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The China Syndrome: Chinese Military Modernization and the Rearming of Southeast Asia

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ABSTRACT

As China rises as a military power in the Asia-Pacific region, the countries of Southeast Asia are hedging against possible Chinese military adventurism by rearming themselves.

Nevertheless, China is hardly the only, or even the most important, reason for the ASEAN states' current military modernization efforts. In fact, other external and internal factors – such as new regional security requirements, changing military doctrines, lingering regional suspicions, domestic politics, and supply-side economics in the international arms trade – have played much more important roles as drivers of this process. Consequently, one should not look at the regional process of defense modernization entirely – or even principally – through the prism of any actual or potential "China threat" to Southeast Asia.

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Introduction

Southeast Asia can, paradoxically, be regarded as a zone both of relative calm and of relative insecurity.[1] On the one hand, the region lacks significant flashpoints—such as can be found in the Taiwan Strait or on the Korean peninsula—that could lead a major war. With the resolution of the East Timor crisis, the region is relatively free of open-armed conflict. In addition, the countries of the region are united in a common geopolitical and economic organization—the Association of Southeast Asian Nations (ASEAN)—dedicated to peaceful economic, social and cultural development, as well as to the promotion of regional peace and stability. On the other hand, Southeast Asia is also an area of high strategic significance, astride many key sea lines of communication (SLOCs) and important chokepoints, which naturally have both economic and military implications. It is also an area of considerable actual or potential wealth in maritime natural resources such as oil, gas and fisheries. For these reasons, therefore, the region remains one of high interest and potential tension.

Enter China. Over the past decade or so, the People's Republic of China (PRC) has increased its presence in Southeast Asia substantially. As China's economy has boomed, it has significantly expanded its global trade, importing raw materials (particularly energy supplies) and exporting finished manufactured goods. This has drawn the PRC closer to such strategic waterways as the Malacca-Singapore Strait. Moreover, Chinese investment in and trade with Southeast Asia have grown significantly in recent years, giving Beijing additional incentives to be engaged in the region. At the same time, as the PRC's military might has

[1] This working paper is based on a paper originally presented to the CAPS-RAND-CEIP conference on "The PLA in the Asia-Pacific Region: Implications for the Evolving Regional Security Order", Taipei, Taiwan, December 2006. The author is indebted to comments made on earlier drafts of this paper by Ashley Tellis and Ian Storey.

grown, it has expanded its area of operations beyond continental China and its adjacent waters, into the South China Sea and beyond to the India Ocean.

Naturally, the countries of Southeast Asian may look upon this growing Chinese presence with a certain amount of trepidation. In particular, China's growing military activities in the region are cause for some concern, and one may surmise that the ASEAN states would take precautions against a rising China in their midst, including military measures.

In fact, over the past two decades the leading countries in Southeast Asia have been engaged in a significant modernization of their armed forces and, as result, several ASEAN states have added new or expanded military capabilities that can be directed against any potential "China threat". In particular, some countries in the region—such as Indonesia, Malaysia, Singapore and Thailand—are in the process of acquiring capacities for surveillance, force projection, precision strike and command and control that they did not possess only a few years ago. Certainly, the defence capabilities of many ASEAN states have grown in recent years, in keeping with China's military build-up.

Nevertheless, China is hardly the only—or even the most important—reason for the ASEAN states' current military modernization effort. In fact, other external and internal factors have played much more important roles as drivers of this process. Consequently, and as we shall see, one should not look at the regional process of defence modernization entirely—or even principally—through the prism of any actual or potential China threat to Southeast Asia.

China's Growing Military Potential and the Challenge to Southeast Asia

The modernization of the Chinese People's Liberation Army (PLA) and the subsequent expansion of Chinese military power in the Asia-Pacific region have been well-documented and need not be repeated here in great detail. Suffice it to say that the Chinese have deployed considerable resources and effort into acquiring new capabilities for force projection, mobility and precision strike. In particular, this has meant deemphasizing ground forces in favour of building up the PLA's naval, air and missile forces. The PLA Navy (PLAN), for example, has greatly increased its procurement of large surface combatants and submarines. The PLAN is currently acquiring 12 Kilo-class submarines and four Sovremennyy-class destroyers (armed with supersonic SS-N-22 anti-ship cruise missiles) from Russia, as well as a navalized version of the Russian Su-30 fighter-bomber. Just as important, there has been a significant expansion in Chinese naval shipbuilding since the turn of the century. Since 2000, China has begun construction of several new classes of destroyers, frigates, amphibious landing craft and diesel-electric and nuclear-powered submarines. In addition, rumours persist that the PLA will add at least one aircraft carrier to its fleet. For its part, the PLA Air Force (PLAAF) is in the process of acquiring up to several hundred modern Su-27 and Su-30 fighter aircraft from Russia even as it will soon take delivery of the new, indigenous J-10 "fourth generation-plus" fighter jets. Furthermore, these fighter jets are being equipped with new standoff air-to-air and air-to-ground munitions. The PLAAF is also buying additional transport and air-to-air refuelling aircraft and strengthening its airborne assault forces.[2] Finally, the PLA is building up—both quantitatively and qualitatively—its arsenal of conventional missile systems, including the 600-kilometre-range CSS-6 and 300-kilometre-range CSS-7 short-range ballistic missiles, and, in particular, adding a new category of land-

[2] Dennis J. Blasko, *The Chinese Army Today: Tradition and Transformation for the 21st Century*. London: Routledge, 2006, pp. 69–70, 160–162.

attack cruise missile. Additionally, many of these missile systems are being fitted with satellite-navigation guidance for improved accuracy, and with new types of warheads (such as cluster sub-munitions and fuel-air explosives) for higher lethality.[3]

At the same time, the PLA is increasingly focused on the future military potential of the information technologies-led revolution in military affairs (RMA). According to several Western analysts, Beijing is currently engaged in a determined effort to transform the PLA from a force based on Mao Zedong's principles of "People's War" to one capable of fighting and winning "Limited Local Wars under High-Tech Conditions", or, more recently, "Limited Local Wars Under Conditions of 'Informatization'". This new doctrine revolves around what some have termed "rapid war, rapid resolution", which entails short-duration, high-intensity conflicts characterized by mobility, speed and long-range attack, employing joint operations fought simultaneously throughout the entire air, land, sea, space and electromagnetic battlespace, and relying heavily on extremely lethal high-technology weapons. The PLA operational doctrine is also increasingly emphasizing pre-emption, surprise and shock value, given that the earliest stages of conflict may be crucial to the outcome of a war.[4] Consequently, the PLA is currently engaged—as part of an ambitious "generation-leap" strategy—in a "double construction" transformational effort of simultaneously pursuing both the mechanization and informatization of its armed forces.[5] Initially, the PLA is attempting to digitize and upgrade its current arsenal of conventional "industrial age" weapons, i.e. through

[3] Timothy Hu, "Country Briefing—China: Ready, Steady, Go …" in *Jane's Defence Weekly*, 13 April 2005
[4] DoD, *Annual Report to Congress: Military Power of the People's Republic of China 2006*; Jason E. Bruzdzinski, *Briefing: China's Military Transformation for the New Era*. Washington, D.C.: MITRE Corp., 2005; Garrett Albert et. al., "China's Preliminary Assessment of Operation Iraqi Freedom" in *Chinese Military Update*, July 2003; Nan Li., "Chinese Views of the U.S. War in Iraq: War-fighting Lessons" in *Chinese Military Update*, July 2003.
[5] You Ji, "China's Emerging National Defence Strategy" in *China Brief*, 24 November 2004.

improved communications systems, new sensors and seekers, greater precision, night-vision capabilities, etc.[6]

To pay for all this, Beijing has nearly quintupled Chinese defence spending in real terms since the mid 1990s. The PRC's official 2007 defence budget is 350 billion yuan, or US$45 billion—an increase of nearly 18 per cent over the previous year, continuing a decade-long trend of double-digit real increases in Chinese military spending. The annual procurement budget alone has increased from US$3.1 billion to an estimated US$12.3 billion between 1997 and 2006 (and this probably does not include the extra-budgetary spending on R&D and arms imports, which could add another few billion dollars to the total).

As a result of these concerted efforts, the military potential of the PRC has expanded considerably over the past decade, and the PLA's recent modernization activities have fuelled speculation that China is developing a new military strategy based on power projection and precision strike. China's 2006 defence white paper states that the PLAN "aims at gradual extension of the strategic depth for offshore defensive operations and enhancing its capabilities in integrated maritime operations" while the PLAAF "aims at speeding up its transition from territorial air defence to both offensive and defensive operations, and increasing its capabilities in the areas of air strike, air and missile defence, early warning and reconnaissance, and strategic projection".[7] Some may interpret these efforts as an indicator of a more aggressive and expansionist China, or at least a PRC more likely to assert its role in

[6] U.S. Department of Defense (DoD), Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People's Republic of China 2006*. Washington, D.C.: Office of the Secretary of Defense, 2006, pp. 35–36; You Ji, "Learning and Catching Up: China's Revolution in Military Affairs Initiative" in Emily O. Goldman and Thomas G. Mahnken (Eds.), *The Information Revolution in Military Affairs in Asia*. New York: Palgrave MacMillan, 2004, pp. 97–123.
[7] *China's National Defense in 2006*, released 29 December 2006, http://www.chinadaily.com.cn/china/2006–12/29/content_771191.htm.

the Asia-Pacific region and use its growing military might to back up its national interests and national security goals.[8]

While such an expanding military capability will mostly likely be used to attack and defeat Taiwan in the event that Taipei declares independence, while also deterring or denying U.S. intervention on Taiwan's behalf, these capacities can also be applied to other areas where the PRC has strong strategic interests, particularly Southeast Asia. This region is one of growing and increasingly diversified significance to Beijing, and China has several territorial, economic, and political and diplomatic concerns that touch on Southeast Asia. These include (i) addressing longstanding disputes over sovereignty issues in the South China Sea, especially the Spratly Islands; (ii) securing sea lines of communication to the Indian Ocean and the Middle East; (iii) increasing economic ties with Southeast Asia (particularly trade and investment); and (iv) legitimizing its own regional security role (and also limiting U.S. influence) through a process of multilateral forums and negotiations.[9]

Consequently, Chinese military assertiveness has been felt as much in Southeast Asia as in other parts of the Asia Pacific. The Chinese have expanded their naval and air presence in the South China Sea and begun to extend naval patrols beyond, into the Indian Ocean. For example, the PLA has built a military airstrip on Woody Island in the Paracel Islands in the South China Sea, and it is reportedly constructing a new nuclear submarine base on Hainan Island.[10] The PLAN is also building naval facilities in Myanmar and negotiating port access rights with Pakistan. These and other actions have caused some to speculate that the PRC is

[8] Christopher Griffin and Dan Blumenthal, "China's Defence White Paper: What It Does (And Doesn't) Tell Us" in *China Brief*, 24 January 2007.
[9] "China, America, and Southeast Asia: Hedge and Tack" in *Strategic Comments*. London: International Institute for Strategic Studies, February 2005, p. 1.
[10] Office of Naval Intelligence, *China's Navy 2007*. Washington, D.C.: Office of Naval Intelligence, 2007, pp. 31–32.

attempting to develop a network of bases and alliances stretching from southern China to the Middle East, a strategy often termed the "string of pearls".[11]

Overall, the PRC's "creeping assertiveness" in the South China Sea and beyond has been cause for considerable concern among the countries of Southeast Asia. Regarding the South China Sea disputes, for example, Beijing's competing territorial claims with several Southeast Asian countries over the ownership or control in the Spratly Islands has led China to be military engaged and active in this area for many decades, and this has often led to tension, if not outright clashes. The Spratlys, a chain of coral reefs that barely break the ocean's surface, are adjacent both to major SLOCs and to potentially lucrative maritime natural resources (fisheries, oil and gas deposits). Consequently, several countries in addition to the PRC—including Brunei, Malaysia, the Philippines and Vietnam—have laid claim to various parts of the Spratlys, and nearly all have attempted to enforce these claims by establishing garrisons and other structures on the islands. This has on occasion led to actual conflict, such as China when occupied and began building on the Philippines-claimed Mischief Reef in the mid 1990s, and when Chinese and Vietnamese naval vessels clashed in Johnson Reef.[12]

In addition, as China's economy continues both to grow and to globalize—with the PRC emerging as a global hub not only for manufacturing but also for research and development and for *outward* direct investments—trade and energy security have become paramount concerns for Beijing. China is now the world's second largest oil importer (after the United States), and 60 per cent (expected to rise to 75 per cent by 2015) of its crude oil imports come from the Middle East, much of it passing through the Malacca and Singapore

[11] Bill Gertz, "China Builds Up Strategic Sea Lanes" in *Washington Times*, 18 January 2005.
[12] Ian Storey, "China and the Philippines: Moving Beyond the South China Sea Dispute" in *China Brief*, 16 August 2006.

Straits or the Lombok and Makkasar Straits. In addition, a quarter of the world's trade also transits through these waterways. Consequently, Beijing is extremely concerned about the continuing openness, safety and security of these vital SLOCs, which could be disrupted or impeded during an international crisis, terrorist action or piracy.[13] At the same time, the PRC is uncomfortable with external powers, such as the United States or Japan, maintaining a permanent military presence in these straits. While the PLAN is currently unable to project sufficient and sustainable sea power into the straits to protect its interests in these waterways, it is certainly a long-range goal of the Chinese to develop such capabilities, which can set up these areas as potential zones of conflict.

Finally, lingering historical animosities have contributed to tensions between Beijing and some Southeast Asian nations. Bilateral Chinese-Vietnamese relations remain edgy, for example, partly a legacy of their brief war in 1979 and of their ongoing disputes over the Spratly and Paracel groups of islands. Both countries have also been vying for strategic influence in Laos.[14] Additionally, simmering resentment among indigenous Indonesians against their Chinese-Indonesian countrymen (who control much of the Indonesian economy) has occasionally spilled over into Beijing-Jakarta relations.[15]

Recent Arms Modernization Activities in Southeast Asia

The PRC's growing power and influence is increasing felt throughout Southeast Asia. As the London-based International Institute of Strategic Studies (IISS) has put it, "as China's economic strength, diplomatic confidence, and military capabilities increase, this rising

[13] Ian Storey, "China's 'Malacca Dilemma'" in *China Brief*, 12 April 2006.
[14] Ian Storey, "China and Vietnam's Tug of War over Laos" in *China Brief*, 7 June 2005.
[15] Ian Storey, "Progress and Remaining Obstacles in Sino-Indonesian Relations" in *China Brief*, 16 August 2005.

power looms ever larger in the calculations of the ASEAN governments".[16] Given Beijing's rather clumsy efforts during the 1990s to manhandle Southeast Asian countries over the South China Sea dispute and other issues, it is not surprising that the ASEAN states are increasingly concerned about the need to deal with a China that is both militarily more capable and more assertive.

Consequently, over the past two decades the leading countries in Southeast Asia have greatly increased their national war-fighting capacities, at least *in part* due to increased uncertainties about the growth of Chinese military power. What is particularly noteworthy about this effort is that it has gone far beyond the simple modernization of local armed forces, that is, simply replacing older fighter aircraft with more sophisticated versions, or buying new tanks and artillery pieces. In fact, many militaries in the region have over the past decade added capabilities that they did not possess earlier, such as new capacities for force projection and stand-off attack, low-observability (stealth), and greatly improved command, control, communications, computing, intelligence, surveillance and reconnaissance (C4ISR) networks. While the Asian financial crisis of 1997–1998 did temporarily dampen regional military expenditures and, therefore, weapons acquisitions, Southeast Asia has resumed its rearmament process since the turn of the century. Consequently, armed forces in Southeast Asia now deploy or will soon acquire several new weapons platforms, advanced armaments or sophisticated military systems, including aircraft carriers, submarines, maritime patrol aircraft, air-to-air refuelling aircraft, longer-range air-to-air missiles, UAVs and drones, airborne early warning (AEW) aircraft, and modern anti-ship cruise missiles (ASCMs).

The acquisition of these new military capabilities has two repercussions for regional security. At the very least, these new types of armaments promise to significantly upgrade

[16] "China, America, and Southeast Asia: Hedge and Tack", p. 1.

and modernize the manner of war fighting in the region. For example, nearly every country in Southeast Asia currently possesses at least some “fourth-generation” fighter aircraft—such as the Russian Su-27, Su-30 and MiG-29, or the US F-16 or F/A-18—capable of firing stand-off active radar-guided air-to-air missiles, such as the U.S. AMRAAM or the Russian AA-12. Certainly, Southeast Asian militaries are acquiring greater lethality and accuracy at greater ranges, improved battlefield knowledge and command and control, and increased operational maneouvre and speed. Stand-off precision-guided weapons such as cruise and ballistic missiles and terminal-homing (such as GPS or electro-optical) guided munitions have greatly increased combat firepower and effectiveness. The addition of modern submarines and surface combatants, amphibious assault ships, air-refuelled combat aircraft and transport aircraft has extended these militaries’ theoretical range of action. Advanced reconnaissance and surveillance platforms have considerably expanded their capacities to “look out” over the horizon and in all three dimensions. Additionally, through the increased use of stealth and active defences (such as missile defence and longer-range air-to-air missiles), local militaries are significantly adding to their survivability and operational capabilities. Consequently, conflict in the region, should it occur, is likely gong to be more high-tech, that is, faster, more long-distance and yet more precise, and perhaps more devastating in its effect.

More importantly, some Southeast Asian militaries—particularly Singapore and possibly Malaysia—are acquiring the types of military equipment that, taken together, could fundamentally change the concept and conduct of warfare. In particular, systems related to precision strike, stealth and, above all, C4ISR comprise some of the key hardware ingredients essential to implementing a revolution in military affairs (RMA). Sensors, computers, communications systems, automated command and control, electronic warfare systems, advanced navigation and targeting aids and “smart” weapons can be bundled together in

innovative new ways that can greatly synergize their individual effectiveness and create new "core competencies" in war-fighting. These emerging capabilities, in turn, have the potential to significantly affect strategy and operations on tomorrow's battlefield and hence alter the determinants of critical capabilities in modern warfare. At the very least, therefore, the countries in this region increasingly possess the kernel of what is required to "transform" their militaries.

Indonesia

Indonesia has in recent years begun to emerge from the economic constraints of the Asian financial crisis of the late 1990s in order to start investing additional resources into recapitalizing its armed forces. The armed forces of Indonesia (TNI) are mostly committed to internal security and protection of the country's sizeable Exclusive Economic Zone (EEZ). Consequently, when it comes to military capabilities, particular priority has been given to dealing with air- and sea-based maritime border threats, and the TNI have put considerable emphasis on the task of patrolling and protecting the vast Indonesian archipelago.[17]

The naval branch of the TNI is dedicated to building a "green-water" capacity by 2020, and it is consequently consolidating the size of its naval task force by phasing out its obsolete ships (i.e. the large fleet of East German frigates and corvettes acquired in the early 1990s) and replacing them with newer and more capable vessels. For example, Jakarta is currently acquiring new four new Sigma-class corvettes from the Netherlands, four Korean-built platform landing dock (LDP) amphibious support ships and Chinese C-802 ASCMs. Older ships are being converted into patrol boats, forward operating bases in the eastern part of the archipelago are being established, and the TNI Marine Forces are being expanded and

[17] Robert Karniol, "Country Briefing: Indonesia—Interior Designs" in *Jane's Defence Weekly*, 7 April 2004.

strengthened. In addition, the TNI Navy operates a sizeable fleet of maritime patrol aircraft (two CN-235MPAs and 25 ex-Australian Defence Force N-22 Nomad Searchmasters), and is currently acquiring 17 additional patrol aircraft of various types.[18] Finally, Indonesia recently announced that it has planned to acquire four Kilo-class and two Lada-class submarines from Russia.

The TNI Air Force (TNI-AU) is still relatively small, with just 72 frontline aircraft: ten F-16A/Bs, 12 F-5E/Fs, two Su-27SK Flankers, two Su-30MKs, 11 (former Israeli Air Force) A-4E Skyhawks and 35 BAE Systems Hawk advanced trainer and ground attack aircraft. A 1997 decision to purchase 12 Su-30 fighter-bombers had to be cancelled in the wake of the Asian financial crisis. A modest deal for two Su-27s and two Su-30s was later signed in 2003, and the TNI-AU hopes to eventually purchase up to 48 Su-27/-30 aircraft by the end of the current decade.[19]

Overall, however, the combat capability of the TNI-AU is poor due to a lack of spare parts and low pilot flying hours (only five to six hours a month).[20] Most U.S.-supplied aircraft are non-operational, after Washington imposed an embargo on Indonesia following human-rights abuses in East Timor. In November 2005, the United States and Indonesia agreed to restore military relations, a decision that should end the U.S. arms ban.

Malaysia

Malaysia is in the midst of a multi-year programme to expand and modernize its armed forces. Kuala Lumpur, under its current VMAF21 (Versatile Malaysian Armed Forces of the

[18] International Institute for Strategic Studies (IISS), "Responding to the Maritime Challenge in Southeast Asia" in *The Military Balance 2006*. London: Oxford University Press, 2006, pp. 255–256.
[19] Andrew Tan, "Force Modernization Trends in Southeast Asia", Working Paper No. 59. Singapore: Institute of Defence and Strategic Studies, January 2004, p. 17.
[20] Karniol, "Country Briefing: Indonesia—Interior Designs".

21st Century) programme, is in the process of transforming its forces according to principles of joint-service operations, force projection and new combat capabilities. This means expanding firepower, adding new RMA-related capacities for information gathering and processing, extending the operational range of its air force and building "blue-water" naval capability.[21] This programme, therefore, includes the purchase of new fighter jets, advanced trainer aircraft, airborne early warning (AEW) aircraft, long-range transport aircraft, submarines and patrol corvettes.

In 2003, for example, the Royal Malaysian Air Force (RMAF) ordered 18 Su-30MKM Flankers from Russia—at a cost of US$900 million—to complement its current force of 18 MiG-29 Fulcrums (which are armed with the active radar-guided AA-12 air-to-air missile), eight F/A-18Ds, 13 F-5E/Fs (admittedly, most of these planes are non-operational) and 25 Hawk trainer and ground attack aircraft.[22] In addition, the RMAF operates three KC-130H air-to-air refuelling tankers, along with 12 C-130 transport planes and six CN-235 cargo aircraft for airlift. The RMAF may also buy another 18 fighter aircraft (either the F/A-18F or additional Su-30s) during the current 2006–2010 Ninth Malaysia Plan. Choices for a planned purchase of up to four AEW aircraft include the B-737 Wedgetail, the E-2C Hawkeye and the Swedish Ericsson Erieye. Other planned acquisitions include four Airbus A400M military transport aircraft and possibly AMRAAM missiles.[23] Between 1997 and 2004, Malaysia signed total arms import agreements worth US$5.4 billion.[24]

Kuala Lumpur is also in the process of procuring two Franco-Spanish Scorpene-class submarines for the Royal Malaysian Navy (RMN). In fact, for several years, it has been

[21] IISS, "Responding to the Maritime Challenge", p. 255.
[22] Tan, *Force Modernization Trends in Southeast Asia*, p. 11.
[23] Robert Karniol, "Country Briefing: Malaysia—The Big Push" in *Jane's Defence Weekly*, 25 November 2005.
[24] Richard F. Grimmett, *Conventional Arms Transfers to Developing Nations, 1997–2004*. Washington, D.C.: Congressional Research Service, 29 August 2005, p. 50.

training future submariners overseas in the absence of hardware so that the proper expertise could be developed prior to acquisition. Other RMN acquisitions include six German-designed MEKO A100 offshore patrol vessels and two British-built Lekiu-class frigates.

In 2005, Malaysia established a national coast guard (the Malaysian Maritime Enforcement Agency or MMEA) to patrol the country's 12-nautical-mile territorial waters. Eventually, it will be responsible for providing maritime security through the country's 200-nautical-mile exclusive economic zone, leaving the RMN free for force projection and war-fighting in the open ocean.[25] The MMEA currently operates 72 vessels, including 15 ex-RMN patrol boats.

Myanmar

After the 1988 military coup, Myanmar has been engaged in a major expansion of its armed forces. Most of this build-up, admittedly, has been more quantitative than qualitative.[26] The Myanmar Air Force (MAF), for example, has recapitalized itself mainly through the acquisition of Chinese fighter aircraft, which are based in turn on old Soviet designs. The MAF operates three squadrons of Chinese-made F-7Ms, derived from the MiG-21, as well as two squadrons of A-5s, a modified version of the MiG-19 optimized for ground attack. In addition, the MAF operates one squadron of G4 Super Galeb trainer and ground attack aircraft (built in the former Yugoslavia and delivered in the early 1990s), one squadron of Chinese-made K-8 primary trainer jets (also usable for light ground attack) and one squadron of Swiss-built PC-7 and PC-9 trainer and counter-insurgency aircraft (delivered between late 1980s and early 1990s). Altogether, Myanmar has acquired approximately 60 F-7Ms (including trainer versions), up to 42 A-5s, six Super Galebs, 12 K-8s and 26 PC-7/PC-9s.

[25] IISS, "Responding to the Maritime Challenge", p. 255.
[26] Tan, *Force Modernization Trends in Southeast Asia*, p. 18.

To bolster its air superiority capabilities and partly to counter Thailand's acquisition of F-16s, the MAF purchased 10 second-hand MiG-29 fighters (eight single-seat and two dual-seat trainers) from Russia in 2001 for US$130 million. These aircraft were delivered in 2002 and 2003.

Altogether, the MAF comprises perhaps 125 combat-capable aircraft and approximately 70 transport helicopters of Polish, Russian, U.S. and French origin.[27] At the same time, the actual operational capability or effectiveness of these aircraft is uncertain. Sources have reported that the MAF has found it hard to get spare parts for their non-Chinese aircraft, so their operational status is in doubt. At the same time, the MAF has experienced problems with the performance and reliability of Chinese aircraft, especially the F-7, which has resulted in the loss of many of these aircraft through accidents.[28] The quality of these aircraft has also been highly suspect, especially when some of these fighters were actually delivered to the MAF without the software necessary to fire their air-to-air missiles. Finally, it has been difficult for Myanmar to maintain its Chinese aircraft due to a lack of money for spare parts.[29] In mid 1990s, Israel was reportedly contracted to upgrade Myanmar's F-7M fleet with new radars, missiles and laser-designator pods, but many MAF F-7s are still not refurbished.[30]

The Myanmar Navy comprises a handful of patrol craft and corvettes, mostly of Chinese origin. It was reported that the purchase of three frigates from China has never materialized, although Myanmar did recently acquire some used BN-2 maritime patrol aircraft from India.

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[27] IISS, *The Military Balance 2006*, p. 285.
[28] "Myanmar Air Force" in *Aeroflight World Air Forces*, http://www.aeroflight.co.uk/waf/aa-eastasia/burma/burma-af-aircraft.htm.
[29] "Myanmar Air Force" in *Aeroflight World Air Forces*, http://www.aeroflight.co.uk/waf/aa-eastasia/burma/burma-af-aircraft.htm; "Indochina Database: Burma/Myanmar, 1948–1999" in *Air Combat Information Group*, http://www.acig.org/artman/publish/article_346.shtml.
[30] William Ashton, "Myanmar and Israel Develop Military Pact" in *Jane's Intelligence Review*, 1 March 2000.

Singapore

Singapore's interest in maintaining a high-tech military stems both from its strategic weaknesses—its lack of strategic depth, a small and aging population and relatively limited defence resources—and its economic and technological advantages, particularly its highly educated workforce and its strengths in information technologies. Consequently, Singapore is currently engaged in a "third-generation" (3G) transformation of its military. The interests of the Singapore Armed Forces (SAF) in defence transformation stems from three factors:

- A perception of new unconventional threats—such as terrorism, piracy, insurrection and destabilization in a neighbouring state—resulting in new types of warfare, like urban warfare and the protection of key installations
- Singapore's traditional strategic weaknesses: a lack of strategic depth, a small and aging population, and relatively limited defence resources
- Singapore's economic and technological advantages, particularly its highly educated workforce and its strengths in information technologies.

Above all, the SAF sees technology—particularly information technologies—as a critical force multiplier.[31]

Accordingly, Singapore's transformational efforts—designated the Integrated Knowledge-based Command and Control (IKC2) doctrinal concept—emphasize the acquisition, development and integration of technologies for command and control with ISR systems and precision-guided weapons. IKC2 and 3G areas, where the SAF is currently focusing much of its efforts, include advanced electronics and signal processing, information systems security, advanced guidance systems, communications, electronic warfare, sensors

[31] Tim Huxley, "Singapore and Military Transformation", a paper delivered to the conference on "The RMA For Small States: Theory and Application", Singapore, 25–26 February 2004, p. 2.

and unmanned vehicles. Additionally, the SAF has either acquired or is in the process of acquiring several new types of systems for force projection, increased mobility and increased firepower.

The Republic of Singapore Navy (RSN) has expanded substantially over the past decade. The RSN has either acquired or is in the process of acquiring several new types of systems for force projection, increased mobility and expanded firepower. In particular, it is currently acquiring six Formidable-class frigates, which are based on the French-designed Lafayette-class "stealth" frigates. These frigates will mainly be used to patrol sea lines of communication around Singapore and will be armed with Harpoon ASCM and the French Aster-15 air-defence missile, which is capable of providing anti-ballistic missile defence. Just as important, the Formidable-class frigate will be equipped with state-of-the-art sensors and combat management and communications systems, and thus will constitute a "key node" in Singapore's 3G capability programme and consequently "push the *regional* envelope of naval capabilities … in their undoubted networking capabilities".[32]

Besides these new frigates, the RSN has also bought four used A12-class submarines from Sweden (and will buy two more Swedish submarines—likely the A17 class—that can be outfitted with air-independent propulsion), and it has taken delivery of two new indigenously designed and constructed Endurance-class landing ships, each capable of carrying 350 troops, 18 tanks, four helicopters and four landing craft.

In addition, the Republic of Singapore Air Force (RSAF) is the most advanced of all the ASEAN air forces. The RSAF operates the largest fleet of F-16s in Southeast Asia, a total of 62, all of which are Block 52/52+ F-16C/D types. Roughly a dozen of these aircraft are permanently based in the United States for advanced flight training. The RSAF also

[32] Paul T. Mitchell, "Networks, Navies, Subs, and Security: ASEAN Navies in 2006", unpublished paper, October 2006, p. 3.

possesses approximately 45 F-5E/Fs, which were upgraded in the mid 1990s with new a radar and glass cockpit; these F-5s are capable of firing the AMRAAM missile. Both the Singaporean F-16s and F-5s are capable of air-to-air refuelling, and the RSAF operates four KC-135R and five KC-130 tanker aircraft. Together with eight remaining A-4SU ground attack, the RSAF has 115 fighter aircraft (up to 100 more A-4s are believed to be in storage). Air-to-air missiles in the RSAF include the AIM-9M Sidewinder, the Israeli Python IV and the AMRAAM. Air-to-ground munitions include laser-guided bombs and AGM-65 Maverick missiles.

The RSAF operates four E-2C Hawkeye airborne early warning and control (AEW&C) aircraft as well as five Fokker 50s for maritime patrol. In addition, the air force maintains a number of C-130 aircraft and CH-47 helicopters for transport. Singapore has also ordered 20 AH-64D Apache Longbow attack helicopters, the first eight of which were delivered in 2006.

The RSAF is currently considering replacing its F-5s and A-4s. In 2005, it placed an order for 12 U.S. F-15SG fighters. Eventually, as many as 60 F-15SGs may be procured. Included in this deal were AMRAAMs, AIM-9X Sidewinders, the GPS-guided Joint Direct Attack Munition (JDAM) and the Joint Stand-off Weapons (JSOW). Finally, Singapore is currently the only Asian partner in the international F-35 Joint Strike Fighter (JSF) programme and the RSAF can order several dozen JSFs to replace or augment its F-16 force.

Thailand

Thailand, like Indonesia, is only now beginning to emerge from the repercussions of the Asian financial crisis, but it still has to manage with a small and static defence budget (less

than $2 billion a year). In addition, the military coup of October 2006 will likely add further uncertainty to new procurement decisions.

Despite being more of a land power, Thailand has considerable maritime interests, including the protection of offshore oil and gas reserves, counter-terrorism, counter-piracy and countering illegal trafficking in its territorial waters.[33] The Royal Thai Navy (RTN), therefore, has considerable responsibility in providing littoral, EEZ and blue-water maritime security. More recently, the RTN has acquired or is in the process of acquiring two new frigates from the United Kingdom and missile-carrying offshore patrol vessels from the PRC, as well as helicopters and refurbished maritime patrol aircraft. The RTN has expressed interest in acquiring submarines but current budget constraints have made this unlikely for the near future.[34]

It is worth noting that the RTN operates the only aircraft carrier in the region—the 10,000-ton, Spanish-built *Chakri Nareubet,* which is outfitted with nine used AV-8A Harrier jump jets and six S-70B Seahawk helicopters. The carrier is intended for air defence and anti-submarine warfare during wartime and disaster relief during peacetime. Since the *Chakri Nareubet* was delivered to the RTN in the late 1990s, however, it has spent most of its time in port due to its high operating costs, although it was employed during the 2004 tsunami relief.

The Royal Thai Air Force (RTAF) comprises approximately 154 combat aircraft: 60 F-16A/B fighter jets, 35 F-5E/Fs, 34 L-39ZA Albatros ground attack aircraft and 25 French-built Alpha Jets (for training and light ground attack). In addition, the RTAF flies several AU-22A light utility aircraft, which can be used as mini gunships. Thailand's air force also operates about 50 transport aircraft of various sizes and missions, including 12 C-130 cargo planes and three IAI Arava short-takeoff-and-landing aircraft. The RTAF is also one of the

[33] IISS, "Responding to the Maritime Challenge", p. 256.
[34] IISS, "Responding to the Maritime Challenge", p. 257.

few air forces in Southeast Asia to outfit its fighters with the U.S. AMRAAM air-to-air missile.

In general, the RTAF has suffered from a continued shortage of funding following the 1997 Asian financial crisis, inter-service rivalries and a priority on expanding the country's sea power.[35] At one time during the late 1990s, the RTAF had intended to purchase the F-18 fighters, but it was cancelled in the wake of the 1997 financial crisis. Later efforts to acquire "C/D" versions of the F-16 were also abandoned in favour of buying additional (used but refurbished) F-16A/Bs. For now, Israeli Aircraft Industries have been engaged to upgrade its RTAF F-5 fighters with a new fire-control radar and heads-up display.[36] More recently, the RTAF has planned on acquiring up to 40 new aircraft, either the Swedish Gripen or the Russian Su-30MK.[37] This decision, however, will likely be delayed following the 2006 military coup.

Vietnam

Vietnam has obvious interests in protecting its maritime EEZ resources and in deterring further Chinese expansion in the disputed Spratly Islands chain. After years of neglect, the country is beginning to rearm itself and as a result has begun to increase defence spending and procurement.[38]

The Vietnamese navy has done particularly well out of this increased emphasis on self-reliant defence and it has greatly enhanced its capabilities in recent years. The navy is currently acquiring three new corvettes, outfitted with German engines and British and

[35] Tan, *Force Modernization Trends in Southeast Asia*, p. 13.
[36] *Royal Thai Air Force*, GlobalSecurity.org website, www.globalsecurity.org/cgi-bin/texis.cgi/webinator/search/?query=airport+maps&pr=default&order=r&cmd=context&id=42b63011f.
[37] Henry Ivanov, "Thailand Ponders Su-30MK" in *Jane's Defence Weekly*, 13 December 2004.
[38] Robert Karniol, "Country Briefing: Vietnam—Off the Ground" in *Jane's Defence Weekly*, 22 December 2005.

American radars, as well as up to a dozen Svetlyak-class fast-attack craft patrol vessels and various second-hand surface combatants from South Korea and Poland. Hanoi has also signed a major arms deal with Poland in 2005 for 10 maritime patrol M-28 aircraft and 40 surplus Su-22M aircraft, some of which may have a maritime strike role. In addition, Vietnam is building up to 40 new indigenous 400-ton offshore patrol vessels and six 150-ton coastal patrol boats.[39]

At the same time, the Vietnam People's Air Force (VPAF) remains a large but largely obsolete force. Of the approximately 220 combat-capable aircraft in the VPAF, most are from the 1970s and 1980s—mainly the MiG-21bis Fishbed (140 aircraft organized into seven regiments) and the Su-22 Fitter (two regiments of approximately 50 aircraft). In addition, the VPAF operates 18 used L-39 Albatros advanced trainers and light attack aircraft and several two-seater, combat-capable Fishbed and Fitter trainer jets. Other aircraft in the VPAF include 26 Mi-24 Hind helicopter gunships, four Be-12 maritime reconnaissance aircraft, 48 transport helicopters and 28 various fixed-wing transport aircraft.

The VPAF has been trying to modernize its arsenal since the early 1990s, buying Sukhoi Su-27 fighter aircraft in the mid 1990s, and then the more capable Su-30MKK in 2003, but this process has slow and modest. For example, it has procured only 12 Su-27s (three of which have crashed) and just four Su-30MKKs (with an option for eight more).[40] In the mid 1990s, it was rumoured that Vietnam wanted to buy Mirage fighters from France, but any deal was stillborn due to pressures from the United States.

So far, the VPAF has to be contented with additional buys of used, reconditioned aircraft—Su-22s (from the Czech Republic and Poland) and L-39s (from the Czech Republic

[39] Robert Karniol, "Country Briefing: Vietnam—Off the Ground"; IISS, "Responding to the Maritime Challenge", p. 257.
[40] Karniol, "Country Briefing: Vietnam—Off the Ground".

and Ukraine)—to replenish its air power. At one time, Vietnam had intended to contract Russia to upgrade its MiG-21 fleet but this deal has since been abandoned.[41]

Beyond China: Other Drivers Behind Southeast Asian Arms Modernization

While China certainly is a part of the dynamics behind the recent and ongoing arms modernization effort in Southeast Asia, it is not the only factor driving this modernization process nor is it necessarily the pre-eminent one. In fact, the PRC may even be a *receding* concern in Southeast Asia's security calculus. While relations between Beijing and some Southeast Asian nations in the past had been poor—even hostile—and while in some cases, such as Vietnam or Indonesia, suspicions of Chinese intent and actions are long and lingering, relations between China and most countries in the region have improved markedly in recent years and, in fact, have probably never been better. For example, trade between the PRC and Southeast Asia has increased dramatically and Beijing has become a major investor in and aid donor to such countries as Indonesia, Laos, the Philippines and Vietnam, in addition to maintaining close ties to traditional client states as Myanmar.[42]

Moreover, Beijing has simultaneously launched a major "charm offensive" in Southeast Asia designed to show countries in the region that it is a non-confrontational, status-quo power. From its earlier belligerent and ham-fisted manner in pressing Chinese national interests, Beijing now:

> makes special efforts to assure its neighbours that it is a responsible and constructive partner. It has agreed to codes of conduct where territorial dispute have economic consequence (as in the South China Sea); it has begun

[41] Karniol, "Country Briefing: Vietnam—Off the Ground"; Tan, *Force Modernization Trends in Southeast Asia*, p. 21–22.
[42] Storey, "China and Vietnam's Tug of War over Laos"; Storey, "China and the Philippines"; Storey, "Progress and Remaining Obstacles in Sino-Indonesian Relations"; Karniol, "Country Briefing: Vietnam".

> negotiations to resolve border disputes that involved important neighbours such as India; it has started to take its non-proliferation obligations much more seriously than before … and it has expressed a willingness to shelve active political disputes that cannot be reconciled immediately, so long as none of the other parties involved disturbs the status quo (e.g. Taiwan). In general, China has refocused its energies on expanding trade and cooperation with all its neighbours … .[43]

In this regard, for example, the PRC was the first non-Southeast Asian state to sign to the Treaty of Amity and Cooperation with ASEAN, in 2003. This agreement has been paired with the ASEAN-China Strategic Partnership for Peace and Security, also signed in 2003, and followed up by a "Plan for Action" agreement in 2004.[44] China is also a participant in the ASEAN Regional Forum (ARF), the ARF Security Policy Conference (ASPC), and the ASEAN+3 meetings.

Nowhere perhaps is this new "play-nice" strategy more evident than in China's recent handling of the Spratly Islands dispute. From its supposed "flashpoint" status during the 1990s, its stance on the Spratlys has calmed down considerably. Today, the status of the islands is "no longer discussed as a major security concern".[45] To its credit, the PRC has made a concerted effort *not* to let the South Sea issue become a major domestic political football (unlike the Senkaku and Diaoyu Islands dispute with Japan), nor has it seized or occupied additional islands in the Spratlys since 1995. In particular, in 2002, Beijing and the Association of Southeast Asian Nations (ASEAN) agreed to a joint *Declaration on the*

[43] "China's Grand Strategy" in *Strategic Comments*. London: International Institute for Strategic Studies, November 2004, p. 2.
[44] "China, America, and Southeast Asia: Hedge and Tack", p. 1.
[45] Ralf Emmers, "What Explains the De-escalation of the Spratlys Dispute?" in *IDSS Commentary*, 5 December 2006.

Conduct of Parties in the South China Sea, which affirmed the intention of the signatories to peacefully resolve their territorial and jurisdictional disputes, and to exercise self-restraint in the South China Sea that would "complicate or escalate disputes and affect peace and stability", including refraining from further construction on the presently uninhabited islands. In addition, in March 2005, Beijing signed bilateral agreements with the Philippines and Vietnam for the joint exploration for oil in areas of overlapping sovereignty claims. (At the same time, estimates of likely oil and gas reserves in the South China Sea have been revised downward considerably, so there may be much less to fight over than originally believed.) This is not to say that the dispute over the Spratly Islands has been settled once and for all. However, it does stand a much better chance of being resolved peacefully, without adding to the tension or hostility between the PRC and Southeast Asia.[46]

Finally, Beijing has greatly lowered the tone and rhetoric of its strategic competition with the United States, actions that have gone a long way toward reassuring the countries of Southeast Asia of China's sincerity in pursuing a non-confrontational foreign and security strategy. Beijing now also pursues a much more subtle approach toward the United States: not directly challenging the U.S. leadership in Asia, partnering with Washington where the two countries have shared interests and, above all, promoting multilateral security processes that, in turn, works toward diluting or constraining U.S. power, influence and hegemony in the Asia Pacific and elsewhere.[47]

All of these actions have combined to reduce the "threat image" of China in the eyes of many ASEAN countries. In fact, other drivers are much more evident in the recent arms modernization process among the Southeast Asian militaries. In a larger sense, for example,

[46] Emmers, "What Explains the De-escalation of the Spratlys Dispute?"
[47] David Shambaugh, "China and Europe: The Emerging Axis" in *Current History*, September 2004, p. 246. See also "China's Grand Strategy", p. 2, and Richard Carney and Richard A. Bitzinger, "From Hegemony to Loose Bipolarity: The Evolving Geopolitics of the U.S., E.U. and China" in *RSIS Commentary*, 26 January 2007.

the regional uncertainties bred by the end of the Cold War have caused many Southeast Asian nations to place greater emphasis on military self-reliance. In particular, while the United States has recently increased its presence in Southeast Asia, there remain for some countries lingering concerns about the long-term reliability of America as a strategic partner (such as Thailand, following Washington's suspension of aid in the wake of its military coup in October 2006). Other ASEAN countries, meanwhile, are concerned that the United States may try to exploit the global war on terrorism to expand American hegemony. (Witness, for example, Indonesian and Malaysian objections to the U.S. Regional Maritime Security Initiative, which they interpreted as an American effort to maintain a permanent military presence in the Malacca and Singapore Straits.)[48]

At the same time, the military interests and doctrines of the Southeast Asian nations have changed as well, both with regard to inward and outward security concerns. During the Cold War, most countries in the region were more worried about separatist movements and communist insurgencies. While internal rebellion is still a major problem in Myanmar, Indonesia and the Philippines, other types of internal insecurities—particularly home-grown Islamic-based terrorism in Indonesia, Malaysia, the Philippines and Singapore—have superseded earlier domestic security concerns. While military doctrine internally has shifted more toward homeland defence, *externally* there has been a move toward a broadening of regional security interests to include economic benefits and other non-traditional goals. In particular, this has led to growing concerns over protecting maritime natural resources (particularly oil and gas reserves and fishing areas), securing regional SLOCs, countering piracy and trafficking in contraband and humans. Consequently, regional navies, coast guards and air forces are being increasingly tasked and outfitted with the means to safeguard EEZs,

[48] China, America, and Southeast Asia: Hedge and Tack", p. 2.

shipping routes (such as the Malacca and Singapore Straits) and other economic interests in the area.[49]

Third, one must keep in mind that many Southeast Asian states are just as often suspicious of each other as they are of external powers such as China, and that these tensions have also been powerful motivators behind recent national military build-ups in the region. Historical bilateral fears and wariness still exist between Malaysia and Singapore, Malaysia and Indonesia, and Thailand and Burma, for example, and these and other suspicions have manifested themselves in a variety of territorial disputes, maritime boundaries and clashes over EEZ rights. For instance, competing claims in the South China Sea over the Spratly Islands are just as strong between the various Southeast Asian nations as they are with the PRC.[50] And the 2007 tiff between Singapore and Indonesia over sand and gravel exports to the island nation only further underscores the lingering distrust that exists within the ASEAN community.[51]

Fourth, one should also not discount the power of non-military factors in arms procurement decision-making. Countries often buy weapons systems for which no objective military case can be made for their acquisition, but they do so for reasons of:

- Prestige, i.e. as status symbols (e.g. Thailand's aircraft carrier) or to have something "sexy" to show off at national day parades (e.g. flyovers by F-16s)
- Competition, i.e. "keeping up the Joneses", such as engaging in tit-for-tat, non-aggressive arms procurement rivalries[52] with other neighbouring powers (e.g. Malaysia buying Su-30 Flankers following Singapore's decision to purchase the F-16)

[49] Tan, *Force Modernization Trends in Southeast Asia*, pp. 28–29, 31–32.
[50] Tan, *Force Modernization Trends in Southeast Asia*, pp. 30–31.
[51] Richard Lloyd Parry, "Singapore accused of land grab as islands disappear by boatload" in London *Times*, 17 March 2007.
[52] As opposed to aggressive, destabilizing arms *races*, such as between China and Taiwan.

- Corruption, i.e. accepting bribes from arms sellers to acquire certain weapons or rewarding domestic factions within the military (e.g. the Thai government in the early 1990s increasing naval procurement in order to repay the RTN for not supporting an earlier military coup)

Fifth, the highly competitive state of the current global arms market has meant that there are a lot of motivated sellers on the supply side of the arms business. Nearly every leading arms manufacturing country has come to depend heavily on overseas sales to bulk up their business and for many, weapons exports are a matter of survival. Russia, for example, actually exports more arms than it sells to its own military and the Asia Pacific has become a particularly crucial market for the Russian defence industry. During the period 2002–2005, nearly 85 per cent of all Russian arms exports went to this region, mainly to China and India but also increasingly to Indonesia, Malaysia and Vietnam. France has in recent years exported nearly one-third of its total national defence output; Germany has exported 27 per cent; and the United Kingdom around 40 per cent. With regard to the Asia-Pacific region, almost half (45 per cent) of France's arms sales agreements in 1998–2005—and fully three-quarters during just the period 2002–2005—were made to this region. During the same 1998–2005 timeframe, the region accounted for 58 per cent of Germany's and 35 per cent of the United Kingdom's total arms agreements to the developing world.[53] In this regard, the Southeast Asian arms market is particularly noteworthy since, while it is relatively small—collectively worth around $2 billion annually—it is also one of more truly open and competitive markets when it comes to arms sales (compared to the PRC or India, which mostly buy from Russia, Japan or Taiwan, more or less captive markets for the U.S. defence industry). While the United States, for example, dominates Southeast Asia in the sale of

[53] Richard F. Grimmett, *Conventional Arms Transfers to Developing Nations, 1998–2005*. Washington, D.C.: Congressional Research Service, October 23, 2006.

fighter aircraft (e.g. F-15s to Singapore; F-16s to Indonesia, Singapore and Thailand; F/A-18s to Malaysia), the United Kingdom has scored particular success in exporting its Hawk trainer jet to Malaysia and Indonesia. Germany, meanwhile, has sold submarines to Indonesia and corvettes to Malaysia and Singapore; France, frigates to Singapore and anti-ship cruise missiles to Indonesia, Malaysia, Singapore and Thailand; Russia, Su-30 fighters to Malaysia, Indonesia and Vietnam; and Sweden, submarines to Singapore. Malaysia and Singapore constitute the largest arms buyers in Southeast Asia. For example, during 2002–2005, Kuala Lumpur placed orders for $2.8 billion worth of arms.[54]

Given the size and strength of the regional arms market, it is not surprising that this area has become a critical market—and therefore the object of particularly fierce competition—for the world's leading arms suppliers, particularly the United States, Western Europe, Russia and Israel. Consequently, supplier restraint has been replaced by a readiness to sell just about every type of conventional weapon system available to the region and, in addition, to use technology transfers and offsets as inducements to make an arms sale. Such sweetheart deals, therefore, can have as much impact on the kind of arms Southeast Asian militaries buy as actual threats or military requirements.

Conclusions

To be sure, the leading Southeast Asian nations are arming and rearming themselves at least in part because of China's growing military activities in the region and in part of out concern for the PRC's future potential—given the PLA's growing power projection capabilities—to constitute a larger and ongoing presence there. In fact, it is as much an effort to prevent China—as well as other major powers, such as the United States—from maintaining a

[54] Grimmett, *Conventional Arms Transfers to Developing Nations, 1998–2005.*

permanent naval presence in the Malacca and Singapore Straits that the governments of Indonesia, Malaysia, Singapore and Thailand recently agreed to conduct and coordinate naval and aerial patrols of the strait, and that Indonesia and Singapore also initiated a joint "surface picture" naval monitoring system in the area.[55]

In general, however, the Southeast Asian countries appear to be much more "relaxed" about China's military rise than are the nations of Northeast or South Asia—or the United States, for that matter. Why this is so difficult to fathom is, in large part, due to the fact that the ASEAN countries generally do not publicly discuss their concerns about the PRC—certainly, few Southeast Asian governments (possibly Vietnam or the Philippines) will openly admit that their military modernization programmes are directly linked to deterring or fighting China, for fear of offending Beijing.[56] One can infer several reasons for these nations' generally sanguine view toward China, however. In the first place, of course, Beijing's current "kinder, gentler" foreign policy has disarmed many in the region who have been most worried about the PRC's growing presence in Southeast Asia. In general, the overall "China threat" to the region has diminished considerably in recent years in large part because the Chinese have gone to great pains to reduce the strident self-centeredness once found in its foreign and security policy in favour of a softer, more nuanced multilateralism.

Additionally, Southeast Asia's growing economic interdependence with China may also be tempering Beijing's activities in the region. As Sino-ASEAN trade, investment, aid and even military assistance (for example, the PRC agreed in 2005 to help Indonesia develop short-range ballistic missiles) have grown, these increasing "soft power" links between the two players has arguably had a stabilizing and calming effect on relations, by expanding the

[55] IISS, "Responding to the Maritime Challenge", p. 258.
[56] I am grateful to Ian Storey for pointing out this argument to me.

convergence of economic interests and benefits that neither side would wish to see disrupted by conflict.

At the same time, it can be argued that Southeast Asian acquiescence to China's attendance in the region is largely a matter of size and relative strength: most Southeast Asian nations, even if they wanted to stand up to the PRC, simply do not have the means to do so. For example, neither Vietnam, which possesses the largest armed forces in the region, nor Singapore, arguably the most technologically advanced military power in Southeast Asia, can probably mount any sustained military action against the current PLA. So in a sense, therefore, jumping onto the bandwagon with China makes for good policy.

On the other hand, these countries are also working to balance against the PRC, albeit often indirectly, and a subtle hedging strategy can be found operating side-by-side with a policy of accommodating Beijing. If the ASEAN states are reaching out to engage China, they have, at the same time, undertaken new diplomatic and political-military overtures toward other regional great powers such as Japan, India and Australia to enlist them as security partners in preserving peace and stability in Southeast Asia. Consequently, ASEAN has sponsored a number of international assemblies designed to bring in other regional powers *in addition to China*, such as the East Asian Summit, the ASEAN Regional Forum and the ASEAN+3 talks (ASEAN, China, Japan and South Korea).

Above all, of course, this balancing act has entailed continuing to engage the United States and keep it actively involved in the regional security calculus as a counterweight to China. The ASEAN states regard the United States as a more or less benign "regional balancer", and hence they have worked hard to maintain—indeed, even raise—the U.S. military profile in the region, by permitting greater U.S. access to national military facilities in Southeast Asia, creating collocated operating bases, undertaking joint military exercises

and entering into new bilateral security cooperation agreements with Washington.[57] Some ASEAN countries, such as Thailand or the Philippines are, in fact, formal allies with the United States while others, such as Singapore, are allies in all but name.

The nations of Southeast Asia are certainly concerned about a rising China, and they are dealing with the regional implications of this challenge through a number of routes—diplomatic, economic and even military. Of all the avenues, however, the military response is probably given the *least* emphasis in Southeast Asia's dealings with the PRC. At the same time, any military build-up in Southeast Asia must be seen through something other than the China lens. While the nations of Southeast Asia are clearly upgrading their militaries, the PRC is but one factor behind this modernization, and hardly the most important. Regional insecurities, changing military doctrines, intra-ASEAN tensions, domestic politics and even supply-side dynamics in the global arms market are all stronger forces driving military modernization in Southeast Asia than any "China threat". In conclusion, therefore, while the Southeast Asian countries are certainly "cautiously watchful" of the PRC as it expands its role in the Asia Pacific—and particularly how this expansion will play out over the next several decades—military power is still the lowest priority for these countries when it comes to dealing with China.

[57] "China, America, and Southeast Asia: Hedge and Tack", p. 2; Richard A. Bitzinger, *Transforming the U.S. Military: Implications for the Asia-Pacific*. Canberra: Australian Strategic Policy Institute, 2006, pp. 13–15, 30–31.

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