

ECONOMIC PERFORMANCE AND EVOLVING FOREIGN POLICY: THE EFFECTS OF CHINA'S MILITARY REFORMS

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In early September 2015, Chinese President Xi Jinping announced a massive overhaul that would reshape the Chinese People's Liberation Army (PLA) into a leaner, more agile, and more effective force through a mix of personnel reduction, streamlining of the internal chain of command, and rebalancing among the different services. Given the emphasis on overseas missions in China's 2015 White Paper on military strategy, the reforms directly touch upon China's foreign policy goals—in *primis* Xi's flagship diplomatic initiative, the One Belt One Road (OBOR)—and rest on the country's economic strength.

In order to gain a better understanding of how these two factors—evolving foreign policy goals and economic performance—are likely to affect the evolution of the PLA, four prominent scholars from different US research institutions were interviewed by the author in late 2015: Michael S. Chase, Senior Political Scientist at the RAND Corporation, Bernard D. Cole, US Navy Captain (ret.) and Professor Emeritus at the US National War College, Oriana S. Mastro, Associate Professor at Georgetown University, and Toshi Yoshihara, Professor of Strategy at the US Naval War College.

To begin with, Chase pointed out that the One Belt One Road is, first of all, an economic initiative, but it also has security implications. Although the PLA will not necessarily be among its main actors, it

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T.wai's Junior Research Fellow Andrea Ghiselli meets Bernard D. Cole, US Navy Captain (ret.) and Professor Emeritus at the US National War College



will certainly be involved in it, thereby boosting its role within Chinese foreign policy. In particular, as pointed out by Cole, the PLA Navy (PLAN), under the leadership of Admiral Wu Shengli, by far surpasses the ground and air forces, as it appears to have been the sole protagonist of the “globalization” of the PLA. However, since the threat of piracy in the Gulf of Aden appears to be fading away, the PLA Navy (PLAN) has to broaden the scope of its operations in order to keep on proving that the dream of a blue water navy is worth the billions of dollars and the political capital invested so far. All four scholars agree that non-combatant evacuation operations are going to be among the most important tasks the PLAN will be called to carry out. Besides this, Chase pointed out that one should not be surprised to see Chinese ground and air forces being more involved in the fight against terrorism, more likely in Afghanistan rather than in the Middle East, and carrying out missions to rescue hostages. Such a development might open the door to more cooperation between Chinese and Western armed forces. The decision by China and the United Kingdom to hold, in 2016, a joint exercise focused on the evacuation of civilians could be a first major step in that direction. Nevertheless, there are two main issues that, according to Yoshihara and Mastro, should be considered before discussing any possible cooperation with the PLA. First, should China be able to implement its OBOR initiative, it will gain an unprecedented influence over Mackinder’s heartland, thereby greatly undermining US influence. Second, by conducting peacekeeping and anti-piracy operations, the PLA is acquiring new skills that could be used in the Asian theater in the case of military escalation with its neighbors or the US. Thus, the US and its allies should be extremely cautious.



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Besides, other factors should be kept in mind when trying to assess the future activities of the PLA within the context of the OBOR. For instance, as Chase emphasized, in the foreseeable future geography will still significantly condition the scope of any PLA operation. For example, there is a whole ocean to cross between the future base in Djibouti and China’s mainland and the logistic challenge for the Navy is only partially mitigated. Secondly, as explained in more detail by Mastro and other scholars in their work for the Strategic Studies Institute, the future of the PLA largely depends on how China’s economic and political system will evolve in the coming decades.

However, the recent slowdown of China’s economy is hardly going to impact the PLA negatively. Rather, it will further accelerate the structural reforms already underway. The interviewees identified two main reasons for this. First, Chase and Yoshihara made clear that the modernization of the PLA has been affordable, and well within the expanding budget of the Chinese government. In the PLAN’s case, Yoshihara stated that the newest high-end combatants have an operational life of some thirty years and a significant number of them have already been commissioned. Thus, even if the production of new warships were to decrease, the PLAN has already

become a force to be reckoned with. Moreover, China has not embarked on any hazardous project that could risk absorbing an important share of the defense budget. Second, both Cole and Mastro see substantial political will to protect the PLA against cuts in government expenses. The reason for this is that the armed forces are gradually becoming a vital source of legitimacy for the Chinese leadership and, at the same time, if China were to perceive that external forces threaten its economic development, it would understandably spare no efforts to increase its defense. According to Cole, we can see all of Xi Jinping’s determination in the latest white paper issued by China’s Ministry of Defense. Nonetheless, there is consensus among the scholars that a real hard landing of the Chinese economy could seriously slow down the modernization of the PLA. Yoshihara estimated that a GDP growth equal to or below 4% would force the Chinese government to make important choices between the PLA and other urgent issues, such as boosting environmental protection and social welfare.

To conclude, the reforms will transform the PLA into an increasingly global actor, better suited to follow China’s rapidly changing foreign policy. Only a severe economic and political crisis could prevent this process from continuing. It is difficult to tell whether the West should welcome these forthcoming changes. This is already clear when comparing the outlook presented by

the American scholars who contributed to this article and the British decision to create space for strategic and defense cooperation with China. Indeed, China’s growing military and political commitment to the stability of Africa and the Middle East creates room for

meaningful cooperation between China and European countries. Nonetheless, such cooperation will certainly have some repercussions on Asia, where the geopolitical competition is more intense than ever between China, its neighbors and the US. Europe therefore has to weigh every decision carefully, especially since its leading economies have already adhered to the China-led Asian Infrastructure Investment Bank (AIIB). Many Asian countries already have or soon will have to take a clearer stance in their relationship with China and the US, balancing economic and security concerns. By contrast, Europeans, for now, can enjoy the luxury of time and wait for future developments.

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