

„ZRÍNYI MIKLÓS” NATIONAL DEFENCE UNIVERSITY

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**THE IMPACT OF CHINA’S COMPREHENSIVE NATIONAL POWER
(ON THE SYSTEM OF INTERNATIONAL RELATIONS AND
THE GEOSTRATEGY OF MAJOR POWERS)**

**Doctorial (PhD) Treatise
Author’s Summary
(Theses)**

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1. FORMULATION OF THE SCIENTIFIC PROBLEM

The rise of China, the transition from its status of regional power to that of a global player, seems to be an irreversible process changing the system of international relations fundamentally. It is part of the shift from the post-cold-war one-polar world order to multipolarity. The lessons of the two world wars in the last century indicate that a dramatic change in the relative strength of great powers can lead to military conflict and global rearrangements. China's development, coupled with the relative decline of other countries, resulting in the shift of interstate economic, political, military and cultural balance, carries with it some risks on a geo-strategic scale, which should be managed by those affected, including China itself, within an environment troubled by complicated conflicts, dangers and challenges.

The complex, multifaceted growth of China's power is usually attributed, in Western approaches, to economic, technological and military factors supported by quantitative, statistical data and analysis. Starting from those, the inference goes on to assumed Chinese intentions and necessary steps to contain Beijing's "expansionism", or exploit its openness. Up until recent times, less attention was given to the study of cultural, linguistic, psychological and other qualitative factors.

The need for multidisciplinary, expert analysis and decision support raises the question whether there are scientifically sound methods to measure, in a complex way, the capabilities of major powers, and anticipate the shifts in their relative strength, with special emphasis on the emergence of new superpowers and the decline of old ones.

One such method is based on the calculations of the so called "Comprehensive National Power" or CNP (in Chinese: zonghe guoli), applied for strategic planning purposes. Although the process has been in use for decades in Chinese social studies, the research results have not yet become widely known among the international scientific community, and have been almost completely unheard of in Hungary.

The right interpretation and critical analysis of the concept of CNP may help the better understanding of the national characteristics of Chinese strategic thinking as well as the

forecast of tendencies in great power relations, and help the peaceful solution of international conflicts in the transitional era. With this study, I would like to contribute to the development of a wider outlook for the Hungarian military science, through publicising the results of my research in this field, the primary sources of which are hardly accessible in this country because of language difficulties. It has also been my aspiration to promote the advancement of intelligence analysis methodology and the formation of a China-picture devoid of prejudices.

2. RESEARCH PURPOSES

The selection of the subject was driven by the motivation to explore the following issues (research topics):

(1) The definition and interpretation of Comprehensive National Power. The roots of the concept in traditional Chinese strategic thinking and in Western natural and social sciences. Its relation to military studies. The quantitative and qualitative constituents of CNP.

(2) Calculation methods of CNP and analysis of the results, with emphasis on the role of the military factor. The importance of the so called “soft power”.

(3) The essence of China’s national strategy in relation to Comprehensive National Power. The mechanisms, through which considerations of CNP direct the national security activities and the military strategy of Beijing. Its influence on Chinese geo-strategic ambitions and foreign policy targets.

(4) The changes in the international relationships as a result of China’s “rise”, including the strategic plans of great powers concerning China. Perceptions of Chinese power and its use.

(5) The strategic significance of China for NATO, EU and Hungary.

(6) Conclusions about China’s relative strength among the great powers, and the consequences of its rapid growth. The move towards a multi-polar world order, and the global

threats and risks associated with it. The challenges and opportunities China's rise presents for the world and for itself.

3. RESEARCH METHODS

(1) Collecting, collating, arranging, comparing, analysing and critically evaluating the Hungarian, foreign and especially Chinese publications, statistical data, summaries, opinions, and other studies in social science, strategy and military policy that are related to CNP.

(2) A follow-up of big power reactions to China's rise based on official statements and concrete policy measures. A comparison of Chinese, American, Japanese, Russian, Indian, NATO and EU strategic documents and theoretical studies about China's capabilities.

(3) An illustration of the tendencies in Chinese military developments based on the Pentagon Congressional Reports, the Chinese White Book on Defence, independent research studies and other open sources documentation.

(4) Logical analysis of controversies between various data and opinions, and drawing my own conclusions in the debated issues by a complex scientific synthesis focusing on the concept of Comprehensive National Power.

4. DESCRIPTION OF RESEARCH DONE

(1) In the Introduction, the scientific problem is formulated and the research goals are defined.

(2) In the following chapter the notion of CNP is explained, its inner structure is detailed and the method of its calculation is clarified. Some practical applications are also highlighted.

(3) In the third chapter I analyse the most important factors in China's Comprehensive National Power, including the economic, technological, defence industrial, military and social components.

(4) The fourth chapter focuses on the relationship and interplay of "hard" and "soft" factors of CNP.

(5) The fifth chapter deals with Chinese geo-strategic ambitions, centred on the overall development of Comprehensive National Power, as well as Beijing's security policy initiatives, its motives behind the promotion of national interests, and the constraints which are posed by possible conflict sources on the realisation of Chinese goals.

(6) The sixth chapter is destined to elaborate on the international impact of China's rise as it is reflected in the security and military policies of various great powers (USA, Russia, Japan and India) and alliances (NATO). This chapter is closed by deliberations on the China policy of the European Union and Hungary.

(7) The ending chapter provides a summary of the conclusions, highlighting the new scientific achievements produced by the research, and some proposals for the theoretical and practical application of the results.

(8) In the Appendix, I presented some additional material (illustrations, statistical tables, maps etc), a list of my earlier publications and a list of the bibliographical sources that were used to support my studies.

The research was closed by the end of March, 2007. When compiling the final version, contributions from participants of the workshop discussion (on the 27th of April, 2007 at the NDU) were taken into consideration. From among the sources, referred to in the dissertation, the earliest one is more than 2500 years old, while the latest one is dated from 12th, April, 2007.

5. SUMMARY OF CONCLUSIONS (FINDINGS)

(1) Comprehensive National Power (CNP) is a complex indicator of the overall effort and international impact of sovereign powers, suitable for comparison, worked out by Chinese researchers on the basis of up-to-date scientific results of theoretical and methodological studies. The indicator integrates all the economic, military, scientific and technological, natural, political, social, educational, international and other resources which back up the actual inner strength and outward influence of the great powers. Thus, CNP is a theoretical notion with practical applications on the strategic level of international relations.

As a theory, CNP is a new category in social studies. As a practical application, it is the starting point of Chinese long-term strategic planning.

Within the frameworks of the study of international relations, CNP is first of all an indicator of competitiveness. According to the Chinese view, the competition between various countries is a measure of capabilities or actual efforts demonstrated in the overlapping fields of politics, economics, military activities, science and technology, education etc. In this respect, measuring CNP is a major tool for supporting state level decisions with information.

From the standpoint of military studies, CNP and “military potential” are closely related. “Military potential” refers to the measurable power-factors that add up to the general warring capabilities of adversaries, e.g. personnel strength of the armed forces, weaponry, firepower, mobility, defence industrial capacity etc. It also contains the so-called multiplying factors like moral status, level of training, preparedness, organisational efficiency, doctrinal issues etc., combining all those factors in a specific structure. CNP goes beyond that. It is not only a strategic or military indicator, but an even more general concept on the level of “grand strategy”, comprising many other characteristics that decide the international competitiveness, the scope of power and the impact of a country on its surroundings. In this sense, CNP is a complex model of the state’s capabilities to defend and to promote its interests.

(2) A great difficulty is presented by the need to integrate “hard” (economic, technological and military) and “soft” (social, psychological, cultural) factors. CNP comprises all those elements that bear significance in shaping big power relations, including natural

resources, territory, population, raw materials and energy, economy, science, technology, defence, politics, foreign affairs, international prestige, influence, culture, education, organisation, leadership, control, planning, decision support, environment, society etc. It places great emphasis on assessing hardly measurable “soft” factors like perceived power, strategic ambition, willpower and national unity to pursue the fulfilment of aspirations.

The mathematical method of calculating CNP is the Analytic Hierarchy Process (AHP) that has proven its reliability through decades in a wide variety of applications. It is supplemented by other methods like expert judgement, logical analysis based on induction, network mapping, interdisciplinary analogy (“transplantation”), neural models, factor analysis etc. The results are evaluated by a multidimensional quantitative (synthetic) and qualitative (analytic) process.

(3) The most important applications of CNP belong to strategic planning, decision support, multidisciplinary trend analysis and extrapolation in social sciences.

Just as GDP is an important indicator of a country’s economic performance that can be used for macroeconomic characterisation, planning, international comparison and other purposes, CNP can likewise be used for decision support and studies in comparative international politics focusing especially on security policies and geo-strategies of major powers. The calculation of CNP requires a lot of data collection, information processing, analysis and synthesis, collation and comparison, complex situation assessment and forecast. These activities rely on the co-operation of experts from several professions, including intelligence professionals, because some of the data and information are hardly obtainable and rather sensitive. We could say that research in CNP is a practical application of scientific information management as well as a method for analysing, evaluating, comparing and assessing power ratios between sovereign states. Thus the research in CNP is an organic part of scientific intelligence methodology.

In the field of international security and military studies, the research of CNP focuses on the consequences of China’s rise, especially the changes of the global and regional balance of power, and the formulation of a new model of international relations.

(4) China's growth is sustainable. Beijing's security strategy focuses on peace and development, the conditions of which are altogether favourable, although rather complicated. The most dangerous breakpoint is presented by the unsolved Taiwan issue, with the great power rivalry between China and the USA in the background.

(5) China's rise is the crucial factor in the shift of the global power centre from the Euro-Atlantic area to the Pacific region). At the same time, it creates the conditions for the emergence of Eurasia as a new "pole" in the international arrangement. The transitional processes imply opportunities to grasp and risks to avoid for all the players in the international arena. Considering the size of the risks and their nature, it is fair to say that China's rise is the greatest challenge against the global status quo.

(6) It remains to be seen how China itself, in co-operation with other actor-states of the international community, is able to handle the risks of its own rise. The goal of Beijing is to create a "harmonious society" and a "harmonious world", and to contribute to this new model by increasing its own Comprehensive National Power. So China does not want to be a "superpower" or a "hyper power", not even a "global power" (which it will become, anyway, regardless of the intentions), but a "harmonious power". A harmonious power is a sovereign state, which enjoys internal and external stability, has a wide variety of adaptive capabilities, fits into its international environment and shapes its surroundings simultaneously as a global force, balancing other forces.

The response to the growth of Chinese power has become the central element of the security strategy of major states like the U.S., Japan, Russia, India and international organisations like NATO and EU.

(7) The EU (and Hungary) has vested interest in the stability of China and East Asia, so as to be able to use promising opportunities for mutually fruitful co-operation. That creates the need for a new outlook on the trans-Eurasian security arrangements. Provided that Europe and China can extend bilateral relations not only along economic interests but also along cultural synergies, they can create a new pattern of Eurasian civilisation, contributing constructively to the development of the whole world.

6. RECCOMENDATIONS

(1) My proposal to the European Union to try to explore and to adapt the experiences of the “Chinese integration” reflects a fresh look at the similarities and differences of the two integration processes. Europe can learn from China: for example the political, economic and military integration of a vast community characterised by immense national, religious, linguistic and cultural diversity. The acceptance of common priorities and their centrally co-ordinated realisation may also be important (in energy politics or telecommunication regulations, to name just two areas). Although a sense of “belonging” is considered to be only a “soft” power factor, there still exists a notable difference between labelling an individual or an institution as Chinese or European, and the comparison may not always be favourable for the latter. The “Chinese challenge” facing the EU is essentially this: how to create a European identity that is capable to mobilise the population and the institutions of the continent for unified action, but without imperialistic allusions and without the loss of national characteristics. By now, someone should have invented Esperanto, a common language and way of thinking for Europe.

(2) Attention is invited to the often undervalued risks of lifting the European arms embargo against China too early (or too late), without the necessary preparations. Such a premature move could result not only in the cooling of relations between Europe and the U.S., but *ad absurdum* (against the good will of those concerned) to the dismantlement of NATO. What’s more, military tension between Europe and the U.S. could not be excluded. I base these surprising allegations on the fact that at the current level of relations between EU and China it is not enough to simply go on with capital investments and commercial exploits in order to develop mutually beneficial contacts. What is needed at this point is the exchange of high-tech know-how and co-operation in scientific and technological research and development. However, the criticism directed from the U.S. against the Galileo space program and especially the European space co-operation with China shows that relations at this level have unavoidable strategic consequences. The U.S. does not want up-to-date navigational services of the Galileo help Chinese weapons like ballistic and cruise missiles, bombers, stand-off missiles etc. direct themselves on American targets. That’s why Washington indicated that in case of an emergency, the U.S. is ready to incapacitate the European space assets.

According to Brussels, Galileo is a civilian technological project, however the U.S. maintains that satellite navigation represents dual-use technology, the sharing of which (with

Beijing) would question the authenticity of the EU arms embargo against China. Therefore, in 2005 the American Congress warned Brussels that the USA will suspend weapons cooperation programs with the EU, if the latter lifts the arms embargo. Thus the possibility of a quick solution was postponed into the uncertain future.

Because of those controversies, the worries of the USA, concerning the formation of a “Eurasian Axis”, must be dispelled. Also, the EU should assure that in case of a military conflict in the Taiwan straits (which can not yet be excluded) China would not use modern western weaponry against possibly intervening American forces. European and global security would be seriously hampered, if Brussels had to make a forced (binary) choice between the strategic interests of the USA and China.

(3) Hungary has to follow the principles of the EU China-policy, but we should take part more actively in shaping those policies. We need a unified China strategy for the Union that is in harmony with the Common Foreign and Security Policy (CFSP) providing a framework for the most effective utilisation of relationship with China to promote Hungarian national interests.

(4) To exploit opportunities in Hungarian-Chinese bilateral relations, I recommend dispelling those political and cultural prejudices and misperceptions that are widespread among the Hungarian population about China, inhibiting free personal and institutional contacts. Such a transformation of public opinion could be augmented by the active participation of Sinologists and other researchers in general education, correct mass media presentations and the popularisation of modern Oriental studies.

7. NEW SCIENTIFIC RESULTS (FINDINGS)

(1) This dissertation is the first of its kind in Hungary, calling attention to, and analysing in detail the notion of Comprehensive National Power, based on primary Chinese and secondary English sources. The calculation method of CNP is presented together with an objective assessment and an interpretation containing some new approaches (namely the distinction between extensive and intensive factors and their role in creating a balance of power). A detailed analysis reveals that the so-called “soft power” factors play an integral part

in the rise of China, together with the undisputed economic, technological and military elements.

(2) On the basis of data and information about military capabilities, stated intentions and observable activities, I support convincingly the hypothesis according to which China's "grand strategy" focuses on peace and development. To describe the special characteristics of Chinese strategic ambitions, I introduce the notion of "harmonious power" as opposed to the labels of "superpower", "hyper power" and "global power". Drawing the limits of China's vital interests that are considered inviolable by Beijing (sovereignty, territorial integrity, national unity etc.) the breakpoints of China's peaceful ("harmonious") strategy are exposed.

(3) Facts and opinions coupled with the analysis of logical consequences justify the conclusion that China's rise is the greatest challenge to the global status quo. The risks and opportunities of the growth of Chinese power are convincingly presented, together with the changes they induce in the security strategy of the U.S., Japan, Russia, India, the EU and NATO. Highlighting the Eurasian aspects of big power policies and alliance strategies, I argue that Hungary has crucial interest not only in the Euro-Atlantic, Mediterranean and Middle East, but also in East Asian stability.

8. POSSIBLE APPLICATIONS OF THE RESEARCH RESULTS

(1) The results of this study can form the starting point for further research in the evaluation methodology of the changes in the balance of power and their forecast, as well as the analysis of information on the strategic level and the global consequences of China's transition.

(2) This PhD dissertation can be used as background material for the expert support of high level state and institutional (corporate) decisions on policy issues regarding China.

(3) The study can be used in universities as a complementary textbook for students wishing to become experts on China, armed with multidisciplinary outlook, up-to-date information, sound methodology and readiness to adapt to rapid changes in the intellectual

environment. They should be able to support decisions in all those issues which require the assessment of China's role and significance in the international arena.

(4) The study of CNP as a scientific method is not only meant to facilitate the assessment and forecast of changes in the big power relations. It can be applied for analysis of the relationship between any countries in a bilateral or multilateral context. Therefore, it may be used to support Hungarian government strategic planning as well, e.g. to analyse and evaluate the CNP of Hungary and its neighbours in order to assess their development potential and the opportunities for co-operation in various fields.

(5) The acceptance of the notion of "soft power" and the recognition of its significance can lead to applications in the formulation of an integrated governmental-civilian strategy for information, communication, education, culture and national image.

9. PUBLICATIONS:

Article, study		Publication issue
Title	Translation	
Kockázatvállalási modellek az USA és Japán hadigazdaságában	Risk taking models in the defence economies of the US and Japan	közgazdaságtudományi egyetemi doktori értekezés, MKKE, 1988
Logika, információ, hírszerzés	Logic, information, intelligence	ZMNE közlemények 2001/1,2.
Az elemzés-értékelés módszertana	The methodology of intelligence analysis and assessment	ZMNE tanszéki jegyzet, 2001
Gondolatok az "intelligens" logikáról	Thoughts about "intelligent" logic	Felderítő Szemle, 2003/1
A kínai katonai hírszerzésről...	Chinese military intelligence according to open sources	Felderítő szemle, 2003. október
A felderítés etikája, logika és erkölcs a hírszerzésben	The ethics of intelligence. Logic and morals.	Felderítő Szemle, 2005. szeptember
Az elemzés-értékelés megismerés-logikai modellje	The epistemological model for analysis and assessment	Felderítő Szemle, 2005. december
Új elemző-értékelő módszerek a terrorizmus felderítésében	New analysis methods in intelligence against terrorism	Felderítő Szemle különszáma, 2006. január
A szakirodalom művelésének fontossága a hírszerzésben	The importance of intelligence literature	Felderítő Szemle, 2006. március
A kínai össznemzeti erő növekedésének hatása a nemzetközi kapcsolatokra...	The impact of the growth of Chinese CNP on international relations	Felderítő Szemle, 2006. június
A tudásalapú szervezetek vezetése	How to lead knowledge-based organisations	Felderítő Szemle, 2006. szeptember
„Vattába burkolt acél”: A kínai kultúra világméretű terjeszkedése	“Steel wrapped in cotton”. The worldwide spread of Chinese culture	Felderítő Szemle, 2006. december
A kínai hírszerző és biztonsági szolgálatokról	China's intelligence and security services according to open sources	„A külföldi biztonsági és hírszerző szolgálatok” c. ZMNE jegyzetbe, 2006. december
Ethical and Logical Considerations in Intelligence Analysis and Reporting	Erkölcsei és logikai megfontolások az elemzés-értékelésben	Defense Intelligence Journal, USA, 2007. március (előkészületben)
A kínai nemzetbiztonsági szolgálatok tevékenységének jogi és társadalmi háttere	The legal and social background of Chinese security services	KBH Szakmai Szemle, 2007/2.
Az össznemzeti erő számítása	How to calculate CNP	Felderítő Szemle, 2007/1.

10. BIOGRAPHICAL DATA

Colonel Lajos RÁCZ (dr.univ.)

Born: 1951.12.15.

Civilian universities and diplomas:

ELTE (Budapest University of Sciences), majoring in English and psychology (1971-1976)

Clinical psychologist and master of English language and literature, 1976

MKKE (Budapest University of Economics), majoring in international economic relations (1986-88)

Master of international economics (1988)

Military education:

ZMKA (Military Academy) 1977-1979

NATO orientation course (Budapest) 1997

Intelligence analysis course (Budapest) 1998

International course, Chicksands (England) 1998

Scientific degrees: dr.univ. (university doctorate in international economics) 1988

Subjects of the doctoral exam: international relations
methods in futurology

PhD in military sciences: under procedure.

Foreign languages:

1. English, advanced level (1973)
2. Japanese, advanced level (1975)
3. Russian, advanced level (1984)
4. Spanish, advanced level (1990)
5. Chinese, intermediate level (1996)

Military career:

Pre-university conscript service: 1970-1971

Ministry of Defence (civilian employee) 1976

Commissioned to professional officer rank 1980

Department leader 1990

Military and air attaché, Beijing 1991-1995

Section leader 1995

Department leader 1996

Promotion to Colonel 1997

Main Department leader 1998

Deputy Director 1999

Director (Deputy General Director) 2000

Defence, military and air attaché, Beijing 2001-2005

President of the Beijing Military Attaché Corps Army Club 2003-2004

Dean of the Beijing Military Attaché Corps 2004-2005

Commandant, Military Education Centre, 2005

Human Affairs Deputy Director for Education 2005-2006

Commandant, Military Education Centre 2006

Planned retirement from military service: December 30th, 2007

Participation in the management of science:

President of institution level NATO Integration Committee 1997

President of institution level Internet Committee 1997

Member of institution level Scientific Committee 1998-2001 and from 2005

Participation in education activities:

Teaching professional English 1980-90

Member of the Examination Board 1980-90.

Conferences, lectures 1980-

Conducting bachelor courses on international relations, security policy and China in civilian institutes from 2006