



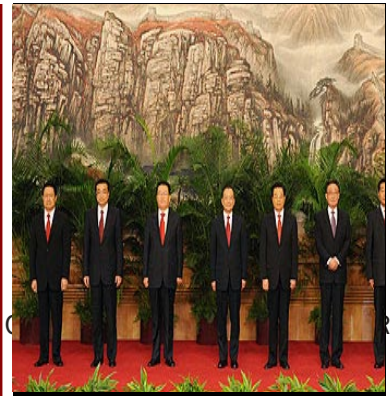
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Chinese President Hu Jintao's "Gang of Princelings"

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## Post-Congress Appointments Motivated by Factional and Ideological Biases, Not Reform

By Willy Lam

With the just-ended 17<sup>th</sup> Chinese Communist Party (CCP) Congress marking the mid-point of his ten-year tenure, General Secretary and President Hu Jintao is a man in a hurry. There is little wonder why after consolidating his grip over the party, state and army, the “new helmsman” has moved quickly to fulfill the goals enunciated at the five-yearly conclave. These include promoting administrative transparency, rule of law, “intra-party democracy,” and overall, implementing the “scientific theory of development” that was enshrined in the CCP Charter at the closure of the week-long congress (Xinhua, October 21).

Since new initiatives on the economic and social fronts will only be implemented after Premier Wen Jiabao has set up his second—and last—State Council cabinet in March 2008, Hu and other members of the newly elected Politburo and Politburo Standing Committee (PSC) have concentrated on personnel changes. This is to ensure that, in the words of the president: “power will be exercised in [broad] daylight,” and that the party will pick cadres who are not only honest and uncorrupt but equipped with “enhanced governance capability” (People’s Daily, October 16). A number of appointments have been made within party headquarters and at the level of provincial or municipal party chiefs in the past week. More significantly, the post-Congress leadership has settled on a handful of senior cadres who will be appointed Premier Wen’s deputies at the National People’s Congress (NPC) five months later.

The rash of high-level personnel changes, however, shows that the Hu leadership’s primary concerns are factional requirements rather than how well the newly promoted cadres will acquit themselves through economic or political reform. Consider first the

newly minted regional party bosses as well as department heads within CCP headquarters. A delicate balance has been struck between affiliates of Hu's Chinese Communist Youth League (CCYL) Faction and members of the so-called "Gang of Princelings," or the offspring of party elders. Thus, Jiangsu Party Secretary Li Yuanchao was made Director of the CCP Organization Department, a move that could further swell the political fortunes of CCYL Faction affiliates. Following Shanghai party boss Xi Jinping's elevation to the PSC, his old job was given to Hubei Party Secretary Yu Zhengsheng. Commerce Minister Bo Xilai is due to be named CCP Secretary of the directly administered city of Chongqing, while the incumbent Chongqing Party Boss Wang Yang, another Hu favorite, is heading to Guangdong to become the rich province's party boss in early 2008 (China Daily, October 27; Associated Press, October 27). Both Li and Wang had worked under Hu when the latter was CCYL First Secretary in the mid-1980s. Xi, Yu and Bo are the sons of much-decorated Long March veterans, respectively former NPC Vice-Chairman Xi Zhongxun, former Tianjin Mayor Yu Qiwei and former Vice-Premier Bo Yibo.

This fairly equitable distribution of top positions and other political resources among the major cliques is in line with President Hu's goal of enhancing "harmony within the party." Yet are these fast-rising stars among the fifth-generation leadership, or cadres in their 50s, fully cognizant of Hu's "scientific theory of development?" Do they have the prerequisite "governance ability"? Take, for example, the career trajectories of Li Yuanchao and Wang Yang. While Jiangsu, the province to the north of Shanghai, has prospered under the 57-year-old Li's watch the past few years, there have also been collateral environmental problems. In May 2006, things came to a head when a layer of stinking blue algae enveloped Lake Tai, a famed tourist spot popular with locals as well as foreign tourists. It was only after the scandal became international news that Li took drastic measures to close down dozens of chemical factories in the vicinity (AFP, October 27). There have also been doubts on whether Wang, 52, has what it takes to run Guangdong. Despite Wang's reputation as a can-do "Young Marshal" (shaoshuai)—a nickname given him by Chinese reporters—the CCYL Faction affiliate has only been the No. 1 official of a province or department for less than two years. By contrast, Guangdong's current and previous party bosses—Zhang Dejiang and Li Changchun—had more substantial experiences before they were given the coveted Guangdong post.

Moreover, how about the caliber of cadres who will become leading members of the State Council when Premier Wen's new cabinet is endorsed at the NPC plenary session next March: Executive Vice-Premier Li Keqiang,

Vice-Premiers Hui Liangyu, Zhang Dejiang and Wang Qishan? Li, a close ally of President Hu, has already left his job as Liaoning Province party secretary. He will take over the late Huang Ju's finance portfolio and become chief economic troubleshooter. Hui, the only incumbent vice-premier to stay for another term, will continue to handle agriculture and flood control. Zhang, Politburo member and Guangdong party chief, is due to replace the highly respected Wu Yi as trade tsar, while Beijing Mayor Wang will assume the portfolio of industry and infrastructure upon the retirement of Zeng Peiyan (Bloomberg, October 21; Forbes, October 21).

Of the three designated vice-premier, only Beijing Mayor Wang Qishan has a well earned national stature as well as an overall satisfactory track record as a reformer and administrator. As executive vice-governor of Guangdong in the late 1990s, Wang won plaudits from foreign businessmen by aptly tackling a rash of scandals surrounding failed government financial companies such as Guangdong International Trust and Investment Co.. In early 2003, the son-in-law of former Vice-Premier Yao Yilin was appointed to his current post partly to handle the emergency caused by the SARS epidemic. The 59-year-old Wang earned high marks from the World Health Organization (WHO), not only for full cooperation with the international agency but also subsequent attempts to modernize the Beijing health system. Under his supervision, preparation for the 2008 Summer Olympics has been largely on target (Xinhua, February 27).

The suitability of Li Keqiang and Zhang Dejiang because of their heavy portfolios is questionable. Li's performance as the party secretary of Henan and Liaoning provinces is at best mediocre. Furthermore, the 52-year-old fifth-generation cadre continues to be haunted by allegations that while running Henan from 1998 to 2004, he did not do much for the tens of thousands of AIDS victims in the province, mostly destitute farmers who sold their blood to unhygienic blood collection centers run by corrupt local officials. Li earned his promotion to the PSC—and the No. 2 slot in the Central Government—largely due to his being the long-time protégé of President Hu. The cadre often known as "Hu's clone" is one of the few Politburo members with a doctorate—a Ph.D. in economics from Peking University—and he is deemed a Mr. Clean (TIME [Asia Edition], October 25). Personality aside, it is doubtful whether the Anhui Province native has the clout and experience to handle the difficult portfolio of cooling down overheated sectors such as the stock and property markets, curtailing inflation and excessive fixed-assets investments and liberalizing the country's unwieldy financial institutions.

Zhang's assumption of soon-to-retire Vice-Premier Wu Yi's trade portfolio may be even more problematic. While the 61-year-old cadre has nearly ten years of experience running the two high-growth coastal provinces of Zhejiang and Guangdong, he is considered an old-style, almost Maoist cadre more comfortable with organizing ideological or propaganda campaigns than discussing international trade with Western negotiators. A graduate of Kim Il Sung University in North Korea, Zhang caused a stir when he expressed opposition to the CCP admitting private entrepreneurs as members back in 2000. This was despite the fact that then-president Jiang Zemin had already made clear the party's intention to "make progress with the times" by broadening its base of support. Moreover, the tough-talking Zhang has strayed from President Hu's injunctions about nurturing a "harmonious society" by allowing police and People's Armed Police (PAP) officers to crack down hard on Guangdong peasants who were protesting against illegal land seizures. One such incident near the Shenzhen special economic zone in 2005 reportedly led to the deaths of 20 or so demonstrators (New York Times, December 10, 2005).

In general, recent national and regional appointments have buttressed the trend, first started in the Jiang Zemin era, of favoring party functionaries above government technocrats. The majority of the 25 Politburo members endorsed by the 17<sup>th</sup> CCP Congress are apparatchiks or party affairs specialists rather than State Council administrators with ample experience in economics, finance, trade and technology portfolios. Despite its alleged commitment to market reforms, the Hu-Wen leadership has continued the trend of filling senior government posts with former party secretaries. By contrast, career civil servants and technocrats in the central Government, including a number of elite ministers trained by former Premier Zhu Rongji and Premier Wen, have lagged behind in the race up the hierarchy. For example, Ma Kai, the Chairman of the powerful National Development and Reform Commission, is likely to become State Council Secretary-General in March 2008 (Reuters, October 17). This despite earlier speculation that Ma would join the Politburo and be made a vice-premier (China Brief, October 17). Other well-regarded State Council cadres who have failed to win major promotions at the Congress include the Governor of the People's Bank of China Zhou Xiaochuan and Chairman of the State Banking Regulatory Commission Liu Mingkang (Reuters, October 27).

The concentration of decision-making powers in the hands of party apparatchiks runs counter to the doctrine of the "separation of party and government" first preached by late patriarch Deng Xiaoping in the mid-1980s. After the Tiananmen Square crackdown of 1989, ex-president

Jiang and President Hu have reversed Deng's doctrine by expanding the clout of the heads of CCP departments as well as regional party secretaries. Although the aggrandizement of the CCP's authority—in addition to the promotion of the harmonious co-existence of the party's various factions—may produce socio-political stability, these goals may undercut an equally important imperative like filling important posts with talented and experienced officers.

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## Balancing China's Budgetary Priorities: Defense Spending and Domestic Challenges

By Michael S. Chase

The true level of China's current defense budget is difficult to calculate, but projecting future trends in Beijing's military spending entails struggling with even greater uncertainties and complexities. Forecasts of Chinese military spending over the next 10-20 years vary widely depending on the methods employed, and underlying assumptions about factors such as China's future economic performance and the tradeoffs the country's leaders will face as they decide how to balance military modernization against other budgetary requirements [1].

In 2005, the U.S. Department of Defense predicted a possible three-fold or greater increase in China's defense spending over the next 20 years, which would place its military budget at \$210-\$315 billion (in constant 2005 U.S. dollars) or more in 2025 [2]. In contrast, a RAND Corporation report released at about the same time concluded that slowing economic growth and rising domestic pressures to increase social welfare spending would probably impose greater constraints on China's future defense expenditures. The RAND study projected that in 2025 Chinese defense spending would reach about \$185 billion (in constant 2005 U.S. dollars), still an impressive sum, but one that is considerably lower than the Department of Defense forecast [3].

These divergent estimates reflect considerable uncertainty not only about future Chinese economic performance, but also about how China's leaders will choose to allocate budgetary resources when faced with competing priorities. Military modernization is certainly a very high priority, as reflected by about a decade of double-digit budget increases for the People's Liberation Army (PLA) since the late 1990s. Moreover, the importance that Beijing attaches to military modernization has also been underscored by the statements of senior Chinese Communist Party (CCP) leaders. For example, addressing members of the PLA delegation to the March 2006 National People's Congress (NPC) meeting, President Hu said, "We should strive to improve the capability of the armed forces to deal with crisis, maintain peace, contain wars and win victory in possible wars" (PLA Daily, March 12, 2006). Hu urged the PLA to intensify its efforts to equip itself with information technology, improve its combat readiness, push forward organizational and administrative reforms and stressed the importance of developing a capability for rapid and effective national defense mobilization.

#### HOW MUCH DEFENSE SPENDING IS ENOUGH?

Interestingly, despite the increased priority accorded to military modernization since the late 1990s, some PLA officers and Chinese scholars assert that Beijing is still not devoting enough resources to national defense. The comments of PLA deputies to the 2006 sessions of the NPC and Chinese People's Political Consultative Conference (CPPCC) perhaps suggested some dissatisfaction with the level of resources devoted to the military. According to a report in the PLA's official newspaper, one PLA officer commented: "The sustainable development of national defense and military modernization must draw on and cash in on the results of national economic development and must ensure a coordinated development between the army building and the national development" (PLA Daily, March 13, 2006). Several think tank analysts and scholars have also called for even greater increases in military spending. Hu Angang, an economist at Tsinghua University, argued that China is not spending enough on defense, especially considering the country's rapid economic development and recent trends in cross-strait relations. Hu stated: "China's military build-up has greatly lagged behind the development of the economy, so that national defense construction has not been in accord with the economy's development" (Reuters, June 6, 2006). Similarly, Shen Dingli, Executive Deputy Director of the Institute of International Studies at Fudan University in Shanghai, has argued that China needs to devote even greater resources to military modernization to increase its ability to compete with the United States. In particular, Shen argues, China needs a larger military budget "to avoid being bullied" (Shanghai Dongfang

Zaobao, February 7, 2006).

#### THE GROWING COSTS OF CHINA'S DOMESTIC PROBLEMS

The calls for still greater defense spending are likely to be counterbalanced by growing demands for government spending to cope with a wide range of social problems that have arisen as collateral consequences of Beijing's economic reform strategy during the Deng Xiaoping and Jiang Zemin eras. Indeed, defense spending eventually may have to compete with domestic spending on problems such as a growing income gap, the glaring inadequacies of the Chinese healthcare system, worsening environmental degradation and the rising social unrest fueled by these other problems, especially if economic growth eventually slows down.

Many of these issues resulted from the CCP's strategy of economic reform accompanied by only limited political reform, which produced impressive growth rates and kept the CCP in power, but at the expense of creating a host of social and political problems and eroding the capability of the Leninist party-state to cope with these unintended consequences of reform. In particular, the CCP pursued a strategy that emphasized achieving the fastest possible overall growth rates without much regard to the uneven distribution of the benefits of economic reform and opening. The uneven development that resulted risks social unrest and political instability [4]. Dealing with the income inequality problem, which many Chinese social scientists view as potentially destabilizing, is likely to prove very challenging, especially since revised economic estimates suggest that the income gap may be even worse than many economists previously assumed (International Herald Tribune, December 26, 2005).

China's deepening healthcare crisis represents another serious domestic challenge that will likely begin to compete for a larger share of government spending. The collapse of the socialist healthcare system has left the vast majority of rural residents and even a considerable proportion of the urban population without access to adequate healthcare services due to lack of insurance and the rising cost of medical care, which many people in poorer areas simply cannot afford. The reforms China has implemented thus far have been unable to effectively deal with these problems.

China also faces serious environmental challenges such as deforestation, air and water pollution, desertification and flooding. Pollution, in particular, is causing serious health problems, contributing to rising social unrest and imposing enormous economic costs [5]. The World Bank has estimated that China's environmental problems are already so severe that they cost about 5.8 percent of China's

GDP every year [6]. This is in large part the result of the healthcare problems that are caused by worsening air and water pollution. Considering that 16 of the world's 20 most polluted cities are located in China, this is a particularly daunting challenge for leaders in Beijing [7]. The Chinese government recognizes the problem, but seems to have had limited success enforcing environmental laws at the local level, where many officials subvert the regulations. Consequently, according to a recent report by the PRC's State Environmental Protection Administration (SEPA), the environmental situation is continuing to worsen. As the report laments, "The conflict between environment and development is becoming ever more prominent. Relative shortage of resources, a fragile ecological environment and insufficient environmental capacity are becoming critical problems hindering China's development" [8].

Another closely related problem that is drawing the attention of Chinese leaders is social unrest, which has been sparked in many cases by the side effects of China's economic growth strategy. Drawing on public security sources that detail internal debates over unrest, political scientist Murray Scot Tanner finds that dramatic increases in mass unrest over the past decade have turned social protest into a "daily phenomenon" in China [9]. Ministry of Public Security data indicate that the number of "mass incidents" rose from about 8,700 in 1993 to more than 58,000 in 2003 [10]. The increase in such incidents apparently reflects growing dissatisfaction with problems associated with economic reforms and the behavior of local officials, including excessive tax burdens, layoffs, failure to pay wages and pensions, property rights disputes arising from land seizures, corruption, environmental degradation and rising income inequality. Chinese Premier Wen Jiabao in a late 2005 speech highlighted illegal land seizures as a particularly severe threat to social stability, especially in rural areas. "Some places are unlawfully occupying farmers' land and not offering reasonable economic compensation and arrangements for livelihoods, and this is sparking mass incidents in the countryside," Wen said (BBC, January 21, 2006). Tanner argues that the growing number of protests probably does not pose a direct threat to the CCP's survival, so long as the incidents remain relatively small, poorly organized and isolated from each other, but he also points to evidence that suggests the protests are becoming more difficult to control. In particular, the growing size of protests, improvements in organization and tactics and employment of communications technology are factors that pose serious challenges for Chinese police. Even sustained high rates of economic growth will not slow rising unrest unless Beijing reforms China's political and legal institutions, creates effective channels for citizens to seek redress for their grievances, improves governance and accountability and reduces widespread corruption [11].

These social, political and economic challenges have the potential to impose constraints on further increases in military spending. Under the leadership of President Hu Jintao and Premier Wen Jiabao, China is shifting from an economic strategy that emphasized rapid GDP growth above all else to an approach that devotes more attention to reducing income inequality and ensuring sustainable development. Hu and Wen are likely to have their hands full, since local officials historically have been evaluated and promoted on the basis of metrics associated with the rapid growth strategy and may resist the new balanced and sustainable development approach. Nonetheless, as part of this new approach, Chinese leaders emphasize that the country's economic policies must promote the development of a "harmonious society" [12]. Accordingly, China's 11<sup>th</sup> Five-Year Program is intended to promote balanced growth and sustainable economic development.

These ambitious plans and the pressing requirements could eventually reduce the resources available for defense spending. China's Minister of National Defense Cao Gangchuan highlighted these constraints during an October 2005 press conference with U.S. Defense Secretary Donald Rumsfeld. According to Cao: "the top priority of the Chinese government today is to develop the country's economy and improve the livelihood of its people...given the duties and obligations of the government, it is simply impossible for us to massively increase the investment into defense capabilities building" [13]. Although Cao's comments were likely intended to defuse U.S. concerns about the growth of the Chinese defense budget and the potential implications of Chinese military modernization for regional security, they probably also reflected a fairly realistic appraisal of Beijing's policy priorities and the limitations domestic challenges may begin to impose on further dramatic increases in military spending in the future. Especially if growth slows or Beijing is forced to confront some of the unintended consequences of its longstanding policy of promoting rapid economic development no matter what the social and environmental costs.

#### CONCLUSION

Rapid economic growth has allowed Beijing to dramatically increase defense spending since the late 1990s without compelling Chinese leaders to choose between military modernization and China's other policy priorities. In the not too distant future, however, the Chinese government is likely to face growing pressure to devote a larger share of government spending to coping with serious domestic problems such as income inequality, the collapse of the healthcare system and environmental degradation, all of which contribute to rising social unrest. As these domestic problems become more pressing, Beijing may have to begin

to face some of the budgetary tradeoffs it has previously managed to avoid, even if economic growth continues at a fairly impressive rate. Moreover, in the event of an economic downturn, the challenges of balancing these competing budgetary priorities would become much more acute for China's leaders. At the same time, however, it is important to keep in mind that Beijing clearly attaches a great deal of importance to military modernization and that even if the need to deal with mounting domestic problems prevents defense spending from continuing to grow at a double digit pace indefinitely, China will remain dedicated to increasing the PLA's professionalism and enhancing its operational capabilities.

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## NOTES

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## The PLA in Latin America

By Cynthia A. Watson

China's People's Liberation Army (PLA) increasingly operates as an instrument of diplomatic statecraft for the People's Republic of China (PRC). The PLA, an arm of the Chinese Communist Party (CCP) rather than a national army, is enhancing its ties with various militaries around the world, illustrated by military-to-military visits to the United States, India and other nations, fleet visits to ports around the globe and various other visits by senior PLA officers. The military's role constitutes just one part of an expanding presence that China manifests as a "major power" on the global stage.

In particular, the PLA's involvement with Latin America illustrates Beijing's pursuit of a multi-faceted strategy to expand its global presence. Latin America, of course, has the historical overlay of the U.S. Monroe Doctrine of 1823, whereby the United States jealously guarded the region from "foreign" intervention, often disregarding the distress of others in and outside of the region.

Taiwan, officially recognized as the Republic of China (ROC), was the "Chinese" entity in Latin America for much of the twentieth century but posed no threat to the Monroe Doctrine. China's formal relations with most states in Latin America began—in earnest—in the early 1970s when Beijing won diplomatic recognition from Chile and Mexico [1]. At present, only a handful of states

in Central America and Paraguay still convey diplomatic status to Taiwan as a sovereign independent state. All the others Latin American states recognize Beijing as the legal representative of “China.”

One of the earliest methods for the PLA to make in-roads in this region came with the opening of the PLA National Defense University (PLA NDU) in 1985, with its attendant “foreign course” for militaries in Latin America, Africa and the Middle East. This course, barred for PLA officers except for teaching faculty, offered a counterbalance to the Soviet and U.S. professional military education (PME) courses that proliferated during much of the Cold War era. Additionally, it was a manifestation of China’s continuing commitment to the Non-Aligned Movement principles dating to the 1950s, a posture important to the PRC’s desire for support as a sovereign, formerly exploited state during the “Century of Humiliation” [2].

The opportunity to study at the PLA NDU is one that has consistently attracted the attention of Latin American military officers, as U.S. ties with the region have ebbed and flowed. Officers from Venezuela, Bolivia and other states on less-than-favorable terms with Washington have attended PME courses in Beijing, bringing benefits to bilateral state-to-state relationships and enhancing Latin American militaries that have few educational opportunities abroad.

Twenty years after the creation of the PLA NDU, its foreign course remains vibrant for improving ties, including serving as a channel for continuing and expanding ties between Hugo Chávez Frías’ Venezuelan armed forces and the PLA. Additionally, the PLA NDU continues offering PME to Latin American militaries that would otherwise not have the opportunity to attend U.S. schools because of the sheer challenge of securing seats in the de facto competition with militaries from other parts of the world where the United States seeks to enhance its military-to-military ties [4].

#### NEW MILLENNIUM, NEW PUSH FOR CHINA IN LATIN AMERICA

There is a significant increase in PRC interest in Latin America during the first decade of the twenty-first century. As China’s need for energy resources, food and market access grow, so has Beijing’s interest in using the military instruments of statecraft to attain its goals. Since the mid-1990s, senior leaders of the PLA has been making annual visits to and welcoming reciprocal delegations from the major Latin American states and the entire region.

These visits began as relatively quiet affairs meant to “show the flag,” but without any substantial accomplishments, these shows were more of an effort by Beijing to oust Taiwan’s presence from Latin America. At that time,

Beijing was primarily concerned about Taipei’s moves toward de jure independence, actions likely to require leveraging support from Taiwan’s diplomatic allies in the region: Panama, Costa Rica, Honduras, Paraguay, El Salvador, Guatemala and Nicaragua. Beijing trumpeted the success of these military exchanges without requiring many concrete results, because they represented a foreign, non-U.S. presence in the region that did not elicit any protest from Washington.

Since 2000, military exchanges have accelerated and are common throughout the region. The PLA leadership has brought large delegations to Latin American states, including Brazil, Venezuela, Argentina and even Colombia. The latter’s participation is particularly noteworthy because U.S. funding for “Plan Colombia” forms a crucial aspect of the Colombian government’s efforts to finish off forty year old guerrilla groups, thus engendering tremendous loyalty on the part of the Andrés Pastrana Arango (1998-2002) and Álvaro Uribe Vélez (2002-present) regimes.

Vélez is unabashedly U.S. President George W. Bush’s closest ally in Latin America, yet military exchanges between Bogotá and Beijing have increased in the last several years Colombia’s de facto alliance with the United States notwithstanding, Beijing has increasingly good ties with Colombia.

Another area where PLA’s military diplomacy has taken a noteworthy role is in the small European enclave states of northeast Latin America. The PLA has played a major role in developing these exceedingly poor states’ infrastructure at precisely the time when these states are producing more of the primary goods that Beijing is working so vigorously to procure around the world.

The PLA has been providing construction assistance to Suriname, for example, for the better part of this decade as China has been increasing trade links. The PLA interaction also provides these relatively isolated nations with military exchanges that they have great difficulty obtaining from other sources. This factor is often forgotten by those in Washington critical of Beijing’s activities in the region.

#### VENEZUELA: RUBBING THE BURR UNDER WASHINGTON’S SADDLE

The most visible increase in PLA’s influence in Latin America has occurred in Venezuela, where President Hugo Chávez Frías makes known daily his hatred of Washington’s pervasive shadow over the region. Chávez governs a state with a virtual monoculture export economy of a commodity Beijing covets: petroleum. The desire for enhanced military ties clearly appeals to both Venezuela and the PRC. Venezuela’s president wants to achieve autonomy

from Washington much as China did in the mid-twentieth century, and delights in taking highly visible steps to call attention to any ties with a foreign military that is likely to upset Washington [4]. Beijing wants to open better relations with militaries throughout Latin America with Venezuela currently the easiest to engage.

Chávez has also done everything possible to cut his nation's ties with the U.S. military, including shutting off both PME opportunities and weapons sales; rejecting any guidelines that might allow U.S. assistance; and other overt actions that make Beijing necessary to his military's well-being. At the same time, the United States has become increasingly critical of Chávez's motives and actions. In the Venezuelan case, PLA involvement in the region is as much a result of Chávez's actions as those of Beijing. Instead of China having to assert greater PLA military diplomacy, which risks it being perceived aggressive, it is taking advantage of a set of conditions simply handed to it by the United States and by the Venezuelan leader.

Similarly, Chávez wants to acquire PLA weapons because he refuses to buy from Washington. The weapons purchased by prior regimes in Caracas require replenishment and refurbishment that Washington no longer allows, nor will Chávez request, thus Beijing becomes a logical vendor for Venezuela's needs.

Crucial to evaluating the underlying forces driving Venezuelan-Chinese military ties is understanding that they are much more driven by Venezuelan than Chinese interests. This is an important distinction because it indicates that Beijing is attentive to the Monroe Doctrine in this region. It also testifies to the Chinese awareness of Chávez's unpredictable nature. In the Chinese calculus, Chávez is simply not worth what could become a high cost if PLA involvement became sufficient to arouse Washington's suspicions above a tolerable level.

#### PLA MILITARY DIPLOMACY: LESSONS AND IMPLICATIONS

Latin America is not the place that China is most interested in today—Beijing's ties and economic stakes in both Africa and Southeast Asia are much more important. Both the continent and the region are closer geographically, more advanced historically and likely to engender greater result for less cost. Latin America does offer a new arena for the PLA and new opportunities for expanded links as Washington remains absorbed in wars in Central and Southeast Asia.

As the PRC seeks to engage Latin America in a multiple-pronged approach, the military instrument's utility is becoming increasingly important for Beijing. Military-to-

military ties represent a zero-sum situation from the view of some Latin American militaries, yet if they are involved with the PLA, they need not deal with the traditionally frustrating judgmentalism characterizing long-term links with the U.S. military.

Latin Americans have long memories of inconsistent U.S. policies during the past two centuries. For instance, they have never forgotten the Carter administration's prohibition on military sales to Chile over human rights questions. Few indications exist that Beijing would exercise such judgmentalism except over the Taiwan issue, a matter increasingly going in the PRC's favor as more states choose to shift diplomatic recognition from Taipei to Beijing, as Costa Rica did in mid-2007.

Additionally, as the PLA becomes a modern force, its capabilities will be increasingly able to execute the strategy of forward presence globally, and in a more limited sense with Latin American states. PLA Navy (PLAN) fleet visits, although insignificant relative to those of the U.S. Navy, are increasingly occurring around the world. These drills demonstrate a modernizing fleet's ability to show the flag in a way that was not previously possible.

China's leadership thus garners both increased diplomatic links with states far away and improves PLAN capabilities. As the PRC and the PLA take a more public role in the world, these are increasingly crucial goals for a state seeking respect as a world power.

China's increasingly effective military diplomacy in Latin America also points to a more disconcerting issue, the United States' lack of recognition of the changes occurring while U.S. prestige is waning on the global stage. The traditional U.S. military links with sister armed forces in the region have deteriorated over the past six years, making room for PLA's involvement more visible and effective. PLA diplomacy in Latin America may not in fact be an absolute zero-sum equation for the United States, but reveals the deteriorating U.S. understanding of fundamental global shifts that appear growing systematically.

*Dr. Cynthia Watson is Chairwoman of the Security Studies Department at the National War College. The views expressed here are purely personal and should not be construed as representing those of any U.S. Government Agency.*

#### NOTES

1. The region is those states south of the Rio Grande and unlike many other analyses, does include the three European enclaves of Suriname, French Guiana and British



Guiana.

2. This phrase is commonly used to denote the period from approximately 1839-1949, when China was subjected to imperialist assault by Western powers and Japan.

3. U.S. PME seats are allocated by invitation, not strictly speaking a competition. The United States, along with other countries, seeks to invite officers from states with whom it wants to enhance overall relations as does China, India, or any other state inviting officers to attend schooling.

4. In the late 1990s, Chávez toured Baghdad next to Saddam Hussein in a highly visible visit that attracted much criticism but accomplished his goal of setting him in the camp opposing U.S. criticisms of the Iraqi dictator.

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## Anti-Terrorism with Chinese Characteristics: Peace Mission 2007 in Context

By Jason Kelly

In mid-August, approximately 6,500 soldiers from six countries wrapped up the largest joint military exercises held by the Shanghai Cooperation Organization (SCO). With roughly 1,600 troops participating, Chinese forces made up the second-largest contingent, just behind the 2,000-man Russian contribution. Soldiers from Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan rounded out the rest. Peace Mission 2007 was precedent setting: it was the first time troops from all six members of the SCO took part in joint anti-terror maneuvers. Hailed as a solid success in the Chinese press, the exercises are reported to have achieved all of their objectives. Participants successfully coordinated planning, integrated forces during combat operations and gained a clearer understanding of each other's capabilities.

Yet Peace Mission 2007 also generated confusion and unease, particularly over the unclear ambitions that stoke Beijing's interest in such activities. In the context of consistent improvements in PLA's capabilities, Peace Mission 2007 has been construed as evidence of a China bent on expanding its military influence. The activities and scope of the exercises, however, provide only partial insight into the thinking and assumptions that led to Peace Mission 2007 in the first place. Understanding the objectives that motivated Peace Mission 2007, as well as how the leadership in Beijing and the PLA define and analyze terrorist threats, offer additional insight that should help to place the recent anti-terror exercise in context.

### PEACE MISSION AIMS

On the record, Peace Mission 2007 was for China a move toward shoring up defenses against several types of threat. Most pressing, according to Ou Yangwei, a professor at the Chinese National Defense University's Crisis Management Center, are the "three evil forces"—terrorism, separatism and extremism—that continue to sap stability and undermine CCP control in China's restive western provinces (Xinhua, August 10). In an interview with Xinhua reporters, Ou argues that these elements receive training and support from beyond China's borders, which frustrates unilateral PLA efforts to stamp out the threat. Cao Gangchuan, vice-chairman of the Chinese Central Military Commission (CMC) and defense minister until the 17th Party Congress this month, echoes this sentiment. He argues that Peace Mission 2007 was aimed at demonstrating SCO member countries' determination and capacity to strike these rogue elements (PLA Daily, August 16). To this end, the exercises provided a venue for SCO members to coordinate training, learn from each other's tactics and frighten the three evil forces.

The maneuvers advanced other anti-terrorism objectives as well. PLA and Russian officials have indicated that Peace Mission 2007 will serve as a template for future anti-terror coordination efforts, and that the lessons learned over the eight days of drills will play an important role in developing an effective framework for combating cross-border terrorism (PLA Daily, July 29). PLA leaders also learned various logistical lessons. Lu Chuangang, a PLA senior colonel, emphasized that the exercises allowed the Chinese military to evaluate its ability to conduct long-range operations. Though not mentioned specifically by Lu, such training is relevant to both traditional military campaigns as well as potential anti-terror operations in far-flung Western China (PLA Daily, July 30).

On the level of more traditional international security considerations, Peace Mission 2007 may have been intended also to defend against a less immediate threat. Improved military-to-military relations not only demonstrate capabilities and regional inter-governmental cohesion to potential terrorist threats, they also broadcast a deterrent to non-SCO states in the region and their allies. Wang Xinjun, a researcher with the Strategic Studies department at the Academy of Military Sciences in Beijing, acknowledges this value obliquely in an early-August editorial in the PLA Daily when he notes that world powers and regional blocs often use joint military exercises to display national power, expand influence and bolster national security (PLA Daily, August 7). Chen Xuehui, another scholar at the Chinese Academy of Military Sciences, characterized Peace Mission 2007 as an important strategic-level activity

that received close attention from SCO member states' strategic policy makers (PLA Daily, August 10). Despite these considerations, official Chinese sources stress that the maneuvers in no way "targeted" any third state (China.org.cn, August 10). Instead, they emphasize the value of the exercises as a deterrent against non-traditional security threats. Yet the scale of Peace Mission 2007 appears out of sync with the needs of a country contending with relatively little terrorist activity. A closer look at the PLA's interpretation of terrorism, however, reveals a PLA readying itself, at least rhetorically, to face perceived "terrorist" threats on a scale that bears at least some resemblance to the stated aims of Peace Mission 2007.

#### CHINA'S TRADITIONAL NON-TRADITIONAL THREAT

In the past few years, several Chinese scholars and analysts have offered definitions of terrorism, many of which resemble the definitions used by U.S. government agencies. The Department of Defense defines terrorism as "the unlawful use of—or threatened use of—force or violence against individuals or property to coerce or intimidate governments or societies, often to achieve political, religious, or ideological objectives" [1].

In 1999, Wang Guoqiang and Hu Fan, both affiliates of the Chinese National Defense University's Institute for Strategic Studies, offered a similar characterization when they described terrorism as "a form of goal-oriented, sudden, and violent behavior; terrorism uses violent incidents to generate an impact on society ... Terrorism's violent acts contain political significance. They also violate human morality as well as the Party's legal order" [2].

He Bingsong, a professor at the China University of Political Science and Law in Beijing, defined terrorism in 2001 as any instance in which an "individual, group, or country uses violence or other destructive methods, harms innocent [victims], [or] creates terror in order to achieve a certain political aim" [3].

In 2006, scholars at the National Defense University established a more precise, functional interpretation of terrorism in an updated edition of the authoritative volume *Zhanyi Xue* (Military Campaign Studies). In a new chapter on anti-terror campaigns, *Zhanyi Xue* describes several non-traditional threats to China's national security, all of which are grouped together as "terrorist organizations" because they employ similar tactics to achieve their aims. These organizations, according to the authors, often operate under the guise of religious freedom, democracy and human rights [4]. They are typically concentrated into certain autonomous political regions, which allows members to take advantage of special administrative

leeway. Among these groups, the authors argue, the most formidable threats to China include the East Turkistan movement and the "radical forces" associated with the Dali Lama [5].

In analyzing the threats presented and tactics used by these organizations, many of the issues discussed in *Zhanyi Xue* resemble U.S. analyses. Similarities include concern over the proliferation of biological, chemical and nuclear weapons; protecting key national sites of symbolic value from terrorist attacks; hostage scenarios; and the importance of coordinating domestic law enforcement agencies with military and international resources [6]. Regardless of whether these issues reflect genuine CCP concerns, their inclusion in the text indicates that the PLA is framing its own terrorism challenges in roughly the same manner as the United States and other nations. Despite this common starting point, Chinese thinking on anti-terror campaigns contains many distinctive approaches and interpretations, in addition to the qualities ascribed to terrorist organizations and their tactics mentioned in the paragraph above.

Perhaps the most fundamental distinguishing characteristic of Chinese thinking on terrorism as expressed in *Zhanyi Xue* is the broad scope of responsibilities that falls under anti-terror campaigns. The text explains that the central aims of anti-terror campaigns include preservation of national unity (*guojia tongyi*), protection of social stability (*shehui wending*) and—lastly—the protection of the lives and welfare of Chinese citizens [7]. The text refers to anti-terror military campaigns as "anti-terror, stability preservation" operations (*fankong weiwen*) [8]. The "stability preservation" (*weiwen*) element appears to be a melding of the CCP's traditional sensitivity to domestic security concerns with the current international and widespread focus on non-traditional security threats. In preserving stability, the PLA is tasked with putting down any attempts, foreign or domestic, to usurp the CCP or challenge its claims to sovereignty over historically contentious regions. In a sense, anti-terrorism in China functions as a conceptual repository for an assortment of longstanding domestic national security concerns.

Another distinctive feature of Chinese thinking on anti-terrorism is that PLA analysts link the success or failure of individual anti-terror campaigns to broader domestic and international security concerns. The authors of *Zhanyi Xue* argue that once an anti-terror campaign is lost, the negative repercussions can extend far beyond the losses of the individuals caught up in a local conflict. A terrorist organization's successes can cause the level of trust the people hold for the government and the military to drop significantly (*dada xiangdi*), which further undermines CCP

authority and contributes to local and regional instability [9]. Such an event could also significantly damage China's international image and standing [10].

These interpretations of the terrorist threats facing China lead to a series of tactical considerations in Chinese anti-terror efforts that explain somewhat the scale of Peace Mission 2007. The size and scope of actual anti-terror operations anticipated by the PLA range from simple search-and-destroy missions to putting down large-scale armed rebellions and conducting regional blockades [11]. If Zhanyi Xue is an accurate depiction of anti-terrorism analysis and planning within the PLA, then the Chinese military is preparing for potential anti-terror campaigns on a scale similar to those conducted by Russia in Chechnya. As a case in point, Zhanyi Xue includes in its anti-terrorism analysis a section on regional blockade missions, in which the PLA is up against large, well-supplied and firmly entrenched terrorist camps [12]. These scenarios match up closely with many of the maneuvers conducted during Peace Mission 2007. One of the main exercises, for example, involved joint forces retaking a town that had been overrun by militants [13].

#### DETERRING A DIFFERENT KIND OF TERRORIST

Regardless of whether certain “terrorist organizations” within China constitute a serious national security threat to the leadership in Beijing, public pronouncements by PLA officers and scholars as well as analytical writing on Chinese anti-terror military campaigns indicate that the Party and the PLA believe they are facing significant, potentially large-scale domestic national security threats. Observed by some analysts, perhaps correctly, as evidence of China's efforts to demonstrate its growing military might to potential East Asian adversaries, Peace Mission 2007 also reflects largely an effort to preserve the status quo by developing the capabilities necessary to squelch would-be domestic challengers to the Party's authority. At the same time, the lessons learned and capabilities developed from large-scale exercises like Peace Mission 2007 could be applied to a scenario in which the PLA is charged with bringing Taiwan under control after having established a foothold on the island.

These considerations notwithstanding, China's anti-terrorism planning clearly extends beyond Chinese border areas, a reflection of the fact that the PLA is concerned about foreign influences on China's domestic stability as well. Real potential exists for the Chinese interpretation of terrorist threats to serve as a catalyst for increased tension between China and non-SCO states. For instance, Chinese concern over possible ties between organizations identified by the CCP as terrorists and other countries could become

a significant source of friction between China and non-SCO states. This potential is alluded to quite directly in Zhanyi Xue: “sometimes it is possible that [terrorist organizations] receive support from certain Western nations or specific border states” [14]. In the wake of the Color Revolutions in Central and Eastern Europe and Central Asia, the CCP and the PLA have clearly taken note of U.S. “transformational diplomacy” and are readying themselves to face “terrorist” threats of all different stripes.

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#### NOTES

1. As quoted in O'Brien, Kevin A., *Information Age Terrorism and Warfare*. Globalization and the New Terror: The Asia Pacific Dimension. Ed. David Martin Jones. Northampton: Edward Elgar Publishing, 2004, p. 135.
2. Wang Guoqiang and Hu Fan, *International Terror and Anti-terrorism Struggles* [Guoji Kongbu Yu Fankongbu Douzheng], Beijing: National Defense University Press, 1999, p. 5. As quoted in *Anti-Terrorism Studies* [Li Huizhi, Fankong Xue], Beijing: People's Press [Renmin Chubanshe], 2003, p. 51.
3. *Terrorism, Deranged Religious Sects and the Criminal Underworld* He [Bingsong, Kongbuzhuyi, Xiejiao, Hei Shehui], Beijing: Masses Press [Qunzhong Chubanshe], 2001, p. 83. As quoted in Li Huizhi, Fankong Xue, p. 52.
4. Zhang Yuliang (Chief Editor), *Zhanyi Xue* [Military Campaign Studies], Beijing: Guofang Daxue Chubanshe, [National Defense University Press], 2006, p. 461.
5. *Ibid.*, p. 460.
6. *Ibid.* p. 460; p.462; p.476; pp.480-485.
7. *Ibid.*, p. 460.
8. *Ibid.*
9. *Ibid.*, p. 462.
10. *Ibid.*
11. *Ibid.*, p. 460, p. 468.
12. *Ibid.*, p. 469.
13. Adam Wolfe, *Peace Mission 2007 and the S.C.O. Summit*, available online [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=672&language\\_id=1](http://www.pinr.com/report.php?ac=view_report&report_id=672&language_id=1)
14. Zhang Yuliang (Chief Editor), *Military Campaign Studies* [Zhanyi Xue], Beijing: National Defense University Press, [Guofang Daxue Chubanshe], 2006, p. 462.