

# CHINA BRIEF

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## **China's Global Power Projection Hit With "Strategic Overdraft"**

By Willy Lam

Despite the tough challenges facing the Chinese economy, President and "core leader" Xi Jinping is going ahead with ambitious plans to project Chinese power worldwide including the landmark One Belt One Road (OBOR) initiative. Xi is expected to announce a new series of projects linking China with Asia, Central and Eastern Europe, the Middle East and Africa at an OBOR international forum scheduled for mid-May Beijing. Xi, who is personally supervising the scheme in via the Central Leading Group on OBOR Construction Work, apparently hopes to boost China's agenda-setting capacity in global

economic discourse. Xi and his colleagues have taken advantage of U.S. President Donald Trump's nationalist and anti-globalization stance to emphasize Beijing's eagerness to provide leadership in combatting protectionism and promoting free trade.

While OBOR is being given top billing across the gamut of state media, a small number of relatively liberal Chinese academics are raising misgivings about the viability and sustainability of Xi's global undertaking. Foremost among these critics is Renmin University international affairs specialist Shi Yinhong (时殷弘), who is also a counselor or advisor to the State Council. In a late 2016 article entitled "China Must Guard Against Strategic Overdraft," Shi pointed out that the Chinese Communist Party leadership must exercise caution regarding "strategic military" (sabre rattling by the People's Liberation

Army) and “strategic economics” (projecting power through economic means such as underwriting projects along the OBOR). He argued that China must “prevent excessive expansionism, which will result in ‘strategic overdraft’” (战略透支) ([Phoenix TV](#), October 4, 2016; [Lianhe Zaobao \[Singapore\]](#), September 21, 2016). [1]

While Professor Shi is referring to President Xi’s overall foreign policy, which ranges from building air and naval bases on reclaimed land in the South China Sea to improving relations with developing countries by forgiving \$60 billion of debt, the OBOR game plan could be the best example of what Western critics call “imperial overreach” ([The American Interest](#), March 1). The OBOR consists of the Silk Road Economic Belt, which stretches from China through Central Asia to Eastern Europe; and the 21st Central Maritime Silk-Road, which extends from Southeast Asia through the Indian Subcontinent to Eastern Africa. Under the “big is better” principle, however, there is a tendency for the Xi leadership to subsume economic and infrastructure cooperation with countries throughout Europe, the Middle East, and Africa under the OBOR umbrella. As of early this year, 80 Chinese state-owned enterprise conglomerates are negotiating infrastructure and related items with government officials in over 65 countries ([Sohu.com](#), April 10; [HKTDC.com \[Hong Kong\]](#), May 23, 2016).

There is no official estimate as to the funds involved in this gargantuan venture. However, experts at McKinsey, a consultancy, estimate that comprehensive improvement of infrastructure in Asia and Africa alone could cost \$2–3 trillion—roughly 12 times the financial outlay of the Marshall Plan for rebuilding Europe after WWII ([Channel NewsAsia](#), April 22; [Fortune](#), December 12, 2016). So far, a number of massive projects are already underway, including the \$50 billion

undertaking for building and improving port and railway facilities in eastern Pakistan, have been underwritten by Chinese financial institutions. Given that the so-called Chinese Economic Miracle came to an end early this decade, questions have been asked about whether Beijing has the means to sustain its ambitious programs. China’s foreign-exchange reserves, which peaked at \$4 trillion in mid-2014, has dropped to \$3 trillion early this year. With China’s state-owned banks already laden with non-performing loans, the Fitch credit rating agency warned that these institutions’ investments in OBOR could “create new asset-quality risks for [China’s] banking system” ([CNBC](#), January 16).

There is also the question of whether, in return for its magnanimous commitment to helping developing countries in Southeast Asia, South Asia, and Central Asia, China will garner a commensurate level of good will. As Professor Shi noted, supposed beneficiaries of Chinese largesse all have their “long-term interests in areas of sovereignty, self-reliance, and security.” He warned that if OBOR strategies do not take full consideration of these sensitive matters, Beijing investments could “ignite nationalism-oriented political controversies in the internal politics of [beneficiary] countries.” It is notable that countries such as Sri Lanka and Myanmar have requested renegotiations of Chinese infrastructure investments largely due to opposition raised by nationalists in each two country ([Times of India](#), February 16; [Transnational Institute \[Amsterdam\]](#), July 18, 2016).

Apart from using economic means to bond China with a host of developed and developing countries, Beijing is also confident that OBOR would showcase not only Chinese technology but also Chinese companies’ compliance with global standards. However, quite a few of China-

financed projects could suffer from similar problems that have adversely affected previous mega-investments made by SOE conglomerates in Southeast Asia and Africa, namely that these projects are built on *guanxi* (“political connections”) rather than globally accepted terms in fields including fair competition, open bidding, Western-style auditing and overall transparency.

Early this year, the European Commission announced that it was investigating the 350-kilometer high-speed railway connecting the Serbian capital of Belgrade to Budapest in Hungary. The state-owned giant, *China Railway Corporation will be the main contractor and provider of technology*. The Commission is looking into the long-term financial viability of the \$2.89 billion railway, and more importantly, whether this project had gone through public tenders stipulated by EU laws ([Asia Times](#), April 4; [First Financial News \(Shanghai\)](#), March 1; [Ming Pao \(Hong Kong\)](#), February 2). The Belgrade-Budapest railroad is part of an ambitious China-Europe Land-Sea Fast Transport Route that will link western Chinese cities all the way to the Greek port of Piraeus, which is partly owned by Chinese interests ([English.Gov.cn](#), February 8; *China Daily*, February 8). Cui Hongjian, a Europe expert at the Ministry of Foreign Affairs-administered China Institute of International Studies, has indirectly attributed the investigation to Brussel’s political distrust of China. Cui argued that the European Commission “harbors a relatively contradictory mentality regarding Chinese participation” in large-scale infrastructure projects in the EU ([Ta Kung Pao \[Hong Kong\]](#), February 22; [Global Times](#), February 21).

According to a *People’s Daily* commentary By Zhou Hanmin (周汉民), the OBOR is not only an effort to “tell the China story well and spread China’s message properly” but also an attempt

to build up a “community of destiny” with nations, particularly those in the developing world. The commentator also noted that the OBOR was intimately connected with President Xi’s Chinese Dream, one of whose key goals is that the country would emerge as a superpower by 2049, the centenary of the establishment of the People’s Republic of China ([People’s Daily](#), April 6). There is no denying, however, the fact that the overarching ambition evinced by the OBOR scheme has raised the suspicion of rich and poor countries alike that it is primarily a Chinese exercise in self-aggrandizement of unprecedented proportions. Moscow is said to be unhappy that thanks to Beijing’s generous financial and technological aid to Central Asia, China is about to displace Russia as the dominant influence among several former client states of the Soviet Union. In the eyes of New Delhi, Beijing’s investments in civilian and military ports in Sri Lanka, Bangladesh, Pakistan, Myanmar and the Maldives constitute a “string of pearls” containment policy against India ([South China Morning Post](#), March 6; [Asia Times](#), February 2, [The Asan Forum \[Korea\]](#), December 16). Western Europe politicians have expressed misgivings about China’s apparent “divide and rule” tactics toward the EU, which could be accomplished through its tight embrace of the 16 Central and Eastern European countries ([European Council on Foreign Relations](#), December 14, 2016; [European Institute for Asian Affairs](#), January 2014).

### Security Overstretch

Apart from OBOR, the most obvious area where Beijing may have gone overboard in power projection is its pugilistic posture in the South China Sea and the East China Sea. The construction of air and naval bases on reclaimed South China Sea islets whose sovereignty is contested by several ASEAN members has raised the possibility

of at least small-scale skirmishes between the Chinese armed forces on the one hand, and those of the U.S. and its Asian allies on the other. According to Shi Yinhong, a balance must be struck between upholding sovereign rights and maintaining stability. The respected academic argued that from 2012 to late 2014, Beijing successfully focused on projecting military power in regional flashpoints. "If [the PLA] did a lot in upholding [sovereign] rights in the earlier period, we should in the forthcoming period do more in maintaining stability," Shi noted. "[Beijing] needs to prevent the rapid development of strategic competition and confrontation between China and the U.S.," he warned, adding that the Chinese leadership should continue to improve relations with ASEAN members that have oceanic interests.

There are, however, no indication that the CCP leadership will tone down its aggressive military posture. While meeting the commanders of 84 newly reconstructed PLA units in mid-April, Xi, who is Chairman of the policy-setting Central Military Commission, called upon officers and soldiers to "prepare for warfare at any time" and to "uphold [high] standards of combat power." That commander-in-chief Xi is determined to use military means to buttress the country's global geopolitical putsch was demonstrated when he went in late April on an inspection trip to a Dalian shipyard that was building China's second aircraft carrier ([Ming Pao](#), April 23; [Ministry of Defense](#), April 18).

## Conclusion

That China's reliance on the no-holds-barred flexing of military and economic muscle might not go down well with established powers particularly in the Western world is demonstrated by the fact that only one government leader

from Europe –Italian Prime Minister Paolo Gentiloni—will be attending the OBOR international forum. This is despite the fact that Beijing has issued invitations to the leaders of more than 100 countries to attend what Chinese media call China's biggest show for 2017 ([Zhejiang Economic Net](#), April 19; [VOA news](#), April 18). Since coming to power in late 2012, Xi has repeatedly spun out bold and all-encompassing visions and schemes such as the Chinese Dream, the OBOR game plan, as well as a 65- point directive on "comprehensively deepening reforms." While these grand strategies have enabled Xi to amass power at unprecedented speed, the onus is on the "core leader" to prove that he can actually deliver on both his domestic and international pledges. After all, "strategic overdraft" could mean not only more indebtedness for government coffers and banks but also result in stoking the flames of the "China threat" theory in countries ranging from India and Japan to ASEAN members with territorial rows with China.

## Notes

1. See also Shi Yinhong, "Prudence Crucial for the One-Belt-One-Road Initiative," in Shao Binhong, ed. *Looking for a Road: China Debates Its and the World's Future*, Brill Books, 2016, pp 203-210.

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## What is Known and Unknown about Changes to the PLA's Ground Combat Units

Dennis J. Blasko

The long-awaited changes in the operational and tactical units of the People's Liberation Army (PLA) have begun with a formal announcement by President Xi Jinping in April 2017. After initiating major reforms in late 2015 and throughout 2016, the Central Military Commission (CMC), service headquarters, and military regions (now theater commands) have been reorganized resulting in the reallocation of many personnel and the demobilization of an unknown number of active duty personnel. But, as part of the ongoing 300,000 man reduction, even larger cuts in personnel will follow as headquarters and units at corps/army-level and below are eliminated, re-subordinated, or restructured.

By 2020, when the structural changes now underway are scheduled for completion, the PLA should number two million active duty personnel. Though the reforms since 2015 are the most significant set of changes for the PLA since the 1950s, they are but an intermediate step, the 2020 milestone, in the PLA's "three-step development strategy" initially announced in 2006. The strategy's final goal was modified in 2008 and defined as "reach[ing] the goal of modernization of national defense and armed forces by the mid-21st century." [1] As such, more adjustments to the PLA's structure and capabilities can be expected over the next three decades as technology improves and China's domestic and the international situations change. Throughout this process the reforms will be evaluated to determine if they meet the objectives of building a

strong military to defend China's core security requirements, capable of deterring and winning informationized wars, and accomplishing a variety of military operations other than war such as anti-terrorism, internal stability maintenance, disaster relief, and international peacekeeping and humanitarian relief operations (MOD, May 26, 2015).

After a general introduction to the recently announced reforms, reported developments to in the Marines and Airborne forces will be addressed.

### The Announcement of "84 Corps-level Units"

In April 2017, President Xi Jinping made the first general reference to a new set of operational restructurings when he spoke of the adjustment and establishment of "84 corps-level units" (ChinaMil, April 18). However, he provided no further details and did not define what a "corps-level unit" is, nor did he indicate how these units are distributed among the four services, Army, Navy, Air Force, and Rocket Force, and the newly established Strategic Support Force and Joint Logistics Support Force.

Previously, foreign analysts considered "corps-level units" to include the Army's 18 group armies, the Tianjin, Shanghai, and Chongqing Garrison commands, and most of the provincial Military Districts (MD), except for the Beijing Garrison and the Tibet and Xinjiang MDs. [2] In the Navy, these units included the three fleet Naval Aviation Headquarters and multiple commands, such as the Yulin, Fujian, Lushun, and two submarine bases. For the Air Force, they included the 15th Airborne Corps, the Shanghai, Nanning, Urumqi, and Dalian Air Force Bases, and several regional command posts. In the Rocket Force, they included the six numbered bases (51-56)

that command launch brigades and an engineering command. [3] The new Strategic Support Force also likely commands multiple bases involved with space launch and tracking and cyber and information operations formerly under the control of the four General Departments.

Shortly after Xi's announcement, the Hong Kong-based *Ming Pao* newspaper estimated the new 84 "corps-level units" will include 15 Army organizations (including 13 group armies and two experimental bases) and 28 provincial Military Districts; 10 naval headquarters including three fleet Naval Aviation Headquarters, five bases, an experimental base and a new Marine headquarters; 12 Air Force units including 10 bases, an experimental base, and the 15th Airborne; seven launch brigades and two additional bases in the Rocket Force; and seven space-affiliated and three cyber and information bases in the Strategic Support Force ([Ming Pao](#), April 20). To date, the official Chinese media has been slow in providing details about Xi's announcement (though new developments are mentioned almost daily). For the past few months presumably as the changes to the 84 "corps-level units" were beginning, official PLA press reports referred only to "a unit [or type of unit] of a certain Theater Command" in contrast to the practice since 2013 of frequently identifying the group army to which the unit belongs.

### **Theater Command Service Headquarters**

When the seven military regions were abolished and five new joint theater commands (TC) established, another set of new organizations was also created: in each of the TCs a Theater Command Army headquarters was established, as well as TC Navy and TC Air Force headquarters. No TC Rocket Force headquarters were formed. The new TC Army headquarters largely perform the

same functions as the Navy's three fleets and the Air Force's military region air forces did under the previous structure. [4] Under the principle that the "CMC takes charge of the overall administration, Theater Commands focus on combat, military services focus on construction," the TC Service headquarters operate under a dual chain-of-command, reporting in parallel to both their joint regional TC headquarters and their service headquarters in Beijing.

TC Service headquarters, not the TCs themselves, perform direct command over the operational units of their service located in the area of responsibility of the TC. In that manner, operational units have only a single chain-of-command directly to their TC Service headquarters. The TC Service headquarters are responsible for passing orders down to units from both their TC and service headquarters and likewise keeping both higher headquarters informed of the status and operations of their units. Having operated under a similar structure in the former military region system, TC Navy and Air Force headquarters should be accustomed to working under such a dual chain-of-command, but this setup is new for the Army, where previously units reported to military region headquarters because there was no national-level Army headquarters. It is likely that it will take some time for the new system to be perfected among the joint TC headquarters, TC Army headquarters, and Army headquarters as all organizations must learn how to interact with each other and train their staffs to perform their tasks efficiently.

Additionally, TC Army headquarters have responsibilities that are not obvious from the initial announcement of their formation.

## The Army

During personnel reductions and structural reforms in the mid-1980s, 24 group armies were formed. These combined arms formations usually consisted of several infantry and armored divisions supported by artillery, anti-aircraft, engineer, communications, and other support elements and were distributed unevenly among the seven military regions. Prior to the force reduction of 1997, Army mobile combat units included over 100 infantry and armored divisions, but only approximately 20 infantry and armored brigades and only about seven each Army Aviation and Special Operations Force (SOF) units.

**[5]** By the end of the 2003 reduction, the number of group army headquarters had been cut by six to 18, a number that remained constant until 2017. In the course of these reductions, many divisions were eliminated or transformed into brigades (at first one brigade per division, then in recent years two brigades per division), 14 were transferred to the People's Armed Police, one was re-subordinated to the Navy to become the second Marine brigade, and several were sent to the reserve force. **[6]** Some units from disbanded group armies were reassigned to new headquarters.

As a result, only two (the 40th and 47th) of the 18 group armies had similar compositions of infantry and armored units. **[7]** All others were uniquely configured, as were the independent combat units assigned to the Beijing Garrison Command, Xinjiang MD, and Tibet MD. In early 2017, the number of operational maneuver Army units assigned to group armies, along with independent units, was estimated to include a total of approximately 21 divisions (20 infantry of various types and one armored), 65 brigades (48 infantry and 17 armored), 12 Army Aviation units (seven brigades and five regiments), and

11 SOF units (nine brigades and two regiments; additionally, some divisions and brigades command smaller SOF units at battalion-level or below). About half the infantry divisions and brigades were classified as mechanized, either heavy or light, while the remainder of infantry units were considered motorized, with about four or five classified as mountain infantry brigades. Only six group armies and the Xinjiang and Tibet MDs had *both* an Army Aviation unit and an SOF unit. The decline in divisions over these two decades was as dramatic as was the rise in the number of brigades and Army Aviation and SOF units.

In late April 2017, the Ministry of National Defense spokesman confirmed that the former 18 group armies would be reduced to 13 and renumbered from 71 to 83 ([ChinaMil](#), April 28). **[8]** This numbering scheme was selected to make a break from past designations, as from 1927 until now the PLA had assigned the numbers 1 through 70 to its corps/armies. Many personnel from the four disestablished group army headquarters probably will be demobilized or retired, while others reassigned to remaining headquarters.

The *Ming Pao* newspaper made the following associations between old and new designators and grouped them according to TCs as seen in the table below ([Ming Pao](#) April 11). So far, this schema has proven accurate, though many details of the leadership, location, and composition of the units assigned to the new group armies have not been made public. The only Theater Command not to have any of its group armies eliminated is the Eastern TC opposite Taiwan.

Theater Command	Old Designation	New Designation
Eastern TC	12th Group Army	71st Group Army
	1st Group Army	72nd Group Army
	31st Group Army	73rd Group Army
Southern TC	41st Group Army	74th Group Army
	42nd Group Army	75th Group Army
	14th Group Army	Eliminated
Western TC	21st Group Army	76th Group Army
	13rd Group Army	77th Group Army
	47th Group Army	Eliminated
Northern TC	16th Group Army	78th Group Army
	39th Group Army	79th Group Army
	26th Group Army	80th Group Army
	40th Group Army	Eliminated
Central TC	65th Group Army	81st Group Army
	38th Group Army	82nd Group Army
	54th Group Army	83rd Group Army
	20th Group Army	Eliminated
	27th Group Army	Eliminated

According to the author's understanding of the pre-reform ground order-of-battle, the five disbanded group armies were comprised of the following infantry and armored units:

- 14th GA: one mechanized infantry brigade, one motorized infantry brigade, one or two mountain infantry brigades, and one armored brigade
- 47th GA: one mechanized infantry brigade, two motorized infantry brigades, and one armored brigade
- 40th GA: one mechanized infantry brigade, two motorized infantry brigades, and one armored brigade
- 20th GA: two mechanized infantry brigades and one armored brigade

- 27th GA: two mechanized infantry brigades, two motorized infantry brigades, and one armored brigade

In total, approximately 16 infantry brigades of all types and five armored brigades are affected by the reductions, along with an artillery brigade, air defense brigade, and a variety of engineer, communication, chemical defense, and logistics units for each group army. Some of these units may be dissolved completely (most likely those with older equipment and any newer equipment transferred to other units to replace their old weaponry), others may be reassigned to other headquarters, some may be transformed into different types of units, assigned to the reserve force, and some are likely to be transferred to the other services. Additionally, personnel billets from the Army could be cut and applied

to the other services to better balance the proportion of personnel among the services.

Significantly, *none* of the disbanded group armies were assigned either an Army Aviation or SOF unit and the only two group armies with the same composition of infantry and armored units were disbanded. We do not know if the Chinese intend to standardize the organization of group armies during this period of reform. To do so would require the elimination of all remaining divisions or the transfer of several divisions from one group army to another. It seems likely, however, that all group armies eventually will be assigned both an Army Aviation and an SOF brigade and additional support units.

## Military Districts

Under the former military region structure, the provincial MDs were under the command of the military region headquarters and commanded Military Sub-districts (MSD)/garrisons and county and grassroots People's Armed Force Departments (PAFD). The MD headquarters themselves commanded reserve units in their provinces, while the MSDs/garrisons commanded border and coastal defense units. PAFDs commanded militia units. As part of the CMC organizational reform, the CMC National Defense Mobilization Department was given the responsibility for "leading and managing the provincial military commands" ([81.cn](#), February 4, 2016). Because their organization grade level was one step above the other provincial MDs, the Beijing Garrison and the Tibet and Xinjiang MDs were placed under the "management" of the national-level Army headquarters ([ChinaMil](#), January 12, 2016; [Pengpai](#), August 16, 2016). Pending clarification from official PLA sources, this arrangement probably means that these three headquarters report first to the TC Army headquarters in the area where they are assigned before reporting to Army headquarters in Beijing. However, MD headquarters are no longer commanded only by Army officers: an Air Force major general was reported to have taken command of Henan MD in April ([Pengpai](#), April 12).

Moreover, a few isolated but important reports suggest that the MDs have been removed from the chain-of-command for border and coastal defense units. A report from Heilongjiang states that border defense units are being transferred to Army command and a separate report indicates that coastal defense units in Shantou have been transferred to Army command

([Guangming](#), April 1; [Pengpai](#), April 1). Both Army headquarters in Beijing and TC Army headquarters have a "Border and Coastal Defense Bureau/Division" within their respective Staff Departments, which would provide command to the many dozens of border and coastal defense units. One other report has noted a Guangdong Reserve Division also being transferred to the Army, but no mobilization staff organizations have been identified (yet) in either Army headquarters or TC Army headquarters to oversee reserve unit activities ([Pengpai](#), April 7).

Changes to the responsibilities of the MD chain-of-command will probably result in MD and MSD headquarters having their staff structures modified and the number of officers assigned to these organizations reduced significantly. These headquarters and units are composed of a large number of personnel and could be greatly cut potentially reaping efficiencies brought about by better communications and transportation within the provinces.

## Marines

Prior to the current organizational reforms, the Navy had two Marine brigades estimated with approximately 6,000 personnel each, based only in the South Sea Fleet. In recent weeks there have been many reports predicting a massive expansion of the Marine force, potentially up to 100,000 or more. One Army brigade, the 77th Motorized Infantry Brigade, stationed in Shandong in the Northern TC, already has been reported as being transferred to the Marines (but has not been confirmed by official Chinese sources) ([China Topix](#), March 16). If true, this development suggests the creation of a Marine organization in the North Sea Fleet.

Some of this reporting is dubious as it refers to six brigades comprising the 100,000 person force. That would equate to over 16,000 personnel per brigade, 10,000 more than the current strength of a Marine brigade, and larger than an Army division. Other suspicious details include that this will “boost [the Navy’s] strength to 270,000 personnel from the existing 235,000.” This obviously could not include a 100,000-man Marine expansion, though increasing the size of the Navy (not only the Marines) is expected.

A more sober recommendation for the Marine force was written by Army Major General An Weiping who suggested forming a Marine formation in each of the three fleets composed of a Marine brigade, aviation brigade, support brigade, and SOF brigade ([China Information Security](#), January 7). The three additional brigades would likely be much smaller than the Marine brigade and would most efficiently come from the Army. Such a structure would probably number around 40,000 personnel, which would be approximately the size of a corps, and require a headquarters (such as is mentioned in the May 20th *Ming Pao* article).

Another option for increasing the size of the Marines would be to transfer one or both of the two designated Army Amphibious Infantry Divisions to the Navy and convert them to brigades. Regardless of how it is done, the Marines are likely to increase in size. This will require the Navy to concurrently build a much larger force of sea-going amphibious ships, such as the Type 071 LPD or other large ships capable of handling Marines, landing and/or air-cushion vessels, and helicopters, such as the reported Type 075 under construction ([Global Times](#), May 9).

The only official word from the Ministry of National Defense about the Marines has been: “At

present, the relevant reform measures including the adjustment of the Marine Corps are pressing ahead steadily according to plan” ([ChinaMil](#), March 31).

## Airborne

There have been unconfirmed reports of expanding the 15th Airborne Corps by converting its three divisions to two brigades each and adding an organic aviation brigade, support brigade, and SOF brigade (a support structure much like An Weiping’s suggestion for the Marines) ([China Defense Blog](#), April 29). While that specific structure has yet to be seen, there have been multiple reports of unspecified types of Airborne brigades in recent weeks (for example see [81.cn](#), April 28; [CNTV](#), April 29). Similarly, an expanded Airborne force will require many more long-distance heavy-lift transports—like the Y-20—than are currently in the Air Force’s inventory.

## Implications

Changes to the orders-of-battle for the Army, Marines, and Airborne as mentioned above have many implications for future PLA capabilities and operations. First, none of these changes will happen overnight. People and units will be transferred to different locations and units will have to learn to work with headquarters and units they have never worked with before. This will certainly cause anxiety and tension for many soldiers and leaders. Modifications to what seemed like good ideas on paper are inevitable.

Fewer Army units will allow for increased levels of field training, such as seen in the trans-regional exercises of the past decade. The fewer troops spread further apart would be expected to be trained and ready to move long distances

to reinforce units in other regions. All units must be prepared to operate on short notice in new locales and coordinate with unfamiliar headquarters and units. In addition to Navy and Air Force units training outside China's borders, additional Army exercises in foreign countries are likely. More training with more advanced equipment also means more wear and tear on equipment and more time and expense for maintenance. But a smaller number of units requires less new equipment than the larger Army of previous generations. Newer, higher-technology equipment requires more highly educated, trained, and motivated personnel, who remain in service for longer periods of time, than in decades past. The PLA's professional military education system will also undergo many changes to prepare officers and NCOs for their more advanced and complex assignments.

A smaller Army means that its proportion of the defense budget will probably decrease, even as levels of funding continue to rise. Currently, the relative personnel strength of the services to each other is unknown as is the distribution of funding among the services. Nonetheless, even as the Army gets smaller, it will likely be the largest of the services. But breaking the "Big Army" concept is an essential requirement in transforming the PLA to conduct maritime operations farther from China and aerospace operations in support of all PLA campaigns.

If the expansion of the Marines and Airborne comes to fruition, the PLA's potential for expeditionary operations will increase significantly (pending the construction of the sea- and air-lift to move them beyond China's borders). Expeditionary missions will strain existing PLA logistics capabilities, a problem that the Joint Logistics Support Force, in part, is intended to resolve. But new operating concepts will be necessary, such

as logistics bases outside of China. Likewise, these operations demand levels of command and control, intelligence, space, and mapping support that now, to some extent, are consolidated in the new Strategic Support Force. More developments in these fields will undoubtedly occur and the PLA's tooth-to-tail ratio will change as additional support is necessary for distant operations.

## Conclusion

No matter how functionally proficient these organizational changes and increased levels of training make the PLA's operational and tactical units, the quality of its joint TC, service headquarters, and unit staffs will be crucial for the planning, command, and control of campaigns. Success boils down to leadership in units and headquarters at all levels. Therefore, even as more changes to PLA organization are announced, it is likely there will be many more official references to the critical self-evaluation first published in 2015: Some commanders 1) cannot judge the situation, 2) cannot understand the intention of higher authorities, 3) cannot make operational decisions, 4) cannot deploy troops, and 5) cannot deal with unexpected situations ([81.cn](http://81.cn), January 22). As the PLA continues its modernization and reform, the greatest unknown is whether its leadership is ready for the new challenges ahead.

## Notes

1. The State Council Information Office of the People's Republic of China, "China's National Defense in 2008," January 2009 [http://eng.mod.gov.cn/publications/2017-04/11/content\\_4778231.htm](http://eng.mod.gov.cn/publications/2017-04/11/content_4778231.htm). In 2006, the final goal was stated as "being capable of winning informationized

wars”; however, in the following two years, the PLA leadership probably realized that by 2049 warfare would have changed substantially in nature from “informationized wars” and thus left undefined the precise form of war the PLA must be able to fight.

2. When speaking of “corps-level units,” Xi probably was referring to organizations of both corps leader-grade and corps deputy-leader grade.
3. United States Department of Defense, Defense Intelligence Agency, Directory of PRC Military Personalities, Washington DC, 2016, pp. xxxv, xxxvi, and 177.
4. The three fleets, the North, East, and South Sea Fleets, remain functional as the TC Navy headquarters for their respective TCs.
5. The spokesman called these formations “corps,” previously the Chinese used the term “combined corps.”
6. Dennis J. Blasko, “The PLA Army/Ground Forces” in *The PLA as Organization Reference Volume v2.0*, eds. Kevin Pollpeter and Ken W. Allen, Defense Group Inc., 2015 p. 263. Not all units, however, were manned and equipped at full strength and were therefore grouped into three levels of readiness categories. In addition to mobile combat units, the PLA posted scores of static border and coastal defense units along China’s periphery.
7. The remaining divisions also were reduced in size from their former Soviet organization model of four maneuver regiments to three maneuver regiments per division.
8. The order-of-battle details in this and following paragraphs are based on the author’s analysis of open Chinese sources; they are close to, but not exactly the

same as, the numbers found in the 2016 DOD report to Congress, *The Military Balance 2017*, and the 2016 Directory of PRC Military Personalities.

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## The CMC General Office: Recentralizing Power in the PLA

Joel Wuthnow

One of the key themes of Xi Jinping’s attempts to reform the People’s Liberation Army (PLA) is the need to recentralize power under the Central Military Commission (CMC), the PLA’s highest-level decision-making organ which Xi has led since November 2012. The thinking is that PLA modernization previously stalled (and corruption flourished) because too much authority had been ceded to the four general departments, seven military regions, and other power centers in the PLA that were more interested in protecting their own “vested interests” than in reform. Over the last few years, Xi has tried to restore power to the center in several ways: abolishing the general departments, increasing the autonomy of supervisory organs such as the Audit Office and the military legal system, and overseeing a major anti-corruption campaign in the PLA.

[1]

Yet all these changes leave open a question: how does an 11-member CMC (not to mention Xi personally) exercise oversight over a 2.3 million-person organization? An important part of the answer lies in the CMC General Office (CMC-GO), which has provided staff support to CMC members since 1949. Though long a key administrative agent, the responsibility, and influence of the CMC-GO has grown as Xi has sought to

revitalize the CMC's authority and assert his position as CMC chairman. Available evidence indicates that the CMC-GO has supported these goals in three ways: managing an enlarged CMC bureaucracy, providing trusted counsel to Xi, and carrying out new legal and propaganda roles. Its ability to carry out these missions is thus key to Xi's ability to implement his larger reform program.

### Managing an Expanded Bureaucracy

As with other general offices across the Party and state apparatus, the CMC-GO's essential role is to provide staff support for senior leaders. Its official mission, according to the Ministry of National Defense, is to process "all CMC communications and documents, coordinate meetings, and convey orders and directives to other CMC subordinate sections." [2] These are such indispensable functions that the CMC-GO was largely unaffected by historical events that disrupted other parts of the PLA, such as the Cultural Revolution and the large-scale military restructurings of the 1950s and 1980s. [3] Led by a director and several deputy directors, the CMC-GO originally carried out its duties from an office adjacent to the Zhongnanhai leadership compound before moving to the top floors of the Bayi (August 1st) building in 2000.

Under Xi, the CMC-GO continues to serve as a liaison between the CMC, the four services, and the five new theater commands (TCs). Yet changes to the internal CMC structure under Xi's leadership have placed new demands on the general office. In January 2016, Xi announced a new CMC organization composed of 15 departments, commissions, and offices. [4] These included the successor organizations of the four general departments, as well as separate train-

ing, administration, and national defense mobilization departments (previously under the General Staff Department). Supervisory organs like the Discipline Inspection Commission (previously under the General Political Department, GPD), and smaller offices responsible for niche areas such as strategic planning and foreign military exchanges also appeared.

Although these organizations are under nominal CMC oversight, in practice there is a need for a bureaucratic interface to provide coordination between the CMC members and subordinate departments. This is not only a practical requirement, given constraints on CMC members' time and attention, but also helps to align the new CMC bureaucracy with the PLA's existing grade structure. In particular, several of the new CMC offices (such as the Audit Office and the Office of International Military Cooperation) are two or more grade levels below the CMC and normally would be expected to report via an intermediary like the CMC-GO. [5] Serving this role gives the general office a significant ability to influence the relationship between CMC department directors and CMC members and to decide when and how information will be transmitted to and from senior leaders. Yet it also creates the responsibility of ensuring that CMC directives are being implemented by subordinate organizations.

To increase the CMC-GO's ability to control the bureaucracy, Xi has increased the status of its current director, Lieutenant General Qin Shengxiang (秦生祥). Two recent changes are worth noting. First, Qin has been dual-hatted as director of the CMC Reform and Organization Office, which helps develop and execute reform plans for the PLA (Pengpai, August 28, 2016). Second, Qin has been elevated in grade from TC Deputy Leader to TC Leader (Pengpai, February

25, 2017). This is significant both because it places Qin on the same or higher grade as all but four of the 15 CMC department directors, and because it raises the bureaucratic status of the CMC-GO itself to an unprecedented level. [6] These changes have led some to compare Qin's influence to that of former CMC Secretary General Yang Baibing ([Sing Tao Daily](#), January 12, 2016). More symbolically, the CMC-GO is also listed first in protocol order, even ahead of the successors to the four general departments, which underscores its role in managing the new CMC organization ([ChinaMil](#), January 11, 2016).

### Xi's Eyes and Ears

Another key function that the CMC-GO has played is providing trusted advice and information to senior leaders. Deng Xiaoping and Jiang Zemin both placed long-time personal secretaries (秘书) in the CMC-GO to serve as their "eyes and ears" in the PLA. [7] Xi Jinping himself served as a secretary to then-Defense Minister Geng Biao in the CMC-GO between 1979 and 1982. Although only in his 20s, Xi was likely deemed suitable because of the close relationship between Geng and Xi's father, Xi Zhongxun, during the anti-Japanese war. Later, Geng's daughter recalled that "my father thought that Jinping was a very reliable young man, who studied hard" ([People's Daily](#), December 23, 2012). The experience also likely demonstrated to Xi the critical roles played by the general office.

As a CMC leader, Xi followed Deng and Jiang's example by appointing a close associate to a key CMC-GO post. Specifically, Zhong Shaojun (钟绍军), who currently serves as one of the CMC-GO deputy directors and head of Xi's personal CMC office, was formerly a civilian official who aided Xi when he was Zhejiang Party Secretary, and

later as Shanghai Party Secretary ([New York Times](#), September 30, 2015). After Xi was appointed CMC vice chairman in 2010, Zhong was given a military rank of senior colonel and placed in the CMC-GO; he was later promoted to Major General. Although Zhong maintains an extremely low public profile, rarely appearing in Chinese media reports, he is an important gatekeeper and confidante to Xi on military matters.

### New Missions

The CMC-GO also plays a role in a variety of other functional areas. Its policy research bureau (调研局) gained attention from 1987 to 1992 when its then director, Li Jijun, published a number of influential papers on local war strategy. [8] That bureau remains a source of military advice; in 2016, Major General Cai Hongshuo, a senior researcher, was appointed deputy director of the experts' committee of the CMC Leading Small Group on reform, chaired by Xi ([Pengpai](#), July 28, 2016). The CMC-GO also oversees the PLA's secrecy commission (保密委员会) that supervises the PLA's system of maintaining classified information. [9] Perhaps its most sensitive role is overseeing the Central Guards Bureau (警卫局), which provides bodyguards for top Chinese Communist Party and PLA officials and provides security for key sites.

Over the last few years, the general office has assumed two additional roles designed to support the larger goal of recentralizing authority under the CMC. First is issuing military regulations, which was a responsibility of the former General Political Department (GPD). [10] One PRC legal affairs expert explains that the CMC-GO has the responsibility for "implementing the CMC chairman's instructions," meaning that the documents it issues "should have the power of military regulations" ([Legal Daily](#), January 28,

2016). For instance, a 2015 instruction, distributed “with the approval of CMC chairman Xi Jinping,” outlined new auditing procedures for the PLA, while a 2016 instruction required units to fulfill CMC-mandated training objectives ([Jiefangjun Bao](#), February 10, 2015, [Xinhua](#), December 28, 2016).

A second new mission for the CMC-GO is in the area of propaganda. In the past, the CMC-GO did not play a notable propaganda role, ceding this function to the former GPD. Under Xi, however, the general office has issued a variety of circulars, most of them enjoining soldiers to carefully study Xi’s remarks on select topics. One 2016 circular, for instance, drew attention to Xi’s remarks on the 80th anniversary of the Long March, while another encouraged PLA personnel to study Xi’s speech to cadres on the spirit of the 6th Plenum of the 18th Party Congress, which called on Party members, among other things, to “defend the core” (referring to Xi himself) ([Xinhua](#), October 24, 2016, [Xinhua](#), February 26, 2017). **[11]**

The common link in the CMC-GO’s recent activities in the legal and political arenas is the imperative to buttress Xi’s influence in the PLA. Major General Tian Yixiang, another CMC-GO deputy director, explained that the “number one work responsibility” of the general office is to “defend and implement the CMC chairman responsibility system” ([Jiefangjun Bao](#), April 28, 2016). The “CMC chairman responsibility system” is a phrase popularized over the last few years that implies that ultimate authority over PLA affairs rests with Xi, rather than the CMC vice chairmen (who were granted significant autonomy under the Jiang and Hu administrations). **[12]** Issuing instructions under Xi’s name and publicizing Xi’s remarks on military topics is thus

a way for the CMC-GO to carry out its duty to promote the role of the CMC chairman.

### Constraints

Although the CMC-GO has played a significant role in returning authority to the CMC, and elevating Xi’s status as CMC chairman in particular, there are a few key constraints on its influence. First, its expanded authority is largely contingent on its relationship with Xi. This has two implications: the general office’s influence could ebb if Xi’s successor decides to move power back to the former general departments or elsewhere in the PLA; and Xi could reduce the authority bestowed on the office’s leadership if he feels that they are no longer serving his interests (just as Deng Xiaoping removed Yang Baibing as head of the now-defunct CMC Secretariat in 1992).

### **[13]**

Second, Xi’s ability to rely on confidantes in the CMC-GO to better understand developments in the PLA is limited. Zhong Shaojun himself is only one individual; it is unclear who Xi’s other trusted advisers in the general office are (though he certainly employs a cadre of lower-level personal secretaries). Xi does not, for instance, appear to have a longstanding personal relationship with Qin Shengxiang, who previously oversaw the GPD’s Organization Department. Moreover, Zhong himself does not have a long pedigree of service in the PLA, which could limit his ability to grasp internal developments and transmit them to Xi.

Third, attempts by the CMC-GO leadership to enforce compliance by subsidiary organizations could encounter bureaucratic resistance. There is already evidence of an effort by individuals who claim to be affiliated with the former GPD to undercut Qin Shengxiang’s influence by tying

him to disgraced former CMC vice chairmen Guo Boxiong and Xu Caihou ([Boxun](#), April 2014; [Boxun](#), March 2017). This could indicate frustration with Qin's expanded authority or the ways in which he has sought to use it. More broadly, any of the new CMC organizations could use common tactics, such as withholding embarrassing details on their performance, to circumvent the CMC-GO.

## Conclusion

An important test of the CMC-GO's ability to manage the CMC bureaucracy will come over the next few years as PLA reform deepens, including through a planned 300,000-person downsizing, force structure adjustments, and a major PLA leadership turnover. Those changes will place added burdens on Xi and his fellow CMC members not only to effectively communicate with the larger PLA, but also to understand and break through any bureaucratic logjams. The CMC-GO will place a key role in this respect by providing advice, reinforcing Xi's status as CMC chairman, and managing the enlarged CMC bureaucracy. However, given its constraints, it is unclear that the office has the ability to fight and win battles against committed bureaucratic foes.

## Notes

1. Joel Wuthnow and Phillip C. Saunders, *Chinese Military Reform in the Age of Xi Jinping* (Washington, DC: National Defense University, 2017), pp. 32-5.
2. PRC Ministry of National Defense, <http://eng.mod.gov.cn/cmc/index.htm>
3. For an insider's account of the CMC-GO from the 1950s-1980s, see Bo Xuezheng, "My Days in the CMC General Office" (在

中央军委办公厅工作的日子), *Party History World* (党史天地), January 2006, pp. 8-16.

4. Wuthnow and Saunders, pp. 10-13.
5. Thanks to Ken Allen for this insight.
6. Historically, the CMC-GO was an MR Deputy Leader-grade organization. The directors of successor organizations of the four general departments (namely Joint Staff, Political Work, Logistics Support, and Equipment Development) remain CMC members—one grade above TC Leader. It is unclear whether those departments will remain at that grade after the 19th Party Congress, when a major PLA leadership turnover is expected.
7. Deng appointed Wang Ruilin as a CMC-GO deputy director in the early 1980s, while Jiang appointed Jia Ting'an as general office director in the 1990s. See: Cheng Li, "The New Military Elite: Generational Profile and Contradictory Trends" in David Finkelstein and Kristen Gunness, *Civil-Military Relations in Today's China: Swimming in a New Sea* (New York: Routledge, 2007), pp. 67-8.
8. Michael D. Swaine, *The Military & Political Succession in China* (Arlington, VA: RAND, 1992), 70. Li later served as president of the PLA Academy of Military Science. The CMC-GO also played a significant role in drafting the Hu Jintao-era "new historic missions." Isaac B. Kardon and Phillip C. Saunders, "Reconsidering the PLA as an Interest Group," in Phillip C. Saunders and Andrew Scobell, *PLA Influence on China's National Security Policymaking* (Stanford, CA: Stanford University Press, 2015), p. 42.
9. Kenneth W. Allen, "Introduction to the PLA's Organizational Reforms: 2000-2012," in Kevin Pollpeter and Kenneth W.

Allen, *The PLA as Organization v2.0* (Vienna, VA: DGI, 2015), pp. 38-9.

10. The CMC-GO has had a Legal Affairs Bureau (法制局) for years, though in practice military regulations were issued by the GPD.
11. In charge of this propaganda effort is CMC-GO Political Work Bureau (政治工作局) director Major General Wang Anlong, who previously served in the Nanjing MR. This is potentially important due to the links between Xi and former senior officers from that command. See: "Xi Jinping Consolidates Power By Promoting Alumni of the Nanjing Military Region," *China Brief*, January 9, 2015.
12. The phraseology is derived from the 1982 PRC Constitution, which states that the "Chairman assumes overall responsibility for the work of the Central Military Commission."
13. Swaine, p. 70.

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## Thinking the Unthinkable: Are American Organizations in China Ready for a Serious Crisis?

Matt Brazil

Since the 2016 General Election, American relations with the People's Republic of China (PRC) have followed a rollercoaster-like trajectory. Days before his inauguration, President Trump briefly reversed decades of predictable American conduct in a telephone conversation with Taiwan President Tsai Ing-wen and hinted a departure from the "one China policy,"

([CNA.com.tw](http://CNA.com.tw), December 3, 2016; [Reuters](http://Reuters), January 12). During his confirmation hearings, Secretary of State Rex Tillerson proposed blocking access to China's artificial islands in the South China Sea and triggered an outraged response from Beijing ([C-SPAN](http://C-SPAN), January 11, [Global Times](http://GlobalTimes), January 13).

Then came the public reversals. With little explanation, Trump endorsed "One China" during his call with Chinese President Xi Jinping in early February ([Xinhuanet](http://Xinhuanet), February 10). PRC Prime Minister Li Keqiang subsequently expressed optimism about the U.S.-China relationship in the lead up to the Xi-Trump meeting in early April ([XinhuaNet](http://XinhuaNet) and [New York Times](http://NewYorkTimes), March 15). During Secretary of State Tillerson's visit to Beijing a week later, he adopted Chinese phraseology to describe the bilateral relationship, something that previous U.S. administrations had carefully avoided ([Xinhuanet](http://Xinhuanet) and [Washington Post](http://WashingtonPost), March 19).

If this was solace for some who seek signs of stability in this important bilateral relationship, the events that followed betrayed potential for future instability. The new American president appears committed to punishing China for its trade surplus, and the U.S. Navy plans to enhance "freedom of navigation operations" near China's artificial islands in the South China Sea ([Navy Times](http://NavyTimes), February 12). Meanwhile, early Chinese objections to American THAAD anti-missile defenses in South Korea became a hotter topic with their rushed deployment in March, and April brought disquiet to Chinese policymakers in the form of the U.S. missile strike against Syria and the deployment of the USS Carl Vinson strike group to Northeast Asia ([Hangzhou Military television](http://HangzhouMilitarytelevision), July 11; [China Daily](http://ChinaDaily), March 15; [Navy Times](http://NavyTimes), April 9). Trump now views Chinese assistance with North Korea as essential.

As if to underline the potential for instability, a recent speech by the popular military commentator Jin Yanan indicates that Chinese military planners view the Trump presidency as a less than serious threat to their plans for changing the balance of power in the Western Pacific. [1]

This dizzying ride comes at the end of an extended downturn in Sino-American ties and escalating risk to foreign organizations in the PRC (*China Brief*, [October 5, 2012](#), and [May 11](#)). If a serious bilateral crisis develops between China and the U.S. or with a number of other potential antagonists—notably Taiwan, Japan, South Korea, Vietnam, Britain, Australia, and Canada—their nationals in China may become unacceptably vulnerable to expulsion or detention.

This article focuses mainly on foreign businesspeople in China, due to their large number and the legal “duty of care” shouldered by corporate employers ([SHRM.org](#), 2010; [InternationalSOS.com](#), 2016). However, roughly half the foreigners in China are students, who along with tourists, missionaries, employees of non-government organizations (NGOs), and diplomats, would face similar risks based on nationality ([Institute of International Education](#), 2016).

### **The Chinese Communist Factor in the “Big Emerging Market” [2]**

Ninety percent of American businesses recently surveyed still report profitability in China, though 80 percent reported feeling unwelcomed (U.S.-China Business Council [2016 Membership Survey](#)). Moreover, American business leaders are less optimistic overall, citing animosity of the host government, slower growth, and investment barriers ([Bloomberg](#), April 18). Since companies are in business to make money,

most invested in China will likely react to uncertainty by choosing a standard “wait and see” approach in 2017: stay put but slow expansion, control hiring and travel, and reexamine security. These are all familiar steps for business anywhere when risk escalates.

However, unlike most other nations that attract multinational corporate investment and offer a growing consumer market, the PRC is ruled by a huge, 88 million member entity—the Chinese Communist Party (CCP). It has the dominant role in the economy, assists “national champions” to compete against foreign firms with the help of government regulators, wields an intrusive and powerful security apparatus, lavishly funds programs to covertly acquire foreign high technology, is engaged in a widespread purge against corruption within, and has successfully cultivated a widespread popular suspicion of the U.S., Japan and certain other nations. Despite China’s relatively low crime rate, the CCP’s program presents an atypically high-risk profile for resident and visiting foreigners, be they tourists, business people, students, missionaries, diplomats, or others.

American people and assets in the China may be more in at risk this year than at any time since 1989 (*China Brief*, May 11, 2016). Official and popular suspicion of foreigners is also reflected in China’s continuing anti-spy campaign that urges citizens to report suspected espionage activity in exchange for large potential rewards ([Beijing Ribao](#) and [BBC](#), April 10; Chinese State Security [video](#) via SCMP, April 12). Though these and other signs of a declining U.S.-China relationship are easy to observe in the headlines, some American organizations with exposure there remain less than prepared for a real crisis and may overestimate the ability of the U.S. Government to assist them in an emergency.

## Lack of Preparedness

Major demonstrations and anti-foreign violence are assumed risks in international business, but the history of the People's Republic since 1949 carries many examples of mass action being purposely driven or encouraged by the central government. Demonstrations and mob violence, not to mention arbitrary detention, remain part of the CCP's toolbox. If foreigners became endangered in a deteriorating scenario and their home country agencies were called upon to assist a mass evacuation of stranded citizens, such a mission would likely prove impossible without generous, and rapid, host government (read CCP and military) cooperation.

Interviews with security experts with extensive China experience and broad knowledge of industry trends indicate that some foreign firms in China have extensive plans in place to remove their non-Chinese employees and dependents in an emergency. The most prepared have a clear and rehearsed emergency evacuation plan, briefings to employees, and seats reserved in advance, via "evacuation insurance," on chartered aircraft.

However, these same experts say that many or most firms do not go beyond an ad hoc, incident-by-incident approach and eschew detailed preparations. In the words of one well-informed security executive, if a mass evacuation were needed, foreign companies mostly intend "to throw money at it" without much pre-planning. A contributing factor to this problem, according to a professor of business strategy at IESE, is the widespread inability of modern business leaders to understand signs of geopolitical risk ([IESE](#), [accessed April 20]; [Stratfor](#), April 14).

The numbers of foreigners in China make this low level of readiness a serious issue. The last time a major evacuation occurred was after the June Fourth 1989 Tian'anmen Incident, when there were probably less than 100,000 foreigners living in the PRC. But their numbers increased at more than three percent per annum in the intervening 24 years. Official statistics show that there were 848,500 foreigners resident in China in 2013, and approximately 12 percent, or 101,000, were Americans, with over 127,000 Japanese in 2009 ([Guangming Daily](#), April 8, 2015; [China Daily](#), March 9, 2015; Japanese [Ministry of Foreign Affairs](#), 2009). Should a situation of high risk to foreign residents arise today, hundreds of thousands might try to depart China all at once, clogging ordinary means of transport. Larry Wortzel of the U.S.-China Commission, who was a key figure in the evacuation in 1989, noted that the operations by the American and Japanese embassies to remove a few thousand citizens from Beijing and nearby Tianjin were only possible with the assistance of the People's Liberation Army (PLA) and the Ministry of Public Security (MPS). He noted that "without their cooperation, it would have been the Boxer Rebellion all over again."**[3]**

"Riding out" a political crisis or widespread civil disturbance is by far the easiest and least expensive business contingency plan, as long as the CCP and its subordinate government remain committed to protecting foreign businesses on their soil. But history shows circumstances under which this situation might quickly change.

## Hostage Taking and Expulsions: Part of the Chinese Playbook

Taking hostages is a fixture in Chinese history and modern practice. It was a formal part of Chinese statecraft until the 17th Century, including

taking “external hostages” to control barbarian states during ordinary times, and during hostilities to facilitate negotiations for armistice or surrender. [4]

In modern times, extrajudicial hostage taking over business disputes, often condoned by local authorities, has become common. A few of many examples: American senior executives confined for days to weeks in separate incidents during 2007 and 2013 in Beijing, when Chinese staff feared layoffs; the bankrupt consumer products company whose Chinese suppliers stormed their representative office and took American employees hostage for about a week ([Wall Street Journal](#), June 26, 2013) [5] Hostage taking is even a strategy of choice in a Chinese business publication: if a debt becomes uncollectable, enlist the help of the local Public Security Bureau to temporarily hold the debtor ([China Law Blog](#), May 2016).

As illustrated in the comparisons below, private disputes are different than a state-sponsored detention, but the lesson to absorb is that use of detained people as pawns is more acceptable in China than elsewhere, which raises the risk to resident foreigners of all stripes. If the current leadership wished to make a list of precedents for holding foreigners without conventional criminal charges, it might look like this:

Historical Precedents Leading to Detentions of Foreigners Under Non-Criminal Circumstances			
Year	Detainee Type	Incident	Circumstances
1948-49	Diplomats	Confinement to facility of diplomats, American Consulate, (Shenyang) Mukden	Rising US-China tensions. Military campaign during Chinese Civil War.
1949-50	Diplomats	Delayed departure of U.S. diplomats and other Americans from Shanghai	Rising US-China tensions. Espionage threat in Shanghai.
1967	Diplomats	Brief detention of UK diplomats during burning of British Embassy Beijing	Chaotic phase of Cultural Revolution.
1967-69	Journalist	Longer ordeal of Reuters correspondent Anthony Grey	Chaotic phase of Cultural Revolution.
2001	Military	Detention of an American EP-3 crew on Hainan Island	Incident On and Over the High Seas (INCSEA)
2008	Business	Visiting U.S. executives detained by workers at factory during labor dispute. *	Local business dispute. Action ignored by Public Security Bureau.
2014	Business	Detention of Australian executive *	PRC intelligence identifies and pitches a former intelligence officer.
2014-16	Missionary	Detention of Kevin and Julia Garrett, Canadian missionaries	Canadian-Chinese bilateral tensions prior to arrest.
2015	Business	Detention of American executive *	PRC intelligence identifies and detains former intelligence officer.
2015	Diplomats	Detention of American Consulate officer *	Officer held and beaten by Chengdu municipal State Security Bureau for unclear reasons
2015	Business	Detention of U.S. corporate executives visiting tire factory in Shandong province. *	Dispute between the firm and the local CCP committee following an earlier strike.

**Sources:** Chen Jian, *China's Road to the Korea War, the Making of the Chinese-American Confrontation* (New York: Columbia University Press, 1994), pp. 33-39; Earl Wilson, "I was looking at him, this one man between me and freedom," in "Get While the Getting is Good," ADST.org; Roderick MacFarquhar and Michael Schoenhals, *Mao's Last Revolution* (Cambridge, Massachusetts: Belknap Press, 2006), pp. 224-27; Anthony Grey, *Hostage in Peking* (London: Michael Joseph, 1970); Susan L. Shirk, *China, Fragile Superpower* (Oxford: Oxford University Press, 2007), pp. 236-37. \*Interviews regarding unpublicized incidents.

By coincidence, the ordeal of the Garretts began two months after the Canadian government accused China in July 2014 of state-sponsored spying against the National Research Council in Ottawa ([Xinhua](#), January 28, 2016; [CBC News](#), July 29, 2014). Espionage charges were laid followed by deportation, possibly a signal example that the CCP is willing to use detentions and expulsions in a random way to pressure a foreign government. More recently, the dispute with South Korea over the THAAD deployment triggered the unexpected expulsion of an uncertain number of South Korean missionaries. Despite the declining number of Western and Korean missionaries after three years of CCP pressure, possibly thousands remain in China, subject to sudden official hostility ([Christianity Today](#), March 8, 2017; [Toronto Globe and Mail](#), August 25, 2014; [billionbibles.org](#)).

The 2001 EP-3 incident likely provides the most hints of how the CCP leadership would consider using Americans in China should a bilateral conflict suddenly arise. Chinese military leaders talked about preparing to fight the U.S., internal security bodies wanted to put the Americans on trial, and others who worked the bilateral relationship wanted to release the crew gradually or right away, and keep the aircraft. One Chinese advisor noted that “The internal negotiations were much more difficult than the negotiations with the US.” CCP General Secretary Jiang Zemin allowed the crew to depart China after 11 days, and their aircraft was disassembled and shipped back to the U.S. as freight. [6]

If tensions with the U.S. should escalate today, a similar internal debate should be expected—but this time the decider is Xi Jinping, a “hard authoritarian” who at least aspires to firmer control compared to recent CCP leaders. [7] Xi has taken an increasingly unforgiving stance against the American presence in Asia and may consider himself more secure in authority than did Jiang ([China Brief](#), October 4, 2016). Strong though he may be, Xi’s choices in a crisis may be constrained by an accompanying rise in popular anger against foreigners. Moreover, the large number of Chinese immigrants in the U.S. also poses a problem in controlling a bilateral crisis.

### Popular Anger, East and West

Anti-American and anti-Japanese demonstrations in China after various incidents in 1999, 2005 and 2012 show the potential for sudden hostility against foreigners, stemming in part from the idea that China suffered a “Century of Humiliation” (百年国耻, *Bainian guochi*) at the hands of the West and Japan, ending in 1949. [8] Recognizing the historical validity of this idea and the deep impression it has made on the sensibilities of hundreds of millions of Chinese allows clearer understanding of the vulnerability foreign organizations and people in China, even in the best of times.

There are over two million Chinese immigrants in the U.S. including at least 238,500 Chinese students

([Migration Policy Institute](#), January 28, 2015; [Institute of International Education](#), 2015). Given the unusual levels of hostility exhibited by some Americans during the 2016 election, it is reasonable to anticipate some anti-Chinese violence in America if U.S.-China tensions rise past a certain point. This alone might prompt Beijing to retaliate against Americans in China. Indeed, some policymakers in Beijing may already take a dark view of the risk to Chinese on U.S. soil, if one considers the Chinese Exclusion Act of 1882; the American internment of persons of Japanese ancestry during World War II; the growing numbers of Chinese immigrants in the US, and the isolation of small pockets of Chinese students in some college communities.

### Getting Mad, Getting Even

Reciprocity may be the most important element in understanding risk. If the U.S. side does something that offends the PRC, they might consider the impact of further escalation on Chinese in the U.S., but more likely respond in a way that meets the offense head on and sidesteps telegraphing weakness to avoid enraging Chinese “netizens” and others. For example, presidential tweets which Chinese leaders find insulting, have thus far been met with mere editorials or statements by the Chinese Foreign Ministry. Trump’s third set of comments in mid-January on the One China policy were met with progressively stronger language ([China Daily](#), January 15). But what about more concrete actions, such as hindering China’s access to its artificial islands in the South China Sea, or U.S. military actions against North Korea without Chinese agreement?

Given the number of Americans in China and the presence of significant investment assets, Xi Jinping would have a menu of options. At the lowest level, shipments to and from foreign organizations could be delayed or impounded, and visas could be denied or canceled. A further escalation might include closing the many American-run “international” schools and NGO operations around the country, shuttering

restaurants and grocery stores specializing in Western food, and harassing Americans trying to enter U.S. diplomatic posts.

To step up the pressure, the CCP could encourage mass demonstrations, cancel flights leaving for the US, or stop allowing Americans, individually or as a group, to enter airports for international departures. In a further escalation, American residents in a single area (e.g. a medium-sized “tier 2” city like Nanning, Changsha, Lhasa, or Dalian) might be relocated or simply cordoned off by a military unit. Interned Americans might be treated well but denied electronic communications, especially mobile phones, to avoid security compromises and the generation of viral videos, though they could be allowed ordinary postal services with special handling, again to protect Americans against the righteous anger of the populace. In the meantime, if events in the U.S. included attacks on Chinese people, the resulting popular anger in China could further force the hand of the CCP in dealing with foreigners under their control.

### Mitigate Risk Now

In light of these developments, a foreign organization’s contingency plans for China should be written in versions that account for two broadly stated scenarios.

First, the “lite” Plan A, when trade disputes or other bilateral irritations mostly affect assets. Both sides would probably be engaged in serious negotiations, exerting pressure but striving to maintain good faith. The host government might escalate restrictions on entry visas and work permits, slow down imports and exports, impose unusually high tariffs, and so on, perhaps even detain a vulnerable person, but avoid widespread harassment of foreign citizens. Profitability would go down and inconvenience would go up as managers and staff struggle with a stream of distracting problems. For example, besides irritants from the host government, dependents might become nervous and decide to leave, even in the middle of a school year.

However, given present circumstances and China’s track record of aggressive measures against foreigners, plus the potential of popular outrage, a more serious Plan B is also called for. It should include a solid evacuation plan, with reserved means of transport and phased departures under defined circumstances. Relying on an ad-hoc, throw-money-at-it-if-we-must approach under these unusual historic conditions assumes a high risk that is no longer acceptable.

### Notes

1. Major General [Jin Yanan talk](#), January 2017. Jin is on the faculty of the National Defense University (国防大学, *Guofang Daxue*) and is the Director of their Strategic Research Institute. His talks have become popular on Chinese television. Jin became known outside China for his videoed briefing describing Chinese caught spying for foreign governments ([Sydney Morning Herald](#), August 30, 2011).
2. A phrase used by the U.S. government during the early Clinton Administration to describe markets for U.S. exports in China, Russia, Brazil and India, and others. Jeffrey E. Garten, *The Big Ten: The Big Emerging Markets and How They Will Change Our Lives* (New York: Perseus Books, 1997).
3. Larry Wortzel interview, December 2016. In 1900, China had suffered sixty years of humiliating military and diplomatic defeats by the Western powers and Japan, and was in danger of being split into colonies. A mystical and reactionary Chinese movement, virulently anti-foreign and anti-Christian, arose and was nicknamed the “Boxers” by Westerners. They gained the support of the Imperial government and attacked foreign legations in Beijing from June to August 1900. The siege was only lifted when a multinational force invaded from the sea and overcame resistance from the Chinese army and the general population. See Diana Preston,

*The Boxer Rebellion* (New York: Walker, 2000).

4. Yang, Lien-sheng. "Hostages in Chinese History." *Harvard Journal of Asiatic Studies*, vol. 15, no. 3/4, 1952, pp. 507, 509-11, 516, 519-20. [www.jstor.org/stable/2718238](http://www.jstor.org/stable/2718238).
5. Interview with a corporate security executive from a U.S. technology firm, 2007.
6. Susan L. Shirk, *China, Fragile Superpower* (Oxford: Oxford University Press, 2007), pp., pp. 236-39. For a discussion of the material compromised during the incident, see [The Intercept](#), April 10.
7. David Shambaugh, *China's Future* (Cambridge: Polity Press, 2016). In chapter four, especially pp. 98-100, the author argues that the "soft authoritarians" Jiang Zemin, Zeng Qinghong, and Hu Jintao were displaced after 2009 by "hard authoritarians" surrounding Xi Jinping.

Anti-American demonstrations in 1999 after the U.S. bombed the Chinese embassy in Belgrade; anti-Japanese demonstration in 2005 over the content of Japanese school textbooks and the proposal to seat Japan on the UN Security Council, and in 2012 over the East China Sea islands dispute; and anti-American and other demonstrations in 2012 concerning the foreign protests against the passage of the Olympic torch, notably in France and the US; An early use of the term "Century of humiliation" was by Chinese Nationalist leader Chiang Kai-shek in 1946. Since then it has been regularly employed by the Chinese Communist Party to refer to the 107 years between the end of the First Opium War in 1842 and the communist victory in 1949. Final reversal of the humiliation is linked to the goal of eventually recovering Taiwan to CCP rule. ([Xinhua](#), December 9, 1999; [People.com.cn](#), August 1, 2003)

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