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China Brief is a bi-weekly journal of information and analysis covering Greater China in Eurasia.

China Brief is a publication of The Jamestown Foundation, a private non-profit organization based in Washington D.C. and is edited by L.C. Russell Hsiao.

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For comments or questions about *China Brief*, please contact us at pubs@jamestown.org

1111 16th St. NW, Suite #320
Washington, DC 20036
Tel: (202) 483-8888
Fax: (202) 483-8337

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In a Fortnight

STRATEGIC IMPLICATIONS OF CHINA'S ACCESS TO THE RAJIN PORT

By L.C. Russell Hsiao

At the recently concluded National People's Congress (NPC), Chinese Communist Party (CCP) Deputy Secretary-General of the Yanbian Korean Autonomous Prefecture in Jilin Province, Li Longxi, announced that North Korean authorities are currently studying a proposal to grant a 10 year extension to China's lease of Rajin Port, which is located strategically on the border of North Korea and Russia, close to the mouth of the Tumen river basin and the Sea of Japan. According to Deputy Party Chief Li, "China gained rights to Pier 1 [at Rajin Port] in 2008, and is now in negotiations with North Korea over extending those rights for 10 years." If Pyongyang agrees to the proposed extension, China will have exclusive access to Pier 1 at the Rajin Port until 2028 (NK Brief, No.10-03-11-10; *Korea Herald*, March 9). While mainstream Chinese-media and analysts took pain to emphasize the economic rationale behind the proposed agreement, China's long-term access to the Rajin Port—which offers China its long coveted access to the Sea of Japan—underscores an ongoing trend that indicates Pyongyang's growing dependence on Beijing and in turn Beijing's long-term commitment to Pyongyang. The proposed agreement—which was delivered on the heels of an announcement that North Korea was leasing another pier at the port to Russia for 50 years—will bolster Chinese presence in the region as well as increase commercial traffic in the relatively quiescent Sea of Japan. These developments, among others, have stirred regional concerns particularly from South Korea and Japan over the strategic implications of growing Chinese activities in the region (Xinhua News Agency, March 10; *Beijing Youth Daily*, March 10; *Chongqing Business News*, March 12).

Although North Korea shares a border with China along most of the former's northern boundary (demarcated by the Yalu and Tumen rivers), the last 17 kilometers

of the Tumen river marks the boundary between North Korea and Russia (not China), which has deprived the Chinese of a navigable outlet to the Sea of Japan for the last century. China's lack of access to the Sea of Japan has also created a bottleneck for the economic development of its landlocked Northeastern provinces (i.e. Jilin and Heilongjiang provinces), which does not have immediate access to a nearby seaport for transporting and exporting its goods (i.e. coal, timber, etc.). Moreover, China's lack of access to the Sea of Japan has consequently limited its maritime operations in the region.

According to the official-North Korean Central News Agency (KCNA):

“The [Rajin] port can accommodate eight 10,000-ton vessels and five 5,000-ton vessels at one time. The total plottage [*sic*] of the port is 380,000 square meters, the freight transit capacity is 4 million tons and the freight storage capacity is 100,000 tons ... In the future, four wharfs will be built in the southwest direction. They will deal with 200,000-ton vessels and above 20,000-ton vessels, 36 at the same time. The traffic capacity will reach 50 million tons in the 2010s and 100 million tons later” (KCNA [North Korea], March 12).

The year-round ice-free port reportedly has five piers, 10 berths, a cargo-storing area that is 203,000 square meters, storage area that is 26,000 square meters and a warehouse area that is 177,000 square meters. Furthermore, the port is only 52 kilometers away from public roads along the Chinese border (Daily NK, March 24, 2006; NK Brief, No.10-03-11-1; Blog.huanqiu.com).

In the past year, the Chinese have invested millions of yuan (renminbi) for infrastructure renovations of Pier No. 1. According to a statement posted on the Yanbian local government's website in February, the Chuangli Group, based in Dalian, Liaoning Province, invested 26 million yuan (\$3.8 million) in 2009 to renovate parts of Pier No. 1 and constructed a 40,000-square meter warehouse at Rajin Port (*Global Times*, March 10). These developments have taken place largely beneath the radar screen of most Western analysts. Although details of the new agreement are unavailable, according to one account of the new lease agreement, “China can choose what facilities it wishes to utilize and where to build them as it sees fit” (2point6billion.com, March 9).

As official Chinese-media heap praises the economic benefits of the proposed agreement, some commentaries that appear on the Chinese web have a different interpretation of the proposed agreement, which looks at it through a

strategic lens. They argue that the port access agreement was a breakthrough for Chinese strategy to completely bypass the “first island chain,” which includes the Yellow Sea, the East China Sea and the South China Sea, which Chinese analysts see as a U.S. containment strategy of China (*Chongqing Business News*, March 12).

According to a *Global Times* report that cited an anonymous source, China has long been “pinned down” by the United States in the Sea of Japan through the latter's alliances with South Korea and Japan. In the face of China's rise, the source asserted that the United States has responded by strengthening its alliances with Japan and South Korea to further contain China's peaceful development, and so China's presence in the Rajin Port will allow it to challenge U.S. strategic interests in this region (Xinhua News Agency, March 10).

South Korea's foreign ministry said it is “closely watching” the agreement. “The North Korea-China agreement will have a big impact on geopolitics in the region,” the South's Yonhap news agency said. Mikyoung Kim, a North Korea expert at the Hiroshima Peace Institute in Japan, said: “China has a very strong navy ... Now, with China's direct access to the Sea of Japan, Japan feels pinched in the region” (*The National*, March 13).

A plausible future scenario given the large capacity of Rajin Port and its strategic location in the Sea of Japan is that this facility could provide China with an access point to the Arctic via the La Perouse Strait. While China does not have a direct claim to the Arctic, Chinese leaders are beginning to assert their interests in the Northern region. At the Third Session of the Eleventh Chinese People's Political Consultative Conference (CPPCC), Former President of the Chinese Naval Strategy Institute Rear Admiral Yin Zhuo advised Chinese leaders not to fall behind on Arctic Ocean exploration. According to Rear Admiral Yin's argument, “The United Nations Convention on the Law of the Sea (UNCLOS), the North Pole and surrounding area are the common wealth of the world's people and do not belong to any country.” Yin even criticized some countries of infringing upon other nations' interests by contesting for sovereignty over the region, which reportedly has 9 percent of the world's coal and a quarter of the global untapped oil and gas, together with abundant diamond, gold, uranium, and other resources. Yin proposed to establish a cross-agency national commission focusing on maritime strategic planning. Further, the Rear Admiral recommended that strategy planning should be segmented based on 5 to 10 year plans, with both short term and long terms goals (China News Service, March 5).

In the final analysis, China's direct access to the Sea of

Japan—at least right now— does not present a challenge to U.S. interests in the region. Yet as the Chinese military continues to modernize and its interests expand, this dynamic will have far-reaching implications for the United States, Japan and South Korea, and the broader region as a whole. Furthermore, as China develops the capabilities that could challenge the predominant power, United States, in all theatres within the first island chain, it may become more willing to do so. Whether current trends will change the balance of power in Northeast Asia remains to be seen, but much depends on China's strategic intent, which can only become clearer in time. Nevertheless, through the inking of the lease agreement, it appears that China (and Russia) is increasing its long-term stakes in preserving the stability of the current North Korean regime.

L.C. Russell Hsiao is the Associate Editor of China Brief at The Jamestown Foundation.

Powerful Interests Stifle Reforms at National People's Congress

By Willy Lam

A major theme of the just-concluded National People's Congress (NPC) is social and distributive justice, or the ways and means to help disadvantaged sectors such as peasants and migrant workers in China get a fairer share of the fruits of the "Chinese economic miracle." Premier Wen Jiabao won plaudits from the 2,987 deputies attending the rubberstamp parliament when he pledged to ensure that the "economic pie" would be divvied up "through a rational system of income distribution." For the first time, the head of the State Council vowed that the administration intends to "let the people live with dignity." Yet, Wen and his senior ministers failed to deliver on two of the country's hottest socio-economic concerns: ending the *hukou* (or residence registration) system; and cooling down the overheated property market. These two shortfalls have exposed the fact that the authorities' rhetoric about justice and equality aside, powerful monopolies and business groups that seem to enjoy cozy ties with the central and regional leaderships are dead-set against changes that would eat into their vested interests.

Expectations that the Chinese Communist Party (CCP) administration would introduce bold policies to end the much-maligned *hukou* system—which has prevented more than 800 million rural Chinese from freely settling in cities—were high. Four days before the NPC opened, 13 provincial papers led by Shandong Province's popular *Economic Observer*, ran a joint editorial saying that the

Maoist-era institution "runs afoul of the spirit of the Constitution" and that the system should be immediately scrapped. "We believe people are born to be free, and people have the right to migrate freely," said the unprecedented appeal. The editorial asked Beijing to stop putting off the reform, because for the exploited sectors, "every minute of postponement is becoming very prolonged" (*Financial Times*, March 1; *Wall Street Journal*, March 10; *Ming Pao* [Hong Kong], March 2). In his *Work Report*, however, Wen merely reiterated the familiar plank that the government would "push forward the reform of the residence registration system, and liberalize conditions [for peasants] to establish residence in medium and small cities as well as towns." The premier also said his government would "in a planned and incremental manner" boost the welfare of the estimated 250 million peasants who have found jobs in the cities, but who are denied permanent residence and access to urban social and educational amenities (Xinhua News Agency, March 5; *People's Daily*, March 6).

Moreover, Beijing's formidable censorship and state-security apparatus effectively put an end to public discussion of the sensitive subject by punishing the editors of the 13 papers. Zhang Hong, deputy editor of the *Economic Observer*, was fired and others were given warnings. NPC deputies, 70 percent of whom are CCP cadres, largely refrained from addressing the *hukou* imbroglio during the nine-day annual plenary session. The reason behind the party leadership's conservative stance is easy to understand. Opposition to the relaxation of the residence permit system comes from cadres of big and medium-sized cities, who have told Beijing that more migrants would wreak havoc on already-overstrained social services. "Many local governments and central agencies worry about reallocation of resources caused by the influx of more 'newcomers' to the cities," said American Sinologist Fei-Ling Wang. "That may not be good for GDP growth, which defines their work-report card." Other diehard supporters of the *hukou* system include corrupt police officers and municipal administrators. They are used to collecting huge bribes and "hush money" from migrant laborers who want to stay in the cities illegally (CNN.com, March 12; AFP, March 10; Reuters, March 11).

So far, the only good news on the *hukou* front consists of relatively vague promises made by cadres in prosperous coastal provinces and cities that qualified migrant workers would gradually be given permanent residence. For example, Huang Huahua, governor of Guangdong, which is one of the most popular destinations for migrant workers, said his province might be able to give PR status to a maximum of 600,000 rural laborers a year. Individual Guangdong cities have started a "point system" to assess who among rural work hands may be granted full-fledged urban *hukou*. In the mean time, however, migrant workers

remain second-class citizens with no prospects for pensions, unemployment insurance and other benefits (*Information Times* [Beijing], March 11; *Financial Times*, March 11).

For urban residents, especially the burgeoning middle class whose support is crucial for the continuation of the CCP's "perennial ruling party" status, the hot-button issue the past two years has undoubtedly been runaway property prices. A recent Chinese Academy of Social Sciences (CASS) survey said 85 percent of families could not afford an apartment. The word "bubble" however, did not appear in Wen's *Work Report*. Nor did the premier introduce tough tactics to combat speculation and other root causes of the scourge. Wen merely indicated that Beijing would "ensure the steady and healthy development of the real-estate market." The State Council has earmarked 64.2 billion yuan (\$9.40 billion), a mere 8.1 billion yuan (\$1.19 billion) more than that of 2009, toward building 3 million "social security" or low-cost units, as well as renovating 2.8 million units of squatter housing (*China Daily*, March 6; *Wen Wei Po* [Hong Kong] March 2).

Wen's ministers in charge of housing and land also failed to map out concrete steps to take on irrational exuberance in this sector. While talking to NPC deputies, Minister of Housing and Urban-Rural Construction Jiang Weixin said rather helplessly that "my prediction is that the upward pressure on housing prices will remain great for the next 20 years because demand will be huge due to rapid urbanization and industrialization and because our land is limited." Jiang's deputy, Vice-Minister Guo Yunchong caused an uproar among legislators when he admitted that his ministry "has very few means to regulate the real-estate market." "There are hardly any measures at our disposal," he added. "Land use is under the control of the Ministry of Land and Natural Resources; taxes are up to the taxation authorities; and loans and mortgages are handled by the banks" (Xinhua News Agency, March 9; *Beijing Youth Daily Net*, March 10).

The Wen administration has also been accused of downplaying the severity of the housing bubble. On the eve of the NPC, the National Bureau of Statistics released a report claiming that property prices had risen by just 1.5 percent through 2009. The "publicized rate of increase is obviously lower than the actual perception of the masses," commented the official *Beijing Morning Post*. The relatively liberal paper added that real-estate prices had risen by more than 30 per cent last year. For many regional administrations, the housing sector is the goose that lays the golden egg. For every 1 million yuan apartment that is sold, the government can collect some 300,000 yuan in taxes and other fees (*New Beijing Post*, February 26; *The Telegraph* [London], February 28). Land-sale profits are even more considerable. Well-known social critic and professor, Hu

Xingdou, estimated that big cities such as Beijing, Shanghai, Hangzhou and Shenzhen had in recent years sold land worth 100 billion yuan (\$14.64 billion) annually. Professor Hu, who teaches at the Beijing Polytechnic University, doubted the effectiveness of pledges made by many cities about building more low-cost flats for the masses. "These announcements were timed to placate NPC deputies," Hu said. Famous Peking University economist Li Yining said apartment prices would not come down as long as regional officials adopt a "myopic" attitude toward increasing their revenues. He said consumer spending—a key pillar for economic growth—could be hard hit because "many families are burdened with heavy mortgage payments for decades and they have no money to spend" (China News Service, March 13; *Ming Pao*, March 27).

Perhaps even more significant is the fact that the Beijing leadership seems unwilling to tinker with the basic formula based on the economic pie that is being apportioned. For the past two decades, the bulk of national wealth has gone to the central government as well as several dozen state-controlled conglomerates. The income of workers accounts for just 11 percent of GDP, down from 17 percent in the 1980s (*Wen Wei Po*, March 4; *Asiasentinel.com*, December 15, 2009). In his *Work Report*, Wen vowed to speed up the structural reform of *yangqi*, or "centrally held enterprises," including curtailing their monopolistic powers. Beijing has also indicated that it will scale down the generous salaries and bonuses enjoyed by the senior management of these government-controlled conglomerates. A number of liberal intellectuals such as CASS sociologist Yu Jianrong and former *People's Daily* Deputy Editor Zhou Ruijin have decried how the rise of "power capitalism" or "aristocratic capitalism"—a reference to the collusion between senior cadres and business groups—could tear asunder the country's fragile social fabric (*Chinadigitaltimes.net*, February 18; *Financial Times* [Beijing], December 12, 2009). Yet this potentially explosive issue remains unaddressed during the Congress.

Equally disturbing is the fact that Beijing is beefing up its control apparatus to "snuff out destabilizing agents in the bud." The NPC approved a 514.01 billion yuan (\$75.26 billion) public security budget for 2010, or 8.9 percent over that of last year. By contrast, financial allocations for the People's Liberation Army (PLA) were set at 532.12 billion yuan (\$77.91 billion), a rise of just 7.5 percent over 2009. Funding for buttressing socio-political stability expanded drastically in 2008 and 2009, which witnessed an outbreak of some 100,000 cases of "mass incidents" annually. To underwrite massive recruitment of police, People's Armed Police (PAP) officers and state-security agents, the Ministry of Public Security (MPS) and other departments incurred an expenditure of 472.07 billion

yuan (\$69.12 billion) last year, which was 16.3 percent over budget. Moreover, the CCP leadership seems to have institutionalized the “people’s warfare” approach to bolstering public security. Taking the cue from how the Beijing municipality put together a 1 million-strong “security network of the masses”—which includes police, vigilantes and neighborhood committee informants—the MPS mobilized 700,000 officers and volunteers to ensure the capital’s law and order during this NPC. Moreover, a similarly large-scale arrangement is being planned for the World Expo, which opens in Shanghai on May 1 (*Ming Pao*, March 6; *Wen Wei Po*, March 3; *Apple Daily* [Hong Kong], March 11).

At his international press conference held at the end of the NPC last Sunday, Premier Wen said Beijing would “push forward economic and political reform so as to realize social equality and justice.” “Every citizen should be able to enjoy freedom as well as opportunities for full development,” he added. It is certainly a good sign that after being preoccupied for almost three decades with GDP expansion and the augmentation of the country’s comprehensive strength, the CCP leadership has finally turned its attention to social equality and distributive justice. That the Wen cabinet has shied away from tackling deep-seated factors behind China’s socio-economic malaise, however, could not only exacerbate frustrations among disadvantaged classes but also jeopardize the CCP’s much-prized “long reign and perennial stability.”

Willy Wo-Lap Lam, Ph.D., is a Senior Fellow at The Jamestown Foundation. He has worked in senior editorial positions in international media including *Asiaweek* newsmagazine, *South China Morning Post*, and the *Asia-Pacific Headquarters of CNN*. He is the author of five books on China, including the recently published “*Chinese Politics in the Hu Jintao Era: New Leaders, New Challenges*.” Lam is an Adjunct Professor of China studies at Akita International University, Japan, and at the Chinese University of Hong Kong.

Chinese Strategic Thinking: People’s War in the 21st Century

By Dennis J. Blasko

People’s war is not a static or dead theory. As the People’s Liberation Army (PLA) modernizes through the processes of mechanization and informationization, “China is striving to make innovations in the content and forms of people’s war” (2008 China’s Defense White Paper). Contrary to the perception that people’s war

relies “on ‘rifles and millet’ and overwhelming numbers (e.g. human wave attacks) with an emphasis on guerrilla warfare and protracted conflict,” according to *The Science of Military Strategy* people’s war “is a form of organization of war, and its role has nothing to do with the level of military technology” [1]. In part to compensate for its technological shortfalls, mobilization of the Chinese population is key to supporting the country’s war effort “by political, economic, technical, cultural and moral means” (*The Science of Military Strategy*, p. 455).

The recently concluded annual meeting for the Standing Committee of the National People’s Congress (NPC)—China’s legislature—signed the National Defense Mobilization Law, which provides a legal basis for integration of civilian resources into military operations when “the sovereignty, unity, territorial integrity or security of the nation are threatened.” The law “sets out principles and organizational mechanisms for national defense mobilization, personnel and strategic material storage” and will go into effect July 1 (Xinhua News Agency, February 26). Its text is widely available, in Chinese, on the internet (ChinaNews.com, February 26).

The passage of the mobilization law underscores the continued relevance of people’s war in Chinese strategic thinking. In order to understand how the Chinese armed forces will fight Local Wars under Informationized Conditions, people’s war in its modern permutation must be considered.

PEOPLE’S WAR

From 1998 on, every White Paper on China’s National Defense has declared that the PLA adheres to the “strategic concept” of people’s war as part of China’s “military strategy” of active defense [2]. Even after an updated war fighting doctrine was issued in 1999, people’s war has remained a basic tenet of Chinese military thought. The concept is prominent in authoritative works like *The Science of Campaigns* and *The Science of Military Strategy* where people’s war is described as “a fundamental strategy ... still a way to win modern war” (*The Science of Military Strategy*, p. 117).

At its essence, people’s war is a strategy to maximize China’s strengths (its size and people) to defend the mainland from attack by either foreign or domestic enemies. For many decades, China’s military strategy concentrated on continental defense. By the mid-1980s, the PLA began to push its defensive envelope farther out and adopted an “offshore defense strategy.” Though no specific distances were defined in official documents, “offshore defense” often overlapped with discussions of protecting China’s

EEZ out to 200 nautical miles (Office of Naval Intelligence, “China’s Navy 2007,” p. 26). In a noteworthy revelation, the 2006 White Paper stated: “The Navy is ... exploring the strategy and tactics of maritime people’s war under modern conditions.”

Just weeks after a series of incidents at sea between Chinese military and civilian vessels and the USNS Impeccable and Victorious in the spring of 2009, which arguably is an example of “maritime people’s war,” the official-Xinhua News Agency reported, “China will not build an offensive navy cruising the globe, but concentrate on its offshore area. Even if in [the] future the navy is modernized, the defensive nature of the naval strategy will not change.” Geographic limits were set by traditional claims of Chinese sovereignty:

“In order to defend China’s territory and sovereignty, and secure its maritime rights and interests, the navy decided to set its defense range as the Yellow Sea, the East China Sea, and the South China Sea. This range covered the maritime territory that should be governed by China, according to the UN Convention on the Law of the Sea, as well as the islands in the South China Sea, which have been its territory since ancient times” (Xinhua News Agency, April 23, 2009).

STRATEGICALLY DEFENSIVE, BUT THE OFFENSE IS DECISIVE

Though people’s war starts from a strategically defensive posture, like Clausewitz and American and Russian/Soviet strategists, Chinese military planners understand the decisive nature of the offense. Chinese doctrine seeks to gain the initiative and take the offensive after the enemy strikes the first blow; however, it also allows for preemptive action at the tactical and operational levels: “if any country or organization violates the other country’s sovereignty and territorial integrity, the other side will have the right to ‘fire the first shot’ on the plane of tactics” (*The Science of Military Strategy*, p. 426). After conflict has been initiated, Chinese forces will seek to shift to the offensive whenever possible.

The Science of Military Strategy outlines 10 principles of people’s war, describing a framework that seeks to integrate all types of forces (military, paramilitary, and civilian) in flexible, aggressive operations appropriate to the situation. While the PLA strives for early victory, it also acknowledges “a large-scale war cannot be won by a single decisive battle” and urges caution before initiating conflict (*The Science of Military Strategy*, p. 294). In combat, “five combinations” of regular and irregular forces will mix:

1. Regular troops with the masses

2. Regular warfare with guerrilla warfare on the sea
3. “Trump weapons” with flexible strategy and tactics
4. High-tech weapons with common weapons
5. Military warfare with political and economic warfare (*The Science of Military Strategy*, pp. 456-57)

Fighting methods emphasize close quarters engagement, night fighting, and surprise attacks [3]. The reference to “guerrilla warfare on the sea” foreshadowed the tactics demonstrated in the spring of 2009, but as can be seen from all “five combinations,” people’s war is not *just* guerrilla war.

Today, people’s war principles are seen in many training events practiced by the Chinese armed forces and civilian populace, especially in anti-terrorist, nuclear and chemical defense, and air raid drills. People’s war is also revealed in the extensive “socialization” or “outsourcing” of many logistics functions to the civilian sector (See “Chinese Military Logistics: The GLD System,” *China Brief*, September 29, 2004). Civilian support is especially necessary for air and sea transport of personnel and equipment over long distances.

PEOPLE’S WAR AND FORCE STRUCTURE

Most recent foreign analysis of PLA modernization focuses on important improvements in main force units equipped with advanced missiles and electronics, ships and submarines, and modern aircraft and force projection capabilities. Little has been written about the 200,000 or more total personnel assigned to PLA ground force coastal and border defense units [4]. The PLA Navy (PLAN) commands six shore-to-ship missile and anti-aircraft artillery (AAA) regiments and independent battalions in its coastal defense force (Office of Naval Intelligence, “China’s Navy 2007,” p.52). The Navy also maintains some 253 patrol and coastal combatants (including over 80 surface-to-surface missile boats) in five division-level units [5]. The PLA Air Force (PLAAF) has three surface-to-air missile (SAM) divisions, one mixed (SAM and AAA) air defense division, and nine SAM and two AAA brigades [6]. Of its total of over 1,600 combat capable aircraft, over 800 are J-7- and J-8-series fighters dedicated to local air defense [7]. A full one-third of the PLA reserve force’s roughly 40 divisions and 25 brigades is dedicated to local air defense [8]. Approximately another 100,000 People’s Armed Police (PAP) troops are assigned land and sea frontier defense missions throughout China [9].

Since 1998, PLA reserve units and the militia have been reorganized and modernized in parallel to the active duty

PLA. Much of their work focuses on providing rear area security, especially air defense, for PLA active duty units as well as the civilian population; logistics support; and repair of infrastructure damaged from long-range strikes on China. Some militia units likely will be included in China's prosecution of information war (IW).

The aforementioned forces make up a significant portion of the Chinese armed forces. Yet they will be integrated into PLA war plans for mainland and coastal defense, and the majority of them do not add to the PLA's power projection capabilities, except as they protect the rear areas of main force deployments and, for a small fraction, in the conduct of information operations.

PEOPLE'S WAR AND INFORMATION WAR

Chinese strategists see information operations as a particularly useful vehicle to employ their traditional war fighting methods of stratagem, surprise and deception. A common conceit is that "The idea of winning victory by stratagem has always been the main idea of traditional Chinese strategic thinking U.S. strategic thinking has not shaken off its traditional model of attaching importance to strength and technology" [10].

Shen Weiguang, sometimes referred to as the "Chinese father" of information warfare, calls IW "a people's war in the true sense of the term" [11]. Major General Dai Qingmin, a former director of the General Staff Department's Fourth Department (for electronic warfare), notes attaining information superiority is crucial to the use of stratagem and deception in people's war [12].

While some elements of information operations are considered "trump card" weapons (as are many other weapons and tactics), *The Science of Campaigns* recognizes "information warfare is a means, not a goal" [13]. Thus, the PLA aims to integrate information operations with firepower, maneuver and special operations as it conducts campaigns.

Active duty PLA forces have a variety of electronic warfare and intelligence units that are capable of both offensive and defensive information operations, including cyber operations. In recent years, training in complex electromagnetic environments has been a key task for all PLA units. Exercises frequently begin with enemy electronic jamming and cyber attacks on friendly units. Over the past decade, militia information warfare units, including both offensive and defensive electronic and cyber capabilities, have been created [14].

Yet, due to the difficulty in controlling non-military hackers and the potential for their actions to interfere

with China's strategy and political signaling, it is unlikely that the Chinese government would employ an army of civilians in a "people's cyberwar." As a recent U.S. study concludes, "Western media reports that claim that the PRC government has recruited an 'internet army' from among the millions of Chinese hackers, are spurious at best" [15]. PLA and militia information warfare units, on the other hand, can expect to be very busy in future campaigns.

CONCLUSIONS

The principles of people's war remain an important foundation of China's military thinking about both peace and war. People's war is also an important element of China's multi-layered, integrated deterrence posture. As described in *The Science of Military Strategy*:

"China currently has a limited but effective nuclear deterrence and a relatively powerful capability of conventional deterrence and a massive capacity of deterrence of people's war. By combining these means of deterrence, an integrated strategic deterrence is formed, with comprehensive national power as the basis, conventional force as the mainstay, nuclear force as the backup power and reserve force as the support" (*The Science of Military Strategy*, p. 222).

As an element of deterrence, people's war is also a means for Beijing to "subdue the enemy without fighting" and attain strategic objectives: "Warfighting is generally used only when deterrence fails and there is no alternative Strategic deterrence is also a means for attaining the political objective" (*The Science of Military Strategy*, p. 224). Yet, as demonstrated off the Chinese coast in 2009, people's war tactics may not always lead to success.

One hypothesis that could be drawn from those maritime incidents is that for people's war to be successful, it must be conducted on a large scale for it to adequately incorporate the advantages of China's size. A multitude of military and civilian forces allows China to "flood the zone" with activity, confusing and complicating opponents' intelligence collection and targeting capacity. Massive deployments may also divert attention from the main effort, perhaps permitting certain movements to occur undetected. Could the harassment of the USNS Impeccable and USNS Victorious been conceived to mask other activity happening at the same time? Indeed, these events took place as the People's Liberation Army (PLA) Navy's South Sea Fleet was conducting exercises involving destroyers, submarines, and helicopters in the South China Sea (exact location not specified) (Jiefangjun Bao Online, March 9, 2009).

By its nature, people's war has a greater chance for success on or near the Chinese mainland. It becomes much less effective the further PLA forces operate from mainland. A few new weapons hold promise to extend the PLA's operating and striking range, but the longest reach currently available to the Chinese armed forces is its information and cyber war potential. These newest capabilities still need to be exercised and tested in peacetime to work out kinks as well as determine how they would be best integrated with other forces and combat methods.

The emphasis of people's war on some types of mobilization, such as economic and technological mobilization may not be as viable as political mobilization except in extended war scenarios. An undue reliance on the "latent capacities" of the Chinese industry likely overestimates the ability of civilian support to provide the specialized equipment necessary for modern military operations in anything but a very long war. Political mobilization and internal and external propaganda efforts to prove the "just" and defensive nature of any military activity, the Chinese armed forces are certain to be conducted.

Skeptics of the continuing relevance of people's war to PLA doctrine may argue it is a pathetic example of political correctness run amok—simply making a virtue out of necessity. They may be correct to a degree. Yet such commentary misses the fundamental precept that the Chinese armed forces pledge their absolute loyalty to the Chinese Communist Party. The political system within the forces is tasked to ensure that its allegiance to the Party is secure. As long as "the Party controls the gun," people's war will remain the basis of Chinese strategic thinking.

Lieutenant Colonel (ret.) Dennis J. Blasko, U.S. Army (Retired), is a former U.S. army attaché to Beijing and Hong Kong and author of The Chinese Army Today (Routledge, 2006).

NOTES

1. *The Science of Military Strategy*, eds. Peng Guangqian and Yao Youzhi, Beijing, Military Science Publishing House, 2001 (Chinese edition), 2005 (English edition), page 454. All quotes from *The Science of Military Strategy* are from the English edition; Dean Cheng, "Meeting Taiwan's Self-Defense Needs," Heritage Backgrounder, February 26, 2010.
2. Links to all Defense White Papers are found at <http://eng.mod.gov.cn/Database/WhitePapers/index.htm>.
3. *The Science of Campaigns*, cited in Dennis J. Blasko, *The Chinese Army Today: Tradition and Transformation for the 21st Century*, Routledge, 2006, p. 101. *The Science*

of Military Strategy, p. 433 also emphasizes defeating the enemy at close range. With advances in night vision technologies, the PLA may have lost much of its night fighting advantage demonstrated in the Korean War. PLA training and equipment acquisition seeks to restore the force's capabilities at night.

4. Dennis J. Blasko, "PLA Ground Force Modernization and Mission Diversification: Underway in All Military Regions," in *Right Sizing The People's Liberation Army: Exploring The Contours Of China's Military*, eds. Roy Kamphausen and Andrew Scobell, Strategic Studies Institute, U.S. Army War College, September 2007, p. 309-10.

5. International Institute for Strategic Studies, *The Military Balance 2010*, London, February 2010, p. 401; *Directory of PRC Military Personalities*, October 2009, pp. 41-55.

6. *Directory of PRC Military Personalities*, October 2009, pp. 61-75.

7. *The Military Balance 2010*, p. 404.

8. "PLA Ground Force Modernization and Mission Diversification: Underway in All Military Regions," pp. 313-4.

9. "Introduction to Gong'an Frontier Defense Units," Ministry of Public Security website, July 18, 2006, at <http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoid=ABC00000000000033760>. The rest of the People's Armed Police force concentrates on domestic internal security, law enforcement, and safety during peacetime, and could be used to augment local PLA self-defense forces during war.

10. *The Science of Military Strategy*, p. 135-6. This passage, written in Chinese in 2001, underestimates or overlooks many important examples of stratagem and deception executed by the Allies during World War II, especially prior to the Normandy invasion. Moreover, at the time of writing, the Chinese authors could not foresee the successful deception operations performed by American and coalition forces in future combat in Iraq. An inspiring example of Special Operations Forces working with an armored company to create the impression of a much larger force entering western Iraq in March 2003 is described in Michael R. Gordon and Bernard Trainor, *Cobra II*, Pantheon Books, 2006, pp. 331-37 and in Pete Blaber, *The Mission, the Men, and Me*, Penguin, 2008.

11. Timothy L. Thomas, *Decoding the Virtual Dragon*, Foreign Military Studies Office, Ft. Leavenworth, KS, 2007, pp. 78 and 158.

12. *Ibid.*, pp. 111-2.

13. *The Science of Campaigns*, cited in *The Chinese Army Today*, p. 106-7.

14. Bryan Krekel, George Bakos, and Christopher Barnett, "Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation," Northrop Grumman Corporation, October

9, 2009, pp. 33-7.

15. Ibid. p. 50. See also James Mulvenon, “PLA Computer network Operations: Scenarios, Doctrine, Organizations, and Capability,” in *Beyond the Strait: PLA Missions Other Than Taiwan*, eds. Roy Kamphausen, David Lai, and Andrew Scobell, Strategic Studies Institute, U.S. Army War College, April 2009, p. 256.

Taiwan’s Navy: Still in Command of the Sea?

By James R. Holmes and Toshi Yoshihara

The Republic of China Navy (ROCN), or Taiwan Navy, has an ambitious vision for its future strategy. According to the “ROC Navy Vision,” which is available on the Navy’s website, “Based on the guidance of ‘Command and control automation, Three-dimensional mobile strike capabilities and Missile-oriented weapon system,’ and through measures such as enhancing intelligence reconnaissance and surveillance, extending strike zone depth, expanding combat radius, accelerating response and contingency protection, the Navy aims to construct an effective deterring and three-dimensional mobile strike force that is elite, highly efficient, rapidly deployable, and capable of performing long range strikes” [1]. In other words, this “ROC Navy Vision” statement means that the Taiwanese navy intends to field surface, subsurface and aerial forces that share a common operating picture of the waters and skies around the island, fight together cohesively, and can strike at targets far distant, at sea or ashore, with ship-launched missiles. Can the ROCN follow through on such an ambitious vision? Naval operations fall into several categories, including sea control, sea denial, power projection ashore, attacks on or defense of the sea lines of communication (SLOCs), and naval diplomacy. Of these, the first—sea control—is most relevant to a cross-Strait contingency, the driving factor in Taipei’s defense strategy. For the sake of economy, the authors set aside the other functions and assess the ROCN’s capacity for sea control.

SEA CONTROL

The Taiwan Navy advertises its chief missions as breaking blockades and providing for SLOC security (GlobalSecurity.org). Winning control of the seas and skies adjoining the island is a prerequisite for both of these missions. Indeed, this is the stiffest challenge the ROCN faces. Writes Milan Vego, sea control connotes the ability to operate “with a high degree of freedom in a sea or ocean area ... for a limited period of time” [2]. For Taiwan, this means the liberty to operate in the waters around the island in the face of a

People’s Liberation Army Navy (PLAN), whose margin of superiority is steadily widening, giving the mainland an advantage not only in numbers but in the quality of ships, aircraft, and armaments. Unless the ROCN is equipped to contend for temporary dominance of vital sea and air expanses, it will be unable to take to the seas to fend off a Chinese invasion force or protect shipping bound to or from Taiwanese seaports.

The outlook for ROCN sea control is worsening by the day. For one thing, in the event of an imminent conflict, Taipei must contend with the likelihood of a preemptive attack from China’s growing force of short-range ballistic missiles, which can strike at targets like ports and airfields [3]. With the ROCN fleet concentrated in a few ports like Tsoying, Suao and Keelung, this constitutes a critical vulnerability in the island’s defenses (GlobalSecurity.org). In a much-discussed 2008 article, William Murray of U.S. Naval War College opines that China “has shifted its anti-Taiwan military strategy away from coercion by punishment toward denying Taiwan the use of its air force and navy.” Neither the ROCN nor the Republic of China Air Force (ROCAF), says Murray, “is likely to survive such an attack” [4].

For another, Taiwanese air superiority is in bad shape, and sea-control operations can hardly proceed without it. Until recent years, the standard wisdom held that the ROCAF would gain air superiority if not air supremacy—in other words undisputed control—of the skies over the Taiwan Strait in the opening hours of a China-Taiwan war. Such assumptions now appear fanciful. U.S. administrations have denied repeated requests from Taipei to purchase 66 F-16 C/D Fighting Falcon fighter aircraft to replenish a force made up of earlier variants of the F-16, elderly fighters like the F-5 Tiger, and maintenance-intensive aircraft like the French-built Mirage 2000 (GlobalSecurity.org) (Technically speaking, Washington has not rejected Taipei’s entreaty but has taken it “under consideration,” meaning that it remains in indefinite bureaucratic limbo). The U.S. Defense Intelligence Agency (DIA) recently sounded the alarm about the readiness of Taiwanese warplanes. While the air force possesses some 400 fighters, reports DIA, “far fewer of these are operationally capable”, owing to age and maintenance problems [5]. Taiwan’s fleet of tactical aircraft is stagnating, then, even as the People’s Liberation Army Air Force upgrades and modernizes its own combat planes.

Nor is the Taiwanese fleet configured particularly well for sea control. The ROCN submarine “fleet” barely merits the name. Two Dutch-built *Zwaardvis*-class diesel-electric boats, along with two World War II-era *Guppy*-class boats no longer suitable for combat comprise the navy’s undersea

force [6]. Factoring in the cycle of maintenance and crew training, only one *Zwaardvis* boat will normally be ready for sea at any given time. The most modern surface combatants in the Taiwan Navy inventory are six French-built *Lafayette*-class frigates, known in Taiwan as the *Kang Ding* class. The *Kang Ding* can carry eight vertically launched Hsiung Feng II surface-to-surface missiles and four vertically launched short-range Sea Chaparral surface-to-air missiles. Advertised as comparable to the U.S. Harpoon anti-ship missile, the Hsiung Feng II has a maximum range of 160 km, or just over 99 miles. The Sea Chaparral has a range of 9 km, or under 6 miles—too small a buffer to allow much response time against evasive supersonic missiles. The *Kang Ding* is equipped with hull-mounted and towed-array sonar, with torpedoes for anti-submarine warfare (ASW) [7]. From a technological standpoint, the stealthy *Kang Dings* are impressive vessels, but they carry too few rounds to slug it out for long against numerically superior PLAN surface and undersea units operating from bases scattered along the mainland coast.

Most of the ROCN's anti-air warfare (AAW) capability resides in four *Kidd*-class guided-missile destroyers (DDGs), renamed the *Keelung* class upon being transferred to the ROCN. Built for the shah of Iran, the *Kidd* class represented the state-of-the-art in U.S. Navy AAW in the early 1980s, just before the advent of the *Ticonderoga*-class Aegis cruisers. The *Keelung* carries medium-range Standard Missiles for AAW and 8 Harpoon anti-ship missiles for battling enemy surface fleets. (With no towed-array sonar to listen passively for undersea contacts—the best way to find enemy submarines without broadcasting one's own position—the *Keelung*'s ASW capability rates as so-so at best). These DDGs remain potent as AAW platforms, but at nearly 30 years old, their “New Threat Upgrade” combat-systems suite is falling behind the new technologies being developed and fielded across the Strait. The rest of the ROCN surface fleet is comprised of modest vessels like guided missile frigates (FFGs) modeled on the U.S. *Perry*-class frigates. Designed for low-intensity threat environments, FFGs are outfitted with limited defensive and offensive weaponry. Finally, the ROCN's *Knox*-class frigates are capable yet aging ASW vessels dating from the early 1970s (GlobalSecurity.org).

None of these warships is optimal for fleet operations on a difficult maritime terrain like the Taiwan Strait, where reaction time against air or missile strikes is compressed and submarines can lurk undetected in shallow water before conducting torpedo or anti-ship missile attacks. With Taiwanese air power on the decline and the navy's ASW capacity in doubt—U.S. submariners insist the best ASW platform is another submarine—the ROCN's prospects for wresting sea control from the PLAN in wartime appear

slight. With few new acquisitions or upgrades in the works, the ROCN stands little chance of significantly enhancing the survivability, combat punch or combat reach of its sea-control fleet—that is to say, of fulfilling the goals set forth in the ROCN Vision.

DISPARAGING VIEWS IN CHINA

Chinese observers by and large agree that, for a variety of reasons, the Taiwan Navy is not up to par regarding the sea-control functions outlined in the ROCN Vision. Contempt pervades Chinese analyses of the ROCN. Writing in *Modern Navy*, Yang Peng notes that Taiwan's surface fleet is acutely vulnerable to guided missile-strikes. The fleet's AAW pickets are particularly susceptible to saturation missile attacks (*baohu daodan gongji*) and rely excessively on the protective umbrella hoisted by tactical air power [8]. Yang forecasts that Taiwanese ships will hesitate to venture beyond the range of land-based air cover. This reticence severely constricts the Taiwanese Navy's tactical radius. Wu Letian not only questions the Taiwan Navy's ability to prosecute anti-submarine and minesweeping operations, but also deprecates its capacity to fight at sea for very long [9].

More specifically, Chinese analysts voice dismissive attitudes toward Taiwan's main surface combatants. For instance, they appear not to take the *Kidd*-class destroyers, the island's capital ships, very seriously. Sea-power theorist Alfred Thayer Mahan famously defined capital ships as “the backbone and real power of any navy,” meaning “the vessels which, by due proportion of defensive and offensive powers, are capable of taking and giving hard knocks” [10]. By this standard, the ROCN falls woefully short—as Chinese thinkers rightly observe.

Tian Ying, for example, doubts that the *Kidds* would survive in the complex threat environment of the Taiwan Strait. Dated hardware is one shortcoming. Tian predicts that DDGs would find themselves hard-pressed to cope with multidirectional, saturation missile attacks launched from Chinese fighter aircraft, surface ships and submarines. Notably, the author expresses confidence that sea-skimming missiles fired from fighters flying at very low altitude would remain undetected until it was too late for the *Kidds* to take effective defensive measures [11]. More mundane reasons also help explain this low regard. The ROCN is chronically short on spare parts for the *Kidds*' combat systems. The U.S. Navy no longer stocks spares for New Threat Upgrade ships, all of which it retired long ago, and cannibalizing decommissioned vessels only goes so far. Indeed, logistical shortfalls prompted one commentator to prophesy that DDGs may amount to “a pile of scrap metal” in serious fleet combat [12].

Hai Dun questions whether the Taiwan Navy can maximize the ASW suite on board the *Knox*-class frigates. Hai reminds readers that the *Knox* was designed to search for Soviet nuclear submarines in the open ocean. The ship's blue-water ASW suite is a wasted asset for the relatively shallow waters of the Taiwan Strait [13]. This explains the ROCN's seemingly mysterious decision to base the *Knox* at Suao Naval Base, along the island's eastern seaboard, facing the deep waters of the Pacific. Since Taiwan's major ports and urban centers dot the western coast, and since the main threat axis emanates from China to the west, the *Knox* is poised to protect the least vulnerable, least critical Taiwanese frontier. The *Knox* is a platform in search of a mission, and may remain so until the PLAN undersea fleet develops the capacity to patrol off Taiwan's east coast, creating demand for the ROCN to perform deep-water ASW.

Nor, to Chinese eyes, will reorganizing the ROCN fleet for forward defense fully offset these tactical and hardware shortcomings. Yue Kaifeng and Tian Shuangxi argue that Taipei's decision to create mobile flotillas centered on the *Kidd*- and *Lafayette*-class vessels entails major strategic risk for Taiwan. In theory, surface action groups (SAGs) would expand the strategic depth around the island. However, these Chinese analysts estimate that the ROCN cannot afford both a sea-control fleet organized into SAGs and forces designed for close-in defense. Siphoning off resources from coastal defense to sea-control missions thus imperils the ROCN's readiness to fight off an amphibious invasion force close in along Taiwanese shorelines [14]. Perversely, Taipei might forego its last line of defense for the sake of forward defenses that stand little chance of surviving a Chinese onslaught. This would denude Taiwan of its most effective defense against amphibious assault.

Taipei's vision of offensive sea control, then, appears less and less tenable, and Beijing knows it. Chinese naval thinkers have shrewdly and accurately taken the Taiwan Navy's measure. Whether the ROCN will candidly evaluate its own shortcomings—and adapt its strategy, doctrine and forces to compensate—remains to be seen.

James Holmes and Toshi Yoshihara are associate professors of strategy at the US Naval War College. The views voiced here are theirs alone.

NOTES

1. "ROC Navy Vision," Republic of China Navy Website, <http://navy.mnd.gov.tw/english/Publish.aspx?cnid=834&Level=1>.
2. Milan N. Vego, *Naval Strategy and Operations in Narrow Seas*, 2d ed., rev. (London: Frank Cass, 2003), p.

111.

3. U.S. Department of Defense, *Annual Report to Congress: Military Power of the People's Republic of China, 2009*, Department of Defense Website, pp. 41-42, http://www.defense.gov/pubs/pdfs/China_Military_Power_Report_2009.pdf.
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9. Wu Letian, "Overview of Taiwan Navy," *Modern Navy* 1 (2004): p. 49.
10. Alfred Thayer Mahan, *The Interest of America in Sea Power, Present and Future* (1897; reprint, Freeport: Books for Libraries Press, 1970), p. 198.
11. Tian Ying, "Objectively Assessing the Kidd-class," *Shipborne Weapons* 7 (2004): p. 78.
12. Yu Fu, "Taiwan Navy's Kidd Ships May Become a Pile of Scrap Metal," *Modern Navy* 1 (2009).
13. Hai Dun, "Knox Class and Taiwan's Anti-Submarine Capabilities," *Shipborne Weapons* 12 (2004): p. 80.
14. Yue Kaifeng and Tian Shuangxi, "The Mingling of Old and New Equipment in Taiwan's Navy," *Xiandai Bingqi* 3 (2004): p. 5.

Hobson's Choice: China's Second Worst Option on Iran

By Yitzhak Shichor

In late February, a high-level Israeli delegation visited China in an attempt to convince Beijing to go along with sanctions against Iran. Headed by Lieutenant General (ret.) Moshe Ya'alon, vice prime minister and minister for strategic affairs and former chief of general staff of Israel's armed forces; Professor Stanley Fischer, governor of the Bank of Israel; and Ms. Ruth Kahanoff, deputy director general for Asian and the Pacific of Israel's Ministry of Foreign Affairs, the delegation reportedly provided the Chinese with the most detailed intelligence information in over three years on the *military* aspects of Iran's

nuclear program. It also offered solutions to China's so-called "dependence" on Iran's oil, to be discussed below (*Ha'aretz*, March 1).

Although the Chinese appreciated the Israeli "pilgrimage," the visit has apparently failed—not because the delegation botched convincing Beijing but because Beijing had probably made up its mind about Iran long before. China did not need the Israeli delegation to *expose* Iran's military nuclear program. Except for Russia, China has a long-standing presence in Iran—more than all other permanent members of the UN Security Council—and therefore must be well aware of Iran's plans. Still, the Chinese officially insist on a diplomatic settlement of the conflict, leaving the harsh words to its pseudo-governmental think tank academics who occasionally twist the truth. For example, Chinese Academy of Social Sciences (CASS) Professor Ye Hailin, who said, "Actually, China has never imposed sanctions on any country in history," was perhaps right in the narrow sense of terminology (*China Daily*, February 23). Yet, Beijing's absence or abstention in a number of UN Security Council votes has facilitated the imposition of sanctions on other countries, Iran included. For example, on July 31, 2006, the PRC voted for UN Security Council Resolution 1696, calling on Tehran to suspend "all [nuclear] enrichment-related and reprocessing activities, including research and development" by August 31, 2006—"or face the possibility of economic and diplomatic sanctions."

Washington's recent announcement of its intention to sell arms to Taiwan has led the international media to conclude that the chances of Beijing joining a sanction regime against Iran have now diminished substantially. This virtual link between Taiwan and Iran is not new. Unable to respond directly to U.S. military and other gestures toward Taiwan, the Chinese have often made use of Iran as a proxy not only to indicate their dissatisfaction and irritation but also to retaliate against Washington by making their own military and other gestures to Iran. *Apparently*, the announcement of the long awaited Taiwan arms deal aborted U.S. Secretary of State Hilary Clinton's attempts to enlist China's implicit, if not explicit, acceptance of sanctions against Iran. This conclusion, that the Chinese are determined to block sanctions against Iran, should, however, be recalibrated.

As the showdown on Iran's sanctions approaches, Beijing is gradually moving into the focus of international attention as, allegedly, the main obstacle on the way of stopping Iran's race toward nuclear weapons. Some attribute it to an initial change in the Chinese behavior in the direction of greater global activism, including a more assertive policy on defending Iran and blocking the proposed sanctions, reflecting China's emergence as a great and arrogant power.

Given the growing Sino-U.S. friction—related not only to Taiwan but also to the increased intimidation of American companies in China, the Google imbroglio, the recent Dalai Lama's meeting with President Obama and China's reported cyber intrusions—greater Chinese intransigence, also on Iran's nuclear issues, is almost expected, yet not automatically.

Over the years, the media has reiterated that China would block sanctions against Iran because, among other things, Iran is one of China's major oil suppliers. Actually, over the last year Chinese oil imports from Iran have steadily declined (perhaps in anticipation of sanctions) and, not less important, Saudi Arabia had already promised Beijing to supply whatever amounts of oil it needs in case Iranian oil would stop flowing (See "The Strategic Considerations of the Sino-Saudi Oil Deal," *China Brief*, February 15, 2006). Saudi Arabia is now China's leading oil supplier. Iran's share in China's oil import, that nearly peaked at 16.3-16.4 percent in January-February 2009, consistently shrank to 11.8 in March, 10.6 in August, 8.5 in October, 6.9 in December, falling to 6.3 percent in January 2010. On the other hand, Saudi Arabia's share, that at times was lower than Iran's, has begun to pick up reaching over 27 percent (in September 2008 and February 2009), 24 (in July 2009), and over 23 percent (in November-December 2009)—more than three times over Iran. In 2009, China surpassed the United States as Saudi Arabia's top oil importer and as ARAMCO (Saudi Arabian Oil Corporation), the world's biggest crude oil producer, top customer (*China Daily*, February 1). China's oil import from Saudi Arabia in 2009 stood at 41,857,127 tons, approximately 81 percent more than oil imports from Iran that reached 23,147,244 tons (all oil information calculated from *chinaoilweb.com*).

This steady change may indicate that Beijing is gradually and slowly shifting some of its Iran oil import sources to other suppliers—primarily, but not only, Saudi Arabia—in possible anticipation of forthcoming sanctions or even a military offensive. While Iran remains one of China's major oil suppliers, it is by no means indispensable. In case of a diplomatic dead end, the Chinese have apparently arranged for alternative oil suppliers, preparing in advance for a worse scenario, namely sanctions. Still, these preparations could be disrupted if sanctions fail to be approved or implemented, which could possibly lead to a war that is likely to block *all* oil supplies from the Persian Gulf. *This* is the worst scenario that Beijing would have to face.

While China has acquired substantial investment assets in Iran, much of it is in future commitments. The share of Iran in China's foreign economic cooperation turnover in 2007 was around 2.4 percent and far from the top of the list. It was preceded by at least a dozen countries whose

economic cooperation with Beijing was greater, Saudi Arabia included. Notwithstanding its image, Iran also lags far behind as China's foreign trade partner compared with other countries. Its share in China's imports (oil included) was less than 1.4 percent in 2007 and in China's exports, a little over 0.5 percent; a total of less than 1 percent (*China Statistical Yearbook 2008*). Put differently, if worse comes to worst, the temporary loss of Iran both as a market for export and investment, and even as a source of oil, could be harmful and painful for Beijing, but not disastrous or fatal. However economically and strategically important, Iran is not, and has never been, vital for China.

To be sure, Beijing has never been terribly enthusiastic about Tehran. In addition to their misgivings about the personality and leadership of Mahmud Ahmadinejad (expressed privately but never in public), China's leaders have been suspicious about Iran as a source of Islamic radicalism, terrorism and regional instability which are detrimental to China's foreign policy and economic interests (Lecture By Prof. Li Shaoxian, Vice President, China Institute of Contemporary International Relations, Jerusalem, February 21, 2006). Beijing must be upset, and probably reprimanded Tehran (in private), for transferring Chinese-made or Chinese-designed weapons to other customers (such as Hamas and Hizbullah), thereby violating earlier arms sale agreements about end-users in an attempt to drive a wedge between China and Israel, undermine their relations and embroil them in a skirmish ("Silent Partner: China and the Lebanon Crisis," *China Brief*, August 16, 2006). Beijing has also criticized Ahmadinejad's denial of the holocaust (some of whose survivors found a safe haven in China) and his reiterated threats to destroy Israel. Together with some other members, Beijing is still blocking Iran's admission as a full member to the Shanghai Cooperation Organization (SCO) and by no means welcomes Iran's nuclear weapons. "The potential 'Persian bomb' worries not only Israel, the United States and Europe, but also Arab countries and even remote China....No matter how the Iranian nuclear crisis develops, a Persian bomb must not come into existence" [1].

As the Chinese leadership drags its feet slowly to the decision-making junction on Iran, it appears to have little choice. Although the media points to the possibility that China would veto any UN Security Council resolution to impose sanctions or use force against Iran, this is highly unlikely. So far, Beijing has been very stingy in using its veto. From its admission to the UN in October 1971, to the end of 2008, China cast its veto only six times, the lowest among UN Security Council members (out of 261 times that veto was cast: USSR/Russia: 124; United States: 82; United Kingdom: 32; and France: 18). In using their veto power, the Chinese blocked resolutions of

marginal international significance (related to Bangladesh, Guatemala, Zimbabwe, Myanmar and Macedonia) and consistently avoided blocking resolutions of profound global impact (*Global Policy Forum*). It is likely that Beijing would veto resolutions that affect its national security, territorial integrity and its strategic belt (North Korea, Pakistan, Taiwan). Iran does not fall in this category and is by no means part of these Chinese concerns. It is doubtful that Beijing would use its veto for Tehran's sake (*The London Times*, February 10).

If the Chinese decide to use their veto to block a resolution on sanctions, they have to consider the implications. To be effective, sanctions—whatever their contents—have to be applied universally. Otherwise, the target of sanctions would continue to receive whatever it needs from other sources. In fact, in late September 2009, media reports said that Chinese refineries and companies have been supplying Iran with gasoline (whose domestic demand cannot be met by Iranian refineries) for at least a year. This must have been done indirectly through intermediaries, since such exports do not appear in Chinese statistics. The Chinese share in Iran's gasoline imports is said to reach one third (AFP, September 22, 2009; *Tehran Times*, September 24, 2009; *Al-Jazeera*, September 23, 2009). Chinese export statistics to Iran *do* mention over 4,700 tons of Kerosene, 3,600 tons of Jet Kerosene, 1,700 tons of Fuel Oil and 360 tons of Diesel Oil, in 2009 alone (data from *chinaoilweb.com*). This is just one example of why China needs to participate in, and contribute to, the contemplated "sanctions regime" against Iran. If Beijing undermines this regime either by the use of its veto or by circumventing an imposed embargo on Iran, it might, unintentionally, pave the ground for the next step that could be—as the Israeli delegation may have implied—the use of force. Apparently, both China and Israel are concerned about it. On March 16 PRC ambassador in Israel Zhao Jun told the Israeli vice-foreign minister in unequivocal terms that China is opposed to a nuclear Iran. The next day, as China's vice-premier Hui Liangyu left for Israel, it was reported that Prime-Minister Netanyahu and Foreign Minister Liberman will visit China (*Israel Today*, March 17).

For years, the Chinese have used a variety of tactics to postpone resolution of the Iran nuclear ambitions and suffocate international attempts to force Tehran to abandon its nuclear program. Now, Beijing perhaps realizes that blocking sanctions could entail a war against Iran, an option that—from its own standpoint and that of the international community (including Iran)—is far worse. It is inconceivable that Beijing would vote *for* comprehensive sanctions (*China Daily*, March 8)—though since 2006 it voted at least five times *for* sanctions, only after it was significantly pared down in scope, against Iran. However,

it could enable solid sanctions against Iran by abstaining, a routine and common feature of Chinese foreign policy. The precedent of China's abstention that had enabled the UN Security Council to launch a military offensive against Iraq in the First Gulf War comes to mind. Unlike sanctions, the use of force does not have to reflect universality or unanimity to be effective, as demonstrated in the Second Gulf War. If sanctions are not imposed, or fail, armed offensive could be launched by one, or some, of the governments opposed to Iran's nuclear threat. For Beijing (and Tehran), war is the worst scenario. Sanctions are the second worst as they still provide a window of opportunity and give time for further negotiations and diplomatic efforts—Beijing's preferred way to settle regional and international conflicts, including the Iranian issue. Beijing would not like to be held responsible for using force against Iran.

Tehran is probably well aware of Beijing's predicament and foreign policy priorities. Iranian opposition parties and publications, as well as research institutes have for some years warned the government that ultimately, China would prefer its relations with the United States and should not be counted on. An Iranian editorial noted, for example, that China (and Russia) should not be fully trusted as they "adopt positions on the basis of their interests, calculations and considerations, and pinning our hopes on a division of East and West is not an entirely secure bet in safeguarding our national interests" [2]. Washington must also be aware of China's predicament and foreign policy priorities. In fact, Beijing's agreement to abstain on the resolution to use force against Iraq in 1990-1991 had been an outcome of bargaining: Washington agreed to resume economic and political (though not military) relations with Beijing, suspended after the Tiananmen massacre. Twenty years later, a Chinese abstention is again needed by the United States in order to push forward a resolution to impose sanctions on Iran. To be sure, Washington prefers milder sanctions against Iran *with* China than tougher sanctions *without* China.

In sum, the assumption that China would stand by Iran because of its "dependence" on Iran's oil is shaky, not only because the Chinese—based on long-term planning—have been smart enough to cultivate alternative suppliers, but also because Tehran has become dependent on China. In fact, one of the interesting and less studied elements of China's foreign policy since the mid-1990s has been the Chinese creation of "counter-dependencies." To offset excessive dependence on other countries, first and foremost suppliers of energy and raw materials as well as technology, Beijing has been offering generous aid programs, transferring arms, investing in infrastructure and long-run projects, and expanding export. Consequently, China is not as dependent on Sudan or Iran as Sudan and Iran are on China. This

gives the Chinese greater room for maneuver and flexibility toward such countries than is usually assumed. Compelled to make a choice between sanctions and war, Beijing may ultimately prefer the former to the latter, something it has done before.

Yitzhak Shichor, Ph.D., is Professor of Asian Studies and Political Science at the University of Haifa and Professor Emeritus of East Asian Studies and Political Science at the Hebrew University of Jerusalem, Israel.

NOTES

1. Prof. Yin Gang (CASS), "China Has No Sympathy for a Persian Atomic Bomb," *Daily Star*, Beirut, February 7, 2006.
2. Editorial, "Observations on the Anti-Iranian Resolutions," *Jomhuri-ye Eslami* [Islamic Republic], Tehran, October 7, 2008. An April 2006 Majlis [Parliament] Research Center report said that China does not prefer Iran to the United States and that Beijing's cooperation with Tehran would not cross a point that would displease the United States.

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