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In a Fortnight

By L.C. Russell Hsiao

CHINA-TAIWAN: AN INTELLIGENCE DETENTE?

The ruling party in Taiwan, the Kuomintang (KMT), is engulfed in another intelligence-related gaffe. A string of domino-like events that began with a report in the *United Daily News*, one of Taiwan's major newspapers with close ties to the ruling party, which reported that a senior official in the Presidential Office's Department of Special Affairs has been held for passing secret information to China, is reopening old wounds in Taiwan's once reputable intelligence services.

Wang Ren-bing, the official in question, allegedly passed classified information from the Presidential Office between March and April 2008 to Chen Pin-jen who is suspected of handing it over to Chinese intelligence officers. Chen Pin-jen was the former legislative aide to KMT Legislator Liao Kuo-tung and People First Party Legislator Lin Chun-teh (*The Straits Times*, January 16).

The spy incident surfaced after the execution last December of a medical researcher, Wo Weihang, who was accused by Beijing of spying for Taiwan. Wo was charged with supposedly disclosing "secret" information on the health of a senior Chinese official and copied military data from unclassified magazines (*Taipei Times*, December 2, 2008).

Wo's execution closely followed, perhaps coincidentally, a controversial charge made by National Security Bureau (NSB) Director-General Tsai Chao-ming during the Legislature's Foreign and National Defense Committee meeting in October 2008

(*Taipei Times*, October 7, 2008). Tsai said that information from the bureau's sources in China suggest that the deadly Severe Acute Respiratory Syndrome (SARS) outbreak in 2002 has "become a biological warfare formula" but that, "conclusive evidence had not surfaced" (Reuters, October 7, 2008).

According to a recent leak obtained by a Taiwanese newspaper, *Liberty Times*, an intelligence source revealed that Taiwan's National Security Council (NSC), which serves as the Taiwanese president's principal arm for coordinating national security and foreign matters among various government agencies, may have ordered the NSB—the organ in charge of the nation's clandestine network—to cease the recruitment of agents to work inside China (*Liberty Times*, February 13). These networks, also known as its human intelligence resources (HUMINT), have been a Taiwanese asset in the "invisible war" between the two sides. According to a former Taiwanese spy, Jian Jianguo, who now resides in Hong Kong, there were about 30,000 Taiwanese spies dispatched to the mainland at the height of the Cold War (*Los Angeles Times*, May 31, 2007).

The NSC, which is presided over by President Ma Ying-jeou, is directed by Secretary-General Su Chi, a former KMT legislator and well known China specialist who served as the chairman of the Mainland Affairs Council (1999-2000). The current director-general of the NSB, Tsai Chao-ming, was first elevated to the position by former President Chen Shui-bian back in 2001. Tsai stepped down in 2004 to take responsibility for the unsuccessful March 19 assassination attempt on former President Chen and Vice-President Annette Lu during the controversial 2004 Presidential Election but was reappointed by Ma in 2008. The same report, citing a source familiar with the organization's budget, claimed that the NSC is "plundering" the NSB's resources by using funds that were allocated for the two organizations affiliated with the NSB, the Cross-Strait Prospect Interflow Organization and the Asia-Pacific Peace Foundation (formerly known as the Foundation on International and Cross-Strait Studies), for NSC uses.

The Presidential Office quickly denied the recruitment report, demonstrating its concern for the negative implications that such a report can have on the administration's trustworthiness to its allies abroad, particularly Japan and the United States. Spokesman Wang Yu-chi called the leak "pure fiction;" and the NSB issued a press release that responded to the report, but did not refute the charges. Instead the NSB press release stated: "Efforts to maintain national security cannot stop or be relaxed" ... "The bureau and relevant agencies all understand this and have always done their best to perform their jobs" (National Security Bureau, R.O.C. [Taiwan], February 13).

The cooperative intelligence-sharing agreement between the United States and Taiwan allows the U.S. National Security Agency (NSA) and Taiwan's NSB to share information on mainland Chinese military communications through its signal intelligence (SIGINT) bases (*Asia Times*, March 6, 2003). These SIGINT sites are run by the Coordination Meeting for National Security Intelligence (CMNSI), which is chaired by the NSB director-general.

A leading KMT Legislator, Lin Yu-fang, who is now the chairman of the Taiwanese legislature's Foreign and National Defense Committee, charged in 2007 that the Military Intelligence Bureau (MIB), which is a subordinate organ of the NSB in charge of collection of operational military intelligence, spent only 65 percent of the money budgeted for "China work" in 2006, down from 75 percent in 2005 and 90 percent in 2004. According to a military report cited by Lin, there were 10 cases of Taiwanese officials caught leaking military secrets in the first six months of 2007, compared to a total of 15 cases in 2006 (*Taipei Times*, October 3, 2007).

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Beijing Launches Diplomatic Blitz to Steal Obama's Thunder

By Willy Lam

Beijing has unleashed an unprecedented diplomatic blitz while the new Obama administration battles doubts about its stimulus packages to salvage the struggling American economy. For the first time, both Chinese State President Hu Jintao and Vice-President Xi Jinping were on trips abroad earlier this month—the former to Saudi Arabia and Africa, and the latter to Latin America. It was also the first time that two Politburo members, Xi and Vice-Premier Hui Liangyu, were simultaneously wooing countries in the U.S. backyard. While Xi's road show included Venezuela, China's ideological ally, and major trading partners Brazil and Mexico, Hui's itinerary included Argentina and Ecuador (Agence-France Presse [AFP], February 15; Chinaview.cn, February 9).

Chinese diplomats and scholars have not given the United States a single mention while briefing the media on the diplomatic juggernaut that seems geared toward consolidating the country's quasi-superpower status. Yet it is apparent that the trips, which followed hot upon Premier Wen Jiabao's high-profile visit to Europe, were timed to take advantage of the geopolitical vacuum

created by a United States that is bogged down by massive domestic woes. According to foreign affairs expert Chen Xiangyang, the multi-pronged foreign policy initiative would enable China to “seize the high vantage point [in handling] the future world order.” Chen, a scholar at the China Institute of Contemporary International Relations, added that Beijing wanted to “show its hand early” in the chessboard of international relations. “We want to send out China’s voice, maintain China’s image, and extend China’s interests,” he said (*Outlook Weekly* [Beijing], February 9).

Take President Hu’s tour of Mali, Senegal, Tanzania and Mauritius, for example. Some foreign analysts are puzzled by the fact that all four are neither big, powerful countries nor heavyweight producers of oil and other important minerals. Yet according to the Chinese Foreign Ministry, the main point of the presidential tour was precisely to demonstrate China’s embrace of big and small states alike. As Assistant Foreign Minister Zhai Jun noted, China’s interest in Africa was not “confined to energy and resources.” In an effort to reassure beneficiaries of Chinese aid that the economic doldrums would not affect the country’s foreign aid program, Zhai added that “China will honor its commitment to support the development of African countries and continue to encourage Chinese companies to further invest in and establish businesses in Africa.” Added the official *People’s Daily*, “Sino-African relations are not, as some have misrepresented, just energy and resource relations—that is, ‘neo-colonialism’ by China in Africa” (Xinhua News Agency, February 9; *People’s Daily*, February 13).

While in Mali, Hu laid the first brick of the Sino-Malian Friendship Bridge, which the Chinese head of state called “the largest project carried out in West Africa paid for with money donated by China.” Malian government figures put the cost of the 2.6 kilometers bridge at \$74.9 million. Hu told Tanzanian President Jakaya Mrisho Kikwete that “China will fulfill its pledges and never decrease its aid to Africa.” The Chinese supremo added in a speech to Tanzanian dignitaries that China and Africa would “join hands in meeting the challenge of the global financial crisis [in a spirit] of unity and mutual aid.” The Middle Kingdom’s ties with Africa, of course, are far from being a one-way street. Apart from importing oil and minerals, China has boosted exports to Africa and Chinese manufacturers have set up plants in a dozen-odd countries. Bilateral trade multiplied tenfold from 2000 to last year to reach \$107 billion, which was 45 percent up from 2007. Given falling commodity prices in the wake of the financial crisis, Beijing, which holds close to \$2 trillion of foreign-exchange reserves, is on a buying spree for strategic resources in the minerals-rich continent. President Hu’s

demonstrations of Chinese largesse will serve to placate anti-China feelings among African communities, which are complaining about “exploitation” by the fast-growing number of Chinese owners of mines and factories (China News Service, February 15; Reuters, February 13; Xinhua News Agency, February 16; Stratfor.com, February 11).

Of even more interest to Washington, which is sending Secretary of State Hillary Clinton to China later this week, are the Latin American trips made by Vice-President Xi and Vice-Premier Hui. Xi, who is expected to succeed Hu as Chinese Communist Party (CCP) General Secretary in late 2012, engaged in what some analysts call American bashing on his stop in Mexico. While meeting representatives of the Chinese community in Mexico City, Xi used extraordinarily strong language to decry unnamed foreigners for harping on China’s shortcomings. “Some foreigners have nothing better to do after filling their stomachs,” Xi said. “They keep picking on things Chinese. Yet China does not export revolution; it does not export hunger and poverty; and it won’t make trouble for others.” Xi’s fusillade was considerably more acerbic than the indirect volley that Premier Wen fired at Washington last month. Speaking at the World Economic Forum in Davos, Switzerland, Wen said that “inappropriate macro-economic policies in some economies” were behind the global financial meltdown. It is significant that Xi’s angry remarks were not carried by China’s official news agencies. And footage of Xi’s colorful talk—which had been available on some non-official Chinese websites for a couple days last week—were removed quickly by China’s ubiquitous Net censors (*Strait Times*, February 14; *Wen Wei Po* [Hong Kong], February 13; *South China Morning Post*, February 14).

Earlier during his visit to Mexico, Xi told his hosts that “China would stick to the path of peaceful development and a reciprocal and win-win open strategy.” The vice-president, whose main portfolio consists of party affairs, reiterated while visiting Columbia, Brazil and Venezuela that his country was committed to enhancing global trade on a mutually beneficial basis. This seemed to be an effort to reassure China’s trading partners, who are nervous about the apparent rise of protectionist sentiments in the United States, that the emerging quasi-superpower would not be closing its door to imports from their countries. Hu, Xi and Hui have also sought the support of African and Latin American countries for Beijing’s cherished goal of establishing a “new global financial architecture,” which is shorthand for an economic world order that is not shorn of domination by the U.S.-lead Western Alliances (Xinhua News Agency, February 13; *Apple Daily* [Hong Kong], February 16).

The extent to which Beijing will benefit from the goodwill

garnered by the marathon trips will be evident during the Group of 20 (G-20) meeting, which is scheduled in London for early April. Beijing is gunning for a bigger say in international financial governance at this key multilateral summit. An internal position paper drafted by the Foreign Ministry said Beijing would demand higher voting powers for developing countries in the World Bank and the International Monetary Fund (IMF) at the London conclave. And in a thinly veiled dig at the United States, the paper said Beijing would also urge the IMF to “strengthen oversight over macroeconomic policies of all parties, particularly the major reserve currency economies, and provide oversight information and improvement recommendations to its members on a regular basis” (Financial Post [Canada], February 10; Reuters, February 9).

Beijing’s foreign-policy offensive has taken place while Team Obama is gingerly staking out its position regarding both China and the developing world. The CCP’s policy-setting Leading Group on Foreign Affairs, which is headed by President Hu, evidently wants to occupy the diplomatic high ground with the advent of Secretary of State Clinton’s first trip to China. Prior to Vice-President Xi’s outburst, the Chinese leadership had sent not-so-subtle messages to the Obama White House that Beijing might be playing tough in future exchanges. For example, the Chinese Foreign Ministry and official media last month blasted Treasury Secretary Timothy Geithner’s remarks about alleged “currency manipulation” by the Chinese government. Beijing has also laid into the “buy America” clause in the \$787 billion stimulus package just passed by the U.S. Congress. A Xinhua commentary last weekend said: “Protectionism is no way out for a financial crisis. In fact, it could be a poison that will exacerbate global economic plight.” At the very least, however, the U.S. government has toned down its criticism of China’s trading practices. While participating in the Group of Seven (G-7) meeting in Rome earlier this month, Geithner changed his tune by noting that Washington “very much welcome the steps China has taken to strengthen domestic demand and its commitment to further exchange rate reform” (Bloomberg, February 14; Xinhua News Agency, February 14).

As of now, the CCP leadership has adopted a “wait and see” attitude with respect to the Obama administration’s initiatives toward China. The official media has highlighted conciliatory remarks made by Secretary Clinton on the eve of her maiden Asian tour. For instance, Xinhua and other media outlets have played up her statement that the United States did not regard China as an adversary, and that “when you are in a common boat, you need to cross the river peacefully together.” Clinton’s use of the Chinese proverb on the importance of reciprocity seemed to echo remarks

about “global harmony” frequently made by Premier Wen and other Chinese leaders. Clinton also announced that mid-level military-to-military relations with China would soon be restored (Xinhua News Agency, February 14; *New York Times*, February 13). Irrespective of the outcome of the Clinton visit, however, Beijing has already demonstrated through its diplomatic blitz in Europe, Asia, Africa and Latin America that its voice must be heeded in the new world order where China’s position has advanced at America’s expense.

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Wang Jiarui’s New Year’s Visit to Pyongyang and China’s New Approach to North Korea

By Bonnie S. Glaser and Scott Snyder

Chief of the International Liaison Department of the Chinese Communist Party (CCP) Wang Jiarui visited Pyongyang on January 21-23, the eve of the Lunar New Year holiday, to mark the beginning of the “Year of China-DPRK Friendship” (Xinhua News Agency, January 23; Korean Central News Agency [North Korea], January 23). Wang’s visit and meeting with North Korea’s (DPRK) Kim Jong-Il (Wang’s fourth meeting with Kim Jong-Il in the past five years), marked “The Dear Leader’s” first public appearance with an international visitor since he was rumored to have had a stroke, back in August of 2008. It also marked the continuation of an effort by Beijing to stabilize and sustain direct ties with Kim Jong-Il following a hiatus in high-level contacts in the year following North Korea’s test of a nuclear device in October of 2006.

Kim Jong-Il used the occasion of Wang’s visit to project an image to the world that he has fully recovered from his rumored health problems. Following a DPRK New Year’s editorial that notably refrained from criticism of the United States (Korean Central Broadcasting Station, January 1), Kim’s appearance before an international audience demonstrated to the newly-inaugurated Obama

administration that Kim is in charge and fully capable—possibly even eager—of meeting with a high-level envoy, should the U.S. president choose to send one to Pyongyang. In the weeks following Wang's visit, the DPRK made an unusual public announcement that China had agreed to provide additional economic assistance to the DPRK, which may have been intended to promote perceptions in South Korea that China is becoming overly influential in the North and that Pyongyang's over-reliance on China should be countered by the resumption of South Korean aid (Yonhap News Agency, February 5).

Equally important, Wang's visit served China's interests by providing the People's Republic of China (PRC) an opportunity to assess Kim's condition and gauge his willingness to adhere to prior pledges to denuclearize. Wang secured a reaffirmation of Kim's pledge: "The North Korean side will commit itself to the denuclearization of the Korean peninsula, and hopes to co-exist peacefully with other involved parties" (Yonhap News Agency, January 23).

During the visit, Wang presented Kim Jong-Il with a letter from Chinese President Hu Jintao and Kim accepted an invitation to visit China at an unspecified time (Xinhua Domestic Service, January 23). If realized, it would mark the first exchange of leadership visits between China and the DPRK since Kim's visit to China in January 2006, following Hu's visit to Pyongyang in October of 2005. Such an exchange could be the centerpiece of planned activities that mark the "Year of China-DPRK friendship" in 2009.

Wang's visit signals that the internal Chinese policy debate over the strategic value of relations with the existing DPRK regime has been settled for now and reaffirms the interdependence of strategic interests underlying the Sino-DPRK relationship: in other words, the PRC seeks stability on the Korean peninsula while the DPRK remains dependent on China for critical food and energy supplies.

China maintains closer high-level ties with Pyongyang than any other country, enhancing China's value as a potential partner and intermediary in managing the North Korean nuclear issue together with the United States. The visit also sends the signal that if the United States were to seek a rapid improvement in bilateral ties with North Korea, China is well positioned to protect its interests and maintain its influence on the peninsula, a not-so-subtle suggestion that stability on the Korean peninsula will not be possible unless China's interests are taken into account.

POST-NUCLEAR FALLOUT

North Korea's nuclear test was a major blow to Chinese attempts to utilize its economic support to constrain North Korean actions. Uncharacteristically, in the run-up to both North Korea's July 2006 missile tests and October 2006 nuclear test, Chinese senior officials issued public warnings not to conduct such tests. North Korea's nuclear defiance challenged international norms, but more importantly the test was perceived by China's top leaders as a direct act of defiance.

Beijing's indignation quickly became evident in China's strong official statement, which charged: "the DPRK ignored universal opposition of the international community and flagrantly conducted the nuclear test" (Xinhua News Agency, October 9, 2006), in addition to its unprecedented willingness to sign onto a UN Resolution imposing international economic sanctions on trading of military and nuclear items as well as luxury goods. UNSC Resolution 1718 passed only five days after the October 9, 2006 nuclear test with unprecedented Chinese support.

Following North Korea's nuclear test, an intense debate ensued in response to a series of questions from China's small community of experts on North Korea, including the strategic value of the DPRK to China; whether North Korea would eventually give up its nuclear weapons; whether the Sino-DPRK treaty should be revised, abandoned, reinterpreted, or remain unchanged; and the likelihood of a rapid improvement in U.S.-DPRK relations and how such a development would affect Chinese interests [1].

Following the North Korean nuclear test, the recovery of high-level ties in the Sino-DPRK relationship have shadowed progress in the Six-Party Talks, with improvements of the bilateral relationship occurring in tandem with progress in the talks during 2007. One month following the conclusion of the February 13, 2007 implementing agreement among the six parties, Kim Jong-Il visited the PRC Embassy in Pyongyang for the first time in six years in a gesture that somewhat thawed the ice in Sino-DPRK relations. Politburo member Liu Yunshan visited Pyongyang and met with Kim Jong-Il in October of 2007, following the announcement of a six-party agreement outlining second-phase actions for implementation of the September 2005 Six-Party Joint Statement, which focused on North Korea's declaration of its nuclear activities. Regular top-level contacts with North Korea resumed in 2008 with Wang Jiarui's visit in February of that year and Hu Jintao's heir apparent Vice-President Xi Jinping's visit to Pyongyang the following June, which was only a month prior to Kim's alleged illness. Despite this flurry of exchanges, however, it appears that the level of Sino-DPRK ties has not recovered

to those which existed prior to the October 2006 nuclear test.

NEW THINKING ABOUT CHINESE LEVERAGE

Among the outcomes of this debate was a decision to modify China's practice of relying almost exclusively on positive incentives to influence North Korean policies and behavior. Beijing's recognition that a policy combining carrots and sticks is necessary was suggested by a Chinese official who commented privately: "If we merely rely on pressure, then it won't work. In the new situation after the test, if we only promote dialogue, that also won't work. Both should be pursued in parallel. The two wheels must work together. Only if they are working simultaneously can they be effective" [2].

Chinese researchers note that China's new approach to using its leverage over North Korea to influence its policy choices includes the following: 1) private persuasion that is clearer and more pointed than in the past; 2) constant reminders that denuclearization of the Korean peninsula is vital to Chinese security and is a priority in the bilateral relationship; 3) harsh public denunciation of provocative North Korean actions that are deemed by China as destabilizing; 4) use of new tools, such as tightening up export controls to prevent further progress in North Korea's nuclear programs and 5) the imposition of sanctions to alert North Korea of China's opposition to its actions in extreme cases.

The utilization of pressure by China on North Korea is likely to be constrained, however, by two major Chinese concerns: 1) Beijing worries that pressure could induce instability in North Korea, which would be detrimental to Chinese interests; and 2) also fears that it could result in diminished Chinese influence and even in North Korea adopting a hostile policy toward Beijing.

Should North Korea proceed to conduct a test of its long-range Taepodong-2 missile in the near term, as South Korean officials claim it is preparing to do, China can be expected to use a variety of carrots and sticks to mitigate the crisis and ensure that North Korea remains on the path toward denuclearization. If Kim Jong-Il breaks his pledge to denuclearize and insists on being a permanent nuclear state, China may conclude that North Korea is a strategic liability and perhaps be willing to cooperate with other nations to impose much harsher sanctions. As one influential Chinese scholar noted, China's message to its treaty ally in supporting limited sanctions after the October nuclear test was clear: "If you possess nuclear weapons, this will be harmful to the bilateral relationship. If you become a permanent nuclear weapons state, there will be

permanent damage to the relationship" [3].

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NOTES

1. Bonnie Glaser, Scott Snyder, and John Park, "Keeping an Eye on an Unruly Neighbor: Chinese Views of Economic Reform and Stability in North Korea," U.S. Institute of Peace Working Paper, January 3, 2008. Accessed at http://www.usip.org/pubs/working_papers/wp6_china_northkorea.pdf.
2. Chinese official, conversation with visiting delegation of U.S. experts in Beijing, June 2007.
3. Senior Chinese think-tank scholar, conversation with visiting delegation of U.S. experts, November 2008.

China and Indonesia: Military-security Ties Fail to Gain Momentum

By Ian Storey

From February 18 to 19, U.S. Secretary of State Hillary Clinton was in Indonesia as part of an 8-day voyage through Asia. Prior to her trip, Clinton stated that Washington was committed to a stronger relationship with Indonesia, a country she described as "one of Asia's most dynamic nations" and one that shares democratic values with the United States. A week earlier in Chiang Mai, Thailand, 113 personnel from the Indonesian armed forces (Tentara Nasional Indonesia: TNI) participated in Asia's largest annual multilateral military exercise—Cobra Gold—alongside forces from the United States, Thailand, Japan and Singapore. Though Indonesia's contribution was small, its participation reflects how quickly U.S.-Indonesian military ties have advanced since they were normalized in 2005. In contrast, Sino-Indonesian military-security ties, which were initiated in the same year, have failed to gain momentum.

China and Indonesia forged a close but brief ideological relationship from 1963 to 1965 when Beijing and Jakarta challenged the international status quo. This relationship was brought to a sudden end in October 1965 when the TNI, led by General (and later President) Suharto, seized power in the wake of an abortive coup carried out by the

Indonesian Communist Party. President Suharto blamed Beijing for instigating the coup and proceeded to suspend relations with China in 1967. Twenty-three years later bilateral ties were normalized, but it was not until after the fall of Suharto in 1998 and the withdrawal of the TNI from Indonesian politics that the two countries could turn a new page in their relationship. Increasing trade and investment ties became the focus of Sino-Indonesian relations post-1998, with China showing particular interest in gaining access to Indonesia's oil and gas reserves.

THE SINO-INDONESIAN STRATEGIC PARTNERSHIP

In 2004, newly elected President Susilo Bambang Yudhoyono endeavored to craft a more comprehensive relationship with the PRC in recognition of China's growing centrality in the Asia-Pacific region; economics was still front and center, but the Yudhoyono government sought to expand the political, cultural and military-security aspects of the relationship. The foundation for a broader and deeper relationship was laid in April 2005 when the two countries issued a joint declaration on "Building a Strategic Partnership." Among 28 key measures to strengthen bilateral ties, the declaration enjoined Indonesia and China to promote greater cooperation in the defense and military spheres, specifically developing each other's defense industries, establishing a defense consultation mechanism, and increasing cooperation between their law enforcement and intelligent agencies in the fight against transnational security threats [1].

For Indonesia, the most important aspect of the budding military-security relationship with China was defense industry collaboration. Jakarta seeks to develop an advanced domestic arms industry so it can modernize the TNI's antiquated equipment without having to spend vast amounts of money on foreign weapons systems. Moreover, a more proficient indigenous defense industry would immunize Indonesia against international sanctions. During the 1990s Jakarta learned the painful reality of being overly dependent on one country for its defense needs when the United States, its primary military partner, imposed a series of weapons and training embargoes on Indonesia in response to human rights violations perpetrated by the TNI in East Timor and Papua. Cognizant of this fact, China was keen to position itself as an alternative arms vendor to Indonesia; in 2007, China's Ambassador to Indonesia, Lan Lijun, declared that Beijing stood ready to supply arms to the TNI "without any political strings" (*Jakarta Post*, April 19, 2007).

In the aftermath of the "strategic partnership" declaration, the two countries moved to improve defense relations. In July 2005, Indonesia and China signed a memorandum of

understanding (MOU) on defense technology cooperation during Yudhoyono's visit to Beijing. Indonesian Defense Minister Juwono Sudarsono indicated that the MOU would result in future cooperation on the development of short and medium range missiles thus providing the country with a cheaper alternative to jet fighters. During Yudhoyono's visit, agreement was also reached for Indonesia to purchase YJ-82/C-802 anti-ship missiles (ASMs) for \$11 million, the first major purchase of Chinese manufactured weapons by Jakarta since the mid-1960s. There was talk of further arms acquisitions from the PRC, including jet fighters such as the Shenyang J-8.

In accordance with the 2005 declaration, annual Indonesia-China Defense Security Consultation Talks were inaugurated in 2006 to provide a forum to discuss regional and international developments, defense technology cooperation, military educational exchanges, and proposed joint military exercises. In another sign of warming defense ties, in March 2007 two PLA Navy (PLAN) destroyers visited Indonesia, the first such visit in over 12 years. At the second meeting of the Defense Security Consultation Talks a month later, a draft agreement on defense cooperation was signed. This agreement was formalized at a meeting of the two countries' defense ministers in Beijing in November 2007. Details of that agreement were not made public, but Sudarsono informed the press that it covered defense technology cooperation, exchange of military students, and the possibility of further arms sales to Indonesia. Sudarsono was quick to point out, however, that the agreement should not be misconstrued as a defense treaty (*Antara*, November 8, 2007).

Following Sudarsono's trip to Beijing, Chinese Defense Minister General Cao Gangchuan paid a five-day visit to Jakarta in January 2008. The two sides reportedly agreed to cooperate in the joint production of military transport vehicles and aircraft, to be conducted by the two countries' state-owned defense industries, with financing to be agreed upon at a later date. Agreement was also reached on setting-up a TNI-PLA cooperation committee with a view to arrange joint military and training exercises (*Antara*, January 16, 2008).

LACK OF FOLLOW THROUGH

Despite the various declarations, MOUs, and joint agreements since 2005, there has been very little follow through in Sino-Indonesian defense and security cooperation. No contractual production agreements have been signed thus far, with Beijing apparently reluctant to invest in Indonesia's state owned defense industry. No further weapons purchases have taken place since 2005, and in July 2008 Indonesian Navy Chief Admiral Tedjo

Edhy Purdijanto announced that the TNI had no further plans to buy Chinese C-802 ASMs (*Antara*, July 15, 2008).

Sino-Indonesian military exchanges have also been limited. In the period from 2007-2008, China offered 21 kinds of education and training courses for 23 TNI officers (*Antara*, January 9, 2008). In October 2008 four Indonesian Air Force pilots underwent a week of Sukhoi jet fighter simulation training in China. Unlike Thailand and China, no joint military training or exercises have been conducted by the TNI and PLA (*China Brief*, July 3, 2008).

Several factors can be advanced to explain the slow pace of development of Sino-Indonesian military-defense ties. First, Indonesia's initial approach to China regarding enhanced military links took place at a time when the U.S. arms and training embargoes were still in force; Jakarta may have tried to use the "China card" as a means to pressure Washington into expediting the resumption of U.S.-Indonesian military ties. While the possibility of closer defense links between Indonesia and China may well have been a factor in U.S. decision-making to normalize defense ties with Jakarta, it was certainly not a major one and was far outweighed by progress achieved by the Yudhoyono government in reforming the military, as well as Indonesia's critical role in the fight against transnational terrorist groups in Southeast Asia. It was mainly for these two reasons that by the end of 2005, Washington had lifted nearly all military sanctions against Indonesia.

Second, Chinese weapons systems have a poor reputation in terms of quality, durability, and after-sales service, and Jakarta has thus looked to more reliable defense vendors, Russia being the main beneficiary. In 2003, Indonesia purchased four Sukhoi multirole jet fighters and in late 2006 Moscow agreed to extend Jakarta a \$1 billion export credit line for the purchase of further weapons platforms, including six more Sukhoi fighters, M-17 transport helicopters, armored personnel carriers, and two ultra quiet diesel electric Kilo-class submarines, with an option to acquire eight additional submarines by 2020 (*Antara*, December 3, 2006). Indonesia has since taken delivery of the Sukhoi jets and six helicopters, though the purchase of the submarines seems to have been delayed until after 2010 (*Antara*, July 28, 2008; *Kompas*, August 18, 2008). In addition to the Russian kit, Indonesia has also purchased four corvettes from the Netherlands and 17 amphibious tanks from the Ukraine (*Antara*, July 28, 2008; *Kompas*, August 18, 2008; *Antara*, May 9, 2007; Media Indonesia Online, August 26, 2008). Unlike Russia, China has not offered Jakarta credit facilities and Indonesia's defense expenditure is shrinking. Regarding joint weapons production, Indonesia has kept its options open, and

has explored defense industry collaboration with India, Pakistan, Brazil, the Czech Republic and South Korea.

A third possible reason for the lack of progress is lingering distrust within the TNI toward the PLA and China's long-term intentions in Southeast Asia. Although Indonesia no longer identifies the PRC as a security threat, the military continues to monitor Chinese moves in the South China Sea (where the two countries have overlapping maritime boundary claims near Indonesia's gas-rich Natuna Islands) and the TNI has called on China to be more transparent about its defense modernization program (*Antara*, March 12, 2008).

CHINA, INDONESIA, AND MARITIME SECURITY

The 2005 Strategic Partnership declaration also included a commitment to increase maritime security cooperation. By 2005 Chinese strategic analysts had become increasingly concerned at the strategic vulnerability posed by the passage of 70-80 percent of the country's energy supplies through the Strait of Malacca, a concern which the Chinese official media dubbed China's "Malacca Dilemma" (*China Brief*, April 12, 2006). As means to exert greater influence in the management of the Strait, China offered to provide the littoral states—Indonesia, Malaysia, and Singapore in 2005—with capacity building support to improve safety and security in the strategically vital maritime chokepoint.

Yet similar to Sino-Indonesia military-security defense ties, China has failed to turn rhetoric into action. In 2007 Beijing donated 10 computers to Indonesia's Maritime Security Coordinating Agency (Bakorkamla) and offered slots to Indonesia navy personnel for training courses in China. Capacity-building assistance from China has, however, been dwarfed by that of the United States and Japan. Since 2006, the United States has provided Indonesia with \$47.1 million in funding for the installation of five coastal surveillance radars along the Indonesian side of the Malacca Strait (seven more are sighted in the Makassar Strait and Celebes Sea) [2]. This funding has been made available through the U.S. National Defense Authorization Act, of which Section 1206 is designed to assist foreign countries in their efforts to improve maritime security and counterterrorism operations. The U.S. has also funded the transfer of 30 25-foot patrol boats to the Indonesian marine police, while the U.S. Navy conducts annual capacity building training with its Indonesian counterpart through Cooperation Afloat Readiness and Training (CARAT) and Southeast Asia Counterterrorism Training (SEACAT).

Japan has been providing capacity building support to Indonesia since the 1960s, and in 2007 announced a \$300 million aid package to Bakorkamla (*Antara*, September 19,

2007). In the past, most Japanese funding has been utilized to provide safety for navigation equipment in the Strait. In 2006 China announced that it too was willing to provide funding for safety projects in the Strait, including the replacement of navigational aids—mainly lighthouses—destroyed by the December 26, 2004 Indian Ocean Tsunami. However, anecdotal evidence suggests that when the Indonesian government presented China with a cost estimate to replace those navigational aids, Beijing balked and has been reluctant to allocate funding ever since.

Over the past decade China's political and economic gains in Southeast Asia have been undeniable. And while its military-security links with the countries of the region are growing, this aspect of Sino-ASEAN relations remains the least developed, particularly in maritime Southeast Asia. The failure of Sino-Indonesian military-security ties to gain traction since 2005 is a prime example of how much catching up China has to do with Indonesia's traditional defense partners.

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NOTES

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The Chinese Armed Forces and Non-Traditional Missions: A Growing Tool of Statecraft

By Cynthia A. Watson

Over the past decade, western militaries and governments have struggled with growing pressures to engage in and balance their responsibilities in "nation-building," "peacekeeping operations" and other various non-combat tasks. At the same time, the Chinese People's Liberation Army (PLA) has been taking on an increasing number of

such missions, described in the 2008 Defense White Paper as "Military Operations Other Than War" (MOOTWA). For China, so-called "nation-building" operations can include peacekeeping, anti-piracy efforts, environmental disasters and societal unrest, while the PLA missions can also include traditional warfighting under informatized conditions. The MOOTWA efforts serve as evidence of Beijing's increasing use of its armed forces as an instrument of statecraft, to achieve fundamental national security objectives and to enhance a deeper Chinese presence around the world. This enhanced role for its military helps the Chinese Communist Party (CCP) leadership return China to a leading position in the international community.

As the People's Republic of China (PRC) prepares for the sixtieth anniversary of its founding in October 2009, the armed forces are receiving increased guidance regarding their responsibilities and missions. The CCP has established two primary purposes for engaging in MOOTWA. First, China's civilian leadership is focused on governing the complex, challenging, and changing environment at home. Second is a determination by the CCP to increase the PLA's "meaningful", active role in the world, and to increase international respect for the nation as a global leader commensurate with its historic role as the "Middle Kingdom." Employing its military in non-traditional missions will demonstrate China's increasing status as a global power, while also increasing the scope of the PLA's portfolio of non-traditional military capabilities. These accomplishments also serve to solidify the CCP's political authority over the nation. This paper will explore several instances where the PLA has been assigned to non-traditional military missions, and the effects of those efforts on the CCP and on China.

MISSIONS AND CAPABILITIES: EVOLVING CHINA

The PLA's priority mission remains the preservation of "national integrity," and it intends to do so both by preventing "splittist" efforts in Taiwan, Xinjiang and Tibet, and responding to threats to domestic stability. Yet The PLA continues to receive non-traditional tasks from its civilian command. These operations have to-date been aimed at specific missions—such as protecting shipping in the North Arabian Sea—while raising the PLA's (and by extension, the PRC's) profile in the global community.

Twenty years ago, PLA's limited capabilities would have made today's deployments abroad difficult to accomplish. In particular, the PLA Navy (PLAN) was a smaller, much less capable force, while the military's ground component focused almost entirely on traditional continental threats [1]. Modernization of its forces was significantly enhanced by dramatically increased budget allocations to

the military during this time period, especially since the civilian government directed the PLA to remove itself from the civilian commercial sector of the economy in 1998.

The PLA has since sought to redefine its role and increase its viability as an instrument of international statecraft, supported by central government revenues and resulting from a strategic paradigm designed by Beijing. This apparent shift in national strategic priorities was reflected in annual double-digit increases in the PLA's budget and in its dramatic modernization. Hence, Beijing now has a viable military instrument for accomplishing the goals incumbent on a major world power.

PEACEKEEPING DEPLOYMENTS: INCREASING PARTICIPATION

The PRC has been reluctant to participate in peacekeeping actions since its founding; it preferred to maintain a position of extreme non-interference in other nations, a policy exemplified in the “Five Principles of Mutual Co-Existence” memorably stated by Premier Zhou Enlai at Bandung in 1955. This position developed primarily in response to China's experience during the so-called “Hundred Years of Humiliation,” a concept still active in Chinese security policy formulation, used to describe the period from approximately 1840 to 1949, when—in Mao Zedong's term—China was ‘exploited’ and ‘attacked by imperialists.’

Exceptions to this general policy did occur in the last decade of the twentieth century, as China dispatched peacekeeping forces to Liberia (1993), the Sinai (1989), and Kampuchea (1991-92) under a United Nations (UN) aegis, but these deployments were few in number and limited in scope of effort, not exceeding five hundred men [2]. Many nations, including the United States, have long urged China to participate more actively in international peacekeeping missions when called for by the UN. China's position as a permanent member of the UN Security Council has historically (and will continue to) lend strength to those requests, especially in the post-Cold War era with the increase in number of missions. Beijing seems to have responded, if not directly to the international community, by relaxing rigid rules of non-interference.

During the past decade, China has taken [unprecedented] steps toward deploying military units to international observing, policing and engineering operations. The PLA has been involved in peacekeeping operations around the world, with notable assignments to sub-Saharan Africa, where its presence in Sudan and Liberia reinforced its increase in investment and political involvement in the region. Typically described as “soft power,” these engagements are more appropriately understood as a

renewed appreciation in Beijing for the political uses of non-traditional military missions. An indication of China's changing attitude was the establishment of a peacekeeping institute near Beijing in 2004.

Chinese peacekeepers have also been active in recent years (since 2004) in Haiti, where Ministry of Public Security forces were deployed to try to suppress domestic unrest and to aid the establishment of a stable civilian government. Chinese security forces—military and police units—were also assigned to Bosnia following the 1995 Dayton Peace Accords, East Timor following its separation from Indonesia (2000), as well as Congo (2003) and Kosovo (2004) [3]. The absence of Chinese involvement in Iraq signaled Beijing's disapproval of and apprehension about the U.S.-led military action in that country since 2003.

ANTI-PIRACY EFFORTS: A NEW ROLE ABROAD

Piracy has been a longstanding problem in the South China Sea, particularly in the Straits of Malacca and Singapore, and the Andaman Sea. The threat posed by piracy flared from 2001 to 2003, and prompted littoral states like Malaysia, Singapore and Indonesia to collaborate on joint anti-piracy patrols and other extraordinary measures. Significant international support, particularly from the United States, Japan and Australia were evident in this campaign, but China's absence from the efforts was noticeable. The piracy problems in Southeast Asia have since been minimized as a result of these efforts (and in all likelihood, the improved economic conditions), but have become endemic in other areas including the Indian Ocean, the coast of the Horn of Africa, the Gulf of Aden, and in particular, the North Arabian Sea.

Strong evidence of Beijing's apparent shift in the focus of armed forces' missions can be found in the recent announcement that 2008 PLAN units were assigned to join the counter-piracy efforts undertaken by several nations in the troubled North Arabian Sea. This MOOTW mission has not, however, superseded the PLAN's more traditional emphasis on protecting the PRC sovereignty—especially with respect to preventing Taiwan's *de jure* independence—but this high-profile mission is a testament that MOOTW has risen in importance in the PLAN's operational portfolio.

The PLAN's ability to participate in such a long-range mission—approximately 5,000 nautical miles (nm) from China—is evidence of the impressive modernization that its force has undergone over the past generation. This is true in terms of the ships' individual capabilities, the logistic support available, and the maturation of Chinese naval strategic thinking that has supported long-range

deployment. Three ships—two guided missile destroyers and a supporting oiler/logistics ship—began the counter-piracy mission in the North Arabian sea in January 2009 and by the end of that month had completed 15 self-described “missions” that include safely escorting merchant ships through the waters threatened by area pirates (Xinhua News Agency, January 20). These nascent efforts demonstrate the marked expansion of Chinese participation in international peacekeeping activities, which may be a sign of Beijing’s willingness to act as the “responsible stakeholder” urged on by U.S. policymakers. Employing the PLAN in this MOOTW mission marks a new level of military and diplomatic sophistication in Chinese foreign policy.

The armed forces have also participated in addressing various natural disasters that have struck China in the past couple of years. The military has been extensively engaged in assisting the civilian sector throughout the PRC’s history but its role has achieved new prominence with the expanded presence of technology projects throughout the nation. The military was fully mobilized in 1998 to assist with ameliorating the effects of the drastic flooding that struck both the Yellow and Yangtze Rivers during that summer.

The CCP also employed PLA resources to combat the epidemic of the Severe Acute Respiratory Syndrome (SARS) outbreak that occurred in late 2002 and the first half of 2003. Here again, the military’s infrastructure offered strong organizational support and the resources necessary to institute an effective quarantine of infected populations across the country that served an important role in preventing the further spread of the disease. The PLA would certainly be called upon to serve a similar role in the event of an Avian Flu pandemic

Similar assistance was called for during the 2007 flooding along China’s southeastern coast, where the vast areas affected required the manpower and equipment available that only China’s large military can provide. Additionally, the PLA was able to assist in controlling the public unrest and distress that accompanies such disasters.

The massive snowfall that paralyzed much of China in January through February of 2008 demanded that the PLA provide the forces—manpower and equipment—necessary to meet a non-traditional military mission in the civilian sector. The unprecedented snowfall struck during the Lunar New Year holiday, and prevented millions of people from traveling on their only annual visit home; further, it occurred at a time when Beijing was beginning to invest heavily in improving the country’s markedly inadequate rail and road transportation networks, investments that

still have not taken full effect.

Hence, the CCP grew increasingly concerned about the people’s mounting frustration and the potential chaos of having millions of stranded travelers see their opportunity for an annual visit home thwarted. The PLA mobilized approximately 224,000 troops and more than one million militia personnel to deal with the effects of the inclement weather [4]. The military scored major accomplishments enhancing transportation opportunities, rescuing stranded travelers from train and bus stations, and perhaps most importantly, demonstrating to China’s citizens its willingness and ability to help avert further disaster and to prevent the societal chaos so feared by both the government and people of the nation.

An even more poignant demonstration of the evolving PLA role followed the disastrous earthquake that struck Sichuan Province in May 2008. The physical damage that resulted was so severe that the PLA and its subsidiary militia and People’s Armed Police (PAP) forces faced major difficulties simply reaching the affected area, and then faced mammoth tasks shifting through the damaged buildings and succoring millions of affected civilians. This initial rescue phase was extensive and complex, requiring a relatively disciplined military force.

Despite extensive offers from the international community, including the United States, Beijing rejected most foreign assistance, believing that the PLA was capable of dealing with the effects of the disaster. These efforts took several weeks and included extensive PLA participation in clearing damaged property and reconstructing the affected areas.

This year, the PLA has already been called upon to assist in combating growing drought conditions in Jiangsu, Henan, and other north central provinces [5]. The military will be providing engineering expertise and labor forces as part of an effort to redirect water from the Yellow River into crucial agricultural areas starved of water. The PLA offers the nation the engineering expertise needed for immediate action to ease a serious and deteriorating situation.

THE OLYMPICS AS MOOTW

During the summer of 2008, the PLA played a massive role in the maintenance of the CCP’s choke-hold on China’s dissidents during the run-up to and conduct of the Olympics in Beijing. This may be categorized as a non-traditional military mission in much of the world, but is a long assigned task of China’s military forces. The PLA did, however, play an important role in ensuring a problem-free, secure international event. The games did take place with the precision and outward peace that the CCP needed to

provide proof that China had returned to its self-declared status as the world's "Middle Kingdom."

CHINA'S 2008 DEFENSE WHITE PAPER

Publication of this iteration of the biannual defense white paper provided Beijing with the opportunity to reemphasize the PLA's role in non-traditional military activities, underlining the military's dedication to "the People." The white paper makes direct reference to several MOOTW missions, including responses to natural disasters and emergency relief, as outlined in the 2005 Regulations on the Participation of the People's Liberation Army in Emergency Rescue and Disaster Relief, noting that in 2007 and 2008 the PLA and the PAP had deployed more than 600,000 troops and similar numbers of vehicles, while more than a million militia and reserve personnel had been called to active duty to cope with 130 crises [6].

China's 2008 Defense White Paper also refers to the importance of the PLA in "participating in and supporting national construction" to highlight the "building of a new countryside," while also engaging in vital scientific, technical, cultural, health, and educational work. These tasks include constructing schools and hospitals, as well as assisting civilian authorities in campaigns to reduce poverty and strengthen the sinews of civilian societal cohesion.

CONCLUSION

The PLA has demonstrably increased its capabilities to execute non-traditional military missions as a core element in the dramatic modernization it has undertaken during the past decade. While this modernization still aims primarily at improving traditional military capabilities, the military's ability to participate productively in MOOTW missions—and hence further to strengthen CCP rule in China—has undoubtedly increased, as well.

The civilian government, which seems more confident than in previous years of an eventual, peaceful resolution of Taiwan's status, will certainly continue to employ the PLA in non-traditional military roles. The CCP's determination to remain in power while raising China's position in the international community will include both traditional and non-traditional reliance on the PLA as the "party's army."

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