

Panel: China's Defense Policy (Orchid Room)

Date/Time: Wednesday, December 12, 2012 / 09:00-10:15

Talking Points for: Cheung Tai Ming, Director, Institute on Global Conflict and Cooperation, University of California

China's Defense Science and Technological Transformation: How Fast, How Sustainable?

China's defense economy is enjoying unprecedented expansion and creativity fuelled by generous state funding, improving technological and innovation capacity, and pent-up demand from its armed forces. The aviation industry, for example, is currently developing two stealthy fighter aircraft, the navy commissioned its first aircraft carrier in September 2012, and shortly after begun flying locally-built –although Russian-developed- fighter aircraft off its flight deck. The space, missile, electronics, and other parts of the defense industrial base are also turning out advanced weapons.

While the defense economy is making impressive strides in transforming itself into a leading global defense technological champion, it still faces tough challenges that could impede continued progress. The fundamental problem is that large portions of the defense economy continue to operate according to the norms, operating principles, routines, and habits of the socialist central planning economy.

To achieve the goal of catching up to the global technology frontier by the beginning of the 2020s, the Chinese defense economy will need to become a market-oriented, rules-based system. This will require replacing the incremental, consensus-based process that is driving the reform agenda with a far more bold approach that is able to aggressively tackle the root causes of its underlying weaknesses. The defense leadership though appears satisfied for the time being to continue to take a gradualist approach to reform and modernization, although in select priority areas such as space and missiles there is a willingness to pursue more intensive and bolder development strategies.

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