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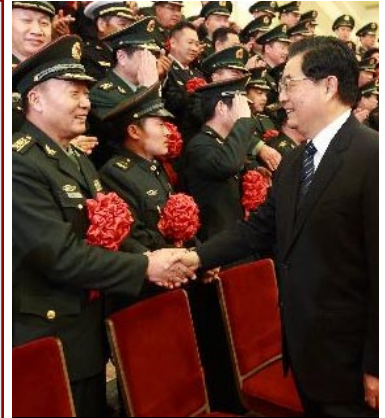
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Chinese President Hu Jintao (R)

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In a Fortnight

By L.C. Russell Hsiao

THE MODERNIZATION OF CHINA'S BORDER AND COASTAL DEFENSE INFRASTRUCTURE

From January 29 to January 31, the National Committee on Border and Coastal Defense of the People's Republic of China (PRC) held its fourth meeting in Beijing. The meeting was attended by the top echelons in the Chinese Communist Party (CCP) and the People's Liberation Army (PLA). The Committee is under the directive of the Chinese State Council and Central Military Commission (CMC) and was previously convened in 1994 under former President Jiang Zemin. Charged with the coordination of China's vast border and coastal defense with different military regions, border or coastal provinces, and border police authorities assigned to protect China's homeland security, the Committee's monumental task is of particular importance to the Chinese leadership. Revelations from the meeting about the completion of a massive infrastructure project, which includes roads, tunnels, fences, and coastal defense installations among other units that began in 1994 reflects the coming of age of China's defense infrastructure, which not only serves military but also civil-economic purposes (Xinhua News Agency, February 1).

According to reports from the official Xinhua News Agency, in 1994 Chinese leaders committed more than 4.7 billion renminbi to start a massive border and coastal defense infrastructure development project that was set in motion at the Committee's third meeting held the same year. In 2005, the title of the National Border Defense Committee was changed to the National Border and Coastal Defense Committee to accelerate the development of border and coastal defense by placing both areas under a unified command. Each military region, coastal province, prefecture and county was required to establish a border and coastal defense committee (Xinhua News

Agency, January 28, January 29, February 1, February 2).

Since then the PLA has reportedly constructed 25,000 kilometers of maritime border patrol tunnels, 7,000 kilometers of fences, and at least 3,000 border demarcations, watchtowers, coastal defense installations, harbors and tarmac as part of this national project. The completion of a sentry post reportedly located in Medog County of the Nyingtri Prefecture in the Tibet Autonomous Region (TAR)—bordering the disputed Arunachal Pradesh region—late last year apparently marked the completion of a nationwide surveillance system that serves as a component of this colossal infrastructure project. The Chinese media dubbed this network “China’s Digital Great Wall” (Xinhua News Agency, February 2). According to a report in the *South China Morning Post* (*Nanhua Zaobao*)—a Hong Kong-based newspaper—the completion of the “digital surveillance system” (*shuzi jiankong xitong*) was an integral part of China’s national security strategy and finished at the end of 2009. The number of surveillance sentry posts reportedly number in the thousands, and fiber optic cables were used to connect these posts to 10 control centers. According to the same report, all border patrol stations with more than 100 soldiers have been linked up to this surveillance system (Xinhua News Agency, February 2).

A member of the Committee cited by the official Xinhua News Agency stated that the completion of these installations reflect the development of China’s border and coastal defense from a scattered, single-mission-oriented, incompatible system to a diversified, well-connected, comprehensive system, which serves military, political, economic and social benefits (Xinhua News Agency, February 1). Furthermore, the digitization of Chinese border surveillance systems can assist the Chinese military in combating the so-called “Three Evils,” which Beijing has identified as “terrorism, separatism and religious extremism.” The system will also reportedly help stem human smuggling, illegal immigration, drugs and other unlawful activities (Xinhua News Agency, February 2).

In his remarks at the opening ceremony for the Committee meeting, Defense Minister General Liang Guanglie stated that with the completion of the system the work of border and coastal defense “must be enhanced for national interests.” Defense Minister Liang emphasized that, “Defending China’s Sovereignty, territorial security and maritime interests should be a top mission of the country’s border and coastal defense work” (Xinhua News Agency, January 29; *Global Times*, January 29).

In the final analysis, the completion of this massive infrastructure network clearly strengthens China’s ability to enforce its border and coastal defense through hardening

control of key places and increasing mobility along border and coastal areas. The modernization of China’s defense infrastructure can be both a source of stability for China and neighboring countries as well as pose unique challenges to those with whom China has territorial disputes.

Senior Chinese leaders that attended the fourth Committee meeting include: President Hu Jintao, Premier Wen Jiabao, Politburo Member Li Changchun, and Politburo Standing Committee Member and Head of the Central Political and Legislative Committee Zhou Yongkang, CMC Vice Chairman Xu Caihou, CMC Vice Chairman Guo Boxiong, Secretary of the CCP Central Secretariat Ling Jihua, Defense Minister General Liang Guanglie, Secretary-General of the State Council Ma Kai, Minister of Public Security Meng Jiangzhu, State Councilor and Hu confidante Dai Bingguo, CCP Central Military Commission Member and Chief of General Staff General Chen Bingde, CMC Member and Director-General of the PLA General Political Department General Li Jinai, CMC Member and Director of the General Logistics General Liao Xilong, Chinese Navy Commander and Admiral Wu Shengli, and Chinese Air Force Commander Xu Qiliang, among others (Xinhua News Agency, January 29).

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Beijing Bones up its Cyber-Warfare Capacity

By Willy Lam

While the furor over cyber-attacks against Google has lapsed somewhat, the Sino-American confrontation over the larger issue of Internet security and global digital warfare is expected to intensify in the near future. This is particularly in light of the deterioration of bilateral ties due to issues ranging from the value of the renminbi to U.S. arms sales to Taiwan. Even more significant is the fact that despite Washington’s criticism of Beijing’s censorship of the Internet—as well as China-originated sorties against the networks of American government agencies and multinationals—the Chinese Communist Party (CCP) leadership is devoting unprecedented resources to strengthening its already formidable cyber warfare prowess.

Research and development in Net-based combat, including cyber-espionage and counter-espionage, figure prominently

in the 12th Five Year Plan (2011-2015) that is being drafted by both the central government and the People's Liberation Army (PLA). President and Commander-in-Chief Hu Jintao designated the expansion of electronic warfare capacity as a top priority of the defense and security forces in the coming decade. Preferential policies are also being extended to commercial computer and electronic enterprises for R & D in areas relating to IT security. Since the 1980s, such enterprises have been sharing resources and data with relevant units in the PLA, the para-military People's Armed Police, the Ministry of State Security (MSS), and the Ministry of Public Security (MPS) (China.com.cn, November 3, 2009; *Apple Daily* [Hong Kong], January 29; *Asiasentinel.com* [Hong Kong], January 22).

Two major considerations are behind the CCP leadership's ultra-ambitious expansion of digital warfare capability. The first is to narrow the gap with the United States, which is seen as having a comfortable lead in the virtual battlefield of the 21st century. Professor Fang Binxing, president of the Beijing University of Posts and Telecommunications and one of China's top Net experts, noted, "the U.S. is without question the world's foremost power in Cyber-based attacks and defense." "The U.S. holds absolute superiority in [combat ability relating to] conventional and outer space as well as Cyberspace," said Professor Fang, who added that Chinese capacity in this area remained "very backward" (China Daily.com, July 3, 2009; *Tujian.org* [Beijing], July 16, 2009).

The Chinese media has given ample coverage to the establishment last year of a Cyber Command within the American military (AFP, June 23, 2009; *Digitaljournal.com*, June 24, 2009). The official *Global Times* quoted a PLA expert as expressing concern about some form of American cyber imperialism. "The U.S. will continue to guarantee its 'freedom of action' [on the cyber front] at the expense of other countries' sense of insecurity," said the military IT specialist. According to Senior Colonel Dai Xu, China cannot afford to lose time in the uphill struggle to catch up with cyber powers such as the United States and Russia. "We must raise Net-based maneuvers to the strategic level," said Dai, a popular military commentator. "We should first begin with practical work such as developing hard- and software and nurturing talent." Dai envisaged the eventual setting up of a full-fledged PLA Cyber Division on par with the Second Artillery Corps, which is China's missile forces (*Global Times*, May 24, 2009; *Oriental Morning Post* [Shanghai] July 4, 2009).

The second motivation behind Beijing's no-holds-barred cyber gambit is to safeguard China's "IT sovereignty." The Ministry of Industry and Information Technology (MIIT) claims that China is the world's largest victim as far as cyber

attacks are concerned. Last year, 42,000 websites were emasculated by hackers, while 18 million computers per month were knocked out by virus blitzes. More importantly, CCP authorities are anxious to counter alleged attempts by Western governments and organizations to flood cyber-space with "bourgeois-liberal" and anti-socialist ideas. According to State Councilor Meng Jianzhu, "the Internet has become a major vehicle through which anti-China forces are perpetrating their work of infiltration and sabotage." Meng, who is also MPS Minister, added that China's foes are "magnifying their ability to disrupt [the socialist order]" through the information superhighway. The police chief underscored the urgency of establishing a 24-hour, all-dimensional "prevention and control" platform to fight Net-based infiltration (Xinhua News Agency, January 25, 2009, December 1, 2009; *Ming Pao* [Hong Kong], December 2, 2009).

While matters relating to internal security and intelligence in China are shrouded in secrecy, the broad contours of Beijing's game plan to augment electronic warfare capacity are clear. In early 2009, party-and-state authorities significantly boosted budgets for recruiting the best Chinese graduates in areas including computers, engineering, mathematics and foreign languages. Research units under the MSS and MPS frequently put advertisements in official and private websites seeking software engineers and specialists in IT security. For instance, the First Research Institute of the Ministry of Public Security, which has a staff of more than 1,200, recently launched a large-scale hiring campaign. Moreover, Chinese diplomatic missions in the United States and other countries have, over the past year, taken advantage of the recession in the West to recruit hundreds of Chinese graduates from the best computer science departments in Western universities. These IT talents are frequently offered internationally competitive salaries in addition to bright promotion prospects (*Asiasentinel.com*, January 22; *Apple Daily*, January 29).

There is also evidence that agencies under public security and military intelligence are recruiting hackers as software engineers and Net-related security experts. This is despite the MIIT's statement late last month that China will actively participate in global efforts to combat threats to cyber-security. The ministry spokesman indicated that "China is willing to cooperate with other countries in cracking down on hackers." Last year, Beijing revised a law that makes hacking a crime, with punishments of up to seven years in jail. Yet, advertisements for accomplished and "reliable" hackers can often be found in China's recruitment websites. Moreover, there are anecdotes galore within China's IT community about "patriotic hackers" being hired by military or state security departments (*New York Times*, February 3; China News Service, January

25; Cnjz.cn [Beijing], November 1, 2009; Guofang.info [Beijing], September 17, 2009). According to a recent report commissioned by the Washington-based U.S.-China Economic and Security Review Commission on China's digital warfare capacity, Chinese military and state security units have been employing from "elements of China's hacker community." The October 2009 report cited a number of "cases of apparent collaboration between more elite individual hackers and the PRC's civilian security services" [1].

Apart from forming symbiotic relations with the research and development wings of state-run enterprises, PLA and state-security departments are seeking the help of private IT firms. On a tour of telecommunications enterprises in eastern Anhui Province in late 2009, State Councillor Meng called upon the country's several tens of thousands of cyber cops to boost cooperation with companies in the electronics and IT fields. "We should make good use of the fruits of [domestic] IT-related research and development so as to provide our prevention-and-control system with strong technological support," Meng told senior police cadres traveling with him (*People's Daily*, November 1, 2009; *Ming Pao*, November 2, 2009). It is also significant that while touring Shanghai last month, President Hu asked IT specialists in state-owned and private firms to "attain breakthroughs in core technologies" in this strategic sector. "We must win a prominent place in global telecommunications through acquiring technologies that are based on domestic [Chinese] research and development," Hu said (*China.com.cn*, January 21; *People's Daily*, January 20).

Another unique feature of China's cyber tactics is the large number of "princelings"—the kin of senior cadres—who are involved in the sensitive area of Net-related security. For example, Dr. Jiang Mianheng, vice-president of the prestigious Chinese Academy of Sciences and the eldest son of former President Jiang Zemin, has for more than a decade been a key figure in shaping strategies for safeguarding the country's IT sovereignty. Despite reports about political differences between Hu and Jiang, Dr. Jiang's prominent role has apparently not been diminished. An electrical-engineering graduate from Bucknell University in Pennsylvania, Dr. Jiang was among senior cadres who accompanied President Hu on his tour of IT plants in Shanghai (*Ming Pao*, January 21; *Scitech.people.com.cn* [Beijing], September 17, 2009). The enthusiastic participation of princelings may yet be another factor behind the fast-paced expansion of the country's skills in digital combat.

Experts cited by the official *Liberation Army Daily* pointed out that some 88,000 American IT personnel, including

up to 5,000 electronic warfare experts, are working in units directly under or related to the Pentagon's Cyber Command. Chinese IT scholars have also drawn attention to the fact that while the Barack Obama administration has cut spending on state-of-the-art weapons such as F-22 jetfighters, the budget for cyber-warfare has increased dramatically (*Liberation Army Daily*, August 10, 2009; *Oriental Morning Post*, July 4, 2009). It is understood that China's military and state-security departments have partly used the American model when they go about beefing up the country's Net-related security and warfare establishment. Given the fact that friction between the United States and China will likely continue if not worsen over issues including trade, Taiwan and Tibet, cut-throat competition along the information superhighway could add a new dimension of instability in ties between the world's sole superpower and the fast-rising quasi-superpower.

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NOTES

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PLAN Shapes International Perception of Evolving Capabilities

By Jesse Karotkin

After more than a decade of sustained naval modernization, China's People's Liberation Army Navy (PLAN) stands at a historic crossroads. While it's no "blue water navy" by Western standards, the Chinese Navy has closed important operational gaps and demonstrated the capability to sustain peacetime operations far from China's shores. Motivated by growing economic and security interests, the PLAN is venturing into the global maritime

domain—a sphere dominated by the U.S. Navy. China’s anti-piracy task force, which has operated in the Gulf of Aden since late 2008, is the most visible manifestation of this trend. Additionally, Chinese officials are speaking with increasing candor about China’s intent to operate aircraft carriers and even acknowledge an ensuing potential for overseas “supply bases” (*People’s Daily Online*, April 23, 2009; *Huanqiu Shibao (Global Times)*, December 31, 2009). Indeed, China’s leadership is encouraging a more internationally visible role for the PLAN, yet increasingly overt displays of naval capability, regardless of intention, might ultimately undermine China’s broad security interests by causing alarm in countries such as the United States, India and Japan. As the PLAN gears up to undertake unprecedented international missions and in the process execute new capabilities in the coming decades, rather than deny the rapid evolution of PLAN capabilities, Beijing has focused on assuaging concerns over Chinese intentions.

CHINA NEED NOT “HIDE” ITS CAPABILITIES

In a break from precedent, a significant number of Chinese officials, academics and official publications have begun speaking openly but artfully about the PLAN’s expanding naval capabilities and missions (*Straits Times*, December 24, 2008). China’s 2008 Defense White paper acknowledged that the PLAN will “gradually develop its capabilities for conducting operations in distant waters and countering non-traditional security threats” (“White Paper on China’s National Defense in 2008,” Information Office of the State Council).

During the PLAN’s 60th anniversary celebration in 2009, the English-language *People’s Daily* proclaimed (to its largely international readership) that it is “justifiable and reasonable for China to have its own aircraft carriers” (*People’s Daily Online*, April 23, 2009). In Beijing’s most open admission of a carrier program to date, this article asserted that China’s growing Navy poses no threat to others, and, like its nuclear program, would be handled responsibly. Highlighting the fact that China is the only veto-wielding permanent U.N. Security Council member still lacking carriers, the article rhetorically quipped: “Among countries like China that have long sea coastlines, a huge marine territory and comprehensive maritime interests, are there any countries other than China that do not have aircraft carriers?” (*People’s Daily Online*, April 23, 2009).

In another departure from precedent, PLAN Rear Admiral Yang Yi asserted China need not feel apprehensive about displaying its growing military capabilities. He recently wrote, “We should confidently and overtly tell the United States and other countries that China needs to expand its

overseas military power because of ... national interests abroad” (*South China Morning Post*, November 28 2009). Comments from Admiral Yang and others like him reflect a desire to affirm China’s increasing naval capability more openly while projecting an image of responsibility. In their view, Chinese government statements and policy should explicitly acknowledge what they consider legitimate security concerns, such as China’s dependence on energy imports that pass through the Strait of Malacca. Currently, close to 85 percent of China’s crude oil imports transit this vital sea-lane.

Once limited largely to coastal defense and support of the PLA ground force, the PLAN now features prominently in fulfilling Hu Jintao’s “New Historic Missions.” As articulated by Hu in 2004, these include “safeguarding national interests ... and playing an important role in safeguarding world peace and promoting common development” [1]. The current Gulf of Aden mission and others like this will continue to take Chinese naval forces further from the Chinese mainland, where they will interact with other oceangoing navies.

Some Western observers cite growing assertiveness by Chinese leaders as evidence that Beijing feels unconstrained by international scrutiny and that a confident China is swaggering onto the international stage. While Beijing certainly shows some signs of confidence, the leadership remains deeply focused on projecting the image of a responsible global actor. In terms of its naval development, Beijing has reached a stage where outright denials would prove both fanciful and counterproductive.

Underscoring this futility, in 2008 *Jane’s Defense Weekly* published commercial satellite imagery identifying a supposed underground submarine facility on the southern end of China’s Hainan Island (*Jane’s Defense Weekly*, April 21, 2008). Currently, anyone using Google Earth can see an aircraft carrier moored in the harbor of the Chinese coastal city of Dalian. So rather than deny the rapid development of PLAN capabilities, Beijing has focused on assuaging concerns over Chinese intentions. This more nuanced approach allows the leadership to present China’s changing reality to foreign observers more matter-of-factly, while simultaneously asserting that it is responding to calls for greater transparency.

The manner in which Beijing has conducted the Gulf of Aden deployment underscores its effort to demonstrate responsible and benign intentions. In addition to acting only after the mission was fully sanctioned by the United Nations, China took the extra step of very publicly securing permission from the government of Somalia (*Xinhua News Agency*, December 18, 2008). Unlike other nations

operating in the Gulf of Aden, including the United States, India, and France, Chinese forces remain hesitant to deal aggressively with suspected pirates (See “Is the Chinese Navy Reluctant to Use Force Against Somali Pirates?” *Terrorism Monitor*, December 23, 2009). This likely reflects an aversion to appearing overly aggressive in this very first operational deployment outside of regional waters. Despite a robust escort presence, the Chinese Navy has not sought to capture or kill any pirates, nor did they attempt a rescue mission on the pirated Chinese vessel *De Xin Hai*, which was released only after China paid a reported ransom of \$4 million to the pirates. This would constitute one of the largest ransoms ever paid for a pirated ship.

In spite of China’s efforts to demonstrate benign intentions in the Gulf of Aden, foreign observers have accurately highlighted the fact that China’s Navy is gaining operational experience with practical applications to wartime environment (See “The PLA’s Multiple Military Tasks: Prioritizing Combat Operations and Developing MOOTW Capabilities” *China Brief*, January 21).

In an apparent effort to curb international fears of expansive Chinese intentions, Beijing recently blunted speculation that China is considering abandoning its self-imposed prohibition on foreign military basing. Retired Admiral Yin Zhuo authored a report carried on the Chinese Defense Ministry website arguing that it might be prudent for China to establish a “long-term supply base” near the Gulf of Aden. Almost immediately, Admiral Yin’s suggestion touched off a critical stir in the international media. By the following day, Beijing had distanced itself from the comments of this “outspoken retired admiral.” China’s Defense Ministry clarified that “an overseas supply base might be an option in the future, but it’s not being considered at this time” (*China Daily*, January 1). The rebuttal was widely disseminated through China’s most internationally accessible media, including the *China Daily* newspaper and China Central Television’s (CCTV) English service. If Admiral Yin’s assertion was intended as a trial balloon, the government’s response effectively demonstrated the Chinese leadership’s sensitivity to international scrutiny. Beijing is eager to counter assertions that the Gulf of Aden Deployment represents the dawn of a more interventionist era for China.

SHAPING PERCEPTIONS OF CHINA’S RISE

In 2005, Zheng Bijian, a prominent foreign affairs specialist and long-time advisor to the current Chinese leadership, articulated the vision of China’s “peaceful rise” (*heping jueqi*). Underscoring China’s sensitivity to foreign perceptions, Beijing softened the phrase to “peaceful development” (*heping fazhan*) over concerns that the

word “rise” might evoke negative connotations abroad. The essence of the “peaceful development” concept is that, unlike previous emerging powers (most notably Japan and Germany in the mid-20th century), China’s growing power will not pose a security threat to the existing world order. This concept was necessitated by the fact that China could no longer simply downplay or deny its rapid emergence as a regional military power.

During the PLAN’s 60th anniversary celebration and international fleet review, President Hu emphasized the theme of “harmonious seas” declaring that China would “never seek hegemony, nor would it turn to military expansion or arms races with other nations” (*People’s Liberation Army Daily*, April 24, 2009). In a similar defense of Chinese intentions, Senior PLA Colonel Li Daguang asserted that, “despite China’s growing strength, what China advocates is a ‘harmonious world.’” Li added, “even if China possesses some advanced weapons in the future, given the defensive nature of China’s national defense policy, China will never take the initiative to invade any other country. The Great Wall is a prominent portrayal of China’s classic defensive idea” (*Global Times*, November 1, 2009).

While the oft-stated idea of “peaceful development” is indeed appealing, given the pace of China’s modernization, it will take more than rhetoric to reassure the international community that China’s rise will not destabilize the existing order. In practice, China’s leaders face a natural antagonism between their desire to maintain a benign image and the inevitable temptation to exercise their maturing naval capabilities. This dilemma is particularly evident as Beijing struggles to manage foreign activities in its Exclusive Economic Zone (EEZ). While an increasingly modern Navy and civilian fleet now provide China with greater situational awareness and response capability in the EEZ, embarrassing confrontations with the United States, Vietnam, and Japan occasionally attract unwelcome international scrutiny of China’s overzealous law-fare efforts.

Managing the image of “peaceful development” is likely to become especially difficult for Beijing as it moves forward with its reported aircraft carrier program [2]. Arguably, there is not a more potent symbol of power projection than the carrier. Chinese leaders recognize that many foreign observers will regard a carrier program as incongruous with Beijing’s self-proclaimed “defensive” policy of “peaceful development.” Even Chinese state media concede that the aircraft carrier is often construed as a “symbol of hegemony” (*People’s Daily Online*, April 23, 2009).

Indeed, China’s military strategists are cognizant of what

international affairs scholars refer to as the “security dilemma” [3]. Simply stated, as one nation builds defense capability to feel more secure, it almost invariably causes others to feel less secure, triggering a dynamic spiral [4]. Even if China maintains a relatively small, regional carrier force, this will arouse concern among its neighbors. In particular, smaller states such as Vietnam and the Philippines will fear a destabilizing effect in the South China Sea, where several coastal nations have overlapping claims with Beijing on top of one another. Japan and India would also fear a shifting center of gravity in the region.

The Chinese leadership appears to have realized that flexing its new muscles could come at great political cost, at least in the near term. Should Beijing fail to assuage its neighbors’ security concerns, they may feel compelled to forge an anti-China alliance. Worse yet, from Beijing’s perspective, regional actors including the Philippines, Vietnam, Taiwan and even India could draw the United States further into the Asian security orbit as a means to counterbalance China’s rising power (Asia Times, November 12, 2008). To avert just such a scenario, Beijing has invested heavily in its so-called “Charm Offensive,” cultivating regional ties through trade, diplomacy and culture.

THE CHALLENGE AHEAD

As the Chinese Navy takes incremental steps onto the global maritime domain, Beijing has struggled to assuage international concerns over its uncertain intentions. With more robust and offensive naval capabilities slated to achieve operational status in the very near future, this challenge will only become more acute. Even if Beijing chooses to exercise these capabilities with a great deal of caution and restraint, their development alone will steadily shift the balance of power throughout Asia. Given this very real shift in the regional power structure, in the coming years talk of “harmonious seas” will almost certainly prove insufficient in allaying regional concerns.

If Beijing hopes to effectively assuage concerns over its intentions it will have to achieve the following four things:

First, China must openly identify precisely what its near and long-term security objectives *are*, rather than focusing primarily on what they are *not*. For example, does China wish to exercise a regular presence in the Indian Ocean and how does China anticipate protecting its expansive international shipping?

Second, the PLA will have to demonstrate greater openness and transparency- not just to the United States, but also in reciprocity with China’s neighbors. This step will

help overcome distrust and anxiety over China’s rapid modernization.

Third, Beijing will have to resist throwing its new muscle around the region, even on smaller issues. China’s neighbors will be watching Beijing’s every move with a great deal of concern. Coercion against any one of these neighbors will grip the attention of the others.

Finally, China should be prepared to “walk the walk” of a major power, by contributing its fair share to humanitarian and disaster relief efforts and sustaining its support for anti-piracy efforts. A robust effort in this area will help China prove itself a “responsible stakeholder” in the international community.

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[The views expressed in this article are those of the author and do not necessarily reflect the views of the Department of the Navy or Department of Defense.]

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1. Bernard Cole, “China’s Military and Security Activities Abroad,” Testimony before the U.S.-China Economic and Security Review Commission, March 4, 2009.
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The Politics of Disaster Relief: China, Taiwan and the Haitian Earthquake

By Daniel P. Erikson

After a devastating 7.0 magnitude earthquake struck Haiti on January 12, the aftershock reached China in ways that few observers could have anticipated. After all, the link between the world’s most powerful rising economy and one of its most troubled states is tenuous. China and Haiti are worlds apart in almost every conceivable sense: profoundly separated by geography, levels of development,

language and culture. Moreover, Beijing and Port-au-Prince are diplomatically estranged, as Haiti remains one of 23 countries that still maintain official relations with Taiwan. Still, the powerful seismic event that has claimed the lives of as many as 150,000 Haitians so far also posed an unexpected challenge for the Chinese leadership, which found itself viscerally drawn into the crisis and its aftermath in ways that tested its newfound diplomatic mettle, and provoked conflicting conceptions about its expanding role on the international stage. Faced with a skeptical audience abroad and a supportive one at home, the Haitian earthquake forced Chinese leaders to navigate the tricky politics of disaster relief.

According to China's foreign ministry, there were about 230 Chinese nationals in Haiti at the time of the earthquake (*China Daily*, January 19). Yet, eight were in the most sensitive spot imaginable, meeting with the chief of the United Nations mission in Haiti, Hedi Annabi, at the Hotel Christopher, which served as the head of the 9,000-member strong U.N. peacekeeping force that has patrolled Haiti since the ousting of former president Jean-Bertrand Aristide in 2004. The five-story building collapsed when the quake struck, and China suddenly found itself at the epicenter of a tragedy that killed more U.N. staff in a single day than any other event in the 65-year history of the United Nations. Hundreds of U.N. staff were initially unaccounted for, and by January 29th, more than two weeks later, the U.N. had officially confirmed 85 deaths, while dozens more remained missing (BBC News, January 29).

Haiti, the poorest and most vulnerable nation in the Western Hemisphere, has long been caught in a war of attrition between China and Taiwan that has at times threatened to undermine international efforts to bring the country back from the brink of state failure. Haiti has been a firm ally of Taiwan since 1956, and has received millions of dollars in foreign aid as a result. In recent years, Taiwan stood virtually alone among the international community in continuing to support the government of President Jean-Bertrand Aristide in Haiti when Western donors, like the United States and Europe, imposed a devastating bilateral aid cut-off from 2000 to 2004. When Aristide was forced from power in 2004, Taiwan maintained smooth relations with the interim government and is especially close to Haiti's current president, René Préval, who was elected in 2006. China, by contrast, has made a minimal investment in Haiti, but Beijing began to loom larger for Haitian leaders since 2004, when China contributed 125 riot police to the Brazilian-led U.N. stabilization force deployed in Haiti, and then subsequently leveraged its permanent member status on the Security Council to prevent Taiwanese Premier Su Tseng-chang from attending the inauguration

of René Préval in May 2006. (BBC News, May 13, 2006). In recent years, however, tensions had cooled and a fragile détente appeared to emerge between China and Taiwan with regard to resolving the issue of diplomatic status with Haiti.

Against this backdrop, the Chinese government's response to the earthquake was driven by a mix of overlapping and potentially conflicting domestic and international motivations. These included protecting Chinese nationals still in Haiti, recovering the bodies of their fallen countrymen, acting as a key stakeholder in the multilateral system, and assuming the humanitarian responsibilities of an emerging great power. Equally important was the desire to manage domestic political sentiments regarding China's role in the world in a manner that would strengthen—or at least do no harm to—the cause of Chinese nationalism. Efforts to deepen cooperation with the United States, bolster China's standing in Latin America and the Caribbean and possibly further isolate Taiwan were also relevant, though of less immediate concern. Given the multiple motivations that drove China's engagement in Haiti, it is no surprise that Beijing reacted quickly, only to achieve uneven results.

To its credit, China was among the first nations to respond to the Haitian catastrophe with rescue workers, aid and supplies. China's 60-member search and rescue team soon departed Beijing and arrived in Port-au-Prince at 2 a.m. on the morning of January 14, making the 20-hour trip on a chartered plane with minimal refueling stops. The Chinese government also announced a donation of humanitarian aid valued at \$4.4 million while the Red Cross Society of China pledged an additional \$1 million (Xinhua News Agency, January 16). China had itself suffered a devastating earthquake in Sichuan province in May 2008, which killed more than 80,000 people, and Chinese leaders stressed that their actions were motivated by genuine sympathy and supplemented by practical experience in disaster relief (*China Daily*, January 14). China's relief efforts were focused on excavating the Hotel Christopher and the team was credited with retrieving the body of U.N. Mission Chief Hedi Annabi.

Yet, once China's eight-member police delegation was recovered, the team ceased its work at the U.N. site and was later seen departing the country, provoking criticism that China's efforts in Haiti were motivated by narrow-minded nationalism. The allegations incensed China, prompting foreign ministry spokesman Ma Zhaoxu to fume: "These comments are false and are made out of ulterior motives . . . these actions are not selfish and brook no accusations. The accusers should be accused." (Agence France Presse, January 19). In fact, while some members of the initial Chinese rescue mission soon returned to China, a subset of

the team stayed behind to deliver medical care to a badly damaged sector of Port-au-Prince (Xinhua News Agency, January 19).

The Chinese fatalities in Haiti quickly emerged as a top item in China's domestic politics as Beijing officials commemorated the victims in a series of elaborate ceremonies that adroitly straddled sentimentality and nationalist pride. In recent years, China has placed increasing importance on its contribution to U.N. peacekeeping missions—and the successive rotations of 125 riot police that have served in Haiti since 2004 are part of a broader strategy that has seen more than 14,000 troops participate in 24 separate missions. Prior to the Haitian earthquake, only eight Chinese officials had died in U.N. missions around the world; the eight Chinese fatalities in Port-au-Prince instantly doubled that figure to sixteen. The loss of the Chinese peacekeepers in Haiti dominated the country's headlines for days, and the official *People's Liberation Army Daily* hailed their return to China, stating "Peacekeeping heroes, the fatherland greets you on your return home" (The Associated Press, January 20). China's Ministry of Public Security named all eight of the deceased peacekeepers as "martyrs," and three were posthumously awarded the title of "peacekeeping heroes" by the State Council and the Central Military Commission, while the other five were named "hero models" (Xinhua News Agency, January 25). China dispatched four additional peacekeepers to replace their fallen colleagues in Haiti (the other four who died were part of a visiting delegation).

A burial ceremony was held at the Babaoshan Revolutionary Cemetery in Beijing, an honor bestowed only upon those of national importance. The ceremony was also attended by top Chinese officials, including President Hu Jintao and Premier Wen Jiabao. While China's official press praised the outpour of sympathy for the officers and their families, it also reported several critical comments that had been posted to online mourning sites. One person cited "mixed feelings" owing to alleged incidences of police brutality in southwest Guizhou Province, while another surmised that the peacekeepers were corrupt and had been sent abroad for "other purposes." The Chinese official press emphasized that such postings "were immediately blasted by other netizens, who said lives were precious and the dead should be mourned" (Xinhua News Agency, January 18).

In any case, such allegations against China surely pleased Taiwan, which moved to match Beijing's aid to Haiti. Interestingly, however, Taiwan did not seize the aftermath of the Haitian earthquake as an opportunity to substantially surpass China's response, although this would have been well within its capabilities. The reason

may lie in Taiwanese president Ma Ying-jeou, elected in 2008, who has struck a "diplomatic truce" with Beijing that has led to a cooling of diplomatic tussles over the sovereignty question. Still, Taiwan rebuffed a suggestion by Chinese officials to increase cross-strait cooperation in Haiti, although Ma did speak positively about the role of Chinese peacekeepers there.

Taiwan has long been a strong supporter of Haitian President René Préval and prioritized aid to both Haiti and neighboring Dominican Republic as part of a strategy to keep the island of Hispaniola from shifting its allegiance to China [1]. While the total amounts of Chinese and Taiwanese aid to Haiti immediately after the earthquake totaled about \$5.4 million each, Taiwan sent its rescue mission and medical relief workers through the Dominican capital of Santo Domingo. Two weeks after the earthquake, President Ma also met personally with Haitian Prime Minister Jean-Max Bellerive during a "transit summit" at the Santo Domingo airport. After delivering 10 tons of food and medical supplies, the Taiwanese leader outlined a four-point assistance plan for Haiti in the areas of public health, housing, job creation, and the adoption of orphaned children (Taiwan News, January 29).

The Taiwanese team also focused its efforts on the devastated U.N. mission headquarters, rescuing a Haitian security guard and locating a French staffer who survived under the rubble (Central News Agency [Taiwan], January 18). Due to its ongoing disarray, the Haitian government did not respond substantively to these overtures and, in any event, Haitian authorities are too consumed in managing the earthquake's aftermath to pay much attention to the Taiwan question in the short term.

Now that the initial calamity in Haiti has begun to subside, China is positioning itself to support multilateral relief efforts while sidestepping any wider leadership responsibilities, such as dramatically increasing the role of Chinese peacekeepers in Haiti or stepping in as a major donor. In the days after the earthquake, the U.S. mobilized 10,000 troops and hundreds of millions of dollars in public and private assistance, and appears likely to play a dominant role in Haiti for months, if not years, to come. In Latin America, many countries have noted that the Chinese response, while admirable, was more consistent with a small, activist country than with a rising global superpower. More Haitians may ultimately be pulled from the rubble by the various teams from Belgium, Iceland, Poland and Turkey than by the Chinese responders, and China's financial donations to Haiti represent just a tiny fraction of the promises made by the developed world.

Given China's limited interest in Haiti, it is probably

sensible that Beijing take a backseat role to other, more engaged actors as the international community begins to calculate the costs of the long-term reconstruction of the country. China emerges from the Haiti disaster with a bruised ego and a fortified sense of national identity. In addition, China has once again confirmed its deeply held belief that, as far as Latin America and the Caribbean is concerned, Beijing should focus on economics, avoid the politics and respond to crisis helpfully while leaving the serious work of disaster management to Washington.

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NOTES

1. In addition to the Dominican Republic and Haiti, Taiwan's diplomatic allies in the region include: Belize, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

The Strategic Implications of the Turkmenistan-China Pipeline Project

By Stephen Blank

On December 14, 2009, China and Turkmenistan formally opened the longest natural gas pipeline, which runs from Turkmenistan through Central Asia to China. This pipeline, financed by China National Petroleum Corporation (CNPC)—China's largest oil and gas producer and supplier—is the first gas pipeline connecting China to Turkmenistan and Central Asia. The Turkmenistan-China pipeline has significant consequences for Central Asia, China as well as Russia. Yet the strategic implications of this pipeline extend beyond Central Asia. It also reflects the future of energy flows in East Asia as both Central Asia and China are becoming increasingly more integrated in their energy supply and other forms of critical infrastructure (e.g. transportation).

The Turkmenistan-China pipeline entails two pipelines and multiple suppliers. The first pipeline, which opened on December 14, travels 1,833 kilometers (KM) (1139 miles) from Turkmenistan through Uzbekistan to southern Kazakhstan then Xinjiang in China. From there the pipeline will connect to China's domestic pipeline network—ultimately traversing 7,000 km (4,349 miles).

While initially Turkmenistan will be the only supplier of gas through this pipeline, by 2011 Uzbekistan and Kazakhstan will open up the second line, which is also 1833 km long, and will enable China to get gas from all three Central Asian producers. Second, the pipeline will deliver China 40 bcm (billion cubic meters) by 2012 if not earlier. Thus, it stands in stark contrast to the *Prikaspiiskii* (Caspian coastline) pipeline agreement negotiated by Russia with Kazakhstan and Turkmenistan in 2007. Whereas the Turkmenistan-China pipeline was negotiated, signed and built within three years, there has been little progress on the *Prikaspiiskii* pipeline, which is a reflection of Russian ineffectiveness when compared to the inroads China has made with its Central Asian neighbors (*ITRAR-TASS*, December 14, 2009; *Moscow Times*, December 17, 2009) [1].

The opening of these pipelines underscores a changing power equilibrium in the region with a decided advantage for Turkmenistan and the other Central Asian producers, as well as China, but a marked disadvantage for Russia. Turkmenistan has already seen great benefits from this pipeline since the signing of the agreement in 2006, and will continue to them flow for some time. First of all this deal gave Ashgabat negotiating leverage vis-à-vis Moscow, which had consistently forced Turkmenistan to export its gas through the only available pipelines, which were Russian, and at prices well below its market value. Since 2006, however, Turkmenistan's and other Central Asian states' leverage over the price of natural gas vis-à-vis Russia has grown as a result of the availability of other export markets beside Russia—namely China. Moreover, as Russia's dependence upon Central Asian gas increased through 2008 due to escalating global demand, Moscow felt constrained to buy Central Asian gas at a higher price (e.g. \$300 tcm), because it believed it could sell it in Europe at \$400 tcm. Meanwhile, Central Asian gas would subsidize Russia's own inefficient and overly subsidized domestic energy economy while trying to meet surging European and Asian demand.

Thus before the current economic crisis unraveled in 2008-09, Moscow had committed to paying \$300 tcm to Central Asian producers under the auspices that it could charge Europe \$400 tcm [2]. Nevertheless, Moscow consistently sought to get out of paying these prices, especially as the global economic crisis began. After the crisis unfolded and the price of energy resources dropped concomitantly with global demand, however, Moscow was forced buy Central Asian gas at a net loss, which is an increasingly unaffordable burden for Gazprom. Pavel Baev of Norway's Peace Research Institute (PRIO) observed that Moscow could not directly strike at Kazakhstan or Uzbekistan because it had too many interests engaged with the former,

and the latter could defect to the West, therefore it chose Turkmenistan. In April 2009, an explosion along the pipeline brought Turkmen exports to a halt and Moscow delayed opening the line until Turkmenistan reduced its prices, a clear effort to pressure it into submission.

In November 2009, Moscow also reduced the amount of Turkmen gas that it would import in 2010. Gazprom was prepared to buy over 50 bcm from Turkmenistan in 2010-2012 at a price of \$375 tcm, but it scaled back its purchases for 2010-12 to 10.5 bcm and wanted to pay Turkmenistan about \$220-240 tcm, the same price it is trying to obtain from Uzbekistan and Kazakhstan. Moscow had hoped that its pressure tactics would force Turkmenistan, which depends on gas exports, to scale back the high prices for which it had contracted Moscow in 2008 (*Eurasia Insight*, November 24, 2009; *Moscow Times*, December 17, 2009). Yet, Turkmenistan defeated Russia's plans. First, Turkmenistan employed its new leverage with China to obtain a \$3 billion loan from Beijing for the development of Turkmenistan's South Iolotan gas field with an estimated 4-14 tcm (*ITAR-TASS*, May 29, 2009). In return, Turkmenistan subsequently raised the amount of gas it committed to export to China through the pipeline from 30 bcm to 40 bcm and granted Beijing the rights to explore and develop the gas fields at South Iolotan to pay off the loan (*Central Asia Caucasus Analyst*, January 20). Thus, in December 2009 a consortium comprising CNPC, South Korean and UAE companies won contracts to develop the field in South Iolotan (China Daily Online, December 31, 2009). China's willingness to assist Turkmenistan escape Russia's hold on Turkmen energy supply has clearly paid off for Beijing, not just in the rapid construction of this new pipeline but also in gaining subsequent contracts and even more gas supplies. This episode clearly demonstrates that China is prepared to counter Russia in Central Asia if the outcome is beneficial to its interests and the price is right, a trend that could have major future implications.

Meanwhile, shortly after the pipeline to China opened, Gazprom and Turkmenistan negotiated an agreement to end the acrimonious squabble that had poisoned relations between them in 2009. Gazprom, however, will only take 10.5 bcm at the lower price that it insisted upon as gas prices on global markets have come down (*Eurasia Insight*, November 24, 2009). At the same time, Russian officials have tried to put a good spin on the Sino-Turkmen deal by signaling a lack of concern, touting the resumption of gas supplies from Turkmenistan, and reiterating that the new pipeline, by annually shipping 40 bcm of gas to China, will make it impossible for Turkmenistan to supply the EU's rival Nabucco pipeline that is supposed to compete with Russian pipelines in shipping Central Asian gas to Europe (*ITAR-TASS*, December 22, 2009).

However, this is whistling past the grave. Even with this agreement it is clear that by 2012, when the two pipelines connecting China with Central Asia open, China, not Russia, will be the main consumer of Central Asian gas, and thus a major alternative to Russia for Central Asian producers. Even if alternatives like Nabucco have been shut off by Russia's retreat and new agreements (which is doubtful) China's primacy in the Central Asian gas market is undoubtedly a blow to Russia with long-lasting consequences (*ITAR-TASS*, December 22, 2009). Indeed, *Kommersant* suggested that this strengthening of China's energy position will lead to its becoming the true leader of Central Asia and the "true master" of regional security organizations like the Shanghai cooperation Organization with Russia's silent assent. Moscow, it argued, has missed its chance in Central Asia by focusing on Europe (*Kommersant*, December 23, 2009). Even if this is an exaggerated assessment of China's position in Central Asia, this deal clearly has strengthened China and Turkmenistan as well as other producers at Russia's expense. What it means is that China no longer approaches Russia with regard to gas as a supplicant; rather, it has a strong bargaining position because it does not have to depend solely on Russia for its gas supply. Indeed, Moscow's actions depart from its rhetoric. In late December 2009, Moscow reached an agreement with Ashgabat to buy 30 bcm (not 10.5bcm) annually of Turkmen gas starting in 2010 and to build a new pipeline to link untapped gas reserves in eastern Turkmenistan with the *Prikaspiiskii* pipeline (*Financial Times*, December 22, 2009).

As a follow up to that victory, Turkmenistan is consolidating its diversification policy by also building a new gas pipeline to Iran. That pipeline will reportedly carry 20 bcm of gas even though Turkmenistan is only shipping 8 bcm annually to Tehran, so Turkmenistan will likely increase its ability to supply Iran, thereby adding more diversity to its customer base (*Asianews.it*, January 8).

Moreover, despite the Russo-Chinese agreements of 2009 to build pipelines to ship China 68 bcm of gas, Russia neither has the money to build the pipelines, nor possibly the gas—as it closed many fields due to the current crisis—unless China lends it the money to reactivate pipelines, wells and fields that were shut down in 2009 due to the economic crisis.

Indeed, China already produces 76 bcm of gas each year and consumes only about 80 bcm, with Australian LNG making up the difference. So it really does not need Russian gas anytime soon, especially as it will now be getting 40 bcm from Turkmenistan (*Cbsnews.com*, October 14, 2009). In any case, neither side has yet to agree on a price so their pronouncements are merely declarations in principle, not

hard contracts, and to judge from previous negotiations, no agreement is imminent. In spite of Russian claims to the contrary, hard bargaining on price is to be expected as China will demand below market prices and Russia will demand market prices in a classic confrontation between supplier and buyer. Indeed, Russia needs this pipeline and its revenues more than China does, and therefore the Turkmen-China pipeline could ultimately contribute to expanding China's increasingly visible ascendancy over Russia, not just in Central Asia, but in East Asia as well.

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[The views expressed here do not represent those of the U.S. Army, Defense Department or the U.S. Government.]

NOTES

1. Open Source Center, Analysis; PRC, Central Asian Media Laud Gas Line: Russian Officials Downplay Impact," *Open Source Center: Foreign Broadcast Information Service, Central Eurasia*, (Henceforth *FBIS SOV*), January 5, 2010.
2. John Roberts, "Russia and the CIS: Energy Relations in the Wake of the Russia-Ukraine Gas Crisis," *European Union Institute for Security Studies, Opinion, NO. 10*, March, 2009, www.iss-eu.org.

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