

# Strategic Analysis Paper

17 December 2020

## Conflict with China Is Not Inevitable ... But the Chances of One Are Increasing

Lindsay Hughes

Senior Research Analyst

Indo-Pacific Research Programme

### Key Points

- Recognising its geographic and economic vulnerabilities, China is moving rapidly to acquire the resources it needs in order to continue to grow.
- That strategy, however, has caused other countries to view China as a predator and untrustworthy.
- They are aligning, therefore, and coalescing in an effort to balance China and, if required, counter its predatory behaviour.
- That situation could easily get out of hand and lead to conflict.

### Summary

The current standoff between Indian and Chinese troops in the Himalayan region – the [previous one](#) lasted for 73 days and ended on 27 August 2017 – appears to have reached a stalemate. Both sides have conducted several rounds of negotiations, with little progress to show for them. One [observer](#), citing unnamed government sources, claims that Beijing is trying to coerce New Delhi via meetings between the two countries' diplomatic and military personnel into pulling its troops from the commanding positions that they currently occupy first before it withdraws its own troops. It would be extremely naïve of the Indian Government to do so, given the Chinese Communist Party's (CCP's) track record of deceit (the Australian branch of an organisation that is banned in China [lists](#) some examples of the CCP's lies and subterfuge; another [source offers a different insight here](#) and yet [another here](#)). In this context, the eminent Sinologist Arthur Waldron's 1998 [speech](#) is prophetic.

New Delhi is unlikely to do so, however, leading the Indian Chief of Defence Staff to [comment](#) that the standoff could lead to larger conflict. The standoff and its consequent unproductive negotiations is but one sign of the mutual suspicion that India and China share.

India is not alone in being suspicious of Chinese intentions, however. That sentiment extends across North America, most of Europe (several [countries in Eastern and Central Europe](#) have joined most of Western Europe, for instance, in banning Chinese companies from providing hardware for their telecommunication networks) and several of China's neighbours other than India. That suspicion of China's intentions forms the basis for several countries to come together to form what is at this time a loose aggregation of democracies that could act against China's economic and military predations. The same suspicions, however, could possibly lead to conflict between China and those countries.

### Analysis

Much of the developed world – and a growing part of the developing world – is growing increasingly wary of and resentful towards China. Apart from being aware of that resentment, China is also aware that it is surrounded by hostile or, at best, neutral countries. It is, furthermore, only too aware that moves are afoot to curtail its economic prowess through shifting supply chains, reduced trade and even embargoes. The CCP is aware that, in the medium to longer term, it would not be able to cater to the requirements of its citizens and to reach its own economic and strategic goals without access to the resources of neighbouring and other countries. China is working, therefore, to ensure that it can access those resources in one way or another.

To ensure that it has permanent access to those resources, however, China knows that it must possess the land in which those resources are located. Thus, it has occupied Tibet and Xinjiang and laid claim to around 90 per cent of the South China Sea and its resources. Those regions perform another function for China: they serve as a buffer to protect the Han homeland and, in the case of the South China Sea, as a buffer that China must necessarily militarise to protect the coastal cities that stretch from the Hong Kong-Guangzhou metropolitan region in the south to Shanghai and Qingdao in the north, which together generate around one half of its GDP.

China's haste to achieve that security has caused it to disregard the territorial claims of other countries as well as their access to some of the resources that it has usurped. Thus, for instance, its manipulation of the waters of the rivers that arise in Tibet and flow through South and South-East Asia has caused much of the resentment. That resentment has led to suspicions regarding China's motives and, consequently, the formation of coalitions that seek to balance an out-of-control China. As [a recent FDI paper](#) noted, Australia, India, Japan and the United States have come together to form the Quadrilateral Security Dialogue, or "Quad". That amalgamation is commonly seen as a measure that could be used to balance or even counter China. The four countries have, of late, gone to some lengths to modernise and re-arm their military forces. As that paper observed:

The four Quad democracies are simultaneously revamping and re-energising their military forces. While research into and development of military systems is an ongoing matter in the United States, those efforts are now being shaped with a view to countering China. Washington is developing [very accurate hypersonic missiles](#), long-range [anti-ship missiles](#) to counter China's growing naval fleet, [land-based missiles](#) to counter China's missile arsenal and an [enhanced overall missile arsenal](#) to counter China. Australia has announced that it will spend \$270 billion to beef up its defence acquisitions, including [long-range missiles](#). Apart from conducting its first test of an [indigenously-designed hypersonic missile](#), India is [modernising its air force](#) and, in light of China's intransigence in Ladakh, has purchased around 140,000 [assault rifles](#) on an expedited basis from the United States. Just as importantly, if not more so, India has [shifted its focus](#) from Pakistan as its primary threat to China, leading it to re-orient its forces along its northern border with China and in the Indian Ocean. Japan, for its part, has built the first of a [new class of submarines](#) using the sophisticated *Soryu*-class as a template to produce an outstanding stealthy submarine.

It is now becoming increasingly clear that the Quad is rapidly becoming a [military coalition](#) that will be arrayed against China in a future conflict.

The United States has recently also announced the sales of major weapons systems to Taiwan, which has caused China much concern. In September this year, China conducted combat manoeuvres near Taiwan, including two days of mass air and sea drills. In mid-October, it was reported that China had begun enhancing its [military forces along its south-east coast](#). Beijing had previously threatened to "re-integrate" Taiwan, which it sees as a breakaway province, with the mainland by force, if necessary. Any military action to achieve that objective can only be done by striking at Taiwan across the Taiwan Strait, which would entail assaults by air and sea. It is in that context that Washington's sale of [100 Boeing-made Harpoon Coastal Defence Systems](#) to Taiwan is notable.

On 21 October, the United States Department of State notified Congress of the first tranche of arms sales to Taiwan. That tranche included truck-based rocket launchers made by Lockheed Martin Corp, Rocket System (HIMARS) Stand-off Land Attack Missile Expanded Response (SLAM-ER) missiles and related equipment made by Boeing Co, and external sensor pods for F-16 jets. Mere days later, on 26 October, the United States moved ahead with the proposed sale of 100 cruise missile stations and 400 land-based *Harpoon* anti-ship missiles made by Boeing Co. The cruise missiles, interestingly, have a range that is greater than the width of the Taiwan Strait, which means that targets in China could come under attack even if the missiles are launched from aircraft without Taiwanese aircraft needing to leave home territory. The missiles can also be used against airborne and seaborne targets. If China had been prepared to accept some casualties in its attempt to invade Taiwan previously, Taipei's acquisition of those cruise missiles will increase the range and number of Chinese losses immeasurably.

On 4 November, the Department of State cleared the potential sale of 4 MQ-9 *Sea Guardian* drones to Taiwan. Made by General Atomics Aeronautical Systems, of San Diego, California,

they would be sold with associated ground stations, spares and training. While the drones are fully capable of being armed, they will be sold with fitted surveillance equipment, making them very effective force multipliers in any battle theatre. In all, the United States has sold around US\$5 billion (approx. \$6.6 billion) worth of sophisticated weapons systems to Taiwan in recent weeks. The cost for China in lives, matériel and, arguably most importantly, prestige, in any effort to take Taiwan by force would be degrees greater than the cost of those systems. As a [previous FDI paper](#) argued in relation to India's steps to halt China's activities in Doklam in 2017:

What India did, however, was more than merely stop China from constructing a road in disputed territory. It showed the region and beyond, much to the chagrin of China, that a resolute state could indeed withstand the three-warfare strategy that China employs. It also demonstrated that China is not the unstoppable force that much current thinking would imply it is. On the other hand, it would be naïve not to recognise that China was, in its own perception, humiliated not only at being stopped, but at being stopped by a country it sees as being inferior to it economically and militarily, and one that implicitly questioned the justness of its actions.

Another [FDI paper](#) noted:

[China's] tendency towards the use of military force is based, in turn, on two factors: first, Chinese policy is severely influenced by its civilisational history, which tends towards the use of force and, second, because China has a "unique traditional philosophy". In [Andrew] Scobell's view, China's assumptions about its perennial justness increase its propensity to use force by giving it a 'defensive moral rationale for using force, even offensive force'. That rationalisation is evidenced by its annexation of Tibet and its threat to use military means, if necessary, to "reintegrate" Taiwan, which it sees as a rebel province.

By working with Taiwan to counter China's (or, more accurately, the CCP's) objectives, in the latter's perception, the United States is deliberately provoking it by challenging its military might and political will. By that reasoning, Taiwan is little more than a pawn in a larger power game. It is up to China, therefore, to either accept the challenge of the United States or be seen to shy away from it. Beijing could try to explain away its unwillingness to accept the challenge but runs the risk of being seen by the international community, especially in South and South-East Asia, as being afraid of Washington's military, if it were to do so. That would entail further loss of face and prestige for the CCP and its General Secretary, Mr Xi Jinping. Beijing could play for time in order to build up its military to a level that it sees as being sufficiently strong enough to match that of the United States. That stratagem could work against it, however, because a Biden Administration in Washington could work with several other like-minded countries, unlike the Trump Administration's strategy of acting alone against China, at the same time to build an anti-China coalition. A Biden Administration could, moreover, accept [Palau's offer to provide bases](#) (also [here](#)) and ports for US military forces and focus on striking similar deals with the Philippines and Vietnam.

A Biden Administration would likely also renew its trade ties to Europe and Asia, with the obvious exception of China. Several trading partners of the United States that suffered the uncertainties of the Trump Administration appear to be working towards forming a trading bloc of their own. Australia, Canada, New Zealand and the United Kingdom could draw together to form a [CANZUK](#) free-trade bloc. Such a bloc would not only protect each of them from the vagaries of China but also from those of the United States because, even though Donald Trump has lost the presidential election, [Trumpism](#) will remain a potent force throughout the Biden Government and a rallying call for a future Republican-led government in the United States. A Biden Government would, according to common consensus, continue with the hard line on trade with China that was initiated by the Trump Administration, implying a further fall in China's trade income. A CANZUK bloc would see that income reduce further, as would Europe's dependence on China for much of its manufactured goods. The CCP's plan to invigorate domestic spending in order to reduce the country's dependence on exports, moreover, runs counter to the traditional Chinese philosophy of increasing savings and reducing expenditure. If the CCP does not succeed in that effort, China's economy could suffer, causing people to hoard more and spend even less, thereby exacerbating the situation.

The overall effect of a growing military coalition against it, reduced international trade opportunities and the blow to its prestige from its inability to make Taiwan a province of the People's Republic of China could work together to cause the CCP to take increasingly provocative actions against the United States or its allies in the South China Sea, or against India in the Himalayas. A localised conflict, such as the latter, would have the potential, however, to escalate and draw other countries into the situation. Unfortunately for China, it has no allies that it could truly depend upon to come to its aid. It is more than likely that Russia would choose to remain neutral, albeit as a supplier of military technology to China, in any conflict between a democratic coalition such as the Quad and China. China's air force is hardly likely to prevail against its Australian, Indian, Japanese or US counterparts, let alone an alliance of all four, due to its pilots' [lack of fighting experience](#). That would force China to rely on its army, navy and rocket (missile) forces. It is true that [China's aircraft carriers are being prepared for war](#), but with the [Quad's navies now exercising together](#), so are they. American military contractors are, moreover, preparing to [provide hypersonic missiles to the US military](#) in two to three years. If that schedule proves successful, and there is no reason to believe that it will not, China's navy could be at elevated risk of being neutralised by those long-range missiles against which there is little defence. Absent a fully-fit air force and at least a badly-depleted navy, China's army could find itself fighting on a minimum of two fronts, the Himalayas and along its eastern seaboard.

While China may prevail initially, that could reverse as the conflict drags on, according to most Western war-gaming exercises. China could possibly prevail upon Pakistan to engage with India so as to deflect some of New Delhi's focus on settling scores with China. India could view the situation, however, as an opportunity to first rid itself of the Pakistani thorn in its side once and for all and then re-focus on China. While India would prevail in a conventional war against Pakistan, however, it must bear in mind that Pakistan is also a nuclear-armed state. If Islamabad or, more accurately, the Pakistani Army felt itself to be under threat of annihilation, it would have few reservations about threatening to use its

nuclear arsenal. Worse, if, at around the same time, China's conventional forces were also badly damaged, Beijing would also threaten to resort to its own nuclear arsenal. It is at that point that, to use an American colloquialism, all bets are off the table.

To be clear, that scenario is mere supposition. It is very likely that saner heads would prevail before that point is reached. Even so, it is likely in the case that conflict is very close at hand that the Quad alignment, the NATO countries and other countries in Europe and elsewhere around the globe will align with either the liberal democracies or with China. Without its markets in Europe, North America and Oceania, however, China's economy will falter and the CCP's dream of making China a rich nation will remain unfulfilled. China may yet lead a coalition of countries that align with it, but it will lose access to most of its sources of energy and other raw materials, save Russia, Venezuela and Iran and, as noted, its markets. That division of the world into two camps could result in, for example, a duplication of international telecommunication networks, supply chains and other international facilities.

Will the CCP risk either scenario? The evidence at hand suggests that it does not want to but is determined, nevertheless, to have its own way, even if that means falsifying historical data and showing scant regard for the rights of other countries, just as it does in the South China Sea and the Himalayas. No sane leader of a country wants war, especially one that could easily get out of control and grow to encompass much of the world. The CCP appears to believe, however, that the combination of coercion, based on its economic and military might, and its so-called salami-slicing strategy could see it achieve its strategic objectives and yet not be engulfed in a war. That reasoning may prove correct but the risk of war with China, once unthinkable, is no longer so.

\*\*\*\*\*

*Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.*

Published by Future Directions International Pty Ltd.  
Suite 5, 202 Hampden Road, Nedlands WA 6009, Australia.  
Tel: +61 8 6389 0211  
Web: [www.futuredirections.org.au](http://www.futuredirections.org.au)