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**PLA Freezes out Pentagon, Sustains Military-to-Military Relations with U.S. Allies**

*John S. Van Oudenaren*

At the conclusion of French President Emmanuel Macron’s April 5-7 state visit to the People’s Republic of China (PRC), the two sides released a joint statement laying out 51 priorities for “opening new prospects in bilateral relations” and “fostering momentum in China-EU relations” ([PRC Ministry of Foreign Affairs \[FMPRC\]](#), April 7). While much of the joint statement focuses on deepening economic ties, strengthening cultural exchanges and enhancing cooperation on transnational challenges such as climate change, the document also addresses global security issues and bilateral military-to-military relations. The section on “jointly promoting world security and stability” lists eight shared priorities, including, strengthening the UN Security Council, preventing nuclear conflict, supporting non-proliferation regimes, restoring peace in Ukraine and promoting a diplomatic resolution of the Iran nuclear issue. Although the statement does not explicitly mention the PRC’s recently launched Global Security Initiative (GSI), the points made therein echo many of its key organizing principles and lend weight to General Secretary Xi Jinping’s efforts to position the PRC as a leader in

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international security affairs ([China Brief](#), March 3). In addition to reaffirming both sides' willingness to promote the “continuous development” of the China-France strategic partnership, the joint statement also notes that both sides have “agreed to deepen exchanges on strategic issues,” with a specific emphasis on enhancing dialogue between the “People's Liberation Army [PLA] Southern Theater Command and the French Armed Forces in the Pacific, in order to strengthen mutual understanding on international and regional security issues” ([FMPRC](#), April 7).



*(Image: Chinese Vice Foreign Minister Sun Weidong and Zhang Baoqun, deputy director of the Office of International Military Cooperation of the Central Military Commission attending the 17th China-Japan Security Dialogue in Tokyo on February 22, source: China Military Online).*

In his role as Chairman of the Central Military Commission (CMC), Xi has emphasized the importance of military diplomacy as a key element of China's overall foreign policy. According to recent congressional testimony by the director of the U.S. National Defense University's Center for the Study of Chinese Military Affairs, Philip Saunders, high-level delegation visits, dialogues and other military-to-military exchanges advance both the operational and strategic aims of PLA diplomacy ([USCC.gov](#), January 26) Strategically, high-level exchanges with foreign militaries support overall Chinese foreign policy and the PRC's efforts to foster a favorable international security environment. Operationally, such interactions provide opportunities for intelligence gathering on both friendly and rival militaries. Indeed, throughout Xi's tenure, many of the PLA's senior-level visits, dialogues and international academic exchanges have occurred with the militaries of the U.S. and its NATO and Indo-Pacific allies. [1] However, as geopolitical tensions between the U.S. and China have escalated, Beijing has responded to perceived U.S. provocations, in particular Speaker Nancy Pelosi's visit to Taiwan last August and the spy balloon crisis in early February, by halting established military dialogue mechanisms and greatly curtailing US-China military communication.

While Beijing has sought to condition the resumption of military-to-military dialogue based on changes in U.S. behavior, Washington remains eager to reopen communication mechanisms without preconditions ([NetEase](#), March 9). For example, following his November meeting with then Chinese Defense Minister Wei Fenghe, Secretary of Defense Lloyd Austin “emphasized the need to responsibly manage competition and maintain open lines of communication” and stressed the importance of “substantive dialogue” focused on “reducing strategic risk, improving crisis communications, and enhancing operational safety” ([Defense.gov](#), November 22, 2022). Over the first quarter of 2023, however, U.S.-China military-to-military relations have been curtailed, even as the PLA continues or even deepens its engagement with the militaries of U.S. allies in Europe and Asia. Such a situation presents a dilemma for the U.S. On the one hand, allies and partners share and can reinforce U.S. concerns over China’s increasingly assertive behavior in Asia and beyond. On the other hand, if Beijing continues to freeze military diplomacy with the U.S., while sustaining or even expanding military-to-military engagement with other NATO countries and U.S. allies in the Indo-Pacific region, this could widen the threat perception gap on China between Washington and some U.S. allies, particularly in Europe, that the PRC is not so much a military rival but an economic competitor-cum-security partner. If such perceptions become further engrained, this could weaken the unity and resolve of the U.S. and its allies to deal with China as a military challenge and strategic competitor.

### **U.S.-China Military-to-Military Relations on the Rocks**

After U.S. Speaker Nancy Pelosi’s visit to Taiwan last August, Beijing issued eight “countermeasures” (反制措施) against the U.S., which included canceling phone calls between military commanders as well as U.S.-China Defense Policy Coordination Talk and Military Maritime Consultative Agreement Mechanism meetings. Notably, the five non-military countermeasures taken were described as “suspending” (暫停) efforts to address transnational challenges, including counter-narcotics cooperation and climate change talks, which implies these discussions could resume at some point ([FMPRC](#), August 5, 2022). By contrast, the PRC announced it was “canceling” (取消) the military dialogues. According to a PLA international relations researcher familiar with U.S.-China defense talks, the “cancellation” of military talks indicates there “is no possibility to get them resumed” ([China Daily](#), August 7, 2022). Nevertheless, limited high-level U.S.-China military-to-military interaction still occurred following these cancellations. Last November, U.S. Defense Secretary Lloyd Austin met with then PRC Defense Minister Wei Fenghe on the sidelines of the ASEAN Defense Ministers’ Meeting-Plus in Cambodia ([PRC Ministry of National Defense \(MND\)](#), November 22, 2022).

Any momentum toward restoring high-level military-to-military communications dissipated earlier this year as a result of the scandal surrounding the PLA surveillance balloon that overflew North America before being downed off the coast of South Carolina by the U.S. Air Force on February 4 ([China Brief](#), February 13). According to MND spokesperson Tan Kefei, the “U.S. side proposed a call between the defense chiefs of both countries” to discuss the spy balloon situation, but Beijing rejected the offer to talk and castigated the U.S. “use of force” against the airship, which “violates international law and sets a bad precedent” ([MND](#), February 9). While diplomatic contact between Washington and Beijing has resumed in the two and a half months since the spy balloon incident, military-to-military channels of communication remain largely closed off. In a recent interview, Assistant Secretary of Defense for Indo-Pacific Security Affairs Ely Ratner acknowledged the deep freeze: “Some of our working-level dialogues that are meant to manage the [political-military] part of this, our

[Deputy Assistant Secretary of Defense for China] Michael Chase's dialogues as well as some of the operational dialogues INDOPACOM holds with the [PLA], they have turned all of that off for now. And we think that's destabilizing and dangerous, and we think we both ought to be doing a better job of managing" ([Breaking Defense](#), March 2).

The recent curtailment in U.S.-China military-to-military engagement has not been paralleled by a reduction in the PLA's interactions with the U.S.'s NATO or Asian allies. As one popular Chinese military blog notes, in February, the PLA sent a delegation to Brussels for consultations with the European Union and to visit NATO headquarters, which shows that PLA diplomacy is no longer focused on reflexively opposing NATO, but rather seeks to divide the U.S. from the other NATO countries ([NetEase](#), March 9; [Sohu](#), February 27).

### **Military-to-Military Engagement with U.S. Allies Continues**

In February, China and Japan held their first security dialogue in four years. The meeting was hosted in Tokyo with the Chinese side represented by Vice Foreign Minister Sun Weidong and Deputy Director of the Central Military Commission Office for International Military Cooperation (OIMC) Zhang Baoqun ([Guancha](#), February 23). As Kenneth W. Allen and Chad Sbragia explain, the OIMC is the lead CMC organization responsible for foreign military exchange and cooperation and the overall management and coordination of the PLA's foreign affairs ([China Brief](#), November 18, 2022). A month after the China-Japan security dialogue, the two sides announced the completion of a direct telephone link as part of the air and maritime liaison mechanisms. The PRC MND stated that the establishment of a direct link will strengthen bilateral "defense communication channels, enhance the capabilities of both sides to manage and control maritime and air crises and help to maintain regional peace and stability" ([CCTV](#), March 31).

In March, the PRC Ministry of National Defense and the Australian Department of Defense convened the eighth defense coordination dialogue, discussing mutual areas of concern and holding consultations on promoting practical exchanges and cooperation between the two militaries ([China Military Online](#), March 22). In February, the European Union and China held their 13th annual consultations on security and defense, chaired by the European External Action Service's Managing Director for Common Security and Defense Policy and the Deputy Director of the OIMC ([European External Action Service](#), February 22). As noted, China and France have agreed, in their joint statement, to intensify strategic dialogue and military-to-military exchange. The China-France Defense Strategy Consultation, which is organized by the CMC's Joint Staff Department on the Chinese side and last convened virtually for its 16<sup>th</sup> iteration in January 2022, will likely serve as a channel for continued high-level military-to-military engagement between Beijing and Paris ([MND](#), January 13, 2022).

### **Conclusion**

In spite of an intensifying U.S.-China strategic rivalry, the U.S. and China sustained extensive military-to-military interaction up until very recently. Military-to-military exchange has greatly atrophied over the past year, with the Chinese side ignoring U.S. offers to resume dialogue and unilaterally closing off long-standing dialogue mechanisms. At the same time that the PLA has frozen out the U.S. military, it has sustained or sought to reinvigorate military-to-military exchanges with key U.S. allies such as France, Australia and Japan. As Washington seeks to resume its own regular military-to-military communications with Beijing, it must

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nevertheless also be aware of the PRC's efforts to use military diplomacy as part of its broader efforts to sow division between the U.S. and its allies in Europe and Asia.

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### **Notes**

[1] For a detailed breakdown of recent PLA senior-level military diplomacy, see Kenneth W. Allen, "[The PLA's Military Diplomacy in Advance of the 20th Party Congress \(Part One\)](#)," *China Brief*, September 9, 2022.

**U.S.-China Data War Intensifies as Bilateral Relations Nosedive**

*Willy Wo-Lap Lam*



(Image: Alibaba Group headquarters in Hangzhou, capital of Zhejiang province in eastern China, source: China Daily), source: China Daily)

### **Introduction**

U.S.-China relations appear headed for further deterioration despite the People's Republic of China's (PRC) efforts to lure back American multinationals and Beijing's relatively limited support for Russia in its war with Ukraine. Washington has characterized the "existential competition" with the Chinese Communist Party (CCP) as an entrenched struggle on all fronts, but the data and information sectors have recently become areas of particularly intense contention.

The Xi Jinping leadership has sternly retaliated against purported efforts by the U.S. and its allies to choke off the PRC's high-tech development pathways. Recent moves targeting American and other foreign firms are also closely linked to General Secretary Xi Jinping's obsession with cybersecurity and control of data. Last weekend, the Cyberspace Administration of China (CAC), the administrative arm of the policy-setting Central Cyberspace Affairs Commission (CCAC) that Xi chairs, announced an investigation into the operations of leading American memory-chip maker Micron Technology. The CAC cited the need to safeguard the supply chains of Chinese IT and data companies. Regardless, Micron, whose China operations account for 11 percent of worldwide sales, has insisted that it "stands by the security of our products" ([Straits Times](#), April 1; [South China Morning Post \[SCMP\]](#), March 31).

### **Foreign Firms Under Pressure**

The Xi administration's crackdown on foreign data, accounting and information-related firms began in March, when the Mintz Group and the Chinese branches of the Big Four accountancy firms were compelled to begin winding up their Chinese operations due to Xi's concerns over the possible leakage of business and political information to foreign rivals ([Radio French International](#), March 27; [BBC Chinese](#), February 24). On March 20, five Chinese employees of the Beijing office of the Mintz Group, an international business intelligence and due diligence company with branches in 18 cities worldwide, were arrested by state-security agents with no advanced notice. The firm's Beijing office was then closed. The Chinese government has not responded to inquiries from the New York-based conglomerate. Moreover, a Japanese national was arrested by state security for alleged espionage, a possible reference to the theft of sensitive economic and technological data ([Radio French International](#), March 27; [Netease](#), March 18).

Earlier this year, the Chinese government ordered state-owned enterprises (SOE) and several semi-private conglomerates to phase out the Big Four accounting and auditing firms: PricewaterhouseCoopers LLP, Ernst & Young, KPMG and Deloitte & Touche LLP ([The Standard](#), February 22). This directive comes despite Beijing's compromise with American securities regulatory agencies that the books of Chinese companies listed on the New York Stock Exchange could be vetted by American-appointed auditors based in Hong Kong ([BBC Chinese](#), February 24; [Finance.sina.com](#), February 9).

### **All Data to the CCP?**

Since essentially obtaining leader for life" status at the 20th Party Congress last October, General Secretary Xi has sought to bolster China's "information security." At the National People's Congress (NPC) early last month, a National Data Bureau (NDB; 国家数据局), which has the same status as a department in the central CCP hierarchy, was established. The NDB will assume responsibility for the protection and collection of data, which reportedly includes information gleaned from multinational IT firms close to the government such as Alibaba, Ant Group, Tencent, and Didi Chuxing ([Finance.sina.com](#), March 15; [China.com.cn](#), March 11). Despite the absence of clear-cut laws or regulations, government units such as the NDB, as well as police and state-security departments, can always oblige private concerns to provide all of their users' business and personal information. The NDB reports directly to the CCAC, China's highest cyber- and data-related decision-making body.

Moreover, despite reassurances by Xi and new Premier Li Qiang regarding extra data protection for non-state enterprises, more IT conglomerates, particularly those that own the data of millions upon millions of Chinese and foreigners, have been placed under tighter party-state control. Soon after the founder of the e-commerce giant Alibaba Jack Ma's return to China last month, it was announced that the conglomerate would be broken down into six separate entities ([The Paper](#), March 30). Three of the six entities, namely Cloud Intelligence Group, Global Digital Business Group and Digital Media and Entertainment Group, will handle the data of companies and consumers that are clients of Alibaba and Taobao, the lucrative sales arm of the e-commerce behemoth ([Wall Street Journal Chinese](#), March 30; [New York Times Chinese Edition](#), March 29).

Partly due to repeated reports in the U.S., Canadian and Australian media concerning CCP interference in the internal affairs of these countries, Washington and its allies are doubling down on closing loopholes, whereby the data of Western corporations and individuals could be “leaked” to the PRC ([VOA Chinese](#), March 3). This underpins the serious debate underway in Washington and several other Western capitals over whether to ban TikTok, or, at the very least, severely restrict the popular app. American China hawks such as Florida Senator Marco Rubio have claimed that TikTok could be used as a vehicle for the CCP to help achieve its quest for “national reunification with Taiwan. Specifically, Rubio expressed concern that Chinese intelligence organs could use their access to TikTok to run algorithms to promote dubious narratives to international audiences, including portraying the PLA’s strength as irresistible and falsely framing the Taiwanese population as ready to “return to motherland” ([Marco Rubio Twitter](#), March 24). As the recent congressional testimony by CEO Shou Zi Chew appeared to be largely fruitless in resolving the impasse over TikTok, the way is now clear for the U.S. to either ban the company altogether or ratchet up pressure on its Chinese parent, Bytedance, to sell it to an American company ([Nikkei.com](#), March 24; [Guancha](#), March 24).

A new report by the American cybersecurity firm Mandiant, which is owned by Google, noted the increasing sophistication of the PRC’s cyber capabilities. A cybersecurity researcher was quoted by the American media as saying that “given how incredibly difficult they [Chinese hackers] are to find, most organizations cannot identify them on their own.” “It’s not uncommon for Chinese campaigns to end up as multi-year intrusions,” the researcher added ([VOA Chinese](#), March 30; [Axios](#), March 17). The assessment by Mandiant meshes with public statements from U.S. intelligence leaders that the cyber threat from the PRC has never been so far-reaching ([C-SPAN](#), March 8). Moreover, in the wake of efforts by various Chinese IT and data companies, including Huawei, to get around sanctions imposed by the U.S. and its allies, American-originated boycotts on both U.S. capital going into China and foreign-made tech components being stealthily rerouted to PRC factories are expected to be enhanced.

### **21<sup>st</sup> Century Struggle**

The determination by America’s two major political parties to crack down on Chinese tech firms could also be heightened by the increasingly fierce geopolitical contests between the U.S. and the PRC. Take, for example, President Xi’s recent visit to Moscow. While Xi claimed “neutrality” in the Ukraine crisis, the fact that the two quasi-allies signed numerous agreements on boosting energy, trade and other kinds of cooperation has reinforced the impression in the West of China being a tacit supporter of President Vladimir Putin’s aggression against Kyiv ([Radio French International](#), March 22; [Deutsche Welle Chinese](#), March 17). The Biden administration is also disturbed by evidence that the Chinese have apparently sold munitions and hardware components, including computer chips, to the Russian military ([Radio Free Asia](#), February 6). After Xi’s recent tête-à-tête with Putin, a PRC Ministry of Defense spokesperson said both nations would persevere in “strengthening strategic communication and coordination” ([Xinhuanet](#), March 30). Xi seems to be taking an equally assertive approach toward Taiwan. At the twin meetings of the NPC and the Chinese People’s Political Consultative Conference last month, the supreme leader made four references to the PLA’s “readiness for war,” an indication that Beijing was considering using force against Taiwan ([Gov.cn](#), March 8). [1] The Xi leadership is also expected to flex its military muscle during Taiwan President Tsai Ing-wen’s “transit” through California and meeting with House Speaker Kevin McCarthy this week ([CGTN](#), April 4). Perhaps even more than the Ukraine issue, the Taiwan question has heightened tension between the PRC and the U.S.



The intensification of “data warfare” between China and the U.S. will likely lead to more Chinese tech firms, particularly those suspected of aiding alleged Chinese hacking into U.S. firms, pilfering intellectual property and intelligence from American corporations and government agencies. The U.S. Congress is also readying an array of legislation that would include forbidding American venture capital firms to invest in Chinese companies with ties to the military and intelligence establishment. Such sanctions will likely be adopted by American allies in both the EU and Asia ([U.S. Treasury Department](#), March 30; [ChinaUSfocus.com](#), March 24). Only last week, the Japanese government ruled that 23 types of chip-making technology and machinery could only be exported to a set number of countries, excluding China ([Nikkei.com](#), March 31; [Japan Times](#), March 31).

Apart from imposing sanctions on each other’s tech and data-related firms, a growing number of signals suggest that the U.S. and China are waging information-based warfare across multiple dimensions. The incident of the “off course” PRC surveillance balloon, which overflowed North America in early February has intensified efforts by the U.S. and its allies to boost intelligence-gathering and defense measures to guard against what is perceived as a growing threat from Xi’s China ([China Brief](#), February 13). During his visit to Canada last month, President Joe Biden pressed Ottawa to boost defense spending and to take a more active role in U.S.-led coalitions aimed at countering China ([Radio-Canada.ca](#), March 24; [Netease](#), March 20).

Due to the CCP’s authoritarian nature, the Chinese side appears to have more ways and means to safeguard technological secrets and data related to national security and stability. The newly installed Minister of Public Security Wang Xiaohong recently pledged that China would push through the “one police, one village; one police; one urban grid” program. This entails the assignment of at least one law enforcement officer to manage security issues in a rural village or section of an urban street ([People’s Daily](#), March 30; [Gov.cn](#), March 29). The duties of these “super cops” will include monitoring residents’ internet use and filing reports on local IT personnel, who are friendly with foreign experts and overseas Chinese businesspeople. The public security personnel are also responsible for ensuring that practically every inhabitant within their jurisdiction is aware of the implications of the cyber struggle between the U.S. and China.

### **Conclusion**

In a recent speech on U.S.-China relations, American National Security Council Coordinator for Indo-Pacific Affairs Kurt Campbell said both sides must “build guardrails” to prevent bilateral relations from “moving into destabilizing [realms]” ([East Asia Forum](#), March 11). Given the importance of the semiconductor and data-related industries in determining national strength, the ferocious contention between the two major powers on this front is likely to only intensify. Moreover, China’s cyber capacity and its artful use of data to influence public opinion are set to play a major role in President Xi’s strategy for absorbing Taiwan. In light of these disturbing developments in the domestic and geopolitical arenas, the zero-sum rivalry between China and the U.S. is tipped to intensify in the information and technology fields, as well as other areas.

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*the Era of Xi Jinping (2015). His latest book, The Fight for China's Future, was released by Routledge Publishing in 2020.*

### **Notes**

[1] See John Pomfret and Matt Pottinger, "[Xi Jinping Says He Is Preparing China for War: The World Should Take Him Seriously](#)," *Foreign Affairs*, March 29, 2023.

**A Preliminary Survey of PRC United Front Activities in South Korea**

*Russell Hsiao*



(Image: Leaders of overseas Chinese organizations in South Korea sign an anti-THAAD joint statement in 2016, source: People's Daily)

**Introduction**

The People's Republic of China (PRC) exercises influence over South Korea in multiple ways. Chinese influence operations against Seoul have been characterized as not subtle and even blatant compared to the more covert and subversive methods employed in other countries ([China Brief](#), December 19, 2014). Indeed, the more overt and aggressive ways in which Beijing exercises influence were on full display when the PRC responded to Seoul's decision to deploy the Terminal High Altitude Area Defense (THAAD) system in 2016 with boycotts, military exercises and diplomatic pressure ([China Brief](#), March 31, 2017). Less well known, however, is how China employs other, more subtle means to influence South Korean politics and society. A general presumption exists that influence must be exerted overtly or in forms such as diplomatic protests or through sanctions, yet Beijing's influence activities also take on a less pronounced and more obscured nature, which is commonly associated with its United Front activities. This article will provide a preliminary assessment of the local Chinese Council for the Promotion of Peaceful National Reunification of China (CCPPNR, 韩华中国和平统一促进联合总会) and the web of other United Front organizations that operate in South Korea.

[1] This article does not seek to offer an exhaustive examination of these organizations, but to provide a preview of the key United Front apparatuses and their activities in South Korea.

### **Mapping CCP United Front Organizations in South Korea**

Overseas Chinese diaspora communities are both a primary target and a key vehicle for PRC influence operations. [2] A study published by the Congressionally-mandated U.S.-China Economic and Security Review Commission (USCC) on “China’s Overseas United Front Work Background and Implications for the United States” noted that overseas Chinese work now conducted by the Chinese Communist Party (CCP) “seeks to co-opt ethnic Chinese individuals and communities living outside China, while a number of other key affiliated organizations guided by China’s broader United Front strategy conduct influence operations targeting foreign actors and states” ([USCC](#), August 24, 2018).

A preliminary survey reveals that at least several dozen United Front organizations and affiliate groups now operate in South Korea. A close examination of all of these organizations is beyond the scope of this assessment. This article will instead focus on a key pair of organizations and draw out some of their overlapping leaderships, then provide generalized observations about their activities. The key organizations in the United Front system operating in South Korea are the CCPNR and the Association of Overseas Chinese in Korea (中国在韩侨民协会总会). The latter organization was ostensibly established to compete for membership with established Chinese compatriot associations comprising older immigrants who identified more with the Republic of China (ROC) than the PRC ([Weekly Chosun](#), January 6). These two organizations are tied to at least several dozen other organizations, the most notable of which are the Korea Chinese Huaqiao Alliance Council (韩国华侨华人联合总会) and the All-Korean Nationals of Chinese Descent Council (韩国全国韩籍华人总联合会). Many of these organizations share overlapping leadership and membership cohorts that underscore a distinct feature of the United Front organizations in South Korea in which there appears to be a high degree of centralization.

### ***Chinese Council for the Promotion of Peaceful National Reunification in Korea***

The overseas diasporas were instrumental for the PRC in its diplomatic outreach after the state’s establishment in 1949. South Korea is a case in point. Central to the web of United Front organizations in the Republic of Korea (ROK) is the late Han Shenghao (韩晟昊/ also known as 韩早先), who was the founder of the national chapter of the Chinese Council for the Promotion of Peaceful National Reunification (CCPPNR)—an organization that is directly subordinate to the CCP’s United Front Work Department (中共中央统一战线工作部)—and a host of other United Front and diaspora organizations.[3]

A renowned elder in the Korean-Chinese community and famous oriental medicine practitioner, Han has played a prominent role in the diaspora in political and even diplomatic affairs. This was demonstrated when the Korean government conferred a national award on him for his contributions to advancing PRC-ROK relations. Han was referred to as a secret back channel who helped to pave the way for the 1992 normalization of

relations between Beijing and Seoul ([Center for Interdisciplinary Research on China \(CIRC\) at Kookmin University](#), February 24, 2022). He also played an essential role after normalization in helping to establish the infrastructure of the CCP's United Front organizations in South Korea. Presently, at least six CCPPNR chapters operate in South Korea, including the national chapter, which was established on February 14, 2002—a decade after the normalization of ties and during a period of tense cross-Strait relations ([CCPPNR](#), June 11, 2012). Following the creation of the national chapter, the Gunsan-si chapter (韩国群山中国和平统一促进会) was established in 2004 and headed by Xing Guangyi (邢广义) ([CCPPNR](#)). The Incheon chapter (韩国仁川华侨中国和平统一促进会) quickly followed and was created in 2005 and headed by Wang Chengjie (王晟杰). The Gwangju and Jeolla-do (韩国光州全罗南道中国和平统一促进会) chapter was also created the same year and led by Ma Yuchun (马玉春). ([CCPPNR](#)). The Seoul chapter (韩国首尔中国和平统一促进会) was created in 2006 and headed by Cao Mingquan (曹明权) ([CCPPNR](#), October 22, 2008). The Jeju-si chapter (韩国济州华侨华人中国和平统一促进会) was established in 2013 with Li Zhangzuo (李长作) as its leader ([CCPPNR](#), November 29, 2013).

### ***Association of Overseas Chinese in Korea***



**中國在韓僑民協會總會**

Association of Overseas Chinese in Korea

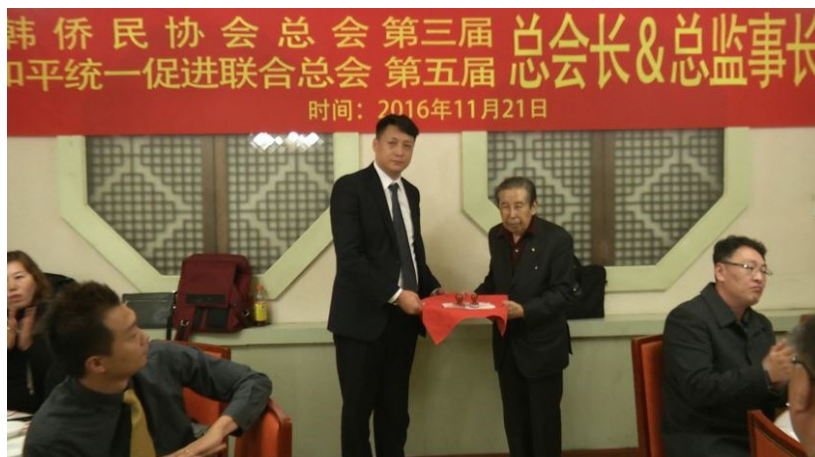
In 2002—the same year in which the CCPPNR in South Korea was established—Han also played an instrumental role in creating the Association of Overseas Chinese in Korea (hereafter “Association”) ([YouTube](#), July 1, 2021). The reason for the formation of the Association should be understood in the context of the longstanding competition between the PRC and the ROC (Taiwan) for legitimacy in the eyes of Chinese diaspora communities around the world. Since its creation, the Association has become the largest diaspora association in South Korea, which, according to one account, has surpassed the membership numbers of the old Chinese associations that identified more with the ROC and were in fact directed by the Taiwan representative office. With the establishment of diplomatic relations between Korea and China in 1992 and China’s rapid development, the influx of PRC nationals to South Korea has steadily gone up, while inflows of Taiwanese nationals have stagnated ([Weekly Chosun](#), January 6).

The critical difference between the CCPNR and the Association of Overseas Chinese in Korea is that the former, which is directed by the UFDW, serves as an overt political purpose whereas the latter seeks to unite the diaspora community under the PRC's leadership. However, these organizations operate in tandem, as demonstrated by how the two associations hold their leadership announcements in conjunction with one another. Moreover, the CCPNR purportedly recruits from the Association of Overseas Chinese in Korea.

### Who is Wang Haijun?

As central as Han Shengtao was to building United Front organizational infrastructure in South Korea, since 2016, the nucleus of these groups' leadership has been transferred over to Wang Haijun (王海军). He was the vice chairman of the Association up until November 2016, when he was elected as the fifth General Chairman of the national association for the CCPNR and third chairman of the Association of Overseas Chinese. In assuming the top roles in both United Front organizations, Wang took the helm from the aging Han, who died in 2018 at age 91. [4]

The Association is reportedly under the guidance and supervision of the PRC Embassy in Korea and interestingly has an office in Yantai, Shandong province (中国在韩侨民协会总会 (烟台办事处) and is registered with South Korea's Ministry of Culture, Sports, and Tourism ([Zhongguo Qiaowang](#), February 14, 2017; [DspDaily](#), December 5, 2016). While speculative at this point, it is at least plausible that the CCP may be utilizing or at least trying to use ethnic-Korean minorities and Korean-Chinese in China to engage in United Front work in South Korea. The aim of the CCP United Front groups is to absorb and integrate the entire Chinese community in Korea and essentially lead the overseas Chinese in Korea.



*(Image: Wang Haijun (left) and Han Shengtao (right) following the CCPNR and Association elections in November 2016 in which Wang succeeded Han as the head of the two groups, source: Dsp Daily)*

Even more so than Han Shengtao, his predecessor and mentor, Wang Haijun is a man of intrigue. Little is known about his past prior to his arrival in South Korea from Shandong province around 2003. Wang quickly joined the Council and Association and then spent more than a decade building up his network before formally taking over the top leadership roles of the major United Front organizations in South Korea ([CCTV](#), August 5, 2017). It is unclear when and under what circumstances Wang met Han, or whether Wang knew Han before

he arrived in South Korea in the early 2000s. While speculative, it is plausible that Wang's succession in these roles was planned.

In August 2017, China's state-run China Central Television (CCTV) ran an episode on Wang's life in a program called "Chinese World" (《华人世界》) ([lcknr](#), December 22, 2022). The episode said that Wang was then 39 and would have been born around 1978 (although he appears to be much older). He is said to have been born in Fushun (抚顺), Liaoning Province and is of Manchu descent—notably, Wang is not Korean-Chinese (*chosunjok*) or Han-Chinese ([Weekly Chosun](#), January 6). Wang reportedly entered the country on a business visa and after moving to Korea, he immediately opened several Chinese restaurants. He became involved in overseas Chinese affairs around 2005, when he began actively participating in a number of overseas Chinese groups, in particular, the Association ([CCTV](#), August 15, 2017).

Wang's first leadership role in the web of diaspora organizations can be credited to Han. He assumed leadership of the China International Cultural Exchange Center (CICEC, 中华国际文化交流协会), which was established by Han in 2009 ([ROK Ministry of Culture, Sports and Tourism](#), February 12, 2009). The three organizations, the Association, Council and the CICEC are referred to as the "three associations-one community" (三会一社) ([PRC Consulate General in Busan](#), November 20, 2009). When exactly Wang assumed leadership of the CICEC is unclear, but he was referred to as its chairman before his formal election to head the other two organizations. The office is co-located in the same building and office as Han's oriental medicine clinic as well as the Overseas Chinese Service Center (OCSC), which is believed to serve as a conduit for PRC policy activity beyond China's borders ([China Brief](#), January 5, 2019; [ROK Ministry of Culture, Sports and Tourism](#), February 12, 2009).

Wang, a PRC national, was recently embroiled in a scandal involving a restaurant that he owns, Oriental Pearl (东方明珠), which opened in 2018 and is alleged to serve as an overseas Chinese police station. While there is a plaque that hangs on the restaurant's wall, the official registration of the OSCS is co-located with Han's oriental medicine clinic. Wang is also associated with other organizations that could potentially be fronts for intelligence collection ([East Asia Research Center](#), December 30, 2022). A mapping of the groups that Wang heads or is associated with, as well as some of the leadership of organizations within his network, exposes a centralized web of organizations that are directly or indirectly associated with the PRC's United Front system. Wang attended the Chinese People's Political Consultative Conference (CPPCC, 中国人民政治协商会议) as an alternate member in March 2017, which further attests to his prominent role in the CCP United Front network ([Xinhua](#), March 4, 2017). He is also a member of the Yanbian Korean Association, among other organizations ([Sino NK](#), July 2, 2018).

At the center of the media controversy surrounding Wang was his role as the head of the Seoul Overseas Chinese Service Center (OCSC, 首尔华援助中心), which is believed to be a front for a PRC overseas police post ([Korea Xinhuanet](#), January 8, 2016). As the Madrid-based human rights investigation organization Safeguard Defenders reported last year, OCSCs, which are sponsored by the CCP's UFWD, comprise a global network with branches in numerous countries ([Safeguard Defenders](#), December 2022). The Seoul OCSC was

established in 2016 ([Korea Xinhua News](#), January 8, 2016). Wang reportedly admitted at a press conference that the Center had participated in the repatriation to the PRC of more than a dozen Chinese nationals in South Korea ([Daijyuan](#), January 6). Although Wang claimed that this was done for humanitarian purposes, he did not explain what specific criteria were used to decide to send the PRC nationals back to China ([East Asia Research Center](#), December 30, 2022).



(Image: Ren Qiliang, deputy director of the State Council Overseas Chinese Affairs Office attends the plaque dedication for the OCSC in Seoul, South Korea in January 2016., Wang Haijun (fifth from right) was appointed head. Han Shengtao (fifth from right) was also present, source: Xinhua).

In addition to his CCPNR, OSCS and CICEC roles, Wang is also the director of HanGang Cultural Media, and general treasurer of the Korea Xinhua News Agency (韩国新华报社, est. 2005), which Cao Mingquan (曹明权), the head of the Seoul chapter of the CCPNR, serves as director. HanGang Cultural Media/HG Culture Media is also shares office space with PRC's CCTV in Seoul near the National Assembly in Seoul.



(Image: Nameplates for the “three associations, one community” overseas Chinese organizations in South Korea, source: East Asia Research Center)



## Activities of United Front Organizations

Contrary to the perception that the CCP's United Front groups are singularly focused on Taiwan, the South Korean branches of these groups have engaged on a range of other issues. In addition to engaging in anti-THAAD protests ([Baidu](#)), anti-Japanese protests and rallies on issues concerning "comfort women" ([Huangjiu](#), March 10, 2014), even opposing intelligence sharing between the ROK and Japan, or supporting the PRC's positions in the South China Sea. These organizations, particularly the CCPNR, also mobilize to support Beijing Winter Olympics games while there were mass global protests against the Chinese government's commission of atrocities in Xinjiang ([Huanqiuhuaxunwang](#)). Overall, the CCPNR and other United Front organizations in South Korea appear a lot more active than in many other countries, hosting multiple events, as well as apparently engaging in public protests on policy matters related to PRC's national interests. In one example and perhaps a play off the Soviet playbook, Wang also spoke on stage in 2016 at a rally of Chinese and Korean Buddhist organizations that opposed THAAD ([Xinhuanet](#), July 22, 2016). The event also included local Korean protestors that obstructed the deployment of the THAAD system in 2016 ([CCTV](#), August 25, 2016).



(Image: A banner of a joint statement by overseas Chinese groups in South Korea expressing opposition to THAAD deployment, source: Cri.cn)

## Conclusion

As the linchpin of U.S. security posture in Asia, South Korea is a vital ally and by extension, a key target of PRC influence operations seeking to weaken US alliances in the Indo-Pacific region. As Korea expert, Dr. Jung Pak notes: "Beijing perceives Seoul as the weakest link in the U.S. alliance network, given its perception of South Korea's deference and history of accommodating China's rise relative to other regional players, such as Japan, which considers China a long-term security threat" ([Brookings](#), July 2020). While there are indeed "not subtle" and "blatant" aspects of PRC influence operations against South Korea, Beijing has more means to influence South Korea than is commonly understood. [5]

Clearly, these cases and organizations' activities that these organizations' objectives extend beyond providing services for the diaspora community or simply about Taiwan that they claim, and are highly political and with active involvement and likely receive direction from the PRC Embassy. Currently, the CCP's United Front operations in South Korea appear are aimed at consolidating control over the diaspora and mobilizing them to support the PRC's policy objectives. At an operational level, United Front operations are concentrated at the provincial level, particularly those originating from nearby Shandong Province. As this preliminary study shows, China's influence over contemporary South Korea is a fuller spectrum and more centralized than many other countries.

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### **Notes**

[1] For an examination of the CCPPNR's international activities, see John Dotson, "[The United Front Work Department Goes Global: The Worldwide Expansion of the Council for the Promotion of the Peaceful Reunification of China](#)," *China Brief*, May 9, 2019; "[The United Front Work Department in Action Abroad: A Profile of The Council for the Promotion of the Peaceful Reunification of China](#)," *China Brief*, February 13, 2018.

[2] Timothy Heath, "[Beijing's Influence Operations Target Chinese Diaspora](#)," *War on the Rocks*, March 1, 2018.

[3] Han Seong-ho was a former secretary of Taiwan's (Republic of China) embassy in the ROK, and allegedly came from Taiwan's Kuomintang intelligence agency "Zhongtong" and later defected and served as an emissary during the 1992 establishment of diplomatic ties between Korea and the PRC. (See, Weekly Chosun, December 30, 2022; In 2020, the U.S. State Department designated the Washington, D.C.-based chapter of the CCPPNR, the National Association for China's Peaceful Unification (NACPU), as a foreign mission of the PRC under the U.S. Foreign Missions Act ([State.gov](#), October 28, 2020) The United Front Work Department (UFWD) is the Chinese Communist Party (CCP) organ tasked with co-opting and neutralizing threats to the party's rule and spreading its influence and propaganda overseas. The CCP regards this party apparatus as a "magic weapon" to advance Beijing's policies. Today, the Department of State designated a UFWD-controlled organization – the – as a foreign mission of the PRC, see Anne-Marie Brady, "[Magic Weapons: China's political influence activities under Xi Jinping](#)," Wilson Center, September 18, 2017.

[4] The scope of this assessment prevents a full biographical sketch of Han, he reportedly turned to the PRC after Lee Teng-hui was selected as leader of the KMT.

[5] It is worth noting that this study does not examine the other vectors of PRC influence operations which include pseudo-academic institutes, Confucius institutes, business associations, student associations, elite capture through "honeypots" and other forms of propaganda, which are also present in South Korea.

## Xi Seeks to Reinvigorate Military-Civilian Integration

*Arthur S. Ding and K. Tristan Tang*



(Image: The fourth Military-Civilian Integration Development High-tech Equipment Achievement Exhibition in 2018 in Beijing, source: Huanqiu)

### Introduction

In a speech to the People's Liberation Army (PLA) and the People's Armed Police Force (PAP) delegation to the National People's Congress (NPC) on March 8, Chinese President and Central Military Commission Chairman Xi Jinping called for accelerating the development of "integrated national strategies and strategic capabilities" (INSSC: 一体化国家战略体系和能力) ([Xinhua](#), March 8). Xi defined the key elements of developing INSSC in the defense and military portion of his political report to the Chinese Communist Party's (CCP) 20th Party Congress last October. He stated that:

"We will consolidate and enhance integrated national strategies and strategic capabilities. We will better coordinate strategies and plans, align policies and systems, and share resources and production factors between the military and civilian sectors. We will improve the system and layout of science, technology and industries related to national defense and step up capacity building in these areas. We will raise public awareness of the importance of national defense. We will improve our national defense mobilization capacity and the development of our reserve forces and modernize our border, coastal and air defenses. We will better motivate service personnel and their family members through military honors and do more to protect their rights and interests. Better services and support will be provided to ex-service personnel. We will

consolidate and boost unity between the military and the government and between the military and the people” ([Xinhua](#), October 25, 2022).

While Xi's vision of INSSC is extremely comprehensive and all-encompassing, it has also been persistent. The concept was raised in Xi's work report to the 19th Party Congress in October 2017. At that time Xi, stated:

“We will accelerate implementation of major projects, deepen reform of defense-related science, technology, and industry, achieve greater military-civilian integration, and build integrated national strategies and strategic capabilities. We will improve our national defense mobilization system and build a strong, well-structured, and modern border defense, coastal defense, and air defense. We will establish an administration for veterans; we will protect the legitimate rights and interests of military personnel and their families; and we will make military service an occupation that enjoys public respect...” ([Xinhua](#), October 27, 2017).

### **Rooted in Military-Civilian Integration**

It should be noted that in Xi's political report to the 19th Party Congress, military-civilian integration (MCI)—or Military-Civil Fusion, the term used by the U.S. State Department—also appeared ([U.S. State Department](#), June 2020; [Xinhua](#), October 27, 2017). Clearly, a link exists between INSSC and MCI. Xi clarified the relationship between INSSC and MCI at the 2018 NPC annual meeting. He told the PLA and PAP delegation to the NPC that "implementing the strategy of MCI is a prerequisite for building INSSC" ([Xinhua](#), March 12, 2018). This means that INSSC is the goal of MCI and that in order to fulfill the former, the latter must be accomplished. As a result, MCI is a tool with which to achieve INSSC.

Key questions include: why has Xi emphasized INSSC and what makes it notable? Despite widespread perceptions to the contrary, MCI has not yet fully succeeded to the extent that Xi aspires, at least not in some of its programs. Consequently, INSSC remains a distant goal. Xi's current emphasis on INSSC signals his intent to defer the objective of achieving MCI further into the future.

### **Progress Stalls on Xi's Core Defense Policy**

On June 20, 2017, Xi established the Chinese Communist Party (CCP) Central Commission for Integrated Military and Civilian Development (CCIMCD) (中央军民融合发展委员会) with the goal of comprehensively promoting MCI ([Xinhua](#), June 20, 2017). MCI is Xi's core defense policy. One of its key goals is to improve China's defense technology S&T capacity and the PLA's warfighting capability by integrating societal resources into the defense sector in order to solve long-lasting problems in China's defense industry, such as bureaucratic inertia and poor efficiency.

Xi's emphasis on MCI can be assessed based on his speeches to the PLA and PAP delegation to the NPC each March. From 2013 through 2018, at each annual NPC, Xi mentioned and outlined his thoughts and goals for MCI. One concrete program set forth by Xi was to establish Innovation Demonstration Zones of National Military-Civilian Integration (IDZNMCI) (国家军民融合创新示范区) first raised in 2015 in the 13th Five-Year Plan ([CCTV](#), March 17, 2016). This was followed by the release of an official list of approved IDZNMCI

in early 2018 ([Xinhua](#), March 2, 2018). Based on Xi's remarks in the 2018 CCIMCD meeting, IDZNMCI is a model through which to carry out all aspects of MCI, including, but not limited to systems innovation; enhancing the resource and policy integration between the military and localities; and local defense industry reform.

Nevertheless, from 2019 through 2022, MCI has been omitted in Xi's instructions to PLA and PAP delegations at NPC annual meetings. Moreover, progress in implementing the IDZNMCI program, along with other MCI programs, has seemingly stalled. These indicators have generated speculation that MCI has not been a policy priority for Xi in recent years.

The stagnation of the IDZNMCI program could be confirmed as the Chinese government has never made the IDZNMCI list public since it was first announced in 2018. Media reports indicate that many local governments did prepare for the program, but obviously, they may have failed to meet the standard set by the central government. The only exception is Guzhenkou, Shandong (山东古镇口), which reportedly was the only place approved, outcompeting more than 20 other local governments that also applied for the IDZNMCI program. [1]

### **Old Wine in New Bottles**

Since the 20th Party Congress in October 2022, MCI has re-emerged as a priority for Xi. In his report to the 20th Party Congress, Xi stressed that China will enhance INSSC. In his remarks to the PLA and PAP delegation to this year's NPC, Xi also called for strengthening INSSC in order to build a strong country with a strong military ([Xinhua](#), March 8).

Furthermore, Xi's speech this year implied that the reform of the local defense industry was a priority for MCI. In discussing "defense technology," Xi has typically spoken in terms of "defense technology innovation" (国防科技创新) indicating that achieving technological, R&D breakthrough was a priority. This year, however, Xi emphasized the importance of "defense technology industry" (国防科技工业) for the first time, implying the improvement in the industry as vital to facilitating R&D advances through MCI.

Secondly, Xi emphasized that China would reorient its defense industry to serve a stronger PLA and win wars. Xi also stressed the need to improve organizational systems and innovate an effective development model. The wording resembled the goal of IDZNMCI, meaning that it, or at least its development model and goal, constitutes Xi's main area of focus for MCI. Critical factors that led to the approval of Guzhenkou in Shandong province as the only IDZNMCI were military demand, which led to the formation of China's first Military-Local Joint Coordination Meeting (军地工作协调联席会议) and the need to develop local defense industry for the naval port logistics ([People's Daily](#), February 19, 2017; [Sohu](#), April 16, 2017).

Compared to other IDZNMCI applicants, such as Zhongguancun, Beijing (北京中关村) and Mianyang, Sichuan (四川绵阳), that have been developing their local defense industries for decades, Guzhenkou only started to develop its industry in 2008, indicating that its defense technology S&T capacity and resources are not likely the foremost in the nation ([Xinhua](#), February 21, 2017). Nevertheless, having a well-developed

defense industry implies the existence of rooted conventions and vested interests that could impede any reform effort to meet the MCI standards centered on serving a stronger PLA capable of fighting and winning wars and innovating a new development model. On the contrary, an area with less established development, like Guzhenkou, could be suitable for testing out the best ways to implement the directions of the central government and to develop a new innovation model.

For instance, Zhongguancun, which also applied but failed to become an IDZNMCI, is known for its decades-old information technology industry, which has yielded a robust civilian orientation. As a result, perhaps authorities assessed that it might be difficult for Zhongguancun to quickly pivot to providing the PLA with warfighting support. Based on publicly available information, Zhongguancun has developed many dual-use technologies, such as mobile internet, integrated circuits and high-end intelligent manufacturing, and invented multiple novel dual-use products before 2018, including airplane, rocket, and satellite parts manufactured with 3D printing technology. [2]

As Zhongguancun's original development model has yielded tremendous policy accomplishments and wealth, local officials and business people would be reluctant, if not fiercely opposed to any major change in government-business and military-locality relations that might cause a decrease in expected output and revenue.

Mianyang in Sichuan province provides another example of an inefficient local defense industry. Even if the Mianyang government sought to reform its defense industry system, the effort would be futile. The city has some critical defense S&T institutes, but many of them, such as China Academy Engineering Physics, which is designated a vice-ministerial level unit, are at the same rank as the local government in the bureaucratic hierarchy. This would impede the local government's efforts to innovate its own reform plan. Furthermore, most of these historic defense S&T institutes are still categorized as "public institutions" with strict budgets and mission rules that local governments cannot override ([China Brief](#), January 19). [3] Due to these limitations, Xi now appears determined to promote the Guzhenkou model, as noted in his speech this March, as the template for the PRC's efforts to achieve its MCI goals.

### **Conclusion**

As the PRC faces an increasingly challenging international security environment, MCI has reemerged as a priority for Xi. These efforts seek to improve China's defense technology S&T industry capacity and the PLA's warfighting capability. It is vital to note that China's recent novel weapons were developed against the backdrop of a poorly operated defense industry that has largely failed to reform. If this new round of MCI succeeds, China's defense technology development will undoubtedly become far more efficient, which will pose a much greater military challenge than before to China's neighbors and the U.S.

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**Notes**

[1] For related details; see: 孙浩翔、李湘黔、孟斌斌、汤薪玉,“军民融合创新示范区产业集聚问题与对策,” *国防科技*, 2020; 冯静、顾雪松、韩立岩,“我国军民融合示范区创新能力评价,” *科技进步与对策*, 2018.

[2] For related details; see: 成卓,“我国军民融合创新示范区建设模式、问题和对策,” *中国经贸导刊*, 2018.

[3] For related details; see: 李晖、陈丽娜,“成德绵军民融合一体化之绵阳路径研究,” *成都工业学院学报*, 2019.

## China's 2023 Defense Spending: Figures, Intentions and Concerns

Amrita Jash



(Image: Fighter jets in a naval aviation brigade under the PLA Southern Theater Command prepare to participate in a flight training exercise, source: China Military Online)

### Introduction

In March, at the opening session of the 14th National People's Congress (NPC), the top legislature of the People's Republic of China (PRC) announced an annual defense budget of roughly 1.55 trillion yuan (about \$224.79 billion) for fiscal year 2023, which is a 7.2 percent increase from last year ([State Council Information Office \[SCIO\]](#), March 6). This year's increase is the eighth consecutive single-digit uptick in China's defense spending, with the last double-digit jump of 10.1 percent recorded in 2015. In the interim, the PRC's estimated yearly military budget increases have been 7.6 percent in 2016, 7 percent in 2017, 8.1 percent in 2018, 7.5 percent in 2019, 6.6 percent in 2020, 6.8 percent in 2021 and 7.1 percent last year, respectively ([Huangju](#), March 4). As a result, this year's defense budget increase aligns with recent spending patterns and confirms the Chinese Communist Party (CCP) leadership's unwavering commitment to sustaining a rapid pace of military modernization, despite the economic downturn during the COVID-19 pandemic and mounting fiscal challenges.

The PRC's decision to significantly increase its defense budget again this year is unsurprising given escalating geopolitical tensions with the U.S. and the Russia-Ukraine war. While China's defense spending remains



behind the U.S., the continuous nominal increases are alarming to both Washington and China's neighbors, given the growing tensions over Taiwan, the South China Sea, the East China Sea and the China-India border dispute in the Himalayas ([China Brief](#), April 29, 2022). A significant contributing factor to anxiety over the PRC's military modernization is the lack of transparency on defense spending, both in terms of estimates and in classifying areas of spending.

Over time, the PRC has justified its yearly defense spending increases based on the claim that its military expenditures are far less than those of the U.S. According to the official account, the PRC spends only about one-quarter in real terms and one-sixteenth per-capita of the U.S.'s approximately \$858 billion defense budget this year ([Xinhua](#), March 5). However, a disparity exists between China's official figures and external estimates from the U.S. Department of Defense (DOD) and leading international security think tanks, the Stockholm International Peace Research Institute (SIPRI) and the International Institute for Strategic Studies (IISS). For example, in 2017, China's official defense budget was 1.044 trillion yuan (\$151.4 billion), and its 2016 budget was 955 billion yuan (\$143.7 billion), which SIPRI estimated to be \$228 billion (2017) and \$216 billion (2016); while the DoD estimated the 2016 defense budget at more than \$180 billion, and IISS estimated the figure at \$197 billion. [1] More recently, in 2021, China officially announced a budget of 1.45 trillion yuan (about \$229 billion) ([Xinhua](#), March 5, 2022). However, SIPRI estimated that in actuality, China spent an estimated \$293 billion on its military in 2021 ([SIPRI](#), April 2022). The second aspect that may impact underreported defense spending is how outlays are categorized. As outlined in the 2019 Defense White Paper, the PRC's defense spending is broken down by the application of funds under three areas: personnel, training and equipment spending ([Xinhua](#), July 24, 2019). While China is the most transparent about the first category, information on equipment procurement is far less available.

### **A "Reasonable and Moderate" Increase**

In the PRC's official narrative, "China's military modernization will not be a threat to any country. On the contrary, it will only be a positive force for safeguarding regional stability and world peace," according to Wang Chao, the spokesperson for the first session of the 14th NPC ([Xinhua](#), March 5). In this view, this year's defense budget increase is "appropriate and reasonable," to address complex security challenges and in order for China to fulfill its responsibilities as a major country. Besides, from the Chinese perspective, the 7.2 percent increase in defense spending is also "moderate" compared to other countries, as the *Global Times* argues based on the following grounds ([Global Times](#), March 5). First, the essay cites Chinese military expert Song Zhongping, who claims that this year's 7.2 percent defense budget increase is only 0.1 percentage point higher than last year's increase, which is modest when China's national defense needs and recent economic development are considered. Second, this increase is deemed particularly "reasonable" given China's deteriorating security environment and the tense global security situation due to the Russia-Ukraine conflict. Moreover, the editorial maintains that China's increased defense spending is hardly an outlier, as rising military spending is a worldwide trend. Third, the *Global Times* contends that China's military spending in terms of percent of GDP is "significantly lower" than other countries. The article stresses that China's defense spending has not exceeded 1.5 percent of GDP compared to other countries such as Japan, which plans to raise spending to 2 percent of its GDP within five years; the United States spends 3.5 percent of its GDP on defense; and India's budget accounted for 2.2 percent of its GDP in 2022.

### **Context for Concern**

In Beijing's view, when compared to other countries, China's increasing military spending "adheres to its own pace, does not engage in horizontal comparison, and does not engage in an arms race" ([Global Times](#), March 5). However, what China fails to consider is that, unlike other countries its increases in military spending are generating international unease. The lack of transparency in China's defense spending raises concern over its strategic intentions. The U.S. Department of Defense's 2002 report on Chinese Military Power predicted that the PRC's annual spending could increase over three- to four-fold in real terms by 2020. In the past two decades, China's defense spending has grown five-fold—from \$50 billion in 2001 to \$270 billion in 2021 ([U.S. Department of Defense](#), July 12, 2002).

Several trends render China's military spending particularly worrisome for countries in the region and beyond. First, China's defense spending has exhibited an ascending trend, ranking second only to the United States for years now. For instance, until 2021, China's defense budget has grown for 27 consecutive years, while Japan's spending rose by 7.3 percent to \$54.1 billion in 2021—the highest annual increase since 1972 ([SIPRI](#), April 2022). Although, according to official numbers, China's defense spending has not exceeded 1.5 percent of its GDP, China's defense spending is still higher than the combined defense spending of its neighbors, Japan and India.

Moreover, the upward swing in China's defense expenditure is also linked to China's growing military production capacity. This is reflected by the PRC's shifting status from arms importer to exporter (ranked fourth after the United States, Russia, and France)—accounting for 4.6 percent of total global arms imports and 5.2 percent of exports in 2018-2022 ([SIPRI](#), March 2023). Most of China's regional rivals, including India and Japan are arms importers accounting for 11 percent and 3.2 percent of global arms imports, respectively. This reflects a major gap between China and all of its Asian neighbors in terms of defense industrial base capacity. Specifically, the biggest recipient of Chinese arms is Pakistan, which is a concern for India.

Furthermore, eight Chinese arms companies rank in the top 100 arms sellers—with aggregate sales accounting for \$109 billion in 2021. Notably, three Chinese companies are ranked in top 20: China North Industries Group Corporation (NORINCO) [ranked 7th], a land systems specialist; while Aviation Industry Corporation of China (AVIC) [ranked 8th], China Aerospace Science and Technology Corporation (CASC) [ranked 9th] and China Aerospace Science and Industry Corporation (CASIC) [ranked 11th]—are the three most prominent Chinese arms companies operating in the aircraft, missile, and space sectors ([SIPRI](#), December 2022). Japanese arms manufacturers in the Top 100 include Mitsubishi Heavy Industries (ranked 35th), Kawasaki Heavy Industries (ranked 54th), Fujitsu (ranked 77th), and IHI Corporation (ranked 89th). In case of India, the two companies in the Top 100 included Hindustan Aeronautics (ranked 42nd) and Bharat Electronics (ranked 63rd). Hence, unlike the United States, there is a huge disparity in the defense industrial bases of China and those of Japan and India.

### **Conclusion**

Unlike other countries, China's defense spending stands out as an indicator of its increasing military capabilities and expanding ambitions. One of the key targets of the 14th Five-Year Plan (2021-2025) is to make major strides in strengthening national defense and modernizing the armed forces ([Xinhuanet](#), May 13, 2021).

Furthermore, years and years of sustained defense spending increases underscore the PRC's uncompromising commitment to achieving the three key milestones: meeting the centenary benchmark of ensuring the PLA is on track with its military modernization program in 2027, achieving the basic realization of PLA modernization by 2035 and completing the development of a world-class military by mid-century. Hence, China's defense spending is not just about the numbers but the intentions that lie hidden behind these figures.

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### **Notes**

[1] Dong Ryul Lee, "The Prospect and Trend of Military Spending and Strategy in Rising China", *EAI Working Paper*, January 8, 2019, pp. 1-2,

[http://www.eai.or.kr/main/english/publication\\_01\\_view.asp?intSeq=9913&board=eng\\_report](http://www.eai.or.kr/main/english/publication_01_view.asp?intSeq=9913&board=eng_report).