Since the mid-1990s, China’s military modernization has focused on deterring Taiwan independence and preparing for a military response if deterrence fails. Given China’s assumption of U.S. intervention in a Taiwan conflict, the People’s Liberation Army (PLA) has been developing military capabilities to deter, delay, and disrupt U.S. military support operations. The 2008 election of Taiwan President Ma Ying-jeou, however, has contributed to improved cross-strait economic and political cooperation and dramatically reduced the threat of Taiwan independence and war across the Taiwan Strait. Cooperation has included full restoration of direct shipping, flights, and mail across the strait, Taiwan’s participation in the World Health Assembly, regularized cross-strait negotiation mechanisms that have already reached several agreements, and the recent signing of the Economic Cooperation Framework Agreement.1

This decreased cross-strait tension and tentative rapprochement have raised the prospect of fundamental changes in China’s security challenges. If the People’s Republic of China (PRC) and Taiwan sustain this positive cooperation over the next 5 to 10 years and continue to deepen rapprochement, how would this affect regional stability, China’s diplomatic grand strategy, and China’s military modernization? Other analysts have examined the implications of an ultimate political resolution to the Taiwan issue, but this paper analyzes the implications of deeper cross-strait rapprochement, a much more likely scenario over the next 5 to 10 years.2 This deeper rapprochement would probably not resolve the issue of Taiwan’s political status, but would greatly reduce the chances that the PRC would use force. Sustained cross-strait stability would make the Taiwan issue less important in Chinese...
domestic politics and much less prominent in China’s relations with others. This could occur as a result of a peace agreement or through a series of cooperative measures by both sides that put the relationship on a course toward peaceful resolution. Experts devote a great detail of attention to scenarios of crisis and conflict in the Taiwan Strait, but the implications of deeper cross-strait cooperation also deserve analytical attention. This discussion of potential future implications of deeper cross-strait rapprochement is speculative in nature.

Deeper rapprochement across the Taiwan Strait would clearly be a positive development. It would remove the most likely source of war between the United States and China, or at least greatly reduce the chances of such a war breaking out over the Taiwan issue. China would also no longer need to issue threats or conduct coercive military exercises to intimidate Taiwan. These provocative acts often undermined regional stability, damaged China’s relations with Asian countries, and led to concerns about China’s future intentions. As any deeper rapprochement would include a clearer understanding about Taiwan’s international space, the United States and other Asian countries would welcome the removal of the irritant of Beijing’s sensitivity and angry responses to interactions with Taiwan. Sustained cross-strait stability would also remove the “nightmare scenario” in which regional countries might have to choose whether to support the United States or China in the event of a war over Taiwan. For China, deeper rapprochement would remove a political threat to the regime and make it easier to manage relations with Washington and with Asian countries. In military terms, cross-strait rapprochement would also remove concerns about Taiwan being used by outside powers as a potential base to exert strategic pressure on China and make it easier for China to break out of the first island chain.

Stability across the Taiwan Strait, however, would not remove all concerns that a rising China might destabilize the region. Analysts have not fully considered the new challenges that deep rapprochement would produce in China’s relations with Asia and the United States. Asian countries would be relieved, but many would worry that a rising China no longer constrained by a focus on Taiwan would use its increased power to challenge their interests elsewhere in Asia. The United States would have similar concerns about an unconstrained China challenging its interests and would face demands for enhanced, credible defense commitments from regional countries.

Former U.S. Ambassador to China James Lilley referred to Taiwan as “the cork in China’s bottle.” Deeper rapprochement will remove the cork, freeing resources devoted to military preparations for Taiwan contingencies and giving the PLA new options. China’s potential choices for its military modernization include: relaxed modernization, domestic and continental concerns, antiaccess focus, assertive pursuit of regional maritime claims, and extra-regional activities. China’s integration into the world economy and expanding interests are already leading to new pressures to take on some additional missions, but deeper rapprochement will likely lead to a more thorough evaluation of the proper mix of roles and missions for the PLA. The direction of PLA modernization and how China uses its military can help alleviate or further exacerbate international concerns about a rising China that will become more powerful, but also less constrained by Taiwan.

This paper proceeds as follows. First, it briefly lays out China’s overall grand strategy. Then, it analyzes the new challenges and difficulties that China will face in its relations with the region and the United States as a
result of stable cross-strait relations. Third, it briefly discusses the potential choices for PLA modernization after deeper rapprochement provides more resources and new options. Lastly, it offers conclusions.

China’s Grand Strategy and Military Modernization

Through cooperation and attempts to demonstrate its benign intentions, China’s grand strategy of reassurance aims to prevent the formation of balancing coalitions as China rises. For China’s leaders, the next 5 to 10 years correspond to the important “period of strategic opportunity” (zhanlüe jiyuqi) for China’s economic modernization and development during which the leadership hopes to focus its efforts on building a “moderately well-off society” (xiaokang shehui). During this “period of strategic opportunity,” China’s grand strategy is focused on maintaining a peaceful and stable international environment that will allow it to increase China’s “comprehensive national power” (zonghe guoli), focus on economic modernization and development, and rise to great power status.

Scholars have characterized this grand strategy in different terms, but this paper suggests that China’s grand strategy should best be conceptualized as one of reassurance. The goal of this diplomatic strategy is to prevent complications in China’s international environment that may distract attention from this focus on development and force China to divert resources to deal with external challenges. For a rising China, the goal is to increase power and influence without provoking a balancing coalition. In implementing this grand strategy of reassurance, China will continue to cooperate with major powers and regional powers in an effort to demonstrate that it has benign intentions and to show that as it gets more powerful it will not threaten the interests of these countries, but will use its increased power to help protect those interests. China is trying to convince the United States and the region that its increasing power will actually provide these countries with new opportunities to benefit as well, and rather than a “zero-sum” outcome, the rise of China can and will produce “win-win” (shuangying) outcomes.

Some may argue that if China continues its rise for the next 5 to 10 years, the government will likely shift its grand strategy. However, any fundamental change in China’s grand strategy will likely only occur after fundamental reassessments of key Chinese judgments about the international environment and China’s international position—including the “trend of the times” (shidai zhuti), “international structure” (guoji geju), and China’s “orientation” (dingwei). As these judgments are unlikely to fundamentally shift during this period, China’s grand strategy of reassurance will likely endure in general, though China may become more assertive on certain issues. Moreover, as China will remain focused on economic modernization and increasing power, Chinese experts argue that deeper cross-strait rapprochement would not lead to a shift in grand strategy.

Although the broad contours of China’s grand strategy have not changed substantially in the last decade, and are not likely to in the next 5 to 10 years, China’s deeper embrace of globalization and engagement with the world are leading to new challenges and pressures for its foreign and security policy. China’s economic integration and increased global activism have led to an unprecedented expansion of national interests. As new actors and new interests have become more prominent in China’s global engagement,
coordinating and managing foreign affairs has become much more difficult. Recent diplomatic meetings (such as the summer 2006 Foreign Affairs Work Conference and the 2009 Ambassadorial Meeting) have addressed how to manage these expanding overseas interests (haiwai liyi).

These expanding interests have also created new requirements for the military to protect these national interests. As part of implementing the “New Historic Missions,” which were first outlined in 2004, Hu Jintao has tasked the PLA to prepare to conduct “diversified military tasks” (duoyanghua junshi renwu) and develop an improved capability to conduct “non-war military operations” (feizhanzheng junshi huodong). These new formulations highlight the continued importance of domestic operations to maintain regime security, social stability, and border security, but they also include a new emphasis on international operations such as peacekeeping operations, disaster relief, and military diplomacy that are designed to protect China’s expanding global interests.

No matter how the cross-strait political situation develops, new pressures on the PLA to take on a more diverse set of missions are likely to continue, but if deeper rapprochement is achieved, the PLA will be able to conduct a more comprehensive review of the proper mix of roles and missions.

China’s Relations with Asia

Regional states worry that a more powerful China, especially one no longer constrained by a focus on the Taiwan issue, may pursue new opportunities to expand its regional power and influence at their expense. Although they have taken notice of China’s rapid post–Cold War military modernization, Asian countries have been somewhat reassured that these efforts have been focused on preventing Taiwan independence and coercing Taiwan. Many Asian officials, while still expressing concerns about the long-term implications of PLA modernization, believe that China is not likely to launch a significant challenge to their interests in the short term if the Taiwan issue, China’s first priority, remains unresolved.

If cross-strait relations continue to improve, however, a rising, unconstrained China will produce heightened concerns among regional countries that China may turn its attention to them next. These worries will be further exacerbated because much of the force structure developed to deter Taiwanese independence and complicate U.S. intervention could be transferred for use in other regional contingencies.

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If China was no longer constrained by its focus on Taiwan, it could undermine regional stability and challenge the interests of countries in the region. Maritime Southeast Asian states would worry that China might seize the Spratly Islands, given China’s expansive South China Sea claims, potential energy reserves, and the importance for sea lines of communications (SLOCs). China might try to seize the Senkaku/Diaoyutai Islands or aggressively challenge Japan’s exclusive economic zone (EEZ) claims. India would worry that China might take a tougher stance on unresolved land border disputes. Russia would fear that an unrestrained China could mount an aggressive move into the Russian Far East, both to reclaim territory and to try to seize energy resources in Siberia. A more powerful and less constrained China might abrogate recent territorial agreements with India, Russia, and Vietnam and try to reclaim historic territories once it is stronger. Improved Chinese naval capabilities could also provoke worries that it may try to threaten SLOCs in the western Pacific, South China Sea, or Indian Ocean to pressure other countries;
many Asian countries worry about this possibility as China's modernization continues.\textsuperscript{13}

Some Chinese rhetoric, new developments in military doctrine, and recent assertive behavior in the region show that Asian countries have reason to be concerned about the potential threat from a rising, unconstrained China. Fudan University Professor Shen Dingli famously commented on what China might do after settling the Taiwan issue. In a 2002 interview with the \textit{New York Times}, he said, “Once the Taiwan front is closed, we may turn to the South China Sea,” adding that beyond the South China Sea, “we have a third issue to resolve [the Diaoyutai Islands].”\textsuperscript{14} Although this statement is not official PRC government policy, several Asian officials and experts have invoked Shen’s statement and comments from other Chinese officials and scholars that have led to suspicions about China’s long-term intentions.\textsuperscript{15}

There is already evidence of PLA preparations for potential operations in the East China Sea and South China Sea, including exercises that appear aimed at such contingencies. The 2006 version of the \textit{Science of Campaigns} [\textit{Zhanyixue}] included a new type of naval campaign called “attacks against coral islands and reefs” (\textit{dui shanhu daojiao jingong zhanyi}) that the PLA must prepare to fight.\textsuperscript{16} Another book from a regional PLA institution refers to “large-scale island attack operations” (\textit{daxing daoyu jingong zuozhan}) as an important combat operation.\textsuperscript{17}

Recent evidence of Chinese assertiveness and willingness to challenge the interests of regional countries highlights the potential future threat from China. Examples have included patrols by submarines, survey ships, and surface combatants in Japan’s EEZ and territorial waters, as well as near the Senkaku/Diaoyutai Islands. China has tried to strengthen its maritime claims in the South China Sea through patrols and intimidation of oil companies that have tried to operate in the area. China has also challenged Indian claims to disputed territory.\textsuperscript{17} If China is willing to take such actions while it is still somewhat dissatisfied with the progress in cross-strait reconciliation and worried about the possibility of the Democratic Progressive Party returning to office and pushing Taiwan independence, an unconstrained China might be even more likely to directly challenge regional powers.

Regional countries have certainly followed PLA modernization in recent years, but China’s focus on Taiwan has meant that modernization efforts have not been seen as an imminent threat to the countries of the region. After cross-strait rapprochement, continued military modernization will force Asian countries to be much more attentive and vigilant. In the next 5 to 10 years, weaknesses in power projection capability will place limits on the threat China can pose to the region, but regional countries will not only devote greater attention to the acquisition of new capabilities but also closely monitor PLA training, deployments, and doctrine.

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To date, regional states have been reluctant to pressure China to explain its skyrocketing defense budget and defense modernization plans. The removal of the Taiwan issue, however, will make regional countries more likely to demand such explanations, as well as greater military transparency. This is likely to make China’s relations with its neighbors more acrimonious and make it more difficult to reassure them that it has peaceful and cooperative intentions.

Potential threats from a rising, unconstrained China will likely force the United States to clarify its defense commitments to regional allies and friends. American allies and friends are likely to press for
clearer commitments in the South China Sea and East China Sea, areas where U.S. commitments have been limited and sometimes ambiguous. In the face of China’s rising power and a global diffusion of power, these states are likely to ask the United States to make these commitments more credible. If worries about China cause a strengthened U.S. commitment to the region and strengthened defense ties between the United States and Asian countries, this will complicate China’s security environment, damage China’s relations with its neighbors, and potentially unleash spirals of hostility.

If the U.S. response to demands for a clearer commitment to the region is insufficient, or if its commitments are no longer seen as credible, this could have various implications for China. If America’s alliances weaken or collapse and the United States reduces its presence in Asia, this could greatly improve China’s international environment as it would face several weaker powers that may have difficulty cooperating to oppose it. On the other hand, this could also lead to an independent Japan that acquires nuclear weapons and devotes more resources to military modernization. Regional powers, even without cooperation with Washington, are powerful enough to complicate China’s international environment, especially if they work together to prevent China’s dominance.

**China’s Relations with the United States**

The most important consequence of a sustained cross-strait rapprochement is the removal of the most likely source of war between the United States and China. Alan Romberg writes, “It is hard to conjure up a scenario that would pit the PLA against another major power, including the United States, in all-out conflict other than one relating to Taiwan.” Stability across the Taiwan Strait, however, will not necessarily ensure smooth U.S.-China relations. The deeper structural issues between a declining hegemon and a rising power will remain. Historical experience has shown that these shifting power dynamics often lead to friction, competition, and conflict. These structural pressures may drive the United States and China into competition over spheres of influence, relative status, and regional hegemony.

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Although conflict is not structurally determined, a rising China no longer constrained by a focus on Taiwan will produce similar concerns for American leaders about where China will focus its attention next. China could use its increased military power and enhanced leverage to attempt to break apart America’s regional alliance network. American leaders would worry that China might try not only to drive U.S. forces away from China’s coastal waters, but also to push the United States out of East Asia. China might also devote significant resources to wage a global battle for military and political influence around the world. In the face of a wide range of potential threats from a rising, unconstrained China, the United States would likely need to reexamine how it defines its interests in East Asia and decide what commitments to make and with what degree of clarity. Although appeasement has taken on a bad name, the United States will likely need to begin to consider the relative costs and merits of adjusting some of its policies, in the form of either burden-sharing or reducing commitments. In the face of a rising autocratic China, U.S. leaders should also consider which interests in the region...
are nonnegotiable and worth responding to potential Chinese challenges with great vigilance.

How the Taiwan issue is resolved will also affect Sino-U.S. relations. Cliff and Shlapak argue that “almost any type of peaceful resolution implies that subsequent relations between the United States and China will be cooperative and peaceful.” This is generally correct, but China’s perception of the U.S. role in either facilitating or obstructing this deepening rapprochement will affect the future of bilateral relations and Beijing’s perception of the United States. If the United States is seen as helpful or neutral in this process, then U.S.-China relations will likely be positively positive. If China perceives Washington as having worked to obstruct rapprochement, this could damage relations and produce a more competitive bilateral relationship. There is already deep suspicion in China that despite U.S. official support for “peaceful resolution,” the United States will never accept unification. Some PRC scholars and think tank researchers view the 2008 and 2010 U.S. arms sales to Taiwan as especially provocative because they are seen as part of an effort to derail cross-strait rapprochement. If China believes that the United States tried to obstruct cross-strait reconciliation, this would be seen as further evidence that the true U.S. intentions are to split (fenhua) and weaken China, which would likely lead to a more contentious bilateral relationship. The PRC’s perception of the U.S. role in cross-strait rapprochement is likely to affect the state of U.S.-China relations both during and after the resolution of Taiwan’s status.

New Options for PLA Modernization

Deepening cross-strait rapprochement is beginning to reduce the centrality of Taiwan contingencies in PLA modernization. If the cross-strait rapprochement continues to deepen, China will have the opportunity to consider new options and mixes of forces as it continues its military modernization. Mark Cozad argues, “Resolution of the Taiwan issue would certainly clear the way for an expanding review of the PLA’s missions.” According to Nancy Tucker, “Unification could release a significant percentage of China’s resources. The PLA would be free to change its priorities, redeploy its forces, and reconceptualize its strategic objectives.” These authors have analyzed the implications of political resolution of the Taiwan issue, but the deeper cross-strait rapprochement discussed in this article will also likely reduce the PLA’s need to focus on Taiwan contingencies and will allow the PLA to adjust its mix of missions and forces. This section briefly describes five different options for China’s future military modernization. Each involves changes in PLA capabilities, Chinese behavior, or both. Some of these options are not mutually exclusive. To a limited extent, the PLA has already begun to conduct some of the missions contained in these five options, and no matter what happens with Taiwan, there will be pressure to take on more of these missions. However, a sustained period of cross-strait stability will likely lead to a deeper reassessment of the relative priority placed on these missions and free up resources to make larger investments in moving down one or more of these modernization paths.

**Option 1: Relaxed Modernization.** After the cross-strait situation stabilizes, China could adopt a more relaxed approach to military modernization, allowing the annual military budget to grow, but by a much smaller percentage than it has recently. Eminent PLA expert Ellis Joffe argued, “Without Taiwan as the driving force, the scope and pace of the future build-up might be reduced.” Deeper rapprochement will produce a new “guns versus butter” debate inside China, and the civilian leadership may decide to divert resources toward domestic issues as part of a “peace dividend.” China’s leaders...
may see a stronger connection between reduced defense spending and regime security; after the Taiwan issue has improved substantially, the regime may conclude its security and legitimacy would be enhanced by diverting resources away from the military and toward addressing China’s many difficult economic and social problems.

Traditional missions such as internal security, border security, and defense of maritime claims will require continued investments in manpower, training, and equipment. Demands to protect China’s overseas interests as argues that “a subterranean ‘guns vs. butter’ debate is beginning among the policy elite.” Stability across the Taiwan Strait would remove the imminent threat of Taiwan independence, which Chinese hardliners have used to justify rapid military modernization. After deeper rapprochement, the PLA would be forced to make different arguments for why high levels of defense spending should continue. Slowing the growth of the defense budget and diverting resources to address growing domestic challenges would have many domestic supporters.

Relaxed modernization would also have military and domestic benefits. Civilian experts and PLA officers recognize that building a force designed to protect global SLOCs, vie for regional dominance, or project power around the globe with multiple aircraft carrier battle groups requires a huge financial investment. Such missions would be costly and also strain China’s diplomatic relations and complicate its international environment as this type of modernization would make China more threatening. A more moderate military modernization would be less expensive and also serve China’s diplomatic interest in keeping friendly and cooperative relations with important countries in the region. It would likely take a strong civilian leader to reduce defense spending, as he would face opposition from both the PLA and political opponents trying to portray him as weak on defense. Relaxed modernization is not the most probable future trajectory for the PLA, but continued high levels of defense spending might come under new domestic pressure if the need to prepare for Taiwan contingencies disappears.

Option 2: Domestic and Continental Concerns.

Although much commentary on recent developments in the PLA emphasizes the new international activities and missions, maintaining internal stability and regime security will continue to be the PLAs most important tasking. After the achievement of deeper rapprochement and the reduced importance of Taiwan contingencies, China may decide to devote more resources to strengthen the PLA’s capabilities to respond to domestic security threats and potential threats around China’s land borders.

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land borders. There is an important domestic component to official PLA discussions of the “new historic missions” and “non-war military operations” that could become even more important over time. The leadership may conclude that strengthening China’s domestic coercive capacity would be the best way to strengthen regime security and legitimacy.

China faces several potential threats to its security internally and on its land borders. As unbalanced economic development continues, the dangers of economic instability and political instability are prominent concerns for the regime. The Chinese military would be responsible for maintaining order and stability in the face of large-scale mass protests. Recent uprisings in Xinjiang and Tibet have reminded the leadership that disaffected ethnic and religious minorities could undermine regime legitimacy and must be swiftly controlled and repressed. The PLA must also maintain border security, and many PLA analysts worry about the potential for instability in neighboring regions spilling into China. Some analysts highlight that as a continental power, China must not lose sight of potential threats from Russia and India. Preparation for this range of missions, in addition to the PLA’s role in domestic disaster relief operations, will require substantial resources, and the PLA could decide to prioritize these domestic and continental concerns.

If China decides to prioritize domestic and continental security in its future modernization, investments in international military activities and operations will likely continue as interests expand, but even after cross-strait deeper rapprochement, these investments would only increase slowly. There would be increased investments in capabilities to maintain control on China’s borders and in the face of potential large-scale riots. An open question for this modernization option is whether there would be a change in the division of labor between local police forces, the People’s Armed Police, and the PLA. Currently, these other forces play the leading role, with the PLA serving as the “last line of defense.”

**Option 3: Antiaccess Focus.** A third choice for the PLA would be to focus on developing antiaccess capabilities and preventing hostile military forces from operating near China’s coast or in its EEZ. In recent years, China’s antiaccess strategy has been associated with complicating U.S. wartime intervention to enable China to defeat Taiwan, but antiaccess is a much broader concept. It can include preventing an adversary from operating in the air and sea area around a country and can extend to peacetime as well as wartime. Increased attention to antiaccess will require changes in the way the PLA operates. It would likely require much more aggressive peacetime air and sea challenges to surveillance operations near China’s coast and in its EEZ in an effort to deter these activities, or at least push them farther away from China’s coast. Moreover, if China wants to deter such activities and be prepared to quickly meet such challenges, it will need more aggressive patrols of the sea and airspace of China’s EEZ. Some of these activities are already occurring, with the EP–3 and USNS *Impeccable* incident as examples, but a focus on antiaccess would include a much more aggressive posture and require greater investments.

Although some assets that were focused on Taiwan could be diverted to antiaccess operations, this antiaccess focus would also include demands for new capabilities. The PLA would require a greater number of surface ships to be able to challenge maritime incursions, and it would need an aggressive building campaign to be able to sustain around-the-clock patrols of its EEZ to keep potential challengers out. More aircraft would be needed to maintain a strong presence in the sky as well. Chinese investments in aerial refueling could enable the PLA to...
maintain aerial patrols with fewer airplanes. The PLA will also need to improve its logistics and maintenance capabilities, as well as develop a new training regimen, to enable sustained naval and air operations. To prevent submarine incursions in its EEZ and territorial waters, China would also need to strengthen its antisubmarine warfare capabilities. Continued development of cruise missiles, surface-to-air missiles (SAMs), and antiship ballistic missiles (ASBMs) would likely continue. These assets would be less useful, however, in deterring or responding to peacetime incursions.

Option 4: Assertive Pursuit of Regional Maritime Claims. If the Taiwan mission becomes less central, the PLA could adopt a posture geared toward pursuit of regional maritime claims in the East China Sea and South China Sea. This includes at least the ability to defend maritime claims, and could also include the ability to seize and control disputed islands. This mission requires the procurement of more surface combatants with advanced air defense capabilities, which would enable these ships to operate beyond the reach of land-based airpower. Surface combatants would need to respond to any detected challenges by other countries to China’s maritime claims and likely require patrols of the areas surrounding the disputed islands to deny others from seizing the islands or their resources. Greater numbers of fighters with extended range or helicopters could also help to deter challenges to China’s maritime claims and chase potential challengers away. Naval and air patrols aimed at deterring or preventing other countries from operating in the surrounding area would also strengthen Chinese claims to disputed areas and weaken the claims of other countries.

The ability not only to more aggressively defend maritime claims and prevent challenges but also to be able to seize and occupy disputed islands would require substantial increases in regional power projection capabilities. These antiaccess capabilities could also enable some limited offensive operations. If China wanted to extend its antiaccess capabilities to deter or disrupt third party intervention during a potential seizure of islands in the East China Sea or South China Sea, however, this would require a significant investment in capabilities. This type of operation would require much greater antiaccess and power projection capabilities than those in support of operations against Taiwan. To be prepared for the intervention of a third party, China would need to deny or restrict the ability of others to project power in defense of the island. This would require a combination of surface ships, airplanes, and submarines operating far from Chinese ports to limit the effectiveness of such an intervention. Cruise missiles, SAMs, and ASBMs could also be required, but depending on the area, they would have insufficient range. Moreover, China will need power projection capabilities to attack, seize, and hold islands, which would require a significant investment of capabilities given the long-range requirements of such operations.
to the navies and fishing vessels of other countries operating near these disputed areas. The PLA has begun to pay more attention to defense of maritime claims and maritime rights and interests, but a more assertive pursuit of these aims would require investments in forces and changes in operations.

**Option 5: Extra-regional Activities.** This option is the broadest and least well defined. The capabilities required to implement it depend on the types of military operations and activities envisioned. Constructive and cooperative missions such as PKOs, HA/DR, NEOs, antiterrorism, and antipiracy are within this category, with the PLA’s deployment of surface ships to the Gulf of Aden to assist in antipiracy efforts as an example. These are part of the “New Historic Missions” dictated by Hu Jintao, and most of these types of operations give China an opportunity to demonstrate that it is a force for peace and stability and a “responsible stakeholder.” Constructive extra-regional activities also include military diplomacy efforts such as port visits and joint exercises.

This modernization option, however, could also include more assertive power projection missions that undermine international peace and stability and provoke deeper suspicion about a rising China. Projecting capabilities outside of East Asia could allow China to threaten or pressure other countries in its own form of “gunboat diplomacy.” If China tries to develop global SLOC defense capabilities, many of these capabilities could also be used to threaten or interdict the key SLOCs for other countries as well. These capabilities could allow China to extend its sphere of influence into the Indian Ocean and beyond, potentially challenging important areas of U.S. and European influence.

Given that sustaining extra-regional military operations will likely require improved logistical support, many have focused on whether China is trying to establish overseas bases. Based on a 2005 report commissioned by the Department of Defense, many have begun to refer to China’s improved relations with and assistance in developing port facilities in Pakistan, Bangladesh, Burma, Thailand, and Sri Lanka as a “string of pearls” strategy that will enable China to project military power in South Asia and the Middle East. Although these reports of establishing military bases are usually exaggerated, there is some evidence that the antipiracy deployments in the Gulf of Aden are pushing some within China to begin to consider the need for overseas supply facilities and bases. In February 2009, Air Force Colonel Dai Xu began his call for bases by asking rhetorically, “Can one supply ship allow two combat ships to provide long-term escort for the commercial ships of the world?” Colonel Dai went on to say that establishing “Chinese ‘bases on the high seas’ (yuanyang jidi) is a logical extension of this thinking.” In a December 2009 interview on Chinese television focused on the Gulf of Aden deployments, retired Rear Admiral Yin Zhuo offered his views on the potential utility of overseas bases. He highlighted that the decision rested with the central government but that “if China wanted to have a relatively stable and fixed supply and repair and maintenance base [buji xiuweng jidi], I think that would be appropriate.”

The Chinese Ministry of National Defense immediately ruled out the establishment of overseas naval bases, and Rear Admiral Yin argued that foreign media exaggerated his original statement, repeating that the decision rested with the central government and denying rumors that China was building overseas bases. Although the government has been very vocal in denying these rumors, there appear to be the beginnings of a debate over whether China needs some improved overseas supply and logistics capability. If China increases its focus on extra-regional activities, either constructive or
aggressive, it will need to improve its ability to project power far away from China and sustain such operations.

The required changes in capability will depend on the types of extra-regional activities China wants to be able to conduct, how long it hopes to sustain its power projection, and how permissible an environment China needs to be able to operate in. At a minimum, any increased focus on extra-regional activities will require investments in lift capacity, replenishment, and refueling.

Operating out of the region for short duration during peacetime, such as for port visits, will not require too great an investment in resources. Fighting long-duration wars far from China will require huge investments in logistics and combat power. The need to project limited combat power for relatively short duration is less demanding and would require smaller investments in capabilities. The size of investment, types of power projection forces developed, and how these forces are used are the major issues that will distinguish which of these types of extra-regional activities China focuses on.

**Conclusion**

This paper has analyzed the implications of a deeper cross-strait rapprochement for regional stability, China’s foreign policy, and PLA modernization. As other analysts have pointed out, cross-strait rapprochement would be a positive development as it would remove a longstanding source of regional tension and the most likely source of war between the United States and China. However, this would also produce new challenges in China’s relations with Asia and the United States. Asian countries have certainly paid attention to China’s military modernization over the last two decades, but the focus of this modernization on Taiwan contingencies as the number one priority has made this threat less imminent. Once China no longer needs to focus on the Taiwan issue, many Asian countries will perceive the rise of China as a more imminent threat and will worry that it might challenge their interests next. The United States and China will continue to deal with the structural contradictions of the ongoing power transition. The United States, moreover, will have similar concerns as the rest of Asia concerning the potential for a rising, unconstrained China to challenge its interests in Asia and elsewhere.

Stability across the Taiwan Strait will also allow China to make different choices in its military modernization and alter the mix of its military forces. New pressures as a result of China’s deeper international engagement and expanding interests have already begun pushing the PLA to adopt a more diversified set of missions. These pressures to diversify will likely continue even if cross-strait relations deteriorate, but deeper cross-strait rapprochement would free up resources and provide an opportunity for a different mix of roles and missions.

This paper introduced five potential options for future PLA modernization over the next 5 to 10 years: relaxed modernization, domestic and continental concerns, antiaccess focus, assertive pursuit of regional maritime claims, and extra-regional activities. Although “relaxed modernization” is probably the least likely trajectory, the potential for a new “guns versus butter” debate in China is underappreciated. The PLA will have to make new arguments that do not focus on Taiwan to continue to receive high budgets after Taiwan becomes less central; the “new historic missions” have become the basis for these new arguments. Domestic and continental concerns will remain important, but unless there are several major riots or incidents, this mission will not likely become the focus of PLA modernization, especially as it does not require
expensive force structure. The most likely future trajectory is a combination of limited investments in anti-access focus, assertive pursuit of regional maritime claims, and extra-regional activities, without China “picking” one. Changes in China’s external environment, such as other regional states trying to seize disputed territory or an increased need to operate out of area, could push the PLA in one direction. But absent that, the PLA will continue to face pressures to execute each mission and will likely develop some capability to execute all of these missions at the same time.

Over the next 5 to 10 years, as China’s rise continues, other states are likely to become more worried about the possibility of a threatening China, which will make China’s grand strategy of reassurance more difficult to implement successfully. For Asia and the United States, deeper rapprochement across the strait will remove one major problem but will also add a new layer of apprehension and concern about China’s future behavior on top of the existing uncertainties. The direction of China’s military modernization and the new mix of forces and missions can help alleviate these concerns about a rising, unconstrained China, or it can further exacerbate them. If China is restrained in how it modernizes and employs its military, such as through relaxed modernization, focus on constructive and cooperative regional and extra-regional activities, or a combination of limited investments in the other options, China’s reassurance may alleviate some of these worries and help maintain a stable international environment.

If it follows a more assertive course in modernization, China’s reassurance may alleviate some of these worries and help maintain a stable international environment. If China is restrained in how it modernizes and employs its military, such as through relaxed modernization, focus on constructive and cooperative regional and extra-regional activities, or a combination of limited investments in the other options, China’s reassurance may alleviate some of these worries and help maintain a stable international environment. If it follows a more assertive course in PLA modernization, and makes significant investments in antiaccess, assertive pursuit of regional maritime claims, or aggressive extra-regional activities, China will help make potential concerns become realities and likely trigger strong countervailing balancing responses from the United States and the region. The most threatening course for the United States and region would be if China simultaneously made significant investments in all three areas. A more aggressive course for PLA modernization will undermine China’s reassurance strategy by making it more difficult to credibly demonstrate China’s benign intentions.

Notes

1 For a review of these developments, see Alan D. Romberg, “Cross-Strait Relations: First the Easy, Now the Hard,” China Leadership Monitor, no. 28 (Spring 2009); and Bonnie S. Glaser, Building Trust across the Taiwan Strait: A Role for Military Confidence-building Measures (Washington, DC: CSIS, January 2010).

2 For earlier analysis of the implications of resolution of the Taiwan issue, see Nancy Bernkopf Tucker, “If Taiwan Chooses Unification, Should the United States Care?” Washington Quarterly 25, no. 3 (Summer 2002), 15–28; Roger Cliff and David A. Shlapak, U.S.–China Relations after Resolution of Taiwan’s Status (Santa Monica, CA: RAND, 2007); and Andrew Scobell, “How China Manages Taiwan and Its Impact on PLA Missions,” in Roy Kamphausen, David Lai, and Andrew Scobell, eds., Beyond the Strait: PLA Missions Other Than Taiwan (Carlisle Barracks, PA: Strategic Studies Institute, 2009), 29–38.

3 Tucker, 22.

4 At the 16th Party Congress in 2002, the Chinese Communist Party (CCP) leadership formally declared the first 20 years of the 21st century to be a period of strategic opportunity that needed to be effectively grasped. For more on the diplomatic aspects of this report, see Chu Shulong, “Quanmian Jianshe Xiaokang Shiqi de Zhongguo Waijiao Zhanlue” [“China’s Diplomatic Strategy in the Period of Building a Well-off Society in an All-around Way”], Shi jie jingji guo wai jiao zhanlue [World Economics and Politics], no. 8 (2003), 8–13; and Shi Yin hong, Zhong guo he ping jue qi de zhan lue ji he ruo guan Jiben Tiao jian [“The Strategic Opportunity of China’s Peaceful Rise and Several Fundamental Conditions”], Guo ji guan cha [International Survey], no. 3 (2004), 22–23, 26.


7 Author’s interviews, Beijing, spring 2010.


27 See Ellis Joffe, “China’s Military Buildup: Beyond Taiwan?” in Andrew Scobell and Larry M. Wortzel, Shaping China’s Environment: The Role of the People’s Liberation Army (Carlisle Barracks, PA: Strategic Studies Institute, October 2006), 43.


29 Ibid., 74–75.

30 I am grateful to Andrew Scobell for suggesting the addition of this section.


35 See Roger Cliff et al., Entering the Dragon’s Lair: Chinese Antiaccess Strategies and Their Implications for the United States (Santa Monica, CA: RAND, 2008); and Michael McDevitt, “The PLA Navy Anti-Access Role in a Taiwan Contingency” (unpublished manuscript, 2010).


38 “Zhuanjia: Zhongguo Haijun ke Tantao Jianli Changqi Anji Buji Jidi” [“Expert: PLAN May Explore Establishing a Long-Term Coastal Supply Base”], available at <www.chinareviewnews.com>. Several other Chinese-language news outlets summarized the content of the interview, but the citation above includes the full text of the interview.

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