

In a Fortnight: Chinese Perceptions of the "Third Offset" Strategy

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In a Fortnight: Chinese Perceptions of the "Third Offset" Strategy

China is deeply committed to a series of military reforms involving reorganization, more realistic training, and advanced weapons—all interconnected by information technology and with the various services and branches working jointly. It set itself two milestones—2020 and 2049. The first of these is to complete military mechanization and full informatization. However, this goal is predicated on achieving a level of technology to deal with the threat posed by high-tech, precision warfare demonstrated by the United States during the first Gulf War in 1991. However, since 2014, U.S. Defense policy-makers, beginning with then-Secretary of Defense Chuck Hagel have

committed to pushing the United States military advantages to the next level to respond to emerging conventional-military power parity, the "Third Offset" (OSD, November 15, 2014). Chinese academics and military practitioners are closely watching the "Third Offset" and considering how to recalibrate China's own modernization plans in response.

The "Third Offset" (trans. "第三个对消战略" or "第三次抵消战略") appears regularly in Chinese publications, including coverage by the People's Daily, and security-focused media such as People's Liberation Army Daily. [1] One article written by Professors at the Air Force Engineering College and Command Academy, Wang Peng (王鹏) Shao Dan (邵丹) took stock after Secretary Hagels' 2014 speech, noting that the strategy represented an expansion of certain preexisting elements of current strategy toward China (China Defense Daily, November 15, 2014). Wang and Shao also noted that such a strategy would

require extensive support within the U.S. Government due to its budgetary requirements, and given the ease with which technology is proliferated, maintaining an edge would also pose difficulties.

Ye Jianjun (叶建军), a professor at the PLA academy of international relations, writing in the *Contemporary International Relations*, conceptualizes the "Defense Innovation Initiative" as part of "Cold War thinking". [2] Ye further describes the concept as disruptive and harmful to positive development of international relations.

Such attitudes should perhaps not be surprising, because China is in many ways still completing its own transition to "second offset" technologies, such as building its own domain-awareness capabilities, global positioning satellite constellation (Beidou) and stealth aircraft. The PLA Air Force's inventory of aircraft is still dominated by older aircraft such as the 3rd-Generation J-8. Newer designs, such as the J-20 stealth bomber, for example, only recently reached "Low Rate Initial Production", which represents an important, though early, milestone (Sina, July 17).

Moreover, it is important to note that Chinese strategy is not purely-mirror imaging, and frequently makes use of technologies meant to undercut what it perceives as major U.S. strengths. These include the frequently discussed "anti-access" and "assassins' mace" (反介入; 杀手锏) technologies (though these terms are increasingly out of favor with U.S. officials) which have been a major focus of China's modernization efforts, including anti-ship ballistic missiles, cruise missiles and advanced air defenses (Twitter, October 3; China Brief, March 28).

However, China has already invested in its own high tech next generation technologies from quantum computing railguns to laser systems, likely in a bid to not only further speed its progress in achieving full capability in Second Offset technologies, but also further pushing it toward further innovations. The Chinese government sees this technological competition as absolutely requiring greater integration of civilian and military technologies to gain a decisive edge (People's Daily, May 31, 2015).

Chen Liling (陈利玲), Zhao Shuang (赵霜), Wang Liping (汪立萍), are researchers at China Aerospace Science Industry Corporation's No. 8511 Research Institute in Nanjing. Writing in Aerospace Electronic Warfare (航天电子对抗), they describe the "core" of the "Third offset" as "built on the superiority of precision-guided weapons, which is in turn based on electronic warfare capability." [3] They note that the experience of the Ukrainian military—whose GPS systems have been regularly jammed by their Russian opponents have further refocused U.S. attention on this electronic warfare component and pushed the U.S. to look toward making systems more intelligent (智能化) to overcome weakness in the electronic sphere. Though in a somewhat different form, unmanned systems are also a priority and would have a higher degree of autonomy, though still tethered to human control. As previously noted in China Brief, China itself is attempting to build the foundation for its own drone capability, and is exporting drones abroad to further fund development (China Brief, May 11).

Appropriately, the Chinese civilian and military establishment are making major investments in Artificial Intelligence (AI; 人工智能), in several cases through cooperation with Western companies (SCMP, April 16). Particularly in the wake of the Snowden revelations, China began producing its own software and hardware, which is seen as reducing a major source of potential vulnerabilities (see: *China Brief*, "China's Server Sinification" Parts One & Two).

While this initial overview demonstrates that Chinese defense policy makers are clearly aware of and reacting to the Third Offset, a more thorough investigation of authoritative publications is needed. Moreover, it will be interesting to examine how China's evolving military strategy will change to cope with both the publicly revealed details of the third-offset, and, like stealth before it, the non-public components when revealed.

Notes:

1. A standard text on the development of "A2/AD" systems in the wake of U.S. "second offset" technologies remains Andrew Erickson, "Chinese Anti-Ship Ballistic Missile Development: Drivers, Trajectories and Strategic Implications," The Jamestown Foundation, 2013. https://jamestown.org/product/chinese-anti-ship-ballistic-missile-development-drivers-trajectories-and-strategic-implications/

- 2. Ye Jianjun (叶建军), "Review: U.S. Military's 'National Defense Innovation Initiative," ("美军'国防创新行动'评析") Contemporary International Relations [现代国际关系], 2015, No. 1 pp. 35–40. Note that Contemporary International Relations is the journal of the Chinese Institute for Contemporary International Relations, (CICIR), which is part of China's intelligence service, the Ministry of State Security (MSS). Regarding "Cold War Mentality" see also "Beijing Talks Tough About "New Cold War" in Asia" in this issue.
- 3. Hu Xin (胡欣), "Hope or Fantasy—U.S.'s Third "Offset Strategy" (希望还是幻象——美国的第三次"对消"战略), *Modern Military* [现代军事], 2014, No. 12, pp. 22–25.
- 4. Chen Liling (陈利玲), Zhao Shuang (赵霜), Wang Liping (汪立萍), Aerospace Electronic Warfare [航天电子对抗], 2016, Iss. 3, pp. 57–60.

Beijing Talks Tough About "New Cold War" in Asia

By Willy Lam

Beijing has declared a New Cold War against "hostile anti-China forces in the West," a code word for the United States and its Asia-Pacific allies (Military.China.com, August 26; Chinaiiss.com, August 25).

This

contrasts directly with the auspicious language used by President Xi Jinping when he hosted the Group of 20 meeting in the coastal city of Hangzhou earlier this month. Xi called on "China and the world to embrace each other" through "achieving common prosperity." Xi, who is also General Secretary of the Chinese Communist Party (CCP) and commander-inchief, indicated that "China's interaction with the outside world has deepened." "Indeed, we have friends all over the world," he noted (China.org, September 12; Xinhua, September 3).

Yet Beijing is at the same time taking tough actions against perceived enemies under a global climate that official commentators have called a "New Cold War." Emblematic of Beijing's pugilistic mentality is a series of war games staged with Russia, China's "Comprehensive Collaborative Strategic Partnership" immediately after the G20 conclave. For eight days beginning September 12, the Chinese and Russian navies began unprecedentedly large-scale war games in the South China Sea. The "Joint Sea 2016" maneuvers, which involved latest-model submarines and amphibious armed equipment, consisted of drills, such as the seizure of simulated enemy strongholds (Xinhua, September 16; RT.com, September 15; Jinghua Times [Beijing], September 12). Perhaps not by coincidence, 22,000 Americans military personnel held exercises code-named "Valiant Shield 2016" in waters around Guam. The Pentagon also scheduled early autumn drills with the forces of South Korea, Japan and India (Guan Daily, September 13; Guancha.cn [Beijing], September 8). The China-Russian drill in Sept was of a larger scale than before.

According to the party mouthpiece *Global Times*, "Northeast Asia is under imminent threat of a New Cold War," with the U.S. and its Japanese and South Korean allies pitted against China, Russia and the DPRK. Seeing a zero-sum type of ferocious contention in the volatile region, the official *Beijing Youth Daily* warned in a mid-August commentary that "we must beware of a New Cold War" that could plunge the region into chaos (Global Times, August 13; Beijing Youth Daily, August 13).

The siege mentality in which Beijing finds itself is a result of adverse developments within its sphere of

influence. On July 12 a ruling by the Final Court of Arbitration (CFA) in the Hague rendered China's territorial claims to the bulk of the South China Sea illegitimate. Additionally, plans were announced by countries including Australia, France and Japan to patrol the South China Sea so as to demonstrate freedom of navigation. Several claimants to South China Sea islets have pledged closer military cooperation such as Vietnam and the Philippines on the one hand, and the U.S., Japan, India and Australia on the other. On the Korean Peninsula, the deployment of America's Terminal High Altitude Air Defense (THAAD) missile-defense system on South Korean soil is viewed as offsetting China's strategic missile deterrent. To the south and west India has deployed sophisticated BrahMos cruise missiles in areas of Arunachal Pradesh that are close to disputed borders with China (China Brief, September 13; Times of India, August 25; Straits Times, August 22; Xinhua, July 12).

Diplomatic analysts in Beijing said that as a result of these contretemps, the Xi administration has no choice but to ratchet up the rhetoric. Given that nationalism is a key pillar of legitimacy of the CCP—and the successful projection of Chinese power—Xi cannot afford to lose face on the foreign-policy front. A recent symposium of diplomats and generals organized by *Global Times* concluded that "the shadow of Washington" was behind recent troubles such as the CFA ruling and the deployment of THAAD missiles. *Global Times* quoted participants as saying that "anybody who dares offend China will have their buttocks smacked" (Global Times, August 16).

The rise in incendiary language could be followed by military action. In the wake of the radical restructuring of the People's Liberation Army's commandand-control structure, Commander-in-Chief Xi has vowed to boost cutting-edge weapons such as the DF-41 intercontinental ballistic missiles and the nuclear-tipped Multiple Independently-targetable Reentry Vehicles (MIRVs) (The Diplomat, April 23; Asia Times, February 12). Military and diplomatic representatives have cited the imperative of a viable nuclear second-strike capacity. According to former ambassador to Austria Yang Chengshu, China needs to bolster its second-strike arsenal to show the West that "if you want to mess with me, there is absolutely

no advantage for you." Former ambassador to Iran and foreign-policy researcher Hua Liming noted that a key aspect of President Xi's "Chinese dream" is national security. "And building up a reliable nuclear second-strike capacity is a prerequisite [for state security]" (Asia Times, September 9; Globalview.cn [Beijing], August 18).

Actions taken by the PLA and other branches of the party-state apparatus to blunt the advance of "anti-China forces," however, may have resulted in the further escalation of tension in the Asia-Pacific Region. For example, in an apparent effort to "punish" Japan, Beijing has deployed jet fighters and naval vessels very close to the disputed Senkaku islands (known in China as the Diaoyus). The PLA has also engaged in joint military exercises with the Russian navy in areas close to the Sea of Japan (Global Times, August 22; Ming Pao [Hong Kong], August 10). Equally significantly, Chinese Ambassador to Tokyo Cheng Yonghua reportedly warned a senior Japanese official not to cross the "Red Line" by joining American naval vessels in "freedom of navigation" missions in the South China Sea. Kyodo and other Japanese news outlets reported that Cheng even hinted at military action if the "Red Line" was crossed (Japan Times, August 21; Asia Times, August 21). In her mid-September trip to Washington, however, Japanese Defense Minister Tomomi Inada indicated Tokyo's "strong support for the U.S. navy's freedom-of-navigation operations" in the South China Sea. She also envisaged joint operations between the two countries' forces to "uphold rule-based international maritime order" (Apple Daily [Hong Kong], September 17; Reuters, September 16).

Seoul's perceived apostasy has perhaps raised the most alarms among President Xi's advisers regarding the exacerbation of Washington's "anti-China containment policy." Since she came to power three years ago, President Park Geun-hey had adopted perhaps the most pro-China policy of any Korean leader since the end of the Korean War. Gestures such as participation in Beijing's 2015 military parade to mark "China's victory in the Chinese People's War of Resistance against Japanese Aggression"—an event not attended by any representative from democratic countries—helped convince the Xi leadership that Beijing could drive a wedge between the U.S.

and South Korea as well as aggravate Japanese-South Korean contradictions (<u>Ming Pao</u>, August 30, 2015; <u>South China Morning Post</u>, August 20, 2015).

The CCP administration, however, unleashed personal attacks on Park after Seoul's recent decision to host the THAAD defense system, which Beijing thinks will jeopardize China's national security. Park was accused of being *fanhua* ["anti-China"] and "playing with fire" (South China Morning Post, August 23; Huanqiuzhiyin.com [Beijing], August 17). The CCP administration has made plans to downgrade economic and cultural ties with South Korea. For example, South Korean singers and movie stars—who are very popular in China—have found it difficult to arrange concerts and other performances in the PRC. Officials have also warned Seoul that its huge trade surplus with China could be jeopardized (Global Times, February 9; Global Times, August 2).

Apart from flexing military muscles, brandishing economic inducements is perhaps the most effective means in Beijing's repertoire. Efforts to woo the new Philippine administration of President Rodrigo Duterte, who has displayed "pro-Chinese" sentiments, are a case in point. Chinese diplomats have hinted that if Manila does not make too much noise out of the CFA ruling, Beijing will significantly boost investments in the Philippines (Japan Times, September 16; AP, September 14). Yet as a result of the downturn in China's economic growth, there are limits as to the efficacy of Beijing's vaunted economics-based diplomacy. For example, Chinese investments in projects along the One Belt One Road have in many cases been held up due to the sheer size of the outlays. Up to now, infrastructure building along the Silk Road Economic Belt and the 21st Century Maritime Silk Road—which Beijing thinks will bond China with countries ranging from ASEAN members to Central Asian states—has been predicated upon generous Chinese economic aid (HKTDC.com [Hong Kong], May 30).

According to Zhejiang University expert on international relations Li Dunqiu, the advent of a New Cold War is a logical consequence of Washington's "Pivot to Asia" and "Asian Re-balance" strategies. "Washington hopes to expand ties with its allies through in-

vestments in politics, economics, weapons and diplomacy so as to uphold America's global hegemony and to contain China's rise," he noted (China Youth Daily, July 16). Chinese experts, however, seem oblivious to the fact that a key reason why countries in the Asia-Pacific Region ranging from Japan and Australia to Vietnam and Singapore have enhanced military alliance with the U.S. is Beijing's aggressive power projection and perceived disregard for international law.

According to Ambassador Hua Liming, the most effective way to ensure China's security is to make friends with countries big and small. "Chairman Mao and Premier Zhou Enlai taught us that the more friends we have in the world-and the fewer enemies—the better," he said. "We should treat our neighbors differently from the American [way]. Some countries will stand by us once we have enticed them; if we do nothing, they will stick with the U.S." "China's most urgent problem is to persuade friends to trust and respect us" (Mil.qianlong.com [Beijing], August 16). Insofar that the "New Cold War" atmosphere shrouding Chinese foreign policy is predicated at least in large part on the "China threat theory," however, the country's generals and diplomats face an uphill battle trying to persuade America's friends in the Asia-Pacific Region to fall for Beijing's embrace.

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Taiwan's Defense Policy Under Tsai

By Oriana Skylar Mastro

At the end of August, Taiwan held its annual Han Kuang (汉光) military exercises (CNA, August 25). In a departure from previous exercises, this year emphasized responding to infiltrated PLA units or "fifth columnists" mainland forces already hidden on Taiwan (Wenweipo [Hong Kong], August 23). Presiding over the first series of exercises after her inauguration, President Tsai Ing-Wen ordered Minister of Defense Feng Shikuang (馮世寬) to submit a review of Taiwan's strategy by January 2017 (Awakening News Network [Taiwan], August 25). This follows Tsai's decision in mid-July to send a La Fayette-class frigate to Itu Aba in the South China Sea in response to the Permanent Court of Arbitration ruling to "display Taiwan people's resolve in defending the national interest" (Taipei Times, July 14; Taipei Times, August 1). Just this week, the Ministry of Defense announces changes to reservist requirements and training to ensure greater combat readiness (China **Post**, September 16). These actions suggest a Tsai administration desire to take Taiwan's defense in a new direction, even if domestic politics, bureaucratic issues, and force posture challenges in the end limit the viable defense alternatives.

Tsai was swept into power after an election whose results reflected widespread dissatisfaction with outgoing President Ma's policy of closer economic ties to mainland China. Tsai's inauguration on May 20 became a point of contention with Beijing when she did not directly accept the "1992 Consensus," a hotly debated acknowledgment that both Taiwan and China belong to the same China, but with different interpretations (Phoenix, May 20). Even though Tsai did not explicitly reject the two conditions of the consensus, Beijing has chosen a hardline response, ceasing diplomatic contact with Taipei (Sina, June 26). Chinese official reporting has painted Tsai as a militarily aggressive leader that hopes to leverage the United States to build up Taiwan's military and strategic importance in the region (Taiwan.cn, June 28).

Amid this deterioration in cross-Strait relations, U.S. policy makers need a better understanding of what the Democratic Progressive Party (DPP)'s defense policy may entail over the next four years. Three general principles are likely to color Taiwan's defense policy over the next four years. First, Tsai will rely on deterrence to protect Taiwan from a mainland attack, rather than the Ma Administration approach of pursing closer ties with Beijing. Second, domestic politics, not strategic considerations, will dominate defense planning, which may prove problematic given the first point; and lastly, innovative strategic or operational concepts are not likely to be forthcoming. [1]

Greater Reliance on Deterrence Over Goodwill

One main difference between the Ma and Tsai administrations is their theory for peace across the Strait. The Ma Administration presided over a steady decrease in Taiwan's defense spending, preferring instead to embrace closer economic ties with the mainland in the hope of mitigating tension in the Taiwan Strait. President Ma believed peace could only be maintained if the mainland never felt that there was no hope for reunification. Nevertheless, major arms sales from the United States continued and Taiwan acquired Blackhawk transport helicopters, Apache attack helicopters, PATRIOT PAC-3 surface-to-air missiles, and ordering a retrofit of its F-16 fighter aircraft between 2008 and 2015 (China MFA, December 17, 2015). [2]

But Tsai doubts strong economic ties will impose caution on the PRC, and therefore will be relying more on a strong deterrent to protect the island. Tsai has promised the DPP will raise defense spending to three percent of GDP, a goal that should be reachable in two to three years. [3] Tsai may also take the reform of the military in a different direction than her predecessor. Ma Ying-jeou had launched the yonggu'an (勇固案) effort in 2008, which planned to phase out conscription to create an all-volunteer force for enlisted personnel (officers have always been volunteers). But increased financial incentives for service have failed to help the Ministry of Defense reach its recruitment goals, forcing Ma to delay the program, and pushing the complete phase-out of

the conscription program to 2017 (China Brief, August 22; The Diplomat, March 19, 2014). A DPP blue paper, in contrast, called for the suspension of yonggu'an and continuation of compulsory service for all service-age males while also creating a special recruitment channel for young talent. [4] In Taipei, informed individuals emphasized that the attempts to move to an all-volunteer force should not be equated with the establishment of a more professional, capable force—the impetus was largely political in that most did not want to serve. The requirement is seen as unfairly applied—the rich and powerful frequently manage to either avoid service all together or otherwise serve in an alternative way such as pursuing advanced degrees or professional expertise in key areas like medicine or education. [5]

Attention to force development is likely needed to address both the low expectations of military personnel and the recruitment challenges. Tsai has mentioned the need for post-retirement educational aid, changing Ministry of National Defense (MND) positions to civilian/military dual-employable positions, better integrating veterans' healthcare system, reforming Veterans' Affairs Council (VAC) (國軍退 除役官兵輔導委員會) corporations, and merging the VAC into the MND as the Bureau of Veterans' Affairs (退伍軍人事務總部) under a Vice Defense Minister (軍政副部長/副部長). [6] But force development was not a common topic in discussions in Taipei, government officials have confirmed it is not on the books for the foreseeable future. [7] For now, it appears that the more politically palatable issues of defense spending and indigenous submarine development have overshadowed any interest in institutional reform.

Domestic and Societal Aspects of Defense

While a renewed focus on deterrence as a key feature of its defense policy is likely a relief to some defense planners, domestic concerns seem to trump strategic ones in the implementation of this idea. Specifically the negative image of the armed forces creates barriers to any plans to transform its military into an all-volunteer force. [8] Strengthening the ties between the military and society, as well as embarking on military reforms with a focus on personnel issues, have been at the top of Tsai's agenda since she declared

her candidacy. [9] In June, two separate incidents occurred that play into the perception of the armed forces as an unprofessional, non-elite force, further hindering recruitment efforts. First, a leaked video of three marines torturing and killing a dog went viral, eventually requiring President Tsai to intervene; Defense Minister Feng even issued two public apologies (The Straits Times, June 28). The crime was heinous, but the fact that the ROC Navy chain of command was judged insufficient to manage the incident again underscores deeper issues within the ROC armed forces. A few days later, a Chinchiang-class corvette accidentally fired an anti-ship missile during an exercise, killing the captain of a Taiwan-registered fishing boat (China Press, July 1). Another incident occurred on August 16 when a CM-11 tank overturned on a bridge during an exercise killing three soldiers inside (*Liberty Times*, August 17). These incidents pose a significant challenge to President Tsai's goal of restoring the public's trust and respect in the military.

One strategy Tsai is pursuing is to, at least rhetorically, leverage defense as a driver for much needed economic growth. [10] President Tsai herself has suggested that spending in national defense should be used as a driver for industrial innovation and has consistently called for a defense budget of at least three percent of GDP (Radio Taiwan International, July 4). [11] In May 2015, Tsai called for the construction of a self-sufficient defense industry in the face of projected increased difficulty in foreign procurement. [12] She named defense industry as one of the five major national industries in September 2015 and stresses civil-military combined use products as a major focus of DPP defense policy, including aerospace, naval construction, and information security as primary fields of development (Liberty Times Net, September 22, 2015; Storm, August 13, 2015). Tsai announced that research and development for a domestic submarine program would begin this year, with hopes of achieving mass production within the decade (Liberty Times Net, October 29, 2015). But Tsai has also been careful to position the indigenous defense industrial aspirations as complementing defense cooperation with the United States and U.S. arms sales to Taiwan (UDN, June 6). The delicacy of the U.S. relationship coupled with the fact that a strong outside market is usually necessary to build a

strong indigenous defense industry may push the island industry to focus on manufacturing smaller scale military items and personal equipment.' [13] Ma Shu-jung (馬樹榮), the head of the research and development division at the Armament Bureau's 205th manufacturing factory, highlighted the domestic manufacturing of items such as military helmets, combat vests and bullet-resistant panels during Tsai's recent inspection visit.

Insufficient Focus on Innovative Strategic and Operational Concepts

As one Global Times editorial points out, Tsai faces a "cruel" strategic reality (Global Times, March 31). Small in size and only 110 miles from the mainland, Taiwan is at a geographic disadvantage. While a Chinese invasion of Taiwan would still be risky and difficult, and likely a secondary option to blockade or air/missile bombardment, significant Chinese improvements in amphibious assault capabilities have increased its probability of success. [14] Just to highlight one indicator of this trend—in 1996 the PLAN operated 54 amphibious ships with many being antiquated platforms. Now the Chinese navy possesses 89 craft, with many new classes of larger, more advanced ships such as the Yuzhao-class (Type 071) introduced in 2007). Over the past twenty years, Chinese transport capacity, partly because of more and advanced ships, has increased from 1.2 divisions to 2.7 divisions. [15] For Taiwan, building a significant deterrent under these conditions will require more than advanced platforms, a professionalized force, adequate defense spending, and a close relationship with the United States—what is needed is new and innovative strategic planning (*The Diplomat*, March 19, 2014).

But while Tsai's military reforms and arms procurement policy diverges from that of former President Ma, no changes to Taiwan's overarching military strategy are expected. Scholars and government officials, regardless of background and party affiliation, noted that there was not a great difference in the strategic direction of the armed forces under Tsai and Ma. Though the military may not experience great changes, the difference between Ma and Tsai's military strategy is significant. Ma's "Hard ROC" strat-

egy is classic deterrence by punishment in that it "assumes the best defense for Taiwan involves showing that invasion would result in a costly, protracted struggle" (War on the Rocks, January 13). Tsai, instead, relies on signaling to the PRC that the Taiwan military will be equipped to withstand and push back such an assault. This is classic deterrence by denial, building and displaying "the capability to deny the other party any gains from the move which is to be deterred." [16] But it is evident from current trends that the balance of power has tipped in such a way that this goal of deterrence by denial is unmanageable. If the United States cannot spend its way out of the China challenge, Taiwan certainly cannot, even if domestic politics allowed for a better-equipped and professional force. [17]

Tsai has called for the building of asymmetric capabilities at times, such as sea mines, cruise missiles, and cyber warfare, and the creation of a "fourth service" with cyber and electronic warfare capabilities. [18] There have been announcements that Tsai plans to move forward with these asymmetric options, but they seemed to have not gained traction yet among the broader defense community (Taipei Times, May 22). The focus seems to be on conventional air and naval projection capabilities. Tsai's appointed defense minister, Shih-kuan Feng (馮世寬), is a retired Republic of China Air Force general that followed a conventional path in his military career (China Brief, June 1). There is nothing in his military career to suggest Feng is the risk taker and visionary the defense establishment needs—to the contrary, Tsai probably picked him because he has strong traditional military credentials (without the strong KMT ties). Moreover, there is little appreciation even among defense experts for how the U.S. military may operate differently during a conflict given the same need to adapt to a more complex threat environment. [19]

Conclusion

While President Tsai's approach to cross-Strait relations may diverge significantly from her predecessor, her defense policy is unlikely to change significantly enough to adjust sufficiently to the new threat environment. Domestic politics undoubtedly hinder any effort to build the military Taiwan needs to deter PRC coercion and aggression, but her own approach

to defense as a means to resolve economic problems exacerbates the situation. The threat environment in the Asia-Pacific has changed radically over the past eight years—the United States has taken notice and is adapting accordingly. Taiwan also needs to be creative about how to use the military and equipment they currently have. This initial assessment suggests that major changes to Taiwan's military strategy and doctrine are unlikely over the next four years. Hopefully, for Beijing, Taipei, and Washington, the status quo of no independence, no reunification, and no use of force will also remain.

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Notes

- 1. These general principles derived in part from information gathered during a week of meetings with informed individuals in Taipei in late June 2016.
- 2. Shirley A. Kan, "Taiwan: Major U.S. Arms Sales Since 1990," *Congressional Research Service*, June 13, 2014, p. 59, http://china.usc.edu/sites/default/files/leg-acy/AppImages/crs-2014-us-arms-sales-to-taiwan.pdf.
- 3. Author's meetings, Taipei, June 2016.
- 4. New Frontier Foundation, "Taiwan's Military Capacities in 2025," DPP Defense Policy Blue Paper, No. 9 (2015): pp. 5–9, http://www.ustaiwan-defense.com/tdnswp/wp-content/up-loads/2014/12/20150526 DPP Defense Blue Paper 9.pdf. DPP Defense Policy Blue Papers are platform statements written by the DPP's New Frontier Foundation think tank and a collection of retired military

officers and defense experts of the DPP's Defense Policy Advisory Committee [國防政策諮詢小組]. The documents are not written by Tsai herself, but instead represent DPP policy positions and form the basis of her talking points for the election cycle. Tsai's actual contribution to the reports is unknown, but she is credited with writing the forewords for several Blue Papers after she became the DPP Party Chair in May 2014.

- 5. Author's meetings, Taipei, June 2016.
- 6. New Frontier Foundation, "Refinement of Veterans Affairs," DPP Defense Policy Blue Paper, No. 11 (2015), pp. 5–6, http://www.ustaiwan-defense.com/tdnswp/wp-content/up-loads/2014/ 12/20150526 DPP Defense Blue Paper 11.pdf.
- 7. Author's meetings, Taipei, June 2016.
- 8. Author's meetings, Taipei, June 2016.
- 9. New Frontier Foundation, "New Generation of Soldiers," DPP Defense Policy Blue Paper No. 6 (2014), p. 4, http://www.ustaiwan-defense.com/tdnswp/wp-content/up-loads/2014/03/20140822_DPP_Defense_Blue_Paper_6.pdf.
- 10. Author's meetings, Taipei, June 2016
- 11. New Frontier Foundation, "Bolstering Taiwan's Core Defense Industries," DPP Defense Policy Blue Paper No. 7 (2014), p. 5, http://www.ustaiwandefense.com/tdnswp/wp-content/up-loads/2014/08/20141005_DPP_Defense_Blue_Paper_7.pdf.
- 12. New Frontier Foundation, "Preparing the Development of Indigenous Defense Industry," DPP Defense Policy Blue Paper, No. 12 (2015), pp. 3–4, http://www.ustaiwandefense.com/tdnswp/wp-content/up-loads/2014/12/20150526 DPP_Defense Blue Paper 12.pdf.
- 13. Author's meetings, Taipei, June 2016.
- 14. Rehman, Thomas, and Stillion, "Hard ROC 2.0: Taiwan and Deterrence Through Protraction," CSBA, December 21, 2014, p. 23.
- 15. <u>Heginbotham et al,</u> The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power 1996-2017, RAND, 2015, pp. 203–204.

http://www.rand.org/content/dam/rand/pubs/research_reports/RR300/RR392/RAND_RR392.pdf

- 16. Snyder, Glenn H. (1960), "Deterrence and Power," Journal of Conflict Resolution, Vol. 4, No. 2, pp. 163–178.
- 17. Author's meetings, Taipei, June 2016.
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Holding Up Half the Sky? (Part 1)—The Evolution of Women's Roles in the PLA

By Elsa Kania

This is Part 1 of a two-part series on the evolving roles of women in the People's Liberation Army (PLA). Part 1 examines the historical trajectory of and context for the expansion of women's roles in the PLA. Part 2 will examine the recruitment and organizational representation of the PLA's female officers and enlisted personnel in further detail.

The expansion of roles of the PLA's female officers and enlisted personnel might seem surprising, against the backdrop of the stagnation, even deterioration in women's status in Chinese politics and society. However, the juxtaposition of these trends reveals an unexamined aspect of the PLA's limited progression towards fuller utilization of the available human resources, in response to the requirements of modern "informationized" warfare.

Although Mao once declared, "women hold up half the sky," women have traditionally been and remain underrepresented in leadership positions in the Chinese Communist Party (CCP), the Red Army and its successor, the PLA. Throughout the CCP's history, not a single woman has been selected to serve on the Politburo Standing Committee, China's highest decision-making body, and there are currently only two women on the twenty-five-person Politburo. [1] In fact, more women served on the CCP's Central Committee in Mao's time than today. [2] Symbolically, women's representation on the National People's Congress, a consultative parliamentary body typically seen as a powerless "rubber stamp" for the CCP, increased to a historic high of 23.4 percent at the 12th NPC in 2013, which was characterized by official media as an indication of "female power" (女性力量) (Xinhua, March 8). In recent years, there has also been a resurgence of gender inequality in China. The All-China Women's Federation, which is responsible for protecting "women's rights and interests," has promulgated media content that stigmatizes unmarried women over the age of twenty-seven as "leftover women" (剩女) in its efforts to advance the State Council's official goal of "upgrading population quality" (素质). [3] In March 2015, five feminist activists were detained on charges of "picking quarrels and causing a disturbance," because of their plans to pass out stickers highlighting issues of sexual harassment on public transportation, resulting in an international outcry for the release of the "feminist five."

In contrast to these trends, there have been a number of firsts for women in the PLA within the past decade or so. Although thousands of women fought with the Red Army during the Chinese Civil War (1927–1949) and the Second Sino-Japanese War (1937–1945), until relatively recently women in the modern PLA predominantly served in support and logistics roles. While there had been a small number of high-ranking women in the PLA since 1949, their advancement

had remained relatively uncommon. Today, beyond traditional non-combat specialties, women in the PLA have taken on a variety of combat roles, including in all four of the PLA's services—Army, Navy, Air Force, and Rocket Force—and probably also the new Strategic Support Force. While a high proportion of women in the PLA continue to serve in allfemale organizations, women now more frequently train alongside men and to the same standard. The overall number or percentage of women in the PLA does not seem to have increased appreciably, and limitations on their recruitment and representation remain prevalent. However, women's accomplishments are frequently highlighted in official PLA media—perhaps an indication of the PLA's efforts to keep pace with international trends and improve its image. These mentions often present a mixed message frequently characterize female officers and enlisted personnel as "beautiful scenery" in the barracks or on the battlefield. Certainly, women in the PLA continue to confront a glass ceiling. However, the PLA's efforts to recruit a more educated officer and enlisted force have motivated the expansion of the opportunities open to female officers and enlisted personnel.

The Historical Trajectory of Women in the PLA:

Although thousands of women served in a variety of combat and non-combat roles in the Red Army, women were later channeled into primarily support roles and demobilized in large numbers. An estimated 3,000 women took part in the 1934-35 Long March (PLA Daily, March 15). Subsequently, after the establishment of the People's Republic of China (PRC), while women remained actively involved in the PLA, the majority was limited to a smaller subset of more "traditional," non-combat roles and had limited opportunities for advancement, despite the Communists' ideological commitment to egalitarianism. When the PLA began reducing its force of three million by 23.3 percent in 1953, a significant percentage of those demobilized were women, totaling an estimated 764,000 (25.3 percent). [5] In 1967, the PLA

resumed the recruitment of women at a rate of approximately 7,500 per year (Renmin Haijun, September 13, 2003).

For the past several decades, women have constituted approximately 5 percent or less of the PLA, and there were only limited positions and opportunities open to female officers and enlisted personnel, until relatively recently (China Military Online, April 15, 2015). [6] Since women have never been conscripted into the PLA's enlisted force, all women serving in the PLA have chosen to join the enlisted force or officer (cadre) corps of their own volition. The vast majority had typically served in support roles, such as administrative personnel, medical personnel, communications specialists, and political and propaganda workers, including the PLA's performing arts troupes.

Starting in the mid-1990s, a variety of combat roles has gradually been opened to women. [7] In recent years, the opportunities available to women in the PLA have expanded significantly, and there have been a number of firsts for female officers and enlisted personnel, including deployments with peacekeeping forces, serving on the PLA Navy's Liaoning aircraft carrier, flying combat aircraft for the Air Force, and joining the Army's special forces. The recent accomplishments of women in the PLA have often received high-profile coverage in official Chinese media, while also highlighted in popular culture, such as a Chinese TV show, "Phoenix Nirvana" (特 种兵之火凤凰) that was nearly banned for being "too sexy" (Youku; China Daily, January 11, 2014). The multiple combat and support roles—including academic, research, and military representative positions overseeing defense industry research academies and factories—that have become available to PLA women will be discussed in further detail in the next article in this series.

The PLA's Female Flag Officers

The PLA has had over fifty female flag officers over the course of its history, based on available reporting.

Of them, the vast majority have been major generals (少将, 1 star), only three are reported to have been promoted to lieutenant general (中将, 2 stars), and none has yet received the rank of general (上将, 3 stars). The trajectory of their promotions over time offers an interesting indicator of the advances of women in the PLA. When the PLA introduced its first rank system in 1955, Li Zhen (李贞), formerly a deputy in the PLA's Military Procuratorate, was the only woman who achieved the rank of major general until ranks were abolished in 1965. When the PLA reintroduced ranks in 1988, five females received the rank of major general, three of whom had a medical specialty. Since then, at least 45 more women have received the rank of major general. Notably, Nie Li (聂力), who had a science and technology specialty, became the PLA's first female lieutenant general in 1993. The PLA's second female lieutenant general, Xu Lili (徐莉莉), an officer in the PLA Navy and former vice president of the Academy of Military Science, was promoted to that rank in 2010. In 2003, the first PLAAF female was promoted to major general as a Guangzhou Military Region Air Force deputy chief of staff (China Brief, June 22, 2012). In May 2016, Cheng Xiaojian (程晓健), who had previously served as the first female air division commander, was promoted to major general (Toutiao, May 13).

The comparison of the careers of the PLA's first female major general and three notable contemporary female flag officers offers an interesting illustration of the evolution of the roles of and opportunities open to women within the PLA over time. Li Zhen joined the CCP in 1927 and fought as a guerilla with the Red Army before becoming a political commissar for a female regiment (*People's Daily*, November 11, 2011). Nie Li studied in the Soviet Union and then was assigned to the PLA's first missile research unit, eventually becoming a deputy director and secretary-general of the Commission for Science, Technology, and Industry for National Defense (COSTIND/国防科学技术工业委员会) (*Ministry of National Defense*, May 17, 2014). Similarly known for her scien-

tific expertise, Xu Lili had graduated from the prestigious Tsinghua University, later received a Master's and PhD, and has engaged in cutting-edge research in biotechnology (Sohu, July 15, 2015). On the other hand, Cheng Xiaojian joined the PLA Air Force in 1981, as part of the fifth group of female aviator cadets. She flew multiple models of transport aircraft (China Military Online, January 20, 2015; China Brief, June 22, 2012). Notably, Cheng Xiaojian became the first female commander (师长) of a transport air division in the PLA's history. She then served as a deputy chief of staff (副参谋长) of the former Chengdu Military Region Air Force, before her recent transfer to the same position in the Western Theater Command's Air Force Headquarters, where she received her first star (Sheyuan, May 13; Sina, June 27).

Perspectives on PLA Women's Contributions and Recruitment:

This significant shift in the promotions of and specialties open to women raises the question of what factors have contributed to such a change. Certainly, the PLA recognizes and has followed the expanding roles of women in other militaries worldwide, especially the U.S. military. In this regard, its efforts to highlight the accomplishments of its own female enlisted personnel and officers may be a matter of image and prestige. However, the expansion of the opportunities available to women in the PLA also seems to result from recognition of the changing nature of warfare, such that women can contribute more equally and may possess certain inherent advantages. The available literature from the discipline of national defense demography (国防人口学) and on female officers and enlisted personnel presents a number of arguments regarding their recruitment and perspectives on their potential contributions to the PLA.

In the discipline of national defense demography, the recruitment of women is recognized as relevant to the

PLA's efforts to build an educated, "high quality" force and address potential human resources challenges. Prominent PLA demographer Ding Xuezhou, from the PLA Logistics College's All-Military Family Planning Management Cadre Training Center (全 军人口计生管理干部培训中心), argues that the PLA should "progressively expand the proportion of the female population participating in national defense labor" in light of "the requirements of national defense construction and the development of modernized weapons equipment." [8] Ding and other Chinese defense demographers recognize the longterm issues for the PLA's human capital that will result from demographic and societal trends, including rapid aging and poor health. In addition, due to the attractiveness of private sector opportunities, potential recruits have become less willing to serve, especially China's "singletons" (i.e. only children), who are solely responsible for supporting their aging parents. Beyond this pragmatic rationale, Ding has also recommended the recruitment of women for reasons unrelated to their potential contributions to its human resources, including in order to elevate the social status of women and to improve PLA's external image. [9]

The PLA's expansion of the roles available to female enlisted personnel and officers is also influenced by the recognition that technological changes enhance the ability of women to contribute to modern warfare. For instance, Ding argues that, given the "unceasing development of science and technology," future informationized warfare "will probably require that more and more females participate." [10] Similarly, another scholar, from the PLA's Information Engineering University, has observed that the increased automation of modern combat has made the differences in the average physical strength of men and women become "no longer an important factor that influences participation in warfare." [11] Rather, in information-age warfare, the perceived strengths of women relative to men—including their "superiority in thinking ability," language ability, interpersonal ability, management ability, and patience—all become more critical. [12]

However, this recognition of the increased potential for women to contribute in future warfare has not necessarily corresponded with calls to increase their recruitment beyond current levels. Given the size of China's population, there is no urgent need to increase the recruitment of women. In addition, doing so would presumably also come into conflict with the CCP's focus on "upgrading population quality" and increasing the birthrate to contravene rapid aging through ensuring that "high quality" women have children, as reflected in official policies and propaganda. [13] In practice, the overall number of women in the PLA does not seem to have increased significantly, and various explicit and implicit restrictions on their recruitment have persisted, as will be discussed further in Part 2 of this series. Looking forward, the ongoing downsizing of the overall force by 300,000 could also disproportionately affect women (China Brief, February 4). For instance, one of the first cuts announced was the abolition of a performing arts troupe from the former Nanjing Military Region (MoD, January 22).

Obstacles to Women's Advancement in the PLA

Certain stereotypes about women and traditional gender roles also pervade the literature and reflect strikingly retrograde perspectives. A surprisingly high number of articles allude to women's "personal psychology" and "traditional mentalities" that undermine their abilities to succeed in certain roles, while emphasizing the need for them to overcome perceived "psychological obstacles," such as a lack of confidence and irresolution. [14] So too, allusions to about the unavoidable "contradiction" that female officers face between "love" and "career," given women's disproportionate responsibilities to care for the family, remain prevalent. [15] Perhaps partly as a result of such attitudes, women's opportunities for

advancement within the PLA have traditionally remained constrained. One PLA scholar admitted, "traditional mentalities of gender discrimination seriously obstruct the pace of the development of female officers' human resources." [16] The result of retrograde attitudes has been an environment with a lack of respect for female officers, which has a negative effect on their morale. [17] Since an implicit glass ceiling remains, the "inherent potential" of female officers had yet to be realized, yet that might be starting to change gradually. [18]

Although the available literature does not directly address concerns over issues of discipline or professionalism that might arise as women become more integrated throughout the PLA, it is likely that women in the PLA receive differential treatment from their leaders. For instance, one PLA guide for company commanders urged them to "point out [female soldiers'] beauty" and "educate them about handling themselves correctly" in order to prevent the "simple crudeness" of stereotypically "female" behavior, such as crying when criticized. [19] Female enlisted personnel and officers probably continue to be regarded and treated quite differently than their male counterparts, while typically serving in smaller, all-female sub-organizations. Although the PLA's men and women might more frequently be training to the same standards for certain specialties, the obstacles resulting from these dynamics could nonetheless persist.

Next, New Roles for PLA Women

The progressive expansion of the combat and support roles open to the PLA's female officers and enlisted personnel reflects a pragmatic human resources rationale, against the backdrop of attempts to recruit and retain an educated, skilled force, and perhaps also considerations of image. However, traditional views on gender roles and persistent sexism have historically persisted and may continue to constrain women's advancement within the PLA. Nonetheless,

as PLA females increasingly take on new combat roles, there may be further opportunities for their promotion to higher levels. The next article in this series will review the increasing representation of women in multiple branches and billets throughout the PLA.

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Notes

- 1. The two women currently on the Politburo are: Liu Yandong, a Vice Premier, and Sun Chanlan, head of the United Front Work Department of the Central Committee. See: Alice Miller, "Projecting the Next Politburo Standing Committee," China Leadership Monitor, no. 49, March 1, 2016, Hoover Institution. Zhao Sile, "The Inspirational Backstory of China's 'Feminist Five," Foreign Policy, April 17, 2015.
- 2. Whereas women constituted 7.6 percent of the Central Committee in 1969, the Central Committee as of the 18th Party Congress in 2012 incorporated only 4.9 percent women. There are 33 women among the CCP Central Committee's 376 full and alternate members, constituting 8.8 percent (*Xinhua*, November 15, 2012). However, 23 of those women are alternates who lack power and voting rights (*Xinhua*, November 14, 2012), and only 10 are among the 205 full members (*Xinhua*, November 14, 2012).
- 3. See: Leta Hong, Fincher, *Leftover Women:* The Resurgence of Gender Inequality in China, Zed Books, 2014.
- 4. Mady Wechsler Segal, Xiaolin Li, and David R. Segal, "The Role of Women in the Chinese People's Liberation Army," *Minerva* 10, no. 1 (1992): 48.
- 5. All-China Women's Federation, Study Materials for the History of the Women's Movement, Beijing, 1986. Li, Xiaolin. "Chinese

- Women Soldiers: A History of 5,000 Years." *Social Education* 58, no. 2 (1994): 67-71. Mady Wechsler Segal, Xiaolin Li, and David R. Segal, "The Role of Women in the Chinese People's Liberation Army,"
- 6. Roger Cliff, *China's Military Power: Assessing Current and Future Capabilities*, Cambridge University Press, 2015. Mady Wechsler Segal, Xiaolin Li, and David R. Segal, "The Role of Women in the Chinese People's Liberation Army."
- 7. Li, Xiaolin. "Chinese women in the People's Liberation Army: Professionals or quasi-professionals?." *Armed Forces & Society* 20, no. 1 (1993): 69-83.
- 8. Ding Xuezhou [丁学洲], "Research on the Development of Long Term Balance for the National Defense Population" [国防人口长期均衡发展研究], *Demographic Research* [人口研究], 第 38 卷第 5 期 2014 年 9 月.
- 9. Ding Xuezhou [丁学洲], National Defense Demography [国防人口学], National Defense University Press, 2014.
- 10. Ding Xuezhou [丁学洲], "Research on the Development of Long Term Balance for the National Defense Population" [国防人口长期均衡发展研究].
- 11. Xue Xiaomei [薛小梅], "Several Reflections on the Construction of the Female Officer Contingent" [女军官队伍建设的几点思考], *China Urban Economy* [中国城市经济] 11 (2010): p. 257.
- 12. Ibid.
- 13. See: Leta Hong, Fincher, Leftover Women: The Resurgence of Gender Inequality in China.
- 14. e.g., Yu Lan [喻岚], Wang Jingxiu [王靖秀], "Overcoming Female Officers' Psychological Barriers, 1996, Air Force Political University" [女军官"心理障碍"排解], *Journal*

- of the Air Force Political Studies Institute [空军政治学院学报] Vol. 4 (1996): 016.
- 15. Xue Xiaomei [薛小梅], "Several Reflections on the Construction of the Female Officer Contingent" [女军官队伍建设的几点思考].
- 16. Sun Haixia [孙海霞], "Developing the Use of New Era Female Officers Human Resources" [新时期女军官人力资源的开发使用], Journal of the Xi'an Political Studies Institute [西安政治学院学报] 17, no. 3 (2004): pp. 49–50.
- 17. Ibid.
- 18. Liu Xia [刘嘉], "The Path Dependence of Female Officers' Career Development" [女军官职业发展中的路径依赖管窥], Leadership Science [领导科学], 2011, (11), pp.44–45.
- 19. qtd. in: Ben Lowsen, "Chinese PLA Company Command: The Party Line," *The Diplomat*, April 19, 2016

China's Private Security Companies: Domestic and International Roles

By Zi Yang

China's Private Security Companies: Domestic and International Roles
Zi Yang

Aubervilliers is a bustling suburb of Paris known for its small and medium-sized enterprises. Among its predominantly Arab and African population are 4,000 Chinese, more than a quarter (1,200) of whom

are traders prominent in Aubervilliers's textile industry (<u>Daily Mail</u>, May 10, 2015). In recent years, the Chinese have achieved impressive economic success, making them a prime target for local criminals. According to the Franco-Chinese Friendship Association, more than one hundred Chinese have been attacked and robbed in Aubervilliers since December 27, 2015 (<u>Shenzhen Daily</u>, August 24).

While walking with a friend on August 7, 2016, Zhang Chaolin, a textile designer and a father of two, was viciously beaten by three thieves. After five days in a coma, Zhang passed away as the latest casualty in Aubervilliers's crime epidemic (RFI, August 15). The attack struck a chord with the local Chinese community, resulting in a street demonstration against targeted attacks on the area's Chinese residents.

The death of Zhang Chaolin highlights a long-standing problem for overseas Chinese enterprises. Whether it is small business owners or large corporations, the Chinese often find themselves helpless in areas where law and order cannot be properly maintained. The 2004 murder of eleven Chinese workers in Afghanistan by local gunmen was the catalyst that changed Chinese perceptions on commercial activities abroad (People's Daily, June 25, 2004). More than a decade later, Chinese companies are increasingly opting to invest in protective measures, chiefly in private security. As Chinese enterprises continue to "go out," especially to dangerous regions of the world where lofty profit is accompanied by equally high risk, security is becoming more and more important for any smart investor.

Enter the Chinese private security companies (PSCs). Chinese PSCs growth has steadily accompanied China's economic takeoff since the early 2000s, and is presently a multi-billion RMB industry. Their growth and rising prominence in firms at home and abroad acts as a useful indicator for the Chinese economy while posing important questions about the future of China's domestic and foreign policy. Available evidence supports the idea that although the Chinese government does not proactively suppress PSCs, existing laws limit their growth potential, and ultimately their ability to compete on the international market.

What Constitute a Chinese PSC?

Unlike their large and globally renowned Western counterparts, Chinese PSCs are small, young and largely unknown. Most firms are not more than a decade old. As of 2013, there are 4,000 registered PSCs in China employing more than 4.3 million security personnel (QQ News Online, October 20, 2013). [1] Prior to 2010, the private security industry was in a legal limbo because of the lack of laws and regulations, but the passage of the "Regulation on the Administration of Security and Guarding Services" in January 2010 supplied the legal definition and framework needed for mainstream growth.

The "Regulation" categorized PSCs into two types: security companies (保安服务公司) and security companies engaged in the armed escorting services (从事武装守护押运服务的保安服务公司) (Central People's Government of the PRC, October 13, 2009). The industry is advised and monitored by China's public security system (公安机关) which has the power to approve or deny any PSC business license application. To register as the former, one must have at least one million RMB of registered capital, a professional staff with a clean record, facilities and equipment needed for security service, and "a sound organizational structure and security and guarding services management system, post accountability system and security guard management system" (Law Info. China, October 13, 2009). The latter requires registered capital assets of at least ten million RMB, "being a wholly state-owned company or having state-owned capital which accounts for at least 51 percent of the total amount of its registered capital," and most importantly, "having escorting security guards who meet the requirements as prescribed in the 'Regulation on the Management of Use of Firearms by Full-time Escorting Security Guards' (Law Info. China, October 13, 2009)." An analysis of a dozen registered, leading Chinese PSCs reveals that all belong to the category of unarmed security companies, except one that proudly proclaims its contractors' experience with firearms in a "mission abroad" (Weilong Baobiao). A review of news reports on the industry further confirmed the near absence of armed security companies. This is likely due to the government's long-held concern over allowing civilian firearm ownership—a major barrier for PSCs seeking

professionalization and international competition (see *China Brief*, December 21, 2015).

Given this reality, the use of martial arts, in addition to cold and electroshock weapons are much more common in Chinese PSCs than Western counterparts. *Sanda*/Chinese kickboxing champions, retired sportsmen, police and army veterans are given priority by recruiters. Most firms seem to share commonality in terms of service features. One such firm, *Shamo Tewei* (沙漠特维; Desert Special Guards; SMTW), headquartered in Urumqi, Xinjiang allows a glimpse into the operations of a typical yet successful Chinese PSC.

Founded by three veterans from the Chinese army and armed police in 2013, SMTW provides personal protection to individuals, patrols properties, secures public events, trains security guards and offer martial arts classes. The company also uses high-tech communications and surveillance equipment—but its bodyguards do not have lethal weapons. (The expandable baton is the most "deadly" weapon in its arsenal.) SMTW only employs male guards, between 25 to 40 years old, preferably veterans (SMTW). To hire SMTW guards, one must apply through their website. A contract is signed after an agreement on price and personnel is reached, as required by law. Three years into the business, SMTW has provided security services to concerts, meetings and individuals. This latter demographic represents the highest profile and largest segment of demand for these security personnel.

Domestic and International Roles

Besides routine security guard duties, the biggest pool of customers for China's PSCs is the country's *nouveau riche*, making up around 80 percent of contracts (Huaxia News Online, September 30, 2013). With some 1.3 million millionaires and growing, China's rich have a propensity for luxury and extravagance, a habit that draws unnecessary attention upon themselves (South China Morning Post, October 13, 2015). Moreover, China's business world is full of intricacies and skullduggery, which makes the position of a rich Chinese quite unsafe. The risk of robbery and assault prompted the rich to hire bodyguards. Salary depends on one's skillsets and experience:

some are paid as much as 200,000 RMB per year, while others earn a yearly income of 28,000 to 56,000 RMB (Sina History, May 29, 2014; SMTW). But safety is not the only reason to hire bodyguards; sometimes businessmen do it to flaunt their wealth. Female bodyguards, a rarity in a male-dominated industry, are exceptionally popular. From a practical perspective, female bodyguards are less noticeable when in a crowd and could surprise assailants (BBC Chinese, May 19). Moreover, having a pretty yet deadly female bodyguard is viewed as a sign of prestige in the Chinese business world.

In addition to domestic security contracts, Chinese PSCs have picked-up international jobs as well. With rising Chinese business presence in the developing world, including conflict zones, security is in evergreater demand. Although most Chinese security personnel have similar backgrounds as Western colleagues, i.e. ex-military or police, Chinese PSCs have a hard time competing with British and American firms due to their inability to legally own and operate firearms.

Chinese PSCs are hampered by the strictness of domestic gun laws. Chinese law prohibits individual transport of firearms out of the country, not to mention the near impossibility for civilians to acquire guns legally. Therefore, private Chinese security contractors in conflict zones face a constant dilemma; remain disarmed or purchase guns from the local black market. In most of the conflict zones, firearms are very easy to purchase. But fearful of tough gun laws back home that could put future business ventures in jeopardy, Chinese PSCs have not made armed guards the norm for their foreign operations. At the end of the day, Chinese PSCs are registered in China and must work with, not against, the state. There is also the concern that armed contractors might accidentally provoke or escalate conflict with the locals—leading to diplomatic troubles. In direct contrast, British and American private military companies arm their security contractors to the teeth with the best gear available. Without firepower, in many occasions Chinese contractors must rely on the assistance of local security forces, which are known for their unreliability, or pay criminals to go away, which creates an incentive for them to return on a later occasion (Southern Weekend, April 17, 2015).

Securing Chinese Business Interests in High Risk Areas

"When are you guys going to get guns?" is a question often raised by overseas Chinese workers with their protectors. In 2014, after a dispute between a Chinese company and an Iraqi tribal chief over property ownership, armed Iraqi villagers simply stormed Chinese company grounds and took whatever they wanted while Chinese guards stood by in fear. Calls for help to the Iraqi police brought more chaos, as they happily joined the looters. In a country where most fighting age men are armed, Chinese contractors, regardless of their skills in martial arts, are helpless during a crisis. Chinese companies therefore do not have confidence in PSCs run by their fellow countrymen. Although some still favor Chinese PSCs due to language and cultural affinity, others would rather award Western firms with contracts, even if it means doubling the costs (Southern Weekend, April 17, 2015).

The prevalence of unarmed security guards does not apply to all situations, however. On the high seas, a Chinese contractor can legally use firearms for defensive purposes. On many occasions Chinese guards have opened fire to disperse pirates during escort missions in the Gulf of Aden (Sina Military, October 25, 2013). There are also isolated examples when an extraordinary situation forced Chinese contractors into disregarding company rules and picking up a gun. At the beginning of the Libyan Civil War of 2011, Pan Xianjin, a ten-year veteran bodyguard was tasked with transporting ten million RMB out of Libya. By that point, the country was already on the brink of total social breakdown. Checkpoints were set-up all across Libya by self-proclaimed revolutionary groups or in other cases local thugs. Pan had to get a gun if he wants to complete the mission and make it out of Libya alive. Travelling on Libya's long desert highways, Pan kept his black market gun close and was "ready to shoot immediately... if someone not in official military uniform yells 'stop, money!"" (Sina History, May 29, 2014). With increasing engagement in international commerce, especially in conflict zones, Chinese enterprises are going to need more men like Pan Xianjin who has the guts and

means to fight back when staring down the barrel of a gun.

Conclusion

"The Party controls the gun" (党指挥枪) is a core principle of the People's Liberation Army that is also applicable to the whole of society. Chinese gun control measures are the strictest in the world, since the state is wary of armed civilians, including the PSCs. However, in an industry where the ownership of and expertise in the latest firearms is a determining factor on a firm's competitiveness, China's existing policy constraint have not helped Chinese PSCs in expanding profits abroad in countries where gun violence is an everyday reality. Besides the policy issue, the belief of some industry specialists in complete reliance on non-lethal force and superior negotiation skills over firepower is as laughable as the Boxers of a century past who believed they could ward off whizzing rifle rounds with qigong and magic spells (Southern Weekend, April 17, 2015). Without the tools of the trade, the lives of contractors and their clients will always be in much greater danger. Nonetheless, the Chinese state's wariness over armed private security, oftentimes veterans with military or policing experience will ensure the status quo will not change anytime soon. Chinese PSCs therefore will not likely catch-up to Western competitors in the near future, unless they decide to break rules and adapt to local conditions.

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Notes

1. There is no accurate data on the total number of unregistered PSCs.

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