

Shooting at a Moving Target

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As David Shambaugh's comprehensive study *Modernizing China's Military* clearly shows, the People's Liberation Army's (PLA) multifaceted modernization program is now in its third decade. While many observers have called this a "massive and rapid" modernization, Shambaugh depicts a much more deliberate and complicated process encompassing many elements in addition to the acquisition of equipment that is the primary focus of so many journalists and analysts.

As Shambaugh acknowledges in the Preface, his subject "was a moving target"—and, in fact, the pace of modernization for many of the trends he identifies increased significantly in the last years covered in the book (1999-2002). One could argue that the PLA has made more progress in its military modernization in the last five years than in the previous two decades. *Modernizing China's Military* lays a solid foundation for better understanding the developments that have occurred since the research and writing was finished. Shambaugh prepares the reader for many of the developments that have more recently come into prominence, but readers must make additional efforts to understand the PLA as it exists today in a continuing process of transformation.

Modernizing China's Military addresses the macro issues related to the PLA: civil-military relations, doctrine and training, force structure, the defense budget, the defense industries, and threat perception. Shambaugh provides enough history to put these subjects in the proper context without

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getting so bogged down in minutiae that his focus on the contemporary PLA is blurred.

Budget and Finance

A particularly valuable chapter in this regard is chapter 5, "Budget and Finance." Chinese military expenditures are a matter of great debate among PLA watchers. This chapter is an excellent description of the announced defense budget and the extrabudgetary contributions that make up the total revenue base available to the PLA. While one could quibble about whether central government allocations made directly to the defense industries should be included in total PLA expenditures (a view I do not share), Shambaugh walks the reader through the intricacies of this subject and arrives at a conclusion that is reflected in recent U.S. Department of Defense publications and statements.

Shambaugh cites the large variance in estimates of total defense expenditures, from two to twelve times the official announced Chinese defense budget, but makes a firm personal judgment that "total PLA expenditure is from two to two and a half times larger than the official budget" (p. 211). This relatively low estimate contrasts with many higher estimates made for that time period, particularly the Pentagon's report to the U.S. Congress for 2002, which stated that China's defense spending may be some four times larger than its public announcement and could total US\$65 billion.¹

However, in subsequent years DOD has revised that estimate range downward. In 2003, the DOD report declared that China's defense spending may be more than three times larger than China's public announcement in March 2002 of about US\$20 billion, estimating a range from US\$45 to US\$65 billion.² Presaging the as-yet-unreleased 2004 report, Deputy

¹Office of the Secretary of Defense, Report to Congress Pursuant to the FY2000 National Defense Authorization Act, "Annual Report on the Military Power of the People's Republic of China" (July 12, 2002), 1, 38.

²Office of the Secretary of Defense, Report to Congress Pursuant to the FY2000 National Defense Authorization Act, "Annual Report on the Military Power of the People's Republic of China" (July 28, 2003), 4, 5.

Undersecretary of Defense Richard Lawless testified to a Congressional committee that the recent Chinese announcement of a US\$25 billion defense budget understates total defense-related expenditures, which the DOD estimates to be between US\$50 and US\$70 billion.³ These figures, of course, are much closer than are previous higher DOD estimates to Shambaugh's range of two to two and a half times the announced figures. However, Lawless did not attempt to reconcile this revised estimate with the fact that the announced budget had increased by about 10 percent in both 2003 and 2004. Whatever actual defense spending is, and perhaps even the Chinese themselves are not sure, foreign analysts should admit that the best they can do is guess, and include a high and low range for any guesstimate.

Arms Purchases

While that particular estimate may be on a downward slope, the reverse is true for the amount of arms deliveries from Russia in recent years. As this book was being written, I brought to the author's attention the August 2000 Congressional Research Service (CRS) study on conventional arms transfers.⁴ That source listed about US\$6 billion in sales from Russia to China from 1992 to 1999,⁵ and the figure is mentioned in several places in Shambaugh's book (pp. 71, 230). In the years since 1999, however, the pace of arms deliveries has doubled so that, according to the 2003 update of the CRS study, from 1999 to 2002 China received about US\$6.1 billion worth of arms, mostly from Russia.⁶ This would amount to over US\$1 billion a year and now appears to be approaching US\$2

³Statement of Richard P. Lawless, Deputy Undersecretary of Defense, International Security Affairs—Asia-Pacific, to the Senate Foreign Relations Committee Subcommittee on East Asian and Pacific Affairs (April 23, 2004).

⁴Richard F. Grimmett, "Conventional Arms Transfers to Developing Nations, 1992-1999," CRS Report for Congress (August 18, 2000).

⁵*Ibid.*, 59. Contemporaneously, some journalists were writing about transfers amounting to several multiples of that number.

⁶Richard F. Grimmett, "Conventional Arms Transfers to Developing Nations, 1995-2002," CRS Report for Congress (September 22, 2003), 60.

billion annually.⁷ A significant figure, but the increased expenditures apparently are being used mostly to acquire more of the same weapons Shambaugh identified and not for new categories of equipment. This new data basically reinforces the author's conclusion that these purchases are made to plug some of the PLA's "most glaring gaps" that cannot be filled by the Chinese defense industries (p. 243).

Training

In addition, since 1999, PLA training has increased dramatically in size, intensity, and scope; Shambaugh prepares us for this development, and additional data can now be added to the framework he outlines. Along with the combined arms training center in the Nanjing Military Region mentioned in the book (p. 95), similar training areas now have been identified in all seven Military Regions, with units up to division size rotating in and out. Four joint amphibious training areas along the coast are the sites for maritime training for units up to group army level, and many units have built their own amphibious training facilities near their barracks away from the coast. Shambaugh notes the large-scale amphibious exercises held in 2001 (p. 104); the process basically was repeated in 2002, and then again on a slightly smaller scale in 2003 due to a slowdown caused by the presence of severe acute respiratory syndrome (SARS) in the country. Various types of brigade and division training also took place in interior regions, a fact which reminds us that the Taiwan scenario is not the only contingency for which the PLA prepares. Standards for training and evaluation have been codified and, in an important professional development, the PLA non-commissioned officer corps is being strengthened, expanded, and given greater responsibilities. Shambaugh has short sections on PLA reserve units and militia (pp. 173-75); these soldiers, too, have undergone significant transformation and have been given new responsibilities since 1998, which deserve additional study. Many operational shortcomings men-

⁷Office of the Secretary of Defense, "Annual Report on the Military Power of the People's Republic of China" (July 28, 2003), 5.

tioned in the text still exist,⁸ but the PLA is making great efforts to overcome them.

Civil-Military Relations

Before concluding, I feel compelled to mention the discussion of party-army relations in chapter 2. Shambaugh spends considerable effort explaining indications of the potential for "the subordination of the military to the state." At the top of the list are the numerous references in the National Defense Law to the state (or government).⁹ However, as Shambaugh notes, a single article affirms that "The armed forces of the People's Republic of China are subject to leadership by the Communist Party" (Article 19). In the reality of today's China, this one article trumps all others. Shambaugh accurately concludes that "essential control by the [Chinese Communist Party] remains apparent" (p. 54). If the relationship between the army and the party, and thus the state, is ever to change, one of the first indicators may be modification to the soldier's oath taken by all members of the PLA, which currently begins: "I am a member of the People's Liberation Army. I promise that I will follow the leadership of the Communist Party of China..."

Nevertheless, *Modernizing China's Military* presents a solid examination of the big questions surrounding the PLA and should be a basic text for any serious student of the contemporary Chinese military. David Shambaugh deserves a place of distinction among the handful of recent authors who have produced academic works dedicated to the objective analysis of the PLA.

⁸Examples of operational shortcomings include lack of funds for training ammunition, oversimplified training exercises, "fudging training requirements," problems in assimilating new equipment, and inter-service rivalries. See pages 94 through 107, which discuss both progress and shortfalls.

⁹"Law of the People's Republic of China on National Defense" (Adopted at the Fifth Session of the Eighth National People's Congress on March 14, 1997), Beijing Xinhua Domestic Service, in Foreign Broadcast Information Service-CHI-97-055.