



VOLUME 19 • ISSUE 12 • JUNE 26, 2019

IN THIS ISSUE:

**China Explores Economic Outreach to U.S. States Via United Front Entities**

*By John Dotson*

**Hong Kong's Crisis and Prospects for the Pro-Democracy Movement**

*By Joseph Cheng*

**Latvia and the Baltic States Seek Closer Coordination on Relations with China**

*By Otto Tabuns*

**A Preliminary Survey of CCP Influence Efforts in Japan**

*By Russell Hsiao*

**Chinese Nuclear Weapons Strategy—Leaning Towards a More Proactive Posture?  
Part I: Legacy Policy and Strategy, and the Drivers of Potential Change**

*By Toshi Yoshihara and Jack Bianchi*

**China Explores Economic Outreach to U.S. States Via United Front Entities**

*By John Dotson*

**Introduction**

Ever since the seeming collapse of U.S.-China trade talks in early May ([China Brief](#), May 29), state media outlets of the People's Republic of China (PRC) have unleashed a vitriolic campaign to blame the breakdown of the talks on the alleged bad faith of U.S. interlocutors, and have even claimed that U.S.-imposed tariffs are motivated by "hegemonic" intentions and a desire to "contain China's development" ([Global Times](#), June 10). However, amidst the harsh rhetoric directed at U.S. policymakers at the national level, a far more conciliatory message is being delivered to American public officials at the state level, in the hope that such connections might serve to sustain U.S.-China trade relations amidst the "trade war" raging between the two national governments. Many of these outreach efforts are being conducted either by "people-to-people" diplomacy

organizations, or by Chinese trade associations—both of which occupy prominent places in the PRC’s broader united front architecture for cultivating influence abroad.

### **A New State-Level Strategy for Trade with the United States?**

The “U.S.-China Governors Collaboration Summit,” held from May 22-24 in Lexington, Kentucky, indicates at least one avenue by which Beijing is pursuing partial alleviation of the trade disruptions caused by disputes with the Trump Administration at the national level. Sponsored on the U.S. side by the National Governors Association and the Commonwealth of Kentucky, the conference brought together business representatives with political officials from U.S. states and Chinese municipal- and provincial-level governments to “discuss trade opportunities and best practices, especially in the areas of manufacturing, infrastructure, innovation, education and e-commerce.” [1]

As might be expected, officials from states whose exports have either been negatively impacted or threatened by the ongoing “trade war” were among the most prominent participants in the conference. The host state of Kentucky, and Tennessee, were both represented: the two states share a number of common economic concerns, and both have taken hits in multiple export sectors as a result of ongoing trade disputes involving both the PRC and the European Union (*see below*). Officials from Washington State—a state that looks to China as its largest export destination, and which faces vulnerabilities in major export sectors such as aircraft and soybeans ([Michigan State Univ.](#), 2018; [U.S. Census Bureau](#), May 6)—also featured prominently at the conference.

The impacts on rural states resulting from declines in U.S. agricultural exports to China have been well-reported; however, less well noted has been the impact on other sectors, to include distilling and auto manufacturing. In the second half of 2018, American whisky exports fell 11% due to tariffs in both Chinese and European markets ([Lexington Herald Leader](#), March 21). In Tennessee, whisky exports fell 31% during the final quarter of 2018, and automobile exports dipped by an estimated \$100 million dollars ([Middle Tennessee State Univ.](#), May 3). Speaking at the conference, Tennessee Governor Bill Lee noted that China is the third largest export market for goods from Tennessee, and therefore “the relationship between China and Tennessee is very important” ([WLKY News \(Louisville\)](#), May 23).

Highlights of the conference included: the announced creation of Galaxy Trade and Technology, a joint venture to facilitate exports of magnesium from Shaanxi Province to the United States ([Xinhua](#), May 25); the signing of a letter of intent by the U.S. company Air Products to support construction of a natural gas project at Yushen Industrial Park in Shaanxi Province ([Xinhua](#), May 26); and the signing of a memorandum of understanding between Kentucky and the municipality of Chongqing to expand exchanges in trade and culture ([WLKY News \(Louisville\)](#), May 23).

**Stressing the Role of “Sub-National Dialogue”**

A theme consistently stressed at the conference was the need for state and local engagement to keep U.S.-China relations on track. In comments to the press, Kentucky Governor Matt Bevin stated that, amid trade disputes at the national level, “it is critical that we have at the sub-national level the kind of dialogue that is happening [here]... We are building those foundations now, building those relationships now, because when this gets worked out at the national level, we will all be ready to come out of the gate at the sub-national level in ways that are good” ([WLKY News \(Louisville\)](#), May 23).

Washington State Lt. Governor Cyrus Habib opined that “we are seeing an increased interest of focus on sub-national international relations” between the United States and China ([China Daily](#), May 25). In an interview with reporters for PRC state media, Lt. Governor Habib presented an optimistic view of future U.S.-China trade ties, stating that “I’m optimistic about it, because I don’t think that this type of tactic [*i.e.*, *tariffs*] is going to be sustainable, is not going to accomplish the political goals that either side is thinking that it will... and I think that we will actually get to the negotiating table in the right manner” ([CCTV](#), May 23).



*Image: PRC Ambassador to the United States Cui Tiankai speaking with Washington State Lt. Governor Cyrus Habib at the “U.S.-China Governors Collaboration Summit” in May. (Source: [Twitter](#))*

The message regarding “sub-national relations” was enthusiastically supported by PRC government sources. Cui Tiankai (崔天凯), the PRC Ambassador to the United States, stated in a speech presented to the conference that, “Given the current circumstances, it is more important than ever that sub-national representatives from China and the United States gather to explore how to advance cooperation and identify

win-win opportunities that benefit all.” In thinly-veiled jabs directed at U.S. national-level officials, Cui also remarked that “[In Kentucky], I always find true friendship, not groundless suspicions; our people focus on cooperation, not confrontation; and we share hope for greater engagement and understanding.” Noting the drop in exports to China from states like Kentucky, Cui further stated that “We need to pay serious attention to this, and not let some ill-informed, ill-intentioned people incite a ‘new Cold War’ at the expense of the people's interests” ([PRC Embassy](#), May 24).

Following the conference, a PRC Foreign Ministry spokesman praised the event for including “in-depth discussions on how to promote the sound and steady development of China-U.S. relations through sub-national exchange and cooperation,” and stated that the PRC “stand[s] ready to work with the U.S. for greater benefits to our peoples by deepening sub-national and across-the-board exchange and cooperation” ([PRC Los Angeles Consulate](#), May 28). The state Xinhua News Agency commented that “several U.S. governors have expressed their hope that the United States and China could soon reach a win-win trade deal to reduce uncertainty in business and bring bilateral cooperation back on track” ([Xinhua](#), May 26).

### **The Role of United Front Entities in “Sub-National Relations”**

What official coverage of the event did not reveal, however, was the role of PRC united front entities in organizing the conference. On the Chinese side, one of the primary institutional sponsors for the conference was the Chinese People’s Association for Friendship with Foreign Countries (*Zhongguo Renmin Duiwai Youhao Xiehui*, 中国人民对外友好协会), or CPAFFC. Originally founded in 1954 as a mechanism to allow for unofficial civic exchanges with countries that did not maintain diplomatic relations with the PRC, CPAFFC presents itself as a non-governmental (or at least a semi-private) organization. However, CPAFFC operates as a functional component of the Chinese government’s broader foreign affairs (*waishi*, 外事) bureaucracy. [2] The current institutional subordination of CPAFFC is not entirely clear, but its origins lie in a system controlled by the Chinese Communist Party (CCP) Central Committee. [3]

Senior officials of CPAFFC have clear ties to the PRC Foreign Ministry: for example, three out of five current directors or deputy directors of CPAFFC, to include its president Li Xiaolin (李小林), have performed terms of service at PRC embassies overseas ([CPAFFC](#), undated). Li Xiaolin herself is a prominent CCP princeling, the daughter of former PRC state president Li Xiannian. The role of CPAFFC has seen a revival during the tenure of Xi Jinping, and it currently operates as a “people-to-people” diplomacy-*cum*-united front entity that manages many of the PRC’s exchanges with foreign cities and provincial/state-level governments. [4]



*Image: CPAFFC President Li Xiaolin poses for a photo alongside Kentucky Governor Matt Bevin at the “U.S.-China Governors Collaboration Summit,” held in Lexington, Kentucky from May 22-24. (Source: [CPAFFC](#))*

Another primary sponsor of the conference was the China General Chamber of Commerce-USA (CGCC-USA), which maintains six branch offices around the United States, and engages in outreach events both with U.S. companies and local governments ([CGCC-USA](#), May 2019). Aside from the Louisville conference, CGCC-USA has recently promoted the “sub-national” theme at other venues: at an April event in New York City focused on the topic of increased U.S. law enforcement activities directed at Chinese companies, a CGCC-USA official emphasized the theme of sub-national ties, stating his confidence “in seeing a brighter future by increasing the level of mutual understanding through increased dialogue both at the federal level and the local state level” ([CGCC-USA](#), April 8).

Such events lie within the scope of routine and benign activities conducted by chambers of commerce worldwide to promote trade ties and the interests of their members. However, unlike their counterparts in other countries, PRC chambers of commerce and trade associations are state-controlled: for example, the current and previous three chairmen of CGCC-USA have all been dual-hatted as presidents of large Chinese state-owned enterprises ([CGCC-USA](#), undated), and were therefore appointed to their positions by the CCP Organization Department ([CRS](#), March 20, 2013; [The Diplomat](#), March 13, 2018).

Chambers of commerce and trade associations have long been a component of the PRC’s united front work, [5] and their significance in this respect has been growing in recent years ([China Brief](#), June 18, 2018). In this sense, organizations like CGCC-USA can be expected to serve a dual function: on the one hand, pursuing trade ties beneficial to Chinese companies; while on the other hand, acting as vehicles for cultivating business and political elites, and propagating narrative messages in support of PRC government policies.

### **Conclusions**

The PRC strategy of “sub-national” engagement with U.S. states is motivated in part by specific concerns related to ongoing U.S.-China trade disputes, and the desire to seek alternate avenues of economic engagement at the state level—and perhaps, indirect political pressure on U.S. federal authorities. However, the U.S. example is not unique, and these activities fit within a broader PRC effort to seek influence with sub-national governments in countries throughout the world, often through proposed economic projects ([Sinopsis](#), October 22, 2018). Recent examples of this have included outreach made either by CPAFFC or Chinese state-affiliated companies to local government officials in Denmark ([Danish-Chinese Business Forum](#), 2018), South Africa ([CPAFFC](#), November 16, 2018), and Brazil ([CPAFFC](#), May 29).

The PRC’s outreach to U.S. states should not be viewed with blind suspicion, for it can result in genuine opportunities for economic engagement. Furthermore, it is reciprocated from the U.S. side with enthusiastic outreach by state officials themselves ([National Governors Association Global Program](#), undated). However, regional officials in the United States and other countries should enter into such dialogues with eyes wide open regarding the nature of their Chinese partner organizations—and they should be fully cognizant of the dual roles that such united front entities serve in pursuing enhanced “sub-national relations.”

*The author is grateful to both Jichang Lulu and Geoff Wade for their insights and materials shared in the preparation of this article. Any errors or omissions are solely the responsibility of the author.*

*John Dotson is the editor of China Brief. Contact him at [cbeditor@jamestown.org](mailto:cbeditor@jamestown.org).*

### **Notes**

[1] Prominent U.S. participants included: Matt Bevin, Governor of Kentucky; Bill Lee, Governor of Tennessee; Dianne Primavera, Lt. Governor of Colorado; Garlin Gilchrist, Lt. Governor of Michigan; and Cyrus Habib, Lt. Governor of Washington. Senior PRC officials in attendance included: Tang Liangzhi (唐良智), Mayor of Chongqing (Sichuan Province); Liu Guozhong (刘国中), Governor of Shaanxi Province; Zhang Shizhen (张世珍), Vice Governor of Gansu Province; and Wu Zhongqiong (吴忠琼), Vice Governor of Jiangxi Province. See: Agenda for the U.S.-China Governors Collaboration Summit, as posted by the China General Chamber of Commerce (May 2019).

<https://www.cgccusa.org/wp-content/uploads/2019/05/Agenda-US-China-Summit-5.18.pdf>.

[2] For a brief discussion of the role of CPAFFC, see: Anne-Marie Brady, “Magic Weapons: China’s Political Influence Activities Under Xi Jinping” (Wilson Center, Sep. 2017), pp. 33-34.

[https://www.wilsoncenter.org/sites/default/files/for\\_website\\_magicweaponsanne-mariesbradyseptember2017.pdf](https://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf).

[3] Anne-Marie Brady, *Making the Foreign Serve China: Managing Foreigners in the People’s Republic* (Rowman & Littlefield, 2003), pp. 90-91.



[4] CPAFFC describes itself thusly: "With the government's support, [CPAFFC] coordinates and manages our country's work to build and develop friendship with foreign cities, promoting exchanges and cooperation between Chinese and foreign cities and local regions. [CPAFFC] represents Chinese regional governments in conducting international cooperation with global cities and regional governments..." ["受政府委托，协调管理我国同外国建立和发展友好城市关系的工作，推动中外地方和城市的交流与合作。作为世界城市和地方政府联合组织的成员，代表中国地方政府参与国际合作。"] See: "Association Introduction" [协会简介], CPAFFC website (undated). <http://www.cpaffc.org.cn/introduction/agrintr.html>.

[5] For example, the China Council for the Promotion of International Trade (*Zhongguo Guoji Maoyi Cujin Weiyuanhui*, 中国国际贸易促进委员会), first formed in 1952, has long been identified by the U.S. intelligence community as a united front entity supporting PRC diplomatic goals. See: Central Intelligence Agency, *The United Front in Communist China*, report dated May 1957 (declassified August 24, 1999). <https://www.cia.gov/library/readingroom/docs/CIA-RDP78-00915R000600210003-9.pdf>.

\*\*\*

## **Hong Kong's Crisis and Prospects for the Pro-Democracy Movement**

*By Joseph Cheng*

### **Introduction—Disputes Over the Extradition Bill Spill into the Streets of Hong Kong**

On Sunday, June 9, just over one million Hong Kong residents took part in a protest rally against the introduction of the "Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019" (hereafter "Extradition Bill"), which had been introduced into Hong Kong's Legislative Council by the city administration of Chief Executive Carrie Lam (Carrie Lam Cheng Yuet-ngor, 林鄭月娥). The draft Extradition Bill would allow Hong Kong people to be extradited to regions subject to the full authority of the People's Republic of China (PRC). [1] As PRC courts are under the control of the Chinese Communist Party (CCP), and therefore offer no genuine due process to defendants who might face charges for political reasons, the bill had aroused widespread opposition in Hong Kong.

Immediately after the June 9 protest rally, the Lam administration refused to make serious concessions or to otherwise engage with those who opposed the bill. In a press statement released that evening, Chief Executive Lam indicated that the legislative process would proceed on schedule, and that the contents of the bill would not be altered ([SCMP](#), June 10). Andrew Leung Kwan-yuen (梁君彥), the president of the Legislative Council, soon announced the schedule of meetings for the deliberation of the bill, and announced that a vote would be held on June 20. It was this arrogance and total disregard for the protest rally that provoked about 40,000 young people to surround the Legislative Council on the morning of June 12, when deliberations on the amendment bill were to begin. This action led to some violent clashes with the police in the afternoon, who ultimately succeeded in dispersing the bulk of the protesters later in the evening. It was a sad scene as tear gas and rubber bullets were deployed, and at least seventy-two people were injured ([Hong](#)

[Kong Free Press](#), June 13).



*Image: Protestors near the Legislative Council building in Hong Kong, June 12.  
(Source: Hong Kong Free Press)*

The broader Hong Kong community had great sympathy for the young protesters. Despite Carrie Lam's promise to shelve the bill, on the following Saturday (June 15) nearly two million people poured into the streets ([BBC](#), June 17)—an extraordinary number in light of Hong Kong's total population of 7.5 million. The Chief Executive made a public apology on June 18—thereby indicating that the Extradition Bill would likely meet a natural disappearance by the end of the present legislative session in July 2020. However, Ms. Lam refused to resign as requested by the pro-democracy movement, and she also rejected its other demands, to include: formal withdrawal of the bill; retraction of labelling the previous Wednesday's confrontation as a “riot” (which could expose participants to prosecution); releasing those arrested; and initiating an investigation into alleged police violence.

### **Beijing's Efforts to Assert Control, and the Rise of Greater Resistance in Hong Kong**

Dating back to the Sino-British negotiations of the early 1980s, Chinese leaders have been most concerned about investors' interests: they realized that as an international financial center, money could leave Hong Kong quite easily. But in this case, despite reservations on the part of both local business leaders and the expatriate business community, the Lam administration only offered limited concessions—without resolving the basic issue of the Hong Kong public's lack of confidence in the PRC judicial system. Hong Kong people consider the right to a fair trial to be a basic political right, and they do not have confidence in the judicial system in the PRC. In addition to the supporters of the pro-democracy movement, businessmen are also alarmed: they frequently become involved in corrupt practices and tax evasion while conducting business in mainland China, and could be vulnerable to prosecution, whether politically-motivated or otherwise.



The protests reflected a simmering anger among the people of Hong Kong. Most local people believe that the increasingly tight hold over Hong Kong policy exercised by PRC authorities has been the root cause of the territory's problems; and in the past five years, they have also witnessed a gradual erosion of the rule of law in the territory. Hong Kong citizens know that democracy has been denied to them since the "Occupation Campaign" (佔領行動)—also known as the "Umbrella Movement" (雨傘運動)—civil disobedience protests in the autumn of 2014. These mass protests were sparked by concerns that the PRC was rigging the electoral system to ensure that only pro-Beijing figures would be selected as candidates to lead the city administration.

The emergence of a spirit of localism, and of pro-independence groups, has provided the PRC authorities and the Hong Kong administration with a convenient excuse: in the name of state sovereignty and national security, and of combating Hong Kong independence, the Lam administration felt it had justification to further bind Hong Kong more tightly to Beijing's authority. Wang Zhimin (王志民), the head of the PRC Central Liaison Office in Hong Kong, declared in April that on issues of national security, there are not "two systems," but rather only the responsibility of "one country" ([RTHK News](#), April 15). Such high-handed statements by ministerial officials from Beijing presume the power of re-defining the scope of the "one country, two systems" model—without apparent concern for what public opinion might be among the people of Hong Kong.

### **Setbacks for the Pro-Democracy Movement Have Mobilized Its Supporters**

Recent years have seen serious setbacks for the pro-democracy movement in Hong Kong. Frequent arrests and prosecutions of demonstrators from 2014 onwards have helped the city's pro-Beijing administration blunt the impact of the pro-democracy movement. The possibility of arrest can be a strong deterrent for protest activity: young people sent to jail with criminal records suffer substantially in their subsequent career prospects. Furthermore, the pro-democracy camp lost in two successive by-elections in Kowloon West in 2018—elections that were called to fill two seats vacated by pro-democracy legislators disqualified due to controversies surrounding their oaths of office ([SCMP](#), July 14, 2017). The major cause of the electoral defeats was that the pro-democracy camp could only attract about 60% of the voters who had supported pro-democracy candidates in the 2016 elections to the Legislative Council. Differences between generations, and those between the more radical and moderate wings of the pro-democracy movement, were also negative factors.

Despite the lower level of electoral participation among Hong Kong youth, their anger was definitely building. Young people have been the principal casualties of a number of socioeconomic factors, including the widening gap between the rich and poor; the decline in upward social mobility; and cramped and expensive housing conditions. These frustrations burst into the open when opportunities arise, as with the recent protests. Many young people participated in the three protest rallies against the Extradition Bill on April 28, June 9, and June 16, 2019—with estimated turnouts of 130,000, 1.03 million, and 2 million people respectively.

## **Why Did Beijing Push for the Extradition Bill Now?**

Although Lam has stated that the initiative for the Extradition Bill did not come from the PRC central government, her legislative proposal received strong endorsement from the CCP leadership in Beijing. In recent months, pro-Beijing groups from Hong Kong have travelled to Beijing to meet with senior CCP officials including Han Zheng (韩正), the Politburo Standing Committee member responsible for Hong Kong and Macau Affairs ([People's Daily Online](#), May 22). A small number of business leaders, legislators, and academics within the pro-establishment camp who had earlier indicated reservations about the Extradition Bill soon altered their positions and returned to the fold. [2]

In the broad context of deteriorating domestic and external environments for the PRC, the Xi Jinping administration continues its trend of increasingly authoritarian policies: setting up taboos for discussions in university campuses; cracking down on underground churches, autonomous labor groups, and human rights lawyers; and suppression of national minorities, especially the Uighurs in Xinjiang. Beijing's policies towards Hong Kong naturally follow this pattern. The combat of localism and pro-independence groups has added political significance in this environment: nationalism is being steadily whipped-up to shore up support for the CCP regime, and the opposition in Hong Kong is constantly accused of colluding with foreign forces ([China Daily](#), June 17).

Furthermore, PRC leaders consider that Hong Kong is quite dependent on the broader Chinese economy; and in view of China's overall economic strength and prosperity, Hong Kong's contributions to China's modernization are not as important as they once were. This attitude has often been voiced by local leaders of the pro-Beijing united front, as well as by mainland visitors to Hong Kong. PRC leaders also perceive Hong Kong as overprivileged, especially since the controversies surrounding political reforms in 2013-2014 that resulted in the Occupation Campaign: hence, Hong Kong should be taught a lesson, and made to respect the parameters and red lines of the "one country, two systems" model as defined by Beijing.

Finally, Hong Kong remains a significant source of information on China for the international media, and this includes criticisms of the PRC and its leaders. The territory's special role has been perceived even more negatively in step with the apparent sense of insecurity felt by the Xi Jinping administration. The introduction of the Extradition Bill—and the frequent discussions in the pro-Beijing camp on the urgency of "Article 23" national security legislation ([HKU Faculty of Law](#), undated)—reflect the intention of exerting stricter controls over both political opposition and criticisms of the CCP authorities.

The business environment of Hong Kong would be adversely affected by these measures. Hong Kong functions as an international financial center, and an international business center demands freedom of information and the rule of law. This understanding is essential to the maintenance of the "one country, two systems" model. It had been expected that a respect for investors' interests on the part of the authorities, and their eagerness to maintain the territory's business environment, would have been sufficient to uphold this understanding. However, this expectation is now in doubt.

## Prospects for the Future of the Democracy Movement and Civil Society in Hong Kong

Given the pro-Beijing positions of the Hong Kong city administration, the most serious challenge for the pro-democracy movement is the lack of realizable objectives in the short-term. Few people in Hong Kong believe that demands for democratic reforms, such as the direct election of the Chief Executive and that of all the seats in the legislature, are meaningful. The disappointment and pessimism of the community have made it difficult to mobilize people since the end of the 2014 Occupation Campaign, as reflected in the small numbers of people taking part in various campaigns and protest rallies in subsequent years—at least, that is, until the mass protests of the past month.

The PRC authorities are reluctant to accept the clear-cut withdrawal of the Extradition Bill. They will therefore seek to ensure support for the Lam administration in the current (and ongoing) crisis, but this will likely further erode the latter's legitimacy. Lam's loyalty to Beijing is exactly why she has been criticized for betraying the interests of Hong Kong. Lam's popularity rating is now lower than that of her predecessor C.Y. Leung—something that hardly could have been imagined when she first took office ([HKU Public Opinion Program](#), undated).

Going forward, the weakened Lam administration will be even more dependent on Beijing. This reliance will likely lead the local pro-Beijing united front to seek even more support from the PRC authorities—which will lead in turn to more interference, and stronger influence exerted over Hong Kong affairs, on the part of the CCP regime. The pro-democracy movement continues to serve as the only available force to maintain the weakening checks and balances that maintain Hong Kong's freedoms. Hong Kong people realize that they will have to work hard to safeguard their values and interests. Hong Kong people may well face the future options of either emigrating, or keeping their heads low while concentrating on making money. This is a testing time for the usually pragmatic Hong Kong people, but they have shown that they have not abandoned hope.

*Joseph Yu-shek Cheng is a retired Professor of Political Science and the Coordinator of the Contemporary China Research Project, City University of Hong Kong. He publishes widely on the political development of China and Hong Kong, Chinese foreign policy, and development in southern China. In Hong Kong, he was the convener of the Alliance for True Democracy, and a trustee of the Justice Defense Fund.*

### Notes

[1] For the full text of the bill in English, see <https://www.legco.gov.hk/yr18-19/english/bills/b201903291.pdf>.

[2] For example, one Beijing-friendly legal scholar no longer insisted on his counter-proposal as he noted the skepticism of Beijing, which viewed the proposal as a challenge to its sovereignty. See:

<https://www.scmp.com/news/hong-kong/politics/article/3011577/hong-kong-extradition-law-beijing-friendly-legal>.

## Latvia and the Baltic States Seek Closer Coordination on Relations with China

*By Otto Tabuns*

### Introduction—Nordic and Baltic Governments Seek Common Positions for Relations with China

On April 1, 2019, a meeting was held between the foreign ministers of the Baltic States and Nordic Countries (Estonia, Latvia, Lithuania, Sweden, Finland, Norway, Denmark and Iceland), or NB8; and of the Visegrád Group countries (Poland, Czechia, Slovakia, and Hungary), or V4. This combined group has met annually since 2013, with this year's meeting convened in Palanga, Lithuania. The NB8 and V4 foreign ministers met to coordinate common positions on a variety of issues, to include “sharing of views on current European Union issues and security policy, including the EU’s Multiannual Financial Framework, relations with Ukraine and Eastern Partnership countries, the transatlantic link, and preparations for the upcoming NATO Foreign Ministers Meeting” ([Foreign Ministry of Latvia](#), March 29).

One of the most striking aspects of the meeting was that, amidst this range of European concerns, the character of relations with the People's Republic of China (PRC) emerged as a prominent priority in the agenda. Following the meeting, Latvian Foreign Minister Edgars Rinkēvičs commented on “the rapid growth of China’s political, economic and military weight [which] triggers geopolitical change not only in Asia... but also globally,” and accordingly called for the PRC “to demonstrate responsibility that corresponds to its influence and benefits [and] to invest accordingly in... the international system and to engage constructively in resolving global challenges.” Rinkēvičs further stated that European countries should avoid a “black-and-white perspective” of China as “a threat or an opportunity, a competitor or an ally,” but instead should “find the real balance in the relationship with China so that we could protect our interests vis-a-vis China, whilst remaining true to European values” ([Baltic Times](#), April 2).



*Image: Participants at the April 1st meeting in Palanga, Lithuania involving foreign ministers from the Baltic, Nordic, and “Visegrad Group” countries. (Source: [Embassy of Poland in Lithuania](#))*

Although less publicized than the meeting at the ministerial level, Baltic foreign ministries have also held working level meetings regarding Asia that put China policy at the top of the agenda. In a meeting held in Riga on May 12 and 13, the NB8 Foreign Ministries' Directors for Asia met to discuss bilateral and multilateral cooperation with Asian countries, including cooperation efforts between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) ([Latvian MFA](#), May 14, 2019).

### **Economic Motives for the Baltic States to Seek Closer Engagement with China**

There are many reasons why Latvia and other Baltic states would seek closer (and coordinated) ties with China, but the most important of these reasons lie in the realm of trade. Recent years have seen a drop in economic activity with Russia, traditionally the largest market for several categories of goods from the Baltic states. Disputes between the Baltic states and Russia over issues such as the status of historical monuments ([DW](#), August 10, 2012; [Newsweek](#), September 27, 2016), and broader Euro-Atlantic opposition to Russian aggression against Ukraine, have revived political obstacles to trade in a manner reminiscent of the disruptions caused by Russian debt default in 1998.

Since 2013, Latvian exports to Russia have decreased. Exports dropped by 28% in 2014; they rose slowly after that, but exports to Russia are less than they used to be—both in absolute numbers, and also as a part of total national exports. Having learned from past experiences about the consequences of over-reliance on the Russian market, Baltic businesses have tried to redirect their products towards other markets. One example of an impacted sector in Latvia is the fishing industry, with 20 major enterprises and 5000 employees (representing 1% of all employed Latvians aged 15-64). Latvian fishermen have found themselves facing decreased demand from their traditional Russian and Commonwealth of Independent States (CIS) markets, as well as an inability to switch to most Western markets due to different tastes and traditions ([Latvian Television](#), April 14, 2014). As fish and other seafood products are staple foods in Asia, this has led Latvian exporters to seek greater access to markets in China.

Another example is the Baltic region rail transit sector, which is looking for additional cargoes at a time when Russia has voiced its conscious intent to divert its exports to rail and port facilities in other countries—even if it costs more to Russian exporters to do so. Latvian Railway is the single largest employer in Latvia, employing 1% of all workers in the country. Due in part to friction with Russia, the Baltic states have developed a greater interest in cooperating with Chinese infrastructure and transportation projects in Europe: for example, Latvia played host in 2016 to the annual summit of the PRC-led “16+1” framework, where the agenda reportedly included discussions on Latvian transportation infrastructure ([Baltic News Network](#), November 4, 2016).

China's domestic market is ten times larger than that of Russia, and Chinese railway cargo would provide an alternative to Russian cargo that has proven to be more dependent on political good will than on economic considerations (even if these shipments have to cross Russian territory). Latvia and Lithuania are both



looking (and competing) to provide rail transit and port capacities from the East in a westward direction to Europe—services that would provide a complement to Chinese-Belorussian logistics infrastructure already developed. The Estonian government is working to present itself as a transit window to Scandinavia, particularly in light of possible Chinese backing for a Tallinn-Helsinki railway tunnel project ([Eurasia Daily Monitor](#), March 12).

In 2013, four percent of third country citizens obtaining a EU residency permit through investment in Latvia were Chinese ([julgavniekiem.lv](#), April 3, 2013). Latvia is the leading Baltic state in students learning Chinese, while Beijing International Studies University teaches Latvian among other “16+1” country languages to students as young as 17 for up to seven years ([Latvian Television](#), September 22, 2016). In addition to a Confucius Institute created at the University of Latvia in 2011, in 2015 the China-Latvia Academic Cooperation Center was established at the Political Science Department of the Faculty of Social Sciences as part of the Belt and Road Initiative ([University of Latvia](#), September 21, 2015).

### **Reasons for Skepticism About Sino-Baltic Relations**

These efforts at outreach have borne some fruit: by way of contrast with exports to Russia, Latvian exports to the PRC have grown by over 40% since 2013 ([Latvian MFA](#), 2019). Latvia also maintains several economic representatives in the PRC. However, all is not well in the relationship, and the new Latvian Minister of Economics, Ralfs Nemiro, has raised questions about the nature of economic cooperation with China. Although Latvian exports to the PRC have increased, Chinese exports to Latvia in the same period have been five times larger ([Latvian MFA](#), 2019). Some representatives of the fishing industry have also rolled back their enthusiasm, seeing “ten times” more success in the smaller market of Japan than in the PRC ([Latvian Television](#), March 9, 2019). The original owners of Stenders Bath and Bodycare Company, which emerged as the most successful Latvian company in the PRC with hundred of shops across the country, ended up selling their share of business to their Chinese partners due to an alleged dispute over trademark registration that put into question the viability of the whole business ([LETA](#), October 26, 2017).

The Baltic security services have also raised concerns about relations with the PRC. The PRC is among three nations or groups—alongside Russia and “certain CIS countries”—named by the Latvian State Security Service (VDD) as sources of concern regarding their activities in Latvia ([VDD](#), 2019). Furthermore, the Latvian Constitutional Defense Bureau (SAB) has made note of the economic espionage of the PRC ([SAB](#), April 2019). The Latvian State Security Service has also noted the legal requirement that Chinese companies cooperate with PRC security officials—the first time that the PRC has been named in the public documents of the Latvian services ([Skaties.lv](#), May 2019). The Estonian Security Police have also called out increasing attempts by Chinese security services to recruit EU citizens via the internet: it has noted the attention that Chinese entities have shown towards civil servants that may work with classified information, offering such persons lucrative job offers and paid foreign travel ([Delfi.lv](#), April 12, 2019).

The European Parliament has enacted a resolution that calls for addressing potential threats resulting from Chinese technology (such as the privacy and data security of EU citizens), while also voicing European concerns about PRC legislation that compels Chinese companies to cooperate with the authorities ([DIENA](#), March 12, 2019). The Baltic security services have reflected these concerns regarding certain aspects of PRC technology: the heads of the Latvian and Lithuanian State Security Services have raised warnings about using Huawei products ([South China Morning Post](#), February 9, 2019). It is not clear, however, how much of this relates to local incidents or perceived national threats, or whether it is a reflection of broader EU and NATO statements.

## **Conclusions**

Although the dominant model of PRC-European relationships has thus far been mostly one of bilateral relations, a common European voice beyond general statements and common tariffs has started to take shape. This is occurring not only in Brussels, but also among the regional groups within the European Union. The Nordic and Baltic foreign ministers, as well as their Visegrád colleagues, appear to be seeking a common regional policy regarding their relations with China. This is being done not only to have a stronger position in bilateral interactions with Beijing, but also for the purpose of having a larger voice in forming common EU positions in Brussels.

This development could evolve in one of two ways. On the one hand, China policy may prove to be one of the most important vehicles yet for galvanizing further European integration through another element of common foreign and security policy. This could happen if Western, Central, and Eastern European countries all find a common approach that supports the status of the EU as a significant global market that needs to keep up its growth despite a shrinking workforce and decreased productivity, while also respecting European human rights concerns.

If the EU member states fail to coordinate their China policies, the development of several strongly divergent opinion blocks about China may drive a wedge between them, thereby giving Beijing leverage on a list of issues that could influence future European unity. This is especially relevant when differences between European central institutions and certain Central and Southern European governments are being openly hammered out—a development that has placed European integration on pause while looking for the right set of solutions. The call for a balanced and coordinated approach, as discussed above, reflects a cautious optimism that can work for Europeans if they play with the same cards, and play them correctly.

*Otto Tabuns is the director of the Baltic Security Foundation. He is a lecturer at the Riga Graduate School of Law and most recently has co-edited “Baltic Security Strategy Report” on regional military, social, and economic security. He is a member of the Association for Advancement of Baltic Studies, as well as the Latvian Political Science Association.*

## A Preliminary Survey of CCP Influence Operations in Japan

By Russell Hsiao

### Introduction

The U.S. Defense Intelligence Agency's *China Military Power Report*, released in January 2019, revealed the agency's official assessment that the People's Republic of China (PRC) is conducting "political warfare" against the United States and Taiwan—and among other countries, Japan. [1] Political warfare is a set of overt and covert tools used by governments to influence the perceptions, beliefs, and behaviors of other governments and societies in order to achieve national objectives. [2] While the nature of political warfare conducted by the Chinese Communist Party (CCP) against the United States and Taiwan is better understood by the public—due largely to the two governments' unclassified public disclosures, media reports, and academic research papers—the means by which the CCP is engaged in malign influence operations against Japan are less clear. The institutions and methods by which these efforts are conducted, and their potential effectiveness in influencing Tokyo, are due for examination.

### United Front Work in Japan

A little understood but critically important means by which the CCP engages in influence operations is "united front work" (*tongzhan gongzuo*, 统战工作): a whole-of-society strategy that aims to influence, indoctrinate, and mobilize non-CCP persons and organizations to serve the Party's objectives ([USCC Testimony](#), April 5, 2018; [China Brief](#), May 9). CCP General Secretary Xi Jinping has referred to united front work as a "magic weapon" for advancing the Party's goals ([Wilson Center](#), September 2017), and united front-oriented organizations have risen in prominence during Xi's tenure ([China Brief](#), April 24, 2018; [China Brief](#), May 9).

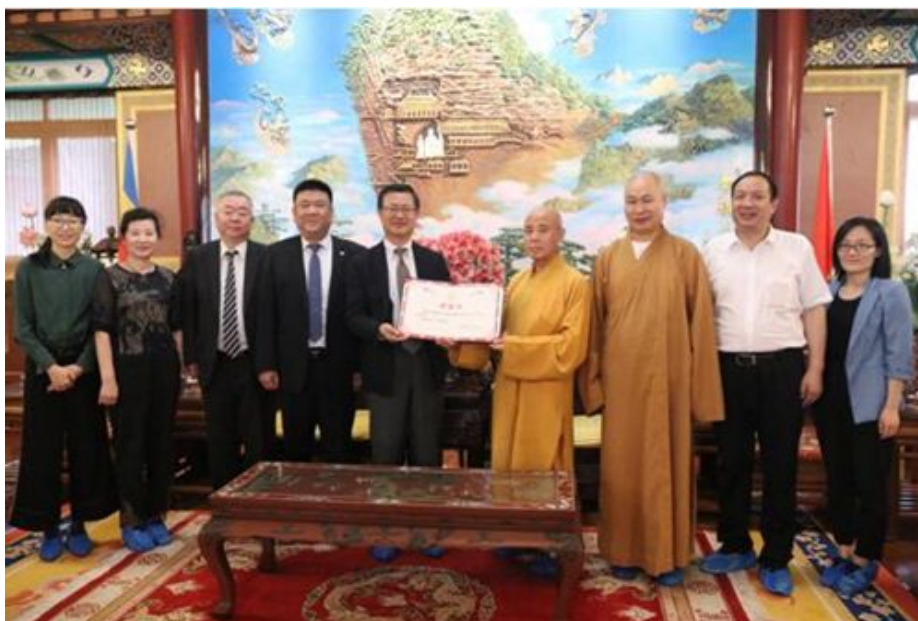
#### *The China Council for the Promotion of Peaceful National Reunification*

A key united front organization with an extensive network and international presence is the China Council for the Promotion of Peaceful National Reunification (*Zhongguo Heping Tongyi Cujin Hui*, 中国和平统一促进会), or CCPPR ([China Brief](#), May 9). The CCPPR is directly subordinate to the CCP's United Front Work Department (*Tongyi Zhanxian Gongzuo Bu*, 统一战线工作部), or UFWD. The Japanese branch of CCPPR was established in Tokyo in 2000, and is led by Chen Fupo (陈福坡) ([CCPPR](#), 2013). Affiliate branches of the CCPPR, which coordinate events and activities with each other, include the All-Japan Overseas Chinese China Peaceful Reunification Council (全日本華僑華人中国平和統一促进会), created in 2005 and headed by Ling Xingguang (凌星光); and the All-Japan Chinese Council for the Promotion of the Peaceful Unification of China (全日本華人促進中国平和統一協議会), created in 2018 ([Sina.com](#), February 19, 2018) and headed by Zheng Zhengquan (郑正权) and Yang Kezhen (楊克俭) ([CCPPR](#), undated; [Huaqiao Bao](#), February 1). An additional affiliated organization listed on the CCPPR's website is the Japan Overseas

Chinese Federation (日本华侨华人联合会) ([CCPPR](#), undated). These organizations function in part as conduits for civil society exchanges and efforts to influence local discourse ([WOIPFG](#), May 20, 2011).

*The Chinese People's Association for Friendship with Foreign Countries*

Another influence apparatus with a Japan focus is The Chinese People's Association for Friendship with Foreign Countries (*Zhongguo Renmin Duiwai Youhao Xiehui*, 中国人民对外友好协会), or CPAFFC. The CPAFFC is headed by Li Xiaolin (李小林, b. 1953), the daughter of former Chinese president Li Xiannian (李先念)—and the spouse of the hawkish retired PLA Air Force (PLAAF) General Liu Yazhou (刘亚洲, b. 1952). CPAFFC has a bureau dedicated to Japan work, and provides a channel through which Japan and the PRC have conducted numerous senior “people-to-people” dialogues ([CPAFFC](#), undated). This platform's activities, self-described as public diplomacy, appear to be largely directed at elite exchanges and may reinforce elite capture activities (*see discussion further below*).



*Image: A June 2019 meeting sponsored by CAIFC (a “people-to-people diplomacy” arm of the PLA Political Department Liaison Department) with representatives of the Japanese religious movement Agon Shu.  
(Source: [CAIFC](#))*

*The China Association for International Friendly Contact*

The China Association for International Friendly Contact (*Zhongguo Guoji Youhao Lianluo Hui*, 中国国际友好联络会), or CAIFC, is a major platform of the People's Liberation Army General Political Department Liaison Department (GPD/LD) (now subsumed into the Central Military Commission Political Work Department). CAIFC is likely subordinate to what was formerly known as the GPD/LD intelligence bureau. Established in December 1984, CAIFC facilitates influence operations through PRC foreign affairs, state

security, united front, propaganda, and military channels. [3] CAIFC has directed exchange activities towards a broad range of sectors of Japanese society, to include: spiritual associations (e.g., Agon Shu, 阿含宗) ([CAIFC](#), February 16); architects ([CAIFC](#), October 25, 2017); calligraphy associations ([CAIFC](#), undated); retired military officers ([CAIFC](#), June 25, 2017); and global printing companies (e.g., Toppan, 日本凸版印刷公司) ([CAIFC](#), July 19, 2017). CAIFC has also hosted national-level competitions involving Japanese players for the board game Go ([CAIFC](#), November 1, 2018).

### *Friendship and Trade Associations*

In addition to front organizations directly subordinate to or affiliated with the CCP, there are also legitimate local organizations in Japan that engage with UFDW and other PRC political warfare organizations—some perhaps doing so knowingly, and others not. There are at least seven known Sino-Japanese friendship associations based in Japan that actively promote “cultural exchanges” between Japan and China. These associations include: the Japan China Friendship Association (日中友好協会); the Association for the Promotion of International Trade, Japan (日本国際貿易促進協会) ([JAPIT](#), undated); the Association of Japan-China Cultural Exchange (日中文化交流協会) ([Nicchubunka](#), undated); the Japan-China Economic Association (日中経済協会) ([JCEA](#), undated); the Japan-China Friendship Legislative Alliance (日中友好議員聯盟); the Japan-China Association (日中協会); and the Japan-China Friendship Center (日中友好会館) ([JCFC](#), undated).

### *Confucius Institutes*

Confucius Institutes have come under greater scrutiny in recent years within Western countries, in part due to growing awareness of the Chinese government’s control over their operations, and concerns over infringements on academic freedom in the host institutions. There are similar concerns in Japan regarding the ulterior motives of some Confucius Institutes in the country. While seemingly not as active as in the West, there are 15 Confucius Institutes in Japan (and 8 Confucius Classrooms)—a number that is on the high end when compared to other countries in the Asia-Pacific region. The Institutes are mostly established in smaller universities in various regions of Japan ([English Hanban.org](#)). Similar to concerns within the United States over the PRC Embassy’s interference in Chinese student associations overseas, some analysts in Japan have also expressed concern about the activities of Chinese students and scholars associations and their relationship with the PRC Embassy in Japan ([Foreign Policy](#), March 7, 2018).

### **Elite Capture**

A key element of political warfare is the dissemination of propaganda. The most effective target audiences for foreign propaganda are the political elites of the targeted country, since they exercise power and can make policy decisions that directly affect CCP interests. These channels are also often the most difficult to definitively analyze and uncover, given caution and sensitivities over the matter. The strongest pro-China



political faction in Japan's political system has historically been the Tanaka/Takeshita faction of the Liberal Democratic Party (LDP). [4] However, the influence of this faction has been significantly marginalized over the years. Other political groups that may be more susceptible to being influenced by the CCP for either ideological reasons, or for economic and political rationales, are: the religious movement-based Komeito, which is part of the ruling-LDP coalition; pacifist factions within the LDP; and powerful factions within the opposition coalition headed by Ichirō Ozawa.

### **Economic Pressures Applied Through Rare Earth Elements**

In 2010, amid growing tensions between China and Japan over the Senkaku islands, Beijing restricted rare earth exports to Japan—ostensibly to put pressure on the Japanese government to modify its positions on the dispute. Rare earths are vital materials used in the production of many advanced high-tech devices, including many with defense applications. As a result of this experience, in which Japan's high-tech sector was acutely affected, Tokyo started developing batteries and other advanced technologies through processes that would require less rare earths ([CNBC](#), September 23, 2010). In the context of the ongoing U.S.-China trade war, there are countermeasures that Japan developed in the aftermath of the 2010 that may be instructive to the United States and other like-minded countries in their current efforts to modulate Chinese predatory trade behaviors ([China Brief](#), April 22, 2011).

### **PRC Efforts to Cultivate Influence in Okinawa**

The chain of islands in the East China Sea under Okinawa Prefecture is strategically important for the U.S.-Japan security alliance. Growing local opposition to U.S. military bases in Okinawa, and animosity towards the Japanese central government, have coincided with increased CCP attempts to engage with the island. In 2013, at a particularly tense point of the continuing conflict between Japan and China over the Senkaku Islands, there was a propaganda blitz in Chinese official and semi-official media outlets that questioned Japan's sovereignty over Okinawa. In 2015, at least one Chinese official asserted that the Ryukyu Islands belonged as much to Beijing as they did to Japan ([SCMP](#), May 15, 2013). There are also increasing economic ties between China and Okinawa: Chinese investors are engaged in the northern areas of Okinawa, which are rich in natural resources and populated by U.S. military facilities. Additionally, there has been a significant increase in the number Chinese tourists in Okinawa in recent years, as well as an increasing number of sister-city relationships formed between Chinese cities and Okinawa.

The PRC government has also actively courted members of the former Okinawan royal family. In 2018, Shō Masamu, the great grandson of the last Ryukyu king, visited China. In March of that year, Masamu led a 22-member delegation to visit Fujian for a four-day "root-seeking" tour hosted by the Fujian Tuofu Culture and Education Foundation (*Fujian Sheng Tuofu Wenjiao Jijinhui*, 福建省拓福文教基金會), an organization created in 2013 with the aim to "inherit and promote" Chinese culture. Li Hong, Deputy Director-General of the Fujian Provincial Government, met with the delegation in Fuzhou ([Fujian Provincial Government](#), April 3,

2018). In tandem with the trip, the Tuofu Foundation organized a conference with the Ryukyu Fukan Co., Ltd. (琉球福館株式會社), Fujian Tuofu Culture Development Co., Ltd. (福建拓福文化發展有限公司), and the Japan-China Youth Economic and Cultural Exchange Association (日中青年經濟文化交流協會) to explore the historical ties between Okinawa and China ([KK News](#), March 19, 2018).

## Conclusions

When compared to efforts directed at the United States or Taiwan, CCP political warfare activities against Japan are less readily apparent—or at least, not as openly discussed within the policy community of Japan, let alone the general public. Additionally, the effects, at least on the surface, appear to be not as evident or severe. Indeed, polling of Japanese public attitudes toward China have revealed strong negative feelings: for instance, in a survey conducted in 2018, 86.3 percent responded that they had either an unfavorable or relatively unfavorable opinion of China ([GENRON-NPO](#), October 2018). Moreover, as noted by a recent Hoover Institute and Asia Society study: “... the kinds of covert Chinese influence operations that have come to light in countries like the United States, Canada, Australia, New Zealand, and parts of Europe—with one exception—are not easy to find in Japan.” [5] While it may be true that Japan’s government and society are less affected by CCP influence operations than might be the case in some other countries, it is not for a lack of the CCP’s capability to conduct political warfare and related activities in Japan. As this preliminary survey shows, the CCP remains intent on influencing the Japanese government and its people through multiple means and channels.

*Russell Hsiao is the executive director of the Global Taiwan Institute and currently a visiting scholar at the University of Tokyo’s Institute of Advanced Asian Studies. He is a Penn Kemble Fellow at the National Endowment for Democracy and adjunct fellow at the Honolulu-based Pacific Forum. The author would like to thank many anonymous interviewees for their insights. The views expressed in this piece are the author’s own, and are not intended to reflect the positions of any of his affiliated organizations.*

## Notes

[1] Defense Intelligence Agency, *China Military Power 2019: Modernizing a Force to Fight and Win*, p.99. [https://www.dia.mil/Portals/27/Documents/News/Military%20Power%20Publications/China\\_Military\\_Power\\_FINAL\\_5MB\\_20190103.pdf](https://www.dia.mil/Portals/27/Documents/News/Military%20Power%20Publications/China_Military_Power_FINAL_5MB_20190103.pdf).

[2] George Kennan defined political warfare as “the employment of all the means at a nation’s command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from such overt actions as political alliances, economic measures ..., and ‘white’ propaganda, to such covert operations as clandestine support of ‘friendly’ foreign elements, ‘black’ psychological warfare and even encouragement of underground resistance in hostile states.” See: <https://history.state.gov/historicaldocuments/frus1945-50Intel/d269>.

[3] Mark Stokes and Russel Hsiao, *The People’s Liberation Army General Political Department: Political Warfare with Chinese Characteristics* (Project 2049 Institute, Oct. 14, 2013), pp. 20-26.

<https://project2049.net/2013/10/14/the-peoples-liberation-army-general-political-department-political-warfare-with-chinese-characteristics/>.

[4] This faction drew its name from a former prime minister of Japan, Kakuei Tanaka, who served from 1972-1974 (immediately after the normalization of relations between Japan and the PRC). The faction was led after Tanaka's death by another former prime minister, Noboru Takeshita, who served from 1987-1989.

[5] *Chinese Influence and American Interests: Promoting Constructive Vigilance* (Hoover Institution, 2018), p. 165.

[https://www.hoover.org/sites/default/files/research/docs/chineseinfluence\\_americaninterests\\_fullreport\\_web.pdf](https://www.hoover.org/sites/default/files/research/docs/chineseinfluence_americaninterests_fullreport_web.pdf).

\*\*\*

## **Chinese Nuclear Weapons Strategy—Leaning Towards a More Proactive Posture?**

### **Part I: Legacy Policy and Strategy, and the Drivers of Potential Change**

*By Jack Bianchi and Toshi Yoshihara*

*Authors' Note: This is the first part of a two-part article addressing the evolving character of Chinese strategy and policy regarding the role and potential use of nuclear weapons. This first article uses authoritative Chinese texts to identify key features of China's approach to nuclear affairs that have been resistant to radical change; it then examines some of the internal drivers that could lead to departures from well-established Chinese nuclear strategy and policy. The second half of this series will draw from Chinese open sources to assess the various external stimuli that could compel Beijing to adopt changes to its nuclear posture.*

#### **Introduction**

In public remarks made in late May 2019, Lieutenant General Robert J. Ashley, Director of the Defense Intelligence Agency (DIA), offered a stark assessment of the nuclear weapons program of the People's Republic of China (PRC). He stated that, over the next decade, "China is likely to at least double the size of its nuclear stockpile in the course of implementing the most rapid expansion and diversification of its nuclear arsenal in China's history" (DIA, May 29). This judgment, a departure from previous intelligence estimates, suggests that the PRC may be pursuing a more robust nuclear posture than was long presumed in the West. Yet, even if this were to prove true, what remains unanswered is why China would deviate from core tenets that have guided its nuclear policy and strategy for over five decades. This two-part article series, drawing upon Chinese-language sources, identifies some of the factors that could explain the change in Chinese behavior that the DIA has evidently discerned.

Since the PRC tested its first nuclear weapon in 1964, Beijing has adopted a defensive-minded nuclear policy and strategy, relying on a small arsenal that furnishes Chinese leaders an assured retaliatory capability. Yet

even as Beijing rhetorically adheres to longstanding principles of restraint, it has in recent years steadily modernized its nuclear arsenal, increased the size of the force, and engaged in debates about loosening the apparent limits on its nuclear policy and strategy. Most Chinese analysts insist that the PRC will remain faithful to its longstanding nuclear policies. [1] However, this two-part article argues that the internal and external pressures to break from the past have multiplied in quantity and intensity. To what extent and how quickly change will take place remains to be seen. However, the evidence documented in this series suggests that straight extrapolations of past constraint may become an increasingly unreliable measure of China's future trajectory in nuclear matters.

### **Enduring Features of China's Nuclear Policy, Strategy and Operations**

The persistence of China's defensive nuclear policy, strategy, and operations since the 1960s is attributable to both external threat perceptions and internal institutional factors. Despite changes in China's security environment and its military guidance over time, China's overarching military strategy remains wedded to the strategy of the weak that the Chinese call "active defense" (*jiji fangyu*, 积极防御), which involves the use of offensive operations and tactics in pursuit of strategically defensive goals, to include the survival of the CCP. [2] A host of internal factors—such as the defensive mindset of China's early nuclear strategists, the technological limitations of China's nuclear forces, and the explicit identity of the PLA as the armed wing of the Chinese Communist Party (CCP)—also undoubtedly molded, clarified, and constrained China's nuclear thinking.

Official policy statements, speeches, and publications—as well as other authoritative publications issued by PLA-affiliated organizations—have consistently reaffirmed key principles of the PRC's nuclear policy:

- *Self-Defense*: China's nuclear forces are for self-defense against the nuclear powers.
- *Restricted Use*: No first use, and no use or threat of use against nuclear-free states and zones.
- *Arms Control*: Opposition to arms races and support for the prohibition of nuclear weapons. [3]

China's nuclear policy has in turn informed official nuclear strategy, which is rooted in deterrence. The PRC's nuclear strategy, while slowly formed over decades, has had several consistent elements dating as far back as the 1960s. These include:

- *Strategic Deterrence*: Credibly deterring adversary use or threat of use of nuclear weapons. [4]
- *Lean and Effective Force Structure*: Fielding a small, secure and reliable capability.
- *Centralized Command*: Ensuring the senior leadership's full control over nuclear forces. [5]

While these elements provide rough guidance on strategy and force structure, they are inherently ambiguous and allow for continued reinterpretation as circumstances change. Moreover, while the broad outline of PRC nuclear strategy appears clear, nuclear strategy has been underdeveloped in China. This is due to

constraints such as senior political leadership views, limited institutional capacity, a restrictive work environment, and a shortage of expertise. [6]

According to the official Chinese position, China's nuclear forces have prepared for only one type of operation: a nuclear counterattack, which is consistent with China's strategic deterrence and "no first use" policies. Authoritative Chinese sources on nuclear operations first started to appear in the 1980s, with publications such as the 1987 *Science of Military Strategy* stating that China must "strike after the enemy has struck." [7] Successive publications, such as Defense White Papers and the various editions of *Science of Military Strategy*, have focused exclusively on conducting counterattacks in self-defense. [8]

### **Internal Drivers of Change: Force Structure Modernization, Modified Command and Control Arrangements, and Inter-Service Rivalry**

While China's nuclear policy, strategy, and operations have been remarkably consistent over time, emerging internal pressures—fueled by changes in China's nuclear force structure, command and control arrangements, and bureaucracy—may erode long-standing positions. As a result of these ongoing changes, the PRC's future political leaders will likely be presented with a range of new countervalue and counterforce options distributed along various rungs of the escalation ladder, including precise and limited offensive nuclear strikes against fixed and mobile military targets defended by modern air defense systems. These technological and bureaucratic developments may thus expand the scope of China's nuclear thinking.

Since the 1970s, China has held a long-term goal of modernizing its nuclear forces to increase their credibility, reliability, and survivability. For several decades, China maintained a limited, vulnerable force structure that might not have provided a credible retaliatory attack capability. [9] China's early political leaders supported continuous modernization, but they never openly clarified the operational requirements of the force, aside from indicating that both the quantity and quality of the force should increase over time. PLA leaders and publications, since at least the 1980s, specifically emphasized survivability and reliability as modernization goals. [10]

China's nuclear force structure modernization is now pushing the boundaries of what can reasonably be considered "lean." Over the last fifteen years, the People's Liberation Army Rocket Force (PLARF) has made several technological improvements that dramatically improved the credibility of its retaliatory strike capability, including: road-mobile solid-fueled missiles, such as the DF-26, DF-31, DF-31A, DF-31AG and DF-41; multiple independently targetable re-entry vehicles; and, a sea-based strategic deterrent with the Type-094 Jin-class ballistic missile submarine (SSBN) and the JL-2 submarine-launched ballistic missile (SLBM). [11] The PLA has also made investments in recent decades in the survivability of command posts, and in redundant communications networks that can survive under wartime conditions. [12]





*Image: Transporter-erector-launcher (TEL) vehicles of the PLA Rocket Force on parade in Tiananmen Square. (Source: Getty Images)*

While the PLA has previously focused on quality over quantity in modernization, recent publications suggest that China will pursue both qualitative and quantitative improvements to not only the systems themselves, but also the supporting personnel and infrastructure. As the authoritative 2013 *Science of Military Strategy* indicates, the PRC's nuclear modernization goals will likely focus on multiple areas, to include: increasing the number of inter-continental ballistic missiles (ICBMs); strengthening its sea-based nuclear deterrent by increasing the number of SSBNs; improving survivability and penetrability, to include developing rapid maneuver and launch, hypersonic glide, and multiple independently targetable re-entry vehicle (MIRV) capabilities; and, finally, enhancing operational effectiveness after a first strike, to include operations planning, unit training, and other infrastructure upgrades. [13] Additionally, the PLA Air Force (PLAAF) may be developing a nuclear-capable strategic bomber and an air-launched nuclear ballistic missile. [14]

In regards to the control of nuclear forces, the CCP's apparent obsession with centralized control will increasingly run up against China's growing technological prowess and more assertive bureaucratic actors in the nuclear strategy debate. On the technological front, the PLA Navy (PLAN) has recently begun operating the Type 094 Jin-class SSBN, armed with JL-2 SLBMs. [15] The development of a credible sea-based deterrent may require some trade-offs against the political leadership's demands for centralized command and control (C2). [16] Given that these submarines must remain undetected in crisis or wartime, and avoid communications lest they reveal their positions to enemy forces, new C2 arrangements—including those that loosen tethers to structures of Party authority—may be inevitable.

Bureaucratically, PLA services with nuclear capabilities are growing in number and institutional importance. With its Type 094 submarines, China finally appears to possess a credible nuclear dyad. [17] The PLAN and

the PLARF will likely be joined by yet another service, the PLAAF, which has ambitions to become a strategic air force. The development of a stealthy, long-range and potentially nuclear-capable bomber, the H-20, may help bring such a goal closer to fruition. [18] The PLARF itself was elevated from a branch to a service in the massive military reforms of 2015, formally acknowledging its increasing role and influence in PLA strategy and operations. Overall, the institutional clout of the PLARF, PLAN and PLAAF has been growing in recent years at the expense of the PLA Army, the traditionally dominant service.

New institutional relationships are thus emerging that may lead to greater inter-service rivalry over the nuclear mission, [19] and to more complicated C2 arrangements in future joint operations. Each service may attempt to gain greater leverage in the nuclear debate by accelerating the technological trends noted above, bolstering their own capabilities through the development of more precise missiles and increasingly diverse and survivable nuclear platforms and delivery vehicles. While China's stated nuclear policy and strategy have remained defensive, these new capabilities may drive changes in China's nuclear policy and strategy by permitting Chinese leaders to feasibly consider a new range of offensive and escalatory nuclear operations. Indeed, as detailed in the forthcoming second part of this series, some Chinese strategists are already hinting at such changes.

*This article has been adapted in part from a case study performed by the authors in the report "Understanding Strategic Interaction in the Second Nuclear Age" (Center for Strategic and Budgetary Assessments, 2019). The full report is available at this [link](#).*

*Jack Bianchi is a Senior Analyst at the Center for Strategic and Budgetary Assessments and focuses on security strategy and defense issues in the Asia-Pacific region. Mr. Bianchi was previously a Research Analyst at Defense Group Inc. where he performed bilingual (Chinese and English) open source research and analysis for U.S. government clients on Chinese cybersecurity issues and China's defense-related science and technology development. Mr. Bianchi's prior experience also includes work at the Department of Justice and in the Office of Investment Security at the Department of the Treasury.*

*Toshi Yoshihara is a Senior Fellow at the Center for Strategic and Budgetary Assessments and he previously held the John A. van Beuren Chair of Asia-Pacific Studies at the U.S. Naval War College where he taught strategy for over a decade. Dr. Yoshihara has served as a visiting professor at the Fletcher School of Law and Diplomacy, Tufts University, the School of Global Policy and Strategy, University of California, San Diego and the U.S. Air War College. His latest book, with James R. Holmes, is the second edition of Red Star over the Pacific: China's Rise and the Challenge to U.S. Maritime Strategy (Naval Institute Press, 2019).*

## **Notes**

[1] For vigorous defenses of continuity in Chinese nuclear strategy, see: 王仲春 [Wang Zhongchun], 核武器 核国家 核战略 [Nuclear Weapons, Nuclear Powers, and Nuclear Strategies], (Beijing: Shishi Press, 2007), pp. 213-220; 荣于 洪源 [Rong Yu and Hong Yuan], 从反核威慑战略到最低核威慑战略 : 中

国核战略演进之路 [From Counter Nuclear Deterrence Strategy to Minimum Deterrence Strategy: The Evolution of Chinese Nuclear Strategy], 当代亚太 [Journal of Contemporary Asia-Pacific Affairs], no.3 (2009), pp.120-132; 夏立平 [Xia Liping], 论中国核战略的演进与构成 [On the Evolution and Formation of Chinese Nuclear Strategy], 当代亚太 [Journal of Contemporary Asia-Pacific Affairs], no. 4 (2010), pp. 113-127; and 李显荣 [Li Xianrong], 论核战略 [On Nuclear Strategy], (Beijing: Renmin Press, 2014), pp. 323-372.

[2] 中国人民解放军军语 [*Chinese People's Liberation Army's Military Terminology*], (Beijing: Military Science Press, 2011), p. 52. See also: M. Taylor Fravel, *Active Defense: China's Military Strategy since 1949* (Princeton, NJ: Princeton University Press, 2019), pp. 61-63.

[3] Of the many Chinese sources, examples include: *Statement of the Government of the People's Republic of China*, 16 October 1964; Information Office of the State Council of the People's Republic of China, *China's National Defense in 2006* [<http://www.china.org.cn/english/features/book/194421.htm>], 2006; 战略学 [*Science of Military Strategy*], Academy of Military Science, (Beijing: Military Science Press, 2013), pp. 176-178. For Western analyses identifying similar features in China's nuclear strategy, see: Lewis and Xue, "Making China's Nuclear War Plan," pp. 46-47; Eric Heginbotham et al., *China's Evolving Nuclear Deterrent: Major Drivers and Issues for the United States* (Santa Monica, CA: RAND Corporation, 2017), pp. 15-22; Michael S. Chase, "China's Transition to a More Credible Nuclear Deterrence: Implications and Challenges for the United States," *Asia Policy*, No. 16, July 2013, pp. 55-70. While China's arms control policy has included support for nonproliferation in recent decades, this is not an original enduring feature of its nuclear policy and considerable evidence of China's support for Pakistan's nuclear program also undermines that aspect of its stated policy. See Thomas C. Reed and Danny B. Stillman, *The Nuclear Express: A Political History of the Bomb and Its Proliferation* (Minneapolis, MN: Zenith Press, 2009).

[4] In the Chinese context, strategic deterrence encompasses not only nuclear capabilities, but also conventional, space and cyber capabilities. Michael Chase and Arthur Chan, *China's Evolving Approach to Integrated Strategic Deterrence*, (Santa Monica, CA: RAND Corporation), 2016.

[5] For these points, examples of Chinese sources include: *Science of Military Strategy*, Academy of Military Science, 2013, pp. 171-175, 235; Information Office of the State Council of the People's Republic of China, *China's National Defense in 2006*. See also: Li Bin, "Differences between Chinese and U.S. Nuclear Thinking and Their Origins" in Li Bin and Tong Zhao, eds., *Understanding China's Nuclear Thinking* (Washington, DC: Carnegie Endowment for International Peace, 2016), p. 13.

[6] M. Taylor Fravel and Evan S. Medeiros, "China's Search for Assured Retaliation: The Evolution of Chinese Nuclear Strategy and Force Structure," *International Security* 35, No. 2, Fall 2010, pp. 57-73.

[7] *Science of Military Strategy*, Academy of Military Science, 1987, as cited in Fravel and Medeiros, "China's Search for Assured Retaliation," pp. 68-69.

[8] See, for example, China's Defense White Papers from 2000, 2006 and 2015, and the 2013 *Science of Military Strategy*.

[9] Chase, "China's Transition to a More Credible Nuclear Deterrence," p. 52.

[10] Fravel and Medeiros, "China's Search for Assured Retaliation," pp. 64-65, 69.

[11] For additional detail on Chinese nuclear forces, including estimates of the quantities of launchers and warheads, see: Jacob Cohn, Adam Lemon, and Evan Braden Montgomery, "Assessing the Arsenal: Past, Present, and Future Capabilities," (Washington, DC: Center for Strategic and Budgetary Assessments), 2019, pp. 24-27.

[12] Lewis and Xue, "Making China's Nuclear War Plan," p. 55.

[13] *Science of Military Strategy*, Academy of Military Science, 2013, pp. 214, 233-234.

[14] Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2019*, (Washington, DC: Department of Defense), p. 67.

[15] China previously commissioned one Type 092 Xia-class SSBN in the 1980s, but that submarine never undertook a deterrent patrol.

[16] Heginbotham et al., *China's Evolving Nuclear Deterrent*, pp. 107-110.

[17] Richard Fischer, "China Advances Sea- and Land-Based Nuclear Deterrent Capabilities," *Jane's Defence Weekly*, December 15, 2015.

[18] Michael S. Chase and Cristina L. Garafola, "China's Search for a Strategic Air Force," *Journal of Strategic Studies*, 39, No. 1, 2016, pp. 24-25.

[19] Heginbotham et al., *China's Evolving Nuclear Deterrent*, pp. 102-110.

\*\*\*