⁸ Therefore, each individual vessel in the mainline of the PLA fleet is fairly valuable, meaning placing large numbers of these vessels at risk also represents an economic risk, as well as a security risk, to the Chinese state.

¹⁴⁴ Robertson, "The Real Military Balance: International Comparisons of Defense Spending." 810-812China Power Team, *How Severe Are China's Demographic Challenges?*, Center for Strategic and International Studies (March 15 2023), Center for Strategic and International Studies.

¹⁴⁵ Robertson, "Alfred Thayer Mahan and the geopolitics of Asia."

¹⁴⁶ Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development."

¹⁴⁷ Rogin, "The Chinese growth story is not yet over, their ambitions in neo Mahanianism extend far beyond their current capabilities. ."

¹⁴⁸ Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development."

Chapter 5: Continuous Conflict, Continuous Cooperation

China's strategic outlook is shaped by its historical, economic, and political contexts. The concept of concentric rings of sovereignty is critical to understanding China's strategic thinking. The CMC and leadership of China emphasize the importance of a tiered approach to national security, view economic and political tools as the primary agent of political power.¹⁴⁹ Each tier reflects what China is able to project into the region. The innermost ring focuses on the defense of the Chinese mainland and its territorial integrity, the second ring comprises the immediate periphery of China, including the disputed territories in the South and East China Seas¹⁵⁰ and outer rings extend to the broader region and the world.¹⁵¹ The inner most rings is the strongest form of Chinese sovereignty, where China is most able to deploy its military. While the outer rings represent regions which Chinese hard power becomes more sporadic.¹⁵² This framework highlights the significance of defending and controlling key strategic spaces to ensure national security and sovereignty.

China's naval doctrine has evolved significantly over the past few decades, moving from a coastal defense-oriented posture to a more assertive, global approach.¹⁵³ The neo-Mahanian doctrine emphasizes the importance of a strong, blue-water navy capable of projecting power and protecting maritime interests far from the Chinese mainland. This doctrine is driven by several factors, including China's economic rise, the need to secure vital sea lines of communication, and

¹⁴⁹ "China's National Defense in the New Era."; Fravel, "China's "World-Class Military" Ambitions: Origins and Implications."

¹⁵⁰ Zheng, "Analysis of the Relations between Chinese Aircraft Carriers and the Maritime Order of the South China Sea."

¹⁵¹ Scobell, "China's Minimalist Global Military Posture: Great Power Lite?"; Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping*.

¹⁵² Scobell, "China's Minimalist Global Military Posture: Great Power Lite?."

¹⁵³ Daniel Connolly, "The Rise of the Chinese Navy: A Tirpitzian Perspective of Sea Power and International Relations.," *Pacific Focus* 32, no. 2 (2017). 100-108

the desire to counterbalance the U.S. military presence in the Asia-Pacific region.¹⁵⁴ China's naval modernization efforts reflect its commitment to the neo-Mahanian doctrine and its pursuit of maritime dominance.¹⁵⁵

China's defense spending has increased rapidly in recent years, raising concerns about the implications of its growing military capabilities. However, when considering the RMC-adjusted defense spending, which considers the purchasing power parity and cost advantages in China, the gap between Chinese and U.S. military expenditures narrows considerably.¹⁵⁶ While China's military budget remains lower than that of the United States, its RMC-adjusted spending suggests that China has made and will continue to make significant strides in enhancing its military capabilities, particularly in the naval domain.

The concepts of concentric rings, neo-Mahanian doctrine, and RMC-adjusted defense spending are interconnected and mutually reinforcing, shaping China's overall approach to great power competition. The concentric rings framework reflects China's prioritization of territorial integrity and sovereignty, which in turn informs its naval doctrine and defense spending decisions. The neo-Mahanian doctrine emphasizes the importance of maritime power projection, which requires substantial investments in advanced naval capabilities, as evidenced by China's RMC-adjusted defense spending. China is increasingly able to project power further from its shores. However, as the military represents a secondary aspect of Chinese power, with the

¹⁵⁴ Geoffrey Gresh, *To Rule Eurasia's Waves: The New Great Power Competition at Sea* (Yale University Press, 2020).

¹⁵⁵ Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping*. 58-78; Zheng, "Analysis of the Relations between Chinese Aircraft Carriers and the Maritime Order of the South China Sea." 446-455

¹⁵⁶ Hackett, *Military Balance 2023*; Institute, "SIPRI Military Expenditure Database."

leadership under Xi Jinping maintaining that peaceful cooperation and economic development strategies

Buffer Zone Thesis

As China continues to rise as a global power, the dynamics of great power competition will be shaped by the interplay between conflict and cooperation. While the concepts of concentric rings, neo-Mahanian doctrine, and RMC-adjusted defense spending suggest a more assertive and capable China. China will be increasingly able to project power, even the RMC advantages erode with an aging population, the hard power and material will be produced.¹⁵⁷ Nevertheless, Chinese spending is significantly higher than most people realize. So much higher in fact, that we are already in a multipolar moment, at least in terms of spending. Chinese spending is approaching 60% of American spending, and they have significantly lower overhead, meaning more of that money can be spent on new material and equipment, rather than maintaining the old.

Kevin Blachford developed a theory of great power conflict in parallel to Thucydides' Trap. Using the case study of 2nd to 6th century Byzantine Persian relations, notes how a relatively stable periphery can form between to great powers.¹⁵⁸ This buffer zone thesis centers around an idea of two comparatively equal powers within a single theater. Neither power can achieve overmatch over the other, and so a tense stalemate exists. Large sections of the theater become contested buffer zone which waxes and wanes depending on each powers relative interest and investment in the region.¹⁵⁹ The inability of either side to secure a deceive advantage make the ecosystem increasingly volatile, with many small clashes between. Both powers have

¹⁵⁷ Team, *How Severe Are China's Demographic Challenges*; Robertson, "The Real Military Balance: International Comparisons of Defense Spending."

¹⁵⁸ Blachford, "An Alternative to the Thucydides Trap." 1077-1078

¹⁵⁹ Blachford, "An Alternative to the Thucydides Trap." 1078-1080

alternate theatres to be concerned about, so full-scale escalation is unlikely as both powers recognizes the inherit risks involved in full scale war.¹⁶⁰ Full scale war would pull resources from other frontiers creating a risk of a collapse along another front, so the incentive structure

Blachford notes that these buffer zones blur the line between war and peace, two power may exist in conflict and cooperation simultaneously. China exemplifies this behavior, in 2015 sent naval vessels from Djibouti to Yemen to evacuate foreign nationals, including some Philippine nationals.¹⁶¹ Nearly simultaneously, Chinese maritime militia vessels rammed and sank a Philippine fishing boat in disputed water.¹⁶² China is already more than willing to operate in a complex ecosystem, where it both cooperates and seeks confrontation. A final advantage to the buffer zone strategy for major powers, is it allows for shifts in the strategic landscape at minimal risk to militaries. The theatre resembles more a chess board, where positioning, in both military, political and economic terms, and the sudden use of force, may encourage the opposing power to cuts its losses temporarily and regroup.¹⁶³

China's Buffer Zone

China is not preparing for war, while their budget is larger than assumed, it still represents a small percentage of the Chinese GDP, around 2%.¹⁶⁴ This is not the spending pattern of a state on the war path. While China is working to build a powerful fleet, it is and has the funding to do so rapidly, that is not presently the primary avenue for international relations. Economic development remains the focal point for Chinese doctrine. Xi Jinping has made his

¹⁶⁰ Blachford, "An Alternative to the Thucydides Trap."

¹⁶¹ Anthony Cordesman, *China's New 2019 Defense White Paper*, Center for Strategic and International Studies (July 24 2019), <https://www.csis.org/analysis/chinas-new-2019-defense-white-paper>.

¹⁶² Steven Stashwick, "Chinese Vessel Rams, Sinks Philippine Fishing Boat in Reed Bank," *The Diplomat* 2019, <https://thediplomat.com/2019/06/chinese-vessel-rams-sinks-philippine-fishing-boat-in-reed-bank/>.

¹⁶³ Blachford, "An Alternative to the Thucydides Trap."

¹⁶⁴ Nan Tian, *Trends in World Military Expenditure, 2022*.

flagship international project not a military program, but an economic one. The Belt and Road initiative establishes a sphere of Chinese economic influence across a large section of the world.¹⁶⁵ This represents the outer most ring of Chinese sovereignty, where their goals seem the most benign, and cooperation is the method by which China projects power. Lacking the ability to deploy military power at scale, China relies on economic and political pressure.

This is not to say China is solely reliant on soft power, states like Vietnam, Taiwan, Philippines, India, and other neighboring states are both beneficiaries of the Belt and Road Largess, while also facing the hard end of Chinese power.¹⁶⁶ This represents the Chinese buffer zone. A space where goals of the Chinese state are to both build a bloc of loyal satellite states through developmental strategies. While also seeking to harden the border of the Chinese state, and more forcefully eject other great powers.¹⁶⁷ In this zone soft and hard power exist and operate simultaneously.

In their book *Unrestricted Warfare*, two Chinese naval officers highlight a vision to combat a “large more technically advanced competitor,”¹⁶⁸ a not-so-subtle reference to America. While the title may indicate that China is looking for a decisive clash, this book helped to establish Chinese doctrine of low-level confrontation, high level cooperation. This is the strategy China already employ, use naval militia vessels to intimate local fishers¹⁶⁹ while engaging in

¹⁶⁵ Tekda, "China's Belt and Road Initiative." 373-380

¹⁶⁶ Jianyong Yue, "The Limits to China's Peaceful Rise – Deep Integration and a New Cold War," *Global Policy* 13, no. 1 (2022/02/01 2022).

¹⁶⁷ Mitter, "The World China Wants." 170-174

¹⁶⁸ Qiao Liang and Wang Xiangsui, *Unrestricted Warfare* (Beijing: PLA Literature and Arts Publishing House, 1999).1-55

¹⁶⁹ Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping*; Wu Shicun, "China says Vietnamese fishing boat rammed coastguard ship before sinking," *The Diplomat*, 1 August 2019 2019.

naval exercises off the coast of the same nation,¹⁷⁰ and have high level talks regarding belt and road.¹⁷¹ All in the span of a few months, which defines Chinese doctrine applied, cooperation and conflict in tandem. Thus far this sort of belligerence has been contained to smaller, neighboring nations. Yet, China has not yet reached the apotheosis of its power, China military budget is larger than is thought, and is able to facilitate a rapidly expanding military.

China's increased defense spending, and immense naval buildup will allow China to begin to challenge larger powers. There is already an air of great power conflict among the literati of the west¹⁷² yet China is still growing into its position. The ambitions laid out in their desire for a world class military, for mastering "local wars in high technology conditions" have not yet been achieved, and China has yet to fully modernize its military. When the full scope of the Chinese budget is laid bare, and China reaches its end goals, its ability to confront the US navy will be very nearly peer to peer.

¹⁷⁰ Halda Nuriyya Azzara and Badrus Sholeh, "A conflict between China and Taiwan: An analysis from a realism perspective," *Journal of Social Studies* 18, no. 2 (2022); Shelley Rigger and Jamie Rose Montagne, "US-China Strategic Competition in the Context of the Global COVID-19 Pandemic," in *China-US Competition: Impact on Small and Middle Powers' Strategic Choices*, ed. Simona A. Grano and David Wei Feng Huang (Cham: Springer International Publishing, 2023).

¹⁷¹ Tekda, "China's Belt and Road Initiative."; Scobell, "China's Minimalist Global Military Posture: Great Power Lite?."

¹⁷² Blachford, "An Alternative to the Thucydides Trap."; Scobell, "China's Minimalist Global Military Posture: Great Power Lite?."; Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping*; Mark Harrison, *The economics of World War II : six great powers in international comparison*, Studies in macroeconomic history, (Cambridge University Press, 1998, 1998); Y. Yuan, "Escape both the 'Thucydides trap' and the 'Churchill trap': Finding a third type of great power relations under the bipolar system," *Chinese Journal of International Politics* 11, no. 2 (2018/06/01/ 2018); Christopher Harmon, "Innovation and Historical Continuity in Great Power Competition," *Marine Corps University Journal* 10, no. 2 (2019); Gresh, *To Rule Eurasia's Waves: The New Great Power Competition at Sea*; Heginbotham et al., *The U.S.-China Military Scorecard Forces, Geography, and the Evolving Balance of Power, 1996–2017*; Rigger and Montagne, "US-China Strategic Competition in the Context of the Global COVID-19 Pandemic."

Chapter 6: Caveats

In this discussion there has thus far been a distinct impression that China is a rising behemoth, in this short section some caveats to this story of growth will be added. Primarily is the ability to overestimate Chinese capacity. The Soviet Union was viewed by intelligence agencies, such as the CIA, as significantly more powerful than it was for decades.¹⁷³ Constantly American experts over estimated Soviet equipment's quality,¹⁷⁴ quantity,¹⁷⁵ and the Soviets economic capacity.¹⁷⁶ Obviously, it is impossible to know if this is the case in China, there will be no publicly available data produced by the Chinese government stating they are in fact much more fragile than they seem. Nevertheless, China is, at least in naval terms, producing equipment at a rate which exceeds America, and according to publicly available source only or a malignly inferior quality to American vessels.¹⁷⁷

According to Military Balance China now operates 25 destroyers of the Type 52D class, all produced since 2012.¹⁷⁸ A further 6, much larger, Type 55 class all built since 2014.¹⁷⁹ America, meanwhile, has not developed a new type of type of destroyer since the ill-fated Zumwalt in 2008, of which only 3 where produced.¹⁸⁰ And since 2012, America has only produced 10 Arleigh Burke-class destroyers, first launched in 1991.¹⁸¹ China is, if nothing else, producing a

¹⁷³ Ofira Seliktar, *Politics, paradigms, and intelligence failures: why so few predicted the collapse of the Soviet Union* (Me sharpe, 2004). 25-34

¹⁷⁴ Matthew Evangelista, "Commentary: The "Soviet Threat": Intentions, Capabilities, and Context," *Diplomatic History* 22, no. 3 (1998).

¹⁷⁵ Seliktar, *Politics, paradigms, and intelligence failures: why so few predicted the collapse of the Soviet Union*. 88-99

¹⁷⁶ Evangelista, "Commentary: The "Soviet Threat": Intentions, Capabilities, and Context."

¹⁷⁷ Seliktar, *Politics, paradigms, and intelligence failures: why so few predicted the collapse of the Soviet Union*. 25-30

¹⁷⁸ Hackett, *Military Balance 2023*. 261

¹⁷⁹ Hackett, *Military Balance 2023*. 260

¹⁸⁰ Hackett, *Military Balance 2023*. 38

¹⁸¹ Hackett, *Military Balance 2023*. 22-28, 35

significant amount of vessels. It is important to keep in mind the lack of information regarding the specific capabilities of these vessels. It is important to bear in mind that while these headline figures are indeed impressive, there is a lack of information regarding the specific capabilities of these vessels. China may be following the model of the Soviets¹⁸² and producing equipment for the sake of quantity. The rise of China may be the product of an elaborate maskirovka, or the product of a system, much like in the Soviet Union, which incentivized lies and misreporting.¹⁸³ If this is the case, when Chinese military power is laid bare in a great power competition it will collapse under its own weight. China would have built a fleet that is inoperable, simply producing new hulls to artificially inflate the size of their fleet.

Another concern is the dated nature of the PLAN naval doctrine. Mahan developed his theories in the late 19th and early 20th century, based off naval practice of the 18th. Chinese focus on projecting power to far flung outposts, is based off Mahanian doctrine for coaling stations.¹⁸⁴ The civil military fusion being employed with international economic programs such as belt and road, may have utility in a modern navy, yet no navy, most especially the American navy, centers its strategy around foreign “treaty ports” as coaling points.¹⁸⁵ Chinese focus on establish strategic hard points, from which its navy can operate is in principle laudable, and no different from any other major navy. America seeks to anchor its strategic position with the use of forward deployed

¹⁸² Evangelista, "Commentary: The "Soviet Threat": Intentions, Capabilities, and Context."

¹⁸³ Seliktar, *Politics, paradigms, and intelligence failures: why so few predicted the collapse of the Soviet Union*. 220-233

¹⁸⁴ Robertson, "Alfred Thayer Mahan and the geopolitics of Asia." 360-366

¹⁸⁵ Rigger and Montagne, "US-China Strategic Competition in the Context of the Global COVID-19 Pandemic."

bases in allied states. Bahrain, Japan Korea, Guam, Philippines, among many other allied states act as forward operating bases.¹⁸⁶

China is acutely aware of the legacy of Mahanian doctrine in their history. The “Century of Humiliation” and the capture of Chinese ports to be used as foreign bases is based off Mahanian doctrine.¹⁸⁷ China is basing its new naval strategy off the naval strategy that was so effective in defeating them, yet those defeats took place nearly 200 years ago. The American fleet is capable of sailing around the global without needing to stop in friendly ports. Friendly ports exist, but they are not essential to American naval power projection.¹⁸⁸ Is China building a fleet with the assumption there will always be friendly port nearby? Mahanian Doctrine, and the statements of Liu Huaqing have indicated this need to expand friendly ports prior to projecting power into a region.¹⁸⁹ Mahanian doctrine was designed around the limitations of coal fired vessels, it was designed to support colonial empires with far flung holdings. Modern naval vessels require much fewer stops, the world is no longer dominated by continent spanning colonial empires. Chinese naval doctrine is built around what worked to defeat them, and thus far does not consider new and emerging technologies, or the new global nature of trade. The question must be asked why is China trapping itself in the doctrines of the past? This seems especially confusing as Mahanian theory is so deeply tied to colonialism, which China and Xi Jinping so consistently condemn.¹⁹⁰

¹⁸⁶ Rigger and Montagne, "US-China Strategic Competition in the Context of the Global COVID-19 Pandemic." 27-33; Schake, "Lost at Sea: The Dangerous Decline of American Naval Power." 166-169

¹⁸⁷ Robertson, "Alfred Thayer Mahan and the geopolitics of Asia." 353-355

¹⁸⁸ Thomas Fingar and Jean C. Oi, *Fateful decisions : choices that will shape China's future*, Studies of the Walter H. Shorenstein Asia-Pacific Research Center, (Stanford University Press, 2020, 2020).

¹⁸⁹ Chan, "Beyond Mahanianism: the evolution of China's policy discussion on sea power development." Pg. 42-44

¹⁹⁰ Gill, *Daring to Struggle: China's Global Ambitions Under Xi Jinping*.

Finally, cooperating with your enemy only works if your enemy is aware that you are willing to cooperate. In a book titled *Unrestricted War*, two Chinese offers note how China must use both economic, political, and military tools to achieve its ends. Suggesting a blended approach is often the best way to meet strategic objectives. There is, however, a belief that military power can be used at the same time as economic or political power.¹⁹¹ This does not seem to be a necessarily logical assumption. Certainly, there are situations where this blended approach can work, but be too liberal in your application of force, and one risks escalating the situation into a greater degree of conflict than initially intended.¹⁹²

Chinese naval doctrine has no safeguard to prevent uncontrolled escalation beyond a desire stating a desire to “promote our diplomacy with neighboring countries, [and] strive for a sound regional environment for our development.”¹⁹³ What happens is a zone of nebulous Chinese sovereignty in one of the other rings butts up against a redline of another state? Or if Chinese sovereignty hardens where previously it was lax? Xi Jinping and the CMC are making a bold assumption that they will always control the pace of escalation. By working with nebulous zones of sovereignty, unclear redlines, and a willingness to use military force in contested zones is not a recipe for stability.

Within the buffer zone thesis is an understanding for a rapid, uncontrolled escalation. The historic case study used by Blachford, Byzantium and Persia, Blachford highlights several occasions where small skirmishes rapidly escalated into full scale war, without either imperial state looking for conflict.¹⁹⁴ Even in moments of comparative detente, these unclear peripheries

¹⁹¹ Xiangsui, *Unrestricted Warfare*. 220-243

¹⁹² Edward Luttwak, *Strategy: The Logic of War and Peace* (Harvard University Press, 2001). 218-226

¹⁹³ Xi, *The Governance of China I*. Pg. 390

¹⁹⁴ Blachford, "An Alternative to the Thucydides Trap." 1080-1086

can lead to intensely destructive conflicts very quickly. Xi Jinping and the CMC in their willingness to employ ambiguity, and willingness to simultaneously pursue belligerent foreign policy, set up conditions for a rapid climb up the escalation ladder, and leaves few options to drop down without serious geopolitical repercussions.¹⁹⁵ The buffer zone thesis has built within it a tolerance for low level conflict.¹⁹⁶ China seems willing to tolerate low level conflict, ramming vessels, violating airspace, and deploying their forces in deliberately provocative fashion.¹⁹⁷ Yet, no state is able to fully control the initiative and ability to escalate.

¹⁹⁵ Luttwak, *Strategy: The Logic of War and Peace*. 199-217

¹⁹⁶ Blachford, "An Alternative to the Thucydides Trap." 1085

¹⁹⁷ Brown, "Why China could win the new global arms race."

Chapter 7: In Closing

Closing out, it is important to remember the origins of the Chinese growth story. The PLA and PLAN have already experienced large shifts, from the revolutionary force that of Mao and the early Chinese Communist Party, to the modern professionalized force it is today. The Deng Xiaoping saw the transformation of the PLA from a backwater, underserviced component of the Chinese state, to a robust rapidly modernizing force. Xi Jinping's vision for China, and the PLAN are grand, seeing a refashioned global order. Thanks to the reforms of Deng Xiaoping, and the advantages in purchasing power parity and RMC, China can spend its way to meet the material needs of this vision. This lends itself to a world where China can dictate geopolitics, not just in economic terms, but also military terms. The neo-Mahanian basis of the PLAN necessitates a plan for a global navy, a navy capable of long-range power projection.

Furthermore, China with regards to its navy has looked outwards. Chinese naval doctrine revealed a vision of Chinese sovereignty as concentric rings, with a focus on incrementalism and power projection through a neo-Mahanian approach. A vision of naval strategy that has been built from western sources. This perspective emphasizes China's variant postures and its prioritization of military as a tool in the arsenal of *unrestricted warfare*. It also underscores China's view of conflict as not exclusionary of cooperation, implying that the country is preparing for a future marked by both collaboration and rivalry with the United States.

In examining China's defense budget, we found that traditional methods of comparing military spending between the United States and China have overstated American overmatch. By using the RMC method, we revealed a much narrower gap between the two countries' defense spending. This finding highlights the significance of China's rise as a military power and the

challenges it poses to the United States in the context of great power competition. Moreover, the vision that Xi has set forth for the PLA is well within the spending power of the Chinese state.

By synthesizing our understanding of Chinese naval doctrine, defense spending, and strategic outlook, we have illustrated China's view of continuous conflict and cooperation. China's strategy appears to be centered around a series of pushes and pulls in buffer zones, where the sovereignty of both nations is nebulous. This dynamic interaction calls for a reevaluation of traditional approaches to great power relations, requiring policymakers and analysts to consider the possibility of simultaneous collaboration and rivalry between the two nations.

It is important to remember that there is much that is unknown in Chinese defense spending. While the English language primary sources are helpful in framing China's vision, and method of accomplishing its vision, they are limited in their perspective. While the basis of Chinese doctrine seems firmly rooted in a Mahanian tradition, there may be Chinese sources absent due to a lack of translation. Finally, China is an opaque state, becoming increasingly opaque, this may be reflected in its budget and material produced. China may be becoming another Soviet Union, prone to overexaggerating and overestimation. Moreover, as their doctrine is taken from the past, China may find itself locked in a geopolitical environment, of its own design, that more resembles the great power contests of the past.

Methods for the American navy to control escalation in each zone of Chinese sovereignty seem increasingly important as China become increasingly able to project military power into outer rings of sovereignty. As China becomes increasingly intolerant of anomalies such as Taiwan, and increasingly belligerent in regions such as the South China Sea, finding avenues for de-escalation without falling back on appeasement may become more critical.

Future studies could try to capture the emerging neo-Confucian elements of Xi Jinping thought, and how these traditionally very isolationist strategies may impact Chinese naval, and foreign posture.¹⁹⁸ Indeed Xi Jinping seems to steadily be moving China away from the pathway set forth by Deng decades ago, and much like Deng, the his reforms have started elsewhere, and are have yet to reach the military, and specifically the PLAN in any direction changing capacity. However, Xi ambition seems qual to that of Deng, and like more, the PLAN, and the PLA may be soon facing a transition equal to the transition from the revolutionary army of Mao to the modern professional force of today.

¹⁹⁸ *The Seven military classics of ancient China =: Wu jing qi shu*, ed. Ralph D. Sawyer and Mei-chün Sawyer, History and warfare, (Boulder: Westview Press, 1993, 1993). 1-14

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