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In a Fortnight

By L.C. Russell Hsiao

AIMS AND MOTIVES OF CHINA'S RECENT MISSILE DEFENSE TEST

The U.S. government announced on January 6 that it awarded the defense manufacturer, Lockheed Martin, a contract to build the Patriot Advanced Capability-3 (PAC-3) missiles for Taiwan. The agreement is part of an arms package that the United States agreed to sell to Taiwan in 2008 (eTaiwan news, January 7). The Indian government also recently declared that it was expanding its anti-ballistic missile system to include an anti-satellite program (ASM) (Space News, January 4). Following these announcements the People's Republic of China (PRC) announced on January 11 that it had successfully tested a "ground-based, midcourse missile interception technology." The Chinese government made the announcement via a short news report featured in the official Xinhua News Agency, which stated that a missile defense test was carried out "within its [Chinese] territory." Xinhua noted that "the test has achieved the expected objective," adding that it was "defensive in nature and is not targeted at any country." No further details of the test were released through official channels, except for a statement made by Chinese Foreign Ministry Spokesperson Jiang Yu. Jiang said that "the test would neither produce space debris in orbit nor pose a threat to the safety of orbiting spacecraft" (Xinhua News Agency, January 11; January 14; January 19; China Review News, January 15).

While the announcement by the Chinese government is a welcome improvement to Beijing's muted response following the anti-satellite (ASAT) test in January 2007, Chinese officials failed to offer any explanation about the interceptor or intention of the recent test. "We did not receive prior notification of the launch," said Pentagon spokeswoman Major Maureen Schumann. "We detected two geographically separated missile launch events with an exoatmospheric collision also being observed by space-

based sensors. We are requesting information from China regarding the purpose for conducting this interception as well as China's intentions and plans to pursue future types of intercepts," Schumann said (AFP, January 12).

Beijing's refusal to provide further details about the missile defense test was followed by the release of a series of analysis by Chinese military experts assessing the possible aims, motives and targets of the test. For example, a recent article in *Liao Wang*—a weekly news magazine published by Xinhua—described the missile defense test as one that Beijing was forced to undertake. Without directly pointing a finger at the United States, the article's author emphasized that if it were not for some Western power developing anti-ballistic missile systems, militarizing space, and undertaking strategic defense planning deep in China's airspace and sea-lanes, it would not have been necessary for China to embark on the anti-missile interception test. The article was written by Wu Tianfu, a professor at the Second Artillery Corps Command College, the premier educational institution for the PLA unit that controls China's strategic missile forces. In the article, Wu emphasized that the success of China's ground-based mid-course missile defense (GMD) test demonstrates that the Chinese military has made significant strides in the development of "hit-to-kill," rapid, precision-strike, guided and missile identification technologies (*Wen Wei Po* [Hong Kong], January 19).

According to Yang Chengjun, a senior Chinese military strategist, "China needs an improved capability and more means of military defense as the country faces increasing security threats." Yang noted that, "compared with a previous test of anti-satellite technologies, the missile interception system is more advanced as the targets are moving objects and the satellite was flying within a preplanned orbit" (English.sina.com, January 12). A PLA military analyst cited by the Hong Kong-based *Ta Kung Pao*, suggested that India may be the likely target of the missile defense test. The report noted that India's Agni missile has a range of 5,000 kilometers, which can reach Beijing. Moreover, the analyst added that while anti-missile technology is proliferating throughout East Asia, it is necessary for Beijing to develop its own anti-missile technology to enhance China's homeland security (*Ta Kung Pao* [Hong Kong], January 18).

The editor of the Taiwan-based *Defense Technology Monthly*, Bi Yuan-ting, explained that the motive behind the test is probably directed at countering the ballistic missile threats facing China. Bi also believes that the reason behind Beijing's unprecedented announcement may be to convey a political signal to the United States linking the test with the recent U.S. announcement of arms sales

(BBC [Chinese], January 12). Arthur Ding, a research fellow and China specialist at Taiwan's National Chengchi University, agreed that the test is meant to send a "political signal to the United States and to other countries that China is prepared for air operations, full-scale operations by whatever country" (AFP, January 12).

According to China's National Defense University professor, Senior Colonel Du Wenlong, the mid-course interception method was selected because the exoatmosphere offers a smoother flight environment for the missile. Du noted at that stage in trajectory, the warheads that are carried by the incoming missile have not been released yet and therefore an interception at that point could neutralize the threat completely. Du also indicated that during this flight period there could be multiple interception points as well. In an interview with the Chinese newspaper *Global Times*, Senior Colonel Wang Mingzhi, pointed out that the mid-course interception system is different from the PAC missiles, adding that mid-course interception is at a higher altitude and is subsequently more effective. Contrary to some Western assessments of the test, Chinese experts claim that the missile defense system tested was not the HQ-9 surface-to-air missile system (China Review News, January 15; Xinhua News Agency, January 14; January 19).

In the final analysis, this test appears to be an important milestone in Chinese defense capabilities and demonstrates the growing maturation of its missile defense system. It is also apparent that the test has clear implications for the military modernization of the People's Liberation Army (PLA) which may challenge U.S. strategic posture in the Asia-Pacific region (See "Advances in PLA Air Defense Capabilities Challenge Strategic Balance in Asia," China Brief, October 23, 2008; China Times, January 12).

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Hu's "New Deal" with Tibet: Chinese Characteristics and Tibetan Traits?

By Willy Lam

The Hu Jintao administration has significantly tightened policy over Tibet in an apparent attempt to ensure the proverbial Chinese Communist Party's "long reign and perennial stability" in the restive region. More hard-line cadres are being appointed to run the Tibet Autonomous Region (TAR). While unprecedented aid has been pledged for the estimated 6.5 million Tibetans living in the TAR as well as the neighboring provinces of Sichuan, Gansu and Qinghai, the bulk of the new infrastructure projects also serve to speed up Han Chinese migration. These multi-pronged measures seem geared toward defusing possible disturbances in the event of the demise of the 75-year-old Dalai Lama. Meanwhile, prospects for the resumption of dialogue between Beijing and the exiled spiritual leader have become more dismal than ever.

The most eye-catching personnel change is the appointment of the hawkish Pema Thinley (aka Padma Choling), 58, as TAR Chairman, or Governor. Pema, a former executive-vice chairman who had also been promoted TAR Vice-Party Secretary, replaced 62-year-old Qiangba Puncog, who has become head of the region's People's Congress, or legislature (*Ming Pao* [Hong Kong], January 16; *Tibet Daily*, January 6). Given that Qiangba is three years shy of the normal retirement age for provincial chiefs, it is likely that the relatively moderate—but ineffective—Qiangba was penalized for failing to deal harshly with the spate of anti-Beijing protests that erupted in the spring of 2008 and 2009. Pema, by contrast, is one of only a few senior ethnic-Tibetan cadres with solid military experience. He served in the Qinghai and Tibet military districts from 1969 to 1986. When Hu was TAR party boss, Pema was secretary of the party cell of the regional government's General Office as well as deputy head of the Nanshan District. Moreover, Pema, who has since the early 2000s been responsible for law and order in the TAR, has the reputation of a hard-line enforcer of Beijing's ironclad strategy against the so-called "three evil forces" of separtism, terrorism and religious extremism (Novosti News Agency [Moscow] January 12; Xinhua News Agency, January 12).

The party-and-state apparatus' tough tactics toward ethnic minorities were endorsed at a January 8 Politburo meeting devoted exclusively to Tibetan issues. In the meeting, President Hu, who was party secretary of Tibet from 1988 to 1992, heralded two goals for the TAR in the coming decade: "seeking a breakthrough-style [economic

development" and "maintaining long-term stability." In an apparent effort to win the hearts and minds of Tibetans, Hu promised that the central government would help Tibet in four ways: boosting investment, transferring technology, and sending in more qualified officials as well as "experts and talents." The region's GDP is set to grow by 12 percent this year, while fixed-assets investments are expected to grow by a whopping 18 percent. Under President Hu's dictum of "going down the road of development with Chinese characteristics and Tibetan flavor" (*zhongguo tese, xizang tedian*), additional input has been focused on areas including infrastructure, tourism, mining and manufacturing. Little wonder that the share prices of a dozen-odd Tibet-related construction, transport and mining companies listed on the Shanghai Stock Market jumped sharply at the beginning of the year (*Tibet Daily*, January 9; Xinhua News Agency, January 9; *People's Daily*, January 10).

Foremost among infrastructure schemes mooted for the 12th Five-Year Plan period of 2011 to 2015 is what the official Chinese press bills "the world's highest airport." Construction of the 1.8 billion yuan (\$263.5 million) airport in Tibet's Nagqu Prefecture, which has an elevation of 4,436 meters (14,639 feet), will begin late this year. According to local media, the Nagqu Airport would, together with ultramodern facilities such as the Qinghai-Tibet Railway, "perfect a three-dimensional transport network that will envelop all Tibet" (AFP, January 12; Mil. news.sohu.com [Beijing], January 16). Exiled Tibetans and Western Tibet experts, however, have reacted negatively to Beijing's supposed new deal for the impoverished region. The Dalai Lama's representatives have complained that Chinese investment in the TAR mainly benefits businessmen and skilled workers from other provinces—and that modernized transport systems in particular will facilitate Sinicization through the migration of Han Chinese into the region. Commenting on the Hu leadership's new policy on Tibet, Columbia University Tibetologist Robert Barnett noted that "China now seems locked into conflict with Tibetans." "Either Beijing's leaders lack the political capital to admit that existing policies might have failed or...they believe that Tibetans will be won over by the current mix of repression and enforced, culturally corrosive modernization that stimulates migration," he said [1].

President Hu and his advisers have not mentioned what kind of "experts" will be dispatched to Tibet. In the wake of ethnic violence in both Tibet and Xinjiang last year, however, more soldiers and officers of the paramilitary People's Armed Police (PAP) have been stationed in the two regions (See "The Xinjiang Crisis: A Test for Beijing's Carrot-and-Stick Strategy," *China Brief*, July 23, 2009). It is significant that Commander-in-Chief Hu last month

promoted a former head of the Tibet People's Armed Police (PAP) Garrison, Lieutenant-General Wang Jianping, as the commander of the national PAP, whose strength is estimated at close to 1 million. Particularly compared to so-called splittists in Xinjiang, "anti-Beijing" elements in Tibet are pacifist and non-violent in nature. Yet, Chinese authorities anticipate redoubled resistance as they crack the whip on monks and other potential troublemakers in the TAR as well as Tibetan districts in neighboring provinces. Beijing is stepping up a controversial drive to register the "qualifications" and other background materials of all living Buddhas, monks and nuns in the region. In the past few months, several monks and dissidents were given severe prison terms. For instance, liberal film-maker Dhondup Wangchen was sentenced last month to six years in jail for producing a documentary attacking Beijing's Tibet-related cultural policies (Reuters, January 7, January 11; Asianews.it [Rome], January 4).

Moreover, Beijing seems to have closed the door to on-again, off-again negotiations with the emissaries of the Dalai Lama. The CCP's relations with the Nobel Peace Prize laureate have soured particularly in the wake of the latter's visit late last year to Arunachal Pradesh, an Indian province that Beijing considers to be Chinese territory. Chinese diplomats are also pulling out all the stops to prevent politicians of Western countries from meeting the head of the Tibetan movement-in-exile. Diplomatic analysts say the Hu administration is not keen on reopening a dialogue because Beijing thinks that the momentum is going China's way. After the Dalai Lama's death, the Tibetan movement will be devoid of a globally recognized leader and may well be splintered along factional lines (Reuters, November 8, 2009; *Ming Pao*, November 9, 2009; *Global Times* [Beijing] December 8, 2009). Columbia University's Barnett thinks that while Beijing may not have ruled out the possibility of re-opening talks, possibilities of a compromise are slim. "The Chinese side might agree at the last minute to a token meeting with the Dalai Lama to avoid the ignominy of forcing him to die in exile," said Barnett. "But until they see a link between policy failure and protest, they seem unlikely to offer the Tibetans anything significant."

At the same time, President Hu, who is the Politburo Standing Committee member in charge of ethnic-minority affairs, has beefed up the state security net in the Xinjiang Autonomous Region (XAR). The regional government is due to spend 2.89 billion yuan (\$423.1 million) on maintaining law and order this year. This is 87.9 percent more than the 2009 figure. XAR Chairman Nur Bekri, a member of Hu's Communist Youth League Faction (CYL), said last week that "strengthening social security and striking hard with an iron fist against the 'three forces' of terrorism, separatism and extremism will remain top

priorities for Xinjiang" (China News Service, January 8; *China Daily*, January 13). The CCP leadership's hardened stance on the two autonomous regions has made it even more unlikely that the ultra-conservative Party Secretaries of TAR and XAR, respectively Zhang Qingli and Wang Lequn, will be replaced any time soon. This is despite reports in the Hong Kong-media late last year that the 65-year-old Wang, who was first stationed in Xinjiang in the early 1990s, would be transferred to a less sensitive post soon (*Ming Pao*, December 14, 2009; News.newstarnet.com [Beijing], December 15, 2009).

One of the most detrimental results of the conservative turn in Beijing's policy toward Tibet and Xinjiang is that moderates on both sides have been cowed into silence. For example, before the July 5 riots in Urumqi last year, quite a number of Xinjiang and Han Chinese intellectuals had run websites advocating reconciliation across racial lines. At least unofficially, liberal Chinese cadres have also advocated a return to the flexible and tolerant ethnic policies associated with illustrious figures such as former Party General Secretary Hu Yaobang and former Vice-Premier Xi Zhongxun, the late father of Vice-President Xi Jinping (AFP, July 9, 2009; *The Times* [London] August 7, 2009).

In the wake of the crackdown on free-thinking websites and liberal NGOs, however, voices of reason and moderation have been marginalized. Moreover, nationalism, including growing intolerance toward the perceived alien cultures of Tibetans and Uyghurs—and attacks on the West for abetting pro-independence movements in China—seems to be on the rise among young Han Chinese. The latter's fulminations against allegedly ungrateful and unpatriotic Tibetans and Uyghurs can often be found in the chatrooms of popular websites. Given the news blackout on Tibet and Xinjiang, it seems that the Hu Politburo's harsh policies have succeeded at least in the near term in quashing all manifestations of defiance. Over the long haul, however, heavy-handed suppression as well as Sinicization is unlikely to foster the kind of understanding and comradeship among different nationalities on which lasting stability and prosperity are predicated.

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NOTES

1. Author's interview with Robert Barnett, January 15, 2010.

The PLA's Multiple Military Tasks: Prioritizing Combat Operations and Developing MOOTW Capabilities

Michael S. Chase and Kristen Gunness

China's growing role as a regional and global leader has brought with it increasingly complex and far-reaching political, economic and security interests, as well as new traditional and non-traditional security challenges for the Chinese People's Liberation Army (PLA). As a result, in 2004 President and Commander-in-Chief Hu Jintao promulgated the "New Historic Missions" (*xin de lishi shiming*), which effectively ordered the PLA to develop the capabilities necessary to protect China's interests at home and abroad [1].

The concept of "multiple military tasks" (*duoyanghua junshi renwu*), which appeared in China's 2006 National Defense White Paper, further defines the "New Historic Missions." It emphasizes the need for the PLA to enhance its capabilities to successfully conduct combat operations, particularly with regard to the "main strategic direction" (*zhuyao zhanlie fangxiang*), Taiwan, and expand the PLA's capabilities by participating in military operations other than war (MOOTW) (*feizhanzheng junshi xingdong*) [2].

The PLA must thus balance the two mission areas: combat operations (*zhanzheng xingdong*) and MOOTW. China's 2008 Defense White Paper explains the prioritization of these tasks, stating that the PLA places improving the capabilities required to win local wars under informatized conditions "at the core," and "takes military operations other than war as an important form of applying national military forces" (State Council Information Office, *China's National Defense in 2008*). In other words, enhancing the capability to deter and win local wars under informatized conditions remains the PLA's top priority, and improving its ability to conduct MOOTW missions is secondary, but still important.

PRIORITIZING COMBAT CAPABILITY

The first category in the "multiple military tasks" framework is deterring conflict and winning wars. According to a public statement made by Central Military Commission

(CMC) Vice Chairman General Xu Caihou, "To deter and win wars remains the top priority of the armed forces" (Center for Strategic and International Studies, October 26, 2009).

As part of the concept of "multiple military tasks," Chinese strategists envision several potential types of combat operations. According to the authors of one recent book produced by the PLA's Xi'an Political Academy, there are at least three major types of operations: "large-scale island attack operations" (*daxing daoyu jingong zuozhan*), "strategic point joint air defense operations" (*yaodi lianhe fangkong zuozhan*), and "border area defense operations" (*bianjing diqu fangwei zuozhan*) [3].

Large-scale island attack operations involve conducting strikes against "separatist forces" and resisting military intervention by a "strong enemy." It includes joint information attacks, joint firepower strikes, sea and air blockade, joint landing operations, joint island offensive operations, joint air defense, and "resisting interference by a strong enemy" [4]. This first type of wartime mission appears to refer to a Taiwan conflict scenario involving U.S. military intervention.

Strategic point joint air defense operations entail protecting Beijing and other strategic targets from enemy air strikes. Specific tasks that are part of this type of operation include joint early warning, joint air defense, medium- and long-range joint firepower strikes and attacks against enemy air and sea targets. The PLA would presumably need to carry out this mission if the United States decided to strike targets on the mainland during a conflict with China.

Border area defense operations include border area defense and counter-attack operations intended to protect sovereignty and territorial integrity, and maintain stability in border areas. Specific tasks of border defense operations include positional defense, mobile operations, cross-border pursuit and attack, rear area sabotage, and seizure of strategic areas. Chinese analysts write that threats to border security may arise as part of a "chain reaction" (*liansuo fanying*) associated with fighting in the "main operational direction" (*zhuyao zuozhan fangxiang*), apparently reflecting concern that a cross-Strait conflict could lead to a multi-front war involving other potential adversaries [5].

EMBRACING MOOTW

MOOTW is the second category in "multiple military tasks." General Xu indicated in his recent speech at CSIS that such activities were emerging as "routine and constant missions for the military" (Center for Strategic and

International Studies, October 26, 2009). Various Chinese sources indicate that China's concept of MOOTW covers a wide variety of activities, including counter-terrorism operations, participation in U.N. Peacekeeping Operations, non-combatant evacuation operations, emergency disaster relief operations, international humanitarian assistance, and counter-piracy patrols (See "The Chinese Armed Forces and Non-Traditional Missions: A Growing Tool of Statecraft," *China Brief*, Volume IX, Issue 4).

Of these, perhaps the most well-publicized MOOTW activity—and a clear indication that the PLA truly is developing pockets of elite capability to deploy on missions outside of its littoral waters—is the PLANavy's participation in the multinational counter-piracy operations in the Gulf of Aden. Since December 2008, the PLAN has dispatched four naval escort taskforces to that region. These missions present numerous logistical and coordination challenges. The deployments represent the first time that the PLAN has operated abroad for an extended period of time, leading to issues such as how to re-supply and refuel ships, and how to handle emergency situations far from home.

Emergency disaster relief (*qiangxian jiuzaizai*) is another MOOTW mission that the PLA has performed several times in the past few years—most recently with the May 2008 Sichuan earthquake and January 2008 snowstorms [6]. Chinese military publications note that the PLA may be required to respond in a variety of ways, such as handling emergency management operations, dispatching search and rescue personnel, offering emergency medical assistance, establishing emergency communications, and supplying manpower and material to support relief efforts. Moreover, Chinese military leaders frequently underscore the importance of this role for the military, portraying the PLA as the "backbone and vanguard" of domestic relief activities (Center for Strategic and International Studies, October 26, 2009).

The PLA is clearly gearing up to participate more in international humanitarian assistance (*guoji rendaozhuyi jiu yuan*) activities. Humanitarian assistance, according to Chinese sources, involves dispatching military aircraft, ships, and personnel to conduct operations either independently or as part of a coordinated international assistance effort in response to a major natural disaster or international humanitarian crisis [7]. As a growing regional power, China clearly wants to play a larger role in this area than it did in the 2004 Indian Ocean Tsunami, where the PLA's presence was either absent or conspicuously limited in the disaster relief efforts, especially in comparison to the U.S. military (See "Tsunami Relief Reflects China's Regional Aspirations," *China Brief*, Volume 5, Issue 2).

Counter-terrorism is often identified as an increasingly important mission for the PLA. According to General Xu, "International terrorism is increasingly rampant ... the threats facing China caused by secessionist, extremist and terrorist forces are also on the clear rise" (Center for Strategic and International Studies, October 26, 2009). In addition, the PLA also plays an important role in providing security for major public events, like the 2008 Beijing Olympics and 2010 World Expo in Shanghai.

Chinese scholars also clearly view U.N. Peacekeeping as an increasingly important mission for the PLA, reflecting China's emergence as a major contributor to peacekeeping operations in recent years. Indeed, as of August 2009, about 2,150 Chinese personnel were serving under the auspices of 10 different U.N. Peacekeeping missions. Beijing appears to view Chinese participation in U.N. peacekeeping operations as a way to gain international prestige, demonstrate China's willingness to contribute to global security and stability, and provide practical experience to Chinese military personnel [8].

MOOTW also includes non-combatant evacuation operations (*cheli feizhandou ren yuan*), which would involve dispatching military aircraft or ships to rescue Chinese citizens and overseas Chinese from countries where the security situation is deteriorating rapidly or major incidents of anti-Chinese violence or turmoil are taking place [9]. As more Chinese citizens and businesses go abroad, and as they live in some of the world's worst neighborhoods, this type of operation may become necessary in the future [10].

CONCLUSION AND IMPLICATIONS

As China's expanding regional and global interests create broader requirements for military capabilities, the PLA will increasingly be called upon to prepare for and take part in MOOTW activities. For China's leadership, involvement in such missions enhances their country's image as a constructive player in global security affairs, and for the PLA, these activities offer valuable operational experience that could enhance its ability to conduct combat operations. Indeed, Chinese analysts argue that MOOTW missions help improve the PLA's ability to win wars by giving it experience in critical areas such as command and decision-making, projection of military strength, logistics and support operations, and intelligence, surveillance, and reconnaissance activities [11]. And the PLAN is currently honing its skills in some of these areas in the Gulf of Aden counter-piracy operations.

However, striking a balance between enhancing its combat capabilities and improving its capacity to perform MOOTW

also presents a challenge to the PLA [12]. The resources required to successfully conduct the range of MOOTW activities described above are significant. Although the PLAN's counter-piracy task forces have certainly been a successful first out-of-area deployment, it is still a small step when one considers the capabilities necessary to perform some of the other missions that the Chinese leadership might envision for the PLA in the future, such as sea lines of communication (SLOC) protection to safeguard China's maritime energy and trade routes.

The PLA's increased presence abroad as it conducts more MOOTW activities could also create new opportunities, and challenges, for the U.S.-China military relationship. The two militaries will undoubtedly encounter each other more than in the past, making clear rules of engagement and communication on issues such as safety at sea a necessity. There will also be opportunities for increased U.S.-China partnership and cooperation, particularly in anti-piracy, international humanitarian assistance, and search and rescue operations—all activities that senior U.S. military officers have highlighted as possible areas for greater cooperation (Navy.mil, April 21, 2009). Chinese military leaders also appear to recognize that the PLA's growing role may enhance opportunities for cooperation with the U.S. military. In April 2009, Admiral Wu Shengli discussed U.S.-China navy-to-navy cooperation during the PLAN's International Fleet Review, and during his speech at CSIS, General Xu Caihou stated, "the Chinese military's execution of multiple military tasks provides a broader space for Chinese-U.S. military exchanges and cooperation" (*PLA Daily*, April 20, 2009; Center for Strategic and International Studies, October 26, 2009). Regardless, the "new historic missions" and "multiple military tasks" provide the foundation for a PLA that the world will clearly see more of in the future.

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NOTES

1. The New Historic Missions are defined as: 1) Consolidate ruling status for the CCP; Ensure China's sovereignty, territorial integrity, and domestic security to continue national development; 3) Safeguard China's expanding national interests; 4) Help maintain world peace. For more information, see Daniel Hartnett, *Towards a Globally Focused Chinese Military: The Historic Missions of the Chinese Armed Forces*, The CNA Corporation, Alexandria, VA, June 2008.
2. Gai Shijin and Zhang Peizhong, *Duoyanghua Junshi Renwu Lun* [On Multiple Military Missions], Beijing, China: Changzheng Chubanshe [Long March Press], 2009, pp. 64-65. And Peng Guangqian, "The Development and History of Our Country's Strategic Guideline of an Active Defense Since the Founding of the Nation," in Peng Guangqian, *Researching Questions of Chinese Military Strategy* (Beijing: Liberation Army Publishing House, January 2006),
3. Gai and Zhang, *Duoyanghua Junshi Renwu Lun*, pp. 64-65.
4. *Ibid.*, p. 65.
5. *Ibid.*, p. 65.
6. Song Guocai, Shi Limin, and Yang Shu, ed., *Feizhanzheng junshi xingdong shili yanjiu* [MOOTW Examples Research], Beijing, China: Junshi kexue chubanshe [Military Science Press], 2009, pp. 84-128.
7. Gai and Zhang, *Duoyanghua Junshi Renwu Lun*, p. 68.
8. Bates Gill and Chin-hao Huang, *China's Expanding Role in Peacekeeping: Prospects and Policy implications*, Stockholm International Peace Research Institute, SIPRI Policy Paper No. 25, November 2009.
9. Gai and Zhang, *Duoyanghua Junshi Renwu Lun*, p. 68.
10. Xiao Tianliang and Li Guoting, ed., *Feizhanzheng junshi xingdong zhishi wenda* [MOOTW Knowledge Questions and Answers], Beijing, China: Junshi kexue chubanshe [Military Science Press], 2009.
11. Gai and Zhang, *Duoyanghua Junshi Renwu Lun*, p. 63.
12. Qi Sanping, "Xuexi dang de junshi zhidao lilun zui xin chengguo, tigao wancheng duoyanghua junshi renwu de nengli [Study the latest results of the party's military guiding theory, enhance the capability to fulfill multiple military tasks]," in Gai Shijin and Zhang Peizhong, *Duoyanghua Junshi Renwu Lun* [On Multiple Military Missions], Beijing, China: Changzheng Chubanshe [Long March Press], 2009, p. 2. Qi, "Xuexi dang de junshi zhidao lilun zui xin chengguo," p. 2.

Chinese Infrastructure Projects Trouble India

By Vijay Sakhuja

In an apparent attempt to overcome deeply embedded suspicion and concern, the Chinese telecommunication giant, Huawei, has pledged to expand its operations in Bangalore, the 'Silicon valley' of India. In the next five years, Huawei plans to invest \$500 million in its research and development center and double its employee strength from 2,000 to 6,000 personnel (China Economic Review, January 11, 2010). Such a bold expansion from Huawei, which already has a leg up in the Indian telecommunications market but is believed to have suspect ties with the Chinese People's Liberation Army (PLA), could be a welcome development for other Chinese state-owned companies wanting to do business in India that have been under the scanner of Indian security agencies (Peopledaily.com, September 8, 2009).

In the past, several proposals by Chinese companies for investment and technology participation in India have been blocked due to security concerns and on numerous occasions Chinese-made equipment rejected along similar grounds. This is notwithstanding the fact that most Chinese companies are competitive and have quoted the lowest price during the tendering process. Nevertheless, Chinese telecommunication companies account for nearly 20 percent of the Indian market (Upiasia.com, October 8, 2009) and several major Indian telecom operators have installed Chinese equipment and sub-assemblies such as encoders, filters, receivers and transmitters in their network architecture.

There is a general belief in India that foreign companies engage in economic and military espionage through bribes. Sensitive information meant to be secret is stolen and can undermine national security (The Economic Times [Delhi], July 8, 2009). The Indian government has acknowledged these concerns and issued guidelines for import of military equipment, foreign direct investments including joint ventures, particularly in infrastructure projects [1]. In certain cases, the government has ordered investigations into earlier acquisitions from foreign sources to ascertain if national security had been compromised. The Chinese have questioned Indian policy of imposing restrictions on Chinese products and infrastructure projects. (Chinaview.cn, September 9, 2009).

TELECOMMUNICATION PROJECTS

In May 2009, Bharat Sanchar Nigam Limited (BSNL), the public sector telecommunication giant, was advised by the

Ministry of Defense 'not to award equipment contracts to Huawei and Zhong Xing Telecommunication Equipment Company Limited (ZTE) in the interest of national security' (Indian Express, November 1, 2009). Indian security concerns arise from the fact that the Chinese company is owned by Ren Zhengfei, a former PLA officer who is alleged to have close links with the Chinese Communist Party (CCP). Similarly, Intelligence Bureau (IB), the premiere Indian internal intelligence agency, was also concerned about Huawei and had noted "BSNL should not award contracts to Chinese companies, as these companies are known to have links with the Chinese state and security apparatus and, therefore, their presence in this critical sector has national security implications in a variety of ways' (The Tribune [Chandigarh], December 27, 2009).

Likewise, in August 2009, the Indian Department of Telecommunications (DoT) issued an advisory to the mobile operators to exercise caution while installing Chinese telecom equipment in "sensitive regions" (i.e. states adjacent to India-China and India-Pakistan borders and States affected by terrorism and Naxalites) (*The Hindu*, August 29, 2009). Significantly, the Indian Minister of State for Communication and Information Technology had observed, "The government will not hesitate to act against such telecom vendors or equipment suppliers who are found compromising with our security. The Union Home Ministry and Communications and IT Ministry is closely monitoring the situation, and all steps would be taken to address concerns raised by intelligence agencies" (The Economic Times, May 14, 2009).

Indian telecom industry experts are apprehensive about the nature of Chinese made equipment. These are suspected to contain embedded software that is programmed for spying operations (Upiasia.com. October 8, 2009). Further, the Chinese manufacturers do not provide full specification of the 'built-in software, known as algorithms' to the user (Upiasia.com. October 8, 2009). Thus it is difficult to detect the secret commands in the equipment that 'makes it difficult to apply any kind of check-back mechanism.' In that context, India does not have technologically advanced systems to screen rogue technology equipment. Besides, Indian technological prowess to trace illegal telecommunication networks is still in its infancy.

MILITARY CONCERNS

Indian defense forces are mostly concerned about Chinese made sub-assemblies in military hardware, particularly those in communication devices. There are concerns that China may engage in information warfare, a key component of Chinese military strategy, and use Chinese made systems and assemblies as proxy to break into the Indian military

communication network and computer systems. Further, China has upgraded its military infrastructure along the India-China border and there have been regular intrusions by the PLA across the line of control.

In 2009, the Indian National Security Council Secretariat (NSCS) ordered the Scientific Analysis Group (SAG), an arm of the Defense Research and Development Organization (DRDO) engaged in analysis of communication systems, to conduct an inquiry into the Chinese made encryption devices supplied by Bharat Electronics Limited (BEL) to the Indian Air Force and the National Technical Research Organization (NTRO) (Indian Express, November 1, 2009). As a result, the Indian Army and the Navy were ordered to report any Chinese encryption devices in their systems and assemblies.

In January this year, the Indian Navy stopped the installation of a Chinese made 10-cm S-band Doppler radar system imported by the Indian Meteorological Department for real-time monsoon predictions. The navy was concerned about allowing Chinese technicians to be present in sensitive zones (Express News Service, January 5, 2010). This has delayed installation of 11 other radars imported from the same Chinese company.

At another level, Chinese hackers have been very active against Indian computer systems and have on a regular basis attacked sensitive targets. According to the chairman of Indian Cyber Law and IT Act Committee, “China is very active in cyberspace. It has raised a cyber army of about 300,000 people and their only job is to intrude upon secured networks of other countries. All this is all aimed at supremacy. Every country must set up cyber armies to counter China” (India Today [Delhi], January 14, 2010). Likewise, a classified FBI report cited by a U.S. organization has noted that China has secretly developed an army of 180,000 cyberspies that “poses the largest single threat to the United States for cyberterrorism and has the potential to destroy vital infrastructure, interrupt banking and commerce, and compromise sensitive military and defense databases” (The Daily Beast, January 13, 2010).

MARITIME INFRASTRUCTURE PROJECTS

Chinese attempts to participate in Indian maritime infrastructure projects such as ports have also attracted security concerns. Interestingly, in 2005, Manmohan Singh, the Indian Prime Minister overruled security concerns over Chinese companies’ participation in infrastructure projects in India (The Financial Express, January 5, 2005). Hutchison Whampoa Limited, the Hong Kong-based conglomerate with close ties to Beijing engaged in port development, container terminal management and energy

infrastructure, was invited to submit a plan to build a container terminal in Mumbai, but the project was held in abeyance. Apparently, security concerns had prevailed and since then the company had “decided to stay out of India” (Logisticsmgmt.in, September 4, 2008). Again, in 2006, the Indian government cancelled the \$1.4 billion Vizhinjam Deep-sea Container Transshipment Terminal project awarded to JV Zoom Developers, Mumbai, Kaidi Electric Power Company, and China Harbor Engineering Company. Apparently, the government did not approve the project on security grounds since the Chinese companies had business interests in Pakistani ports.

OFFSHORE OIL EXPLORATION

India also remains cautious about Chinese bidding for Indian offshore projects. In 2003, few countries including China were debarred from tendering in the 25 blocks offered for exploration to foreign companies under NELP IV (New Exploration and Licensing Policy) in the Andaman and Nicobar (A&N) Islands (Indian Express, April 21, 2003). A&N islands are strategically important to India and host sensitive military infrastructure. Likewise, India is also concerned about Chinese offshore oil exploration activities in the Mannar Basin in East Sri Lanka.

Indian naval experts argue that critical underwater data could be generated by Chinese companies through offshore projects and support Chinese submarine operations [2]. Further, this underwater data gains greater salience for any future Chinese plans to deploy submarines in the Indian Ocean to protect its sea-lanes of communication (SLOC).

POLITICAL PARTIES REACT TO CHINESE INVESTMENTS

Interestingly, Indian political parties have also reacted to the Chinese investment plans in India. While some remain apprehensive about Chinese participation in infrastructure projects in their respective states, others are supportive and have even engaged in lobbying for Chinese projects. For instance, in 2008, Shiv Sena and the Bharatiya Janata Party, who had control over the Brihanmumbai Municipal Corporation, the civic body in Mumbai, had ordered re-tendering of the JV project between Soma Enterprises of India and China International Water and Electric Engineering Company to construct a dam across Middle Vaitarna River (Express News Service [Mumbai], September 2, 2008). It was observed that a Chinese company should not be allowed to operate in areas that had vital installations such as the Bhabha Atomic Research Centre (BARC) at Tarapur, Hindustan Aeronautics Limited (HAL) fighter aircraft production centre, and the artillery centre at Deolali, Nashik. Interestingly, a public interest litigation (PIL) was filed in the Bombay High Court against

dam construction by the Chinese company. The court dismissed the petition after civilian officials argued that ‘relevant scrutiny processes’ had been taken into account.

Unlike Shiv Sena, the Left-leaning parties in India have been lobbying for Chinese investments in infrastructure projects. Prakash Karat the general secretary of the Communist Party of India (Marxist) had sought the Prime Minister’s intervention after Chinese companies had been barred from participating in the Vizhinjam Deep Water International Transshipment Terminal in Kerala (Rediffnews.com, October 12, 2006). Karat observed, “Are the U.S. companies, which have projects in Pakistan, disallowed to take up port projects in India? If you are allowing other countries to bid, why stop China? If American companies can take up work, both, in India and Pakistan why bar the Chinese companies?” (Rediff.com, October 12, 2006).

Likewise, the Karnataka state government is keen to engage Chinese companies to help develop infrastructure. Karnataka Chief Minister B. S. Yeddyurappa visited Beijing Shanghai and Guangzhou in 2009 in a bid to attract Chinese investment and technology participation in new port projects and highways (*The Hindu*, September 5, 2009).

At another level, infrastructure-related accidents have led to setbacks in Chinese investments in India. Chinese company Shandong Electric Power Construction Corp. (SEPCO) has suspended work after the chimney they were building at Bharat Aluminium Company Ltd’s in Korba district of Chhattisgarh collapsed. The accident claimed 41 lives, and the SEPCO project in-charge and two Chinese engineers are in judicial custody in India (Dailyindia.com, January 12, 2010).

INDIAN VENTURES IN CHINA

Unlike India, China is receptive to Indian companies’ participation in the software industry. For instance, Tata Consulting Services Ltd (TCS), India’s top IT services provider, has plans to enter the Chinese energy and utility outsourcing industries and increase its staff strength from 1,100 to 5,000 personnel by 2014 (Sourcingline.com, December 11, 2009). TCS began its operations in China in 2002 and by 2006, it had 66 percent stake in TCS China, a JV with three other Chinese firms. NIIT, a leading India talent development institution has business interests in 183 education and training locations in 25 provinces and cities in China (Niit.com, January 17, 2010) Besides, there are 5,000 Indian students studying medicine in China (Business Standard, January 17, 2010). Likewise, Ranbaxy Guangzhou China Limited (RGCL), set up in 1993, was the first Sino Indian JV. Ranbaxy sold off its stakes in China in

December 2009 on account of cutting costs and improving profitability (Wsj.com, December 29, 2009).

CONCLUSION

The Indian government is caught in a dilemma over Chinese investment and technology participation. On the one hand, the security establishment is apprehensive of the Chinese ability to engage in cyber warfare and activate embedded malicious software at their time of choosing. It has consistently hacked into sensitive Indian commuter networks and would continue to engage in asymmetric warfare in the future (The Economic Times, January 14; The Times of India, December 30, 2009). On the other hand, there is a critical necessity to build infrastructure to sustain economic development. In spite of Huawei’s \$500 million effort, given China’s growing assertiveness in South Asia, India’s security concerns will deepen and thus lead to further regulations of Chinese investments in India’s infrastructure.

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NOTES

1. Manual on ‘Industrial Policy and Procedures in India’, Ministry of Commerce and Industry Government of India, New Delhi, May 2003.
2. Author’s discussions with retired Indian navy officers on January 10, 2010.

[The views expressed in the above article are the author’s own and do not reflect the policy or position of the Indian Council of World Affairs.]

Managing the Chiang-Chen Talks in Cross-Strait Relations

By Cheng-yi Lin

In June 2008, negotiations between the semi-official Straits Exchange Foundation (SEF) in Taiwan—which manages ongoing cross-strait negotiations—and its Chinese counterpart, the Association for Relations Across the Taiwan Strait (ARATS), resumed after 15 years of suspension. The resumption of negotiations was spearheaded by the first visit of ARATS Chairman Chen Yunlin to Taiwan in November 2008. Since then the two sides have had four meetings, which served as the centerpiece of an escalating debate in Taiwan that has widened the political chasms within Taiwanese society over how the government should

handle the resumption of cross-Strait negotiations.

Against the backdrop of the global financial crisis, President Ma Ying-jeou's flagging approval rating (at 33 percent approval rating) has galvanized the former ruling party, Democratic Progressive Party (DPP), and fueled growing public concerns over the impact of the administration's eagerness to court Beijing (*United Daily News* [Taiwan], December 25, 2009). While the talks between SEF Chairman *Chiang Ping-kun* and ARATS Chairman Chen Yunlin have been perceived as a source of calm in a tumultuous global environment—indeed through the reduction of tension across the Strait—the simmering debate within Taiwan over the details of the ongoing talks warrants closer U.S. scrutiny. Any change in the cross-Strait equation could have a profound long-term strategic impact on the region.

INCREASING HUMAN EXCHANGES AND DIRECT FLIGHTS

When Ma Ying-jeou was inaugurated as president of Taiwan, he immediately approved orders to increase direct air links between Taiwan and China from weekend chartered flights (July 4 - December 14, 2008) to weekday and weekend charter flights (December 15, 2008 - August 30, 2009) across the Taiwan Strait, as well as regular flight arrangements beginning on August 31, 2009. Similarly, the DPP had also tried to expedite the convenience of traveling arrangements between Taiwan and China through the Macao dialogue [1] (*aomen moshi*) with China in 2005-2007, but Beijing did not want to reward the former administration under Chen Shui-bian. While a majority of people in Taiwan support regulated direct air links across the Taiwan Strait, the deal was cast negatively as a “Chinese domestic flight arrangement” because foreign carriers were excluded from operating between two sides of the Taiwan Strait [2]. The agreements signed between Chiang and Chen in November 2008 on aviation routes, direct sea transportation links and postal services herald the arrival of the “major three links” era across the Taiwan Strait.

An average of six public opinion polls conducted from August 2008 to December 2009 by Taiwan's Mainland Affairs Council (MAC)—a cabinet-level administrative agency under the Executive Yuan—indicates that around 33 percent of respondents worried that cross-Strait exchanges were being pushed ahead too fast compared to 42 percent who believe the pace was just right [3]. These polls indicate that a significant division among Taiwanese people along party lines has become more evident since the resumption of talks. For example, ARATS Chairman Chen Yunlin was wined and dined by leaders of the KMT, People First Party, other pro-unification associations and

corporate representatives, while DPP supporters took to the streets and besieged the hotel where Chen was staying (*Taipei Times*, November 7, 2008). Chen Yunlin is still not able to travel to southern Taiwan—which is traditionally a DPP political stronghold.

After the third Chiang-Chen meeting, which was held in Nanjing, China in April 2009, the two sides agreed to increase regular cross-Strait flights from 108 to 270 per week, connecting Taiwan with 27 Chinese cities such as Beijing, Shanghai, Guangzhou, Amoy, Hangzhou, Shenzhen and Ningbo. Effective in August 2009, airline carriers from both sides have maintained daily regular flights. Yet, only 58.5 percent of seats were booked from August 31 to September 20, 2009 (*Liberty Times* [Taiwan], October 18, 2009). Some airline companies were forced to discontinue or curtail some cross-Strait flights due to a lack of sufficient passengers and profits (*Wen Wei Pao* [Hong Kong], September 9, 2009; *Liberty Times* [Taiwan], October 18, 2009). In 2009, the annual number of Chinese tourists traveling to the island was about 600,000 (*China Daily* [Beijing], January 2, 2010). In fact, the average daily numbers of 1,660 fall far behind the figures of 3,000 per day, which was an estimate touted by the Ma government (*Mainland Affairs Council News Release*, No. 24, April 22, 2009).

As one of its remedies for the economic downturn, the Ma administration made the prediction in May 2009 that if 3,000 Chinese tourists visited Taiwan per day, it could boost the island economy's annual economic growth rate by 0.40 percent. Even though this figure lagged behind the projected stimulus of other fiscal measures such as issuing consumption vouchers (0.66 percent), expanding public construction project investment (0.65 percent), and pushing forth renovation of cities and stimulating private sector investment (0.51 percent) [4], the Ma administration clearly had very high expectations of the economic benefits from inbound Chinese tourists.

Yet, Beijing has used the droves of Chinese tourists as a political and economic tool to warn Taipei about pursuing any antagonistic policies, for example, not to hurt “Chinese feelings” over the issue of nationalism or to avoid associating with so-called “separatist forces” in Xinjiang and Tibet. For instance, Beijing urged Chinese tourists to bypass the major port-city in southern Taiwan, Kaohsiung, after the city's DPP mayor, Chen Chu, invited the Dalai Lama to visit the city in early September 2009 and permitted the screening of the documentary movie, “The 10 Conditions of Love,” which is about the life of the exiled Uyghur political dissident Rebiya Kadeer (*China Post*, October 16, 2009). The Ma government, however, rejected Kadeer's entry visa on the grounds that it would

endanger Taiwan's "national interest" (*New York Times*, October 7, 2009; *Taipei Times*, October 22, 2009).

With increasing human exchanges, Chinese white-collar elites such as corporate employees and university students have also increased their presence in Taiwan since May 2008 (*Global Vision Monthly*, May 2009). In addition to creating economic opportunities for local businesses in Taiwan, an influx of Chinese tourists also creates a host of security challenges to Taiwan. In May 2009, an alleged Chinese tourist, Ma Zhongfei, was spotted taking pictures inside a restricted military compound in downtown Taipei where the Information and Electronic Warfare Command is located (*Taipei Times*, May 27, 2009, *China Times*, October 17, 2009). China is also constantly conducting cyber espionage against Taiwan by attacking secure computer systems and networks (2009 National Defense Report, Taipei: Ministry of National Defense, 2009)

CHINESE INVESTMENT AND FURTHER ECONOMIC INTEGRATION

For more than two decades since the opening up of cross-strait relations, Taiwan has had one-way investment in Mainland China, which was concentrated in the Pearl River Delta and Yangtze River Delta. Taiwan's economy, however, has been suffering from a net capital outflow since the early 1990s as Taiwanese investors have been wiring money out of the island and pouring capital into the People's Republic of China (PRC). While it is a widely held belief that Taiwan's businesspeople have invested more than \$100 billion in China from 1991 to 2009, Taiwan's official figure only showed \$78.1 billion [5]. To improve the economic performance of Taiwan after the global financial storm, the Ma government is understandably anxious to attract Chinese investment in Taiwan.

In the third Chiang-Chen talks, Taiwan and China signed an Agreement on Cross Strait Financial Cooperation. In June 2009, Taiwan's Ministry of Economic Affairs (MOEA) set up the "Regulations Governing Permission for People from the Mainland Area to Invest in Taiwan" to provide rules for Chinese investment. Under the regulations, individuals, legal persons (juristic), organizations and institutions that wish to hold shares or capital in a company or enterprise in Taiwan can obtain permission from the MOEA. The Taiwanese government prohibits investment from Chinese enterprises that have military shareholders in order to secure the island's national security and economic development. In August 2009, the MOEA declared the first group of items open to Chinese investment, including 64 items in the manufacturing industry, 117 in the service industry, and 11 in public construction [6]. To help implement the Cross-Strait Financial Cooperation Agreement, a memorandum of understanding (MOU) on cross-strait

banking supervision with Beijing was signed on November 16, 2009 by the two sides' respective financial regulatory agencies [7]. Beginning with the implementation of the MOU on January 16, 2010, China's qualified domestic institutional investors (QDIIs) can now enter the Taiwanese stock market with their target on Taiwanese blue-chip companies (*Taipei Times*, January 18, 2010).

Before the regulations on Chinese investment in Taiwan were adopted, the PRC's state-owned carrier China Mobile decided to buy a 12 percent stake in Taiwan's Far EasTone, one of Taiwan's three largest telecommunications operators, for \$529 million (*Forbes*, April 30, 2009). In October 2009, a Hong-Kong-based financial services firm, Primus Financial Holdings Limited, succeeded in a bid to acquire Taiwan-based Nan Shan Life Insurance Company, the total assets of which exceeds \$46 billion and serves more than 4 million life insurance policyholders in Taiwan (*New York Times*, October 13, 2009). Allegations that the company was backed by Chinese capital highlighted concerns that the Chinese-government may penetrate into different business sectors under the guise of Hong Kong, Macao, or overseas investments, making it difficult for the Taiwanese government to track down every transaction. To complicate the Taiwanese government's review process, Primus Financial Holdings sold 30 percent of its acquired stake in Nan Shan Life Insurance Company to Taiwan's Chinatrust Financial Holding one month later in November 2009 (*Taipei Times*, November 19, 2009).

To the surprise of many observers, SEF and ARATS negotiators, apparently under instruction from their respective governments, decided to shelve an agreement on double taxation that was planned in the fourth round of cross-strait talks in December 2009 (*China Post*, December 22, 2009). The sudden change may stem from the concern of Taiwanese investors about the accounting practices, tax payments, and other legal affairs across the Taiwan Strait. Yet, both sides signed the Agreement on Cooperation of Agricultural Product Quarantine and Inspection, Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation, and Agreement on Cooperation in Respect of Fishing Crew Affairs. In the fifth round of Chiang-Chen talks scheduled in the first half of 2010, the Economic Cooperation Framework Agreement (ECFA), and a pact on the protection of intellectual property rights between Taiwan and China are expected to be signed (*Liberty Times*, December 23, 2009; See "Cross-Strait Matrix: The Economic Cooperation Framework Agreement," *China Brief*, May 27, 2009).

SECURITY CONCERNS

While the Taiwan Strait is experiencing the most rapid and

dramatic thaw in 60 years, cross-Strait political, economic, military and psychological imbalances are increasing. China's policies toward Taiwan are sophisticated and cannot be underestimated; for one, Beijing has enormous resources available to implement this goal and for the most part believes that time is on its side.

The opposition DPP has sounded the alarm bells over the possible security implications of Chinese investment in Taiwan. DPP lawmakers argue that the consequences of Chinese investment in the banking and telecommunications sector are particularly dire for Taiwan's predicament. The DPP chairperson, Tsai Ing-wen, stated that allowing Chinese investments in infrastructure projects like airports and harbors would compromise national security (*China Post*, July 2, 2009). Soon after the Hong Kong-based Primus purchased Taiwan's Nan Shan Life Insurance Company, the DPP immediately urged the Taiwanese Financial Supervisory Commission (FSC) to examine whether that Hong Kong company is financed with Chinese government capital (*Taiwan News*, October 15, 2009).

Cross-Strait relations are moving ahead quickly, with 12 agreements signed between the two sides in just 18 months (June 2008 - December 2009). The KMT-dominated legislature, however, has not been able to provide effective oversight, while the opposition DPP is busy coping with its own internal problems, particularly in distancing itself from former President Chen Shui-bian and his alleged corruption charges. Yet, the Legislative Yuan—Taiwan's parliament—is not able to exercise its oversight authority over those 12 cross-Strait agreements, which stands in sharp relief to its move to revise regulations to ban imports of ground beef and bovine offal from the U.S. in January 2010 (*China Post*, January 6, 2010).

CONCLUSION

President Ma has improved Taiwan's relations with China only through dramatic changes to the China-policies implemented by his predecessor, Chen Shui-bian. At the same time, Ma has tried to assure the United States of a surprise-free relationship and is striving to rebuild trust between Taipei and Washington. While the Clinton administration could not get a good grasp on the cross-Strait envoys' dialogues from 1991-1995 due to the discussion's sparse and confidential nature, the Obama administration appears eager to gain a clear understanding of the ongoing cross-Strait talks in light of the rapid pace of a cross-Strait détente and the lack of transparency in details of the negotiations that are being carried out through multiple channels.

After four rounds of Chiang-Chen talks, Taipei and Beijing

were able to achieve a thaw in cross-Strait relations by focusing on functional matters, which was predicated on the KMT's acceptance of the so-called "92 Consensus." In doing so, President Ma paved the way for cross-Strait negotiations to move from low politics, or economic and functional issues, to political issues such as a cross-Strait peace agreement including military confidence-building measures (CBMs) and Taiwan's diplomatic space, which have already been discussed by experts in track two channels. Yet, given its non-transparent nature, it remains to be seen whether the Chiang-Chen talk will continue to serve as the main vehicle for constructing a political framework for peaceful reunification. Compared to the KMT-CCP détente, rapprochement between the KMT and the DPP, if not easier, is far more urgent. Without it, peace and stability across the Taiwan Strait will be as fragile as a house built on sand.

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NOTES

1. The DPP government claimed that both Taipei and Beijing agreed to set aside the "one China" dispute, and started negotiating in Macao on cross-Strait functional matters after the issuance of the Anti-Secession Law in 2005. The talks, known as the "Macao Model," included private sector representatives and government officials from both sides of the Taiwan Strait. Taipei and Beijing also used the channel to negotiate agricultural cooperation and financial liberalization; See http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/tw/2008-06/12/content_8354759.htm.
2. Chang Hsien-chao, "The Negotiation Results and Political Effects of the Second Chiang-Chen Talk," November 21, 2008, Peace Forum, Taiwan Thinktank, http://www.peaceforum.org.tw/%2Fself_store%2F7%2Fself_attach%2FThe_Second_Chiang-Chen_Talks_%28by_Hsien-chao_Chang%29.pdf.
3. Compiled from MAC public opinion polls, cited in <http://www.mac.gov.tw/ct.asp?xItem=44457&CtNode=5617&mp=1>.
4. Former Vice Premier Chiu Cheng-hsiung's Report at Academia Sinica, Taipei, September 14, 2009.
5. "Taiwan Investment in Mainland China," cited in <http://www.mac.gov.tw/public/Attachment/912189424798.pdf>.
6. "Taiwan Opens 192 Items to Mainland Chinese Investment," August 20, 2009, cited in <http://investintaiwan.nat.gov.tw/en/news/200908/2009082002.html>.
7. "The Memorandum of Understanding (MOU) on Cross-Straits Banking Supervision Cooperation was

Signed,” November 16, 2009, in *www.cbrc.gov.cn/english/home/jsp/docView.jsp?docID*.

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