HEARING ON CHINA'S MILITARY DIPLOMACY AND OVERSEAS SECURITY ACTIVITIES

HEARING

BEFORE THE

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

ONE HUNDRED EIGHTEENTH CONGRESS
FIRST SESSION

THURSDAY, JANUARY 26, 2023

Printed for use of the
United States-China Economic and Security Review Commission
Available via the World Wide Web: www.uscc.gov

UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

WASHINGTON: 2023

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

CAROLYN BARTHOLOMEW, *CHAIRMAN*
ALEX N. WONG, *VICE CHAIRMAN*

Commissioners:
BOB BOROCHOFF
ROBIN CLEVELAND
AARON FRIEDBERG
HON. CARTE P. GOODWIN
JAMES MANN
REVA PRICE
HON. RANDALL SCHRIVER
MICHAEL R. WESSEL

The Commission was created on October 30, 2000 by the Floyd D. Spence National Defense Authorization Act of 2001, Pub. L. No. 106–398 (codified at 22 U.S.C. § 7002), as amended by: The Treasury and General Government Appropriations Act, 2002, Pub. L. No. 107–67 (Nov. 12, 2001) (regarding employment status of staff and changing annual report due date from March to June); The Consolidated Appropriations Resolution, 2003, Pub. L. No. 108–7 (Feb. 20, 2003) (regarding Commission name change, terms of Commissioners, and responsibilities of the Commission); The Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, Pub. L. No. 109–108 (Nov. 22, 2005) (regarding responsibilities of the Commission and applicability of FACA); The Consolidated Appropriations Act, 2008, Pub. L. No. 110–161 (Dec. 26, 2007) (regarding submission of accounting reports; printing and binding; compensation for the executive director; changing annual report due date from June to December; and travel by members of the Commission and its staff); The Carl Levin and Howard P. ''Buck'' McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113–291 (Dec. 19, 2014) (regarding responsibilities of the Commission).

The Commission's full charter and statutory mandate are available online at: https://www.uscc.gov/charter.

CONTENTS

THURSDAY, JANUARY 26, 2023

HEARING ON CHINA'S MILITARY DIPLOMACY AND OVERSEAS SECURITY ACTIVITIES

Opening Statement of Chairman Carolyn Bartholomew
(Hearing Co-Chair) 1
Prepared Statement.....3
Opening Statement of Commissioner Randall Schriver
(Hearing Co-Chair) 6
Prepared Statement.....7

Panel I: Military Diplomacy: Concepts and Strategy

Panel I Introduction by Commissioner Randall Schriver
(Hearing Co-Chair) 9
Statement of Phillip Saunders
Director of the Center for the Study of Chinese Military Affairs, National Defense University Institute for National Strategic Studies 10
Prepared Statement.....12
Statement of Kristen Gunness
Senior Policy Research, RAND Corporation.....24
Prepared Statement.....26
Statement of Jordan Link
Independent Researcher 41
Prepared Statement.....43
Panel I: Question and Answer.....56

Panel II: Military Diplomacy for Improving Capabilities and Access

Panel II Introduction by Chairman Carolyn Bartholomew
(Hearing Co-Chair) 74
Statement of Richard Weitz
Senior Fellow and Director of the Center for Political-Military Analysis, Hudson Institute.....75
Prepared Statement.....77
Statement of Jeffrey Becker
Research Program Director of the Indo-Pacific Security Affairs Program, Center for Naval Analyses.....87
Prepared Statement.....90

Statement of Melodie Ha
Management Analysts, U.S. Department of Defense....98
Prepared Statement....100
Panel II: Question and Answer....117

Panel III: China's Foreign Military Sales and Technological Acquisition

Panel III Introduction by Commissioner Randall Schriver
(Hearing Co-Chair)....134
Statement of April Herlevi
Senior Research Scientist, Center for Naval Analyses....135
Prepared Statement....138
Statement of Meia Nouwens
Senior Research Fellow for Chinese Security and Defense Policy, International Institute for Strategic Studies....153
Prepared Statement....156
Panel III: Question and Answer....172

STATEMENT FOR THE RECORD

Statement of Isaac Kardon
Senior Fellow for China Studies, Carnegie Endowment for International Peace....184

HEARING ON CHINA'S MILITARY DIPLOMACY AND OVERSEAS SECURITY ACTIVITIES

THURSDAY, JANUARY 26, 2023

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Washington, D.C.

The Commission met in Room 406 of Dirksen Senate Office Building, Washington, DC and via videoconference at 9:30 a.m., Chairman Carolyn Bartholomew and Commissioner Randall Schriver (Hearing Co-Chairs) presiding.

OPENING STATEMENT OF CHAIRMAN CAROLYN BARTHOLOMEW HEARING CO-CHAIR

CHAIRMAN BARTHOLOMEW: Good morning, everyone. Welcome to the first hearing of the U.S.-China Economic and Security Review Commission's 2023 Annual Report cycle. Before we begin, I would like to extend a warm welcome to the Commission's newest member, Commissioner Reva Price.

Commissioner Price has many years of experience working in Congress on China-related issues. And we look forward to her many contributions to our work. Thank you all for joining us today.

Thank you to our witnesses for sharing your expertise and for the work you've put into your testimonies. I'd also like to thank the Senate Committee on Environment and Public Works for allowing us the use of this hearing room and the Senate Recording Studio for their assistance in livestreaming this event. I also particularly express my appreciation for the work each of our staff members.

The Commission staff members, they are essential to this Commission's success. And today in particular, I'd like to thank Sierra Janik, Andrew Hartnett, and Jessie Foster for their capable work in putting together this hearing. Today's hearing will examine the range of foreign engagements undertaken by China's military and internal security forces as well as elements of China's military-industrial complex and the implications of those activities for the United States.

The Chinese Communist Party under General Secretary Xi Jinping is pursuing a goal of developing the People's Liberation Army into a world-class military by the middle of the 21st century, which is not that far away. Achieving this goal is a critical component of the CCP's efforts to establish a Sino-centric world order. In this new world order, other countries would acquiesce to China's priorities and preferences, an arrangement General Secretary Xi refers to euphemistically as a community of common human destiny.

The foreign activities of the PLA and other Chinese security forces contribute to these goals in several ways. By conducting regular, bilateral, and multilateral dialogue with other country's security forces, the PLA is building relationships and expanding its presence on the

global stage. By participating in exercises and training with other militaries, the PLA practices power projection skills and cultivates an image of China as a responsible contributor to global security.

Maintaining robust defense ties with Russia, China has sought to learn from its past combat experience and also continues to pursue joint development of advanced military technology such as heavy lift helicopters. The advanced economies of Europe have played a role in supporting the PLA's development. By licensing Chinese production of defense articles, the China's state-owned defense corporations have subsequently indigenized for the PLA's own use and for export.

China is also a major player in the international arms market, ranking among the top five global arm suppliers since at least 2010. Although its total sales remain significantly below those of the United States or Russia, China has established itself as a leading global provider of certain weapons such as unmanned aerial vehicles. It is also a major supplier to certain countries on its periphery such as Pakistan and Bangladesh.

As in so many other areas of foreign engagement, when it comes to foreign military sales, Chinese companies have no qualms about selling weapons to countries or parties that the U.S. and other countries will not, including the military dictatorship in Burma or in active conflict zones in Sudan and South Sudan. As the U.S. and its allies navigate the strategic competition with China, it is imperative that we understand both the drivers of China's foreign military activities and their implications for the international security order. China's military relationship with Russia deserves particular scrutiny and the continued fallout from Russian President Vladimir Putin's war against Ukraine.

Finally, as Beijing continues to promote the still vague idea of a Global Security Initiative lead by China, a thorough examination of China's military diplomacy will provide valuable insight into what the world should expect in years to come. We look forward to exploring these topics and details in the hearing today and to discussing and to discussing actionable policy recommendations for the U.S. Congress. I will now turn the floor over to my colleague and co-chair for this hearing, Commissioner Randy Schriver.

PREPARED STATEMENT OF CHAIRMAN CAROLYN BARTHOLOMEW
HEARING CO-CHAIR

Hearing on "China's Military Diplomacy and Overseas Security Activities"

January 26, 2023

Opening Statement of Chairman Carolyn Bartholomew

Good morning, and welcome to the first hearing of the U.S.-China Economic and Security Review Commission's 2023 Annual Report cycle. Before we begin, I would like to extend a warm welcome to the Commission's newest member, Commissioner Reva Price. Commissioner Price has many years of experience working in Congress on China-related issues and we look forward to her contributions to our work.

Thank you all for joining us today. Thank you to our witnesses for sharing your expertise and for the work you have put into your testimonies. I would like to thank the Senate Committee on Environment and Public Works for allowing us the use of their hearing room and the Senate Recording Studio for their assistance livestreaming this event. I also want to express my appreciation for the work of each of the Commission staff members. They are essential to this Commission's success. Today, in particular, I thank Sierra Janik, Andrew Hartnett and Jessie Foster for their capable work in putting together this hearing.

Today's hearing will examine the range of foreign engagements undertaken by China's military and internal security forces, as well as elements of China's military-industrial complex, and the implications of these activities for the United States.

The Chinese Communist Party under General Secretary Xi Jinping is pursuing a goal of developing the People's Liberation Army into a "world-class" military by the middle of the twenty-first century. Achieving this goal is a critical component of the CCP's efforts to establish a Sino-centric world order. In this new world order, other countries would acquiesce to China's priorities and preferences, an arrangement General Secretary Xi refers to euphemistically as a "community of common human destiny."

The foreign activities of the PLA and other Chinese security forces contribute to these goals in several ways. By conducting regular bilateral and multilateral dialogues with other countries' security forces, the PLA is building relationships and expanding its presence on the global stage. By participating in exercises and training with other militaries, the PLA practices power projection skills and cultivates an image of China as a responsible contributor to global security. Maintaining robust defense ties with Russia, China has sought to learn from its past combat experience and also continues to pursue joint development of advanced military technology such as heavy lift helicopters. The advanced economies of Europe have played a role in supporting the PLA's development by licensing Chinese production of defense articles that China's state-owned defense corporations have subsequently indigenized for the PLA's own use and for export.

China is also a major player in the international arms market, ranking among the top five global arms suppliers since at least 2010. Although its total sales remain significantly below those of the United States or Russia, China has established itself as a leading global provider of certain weapons such as unmanned aerial vehicles. It is also a major supplier to certain countries on its periphery such as Pakistan and

Bangladesh. As in so many other areas of foreign engagement, when it comes to foreign military sales Chinese companies have no qualms about selling weapons to countries or parties that the US and other countries will not, including the military dictatorship in Burma or in active conflict zones in Sudan and South Sudan.

As the United States and its allies navigate the strategic competition with China, it is imperative that we understand both the drivers of China's foreign military activities and their implications for the international security order. China's military relationship with Russia deserves particular scrutiny in the continued fallout from Russian president Vladimir Putin's war against Ukraine.

Finally, as Beijing continues to promote the still vague idea of a "Global Security Initiative" led by China, a thorough examination of China's military diplomacy will provide valuable insight into what the world should expect in years to come. We look forward to exploring these topics in detail in the hearing today and to discussing actionable policy recommendations for Congress.

I will now turn the floor over to my colleague and co-chair for this hearing, Commissioner Randall Schriver.

OPENING STATEMENT OF COMMISSIONER RANDALL SCHRIVER
HEARING CO-CHAIR

COMMISSIONER SCHRIVER: Thank you. Good morning. I join Commissioner Bartholomew -- Chair Bartholomew -- in welcoming our witnesses and to those watching online.

The armed wing of the Chinese Communist Party, the People's Liberation Army, will be instrumental in determining whether or not General Xi Jinping's aspirations for great national rejuvenation are met. The goals behind General Secretary's Xi direction for the PLA to become a world class military by 2049 are not limited to symbolism or a simple desire to acquire the trappings of global power status. In fact, the CCP to succeed and meet its own ambitions, the PLA must become a much more capable military.

General Secretary Xi needs a PLA capable of protecting PRC sovereignty, to include securing effective control over a number of expansive and illegal sovereignty claims. He needs a PLA that can successfully operationalize a Taiwan contingency for the purpose of forced unification. He needs a PLA that can look after broader regional and even global interests particularly where protection of sea lines of communication are concerned. And he needs a PLA that can be successful in augmenting PRC diplomatic and economic efforts to create a regional order where countries are more deferential to its preferences and interests.

It is increasingly clear that the CCP believes that the PLA must be more active abroad in order to acquire the necessary capabilities and to be better postured to play this role envisioned for it. Under the guidance of the CCP and the Central Military Commission, the PLA is engaging in military diplomacy of various kinds, is conducting bilateral and multilateral exercises with greater frequency, is creating foreign bases and access opportunities, is engaging in operational military activities with foreign partners, and is active in promoting foreign military sales. This external agenda is very robust.

As these activities expand and evolve, we will want to know more about how these activities impact Chinese military modernization; how they promote relationships for China that may alter the geo-political landscape; and how they impact our allies and partners; and most importantly, how they affect U.S.-China great power competition. So I look forward to hearing from our witnesses and learning from our witnesses on all these matters.

PREPARED STATEMENT OF COMMISSIONER RANDALL SCHRIVER
HEARING CO-CHAIR

Hearing on "China's Military Diplomacy and Overseas Security Activities"

January 26, 2023

Opening Statement of Commissioner Randall Schriver

Good morning. I join Chairwoman Bartholomew in welcoming our witnesses and to those viewing our hearing.

The armed wing of the Chinese Communist Party (CCP), the People's Liberation Army (PLA), will be instrumental in determining whether or not General Secretary Xi Jinping's aspirations for Great National Rejuvenation are met. The goals behind GS Xi's direction for the PLA to become a "world class military" by 2049 are not limited to symbolism or a simple desire to acquire the trappings of global power status. In fact, for the CCP to succeed and meet its own ambitions, the PLA must become a much more capable military.

General Secretary Xi needs a PLA capable of protecting PRC sovereignty, to include securing effective control over a number of expansive and illegal sovereignty claims. He needs a PLA that can successfully operationalize a Taiwan contingency for the purpose of forced unification. He needs a PLA that can look after broader regional and even global interests particularly where protection of sea lines of communication is concerned. And he needs a PLA that can successful augment PRC diplomatic and economic efforts to create a regional order where countries are more deferential to its preferences and interests.

It is increasingly clear that the CCP believes the PLA must be more active abroad in order to acquire the necessary capabilities and to be better postured to play the role envisioned. Under the guidance of the CCP and Central Military Commission (CMC), the PLA is engaging in military diplomacy of various kinds, is conducting bilateral and multi-lateral exercises with greater frequency, is creating foreign bases and access opportunities, is engaging in operational military activities with foreign partners, and is active in promoting foreign military sales. The external agenda is robust.

As these activities expand and evolve, we will want to know more about how these activities impact Chinese military modernization; how they promote relationships for China that may alter the geo-political landscape; how they impact our allies and partners; and most importantly, how they affect US-China great power competition.

I look forward to learning from our expert witnesses on all these matters.

PANEL I INTRODUCTION BY COMMISSIONER RANDALL SCHRIVER

COMMISSIONER SCHRIVER: Our first panel will examine the concepts and strategy of China's military diplomacy and overseas security diplomacy. We'll start with Dr. Phillip Saunders. Dr. Saunders is director of the Center for the Study of Chinese Military Affairs. His testimony will provide an overview of China's military diplomacy.

Next, we'll hear from Kristen Gunness, a senior policy researcher at the RAND Corporation. Ms. Gunness will address China's diplomacy through security dialogues and educational exchanges. Finally, we'll hear from Mr. Jordan Link, an independent researcher and former China policy analyst for national security and international policy at the Center for American Progress. He will discuss the Chinese Ministry of Public Security's engagement with other countries' internal security forces.

Thank you all very much for your testimony. The Commission is looking forward to your remarks. And I ask our witnesses to please keep their remarks to seven minutes. Dr. Saunders, we begin with you.

OPENING STATEMENT OF PHILLIP SAUNDERS, DIRECTOR OF THE CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS, NATIONAL DEFENSE UNIVERSITY INSTITUTE FOR NATIONAL STRATEGIC STUDIES

DR. SAUNDERS: Thanks. It's a great pleasure to be here today to participate in this hearing. My testimony today is going to draw heavily on a database that the National Defense University set up on Chinese military diplomacy. It's based on pioneering work by Ken Allen but updated by a string of talented research assistants and research interns, including Ms. Melodie Ha, who you'll hear from later today.

And I'm going to try to give an overview of the objectives and paint the big picture of what China does. The PLA defines military diplomacy as external relations pertaining to military and related affairs between countries and groups of countries, including things like military personnel exchanges, negotiations, arms control negotiations, military aid, military intelligence cooperation, military technology cooperation, peacekeeping, military alliance activities, et cetera. And I think the key is they conceive of this as a component of China's broader diplomatic efforts.

And they stress that military diplomacy must always serve the overall foreign policy of China. I think this is the case. If you look at the big outlines of Chinese foreign policy, the focus us on strategic relations with great powers, countries on the periphery, and engaging the developing world.

Those are exactly the priorities for military diplomacy. A couple key points, that's thought of as a means of strengthening bilateral relationships, not as an end in itself. A lot of the activity really isn't very substantive but it's important and political in relationship terms.

And one of the things that it's useful for as an indicator of the overall state of bilateral relations, if things are going good, the military activity you'll pick up. If there's problems in the relationship, it will slow down. To talk briefly about a couple of the goals, I think it can be divided into strategic and operational goals, strategic goals including supporting Chinese diplomacy in foreign policy, shaping the security environment, operational goals including collecting intelligence and learning new skills to support PLA modernization.

And the types of things the PLA does includes senior level visits, security dialogues, military exercises, both bilateral and multilateral, naval port calls, functional exchanges focused on specific military areas, and also Non-Traditional Security Operations, including humanitarian assistance and disaster relief and peacekeeping. If we look at it in the big picture, the bulk of what the PLA does in this realm is high-level meetings. It's senior PLA officers meeting with foreign counterparts.

But we do see starting at about 2009 military exercises and port calls starting to make up a bigger percentage of that activity. And I think I've given you a handout, Figure 1, that talks about this a little bit. The numbers in our database show that this peaked at about 2015 and has declined somewhat since.

We attribute that to PLA internal reforms which have had an internal focus. One interesting thing that comes out in the data is it tracks with the five-year political cycle. When it's a Party Congress, the PLA senior officers are busy politicking at home in Beijing. They have less time to go abroad and meet with foreigners.

And then finally, the big impact of COVID-19. The diplomatic engagements just fall off the roof in 2020 and '21. I was asked to speak about priorities.

Asia is the highest priority region, Europe is second, and Africa a distant third. And within Asia, Southeast Asia and South Asia are the main subregions. I want to just note that this is a global presence.

The PLA has more than 130 military attaché or military representative offices abroad. They're regularly engaged in UN peacekeeping operations, usually about five at any given time with about 2,500 troops. They participate periodically in humanitarian assistance and disaster relief, and they've maintained an escort task force, a counter-piracy force in the Gulf of Aden since December 2008.

And that all provides access to foreign militaries. I was asked to talk a little bit about the changes. Again, this decline since 2015, I think that's a lot to do with tighter CCP control of the military and a PLA that's focused on reforms.

One of the things that stands out is an increased comfort with multilateral settings. PLA used to be very suspicious of this. But it now participates in multilateral meetings organized by ASEAN, the Shanghai Cooperation Organization, the BRICS grouping, the Shangri-La Dialogue. And China has started to host its own grouping such as the Xiangshan Forum, the China-Africa Peace and Security Forum, and the China-Latin America Defense Forum.

I mentioned the impact of COVID which was significant. I won't go into detail on the organizations responsible for this. But the key one is the Central Military Commission's Office of International Military Cooperation.

The Defense Minister plays a crucial role. He supervises that office. He also sits on the CCP's Central Foreign Affairs Committee. He is the liaison with the rest of the Chinese government.

As Commissioner Schriver said, the PLA is a Party army. They don't really work for the government. So you need mechanisms like that. CMC Joint Staff Department, the Chief of General Staff plays a role in military diplomacy. And they have a deputy who is in charge of intelligence and foreign affairs who's actively also involved.

To get to the implications very concisely, this is a new area of U.S.-China strategic competition, most intense in the Indo-Pacific but also evident in other regions. We're going to see and are seeing the U.S. and China use the tools of military diplomacy to strengthen military ties and increase their influence with third countries. And this is an area that's going to be part of the competition.

They sometimes try to use this to undermine U.S. alliances, I think, with not a lot of success. The trend I see is something different. It's U.S. allies and partners that are engaging the PLA as part of their broader -- a piece of their broader China strategy. And some are doing this very consciously for mostly-symbolic political reasons. I personally don't think Washington should get too upset if countries like Australia and Singapore are using symbolic military cooperation with the PLA to offset their much more substantive military competition with us.

And so my view is rather than try to stop it, we should focus on limits on it, limiting the PLA ability to learn from foreign militaries, limiting their ability to learn the things that we teach allies and partners, and trying to restrict their access to ports and bases. And with that, there's more to say but not more time to say it in. So I'm going to end on time and I'll save my other points for Q&A.

PREPARED STATEMENT OF PHILLIP SAUNDERS, DIRECTOR OF THE CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS, NATIONAL DEFENSE UNIVERSITY INSTITUTE FOR NATIONAL STRATEGIC STUDIES

Testimony before the U.S.-China Economic and Security Review Commission

Hearing on *"China's Military Diplomacy and Overseas Security Activities"*

China's Military Diplomacy: Trends and Implications

Dr. Phillip C. Saunders[1]

Director, Center for the Study of Chinese Military Affairs,

National Defense University

January 26, 2023

Co-Chairs Bartholomew and Schriver, distinguished Commissioners and staff, thank you for the opportunity to participate in today's hearing on China's military diplomacy and overseas security activities. It is an honor to be here alongside esteemed experts on this panel. I've been researching China's military diplomacy for almost twenty years and have published a variety of previous studies.[1] My testimony today will draw heavily on the NDU database on Chinese military diplomacy, which originated with Ken Allen's pioneering research and has been updated and maintained by the hard work of a string of talented research assistants and interns, including Ms. Melodie Ha, who will testify later in this hearing.

My testimony today focuses on painting the big picture of how the People's Liberation Army (PLA) conducts military diplomacy, including its political objectives, types of activities and trends, the implications for the United States, and areas for future research. I've structured my testimony around the questions put forward by the commission staff.

What activities does China consider part of its military diplomacy? What purposes does the Chinese leadership seek to accomplish through overseas military activity?

The PLA defines military diplomacy as "external relationships pertaining to military and related affairs between countries and groups of countries, including military personnel exchange, military negotiations, arms control negotiations, military aid, military intelligence cooperation, military technology cooperation, international peacekeeping, military alliance activities, etc."[2] Chinese military writings describe military diplomacy as a component of China's broader diplomatic efforts and stress that military diplomacy "must always take the overall diplomatic goals of the country as its goal and always grasp the right direction."[3]

Chinese military writings highlight the growing importance of military diplomacy. Stated objectives are derived from broader PLA missions and include supporting overall national foreign policy, protecting national sovereignty, advancing national interests, and shaping the international security environment.[4] Xi Jinping cited several specific goals for Chinese military diplomacy in a January 2015 speech to the All-Military Diplomatic Work Conference [全军外事

[1] Phillip C. Saunders is Director of the National Defense University's Center for the Study of Chinese Military Affairs and a Distinguished Research Fellow at the NDU's Institute for National Strategic Studies. The views expressed are his alone and do not necessarily reflect those of the National Defense University, the Department of Defense, or the U.S. government.

工作会议], including supporting overall national foreign policy, protecting national security, and promoting military construction (e.g. military force-building). Xi also highlighted the importance of protecting China's sovereignty, security, and development interests.[5]

Military academics reiterate these goals; a lecturer at the PLA Nanjing Political College notes that a major role of Chinese military diplomacy is to "support overall national foreign policy and the new era military strategic direction," and other scholars highlight "shaping the international security environment and promoting military modernization" as additional objectives.[6] In addition to these openly acknowledged objectives, the PLA uses military diplomacy to gather intelligence, learn from more advanced militaries, and benchmark PLA capabilities against other militaries.[7]

For analytic purposes, Chinese military diplomacy objectives can be divided into strategic and operational categories. Strategic objectives include supporting overall PRC diplomacy by providing public goods and engaging key countries and shaping the security environment by displaying or deploying PLA capabilities. Operational goals include collecting intelligence on foreign militaries and potential operating areas, learning new skills and tactics, techniques, and procedures, and benchmarking PLA capabilities against other militaries, as the PLA has no recent combat experience. Table 1 summarizes how different types of military diplomacy activities advance different Chinese objectives.

Much of the PLA's current military diplomatic activity is focused on protecting and advancing specific Chinese strategic interests and managing areas of concern.[8] Chinese foreign policy emphasizes managing strategic relations with great powers, such as the United States and Russia, maintaining good relations with countries on China's periphery, and engaging developing countries.[9] Chinese military diplomacy similarly emphasizes interactions with the United States, Russia, countries in the Indo-Pacific region, and engaging developing countries in the Middle East, Africa, and Latin America.[10] China is increasingly dependent on oil and natural gas imported from the Middle East and Africa; the PLA Navy's counterpiracy presence in the Gulf of Aden facilitates strategic ties in the Middle East and Africa, helps guarantee China's energy security, and provides operational experience relevant to protecting China's sea lines of communication. Xi Jinping's signature foreign policy contribution is the Belt and Road Initiative (BRI); PLA interactions with militaries in Europe, Africa, Central Asia, and South Asia reinforce this effort.[11]

Military diplomacy is a means of strengthening bilateral relationships, not an end in itself. Because military diplomacy serves China's overall foreign policy, trends in military-to-military relations can indicate the relative priority China places on particular countries and regions. The PLA's military diplomatic engagements also serve as an indicator of the overall health of relationships between China and other countries. When bilateral relations are good, military diplomatic engagements tend to increase; when relations are bad, engagements decrease or stop. Military diplomacy is a two-way street: both China and its partners must agree on what activities to conduct and can leverage engagements as foreign policy tools. Willingness of both sides to increase the frequency and substance of military diplomatic engagements indicates an improving bilateral relationship; cancellations or refusals to engage are signs of trouble.

Table 1: Chinese Military Diplomatic Activities and Objectives

Activity	Strategic Goals		Operational Goals	
	Support PRC Diplomacy	Shape Security Environment	Collect Intelligence	Learn New Skills and Benchmarking
Senior-Level Visits				
Hosted	x	x	x	
Abroad	x	x	x	
Dialogues				
Bilateral	x	x	x	
Multilateral	x	x	x	
Military Exercises				
Bilateral	x	x	x	x
Multilateral	x	x	x	x
Naval Port Calls				
Escort Task Force (ETF)	x	x	x	x
Non-Escort Task Force	x	x	x	
Functional Exchanges	x		x	x
Non-Traditional Security Operations				
HA/DR	x	x	x	x
Peacekeeping	x	x	x	x

What are the activities in which China participates most often and the regions to which it dedicates the most attention? Has this approach changed over the past two decades, and if so, to what would you attribute this change?

Figure 1 draws upon the NDU China Military Diplomacy database to show the total volume of military exercises, PLA Navy port calls, and senior-level visits in the years 2002-2021. An examination of the available data yields several observations. First, senior-level meetings represent the overwhelming majority of PLA military diplomatic engagements. Beginning in 2009, naval port calls and international military exercises start to make up a growing share of total interactions, but senior-level meetings still represent the bulk of Chinese military-to-military interactions. Second, total interactions peak in 2015, and start to decline over the subsequent years. This can be attributed to the fact that Xi Jinping's military reforms started in 2016, and the PLA dedicated more time and resources to internal matters than to outside engagements. Third, China's five-year political cycle can be observed through this data by comparing engagement levels in years with CCP party congresses (2002, 2007, 2012, and 2017) with off-cycle years; the volume of senior-level visits usually drops in years with a party congress. Finally, with the global Covid-19 pandemic, all interactions drop precipitously in 2020 and 2021 due to restricted travel and closing borders.

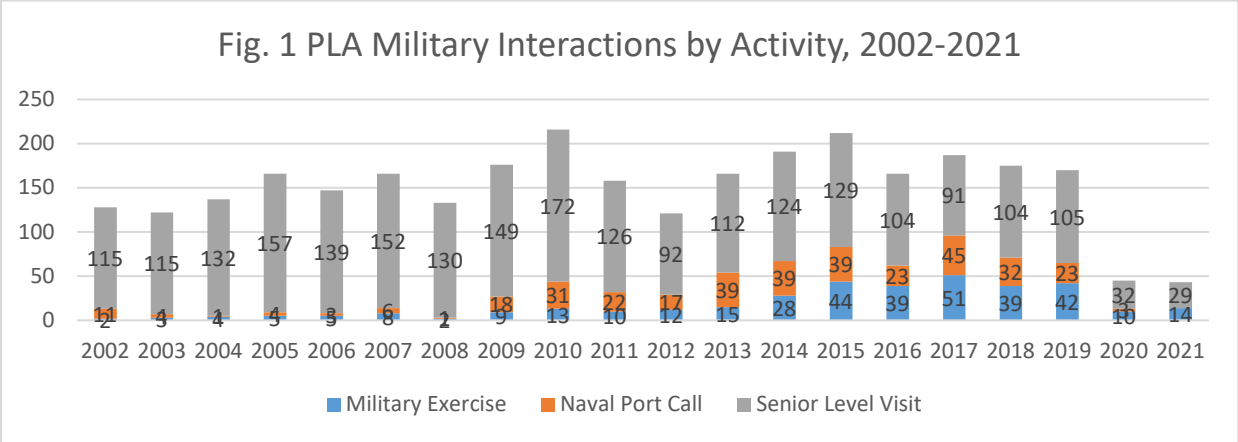


Figure 2 breaks out PLA military diplomatic engagements by geographic region. The data shows that Asia is the highest priority region for Chinese military diplomacy, with Europe in second place and Africa a distant third.[12]

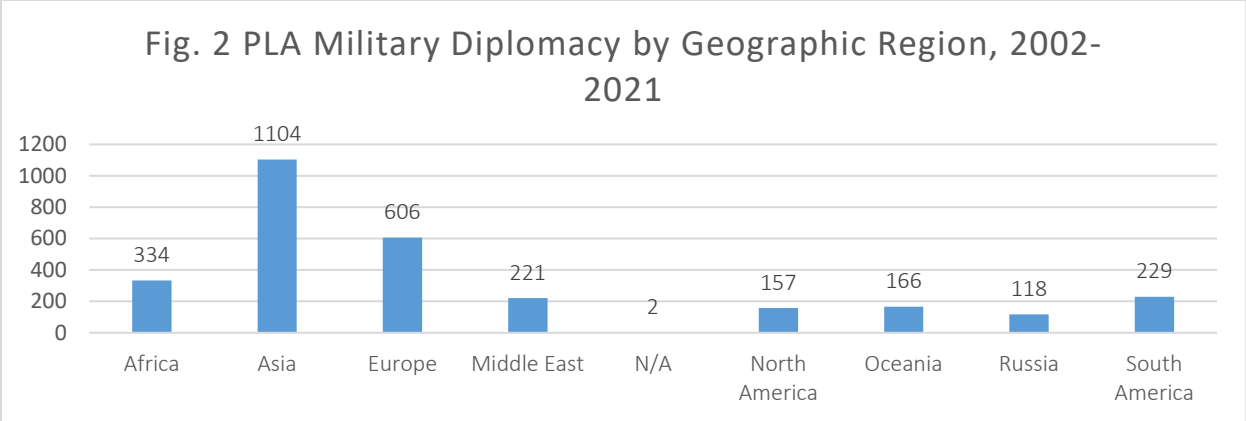
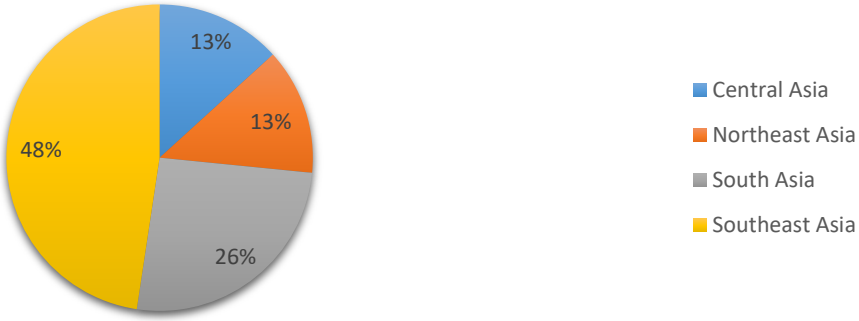


Figure 3 breaks out PLA military diplomatic interactions in Asia by sub-region. Southeast Asia is the top priority for China, despite – or perhaps because of – its territorial disputes with numerous countries in the sub-region. South Asia is the second priority, with Pakistan making up a large percentage of the interactions. Pakistan depends on China for security assistance to balance India and has a military with extensive combat experience, leading China to see Pakistan as a useful partner. China's sea lines of communication to the Middle East and Africa pass through the Indian Ocean and the South China Sea, giving Southeast Asia and South Asia additional strategic importance in terms of China's imports of oil and natural gas. Despite Northeast Asia's strategic importance, the PLA has limited interactions with this sub-region due to historical strains in relations with Japan, South Korea's reluctance to engage in military exercises with China, and a cautious PRC approach toward military activities with North Korea.

Fig. 3 PLA Interactions in Asia, 2002-2021



In addition to the military diplomatic activities described above, the PLA maintains 130 military attaché or military representative offices abroad and hosts 116 foreign military attachés in Beijing. China has established 54 defense consultation and dialogue mechanisms with 41 countries and international organizations.[13] The PLA regularly participates in United Nations Peacekeeping Operations, conducts Human Assistance/Disaster Relief operations, and has maintained a three ship escort task force in the Gulf of Aden to conduct counter-piracy operations since December 2008. The PLA describes these activities as providing public goods that contribute to regional and global security, but the PLA's presence when conducting these operations provides numerous opportunities to interact with foreign militaries in the form of exercises and port calls.

Has this approach changed over the past two decades, and if so, to what would you attribute this change?

As Figure 1 shows, the percentage of exercises and port calls in the PLA's military diplomacy has gradually increased over time, and the percentage of senior-level visits has gradually decreased. This likely reflects increasing PLA confidence that it can conduct exercises with foreign militaries without embarrassment and its desire to learn lessons from foreign militaries that can improve PLA operational capabilities. The PLAN's Gulf of Aden counter-piracy deployments (and the establishment of a replenishment base in Djibouti in 2017) also made it easier and cheaper for the PLAN to conduct port calls after each escort task force's operational deployment.

The decline in senior-level engagements likely reflects tighter CCP control of the military and regulations that place strict limits on the ability of senior PLA leaders to travel abroad unless their portfolios explicitly include engagement of foreign military counterparts. (Such officers include the Minister of Defense, the Deputy Chief of Staff of the Joint Staff Department, and the leaders of the CMC Office of International Military Cooperation.) This has been exacerbated by anti-corruption regulations and campaigns that limit and dis-incentivize foreign travel. The state of U.S.-China relations is also a factor; the volume of U.S.-China military interactions has dropped dramatically since its peak in 2015.[14] The net result has been less overseas travel by senior PLA officers; this has been partially offset by increased hosting of foreign military counterparts in China.

Another change is that after initial suspicion, the PLA now participates in many more senior-level multilateral dialogues and meetings. This includes regular participation in high-level meetings organized by ASEAN, the Shanghai Cooperation Organization, and BRICS, along with attendance at the Shangri-la Dialogue organized by the International Institute of Strategic Studies. PLA leaders will typically conduct short bilateral meetings with foreign counterparts on the margins of these meetings and will often conduct bilateral visits with the host nation and several neighboring countries on the same trip. China has also initiated its own multilateral dialogue mechanisms such as the Beijing Xiangshan Forum (upgraded to include participation of government officials in 2014), the China Africa Peace and Security Forum (in 2019), and the China-Latin America Senior Defense Forum (four meetings since 2012).

The COVID pandemic has also had a major impact on Chinese military diplomacy. PLAN port calls essentially ceased after March 2020 and the volume of senior-level visits and exercises also declined dramatically. PLA leaders have attempted to substitute phone calls and video meetings with foreign counterparts for face-to-face interactions, with some success.[15] As China begins to open more fully from its "zero-COVID" lockdown, military diplomacy activities are likely to increase, but the PLA is likely to continue to employ phone calls and video meetings as a more convenient complement to face-to-face encounters.

Which organizations and actors within the PLA and CCP leadership are responsible for planning and coordinating military diplomacy?

The primary organization involved in formulating and executing PLA military diplomacy is the Central Military Commission (CMC)'s Office for International Military Coordination (OIMC; 国际军事合作办公室).[16] The OIMC is a corps-leader grade organization that reports to Xi Jinping through the Defense Minister. Its operations are guided by the Regulations on International Military Cooperation (国际军事合作工作条例) that entered into force on March 1, 2021, which reflect Xi's broad political guidance and specific instructions on how military diplomacy should be conducted and the contributions it should make to broader national goals. The OIMC is organized along both regional and functional lines, including bureaus that manage PLA relations with Asia, North America and Oceania, Eurasia, probably West Asia and Africa, and possibly Latin America.[17] Major General Ci Guowei (慈国巍), a Russia-Eurasia specialist, became Director of the OIMC in December 2018, though it is unclear whether he still holds that position. Major General Huang Xueping (黄雪平) has been the OIMC deputy director with the U.S. portfolio since November 2017; Major General Song Yanchao (宋延超) has also been an OIMC deputy director since 2017.

The Defense Minister has an important role in formulating and executing Chinese military diplomacy, including responsibility for overseeing the CMC/OIMC and for coordinating with other parts of the Chinese foreign affairs system. The Defense Minister also holds the PLA seat on the CCP Central Foreign Affairs Commission, which coordinates overall Chinese foreign policy. Despite having more limited authority in the Chinese system than most of his foreign counterparts, the Defense Minister meets regularly with foreign civilian ministers of defense and senior military leaders and usually represents the PLA in high-level international meetings. General Wei Fenghe (魏凤和) is the current defense minister and state councilor but will be replaced by General Li Shangfu (李尚福) at the 14th National People's Congress meeting in March 2023.

The CMC/Joint Staff Department also plays an important role in executing military diplomacy, even though it no longer directly supervises the OIMC. Chief of the Joint Staff Liu Zhenli (刘振立) represents the PLA at some counterpart dialogues, including with the U.S. Chairman of the Joint Chiefs of Staff. One of the Deputy Chiefs of General Staff typically holds the foreign affairs and intelligence portfolio, with responsibilities for leading some security dialogues and other engagements with foreign counterparts. Lieutenant General Shao Yuanming (邵元明) has been the Deputy Chief of Staff with this portfolio since August 2017.

PLA military service commanders sometimes participate in military diplomacy by visiting foreign countries and hosting foreign counterparts. This can include participation in international meetings, such as the Western Pacific Naval Symposium, and hosting service specific events, such as the PLA Navy's celebration of its 70th birthday in 2019. However, the role of service commanders and the two CMC vice chairs in military diplomacy appears to have declined in recent years. Conversely, Theater Commanders are beginning to play a role in military diplomacy with some countries, especially ones relevant to contingencies in their respective areas of responsibility. For example, South Korea has military hotlines with the air and naval components in Northern Theater Command. Deputy Theater Commanders are also often present at China-Russia military exercises.

What are the implications of China's military diplomacy for the United States and its allies? To what extent does China's military diplomacy aim to undermine the United States' and other countries' relative position abroad?

Military diplomacy has emerged as an important arena of U.S.-China strategic competition. This competition is most intense in the Indo-Pacific, a region of critical importance to both the United States and China. However, it is also evident in other regions of the world such as Africa, Latin America, and the Middle East. Most countries have some kind of military-to-military relationship with China in parallel with their military ties with the United States.

The United States and China will increasingly use the tools of military diplomacy—security assistance, military training, opportunities to participate in professional military education programs, senior-level engagements, security dialogues, and military exercises—to strengthen military ties and increase their influence with third countries. It is possible for countries to have good relations with both the United States and China, but if U.S. and Chinese demands on third countries are irreconcilable, then influence will have a zero-sum character.

The United States brings important strengths to the competition—U.S. weapons are generally superior to their Chinese counterparts (although more expensive) and the quality of U.S. military training and educational courses outpaces their Chinese competitors. China often counters with lower prices and the ability to train larger numbers of foreign soldiers, albeit to a lower standard of performance.

The United States has another advantage that is harder to quantify. The CCP's tight control over the PLA forces senior PLA officers to mouth talking points (and sometimes speak obvious falsehoods) and limits their ability to talk frankly and form personal relationships with foreign counterparts. Moreover, China is generally reluctant to bear costs and risks on behalf of its foreign partners; there is a reason why Beijing prefers nonbinding strategic partnerships to binding alliance commitments. With many countries, these factors place a ceiling on what China can accomplish via military diplomacy.

China appears to sometimes try to use military diplomacy to undermine U.S. alliances and partnerships, but generally has had little success. Beijing is unwilling to replace U.S. security guarantees (and is sometimes viewed as a direct threat to the sovereignty and security interests of its foreign partners). This is a huge obstacle to overcome. The U.S. military has significant advantages in both style and substance when engaging foreign militaries; it will need to capitalize on its strengths and seek to address its areas of weakness.

U.S. policymakers should not seek to dissuade allies and partners from engaging with the PLA as a part of their broader China policy. Instead, U.S. policy should focus on limiting the PLA's ability to use military diplomacy to improve its operational capabilities or to build strategic relationships that give it access to overseas ports and bases. The United States should also insist that allies and partners be careful to not teach the PLA tactics, techniques, and procedures that they have learned from the United States and to be cautious about conducting combat exercises with PLA counterparts.

Many countries on China's periphery are concerned about balancing their economic relations with China and their security relations with the United States. Engagement with the PLA is often part of their broader strategy for managing a complicated relationship with China; many countries would be reluctant to cut off engagement with the PLA due to U.S. pressure. Washington should allow countries like Australia and Singapore to use symbolic military engagements with the PLA to balance their substantive security cooperation with the United States. In that vein, the United States should continue to build partner capacity and stress interoperability with allies and partners. These are areas where the United States has a substantial comparative advantage over the PLA and should be emphasized as Washington considers how best to leverage its own military diplomacy as an asset in strategic competition with China.

What are the biggest remaining knowledge gaps on this topic? Are there areas that policymakers should pay greater attention to?

In the open-source world, there are major gaps in knowledge of how many foreign students the PLA educates and trains from each country. Overall numbers of students educated and trained in PLA institutions are reported in summary form, but not individual totals from each country or what foreign military students are studying. Much of this information could be collected from China's foreign partners with appropriate research and engagement efforts and

compared with the number of students and content of U.S. educational and training programs aimed at foreign militaries.

The United States should also seek qualitative assessments from third country militaries about the relative value of military education and training at U.S. institutions and PLA institutions. Anecdotal evidence suggests that many foreign military officers have attended training courses in both the United States and China. Systematic efforts to learn about their perceptions of U.S. strengths and weaknesses compared to China could be useful in helping U.S. military training and educational institutions raise their game.

Finally, although SIPRI systematically collects and analyzes information about PRC arms sales[18], there is less information and recent analysis of the PRC arms sales process and the PLA's role in arms sales decisions and support to foreign militaries that purchase Chinese weapons. Although there are some good earlier studies, these do not fully account for major changes in the PRC defense industry and the PLA's major reorganization in 2016. Similar research could be done to systematically examine the content, methods, and effectiveness of Chinese security assistance programs. A better understanding will be increasingly important as China becomes more competitive in international arms markets and engages in more ambitious security assistance efforts in the future.[19]

The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action related to the topic of your testimony?

Chinese military diplomacy is relatively tractable to open-source analysis, especially because the PLA likes to tout its cooperation with foreign militaries and China's foreign partners are often an accessible source of information about Chinese activities. That said, this work is relatively laborious and often involves cross-checking sources in English, Chinese, and other languages. Increased U.S. government efforts to systematically collect and translate reports on Chinese military diplomacy activities—and creative ways to make such information available to a wider range of researchers inside and outside the U.S. government—could translate into better quality research.

Relatedly, although the U.S. government has greatly strengthened efforts to engage foreign partners on China issues over the last two administrations, it could make a particular effort to discuss the specific challenges and opportunities involved in military relations with China with third countries. This could include discussions of Chinese military diplomacy objectives, best practices for negotiating with the PLA, counter-intelligence and operational security training, and comparison of national experiences in engaging the PLA, including in security dialogues and on issues such as crisis communications and confidence-building measures. Helping other militaries learn to engage the PLA more effectively while protecting sensitive information would be a useful addition to other forms of U.S. diplomatic engagement on China issues.

[1] Phillip C. Saunders, *China's Global Activism: Strategy, Drivers, and Tools* (Washington, DC: NDU Press, 2006); Kenneth Allen, Phillip C. Saunders, and John Chen, *Chinese Military Diplomacy, 2003-2016: Trends and Implications,* China Strategic Perspectives 11 (Washington, DC: NDU Press, July 2017); Phillip C. Saunders and Jiunwei Shyy, "China's Military Diplomacy," in Scott D. McDonald and Michael C. Burgoyne, eds., *China's*

Global Influence: Perspectives and Recommendations (Honolulu, HI: Daniel K. Inouye Asia-Pacific Center for Security Studies, September 2019), 207-227; Phillip C. Saunders, "China's Global Military-Security Interactions," in David Shambaugh, ed., *China and the World* (New York: Oxford University Press, 2020), 181-207; and Phillip C. Saunders and Melodie Ha, "China's Military Diplomacy," paper presented at "The PLA in a World of Strategic Competition with the United States," CAPS-RAND-NDU-USIP PLA Conference, Arlington, VA, November 18-19, 2022.

[2] All-Military Military Affairs Management Committee [全军军事管理委员会], *PLA Military Terminology* [中华人民解放军军语] (Beijing: Academy of Military Sciences Press, 2011), 1063.

[3] Deng Bibo [邓碧波], "Major Achievements and Basic Experience in China's Military Diplomacy in the New Era" [新时代中国军事外交的重大成就及基本经验], *China Military Science* [国军科学] 182 (February 2022), 54-63.

[4] See Allen, Saunders, and Chen, *Chinese Military Diplomacy, 2003-2016: Trends and Implications*.

[5] Yang Lina and Chang Xuemei, eds., "Xi Jinping: Start a New Phase of Military Diplomacy [习近平：进一步开创军事外交新局面]," Xinhua, January 29, 2015, available at <http://cpc.people.com.cn/n/2015/0129/c64094-26474947.html>.

[6] Jin Canrong and Wang Bo, "On Theory of Military Diplomacy with Chinese Characteristics [有关中国特色军事外交的理论思考]," *Pacific Studies Report* [太平洋学报] no. 5 (2015), 22, available at <www.cssn.cn/jsx/201601/P020160104312124234558.pdf>; Chu Yongzheng, "New Ideas and Changes in China's Military Diplomacy" [中国军事外交的新理念新变化], *International Studies Reference* [国际研究参考], no. 8 (2018), 30-46; Wan Fayang, *Chinese Military Diplomacy—Theory and Practice* [中国军事外交理论与实践] (Beijing: Current Affairs Press, 2015), 294–309; Chen Zhiyong, "Retrospect and Thinking of the 60 Years of Military Diplomacy in New China [新中国 60 年军事外交回顾与思考]," *China Military Science* [中国军事科学] 5 (2009), 35–36; "Chinese Military Diplomacy and Military Messaging to the Outside [中国军事外交中的军事对外传播]," *PLA Daily*, January 2, 2014, available at <www.81.cn/jkhc/2014-01/02/content_5716684.htm>.

[7] See Allen, Saunders, John Chen, *Chinese Military Diplomacy, 2003-2016*.

[8] For an overview of the geographical distribution of Chinese foreign policy interests, see Phillip C. Saunders, *China's Global Activism: Strategy, Drivers, and Tools* (Washington, DC: NDU Press, 2006). Also see U.S. Department of Defense, *Assessment on U.S. Defense Implications of China's Expanding Global Access* (Washington, DC: Department of Defense, December 2018), available at <https://media.defense.gov/2019/Jan/14/2002079292/-1/-1/1/EXPANDING-GLOBAL-ACCESS-REPORT-FINAL.PDF>.

[9] See Xi Jinping, "Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects," Report to the 20th National Congress of the Communist Party of China, October 16, 2022.

[10] For a treatment of Chinese military diplomacy that follows this schema and explicitly connects military diplomacy to foreign policy goals, see Chu, "New Ideas and Changes in China's Military Diplomacy." China's 2019 Defense white paper gives a similar priority ranking but reverses the order of the United States and Russia and places defense relations with European countries after relations with countries on China's periphery. *China's National Defense in the New Era* (Beijing, State Council Information Office, 24 July 2019). China's Asia-Pacific white paper provides numerous examples of the role of military diplomacy in advancing China's regional policy and relations with the United States and Russia. See State Council Information Office, *China's Policies on Asia-Pacific Security Cooperation*, January 11, 2017, available at <http://www.xinhuanet.com//english/china/2017-01/11/c_135973695.htm>.

[11] Peter Cai, *Understanding China's Belt and Road Initiative* (Sydney: Lowy Institute, 2017), available at <www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>; Joel Wuthnow, *Chinese Perspectives on the Belt and Road Initiative: Strategic Rationales, Risks, and Implications*, China Strategic Perspectives 12 (Washington, DC: National Defense University Press, October 2017); and Jonathan E. Hillman, *The Emperor's New Road: China and the Project of the Century* (New Haven: Yale University Press, 2020).

[12] The two N/A entries in Figure 2 are with the United Nations on peacekeeping issues.

[13] *China's National Defense in the New Era*, 44. DOD says the PLA has attachés in "over 110 offices worldwide"; the difference may reflect attachés accredited to multiple countries. *Military and Security Developments Involving the People's Republic of China, 2022* (Washington, D.C.: Office of the Secretary of Defense, 2022), 136.

[14] See Saunders and Ha, "China's Military Diplomacy."

[15] See Kenneth Allen, "Early Warning Brief: The PLA's Military Diplomacy Under COVID-19," *China Brief* 21, No. 13 (June 21, 2021).

[16] Chad Sbragia and Kenneth W. Allen, "Managing the PLA's Military Diplomacy: Key Institutions and Personnel," *China Brief* 22, No. 21 (November 18, 2022), 6-17. Technically speaking, there is also a Ministry of National Defense organization with the same title and personnel.

[17] See Sbragia and Allen, "Managing the PLA's Military Diplomacy" and compare with the pre-reform organization of the MND/FAO described in Eric Hagt, "The Rise of PLA Diplomacy," in Phillip C. Saunders and Andrew Scobell, eds., *PLA Influence on China's National Security Policymaking* (Stanford, CA: Stanford University Press, 2015), 223-224.

[18] See Stockholm International Peace Research Institute, *SIPRI Arms Transfers Database*, https://www.sipri.org/databases/armstransfers

[19] One illustration of what is possible is Jonah Victor, "China's Security Assistance in Global Competition: The Case of Africa," in Joel Wuthnow, et al, *The PLA Beyond Borders: Chinese Military Operations in Regional and Global Context* (Washington, DC: NDU Press, 2021), 263-293.

OPENING STATEMENT OF KRISTEN GUNNESS, SENIOR POLICY RESEARCHER, RAND CORPORATION

COMMISSIONER SCHRIVER: Great, thank you. Ms. Gunness?

MS. GUNNESS: Co-Chair Bartholomew and Co-Chair Schriver, Commission members and staff, thank you very much for the opportunity to testify at this hearing. For my testimony, I'll address the objectives of China's overseas military diplomacy, how China's approach has evolved given intensifying U.S. strategic competition, ways in which China's military diplomacy activities could potentially challenge U.S. interests, and recommendations for policy makers. China appears to have three primary objectives for overseas military diplomacy.

First, China uses military diplomacy to help shape the international environment to be more conducive to Chinese interests. It does this by using military diplomacy to promote certain narratives that are aimed at bolstering China's image overseas and shaping the global perception in China's favor. For example, China frequently frames overseas military engagements as promoting its peaceful rise through supporting international security and contributing to stability.

China also uses military diplomacy as a tool to counter anti-China narratives and promote its own vision of global security. For example, the PLA focuses military diplomacy efforts in developing countries that participate in the Belt and Road Initiative to cultivate relations with partners that are willing to join it in pushing back against what it frames as a Western-led system unfair to developing nations. Second, as the U.S.-China competition intensifies, military diplomacy is one of the tools that China is using to gain advantage.

The PLA's foreign engagements now play a supporting role in China's broader efforts to build a network of partners that prioritize relations with China over the United States, degrade U.S. influence and partnerships as well as promote its own agenda. This has resulted in China increasing its security footprint in the Pacific Island states, Latin American, and Africa. Military diplomacy also services to help China increase its military access near vital economic and strategic interests.

Examples include peacekeeping operations in unstable but energy rich countries in Africa and security partnership building with countries in Central and South Asia. These activities if successful could potentially extend the range and geographic reach of China's military capabilities in the future as well as institutionalize and normalize Chinese military access overseas. A third objective is that military diplomacy supports the PLA's development of expeditionary capabilities, an ability to conduct overseas missions through expanding security partnerships and opportunities to build operational experience by deploying abroad.

The PLA's counter-piracy missions are an example of the military using non-traditional security operations to develop a specific capability, in this case, sea lines of communication or SLOC protection and facilitate ties with countries in Africa and the Middle East eventually leading to the establishment of China's naval base in Djibouti. Military diplomacy could also potentially aid China in gaining access to military or dual use technology, including through military exchanges and collaboration with European militaries and research institutes, for example, and the PLA's overseas military engagements that facilitated countries like Pakistan in gaining access to technologies to improve their military capabilities.

The PLA has confronted several challenges in using military diplomacy to support its foreign policy goals, however, including limited access and improved overseas relations in access, small deployments in developing countries that are difficult to expand without significant additional investment, lack of PLA readiness to take on increased security missions in unstable

countries, and the political nature of China's military engagements that provide limited benefits for foreign militaries. And finally, that PLA's military diplomacy is really beholden to China's overall approach to its foreign policy which is not always conducive to expanding military relations abroad.

However, Chinese military diplomacy activities do have the potential to challenge U.S. interest through more opportunities for intelligence collection against U.S. allies and partners, the potential establishment of additional overseas bases which could prove a platform for extended PLA operational reach and efforts through arm sales, technology transfer, and military training to build a wider range of partners with more military capability that could impact U.S. interests. Given China's approach to overseas military diplomacy and the potential challenges to U.S. interests, U.S. policy makers might consider the following. First, capitalize on the United States' robust alliance and partnership network to limit China's access.

China is still building a network of security partners focused on gaining access to economically vital and strategic locations. The United States should capitalize on its extensive network of allies and partners to advance security cooperation with key countries to limit their willingness to allow China to access ports and other infrastructure. This could include more security cooperation with states in the Pacific Islands, South Asia, and the Indian Ocean region.

Second, work with U.S. allies and partners to mitigate intelligence risks from Chinese military diplomacy activities. The United States could assist allies and partners in mitigating intelligence collection risks by leading efforts to bolster counterintelligence and information security capabilities as well as support allies and partners in gaining a comprehensive picture of Chinese military activities in their region. Third, increase awareness on China's overseas military diplomacy, how it supports broader Chinese foreign policy objectives, and the implications for U.S. ally and partner interests.

For example, the United States could consider conducting frank discussions with its allies and partners about limiting the opportunities for the PLA to use military diplomacy, including professional military education exchanges, to increase operational capabilities and technical knowledge. Fourth, elevate the public profile of U.S. military engagements. The United States could ensure that its own engagements are visible to allies and partners as well as to China and that the benefits of those engagements are clearly articulated.

And fifth, consider supporting additional research on China's military diplomacy. Topics could include examining how military diplomacy efforts to expand security relationships are tied to broader Chinese initiatives such as the Belt and Road Initiative, the Global Development Initiative, the Global Security Initiative, and assessing future trends and assumptions for how the PLA might employ military diplomacy in the context of U.S.-China competition. So I think I'll stop there. Thank you, and I look forward to your questions.

PREPARED STATEMENT OF KRISTEN GUNNESS, SENIOR POLICY RESEARCHER, RAND CORPORATION

China's Overseas Military Diplomacy and Implications for U.S. Interests

Kristen Gunness

CT-A2571-1
Testimony presented before the U.S.-China Economic and Security Review Commission on January 26, 2023.

For more information on this publication, visit www.rand.org/t/CTA2571-1.

Testimonies

RAND testimonies record testimony presented or submitted by RAND associates to federal, state, or local legislative committees; government-appointed commissions and panels; and private review and oversight bodies.

Published by the RAND Corporation, Santa Monica, Calif.

Limited Print and Electronic Distribution Rights

www.rand.org

China's Overseas Military Diplomacy and Implications for U.S. Interests

Testimony of Kristen Gunness[1]
The RAND Corporation[2]

Before the U.S.-China Economic and Security Review Commission

January 26, 2023

The expansion of China's global interests and the subsequent increase in its overseas security footprint have led the Chinese leadership to elevate the role of military diplomacy in supporting China's foreign policy objectives, growing the country's influence overseas, and building a strong military that can conduct and sustain missions around the world. The Chinese People's Liberation Army's (PLA's) development of expeditionary military capabilities required to protect and advance Chinese interests abroad—a mission specifically tasked to the military by the Chinese leadership nearly two decades ago—means that the PLA is now more capable of conducting military diplomacy than in the past.[3] China's military frequently engages in high-level visits and professional military exchanges with counterparts overseas, and the PLA's growing naval and air capabilities have enabled it to participate in more bilateral and multilateral exercises with partners outside the Indo-Pacific region, conduct maritime patrols and port visits around the world, and provide nontraditional security services, such as counterpiracy operations, peacekeeping operations, noncombatant

[1] The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of the RAND Corporation or any of the sponsors of its research.

[2] The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest. RAND's mission is enabled through its core values of quality and objectivity and its commitment to integrity and ethical behavior. RAND subjects its research publications to a robust and exacting quality-assurance process; avoids financial and other conflicts of interest through staff training, project screening, and a policy of mandatory disclosure; and pursues transparency through the open publication of research findings and recommendations, disclosure of the source of funding of published research, and policies to ensure intellectual independence. This testimony is not a research publication, but witnesses affiliated with RAND routinely draw on relevant research conducted in the organization.

[3] Kenneth Allen, Phillip C. Saunders, and John Chen, *Chinese Military Diplomacy, 2003–2016: Trends and Implications*, National Defense University Press, China Strategic Perspectives 11, July 2017.

evacuation operations (NEOs), humanitarian assistance and disaster relief (HA/DR), and medical assistance.[4]

This testimony will address the objectives of China's overseas military diplomacy, how China's approach has evolved given intensifying U.S.-China strategic competition, ways in which China's military diplomacy activities could potentially challenge U.S. interests, and recommendations for U.S. policymakers. It will examine the Chinese leadership's approach to using the PLA's overseas engagements to further broaden Chinese foreign policy objectives and shape the international environment, analyze how military diplomacy could feature in China's efforts to gain advantage in the U.S.-China competition outside the Indo-Pacific region, and assess how the PLA's overseas engagements support its presence and operations abroad, particularly as the military's expeditionary capabilities grow.

Military Diplomacy in Support of the Chinese Communist Party's Strategic Goals

The growth in the PLA's overseas military capabilities over the past decade, as well as the overall modernization of the force, has augmented its ability to conduct overseas engagements. China has increasingly used the military to shape the international security environment—from sending peacekeeping forces to countries in Africa where it has energy interests to conducting counterpiracy operations in the Gulf of Aden.[5] Military diplomacy has been a key supporting element of the PLA's overseas presence as the military's expeditionary capabilities and mission sets have expanded. It has also become a tool that the Chinese leadership increasingly uses to support China's strategic objectives, to include foreign policy goals such as shaping the international environment to be more conducive to Chinese interests, building influence with key partners in economically vital locations around the world, advancing and defending China's interests in the U.S.-China competition, and building a strong military that can operate overseas.[6]

The PLA's definition of military diplomacy includes those aspects of foreign relations pertaining to military and security affairs, both in a bilateral and multilateral context. Specific activities include military exchanges and negotiations, issues related to arms control and technology cooperation, military aid and intelligence cooperation, and international peacekeeping.[7] China has also used military diplomacy to conduct military and political

---

[4] Cristina L. Garafola, Timothy R. Heath, Christian Curriden, Meagan L. Smith, Derek Grossman, Nathan Chandler, and Stephen Watts, *The People's Liberation Army's Search for Overseas Basing and Access: A Framework to Assess Potential Host Nations*, RAND Corporation, RR-A1496-2, 2022, p. 25, www.rand.org/t/RRA1496-2. The PLA has also been involved in supplying medical assistance during the Ebola outbreak in 2013 and during the coronavirus disease 2019 (COVID-19) pandemic (Tan Yingzhi, "Team Returns Home After Fighting Ebola in Liberia," *China Daily*, January 17, 2015). Kenneth Allen, "Early Warning Brief: The PLA's Military Diplomacy Under COVID-19," China Brief Vol. 21, issue 13.

[5] Kristen Gunness, "The PLA's Expeditionary Force: Current Capabilities and Future Trends," in *The PLA Beyond Borders: Chinese Military Operations in Regional and Global Context*, Joel Wuthnow, Arthur S. Ding, Phillip C. Saunders, Andrew Scobell, Andrew N.D. Yang, eds., National Defense University Press, 2021.

[6] Garafola et al., 2022, pp. 14–17.

[7] Allen, Saunders, and Chen, 2017.

signaling and to demonstrate PLA capabilities through joint exercises, such as the PLA Navy's exercises with Russia and Iran in 2022. China also uses military-to-military relations to signal displeasure with a country's policies or actions toward China, through canceling high-level engagements, dialogues, and exercises.[8] The use of military diplomacy to support the Chinese Communist Party's (CCP's) strategic goals is a relatively recent development for China. Prior to 2009, when the PLA began the Gulf of Aden counterpiracy operations, the military's limited capabilities did not allow it to conduct the full range of activities overseas that we now see it undertaking.[9] Rather, the PLA's external engagements were primarily restricted to high-level engagements used tactically to augment or degrade bilateral relations with specific countries, as with the United States when China wanted to signal displeasure with U.S. actions, or to build military partnerships or gain operational experience, as with joint exercises and professional military exchanges with Russia. China has also used military diplomacy to support limited political objectives, such as building relationships with countries in Latin America or the Middle East to augment its arms sales or signal political support for a regime or leader, or to bolster relationships with developing countries in Africa.[10]

While the PLA's overseas activities will certainly continue to support these objectives, the Chinese leadership has indicated that it expects military diplomacy to play a larger role in contributing to a range of Chinese national and security interests abroad. In 2015, at an All-Military Foreign Work Conference held in Beijing, General Secretary Xi Jinping publicly highlighted the role of military diplomacy by stating that the PLA's external activities must serve China's larger foreign policy strategy, uphold China's national security and sovereignty, and promote the military's development.[11] Recent articles from Chinese scholars writing in authoritative PLA publications have continued to reiterate the importance of military diplomacy in achieving China's national rejuvenation, serving the country's diplomatic interests, and protecting and defending national interests overseas.[12]

---

[8] "Iran, China and Russia Hold Naval Drills in North Indian Ocean," Reuters, January 21, 2022. For an overview of China's use of the military for political and deterrence signaling, see Nathan Beauchamp-Mustafaga, Derek Grossman, Kristen Gunness, Michael S. Chase, Marigold Black, and Natalia Simmons-Thomas, *Deciphering Chinese Deterrence Signalling in the New Era: An Analytic Framework and Seven Case Studies,* RAND Corporation, RR-A1074-1, 2021, www.rand.org/t/RRA1074-1.

[9] For a PLA review of historical military diplomacy, see Kong Fanzheng and Chen Zhiyong. "Outline of Our Military United Front and Foreign Military Exchanges" ["我军军事统战和对外军事交往论纲"], *Journal of Nanjing University of Political Science*, 2004–2005.

[10] For examples, see Timothy R. Heath, Christian Curriden, Bryan Frederick, Nathan Chandler, and Jennifer Kavanagh, *China's Military Interventions: Patterns, Drivers, and Signposts*, RAND Corporation, RR-A444-4, 2021, www.rand.org/t/RRA444-4.

[11] Xi Jinping, "Speech at the Meeting with Representatives of the All-Army Foreign Affairs Work Conference and the 16th Military Attaché Work Conference (January 29, 2015)," *People's Daily*, January 30, 2015. This speech was followed by the publication of several books on military diplomacy by the PLA's National Defense University.

[12] See Deng Bibo, "Major Achievements and Basic Experience in China's Military Diplomacy in the New Era," Vol. 2, No. 182, *China Military Science*, 2022. A number of authoritative books from PLA institutes, such as the National Defense University, on military diplomacy were also published around 2015, highlighting the emphasis placed on military diplomacy by the Chinese leadership. See, for example, China National Defense University,

Xi's guidance appears to have given the PLA a mandate to expand its overseas military engagements as long as they are nested within China's broader foreign policy goals. While the COVID-19 pandemic and China's zero-COVID policy led to a significant decrease in overseas PLA engagements aside from pandemic-related medical assistance, prior to 2020 the PLA had a regular schedule of foreign engagements, including PLA senior-level visits, exercises, and port calls. Since 2015, the PLA's military activities beyond the Indo-Pacific region have focused on Europe and Africa, as well as the United States and Russia.[13]

Military Diplomacy Supports China's Efforts to Shape International Perceptions

China uses military diplomacy to support its foreign policy goal of shaping the international environment to be more conducive to China's interests.[14] A key element of this goal is building and maintaining the ability to control the narrative and shape global perceptions in China's favor. The concept of controlling the narrative and shaping the public discourse to sway countries to support China is not new to the PLA. Chinese military writings on the Three Warfares—psychological warfare, public opinion warfare, and legal warfare—discuss the importance of taking advantage of the peacetime environment to establish favorable conditions for Chinese objectives through diplomacy and shaping public opinion, persuading international actors that China's actions are "just, reasonable, and right."[15] Chinese authors also discuss the need to strengthen military discourse capabilities as a part of military diplomacy to counter what China views as a discourse system dominated by the West.[16]

China frequently frames overseas military engagements as promoting its peaceful rise through supporting international security and contributing to stability. China's 2019 defense white paper, for example, stated that China's security cooperation around the world supports Xi's intention to create a "community with a shared future for mankind" and "building a new-model security partnership."[17] The PLA's overseas engagements in exercises, nontraditional

---

Military Diplomacy of New China and International Peacekeeping [新中国军事外交与国际维和研], National Defense University Press, 2015.

[13] Military-to-military engagements between the United States and China have dropped significantly with the increase in bilateral tensions (Phillip C. Saunders and Melodie Ha, **"**China's Military Diplomacy**,"** paper presented at "The PLA in a World of Strategic Competition with the United States," CAPS-RAND-NDU-USIP-PLA Conference, Arlington, Virginia, November 18–19, 2022, publication forthcoming).

[14] For a description of China's foreign policy goals, see Andrew Scobell, Edmund J. Burke, Cortez A. Cooper III, Sale Lilly, Chad J. R. Ohlandt, Eric Warner, and J.D. Williams, *China's Grand Strategy: Trends, Trajectories, and Long-Term Competition*, RAND Corporation, RR-2798-A, 2020, pp. 9–21, www.rand.org/t/RR2798.

[15] Shou Xiaosong, ed., *Science of Military Strategy*, 3rd ed., Academy of Military Science Press, 2013, p. 131.

[16] Chat Sbragia and Kenneth Allen, "Managing the PLA's Military Diplomacy: Key Institutions and Personnel," Jamestown Foundation, *China Brief*, Vol. 22, No. 21, November 18, 2022.

[17] State Council Information Office of the People's Republic of China, *China's National Defense in the New Era*, July 2019. See, also, Michael J. Mazarr, Nathan Beauchamp-Mustafaga, Jonah Blank, Samuel Charap, Michael S. Chase, Beth Grill, Derek Grossman, Dara Massicot, Jennifer D. P. Moroney, Lyle J. Morris, Alexander Noyes, Stephanie Pezard, Ashley L. Rhoades, Alice Shih, Mark Stalczynski, Melissa Shostak, David E. Thaler, and Dori

security operations, and other military diplomacy activities are touted in official Chinese documents and Chinese media outlets as contributing to world peace and common development. For example, the 2019 defense white paper states that China should continue to support United Nations efforts to promote peace and stability.[18] Chinese media also highlights the PLA's ability to be an international security provider through overseas activities such as peacekeeping operations, counterpiracy operations, medical assistance, and contributions to disaster relief.[19]

Along with promoting the narrative that increasing PLA activities and presence overseas is good for global stability and security, China views military diplomacy as a tool to counter anti-China narratives and promote its own vision of global security. Beijing has used venues such as the Xiangshan Forum, to which it invites military leaders from around the world, to criticize U.S. policies and push back on perceived U.S. hegemony, while promoting China's efforts to uphold the international security order.[20] China has also supported these narratives by focusing military diplomacy efforts in developing countries that participate in the Belt and Road Initiative (BRI) to cultivate relations with partners that are potentially willing to join it in pushing back against what it frames as a Western-led system unfair to developing nations. For example, a 2021 white paper on China-Africa cooperation states that there is a "… sharp conflict between multilateralism and unilateralism, the global governance system is facing profound and unprecedented challenges. China sees Africa as a broad stage for international cooperation rather than an arena for competition among major countries." The white paper further states that China's military cooperation with Africa is aimed at promoting security and stability while championing the principle of "African people solving African issues in their own ways."[21] These themes echo the types of narratives that China articulates to counter U.S. statements on China, illustrating how military diplomacy supports China's foreign policy narratives and objectives and how it is nested within China's broader foreign policy apparatus.[22]

Walker, *Security Cooperation in a Strategic Competition*, RAND Corporation, RR-A650-1, 2022, p. 22, www.rand.org/t/RRA650-1.

[18] Timothy R. Heath, Derek Grossman, and Asha Clark, *China's Quest for Global Primacy*, RAND Corporation, RR-A447-1, 2021, p. 69, www.rand.org/t/RRA447-1.

[19] See, for example, Jiang Chenglong, "PLA Remains a Powerful Force for World Peace," *People's Daily Online*, October 11, 2022.

[20] John Dotson, "The Xiangshan Forum and Emerging Themes in PRC Military Diplomacy," Jamestown Foundation, *China Brief*, Vol. 19, No. 20, November 19, 2019.

[21] State Council Information Office of the People's Republic of China, *China and Africa in the New Era: A Partnership of Equals*, November 2021.

[22] For an example of the types of narratives that China uses to counter U.S. statements, see Embassy of the People's Republic of China in the United States of America, "China's Comprehensive, Systematic and Elaborate Response to Secretary Antony Blinken's China Policy Speech—Reality Check: Falsehoods in U.S. Perceptions of China," June 19, 2022.

Military Diplomacy Increasingly Features in China's Approach to the U.S.-China Competition

As the U.S.-China competition intensifies, military diplomacy is one of the tools that China could potentially use to gain advantage in the competitive environment. The PLA's foreign engagements frequently play a supporting role in China's efforts to build a network of partners that prioritize relations with China over the United States, including BRI partner countries. China participates in overseas multilateral security organizations that highlight its leadership on security issues to BRI countries and potential partners in the developing world. For example, in November 2021, Chinese and African leaders met in Senegal for the Forum on China-Africa Cooperation, and in July 2022, China held the China-Africa Peace and Security Forum, where representatives from China and African countries discussed the implementation of several security projects, including joint military drills, training, and light weapons management for peacekeeping, as well as military aid for the African Union.[23] China has also sent military aid to the African Union to support other foreign policy objectives and develop its soft power in the region. While the Chinese media often promotes China's military aid donations, the reality is that China likely provides far less aid than it publicly pledges. China's military aid to the Philippines is an example where Beijing pledged significant aid to the Duterte administration that it did not deliver.[24] While PLA researchers write about the military's role in supporting the BRI and developing countries, they also note that the increase in engagements in BRI countries have led to China potentially dealing with more overseas security problems that could eventually tax the PLA's ability to respond. One article states that because of PLA support for BRI, "… overseas military operations other than war are increasing, and the demand for providing overseas support is also increasing."[25]

China also uses military diplomacy to support efforts to degrade U.S. influence and partnerships, as well as promote its own agenda, where it perceives an opportunity to do so. A recent example is China's security engagements with the Solomon Islands, which resulted in an April 2022 agreement that allows routine visits of PLA Navy ships and training of local law enforcement. While China's efforts to grow its overall influence in the Pacific Island states have not been entirely successful, it is notable that the Chinese leadership looked to military engagements as one of its primary influence-building tools.[26] China's security footprint in Latin America has also been growing, though the PLA has generally prioritized military and security engagements with countries where anti-U.S. communist and populist leaders hold power, such as

---

[23] He Yin, "China, Africa Work to Build Security Community," *People's Daily Online*, July 29, 2022.

[24] Nathan Beauchamp-Mustafaga, "China's Military Aid Is Probably Less Than You Think," *RAND Blog*, July 26, 2022, https://www.rand.org/blog/2022/07/chinas-military-aid-is-probably-less-than-you-think.html.

[25] Luo Zhaohui [罗朝晖], Wan Jie [万捷], and Li Hongyang [李弘扬], "Research on Factors in Site Selection of Overseas Military Base of Chinese Navy" ["我国海军海外基地选址因素研究"], Logistics Technology [物流技术], June 2019, p. 141.

[26] Derek Grossman, "China's Gambit in the Pacific: Implications for the United States and Its Allies and Partners," testimony presented before the U.S.-China Economic and Security Review Commission, RAND Corporation, CT-A2198-1, August 3, 2022, p. 6, www.rand.org/t/CTA2198-1.

Cuba, Venezuela, and Argentina. These countries, as well as others in the region, purchase arms from Chinese companies and, in Argentina's case, have provided the PLA access to develop Chinese space capabilities in the region. The PLA's Strategic Support Force now operates a telemetry, tracking, and command station in Argentina, which has raised concerns for the U.S. military.[27]

In terms of China's efforts to build global economic power, military diplomacy also serves to help China increase its security partnerships and military access near vital economic and strategic interests. China's peacekeeping operations in Africa, for example, have led to greater Chinese security and military presence in countries where China has interests in energy and precious minerals.[28] China's evolving economic and security interests will potentially drive it to further prioritize security partnership-building and access with developing countries to help integrate them into Chinese-led trade networks. Many of these states, such as countries in Africa, South Asia, and Central Asia, face security threats, including domestic instability or threats from neighboring countries, and could benefit from PLA training or presence, though how ready the PLA will be to respond to potential host-country requests for military support is a challenge China will likely face in the future.[29] As competition continues, the PLA could use military diplomacy to build security capabilities in BRI countries sympathetic to China, which could potentially extend the range and geographic reach of China's military capabilities, as well as institutionalize and normalize Chinese military access overseas.[30] This is not to say that all BRI countries will agree to partner with China; certainly many countries simply would like the economic benefits promoted by BRI. However, China may seek to prioritize military diplomacy efforts in geographic areas of priority with countries near critical economic interests or that could provide access to key waterways located in the Indian Ocean, Africa, and the Middle East.

China Uses Military Diplomacy to Support PLA Modernization and Overseas Missions

Military diplomacy also supports the PLA's development of expeditionary capabilities and ability to conduct overseas missions.[31] Specifically, it enables the PLA's warfighting capabilities through expanding security partnerships and increased opportunities to build operational

---

[27] Evan Ellis, "Chinese Military and Police Engagement in Latin America," in Roger Cliff and Roy D. Kamphausen, eds., *Enabling a More Externally Focused and Operational PLA: 2020 PLA Conference Papers*, U.S. Army War College Press, July 2022; Office of the Secretary of Defense, *Military and Security Developments of the People's Republic of China 2020: Annual Report to Congress*, August 2020, p. 63.

[28] Joel Wuthnow, "PLA Operational Lessons from UN Peacekeeping," in Joel Wuthnow, Arthur S. Ding, Phillip C. Saunders, Andrew Scobell, Andrew N.D. Yang, eds., *The PLA Beyond Borders: Chinese Military Operations in Regional and Global Context*, National Defense University Press, 2021.

[29] Garafola et al., 2022, p. 14.

[30] Heath, Grossman, and Clark, 2021, p. 157.

[31] Authoritative Chinese texts describe the PLA's overseas missions as defending Chinese personnel living overseas and supporting the security interests of foreign governments that host Chinese companies, securing resources and sea lines of communication (SLOCs), and deepening military exchanges to support China's foreign policy priorities (Xiao Tianliang [肖天亮], ed., *Science of Military Strategy* [战略学], National Defense University Press [国 防大学出版社], 2015).

experience by deploying abroad for nontraditional security operations, such as peacekeeping operations and engagements with foreign militaries for joint exercises, training, and technology cooperation. A recent Chinese article highlights the ways in which military diplomacy contributes to the PLA's warfighting mission, noting that it prepares the PLA for warfighting by starting with "pragmatic cooperation" on nontraditional security threats that can then be expanded to cooperation on joint training and greater access to knowledge of foreign military technologies and to military management and combat methods. The article highlights that the PLA's approach to military diplomacy has served to establish overseas security partnerships, but it also has assisted the PLA in operational learning through building partnerships that can lead to greater access and cooperation in operational and technological areas.[32]

The PLA's counterpiracy missions are an example of the military using this building block approach to develop a specific expeditionary capability—in this case SLOC protection—and gain knowledge from foreign navies. For example, engagements and exercises between the PLA, European, and NATO forces contributed to the PLA's operational learning for counterpiracy and SLOC protection, including practicing such operational capabilities as at-sea refueling and crew transfers, joint piracy boarding operations, medical assistance and evacuation, and small-arms and helicopter exercises.[33] The PLA also learned from interactions with U.S. naval forces, including from shipboard exchanges and joint bilateral counterpiracy exercises.[34] The counter-piracy operations further facilitated ties with countries in Africa and the Middle East, which eventually led to the establishment of China's naval base in Djibouti, where China has completed construction of a deep-water port and is increasing the number of troops stationed at the base.[35]

Military diplomacy could also potentially aid China in gaining access to military or dual-use technology. Chinese writings on military diplomacy note that one of the goals should be to "carry out bilateral military equipment technology exchanges … and continuously improve China's advanced weapons and equipment research and development capabilities."[36] The most obvious example of China's military-to-military relations leading to PLA acquisition of military technology and platforms is with Russia, although the China-Russia relationship is unique in that Russia is one of China's closest partners and the two sides have developed a military partnership over many decades.[37] However, PLA professional military exchanges and collaboration with European militaries and research institutes have also been part of a broader Chinese effort to

---

[32] Deng, 2022.

[33] Ellis, 2022, p. 8.

[34] U.S. Central Command, "U.S. and China Team Up for Counter-Piracy Exercise," press release, September 19, 2012; Andrew S. Erickson and Austin M. Strange, "China's Blue Soft Power," Vol. 68, No. 1, *Naval War College Review*, 2015, p. 9.

[35] Isaac Kardon, "China's Overseas Bases, Places, and Far Seas Logistics," in Joel Wuthnow, Arthur S. Ding, Phillip C. Saunders, Andrew Scobell, and Andrew N.D. Yang, eds., *The PLA Beyond Borders: Chinese Military Operations in Regional and Global Context*, National Defense University, 2021.

[36] Deng, 2022.

[37] Paul N. Schwartz, "The Changing Nature and Implications of Russian Military Transfers to China," Center for Strategic and International Studies, June 21, 2021.

obtain dual-use technology from European companies.[38]The PLA has also covertly pursued scientific collaboration and technology acquisition with overseas research institutes and companies.[39]

China's military diplomacy has supported other countries in gaining access to technologies to improve their military capabilities. China has long supplied Pakistan with military platforms and technologies, including tanks, frigates, fighter jets, drones, and anti-drone systems, which have the potential to be used in a conflict with India.[40] China's growing military partnership with Iran, which has included more frequent naval exercises (some of which included Russia), and joint training and education exchanges have led to the possibility of China exporting arms and military technologies to Iran.[41] China's supply of military platforms and arms to Iran, should it occur, has the potential to contribute to regional instability in the Middle East. Lastly, China's external engagements, particularly those that lead to an increased PLA or Chinese People's Armed Police presence in a country or area, support the collection of intelligence on foreign militaries. China's base in Djibouti and the Gulf of Aden counterpiracy operations, for example, provide opportunities for the PLA to collect intelligence on U.S. facilities and operations in Djibouti and the surrounding area, as well as those of our allies. However, expanding Chinese overseas activities and presence also opens Chinese forces to greater counterintelligence risks.[42]

Implications and Recommendations for U.S. Policymakers

China's overseas military diplomacy is playing a greater role in supporting the country's foreign policy objectives and interests abroad, expanding its international influence, and building overseas military capabilities. However, despite efforts to use military diplomacy to support these goals, China and the PLA have confronted several challenges.

First, the PLA's foreign military engagements have not necessarily led to improved overseas relations and ability to achieve China's strategic goals. For example, following the Solomon Islands security pact, China brought a set of multilateral security and development proposals to the Pacific Island states, which they turned down.[43] Second, while the PLA's military diplomacy with BRI countries and nontraditional security engagements have allowed it to expand its military footprint, in many cases these deployments are small and are difficult to expand barring significantly more investment and a more robust system of partners and allies similar to that of the United States or other world militaries. On a related point, not all BRI countries have the

[38] Lucie Béraud-Sudreau and Meia Nouwens, "Sino-European Military Cooperation in the Twenty-First Century: From Friends to 'Frenemies?'" in Roger Cliff and Roy D. Kamphausen, eds., *Enabling a More Externally Focused and Operational PLA: 2020 PLA Conference Papers*, U.S. Army War College Press, July 2022, p. 19.

[39] Alex Joske, "Picking Flowers, Making Honey," Australian Strategic Policy Institute, October 30, 2018.

[40] Li Xuanzun, "China Displays Advanced Weapons, Equipment at Pakistani Defense Expo," *Global Times*, November 16, 2022.

[41] "China, Iran, Boost Military Cooperation Amid Tensions with U.S.," Bloomberg News, April 27, 2022; "Iran, China and Russia Hold Naval Drills in North Indian Ocean," 2022.

[42] Garafola et al., 2022, p. 76.

[43] Grossman, 2022, p. 1.

infrastructure or political will to host PLA presence or capabilities. While not an overseas example, China's extensive BRI efforts combined with military diplomacy with Vietnam have not led to significant expansion of security ties.[44] Third, increased PLA diplomacy and foreign engagements, particularly with potentially unstable countries with security concerns, could tax the PLA's ability to maintain overseas operations. With the PLA's still limited expeditionary capabilities, it is unclear whether the PLA would be ready for larger and longer deployments, or what capabilities it would agree to provide, should a security partner request Chinese military assistance. This could particularly be the case if China's economy significantly slows and requires the Chinese leadership to prioritize Indo-Pacific regional military operations over devoting resources to grow the PLA's presence abroad. Fourth, the success of the PLA's military diplomacy is somewhat beholden to China's overall approach to its foreign policy and how countries view that approach. A China that is perceived as coercive or an untrustworthy partner could hamper PLA efforts to build relations and gain access in key locations. We have witnessed China's reputation as an economic partner become somewhat degraded, for example, by the substantial amount of bad debt that BRI partners have incurred from Chinese infrastructure projects, particularly in developing countries where China has focused military diplomacy efforts on building security partnerships and gaining military access.[45] Fifth, many of China's military engagements are conducted for political value and therefore provide limited benefits for foreign militaries in developing new capabilities or building interoperability, for example.[46]

However, China's overseas military engagements do have the potential to challenge U.S. interests in several areas. As this testimony articulates, Chinese leaders are increasingly using military diplomacy as an element of China's foreign policy. As the PLA's capabilities to conduct foreign engagements expand, they are likely to be a supporting piece of Chinese foreign policy initiatives that seek to undermine U.S. alliances and partnerships. Expanded PLA engagements and presence overseas creates more opportunities for intelligence collection, particularly in areas where PLA and U.S. forces operate in proximity or where Chinese forces can observe U.S., partner, and ally activities through increased intelligence, surveillance, and reconnaissance capabilities should more countries be willing to host such capabilities on China's behalf. Military diplomacy will also undergird China's efforts to establish more overseas bases, which could then provide a platform for extended PLA operational reach in South Asia, the Indian Ocean, and the Middle East, for example, depending on where China chooses to establish additional bases and what capabilities the host country agrees to house on its soil.[47]

Beyond the issue of access, China's military diplomacy activities could augment its efforts to build a wider range of partners with more military capability that could challenge U.S. interests

---

[44] Garafola et al., 2022, pp. 4, 23–24.

[45] For a comprehensive overview of China's BRI debt and lending, see Ammar A. Malik, Bradley Parks, Brooke Russell, Joyce Jiahui Lin, Katherine Walsh, Kyra Solomon, Sheng Zhang, Thai-Binh Elston, and Seth Goodman, *Banking on the Belt and Road: Insights from a New Global Dataset of 13,427 Chinese Development Projects*, AidData at William & Mary, September 29, 2021.

[46] Saunders and Ha, 2022.

[47] For a discussion on locations that the PLA might consider for overseas bases, see Garafola et al., 2022.

through arms sales, technology transfer, and military training. China's provision of arms sales and military training to Pakistan, for example, could contribute to regional instability and conflict with India, and Chinese arms sales to countries in the Middle East, Africa, and Latin America are increasing.[48]

Given China's approach to overseas military diplomacy and the potential challenges to U.S. interests, U.S. policymakers might consider the following:

- **Capitalize on the United States' robust alliance and partnership network to limit China's access.** As this testimony highlights, China is still building a network of security partners focused on gaining access to economically vital and strategic locations, and in some cases, its reputation has diminished with countries that have previously supported China. The United States should capitalize on its extensive network of allies and partners to advance security cooperation with partners in areas of U.S. interest to limit their willingness to allow China to gain access to key ports and other infrastructure. This could include more security cooperation with states in the Pacific Islands, South Asia, and the Indian Ocean region.
- **Work with U.S. allies and partners to mitigate intelligence risks from Chinese military diplomacy activities.** Given the potential for China to gather intelligence as its foreign engagements increase, the United States could assist allies and partners in mitigating intelligence collection risks by leading efforts to bolster counterintelligence and information security capabilities, as well as support allies and partners in gaining a comprehensive picture of Chinese foreign military engagements and activities in their area or region.
- **Increase awareness on China's overseas military diplomacy, how it supports CCP objectives, and the implications for U.S., ally, and partner interests.** The greater emphasis placed on military diplomacy by the Chinese leadership and the evolving ways in which the PLA's overseas engagements are supporting broader CCP goals provide an opportunity for the U.S. government, in particular the Department of Defense and Congress, to increase awareness of China's actions and the ways in which they can affect U.S., ally, and partner interests. For example, the United States could consider conducting frank discussions with its allies and partners about limiting opportunities for the PLA to use military diplomacy, including professional military education exchanges, to increase operational capabilities and technical knowledge.
- **Elevate the public profile of U.S. military engagements.** Although one could debate whether China's efforts to use military diplomacy to shape international perceptions have been successful, the United States should ensure that its own engagements are visible to allies and partners, as well as to China, and that the benefits of those engagements are clearly articulated. This will reinforce U.S. military alliances and security relationships overseas and will also signal to China that the United States is focused on maintaining and growing its own network of allies and partners.
- **Consider supporting additional research on China's military diplomacy.** Because China's military diplomacy is likely to remain a feature of China's foreign policy

[48] Cortney Weinbaum, John V. Parachini, Melissa Shostak, Chandler Sachs, Tristan Finazzo, Katheryn Giglio, *China's Weapons Exports and Private Security Contractors,* RAND Corporation, TL-A2045-1, 2022.

activities related to U.S.-China competition, the subject warrants more research. Topics could include examining how military diplomacy efforts to expand security relationships are tied to the BRI, as well as China's other efforts to expand influence, such as the Global Development Initiative and Global Security Initiative, and assessing future trends and assumptions for how the PLA might employ military diplomacy in the context of U.S.-China competition.

OPENING STATEMENT OF JORDAN LINK, INDEPENDENT RESEARCHER

COMMISSIONER SCHRIVER: Excellent, thank you. Mr. Link?

MR. LINK: Distinguished Co-Chairs and Commissioners, thank you for allowing me to testify today on the overseas security activities of China's Ministry of Public Security. Under President Xi Jinping, the CCP has significantly expanded the overseas activities of the MPS, increasingly using security cooperation as a tool to expand its influence and shape global security norms. The MPS is typically understood as a domestic-facing institution.

Its day-to-day responsibilities include law enforcement and criminal justice work. The institution's priorities also include authoritarian political policing such as stability maintenance, a euphemism for controlling protests, riots, and other forms of dissent. The MPS is a core part of CCP's coercive apparatus, serving as one of the party's main tools to maintain political power and social order.

The MPS also has an international mandate to organize exchanges and collaborate with international police and security apparatuses. The scope of the MPS' international activities can be divided into three main categories: number one, unilateral actions, including transnational repression and illegal rendition campaigns, number two, bilateral engagement, including bilateral meetings, formal agreements, capacity building activities, material assistance, and extraterritorial joint security patrols, and three, multilateral engagement, including the creation of new international institutions and activities within established bodies such as INTERPOL.

The MPS' global efforts pose significant challenges to the United States and other liberal democracies such as the MPS conducts transnational repression operations such as kidnaping and threatening individuals abroad. It operates under the CCP's own definition of the rule of law and terrorism, which depart from globally established norms, simultaneously eroding the shared recognition of these concepts while creating the pretext for a wide-ranging authority to act abroad. And finally, MPS norm-breaking behaviors may also encourage other authoritarian regimes to act in similar ways.

In terms of unilateral actions, the MPS plays a key role in the CCP's ongoing global campaign of transnational repression, most notably through rendition campaigns called Operation Fox Hunt and Operation Sky Net. Operation Fox Hunt was launched in 2014 and is an initiative to locate and extradite alleged Chinese fugitives who have fled overseas. President Xi and the CCP have also used these campaigns to purge political rivals, silence critics, and eliminate the perceived foreign intelligence risks. Substantial evidence confirms that Operation Fox Hunt missions have been conducted on U.S. soil where agents have surveilled, harassed, and coerced U.S. citizens.

In terms of bilateral and multilateral engagement, MPS interactions with foreign counterparts forged stronger relationships with peer security institutions, building the MPS' reputation as a credible security partner. Of 114 identified bilateral exchanges, over half of which have occurred under President Xi's tenure, over 60 percent of these took place with Asian governments, about half of whom border China. Counter-terrorism is the most frequently discussed topic and identified bilateral exchanges aligning with the MPS' role as the PRC's leading organization on counterterrorism matters. Other commonly discussed topics during these meetings include transnational crime, counter drug efforts, law enforcement cooperation and capacity building, and border security.

Topics such as maintaining stability and managing protests and riots were mentioned in at least 41 different bilateral meetings with officials from 18 different countries. The MPS has

signed at least 51 agreements with 31 different partner governments between 1995 and 2020. These agreements have the potential for negative downstream effects related to human rights.

For example, in June 2017, the Egyptian government announced the signing of cooperation agreement between the MPS and Egypt's Ministry of Interior to address the spread of terrorism, extremist ideology. Weeks later, Egypt detained more than 200 Uyghurs residing in Egypt, a step some suspect came in response to a call from Beijing. The MPS also provides capacity building opportunities such as training sessions to partner security institutions across the globe.

Of the 77 sessions identified, Asia governments received the most training sessions at about 40 percent. African governments received the next largest share at 35 percent. The MPS has trained police from 10 different countries on stability maintenance topics.

Increasingly, the MPS has offered training on cyber and technology topics, including electronic data forensics, network attack and defense technology, and artificial intelligence. From 2006 to 2021, the MPS provided material assistance to 22 different countries on 39 different occasions. These donations range from computers, police equipment and investigative technologies to the construction of facilities for partner security institutions and the provision of COVID-19-related PPE.

The MPS has also conducted bilateral joint patrols with police officers in Croatia, Italy, and Serbia between 2016 and 2019. According to Chinese new sources, these patrols are intended to protect Chinese tourists and overseas Chinese citizens during the height of tourist season. In terms of the MPS' multilateral engagement in 2015, the MPS created an international institution to forge stronger relationships abroad called the Lianyungang Forum.

This forum convenes police and security sector officials from 30 to 40 countries annually, most recently in 2020. Participants in this forum range from liberal democracies to authoritarian regimes. The MPS has hosted a police equipment expo alongside this forum to offer business opportunities to domestic security firms featuring products like video surveillance, image processing, drones, facial recognition systems, smart transport, and smart city technologies, armored vehicles, and weapons.

The MPS also engages within existing multilateral institutions such as INTERPOL. While INTERPOL is forbidden under Article 3 of its constitution from undertaking any intervention or activities of a political, military, religious, or racial character, Beijing and the MPS have reportedly violated INTERLOP's rules by pursuing political dissidents via the Red Notice System, subverting the true criminal investigative purposes of the institution. Moving to policy recommendations, the core objective to addressing the MPS' increasingly malign role in China's foreign policy toolkit should be to counter and deter the MPS' willingness and ability to conduct activities abroad that break local and international law, undermine international norms on security sector governance, and endanger civilians.

At the same time, the U.S. must address the fact in certain circumstances the MPS is meeting public security demand from countries that share the PRC's authoritarian values. To protect the U.S. interests, the U.S. Congress should counter transnational repression occurring in the U.S. by crafting new legislation to deter such activities while focusing on helping individuals that are targeted by the institution. And then second, building a knowledge base of MPS activity to increase monitoring of and reporting on the MPS, sharing that information with other governments, and pressing for increased transparency of partner governments' engagement with the MPS. That first step should include mandating a regular Congressional report on the MPS' activities. Thank you.

PREPARED STATEMENT OF JORDAN LINK, INDEPENDENT RESEARCHER

Testimony before the U.S.-China Economic and Security Review Commission[1]

Hearing on "China's Military Diplomacy and Overseas Security Activities"

January 26, 2023

Jordan Link

Distinguished Co-Chairs and Commissioners, thank you for inviting me to testify today on the overseas security activities of China's Ministry of Public Security.

Under President Xi Jinping, the Chinese Communist Party (CCP) has significantly expanded the overseas activities of China's Ministry of Public Security (MPS), increasingly using security cooperation as a tool to expand its influence and shape global security norms.

Typically understood as a domestic-facing institution, the MPS' day-to-day responsibilities include law enforcement and criminal justice work, ranging from traffic enforcement to countering violent crime.[2] The institution's priorities also include authoritarian political policing such as "stability maintenance" (维稳 wéiwěn), a euphemism for controlling protests, riots, and other forms of dissent.[3] The MPS is a core part of the CCP's coercive apparatus, serving as one of the party's main tools to maintain political power and social order according to the dictates of CCP leadership.[4]

The MPS also has an international mandate to organize exchanges and collaborate with international police and security apparatuses. The scope of the MPS' international activities can be divided into three categories: ***1) unilateral actions***, including transnational repression and illegal rendition campaigns; ***2) bilateral engagement,*** including bilateral meetings, formal agreements, capacity building activities, material assistance, and extraterritorial joint security patrols; and ***3) multilateral engagement,*** including the creation of new international institutions and activities within established bodies such as Interpol.

The MPS' global efforts to implement the CCP's directive to "actively build a law enforcement security cooperation system with Chinese characteristics" pose significant challenges to the United States and other liberal democracies.[5] The MPS conducts transnational repression operations such as kidnapping and

[1] This testimony is drawn from Jordan Link, "The Expanding International Reach of China's Police," Center for American Progress, October 17, 2022, available at https://www.americanprogress.org/article/the-expanding-international-reach-of-chinas-police/.
[2] Suzanne E. Scoggins, *Policing China* (Ithaca, NY: Cornell University Press, 2021), p. 7.
[3] Suzanne E. Scoggins, *Policing China* (Ithaca, NY: Cornell University Press, 2021), p. 5, 32.
[4] Center for Security and Emerging Technology, "Translation: Ministry of Public Security 2019 Budget," September 2, 2020, available at https://cset.georgetown.edu/research/ministry-of-public-security-2019-budget/.
[5] Ministry of Public Security of the People's Republic of China, "Quan guo gong an guo ji he zuo gong zuo hui yi zai jing zhao kai" (National Public Security International Cooperation Work Conference Held in Beijing), Xinhua News Network, February 7, 2017, available at http://www.xinhuanet.com/politics/2017-02/07/c_1120426453.htm; Lindsey W. Ford, "Extending the long arm of the law: China's international law enforcement drive," Brookings

threatening political dissidents, human rights activists, ethnic and religious minorities, and former officials accused of corruption. The MPS operates under the CCP's own definitions of the rule of law and terrorism, which depart from globally established norms, simultaneously eroding shared recognition of these concepts while creating the pretext for a wide-ranging authority to act abroad. MPS norm-breaking behaviors may also encourage other authoritarian regimes to act in similar ways.

Why is the MPS Playing a Larger Role within the CCP's Foreign Policy?

The expansion of MPS international police cooperation activity is driven by two primary motivations. First, the MPS is working to advance expected overseas security interests of the PRC, such as counterterrorism, countering drug trafficking, and protecting Chinese nationals and companies in foreign countries. MPS overseas activities are expanding in tandem with the expansion of the PRC's overseas interests, most notably in support of President Xi's main foreign policy initiative, the Belt and Road Initiative (BRI). At the BRI Security Cooperation Dialogue in 2017, then-MPS Minister Guo Shengkun expressed his hope that "all [BRI participants] will establish common security and cooperative security concepts, establish and improve the 'Belt and Road' security cooperation mechanism."[6] At the same conference, former MPS Minister Meng Jianzhu called for BRI participants to "deepen law enforcement and security cooperation."[7]

Second, the MPS' global activities are driven by Beijing's discontent with the current international liberal democratic order.[8] Beijing has been clear about its intent to assert greater influence over global security norms and, starting around 2017, has given the MPS a clear mandate to help achieve this vision. In his keynote speech at the 2017 Interpol General Assembly, President Xi declared that "the current global security governance system has many incompatibilities and should be reformed and improved."[9] That same year, the PRC's National Public Security International Cooperation Work Conference—a convening of the PRC's top public security and legal officials—gave the MPS a broad international mandate, calling on it to "grasp the new characteristics of the internationalization of public security work."[10] In 2019, then-

---

Institution Order from Chaos blog, January 15, 2021, available at https://www.brookings.edu/blog/order-from-chaos/2021/01/15/extending-the-long-arm-of-the-law-chinas-international-law-enforcement-drive/.

[6] Xinhua News Network, "'Yi dai yi lu' an quan he zuo dui hua hui zai jing ju xing meng jian zhu hui jian dai biao tuan tuan zhang" ('One Belt One Road' Security Cooperation Dialogue Held in Beijing Meng Jianzhu Meets with the Head of Delegation), May 4, 2017, available at http://www.xinhuanet.com/politics/2017-05/04/c_1120919833.htm.

[7] Ibid.

[8] The current liberal democratic order is often characterized by "limits to state authority, such as binding international law and unalienable individual rights." For more information, please see Melanie Hart and Blaine Johnson, "Mapping China's Global Governance Ambitions" (Washington: Center for American Progress, 2019), available at https://www.americanprogress.org/article/mapping-chinas-global-governance-ambitions/.

[9] Xi Jinping, "jian chi he zuo chuang xin fa zhi gong ying xie shou kai zhan quan qiu an quan zhi li" (Adhere to cooperation, innovation, rule of law, and win-win cooperation to carry out global security governance), *People's Daily*, September 27, 2017, available at http://cpc.people.com.cn/n1/2017/0927/c64094-29561212.html. (Full quote: "坚持改革创新，实现共同治理… 现行全球安全治理体系有很多不适应的地方，应该加以改革完善，推动全球安全治理体系朝着更加公平、更加合理、更加有效的方向发展")

[10] Ministry of Public Security of the People's Republic of China, "Quan guo gong an guo ji he zuo gong zuo hui yi zai jing zhao kai" (National Public Security International Cooperation Work Conference Held in Beijing), Xinhua News Network, February 7, 2017, available at http://www.xinhuanet.com/politics/2017-02/07/c_1120426453.htm; Ford, "Extending the long arm of the law: China's international law enforcement drive."

MPS Minister Zhao Kezhi directed the MPS to grow its international profile to enhance its power to influence global security norms, calling for the ministry to build a "new system of public security international cooperation work" to ensure that CCP foreign policies are implemented.[11] After the 2017 directives to the MPS to become more active abroad, there has been a notable increase in its global engagements.

The CCP stands to benefit in several ways from MPS exchanges with other countries' internal security and law enforcement personnel. First, the MPS' bilateral and multilateral engagements serve to forge stronger relationships with peer security institutions, building the MPS' reputation as a credible security partner. Additionally, these engagements provide valuable signaling and intelligence sharing opportunities between the PRC and other states.

Unilateral Actions and Transnational Repression

The MPS plays a key role in the CCP's ongoing global campaign of transnational repression,[12] most notably through rendition campaigns called Operation Fox Hunt and Operation Sky Net. Launched in 2014, Operation Fox Hunt is an initiative to locate and extradite alleged Chinese fugitives who fled overseas. It is now subsumed under Operation Sky Net—a broader initiative launched by the Central Commission for Discipline Inspection in 2015 to coordinate rendition efforts across multiple PRC government agencies.[13] In addition to identifying and punishing corruption, President Xi and the CCP have used these campaigns to purge political rivals, silence critics, and eliminate perceived foreign intelligence risks.[14] Chinese sources indicate that from 2014 to 2020, Operation Fox Hunt and Operation Sky Net missions have led to the arrest of more than 8,000 targets across 120 different countries.[15]

---

[11] Ministry of Public Security of the People's Republic of China, "Zhao ke zhi dui gong an guo ji he zuo gong zuo ti chu yao qiu, shen ru xue xi guan che xi jin ping wai jiao si xiang, quan mian ti sheng xin shi dai gong an guo ji he zuo gong zuo neng li shui ping, wang xiao hong chu xi quan guo gong an ji guan guo ji he zuo gong zuo hui yi bing jiang hua" (Zhao Kezhi puts forward requirements for international cooperation of public security, In-depth study and implementation of Xi Jinping Thought on Diplomacy, Comprehensively enhance the level of public security international cooperation in the new era, Wang Xiaohong attended the National Public Security Agencies International Cooperation Work Conference and delivered a speech).

[12] According to Freedom House, transnational repression "describes the ways a government reaches across national borders to intimidate, silence, or harm an exile, refugee, or member of the diaspora who they perceive as a threat and have a political incentive to control. Methods of transnational repression include assassinations, physical assaults, detention, rendition, unlawful deportation, unexplained or enforced disappearance, physical surveillance or stalking, passport cancellation or control over other documents, Interpol abuse, digital threats, spyware, cyberattacks, social media surveillance, online harassment, and harassment of or harm to family and associates who remain in the country of origin." Freedom House, "Policy Recommendations: Transnational Repression," https://freedomhouse.org/policy-recommendations/transnational-repression.

[13] Central Commission for Discipline Inspection and Supervision Department, "Zhongguo qidong fanfu 'tian wang' xingdong jiang zhua yi pi waitao tanguan" (China launches anti-corruption 'Sky Net' operation to catch a number of corrupt officials fleeing the country), March 26, 2015, available at http://news.sina.com.cn/c/2015-03-26/175731649218.shtml; Safeguard Defenders, "Involuntary Returns: China's covert operation to force 'fugitives' overseas back home" (Madrid: 2022), available at https://safeguarddefenders.com/sites/default/files/pdf/INvoluntary%20Returns.pdf.

[14] Zach Dorfman, "China Used Stolen Data to Expose CIA Operatives in Africa and Europe," *Foreign Policy*, December 21, 2020, available at https://foreignpolicy.com/2020/12/21/china-stolen-us-data-exposed-cia-operatives-spy-networks/#.

[15] Jiang Lirong, "zhua bu 'can yu lie hu xing dong ren yuan' mei che di dian fu he zuo ji zhi shi zai du hua zi shen" (Arresting "People Involved in The Fox Hunt" The United States is completely subverting the cooperation

Substantial evidence confirms the global reach of Fox Hunt and Sky Net operations, including within the United States. For example, in March 2022, the U.S. Department of Justice alleged that Sun Hoi Ying acted and conspired to act in the United States as an unregistered PRC government agent while conducting an Operation Fox Hunt mission.[16] According to the charging documents, Sun allegedly surveilled and pressured an ethnically Chinese U.S. citizen to return to the PRC as part of an anti-corruption investigation.[17] The target's daughter, a U.S. citizen, was allegedly held against her will in the PRC for eight months after visiting family in an effort to pressure the target to return to the PRC.[18] The DOJ claims that Sun Hoi Ying, the same PRC agent, coordinated and co-conspired with an unnamed local U.S. law enforcement officer while pursuing a different target in order to threaten and pressure that target to return to the PRC.[19]

MPS Bilateral Engagement

Bilateral police diplomacy

From 1997 to 2021, MPS officials held 114 bilateral meetings with foreign counterparts. More than 60 percent of all identified MPS bilateral exchanges occurred during President Xi's tenure. Over 60 percent of bilateral exchanges took place with Asian governments, about half of whom border China.[20]

Counterterrorism was the most frequently discussed topic in identified bilateral exchanges, aligning with the MPS' role as the PRC's leading organization responsible for counterterrorism matters.[21] Other commonly discussed topics in bilateral meetings included transnational crime, counter-drug efforts, law enforcement cooperation and capacity building, and border security. Topics such as maintaining stability (including social stability, regional stability, and national stability), and managing large-scale events such as protests and riots were mentioned in at least 41 different bilateral meetings with officials from 18

---

mechanism by poisoning itself), *The Global Times*, October 29, 2020, available at https://world.huanqiu.com/article/40U55Ncmkcs; From 2015 to 2020, at least 8,111 individuals were arrested abroad under the auspices of Operation Sky Net—6,690 from 2015 to 2019, and 1,421 in 2020. CCTV, "2019 zhui tao zhui zang cheng ji dan gong bu qian 10 yue zhui hui 1634 ren jin e jin 30 yi" (The 2019 transcript of fleeing and recovering assets was announced, 1,634 people were recovered in the first 10 months, with an amount of nearly 3 billion), December 10, 2019, available at http://news.cctv.com/2019/12/10/ARTI5G3E2A93EB9sK5N6tE8A191210.shtml; Central Commission for Discipline Inspection and State Supervision Commission, "Yiti tuijin zhui tao fang tao zhuizang 'tian wang 2020' xingdong zhui hui waitao renyuan 1421 ren," (Operation "Sky Net 2020" Recovered 1421 People Who Fled), Xinhua News Network, February 22, 2021, available at http://www.xinhuanet.com/politics/2021-02/22/c_1127122649.htm; Rotella and Berg, "Operation Fox Hunt: How China Exports Repression Using a Network of Spies Hidden in Plain Sight."

[16] U.S. Department of Justice, "Chinese National Charged With Acting As An Unregistered Agent Of The Chinese Government In The United States," Press release, March 30, 2022, available at https://www.justice.gov/usao-sdny/pr/chinese-national-charged-acting-unregistered-agent-chinese-government-united-states.

[17] Ibid.

[18] Ibid.

[19] Ibid.

[20] Data drawn from the CAP database tracking the MPS' bilateral foreign engagements, available here: database tracking the MPS' bilateral foreign engagements.

[21] Murray Scot Tanner and James Bellacqua, "China's Response to Terrorism" (Arlington, VA: CNA, 2016), p. 64, available at https://www.uscc.gov/sites/default/files/Research/Chinas%20Response%20to%20Terrorism_CNA061616.pdf.

different countries. Most of these 18 countries were designated as "partly free" or "not free" under Freedom House's Global Freedom Status framework.[22] Stability maintenance has doubled as a topic of discussion during MPS bilateral meetings since President Xi assumed power in 2013, indicating that an increasing number of foreign governments seem interested in engaging with the MPS on issues such as controlling protests, riots, and other forms of political dissent.

Formal agreements

The MPS signs formal agreements with foreign governments to institutionalize and foster future international police cooperation. These agreements are most often signed during bilateral meetings between the MPS and its foreign counterparts. The MPS has signed at least 51 agreements with 31 different partner governments between 1995 and 2020.

The PRC's public security cooperation with Egypt demonstrates the potential downstream human-rights-related consequences of formal security cooperation agreements. In June 2017, the Egyptian government announced the signing of an MPS-Ministry of Interior cooperation agreement, which would address "the spread of terrorism and extremist ideologies."[23] Weeks later, Egypt detained more than 200 Uyghurs residing in Egypt, a step some suspect came in response to a request from Beijing.[24]

Capacity building cooperation

The MPS has provided at least 77 capacity building opportunities such as training sessions to partner security institutions globally. Asian governments received the most training sessions at almost 40 percent. African governments received the next-largest share at 35 percent. The MPS has trained police from 10 different countries (Argentina, Fiji, Kazakhstan, Liberia, Myanmar, North Korea, Panama, Papua New Guinea, Tunisia, and Uzbekistan) on stability maintenance topics. Increasingly, the MPS has offered training on cyber and technology topics, including electronic data forensics and technology, network attack and defense technology, big data applications for law enforcement, artificial intelligence (AI), and applying big data and AI to counterterrorism efforts.[25]

Material assistance

From 2006 to 2021, the MPS provided material assistance to 22 different countries on 39 different occasions. These donations range from police equipment and investigative technologies to the construction of facilities for partner security institutions.[26] The MPS also supported construction projects, such as rehabilitating and expanding a police academy in Tanzania, constructing new facilities for

---

[22] Freedom House, "Countries and Territories," available at https://freedomhouse.org/countries/freedom-world/scores.

[23] State Information Service, "Egypt, China sign technical cooperation document in specialized security fields," June 20, 2017, available at https://www.sis.gov.eg/Story/114496?lang=en-us.

[24] Shohret Hoshur, Elise Anderson, and Joshua Lipes, "'The Price of My Studies Abroad Was Very High': Uyghur Former Al Azhar University," Radio Free Asia, June 26, 2020, available at https://www.rfa.org/english/news/uyghur/student-06262020141646.html.

[25] Since 2017, the MPS has offered at least 15 training sessions related to cyber issues to foreign police in 12 different countries: Argentina, Armenia, Cambodia, Djibouti, Fiji, Indonesia, Malaysia, Panama, the Philippines, Tajikistan, Tunisia, and Uzbekistan. See CAP database.

[26] For example, the MPS has donated police vehicles, bulletproof vests, long-distance night vision devices, uniforms, reflective vests, gas masks, computers, and printers to foreign partners.

Tajikistan's counternarcotics agency, and building a new police academy in Costa Rica.[27] After the outbreak of the COVID-19 pandemic, the MPS played a role in Beijing's response efforts by donating COVID-19-related personal protective equipment (PPE) to Argentina, Cambodia, Mongolia, the Philippines, Thailand, and Vietnam.

Extraterritorial joint patrols

The MPS has conducted bilateral joint patrols with police officers in Croatia, Italy, and Serbia between 2016 and 2019.[28] According to Chinese news sources, these patrols are intended to protect Chinese tourists and overseas Chinese citizens during the height of tourist seasons.[29]

MPS Multilateral Engagement

In 2015, the MPS created an international institution to forge stronger relationships abroad, called the International Law Enforcement Cooperation Forum on the New Eurasian Continental Bridge Safety Corridor, commonly shortened to the Lianyungang Forum (连云港论坛 Liányúngǎng lùntán).

The Lianyungang Forum convenes police and security sector officials from 30 to 40 countries annually, most recently in 2020. International organizations such as Interpol and the Shanghai Cooperation Organization also send representatives to attend the annual convening. Participants range from liberal democracies—including Germany, Italy, the Netherlands, South Korea, and South Africa—to authoritarian regimes such as Russia and Belarus.[30] The MPS hosts a police equipment and public security technology and equipment exhibition alongside the Lianyungang Forum, with the stated purpose

---

[27] Embassy of the People's Republic of China in the United Republic of Tanzania, "gong an bu zheng zhi bu cai an ji zhu ren fang wen tan sang ni ya" (Director Cai Anji of the Political Department of the Ministry of Public Security visited Tanzania), December 1, 2008, available at http://tz.china-embassy.org/chn/ztgx/t524364.htm; Li Xiaoyu, "gong an bu zheng zhi bu cai an ji zhu ren fang wen tan sang ni ya" (The Chinese Ministry of Public Security assisted in the construction of the office building of the Kulyab Anti-Narcotics Sub-Administration in Tajikistan was completed and handed over), March 19, 2016, available at http://www.xinhuanet.com/world/2016-03/19/c_128814017.htm; Embassy of the People's Republic of China in the Republic of Argentina, "zhong guo gong an bu gong zuo zu ying yao fu a gen ting kai zhan lian he jing wu zhi fa he zuo" (The working group of the Ministry of Public Security of the People's Republic of China was invited to Argentina to carry out joint police law enforcement cooperation), November 10, 2018, available at http://ar.chineseembassy.org/chn/lqfw/t1611941.htm.

[28] Embassy of the People's Republic of China in the Republic of Serbia, "zhu sai er wei ya da shi chen bo chu xi shou ci zhong sai jing wu lian he xun luo qi dong yi shi" (Ambassador To Serbia Chen Bo attended the launching ceremony of the first Sino-Cypriot police joint patrol), September 19, 2019, available at http://rs.chineseembassy.org/chn/sgxx/sghd/t1699107.htm; Embassy of the People's Republic of China in the Republic of Italy, "guan yu gong bu zhong yi di si ci jing wu lian he xun luo zhong wen bao jing re xian de tong zhi" (Notice on the announcement of the fourth police joint patrol Chinese alarm hotline), November 6, 2019, available at https://www.mfa.gov.cn/ce/ceit//chn/lsyw/t1713690.htm; Embassy of the People's Republic of China in the Republic of Croatia, "xu er wen da shi hui jian gong an bu jing wu lian xun dai biao tuan ji zhong fang lian xun jing yuan" (Ambassador Xu Erwen met with the Joint Patrol Delegation of the Ministry of Public Security and the Chinese Joint Patrol Officers), July 13, 2019, available at https://www.mfa.gov.cn/ce/cehr//chn/sgxx/t1680827.htm.

[29] *China Youth Daily*, "2019 nian fu yi jing wu lian he xun luo jing dui song xing yi shi ju xing" (In 2019, the send-off ceremony of the Joint Police Patrol Force to Italy was held), November 5, 2019, available at http://zqb.cyol.com/html/2019-11/05/nw.D110000zgqnb_20191105_5-05.htm.

[30] Jiangsu People's Publishing House, "Lian yun gang nian jian" (Lianyungang Yearbook), (Nangjing, China: 2016), p. 110, available at http://www.lygsz.gov.cn/lygszw/uploads_transfer/soft/170708/2016.pdf.

of driving the development of China's domestic security equipment industry.[31] The exhibition has featured technology products such as video surveillance and image processing, drones, facial recognition systems, smart-transportation and smart-city technologies, armored vehicles, and weapons.[32] Exhibitors include more than 200 security-related companies with close ties to the Chinese government, such as Huawei, ZTE, Dahua, and Hikvision.[33] The expo has featured Chinese companies that are now on the Treasury Department's Non-Specially Designated Nationals Chinese Military-Industrial Complex Companies List. The Lianyungang Forum has also been used as an opportunity to train foreign police officers.[34] According to Chinese government documents, as of 2018, 600 officers had been trained at the Lianyungang training center.[35]

The MPS also engages with existing multilateral institutions such as the International Criminal Police Organization (Interpol). Each Interpol member hosts within its state territory an Interpol National Central Bureau (NCB) office, which connects a country's law enforcement apparatus with other countries' apparatuses and with Interpol's General Secretariat via a global police communication network.[36] China's NCB is housed within the MPS' International Cooperation Bureau.[37]

Interpol is forbidden under Article 3 of its constitution from undertaking "any intervention or activities of a political, military, religious or racial character." However, Beijing and the MPS have reportedly violated Interpol's rules by pursuing political dissidents via the Red Notice system, subverting the true criminal investigative purposes of the institution. The PRC government has faced few consequences for issuing Red Notices against Chinese nationals abroad for political purposes.

---

[31] Qiazhan, "2018 di si jie 'lian yun gang lun tan' jing yong zhuang bei he gong gong an quan chan pin bo lan hui" (2018 The fourth "Lianyungang Forum" police equipment and public safety products expo), available at https://www.qiazhan.com/zhanhui/8469.html.

[32] Qianjia, "Di san jie 'lian yun gang lun tan' jing yong zhuang bei he gong gong an quan chan pin bo lan hui" (The 3rd "Lianyungang Forum" Police Equipment and Public Safety Products Expo), November 29, 2017, available at http://www.qianjia.com/html/2017-11/29_280335.html.

[33] Qiazhan, "2018 di si jie 'lian yun gang lun tan' jing yong zhuang bei he gong gong an quan chan pin bo lan hui" (2018 The fourth "Lianyungang Forum" police equipment and public safety products expo); Sohu, "Lian yun gang lun tan hai wai an bao fen lun tan qu de yuan man cheng gong" (The Lianyungang Forum Overseas Security Sub-forum was a complete success), September 17, 2018, available at https://www.sohu.com/a/254261518_100008029; JS News, "Di si jie lian yun gang jing yong zhuang bei he gong gong an quan chan pin bo lan hui kai mu" (The 4th Lianyungang Police Equipment and Public Safety Products Expo opened), September 12, 2018, available at http://jsnews.jschina.com.cn/lyg/a/201809/t20180912_1908070.shtml.

[34] Tan Xiaoping and Zhang Chi, "Wu guo wai jing xiang ju gang cheng 'lian yun gang lun tan' zai pu xin pian" (Police officers from five countries gather in Lianyungang city, "Lianyungang Forum" writes a new chapter), New Silk Road Horizon, June 27, 2017, available at https://www.fx361.com/page/2017/0627/1991505.shtml.

[35] Li Xiaohua, "Lianyungang Forum promotes int'l law enforcement cooperation," China.org.cn, September 13, 2018, available at http://www.china.org.cn/world/2018-09/13/content_63405502.htm.

[36] Interpol, "National Central Bureaus (NCBs)," available at https://www.interpol.int/en/Who-we-are/Member-countries/National-Central-Bureaus-NCBs.

[37] Interpol, "CHINA," available at https://www.interpol.int/en/Who-we-are/Member-countries/Asia-South-Pacific/CHINA.

The Implications of the Growing International Presence of the MPS For the U.S. and its Allies and Partners

The increasing nature and scope of the MPS' international activities pose several challenges to the United States and others that support an international rules-based order. First, the MPS has demonstrated a blatant disregard for the rule of law, due process, and fundamental human rights on U.S. soil. It has sent operatives abroad to execute transnational repression campaigns without obtaining permission or providing foreknowledge to the countries in which it acts. It has forcibly returned individuals it deems a threat through extralegal means and has abused the Interpol Red Notice system to target overseas Uyghurs and other critics of the CCP. Its conduct undermines the well-being of individuals within China and overseas.

Second, the MPS' international police cooperation efforts normalize the institution's subversive practices and expand its influence in advancing the CCP's vision to reshape security governance norms, in direct competition with U.S. strategy and vision for security cooperation with partners across the globe. The MPS builds relationships with foreign governments and security apparatuses, many of whom also receive U.S. assistance, which helps the MPS develop formal and informal influence and access to pursue the CCP's broader foreign policy aims. The MPS also provides opportunities for other governments to adopt illiberal practices from training in crowd control and counterterrorism tactics to making available Chinese technology to replicate the PRC's tactics of repression in their own territories. Many of these contributions could indeed increase the investigative effectiveness of partner countries' police forces. But when coupled with MPS training that aims to suppress dissent, and given that MPS-provided equipment and technologies could be used for illiberal purposes, it is likely that MPS contributions increase risks to the civil rights of citizens in recipient countries. For example, seemingly apolitical MPS activities can be problematic. MPS cyber-operations training likely includes lessons on how to install and maintain surveillance networks and analyze and integrate complex data sources into policing. While increased cyber capabilities for law enforcement can be a good thing if well-regulated in a democratic society, increased cyber capabilities for police forces operating under authoritarian governments can easily undermine personal freedoms and pose risks for U.S.-provided technologies.

Finally, Beijing's efforts to implement its own global governance vision pose a direct challenge to liberal democratic principles, including the rule of law. In the PRC, "rule of law" is a system of "rule by law," in which the party uses the law as a political tool without the consent of the governed in order to achieve its political aims.[38] Beijing has actively pushed an alternative definition of human rights by advocating for "human rights with Chinese characteristics," which are defined by the state rather than viewed as the moral or inalienable rights of individuals.[39] The PRC also operates under a broader definition of terrorism than the United States and Europe. In the United States and Europe, terrorism is typically understood as "[a] criminal act that is intentionally violent, or is dangerous to human life" with the intent of "coercing or

[38] Jordan Link, Nina Palmer, and Laura Edwards, "Beijing's Strategy for Asserting Its 'Party Rule by Law' Abroad" (Washington: United States Institute for Peace, 2022), available at https://www.usip.org/publications/2022/09/beijings-strategy-asserting-its-party-rule-law-abroad.
[39] Elizabeth C. Economy, *The World According to China* (Cambridge, United Kingdom: Polity Press, 2022), p. 190.

intimidating the government into altering foreign or domestic policy."[40] While the PRC's definition of terrorism also deems illegal similar criminal acts, it also includes acts that would be considered legal in liberal democracies, such as protesting. For example, the PRC's 2015 Counterterrorism Law also outlaws "advocacy or behavior" aimed at "realizing political or ideology objectives through means of violence, destruction, intimidation, or other methods of creating social panic."[41] The Counterterrorism Law's intentionally broad language allows PRC authorities to apply a label of terrorism to almost any political act the party perceives as threatening its monopoly on power. This is a challenge to the U.S. because it means China can label and target individuals abroad as terrorist suspects with impunity.

Most fundamentally, it is the PRC's domestic repression and mandate to uphold the CCP's political monopoly that discredits the MPS' international security cooperation efforts. As stated above, the PRC's domestic legal apparatus operates fundamentally differently than those of liberal democracies, with a different interpretation of the concept of "rule of law." Rather than holding all people, institutions, and entities accountable to the same laws, the CCP uses the law to control Chinese society while concurrently excluding itself from that same legal accountability.[42] Statements made by Sun Xinyang, then-member of the Standing Committee of the Jiangxi Provincial Party Committee and the secretary of the Provincial Discipline Inspection Commission, reveal the CCP's intent to act in extralegal ways as it seeks to apprehend allegedly corrupt individuals and dissidents: "overseas is not outside the law; fleeing abroad is not a way out."[43] The MPS is the CCP's main tool in extending this framework abroad.

Remaining Knowledge Gaps Related to the Overseas Activities of the MPS

How much latitude do subnational MPS organizations have in policymaking? Recent reports have drawn attention to overseas Chinese police service centers.[44] However, it remains unclear what influence top CCP and MPS officials have over these stations. For example, at least four Chinese subnational localities such as Fuzhou, Qingtian, Nantong and Wenzhou have established police outposts in foreign territory.[45] Yet it is an open question at what level of government the initiative was taken to open these stations, how much the stations align with centralized policy goals, and whether subnational MPS organizations are leading other types of international activities, and what level of independence these organizations have in conducting activity abroad.

---

[40] Murray Scot Tanner and James Bellacqua, "China's Response to Terrorism" (Arlington, VA: CNA, 2016), p. 1, available at https://www.uscc.gov/sites/default/files/Research/Chinas%20Response%20to%20Terrorism_CNA061616.pdf.

[41] Xinhua News Agency, "Zhonghua renmin gongheguo fan kongbu zhuyi fa" (Counterterrorism Law of the People's Republic of China), December 27, 2015, available at http://www.xinhuanet.com//politics/2015-12/27/c_128571798.htm.

[42] Malin Oud, "Rule of Law," Decoding China, available at https://decodingchina.eu/rule-of-law/.

[43] Sun Xinyang, "Quan mian cong yan zhi dang wei dang he guo jia shi ye fa zhan ti gong jian qiang bao zheng" (Strictly governing the party in an all-round way provides a strong guarantee for the development of the party and the country), China Discipline Inspection and Supervision News, October 11, 2017, available at http://www.jxdi.gov.cn/tttt/201710/t20171011_86137.htm.

[44] "110 Overseas," Safeguard Defenders, October 29, 2022, available at https://safeguarddefenders.com/sites/default/files/pdf/110%20Overseas%20%28v5%29.pdf; Megha Rajagopalan and William K. Rashbaum, "With F.B.I. Search, U.S. Escalates Global Fight Over Chinese Police Outposts," The New York Times, January 12, 2023, available at https://www.nytimes.com/2023/01/12/world/europe/china-outpost-new-york.html

[45] Ibid.

What are other MPS operations that span the globe? The MPS' role in major transnational repression efforts, most notably Operation Fox Hunt and Operation Sky Net, is well documented. However, there are likely other understudied MPS operations that operate beyond the PRC's borders. For example, Operation Cloud Sword is an MPS information operation that mines and processes large amounts of online data, utilizes cloud computing, and surveils targets via data, leading to arrests domestically and overseas. According to an MPS spokesperson, Operation Cloud Sword relies on "big data tracking and [a] fugitive judging platform to realize real-time early warning…and targeted arrest of fugitives. Most of the fugitives were captured through data research and technical comparison."[46] Chinese news reports indicate 243,000 individuals total were apprehended between June and December 2019 via Operation Cloud Sword, although it is unclear how many of these targets were apprehended beyond China's borders with or without coordination with partner governments.[47] Chinese sources reveal the MPS has conducted Cloud Sword operations to arrest individuals within countries such as Cambodia, the Philippines, Laos, Vietnam, along the border with Myanmar, and in Spain.[48] Against this background, it is clear that the MPS conducts global operations beyond the well-known Operation Fox Hunt and Operation Sky Net.

How active is the MPS in conducting political influence operations? In May 2022, the U.S. Department of Justice charged Stephen A. Wynn, the former finance chairman of the Republican National Committee and a casino magnate, with acting as the agent of the People's Republic of China (PRC). In 2017, Wynn acted at the behest of Sun Lijun, a senior MPS official, in a pressure campaign to cancel the visa or otherwise remove a Chinese business person from the United States.[49] According to the U.S. Department of Justice, Wynn conducted outreach to the incumbent White House chief of staff, two former White House chiefs of staff, and two senior officials on the National Security Council. The suit is one of the most high-profile cases of the MPS being involved in an overseas political influence campaign, and marks the first affirmative civil case under FARA in over three decades.[50] However, in October 2022, a federal

---

[46] "Tong bao quan guo gong an ji guan "yun jian" xing dong kai zhan yi lai you guan gong zuo qing kuang" (Informing the national public security organs of the relevant work since the launch of the "Cloud Sword" operation), People.cn, December 25, 2019, available at http://live01.people.com.cn/zhibo/Myapp/Html/Member/html/201912/100738_104694_5e01c49ab6f8e_quan.html

[47] "Yun jian xing dong zhua huo tao fan 24.3 wan ming, 2716 ming qian tao shi nian yi shang" (Operation "Cloud Sword" captured 243,000 fugitives, 2,716 of which were absconded for more than ten years), The Paper, December 25, 2019, available at https://www.thepaper.cn/newsDetail_forward_5336080

[48] "Gong an bu ju xing quan guo gong an ji guan kai zhan "yun jian" xing dong gong zuo qing kuang fa bu hui" (The Ministry of Public Security held a press conference on the work of national public security agencies carrying out the "Cloud Sword" operation), The State Council Information Office of the People's Republic of China, December 25, 2019, available at http://www.scio.gov.cn/xwfbh/gbwxwfbh/xwfbh/gab/Document/1670737/1670737.htm.

[49] U.S. Department of Justice, "Justice Department Sues to Compel a U.S. Businessperson to Register Under the Foreign Agents Registration Act," May 17, 2022, available at https://www.justice.gov/opa/pr/justice-department-sues-compel-us-businessperson-register-under-foreign-agents-registration.

[50] Dominic Rushe, "US sues casino mogul Steve Wynn to compel him to register as agent of China," The Guardian, May 17, 2022, available at https://www.theguardian.com/world/2022/may/17/us-sues-steve-wynn-casino-mogul-china.

judge dismissed the lawsuit to compel Wynn to register as an agent of the PRC.[51] Against this background, it is reasonable to question whether current or former MPS officials have been involved in other political pressure campaigns in the U.S. or elsewhere across the globe.

Does the MPS leverage multilateral anti-corruption platforms for political purposes? PRC government sources state that Beijing will work within existing platforms such as the U.N. Convention against Corruption, the Asia-Pacific Economic Cooperation, the G-20, and Interpol to "incorporate anti-corruption international cooperation into the [PRC's] national diplomatic strategy."[52] Given the MPS' abuse of Interpol's Red Notice system, other global anti-corruption platforms may also be at risk of being used for political purposes.

Policy Recommendations

The core objective for addressing the MPS' increasingly malign role in China's foreign policy toolkit should be to counter and deter the MPS' willingness and ability to conduct activities abroad that break local and/or international law, undermine international norms on security sector governance, and endanger civilians. At the same time, the United States must address the fact that in certain circumstances the MPS is meeting public security demand signals from countries that share the PRC's authoritarian values. protect U.S. interests and prevent the spread of MPS harm, the United States' Congress should take the following steps outlined below.[53]

- ***Assess gaps in legal authorities to counter transnational repression.*** U.S. agencies that identify and counter transnational repression, such as the Department of Justice, the Department of Homeland Security, and the FBI, should meet with at-risk communities, civil society, and advocacy groups to discuss how best to deter different types of transnational repression, what legal authorities are most effective in responding to MPS activities, and ways to counter these activities while protecting civil rights and personal privacy.

- ***Write new law to better equip U.S. officials in the fight against transnational repression.*** There is no specific provision in U.S. code that outlaws foreign actors from conducting transnational repression actions on U.S. soil. Prosecution of transnational repression cases relies on a patchwork of laws that empower different authorities to address some parts of transnational repression efforts. In addition, many of the existing laws are outdated because they do not account for the use of the internet—for example, digital threats, cyberattacks, and spyware—as a means of conducting transnational repression. Legislation should first define transnational

[51] Spencer S. Hsu, "Judge rejects DOJ bid to compel Steve Wynn to register as China agent," The Washington Post, October 12, 2022, available at https://www.washingtonpost.com/dc-md-va/2022/10/12/wynn-doj-lawsuit-tossed-foreign-agent/.

[52] Sun Xinyang, "Quan mian cong yan zhi dang wei dang he guo jia shi ye fa zhan ti gong jian qiang bao zheng" (Strictly governing the party in an all-round way provides a strong guarantee for the development of the party and the country), China Discipline Inspection and Supervision News, October 11, 2017, available at http://www.jxdi.gov.cn/tttt/201710/t20171011_86137.htm.

[53] For an expanded list of policy recommendations, please see the "Policy Recommendations" section of Jordan Link, "The Expanding International Reach of China's Police," Center for American Progress, October 17, 2022, available at https://www.americanprogress.org/article/the-expanding-international-reach-of-chinas-police/.

repression in clear legal terms, a move that will allow prosecutors to target offenders with greater ease.[54]

- ***Support those in the United States most at risk of facing transnational repression.*** Given the MPS' political priorities, Uyghurs and Chinese political activists and dissidents face the most risk of transnational repression. The United States should implement policies to protect these groups, as advocated for by the Uyghur Human Rights Project, including by increasing refugee quotas, creating a refugee resettlement program for Uyghurs, and expediting the process of documentation for Uyghurs.[55] The FBI and other law enforcement entities can help counter transnational repression by increasing education for and sharing unclassified intelligence with local law enforcement and immigration authorities in areas with high concentrations of vulnerable diasporas.[56]

- ***Build a knowledge base of MPS activity.*** Congress should mandate a regular report on MPS activities. Given the understudied nature of the MPS and its increasing role in the CCP's foreign policy apparatus, the United States should devote resources to further understanding the institution. Congress should mandate that the Office of the Director of National Intelligence prepare both classified and unclassified assessments of the MPS' domestic and overseas activities, and that the unclassified version be released publicly. Specifically, the report should detail the tactics the MPS uses to surveil, control, and repress Chinese citizens domestically; track MPS transnational repression efforts globally; determine the drivers that lead other countries to partner with the MPS; identify other international organizations the MPS leverages; and assess the MPS' ongoing and future goals regarding critical technologies such as artificial intelligence, cloud computing, and biotech.

[54] Lindsey W. Ford, "Extending the long arm of the law: China's international law enforcement drive," Brookings Institution Order from Chaos blog, January 15, 2021, available at https://www.brookings.edu/blog/order-from-chaos/2021/01/15/extending-the-long-arm-of-the-law-chinas-international-law-enforcement-drive/.
[55] Natalie Hall and Bradley Jardine, "'Your Family Will Suffer': How China is Hacking, Surveilling, and Intimidating Uyghurs in Liberal Democracies" (Washington: Uyghur Human Rights Project and The Oxus Society for Central Asian Affairs, 2021), available at https://uhrp.org/wp-content/uploads/2021/11/UHRP-Your-Family-Will-Suffer-Report.pdf.
[56] Nate Schenkkan, "Global Purge: Understanding and Responding to Transnational Repression: Testimony Before the Commission on Security and Cooperation in Europe" (Washington: Freedom House, 2019), available at https://www.csce.gov/sites/helsinkicommission.house.gov/files/SCHENKKAN%20Nate%20-%20Testimony.pdf.

PANEL I QUESTION AND ANSWER

COMMISSIONER SCHRIVER: Thank you. Three excellent statements, very rich. For fellow Commissioners, we are going to go in reverse alphabetical order. And the Chair and Co-Chair will reserve our questions to the end. We're going to make this really complicated. But we'll start in that case with Vice Chairman Wong.

VICE CHAIRMAN WONG: Thank you. Well, thanks for your testimonies and your written submissions. I'll start with -- is it Dr. Gunness or professor? Okay. Ms. Gunness, I noticed at the end of your written testimony, you mentioned further areas of study or for development, you mentioned the Global Security Initiative.

And that concept that Xi Jinping put out, at least to me, is very amorphous. I'm not really quite sure what it means. And could you maybe talk a little bit how you see military diplomacy fitting into that concept, even if preliminarily, given that it is an amorphous concept?

MS. GUNNESS: Sure. Thanks for your question. So I think the Global Security Initiative notwithstanding, I think the main point is that China is increasingly using the military as a tool to support its broader security and foreign policy goals. And part of that is because the PLA actually has the capabilities to be able to do that now whereas they didn't in the past.

But the other part of it is I think that is the intent of military diplomacy. And that's to -- as I was saying in my testimony, to gain access to build relations, to build a network of partners that will feed into China's economic and foreign policy goals. So I think the Global Security Initiative is kind of amorphous.

It's hard -- maybe Dr. Saunders can explain it better. But I think at this point, there aren't a lot of details right now in the public domain anyway about it. But the broader point is that the military diplomacy will continue to feed into that and support some of those broader foreign policy goals.

VICE CHAIRMAN WONG: Any to add, Mr. Saunders?

DR. SAUNDERS: Not a lot specifically. But just to note that this is a patter that you see sometimes in China. The leadership will endorse an amorphous concept.

Everybody in the bureaucracy tries to figure out, how can we shape this? How can we put our stuff inside it? And I think the PLA is one of the actors trying to do that.

Okay. We have all these capabilities. We have all these things we want to do. How do we peg it to a concept like Global Security Initiative that Xi Jinping has endorsed. And then we get more resources and bureaucratic credit for doing so. So I don't have a lot to say specifically because I think it's still very much a work in progress.

VICE CHAIRMAN WONG: So we don't quite know and perhaps they don't quite know, I don't think. Second, reading some of your recommendations from all of you, you talk about limiting the negative effects on U.S. interests from expanded cooperation, expanded exercises, weapon sales, training. It strikes me and tell me if this is wrong that, look, in the long term as China expands its presence in basing and relationships across the world, yes, there is this threat of Chines power projection. I don't think they have the capabilities or the strength of relationships yet to do that globally.

But in the short term it sounds like from your recommendations the main concern for the U.S. is that it will complicate our alliance relationships, either in compromising from an intelligence perspective, our training methods, our doctrines, our technology. Or perhaps the fact that the Chinese has even a small foothold in some of these partner nations that that will then make them more reluctant to give us the access, the operational maneuverability, whatever terms

you want to use, in those areas. Is that correct? So short term complicates our alliance structure long term, is power projection, from the Chinese?

MS. GUNNESS: Yeah, I think that's right. So I mean, if you take something like the Pacific Islands, for example, where China has worked on building influence in a variety of areas. It's not just security cooperation but also economically. They've worked on building influence.

That's an area where the U.S. has not until recently focused a lot of our security engagement as well as foreign policy efforts on that area. So I think that is -- they look for areas like that where they can sort of gain advantage where the U.S. maybe isn't paying as much attention. But also where there are strategic locations that they might be able to take advantage of. And so I think it's sort of a two part thing.

DR. SAUNDERS: I would say with U.S. allies and partners, we typically have a very good security relationship, a very robust one. And if they compare what they are getting from China and what they're getting from us, what the dialogue with China is, what the dialogue with us, it's entirely different. It's much more substantive in the relations with the U.S.

And so for our allies and partners, if they're doing things with China, it's usually because they want to learn about China or they want to manage their relationship with China. And the help they need is to kind of raise the game, know how the PLA operates, know how to protect yourself, know how to protect the things we taught you. For developing countries, they're looking for any kind of training and assistance they can get from all comers. So it's a very different dynamic there.

VICE CHAIRMAN WONG: Thank you.

COMMISSIONER SCHRIVER: Commissioner Price, welcome.

COMMISSIONER PRICE: Thank you. And thank you all for participating today. And your testimony has been very, very helpful. First question and I think to Ms. Gunness and Mr. Saunders, in following up on what Commissioner Wong just asked, how in your opinion should U.S. policy makers weigh the cost and benefits of engagement with China's security forces?

DR. SAUNDERS: One part of it is to do no harm. So we want to be careful what we do, what we talk to them about, what we show them. And I think generally in my experience, I've been with the Department of Defense, personal views, but since 2004. I have seen a pretty careful effort to vet what we do and to exercise positive control over it. So that's one piece.

But second is to think what's the positive agenda. We are in a competitive relationship with China. It would be good to have better crisis management and crisis communications, mechanisms to deal with the problems that come up.

It would be better to have an understanding of how the PLA thinks, how they're thinking about the world, what are their threat perceptions. These engagements provide a window on that. And you have to be disciplined.

You have to be prepared. But if you know the right questions to ask and ask in a disciplined way, you can learn a lot from engaging the PLA. Part of our job is to do research on that.

We've done a number of books including on the PLA's reforms. And I can say that our ability to meet with them, to talk with them, to understand why they're doing what they're doing offered a lot of really, really valuable insights. So part of it is being very disciplined and very focused, very prepared for your engagements.

Know what you want to learn. Know what you want to ask. Know what you want to protect. And do so in a really disciplined way.

So I think that kind of preparation, some things we just know we don't want to talk to them. We don't want to help them modernize their military, improve their joint operations capabilities. And just an anecdote, I talked to a senior PLA general who was directly involved in doing this.

And he said, we would like to do exercises with you on traditional security things. We want to learn from you. But you won't do it with us, so we have no choice but to go to the Russians. We really want to learn from you. But you're not going to let us do that.

MS. GUNNESS: I would just add that I agree with everything Dr. Saunders said. But I would just add that there's the political aspect of these interactions is important too, especially for countries in the region that want to be seen as bolstering relations with China. In certain ways, they are part and parcel of other engagements that countries in the region have with China. So I think not necessarily asking them to curtail those engagements but more about education about the objectives that China is pursuing and again about military diplomacy activities that might be harmful to their interests or U.S. interests is the way to --

COMMISSIONER PRICE: Thank you. And Mr. Link, your presentation, your focus on the Ministry of Public Security's activities, very, very interesting and helpful. Have you observed any recent efforts by the U.S. or our allies to better assess the MPS' overseas presence and potentially respond to their activities with overseas police stations, et cetera? It's very much part of your recommendation, so I don't know.

MR. LINK: So I guess we've seen the FBI and other folk within our own intelligence community have press conferences and things like that about drawing light to the Operation Fox Hunt and transnational repression and things of that nature. But in terms of the other types of engagements, no, not really. But also that's not, like, my specific research focus here. So I might've missed it, but I don't think that I've seen it.

COMMISSIONER PRICE: Okay. Thank you. Those are my questions for now.

COMMISSIONER SCHRIVER: Commissioner Mann?

COMMISSIONER MANN: Thank you. I want to ask all the witnesses but I think I'm going to start with Phillip Saunders, a broad question, which is what makes the PLA's military diplomacy different from ours other than the fairly significant point of the government or regime they represent and the ones they work with and their competition with us? Is there something -- draw it out for me what makes the nature of their diplomacy different.

Phillip Saunders testified the types of things the PLA does. And they sounded like in many cases like what we do, high-level diplomacy, disaster relief, port calls, and so on. So I ask this open ended. Is there something different? Or is it very much like what we do?

DR. SAUNDERS: So I guess two things. One, partly they're watching what we do and modeled somewhat on what we do. So a lot of the lines of effort are parallel formally.

But I think there's a lot of difference in the content. So you have a high-level meeting with a U.S. military officer. You're going to get a pretty frank assessment.

You're going to get a statement of U.S. policy. It is the start of a relationship. And we'll try to follow up and build that. That's part of how U.S. senior military officers get to be senior military officers is by building and maintaining those relationships.

If you have a similar meeting with a PLA senior officer, they're going to be stick to their talking points. They're not going to be able to follow up offline out of official channels. It's probably a one and done.

You're probably not going to engage with them more for their duration. They can only make one trip overseas a year. They're going to give you the Party line and the talking points, and they're not going to move from that.

Those may well be lies or transparently exaggerated falsehoods. And you come out of the meeting not having built any trust or built a relationship. You've learned what the Chinese talking points are.

And at least in my experience with some of these meetings, you come away with a more negative impression than you start with. So that's part, that they're under political controls which really inhibit what they do. I think similarly with a lot of training and education and I'll speak to military education because that's the area I know best. When the PLA brings foreign students and they have a separate campus.

They have a separate program. They will sometimes have Chinese PLA officers there participating in the class. But essentially, it's a staged managed set of education done specifically for foreigners. When the U.S. brings foreign students into our military education schools, they're essentially getting the same kind of training that the U.S. students are getting.

They're in the same classes with them, learning the same curriculum. They come away with a much deeper understanding of the subject and relationships with both their U.S. counterparts and their other foreign counterparts that in many cases lasts for decades. So it's a very different qualitative experience. So I think a lot of these things are similar in form. But if you look at the content in dialogues and high-level meetings and in educational sessions, they're very much different. And I think the U.S. in general is much more focused on building partner capacity and interoperability than the PLA is.

MS. GUNNESS: Yeah, just to piggyback on those comments, I think the breadth of U.S. security engagement and cooperation is quite different from the PLA's. And this is partly a question of capabilities, that they haven't had the capabilities to do some of these things until relatively recently. But I think it's also to Dr. Saunders' point a question of different intent.

So the political nature of the exchanges really limits benefits to foreign militaries such as augmenting capabilities and interoperability. There are anecdotes of militaries of certain countries saying, well, yeah, we're happy to have the PLA come and train us or help us with our training. But honestly, we don't always think they're all that great compared to other countries' training. So I mean, there are -- you can find anecdotes like that. So that, I think, speaks to the more limited nature of PLA cooperation and also the political aspect of the cooperation which is quite different from the U.S. military.

DR. SAUNDERS: If I could make a quick point. There's a group of foreign students who've been trained by the PLA and been trained by the U.S. And that's an opportunity to talk to them and get their views on what are the strengths or weaknesses of how the U.S. does it. What are the strengths or weaknesses of how China does it. And many people have been through both of those courses.

COMMISSIONER SCHRIVER: Okay. Thank you. Jim, if you -- you got one question in. If you'd like a second round, I think we'll have time.

COMMISSIONER MANN: Good. Okay.

COMMISSIONER SCHRIVER: Commissioner Goodwin?

COMMISSIONER GOODWIN: Thank you, Mr. Chair. My appreciation to the witnesses for your time today. Dr. Saunders and Ms. Gunness, you both reference some of the military diplomatic activity that the PLA engages in, in the form of counter-piracy operations in the Gulf of Aden and how that obviously is designed to help gain critical expertise in protecting

sea lines of communication but also designed to help protect energy security. My question is have we seen any trends or an uptick in this sort of engagement and outreach since Russia's invasion of Ukraine geared specifically towards protecting energy security?

DR. SAUNDERS: That's a great question. I think the answer is I haven't really seen that. The bigger impact has been COVID because what used to happen is the PLA would send two or three ships out to Gulf of Aden for about four months.

They would refuel Djibouti. And then on the way back, they would make four or five port calls and do various engagements with foreign militaries on the way back. And that served some of the purposes Ms. Gunness talked about in terms of building ties. What's happened in the COVID environment is they made the last of those port calls in March of 2000.

Now they finish their deployment and they sail straight home. So they're not doing those kinds of things. Even when they're doing resupply, they're doing it from Djibouti.

And I saw the video on this. Essentially, they were loading food in China, shrink wrapping it, putting it on a COSCO freighter, sailing it to Djibouti, offloading it in Djibouti directly to the PLA ships. So very little interaction with the host government or not.

So I think COVID has really curtailed a lot of that and their ability to do some of these military engagements for the purpose of protecting energy security. They're still getting the operational experience in terms of crews and commanders out there doing operational things which is part of the benefit from them. But I think COVID has really kind of knocked them off their game.

MS. GUNNESS: I would just add that some of the non-traditional security operations like peacekeeping also that the PLA has done is sort of again meant to support China in building relationships to diversify its energy resources, sources of supply. So, while that's not exactly what you're talking about, I do think it is kind of, again, the intent of some of these military diplomacy activities and non-traditional security operations is to really build relations with countries where China can diversify energy supply because it's something they've been very concerned about for a long time now.

COMMISSIONER GOODWIN: Thank you. Mr. Link, I had a question about the Red Notices which in and of themselves are not arrest warrants. But they're just requests to detain individuals pending extradition based upon an order or a warrant issues in a requesting country. My question is, what is the extent of INTERPOL's review of these requests including for compliance with all the requirements but most notably Article 3 of their own constitution?

MR. LINK: Yeah. Thank you for the question. From my research, it sounds like the review process is underfunded within INTERPOL, that there's just so many requests that go through that they don't have, like, the proper screening mechanisms or enough people to do the proper screening mechanisms. And so that's why oftentimes they just kind of go through. And that's why we're kind of in the situation that we're in now.

COMMISSIONER GOODWIN: That may answer my next question which is, is there any publicly available data on the number of Red Notices that are requested by country, the extent of the review, whether they're granted or denied or rejected based upon noncompliance?

MR. LINK: Yeah, and so that's another issue that INTERPOL is kind of non-transparent. And so I think that there's like the total number of Red Notices. I don't know if it's broken down by year. But I also don't think it's broken down by country, publicly at least.

COMMISSIONER GOODWIN: In your written testimony, you referenced the fact that MPS has faced few consequences for violating the spirit of this Red Notice and Article 3 with these Red Notice requests. Are there any formal mechanisms in place in the Red Notice process

or imposing consequences for abuse of that system or filing what I would refer to as frivolous requests?

MR. LINK: I don't know off the top of my head. But I don't think so, but --

COMMISSIONER GOODWIN: Thank you. Thank you, Mr. Chair.

COMMISSIONER SCHRIVER: Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Thank you very much. And thanks for all of our witnesses. I'd like to start with Dr. Saunders. You made an observation about U.S.-China military interaction began to decline in 2015. What was the reason for that? Was this primarily the PRC's instigation or at ours?

DR. SAUNDERS: Melodie Ha will talk to that in more detail in her testimony. But concisely, it's intensified U.S.-China competition. I think a lot of the decline is on the U.S. side being more careful and disciplined and screening what kind of activities we want to go forward.

And then there's the extraneous factor that the PLA reforms kicked in at the end of 2015. And they were very internally focused in all the things they needed to do to put those reforms in place and just generally had less time for military diplomacy. So part of that deals specifically with the U.S. Part of it is a more general phenomenon.

COMMISSIONER FRIEDBERG: Do we have any insight into how the PLA used the utility of these contacts with the United States?

DR. SAUNDERS: I think they view them as a useful means of presenting their talking points, of learning what U.S. thinking is and what the United States is up to. As I mentioned, they hope to use this military relationship to improve -- support their modernization and improve their combat capability. And I think we've been pretty disciplined in trying to make sure they don't have opportunities to do that.

There is a prestige part of it dealing directly with the U.S., the most powerful country in the world, makes China look good. And then sometimes they have particular pieces of business that they want to get done. They want to press the U.S. to limit its reconnaissance operations.

They want to warn the U.S. against doing things with Taiwan. And at times, they've been willing to pursue specific kinds of cooperation such as the rules of engagement for air and maritime encounters when they find that in their interests. In that case, they were told to do it by Xi Jinping according to several Chinese sources that I've talked to.

The directive came down from the top. And partly to use mil-to-mil as a means of managing the relationship with the United States. And specifically to use the confidence building measures, the rules of engagement to try to improve relations with the U.S.

COMMISSIONER FRIEDBERG: Okay. Thank you very much. Ms. Gunness, I'd like to ask you to speculate. I know this isn't quite fair. But with all of the factors that you describe, if you had to guess looking ahead, say, five or ten years, what would you expect the overall shape and intensity of Chinese overseas engagement to look like? What are the next steps do you think in this outward projection of PLA power?

MS. GUNNESS: Yeah, and so that's a great question. I think it speaks to the broader question of the type of military that China wants to build. And clearly, they want to build a military with global projection -- power projection of some sort.

But I think how large that will be and what type of military that will be is still an open-ended question. And part of that is because in order to build the kind of military that the United States has, for example, if that's what they would choose to do, they would need a much bigger network of allies and partners. They would need a lot of investment.

And the main strategic direction of the military right now is still regional. It's Taiwan and the regional conflicts in the periphery as Dr. Saunders noted. So I do think with all that said, I do think that China will continue to expand its overseas military diplomacy with the intent of building relationships along the Belt and Road, to build partnerships with those countries, both for economic interests but also to gain access.

I do think they will probably continue to expand security footprints in some of the areas that they already have a small security footprint in. Those areas might be Latin America, for example, where they have the Strategic Support Force operates a space station right now. So I think we will see a lot more of that.

I think we will see the Navy in particular doing more port calls, going out and about more. But that said, I do want to also emphasize that the deployments overseas right now for the PLA are pretty limited and small. And so to actually grow those would require again a lot more investment than they are currently doing.

COMMISSIONER FRIEDBERG: Thank you.

COMMISSIONER SCHRIVER: Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you. Thank you to the witnesses. I was glad to hear all of you say that the meetings themselves, these meetings may not be all that productive because my experience of them is they are long lectures and you leave wondering how that's improving relations.

So I thought I might be the only one. But it sounds like you concur. So I think of these questions for Ms. Gunness and Mr. Saunders but I'm happy to hear from anybody.

I'm particularly interested in the PLA's relationship with Russia and Iran. And then I think, Ms. Gunness, you talked about exercises. Maybe, Mr. Saunders, this was you. South Korea has set up military hotlines with air and naval capabilities with the Northern Command and that the deputy commander of South Korea is present in Russian PRC exercises.

And then, Ms. Gunness, you talk about PLA joint exercises with Russia and Iran. My first question is, what are we learning about what's gained in these joint exercises given your comments that South Korea is an ally? What are we talking away from their participation in these exercises?

DR. SAUNDERS: Give a preliminary answer because this is an area we're researching right now. So to speak to the Iran piece, the PLA has been very careful in its relations with Iran. For a long time, they didn't do much military activity and they didn't exercise.

The difference was the nuclear deal. And that in their view legitimized Iran as a legitimate partner to do things with. And from that point, economic and military engagement picked up. So that's the first point with Iran.

The exercises don't seem that substantive. The exercises with Russia are much more substantive. And definitely it's a PLA goal to learn from the Russians, learn how they do things.

It's also a goal to build interoperability between the two militaries. We're doing a research project right now that is coming up with metrics to look at each of those exercises. What's the military significance?

What's the political signaling value and to look for trends over time. And I think the preliminary thing we see is that there's an uptick in 2014-2015 where it accelerates in terms of the sophistication, the scale of the exercises, the type of things they're doing with Russia. A new thing over the last three years are various kinds of joint patrols, joint naval patrols, joint air patrols with bombers.

So that's a new element that has just happened. Don't necessarily think there's all that much interoperability being built through those things. But the point is to signal a strategic willingness of the two countries and the two militaries to cooperate.

And then the last point, so we're doing more work on that. At some future point, I hope to have more details on that. Then the final question you asked was about Iraq hotlines.

This started out in the wake of a near miss when there was an incident when I believe an Iraq airliner was almost shot down. And Iraq understandably was very upset about this. They wanted to have ways to talk to the PLA.

Initially, it was with the Air Force and Navy headquarters. After the reform, that has moved to be the Northern Theater Command Navy Component Headquarters and the Air Force headquarters. But it is unclear to me how well those are used, how effective they are.

We have pitched a project to our Korean counterparts to examine that issue. And there's a little reluctance to go there unfortunately. But I think that's an interesting area.

And the broader recommendation that Kristen had and that I had as well, I think there's value in engaging our allies and partners about these kinds of things. And that's the kind of thing we can talk about. How's your hotline working?

Do they pick up when you call? What's the best practice here? And are you doing things that are working more effectively than us or vice versa? How do we best coordinate our approaches?

COMMISSIONER CLEVELAND: Ms. Gunness, if you could sort of build on that in the context of your testimony about the exercises that involve NATO and Europe and the PLA. And I think you noted that it assisted the PLA in their operational learning. I'm curious what we learned. And I'd like elaboration on what they learned, but what do you think we learned?

MS. GUNNESS: Yeah, so I mean, this was back when the PLA started as counter-piracy operations. They actually did learn quite a bit from operating with the foreign Navy at that time. I don't think that would necessarily be the case nowadays because they're just more practiced at it.

In terms of what we learned, I mean, I think we did learn a bit in terms of how they do or do not do command and control. That would be one of the -- that's one of the major points that we learned is that for at least when the counter-piracy operations first started, the commanders of the ships had to call back to Beijing to make the decision. That has since been they're working on reforming that. But that kind of hierarchy with command and control and fostering the ability of commanders in the field, to be able to make their own independent decisions is something that the PLA has written about extensively as being an issue and a challenge. And it's part of what the reform efforts have been aimed at fixing.

COMMISSIONER CLEVELAND: Okay. I think the time is up.

COMMISSIONER SCHRIVER: Great, thanks. Commissioner Borochoff?

COMMISSIONER BOROCHOFF: Well, first, let me say thank you very much. I'm very, very happy to learn today the depth that you are going to, to follow this military diplomacy question. And the message that I got from all of this is clear that like everything else in their country, there's a very vertical management scheme. So I'm curious.

I just want to reiterate, I think, what you said. Then I think I have a question for Dr. Saunders and probably also for you, Mr. Link. And please jump in, Ms. Gunness.

If I understand it correctly, the office of the Central Military Commission has the Office of International Military Coordination directly under it. And then they report through the defense minister to Xi Jinping. So the fellow who was the ambassador from China, Qin Gang --

I hope I said that correctly -- known as a wolf warrior, spent a lot of time bashing us last year and the year before -- also spent a tremendous amount of time in our country visiting with governors and mayors and localities and business leaders becoming friends. And in a great sense, I'm learning that was a form of military diplomacy. And he's now been appointed the foreign affairs minister.

And Dr. Saunders, in your testimony, you mentioned that there's a seat on the Foreign Affairs Commission derived from the defense minister which goes straight down the line. So I'm curious first, do you see his appointment which is only a few weeks ago changing anything or enhancing anything that they're already doing? And then secondly, Mr. Link, I'm curious about the MPS – MSP? I apologize for that.

Do they report up to the same structure? Do they eventually also have a seat at the Foreign Affairs Commission? Is there a central plan there, and do you see any change because of the change in the Foreign Affairs Commission -- ministry?

DR. SAUNDERS: I'll be concise because I don't have a good answer for you. But what I would say is what matters is the Party organ, the Central Foreign Affairs Commission. That's the decision makers.

The foreign minister has a voice in that, is a member of that, participates in those discussions. And then he goes out to execute what the Commission decides. So I think that's -- it's an important position, but it's not the Party position, that is the one that makes the decisions and issues the guidance.

COMMISSIONER BOROCHOFF: Good to know.

MR. LINK: I honestly don't know the answer to that question. It's a great question. I think that it reports more up through, like, the central legal apparatus rather than foreign affairs.

COMMISSIONER BOROCHOFF: So you don't know of any specific coordination between the two different arms of this military diplomacy?

MR. LINK: No.

COMMISSIONER BOROCHOFF: Eventually obviously it all focuses on one man. But that's good to know that they haven't coordinated. Go ahead, Ms. Gunness.

MS. GUNNESS: I was just going to say I actually looked at this. I just did a search of PLA writings to see if there was anything that specific talked about the PLA coordinating with the Ministry of Foreign Affairs and did not find much of anything. So I don't know. That's just an anecdote.

COMMISSIONER BOROCHOFF: Best news today. Thank you.

DR. SAUNDERS: I'll just flag the area that we don't know that much about which is the National Security Commission which is a new organ set up in 2014. It is supposed to pay some kind of an information sharing, policy coordination role. We know it has civilians.

We know it has foreign ministry people. We know it has military people. It likely, almost certainly, has public security people on it.

But it is a little bit of a black box trying to understand how much is it a policy making organ, how much of it is a policy coordination organ, how much of it is an information sharing organ. It seems to be at least partly a control mechanism. My colleague, Joel Wuthnow looked into this and found that this is a structure that's replicated not just at the center but down at the provinces and lower levels with at least part of the goal of keeping everybody on the same page and following Xi Jinping's guidance on security.

But that's an area where this kind of coordination might be taking place. But we don't know enough about what exactly it does. There's very little reporting on its activities.

COMMISSIONER BOROCHOFF: Thank you very much.

COMMISSIONER SCHRIVER: Madam Chair Bartholomew?

CHAIRMAN BARTHOLOMEW: Thanks very much. And thank you to all of our witnesses. Again, it's our kickoff hearing, so this is a great way to frame a lot of the issues that we'll be thinking of moving forward.

I'm going to start. Mr. Link, it's really, really difficult to hear about these exercises -- I mean, the activities of the MPS without being outraged. And I want to just also really acknowledge the work of the NGOs, particularly Safeguard Defenders for their recent expose, really, of what has been happening with these police stations.

I just find myself wondering in country after country, did the powers that be not know what was going on? Did they see what was going on and ignore it? I mean, it's pretty alarming for people to hear that there are Chinese police stations functioning in cities across the United States, for example, and what they're doing in terms of outreach against dissidents or things like that. Do you think there was a willful blindness where people just didn't see it?

MR. LINK: Thank you for the question. So this is purely speculation on my part. Part of it could be a language barrier.

A lot of the signs were posted in Chinese and most people in America don't speak Chinese. So they wouldn't understand that it says, like, Chinese police station. So there's that.

I also think that the jury is still a little bit out on, like, what the true purpose of these stations are. There are reports that I think it was, like, in a suburb of Paris that someone was operating from one of these stations and harassed someone to return to China. And there's also been where it kind of says it's more, like, an administrative type deal to renew driver's license and things like that.

I think that we just need more evidence still. And so we recently saw the FBI raid in New York City looking through that. So I guess we're just going to have to wait until we can have the details from the investigation.

CHAIRMAN BARTHOLOMEW: All right. Thanks. Following up on Commissioner Cleveland's question sort of about China, Russia, Iran, I also want to expand it to these exercises, China, Russia, South Africa exercises that are taking place. We know about this “no limits” partnership between China and Russia. I'm just wondering if in terms of the content of military diplomacy if there's coordination beyond the exercises in terms of where they might be focusing, what it is they're trying to achieve.

Is there any evidence that there's any broader coordination? I am not at all minimizing the consequences and the significance of the exercises. But is there ongoing relationship building that is part of all of this military diplomacy, China, Russia, and everywhere else?

MS. GUNNESS: Well, I think it's a little bit of what I was saying in my testimony that there's this broader objective of China cultivating relations with countries that perceives maybe willing to push back on the Western-led system. And so in terms of the naval exercises in particular I think to talk to Dr. Saunders' earlier point. A lot of that is political signaling.

But the fact that China and Russia are doing naval exercises in the Indo-Pacific and various areas is a significant signal in terms of the signal about the partnership. So I do think there's sort of these broader objectives that China has in having these types of exercises. But maybe Dr. Saunders can talk more specifically.

CHAIRMAN BARTHOLOMEW: Your microphone, yeah.

DR. SAUNDERS: There's a broader relationship that includes things like military technology cooperation which is both arms sales and technology development. The Russians are

helping China as it starts to think about a missile warning system and how to integrate that into their nuclear forces and their nuclear situational awareness. The exercises do now include combined arms.

They include different layers of joint command and control. So there's a lot that's happening in those spaces. But a lot of it is political signaling.

The message that they're trying to get across is that China and Russia can work together and can work together to thwart specific U.S. interests. And that's something that U.S. has to consider and be constrained by that. And that's sort of a challenge here is there's still a lot of tensions.

There's still a lot of suspicion. So sort of parsing how much of the military cooperation is real and what's its significance. How much of it is signaling and exaggerated and we should have an accurate understanding of what it really means. That's some of the work we're doing now to try to dig into those things in more detail and get a better understanding of both the military significance and the political value of it.

CHAIRMAN BARTHOLOMEW: Can I follow up on that? Because unless we really look at sort of Russia's wholesale destruction of infrastructure in Ukraine, I at least can't say that they've had a lot of military success, per se. And I just keep wondering is the PLA comfortable, I mean, with -- we keep talking about, well, they're learning this or they're cooperating on that but sort of lessons learned or even the technology.

I just read this morning that there are tanks from -- Russian tanks from 1944 that are in Laos, that Laos is now sending back to Russia for use. I mean, educate me about what is it that they are actually learning from this cooperation. I understand the signaling, right? I understand the authoritarianism versus democracy and all of that. But just in terms of what are they actually getting out of this education-wise?

DR. SAUNDERS: I'll speak to that. And I'll plug my colleague, Joel Wuthnow, who we recently published an article by him that goes into some detail. But I think they looked at the Russians as being an advanced military in terms of combined arms operations, command and control, how they use intelligence and get it out to the field.

And so a military that was more advanced in a lot of these areas both at a technical level but also knowing how to put the pieces together to make it work. That was a partial model for the PLA reforms going to a brigade structure as influenced by the U.S. military, influenced by the Russian military as well. So they sort of thought the Russians had figured a lot of this stuff out.

They studied what they did and then adapted it to their purposes. With Ukraine, they are finding a lot of the weaknesses and problems in this model when you actually try to make it work. And you learn from that as well what not to do.

Some of the lessons are that you can get really bogged down in an operation. And it's really hard to get momentum picked up again. And that may affect how the PLA thinks about an issue like Taiwan.

Historically, they want to have very tight operations, security, and keep what they're going to do a surprise. But if you can't execute what you're going to do, you run into even bigger problems. So I suspect that's a lesson they've taken away is you've got to practice.

You've got to know you can do what you plan to do. And maybe it's more important to practice it and be confident that you can execute it rather than so much keep it from the eyes of U.S. intelligence or Taiwan intelligence. They're learning a lot from the Russian -- the mistakes the Russians are making.

MS. GUNNESS: Yeah, I would just add to that a lot of the ground force exercises that were conducted before Ukraine was partly because the PLA wanted to hear about operational experience from Russians coming back from Syria, for example, and other operations where they had had obviously more success. So I think that is -- up until Ukraine, that was one of the reasons for the joint exercises in terms of what they would learn because the PLA has not -- the deployments they've made are very small so far, so --

CHAIRMAN BARTHOLOMEW: Thank you.

COMMISSIONER SCHRIVER: Great. Well, I have a question for our PLA watchers and a question for MPS watcher. The first question -- and maybe Dr. Saunders first and Ms. Gunness. I think we can learn a lot about what the Chinese are up to if we understand organization and people involved.

And just anecdotally, it seems to me a lot of their military diplomacy particularly with the U.S. has been conducted by military intelligence professionals and political warfare professionals. In fact, even in some of our dialogue where we were hoping for operational cooperation like safety on the high seas, we'd get the intel collectors and the political warfare specialists. So with the recent reorganization with the OIMC and maybe what you've observed of late, does that remain the case that this is very, sort of, intel heavy when they engage in military diplomacy?

DR. SAUNDERS: It's a little hard to say because I haven't been to China in three years. And so my contact with them has been limited. Before, it was explicitly the purview of military intelligence and the military intelligence apparatus when OIMC's predecessor reported directly to the Joint Staff Department.

Now it is a little more of its own thing. But there is a flow of people from the Joint Staff Department intelligence side who are coming into the OIMC right now. And there's a little bit of a struggle I think between Ministry of Defense that wants to control -- that has formal control, the Joint Staff Department which lost control and would like to have some of its own people there watching it.

So I think some of that is coming back and some of those people were intelligence people before and there's still intelligence people today. But I will note, I got to make a quick plug for U.S.-China mil-to-mil. One of the interesting things we did is we hosted PLA students.

And these were not all intel people or foreign affairs specialists. These were their core commanders. These were their senior colonels who were in operational units.

And that was one of the few contacts we ever get with the operational side of the PLA. And we were careful what we talked to them about. But we learned a lot from a little bit of exposure to the people.

Those really are the future leaders of the PLA. The intel guys are not going to be running the military. So I'd just note that's one side benefit of mil-to-mil is we got to take the -- got to interact some with the operational people and take their temperature a little bit which was a useful thing to do.

MS. GUNNESS: Yeah, I think you'll always have a certain element of intel professionals in political warfare certainly and any interaction. But I think in terms of China's expansion of non-traditional security operations and its ability to deploy more often with more capability overseas, I think we'll probably find hopefully more robust interactions with some of the operators rather than just having it be a political endeavor.

COMMISSIONER SCHRIVER: Thank you. I think it is important they continue to watch. I mean, who shows up will tell us a lot about what they're up to and what they're doing.

Mr. Link, part of our mission -- actually, our core mission is to advise Congress. You described some things that are pretty outrageous in terms of Chinese activities on our soil. I don't have the legal background to say what the tools are to deal with that.

But it would seem to me it would be entirely appropriate to sanction the organization, sanction the individual. I don't even know. But what I would like is your assessment. Are there appropriate tools for dealing with this emerging problem? And if not, what kind of authorities should the administration be seeking from the Congress?

MR. LINK: Thank you. That's a great question. There's a lot more detail on that in my report. But just off the top of my head, we need to assess all the different gaps that are within our legal system that the MPS is able to abuse.

Currently, like, transnational repression as, like, a term, as, like, a vocab word is not really outlawed anywhere in our legal system. So there's that. When people bring these cases or when our legal system bring these cases to court and things of that nature, we're relying on very outdated laws that haven't, like, accounted for the advent of, like, the internet and internet stalking and things of that nature.

So just kind of getting all the different parts of the U.S. government that have to deal with this issue, whether it's the FBI or DOJ or DHS and all that. Like, someone needs to, like, lead kind of, like, a working group to assess what are all the different issues that we have when we are bringing these cases to court. And then from there, how do we better shape or better write legislation that's very specific that makes it much more easier for these cases to be brought to court?

COMMISSIONER SCHRIVER: Thank you. We do have time for a second round. And for those on-screen -- oh, I see Aaron's hand up. And Jim can certainly go. Okay. Well, let's go with this order then which would be Jim, Aaron, and Robin. Commissioner Mann?

COMMISSIONER MANN: Thanks. I have a question for Jordan Link. Help me out with the history and background of the MPS' overseas role. When I lived and covered China many decades ago, there was a simple rule of thumb that the MSS operated overseas and the MPS was the public security -- was the domestic public security agency.

So when did the MPS start operating overseas? And is this something of the last few years? Or has this been going on without us knowing it for a long time?

MR. LINK: Thank you for the question. I would say generally the trend has -- the MPS activity has increased significantly under President Xi Jinping. We could probably pinpoint 2017 as the most consequential year.

There was during that year President Xi Jinping gave a keynote speech at the general assembly of INTERPOL where he referred to the global security governance system which is how all these different security institutions globally interact with each other. And he was very clear at his displeasure of the current system, calling for it to be reformed and altered and things of that nature. And then also that same year, there was an internal meeting of top public security officials.

They were pretty much given the marching orders to grasp the new characteristics of public security cooperation abroad and be more active abroad and things like that. So the database that I built pretty much shows that kind of 2017 as one of the key years. I guess I'd also point to 2014 as another important year.

That's when Operation Fox Hunt was formerly initiated. However, I think the first data point in my database goes back to 1995. And I wouldn't be surprised if there's other things that I've missed obviously, so probably even before that.

COMMISSIONER MANN: Can I ask what happened in 1995?

MR. LINK: That's a good question. I would have to look at it. It's either a bilateral meeting or a formal agreement that was signed with some foreign country. I can get back to you, though.

COMMISSIONER MANN: Okay. And just one other question. You spoke of their overseas -- their liaison with foreign governments. Does the justice department -- at least as far as I know the criminal division had regular visits to and discussions with the Chinese government. Is that still going on?

MR. LINK: I don't know off the top of my head.

COMMISSIONER MANN: Thank you.

COMMISSIONER SCHRIVER: Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Yes, I also had a question for Mr. Link. Would it be fair to say that what China is currently doing, or has begun to do, is to export its model and its techniques for what they refer to as stability maintenance to like-minded countries?

MR. LINK: I think that it's definitely a push and a pull factor. There's several high-level quotes from Chinese officials about wanting to be more active abroad and police training and training police with Chinese characteristics and things of that nature. But at the same time, other governments, other countries have to access this training and want this training. So it's kind of a -- it's both, export and import.

COMMISSIONER FRIEDBERG: Okay. You refer at several points to China's dissatisfaction. You say Beijing's discontent with the current liberal democratic order. And later you say that they're trying to put forward an alternative global governance vision.

Could you say more about what you think it is that they have in mind? And in particular, do they really believe that they can transform these global norms as they exist now or erode the prevailing norms to the extent that they're a reflection of liberal democratic concepts. Are they trying to erode that globally? Or are they trying to carve out a partial subsystem of a larger international system that will be made up of states that accept their views about -- in particular, about stability maintenance?

MR. LINK: I think it's more about trying to create an international system that is more amenable and more safer for the CCP to exist within. And so that's why we see things, like, the comprehensive national security concept kind of being pushed abroad through the Global Security Initiative. It's kind of like the foreign policy extension of the zone domestic understanding of political security and things like that. So I think it really just comes back to -- it's, like, a part of a strategy to maintain political power at all costs.

COMMISSIONER FRIEDBERG: Okay. Thank you very much.

COMMISSIONER SCHRIVER: Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you. I'm interested in -- we've talked about prestige and carving out -- as Dr. Friedberg just noted, carving out a space for the CCP to strengthen its position. But I'm curious how economic interests tie into all of this. And Commissioner Bartholomew mentioned the exercises with South Africa which I see is very much related to mineral interests.

I wonder if you could identify partnerships or exercises where there are no economic interest, whether it's ports, minerals, or energy. Because it seems to me much of the military diplomacy is fused with or twined with these economic objectives. And we haven't talked about that yet. And the follow-on question is if China's economy doesn't recover, what does it mean for how expansive these undertakings might continue to be. Phil, because you sort of wobbled, I'm going to go to you first.

DR. SAUNDERS: Never show weakness. No, we've tried to do some of this work. And we're doing some more of it to look at whether partnerships or economic interests kind of -- the influence they have over military diplomacy or high-level visits.

And it's been something of a struggle to find quantitative correlations between that. You think if a country has oil or has resources that Chinese leaders would be more likely to go there or they'd be more likely to do military exercises. But it's hard to find those patterns when we do quantitative data to dig into it.

I think there's a broader sense of strategic significance which does encompass economic interests, which does encompass strategic location along China's sea lines of communications. And some of that is kind of baked in. But there's sort of a countervailing bureaucratic tendency.

So let's say you're the Europe officer for the Office of International Military Cooperation. I've got all these Eurasian countries. And maybe I'm going to focus my attention on the ones that are more powerful, more important, more strategic, but I want to do something with everybody.

So I think there are things where that happened just to sort of fill out the dance card as it were that don't necessarily have a lot of economic significance or strategic significance. And that may be why when we do these quantitative approaches trying to get at it, we struggle to find statistically significant relationships because some of it is just that bureaucratic incentive. I got to do something with everybody in my portfolio and the significance sort of washes out.

COMMISSIONER CLEVELAND: Have you done any analysis -- and Ms. Gunness, I'm interested in your answer -- done any analysis that identifies the critical inputs that China has identified they need for indigenous innovation and manufacturing like lithium or cobalt or oil and then charted, mapped those critical inputs with the development of ports and ultimately these military relationships? Because I think for me anecdotally it's evident whether you look at Sudan, South Africa, Turkey, Kazakhstan. There is a pattern to building out the military because there is an economic interest at stake, Afghanistan for example recently.

DR. SAUNDERS: Yes, and that is -- but again, in the quantitative studies, it doesn't really come through. Where it comes through, for example, is UN peacekeeping where China is participating the Sudan and South Sudan missions. And they tried to govern the South Sudan one in ways that it would protect Chinese oil investments there. And the UN pushed back and didn't let them do what they want.

COMMISSIONER CLEVELAND: Eventually --

DR. SAUNDERS: So I think you're right that there is --

COMMISSIONER CLEVELAND: -- they pushed back?

DR. SAUNDERS: Yes, yes. So I think you're right that these are drivers. But my point is just when you try to -- they're not that tractable to statistical analysis when we try to do that.

COMMISSIONER CLEVELAND: In the strict context of mil-to-mil. That's what I mean.

DR. SAUNDERS: Yes.

COMMISSIONER CLEVELAND: Ms. Gunness?

MS. GUNNESS: Yeah, I would just add to that that, I mean, most of what I've looked at has been China's approach to military relations with countries in the Belt and Road which obviously the economic interest precede that, right? But I will say there are different reasons why they have security presence in different countries. You mentioned Afghanistan but Tajikistan is another one where there's not -- I don't think there's a ton of economic interest.

But there is a lot of interest in stability -- maintaining stability in Central Asia and also building relations with those countries. And so I think one of the reasons it is hard to quantify these types of engagements in that way is that they sort of nest within each other. And so anyway, it's a difficult question.

CHAIRMAN BARTHOLOMEW: Yes, sort of a variation on what Commissioner Cleveland just asked. When we had our hearing on China in Latin America, people really emphasized this whole of government approach that the CCP uses. And so I find myself wondering they'll tap into something when they want to close a deal.

Are there examples where part of what they're doing is saying, okay, we'll give you military training or we'll do some sort of military engagement? And that's what's being used to accomplish something else. Might be economic, but they can tap into all of these different resources.

And I'm presuming that military engagement or military training exercises, something like that, is one of the tools that they can use. But are there examples where that's happening. I guess, Phil, it's the same problem, right, which is how do you quantify something like that.

DR. SAUNDERS: I think what we see is if they're -- let's say they're doing a strategic partnership. In the process of negotiating, you think about all the things you can do. You're going to have this partnership agreement.

You're going to have a joint statement saying all the great things we're going to do. And the military security cooperation, military diplomacy is one of those lines of effort. And in supporting overall Chinese diplomacy, I'm sure the OIMC says, yes, this country is a priority for China and what can we do in our lane to support that.

But I'm pressed to find sort of specific quid pro quos. There are things you can point to where they agree to take more students in Chinese military academies or do specific things like that. But it doesn't seem to be a big enough payoff to make the whole thing go. It seems to be a little piece of a broader line of effort to improve the relationship with a country and not usually that I can think of the critical one that turns a no into a yes. It's more like we're going to --

CHAIRMAN BARTHOLOMEW: It's part of the package?

DR. SAUNDERS: Yeah, it's part of the package. And they want something to be in that space. But it doesn't seem to be the critical part of the package.

MS. GUNNESS: Yeah, I mean, I think a good example of this is China's approach to relations with Africa, African countries. And I think that's where you see that where it's sort of this building block approach of economic interests, foreign policy interests, and then the security. Now they're both doing security cooperation with a number of African nations. But again, it is sort of something that isn't purely military to get other access. It's all nested within each other.

CHAIRMAN BARTHOLOMEW: Thank you.

COMMISSIONER SCHRIVER: Commissioner Wessel?

COMMISSIONER WESSEL: Thank you all. I want to ask and maybe Mr. Link, I'll ask you to start. But there's been a lot of discussion lately or for several years now about technology, surveillance, et cetera, as both an enabling and disabling technology. Can you help me as it

relates to overseas surveillance, et cetera, how that might be integrated into the strategies we're talking about here?

MR. LINK: I guess that I would speak to that mostly from the capacity building perspective that there have been times that MPS has trained other countries in surveillance techniques. So I guess it's -- again, it gets to that export or import issue. It's clear that the MPS is willing to offer up feasibilities. And it's also clear that other countries want them. So it's --

COMMISSIONER WESSEL: But is it also projection opportunity? Is it -- there's been a lot of concern about not only, of course, enabling let's say a Mideast country to do surveillance. But is there a sharing of that surveillance data or elicit access to it that's been discussed that might be enabling Chinese capabilities?

MR. LINK: I don't know.

COMMISSIONER WESSEL: Okay. Any of the other witnesses?

MS. GUNNESS: I did a little research on the export of Chinese surveillance technology. And I would just say that China along with a sort of, quote-unquote, stability operation

MR. LINK: Stability maintenance.

MS. GUNNESS: Whatever, I can't remember the term -- Thank you, stability maintenance, that the Chinese are providing the leaders of certain governments with the ability to then broadly surveil their populations. And that feeds into the narrative and also into the actual practice of it.

COMMISSIONER WESSEL: Okay. Thank you.

COMMISSIONER SCHRIVER: Commissioner Wong?

VICE CHAIRMAN WONG: Sorry. I thought there was someone ahead of me. Mr. Link, thanks for your testimony. Just I want to press you a little bit on your recommendation that there are gaps here illegally. And maybe I should read more closely some of the papers of the colleagues that you cite.

But just thinking about this, I kind of see here that a not even that creative prosecutor can find ways to get at this, whether it's violation of terms of visas for these MPS officers who are here to the extent they're doing kind of you can twist it into propaganda work. There's FARA violations at municipal. There's state level.

I mean, if they're extorting people with threats to their family, if it's surveillance data breaches, I mean, there are laws in the books it seems to me that if a prosecutor wanted to go after this, they could. But put that aside. Well, that's the first question, whether there truly are legal gaps.

The second question is, should this really be a legal matter? Or should we treat this the better way to get at this in a more clean fashion is treat it as a CI and intelligence matter. And we deal with intelligence operations in the U.S. that we don't like by expelling PNG and other methods that we use and elevating it to be a political matter.

That we have to bring this up in political dialogue at multiple levels up to the highest level rather than try to pick at this minutely through law enforcement. So I guess are there really legal gaps? That's question number one. And number two, is that really the best way to get at this? Should it be more CI and political?

MR. LINK: Gotcha.

COMMISSIONER CLEVELAND: I'd just add that I think that's really important that the way we treated the Soviets in terms of where they were allowed to travel, how close they could get to military bases but emphasizing your CI approach.

MR. LINK: Thank you for the questions. I'll start with the second first where it seems like we need a more holistic approach in kind of doing both concurrently at the same time given the number of cases of Operation Fox Hunt that we've seen in the U.S. I think that would make sense.

In terms of the legal gaps, from my research process speaking to some of the folk that are involved in actually charging these people and things like that. They were the ones that told me that there are legal gaps. And I think a lot of other research indicates, like, the issues behind not having transnational repression be outlawed as, like, a term of art or whatever. But that would probably just help a lot in these situations.

COMMISSIONER SCHRIVER: Thank you. I think we have three minutes. I have a question, but I don't think it would lend itself to quick answers. So maybe if you'd be willing, I can follow up for the record.

So with that, we'll close our first panel. Thank you very much again to our witnesses. And we will be back at 11:20.

(Whereupon, the above-entitled matter went off the record at 11:08 a.m. and resumed at 11:21 a.m.)

PANEL II INTRODUCTION BY CHAIRMAN CAROLYN BARTHOLOMEW

CHAIRMAN BARTHOLOMEW: Alright, we're going to go ahead and get started again. Thank you to our next panel of witnesses, this is our second panel. We'll examine how China uses overseas military activities to improve the PLA's capabilities and access.

We'll start with Dr. Richard Weitz, senior fellow and director of the Center for Political-Military Analysis at the Hudson Institute. Dr. Weitz will address joint exercises with the Russian military -- a very current topic.

Next, we'll hear from Dr. Jeffrey Becker, who is the research program director of the Indo-Pacific Security Affairs Program at the Center for Naval Analyses, CNA. Dr. Becker will discuss how China uses military engagements to shape future operational environments. And then we'll hear from Ms. Melodie Ha, Management Analyst at the U.S. Department of Defense.

Ms. Ha will address PLA exercises with U.S. allies and partners. I always want to note that we give very succinct biographies of people. We have very distinguished witnesses here with a really amazing career. So there's more information available about their backgrounds.

Thank you all very much for your testimony. I'd like to remind you all to please keep your remarks to seven minutes to preserve time for questions and answers. Dr. Weitz, we'll begin with you.

OPENING STATEMENT OF RICHARD WEITZ, SENIOR FELLOW AND DIRECTOR OF THE CENTER FOR POLITICAL-MILITARY ANALYSIS, HUDSON INSTITUTE

DR. WEITZ: Thank you very much, Commissioners, for allowing me to contribute to your deliberations. What I will do is I'll discuss the evolution of the Russia-China military exercises, speculate some of the skills formed or at least practiced, briefly touch on how this might support greater military industrial cooperation between Russia and China, then the implications, some the knowledge gaps, things that I think we'd like to learn more about, and then some recommendations for the Commission to consider. It's clear that the Russian and Chinese armed forces had become each other's most important exercise partners.

These exercises began over a decade ago. But they've become more important in recent years. You now have very frequent in the sense of at least once a year, sometimes several times a year large ground exercises, maritime drills.

There are also smaller drills over in partnership with additional countries. They've engaged in some tabletop exercises and some joint naval and strategic aviation patrols which are in a way a form of exercises. They -- in a way I think in my view, they've sort of become a core pillar of the defense relationship between Russia and China.

There have been some -- they do these now in more locations, use more types of weapon systems than ever before. There's some innovations. You've seen China, for example, contribute regularly to the annual Russian strategic exercises as they rotate through the various military districts beginning with Vostok east in 2018 and moving to the center and the south.

We were watching what would happen in 2021 since the exercises took place in Western Russia in partnership with Belarus. I think we were all waiting to see if the PLA tanks would start showing up in that area. But they prudently decided to hold a special exercise in Chinese territory.

It was the first time that this exercise interaction in 2021 took place. There was foreign participation and a Chinese strategic -level exercise. Last year, there was Vostok-2022. There were a number of countries that not only participated but China had the most important foreign participation.

We saw some innovation that included the PLA Navy, Navy, Air Force as well as the ground forces. You saw some interesting tasks with, for example, the PLA Air Force rehearse attacking ground targets on Russian territory. And then, of course, the most important thing was the context.

This was a period of time with the Russian invasion of Ukraine. In fact, there was the Chinese went ahead with it in such an ostentatious manner I think was grating to some of us. The skills, according to what they report, they keep on expanding the range of skill.

Some of the ground forces of practice they're saying is closed air support using special forces assault, fighting insurgents, the Naval drills expanding to include anti-submarine warfare, amphibious assaults, as well as nontraditional attacks such search and rescue and recovering ships seized by pirates. I would argue that these exercises are particularly beneficial for the PLA since the Chinese military hasn't fought a major war in decades whereas the Russians have. Russians have extensive experience in integrating multiple combat arms.

Perhaps not as successfully as we thought given what we're seeing in Ukraine. But still they use their forces very frequently to advance their goal. The exercises also have non-military purposes such as initially it'd seem to be helpful for the Russians in terms of selling weapons to China.

They, of course, send messages to various groups within the countries with their partners and particularly Western countries like Japan and the United States. We think that these exercises will continue and expand. We've already heard announcements there's going to be a new exercise with South Africa next month in which the Russians will send one of the most advanced ships equipped with new hypersonic missiles.

These kind of exercises, are of course, unprecedented, in the relations between Russia and China. They do present challenges to the United States. They say they're not directing as a third party.

But of course, that does make it harder to keep abreast of what skills they're learning and so on because we have to consider what exchanges are taking place. Those aren't always visible. So some of the knowledge gaps I'd like to know as to what extent the exercises they say they're learning and practicing, they really are.

If these are being diffused by non-participating, often you see the Russian and Chinese pretty much have the same units on these exercises, any skills they're learning and diffusing to other groups. They, of course, present challenges as we're trying to isolate the Russian military in particular and discourage foreign engagement with the Chinese military when they're able to interact with each other and when they're able to attract additional partners. We need to, of course, consider our own planning how this might manifest itself if we're engaged with one of them in a military confrontation to what extent the other will support and to what extent these exercises are helping them learn the skills to do so.

Conversely, I think there are opportunities that the U.S. might want to consider even if we can't discourage a foreign military from participating in a joint exercise with them. And there are a more than a dozen that participated in Vostok-2022. We may want to try and take advantage of their presence to get more information about what they've been doing and what they're actually learning and so on.

But it does just create a lot more uncertainty about what are the capabilities that, for example, PLA Navy is going to be able to show. Even though they haven't engaged in operations, they certainly practice a very rigorous task with the Russian Navy. Thank you.

PREPARED STATEMENT OF RICHARD WEITZ, SENIOR FELLOW AND DIRECTOR OF THE CENTER FOR POLITICAL-MILITARY ANALYSIS, HUDSON INSTITUTE

Hudson Institute

Testimony before the U.S.-China Economic and Security Review Commission

Hearing on "China's Military Diplomacy and Overseas Security Activities," January 26, 2023

Dr. Richard Weitz
Senior Fellow and Director of the Center for Political-Military Analysis, Hudson Institute

Thank you for inviting me to contribute to the Commission's deliberations on "China's Military Diplomacy and Overseas Security Activities."

As an independent, nonpartisan think tank, Hudson Institute does not take institutional positions on policy issues, but I welcome the opportunity to share my personal views on this important question.

As requested, I will briefly outline my answers to several questions raised by the Commission and then gladly discuss my responses further on these and other issues.

Hudson Institute

1. What trends do you observe in China's joint military exercises with Russia in terms of frequency, location, and participating services? What is driving these trends? Please include any observations from the recent Vostok-2022 and Zapad-2021 exercises in your answer.

Since the mid-2000s, Russia and China have conducted several dozen large-scale bilateral military exercises, including ground and maritime maneuvers as well as many smaller drills and combined tabletop command post exercises.[1] Though the drills began soon after Beijing and Moscow ended their Cold War confrontation, these exercises have become substantially more important during the last decade, essentially becoming a core pillar of their expanding defense partnership.[2] Despite the COVID pandemic and Russia's invasion of Ukraine, this military partnership has surged in recent years, with additional defense sales and prominent exercises. China and Russia now conduct more exercises in more locations with more types of weapons systems than ever before.

The Chinese and Russian "Joint Sea" naval exercises have global reach. They have taken place in the Baltic, Mediterranean, and East and South China Seas as well as in the West Pacific Ocean and off the coast of South Africa. Additional locations for naval exercises might encompass the Russian Arctic, South America, or North America. The last few years have seen the Chinese and Russian navies pioneer new types of cooperation such as their joint fleet patrols in the northeast Pacific Ocean and the PLA Navy's participation in Russia's main strategic exercise, Vostok-2022.[3]

Chinese involvement in the annual Russian strategic drills is a relatively new, but high-profile, element of the Sino-Russian exercise portfolio. These strategic exercises rehearse the maneuvering, integration, and employment of large forces drawn from several Russian military districts and branches. The Chinese military first joined Vostok ("East") 2018, conducted in Russia's Eastern Military District, followed by participation in Tsentr ("Center") 2019 and Kavkaz ("Caucasus") 2020, which occurred in Russia's Southern Military District. The PLA prudently eschewed joining the Zapad ("West") 2021 drills, which would have brought PLA soldiers and weapons into western Russia, intensifying NATO's anxieties about China's growing military reach. Instead, the PRC hosted a special drill with Russia, the Zapad/Interaction-2021 exercise. When it occurred in August 2021 at the Qingtongxia Combined Arms Tactical Training Base in northwest China, Zapad/Interaction-2021 marked the first time any foreign forces had joined a Chinese-led strategic-level exercise on PRC territory. The exercise saw several additional innovations, including Russian use of Chinese-made weapons and the employment of mixed Chinese-Russian teams who planned and operated together.[4]

Vostok-2022 set additional precedents in terms of the Sino-Russian military interaction. For example, the drills marked the first time all three branches of the PLA joined a single Russian-led military exercise, with scenarios encompassing air, ground, and naval operations. In addition, all the foreign contingents except the Chinese troops used or borrowed Russian-made weapons during the drills. In contrast, the PLA contingent employed only PRC-made armaments during the Vostok-2022. For the first time, moreover, PLA warplanes flew directly from their bases in China into Russian territory rather than first redeploying onto foreign bases. They then rehearsed, while inside Russian airspace, launching anti-radiation missiles at ground targets to suppress enemy air defense operations. Furthermore, though many countries contributed ground forces to Vostok-2022, the naval maneuvers involved only Chinese and Russian warships, along with supporting aviation and coastal units. The context of Vostok-2022 also demonstrates the strength of the Sino-Russian security partnership. China joined a prominent military exercise with Russia despite the international opprobrium Moscow incurred by invading Ukraine.[5]

2. To what extent does China use military cooperation with Russia to develop specific military skills and capabilities or interoperability? What specific skills and capabilities has the PLA prioritized in its engagements with the Russian military in the past, and how has this emphasis changed over time?

These recurring Sino-Russian exercises enable their armed forces to rehearse an expanding set of skills in changing locations and with varying forces and equipment. The purposes of these exercises vary, but include improving operational proficiency by, for example, learning new tactics, techniques, and procedures. Through such drills, the Chinese and Russian ground forces have rehearsed fighting insurgent movements, interdicting guerrillas, liberating hostages, providing close air support, and preparing for airborne and other special forces assaults. The Chinese and Russian naval drills have jointly practiced anti-submarine warfare, maritime air defense, ship-to-sea gunnery, maritime search and rescue, escorting civilian vessels, launching amphibious assaults, liberating ships seized by pirates, and providing underway cargo replenishment.

These Sino-Russian interactions are especially beneficial for the PLA, as the Chinese military has not fought a major war in decades. In contrast, the more experienced Russian armed forces have fought several major combat operations involving the complex integration of multiple combat arms and foreign partners. A PRC military analyst noted, “Russia’s battlefield experience in Syria, Crimea and Chechnya is very valuable to us, in particular on how they have adjusted their military strategy across time.”[6] Even if the exercises may not realize substantial combat interoperability, they highlight to foreign

audiences the Sino-Russian capacity to project coordinated military power. The Sino-Russian maneuvers have also allowed the PLA to deploy in novel geographic regions. Meanwhile, the Russian armed forces enjoy opportunities to observe Chinese military forces and equipment, giving them insights into the types of weapons the PLA might want to purchase in the future as well as China's capacity to challenge the U.S. military and its Asian partners.

3. Please describe China's collaboration with Russia on emerging military technologies. What limits do Russia and China respectively place on this type of cooperation? How and why have these limits changed over time, and how do you anticipate them continuing to evolve in the near and the long term?

China has obtained more weapons from Russia than from all other countries combined. Through purchasing Russian arms, the PLA acquired sophisticated technologies that China's defense industry could not manufacture domestically, partly circumventing the West's post-1989 embargo on arms sales to the PRC. The transferred systems have included advanced missiles, military aircraft, warships and submarines, high-performance engines and other critical military technologies. According to various sources, Russian defense-related sales to the PLA ranges from one to three billion dollars annually.

Russia has provided more advanced technologies over time (moving from surplus Soviet-made systems to more recently designed weapons), reflecting their tightening security ties and the rising sophistication of the PRC military-industrial complex. If China can manufacture a defense system domestically, the PRC does not need to buy it from Russia. Moscow must therefore decide every few years whether to meet China's rising demands despite the risks of antagonizing other countries, facilitating PRC reverse engineering, or arming a potential future adversary.

Russian arms sales to China have constituted a diminishing proportion of their overall trade as the value of Sino-Russian non-defense commerce has risen. Yet, the PLA still seeks Russian defense and dual-use technologies that China's improving indigenous military-industrial complex cannot yet manufacture. The rising tensions with the United States in recent years may have made obtaining advanced Russian weapons, such as the S-400 surface-to-air missile system and the Su-35 multi-role fighter, more urgent for the PLA. Their timely acquisition is less risky than waiting several more years for equally advanced PRC-made systems to become available. Meanwhile, Russia gains short-term revenue, lower-cost production runs, rare success in selling Russian high-tech products to the PRC, and perhaps greater influence with China's national security establishment.

In recent years, the Chinese and Russian governments have sought to research, develop, and, where appropriate, market advanced military technologies together. Joint projects under consideration include an Advanced Heavy Lift helicopter and an advanced non-nuclear-powered attack submarine. Gauging the progress of joint Sino-Russian defense R&D projects is difficult due to decreasing media coverage, but public manifestations of major achievements are hitherto lacking.

Especially in the 1990s, Russia leveraged the exercises with China to showcase weapons Moscow wanted the PLA to purchase. This process has decreased in importance as the PLA, benefiting from the growing capabilities of China's military-industrial complex, has bought a smaller number of Russian weapons systems. In the future, however, the PRC could use Sino-Russian drills to highlight weapons and defense technologies that Russia might want to purchase. China's improving arms industry means that the Russian armed forces might want to acquire more defense and dual-use components from the PRC. These transactions could circumvent Western financial sanctions and involve technologies compatible with Russian weaponry and subsystems. Conversely, the growing potential of PRC defense companies to compete in Russia's traditional arms markets may decrease Russian interest in assisting Chinese acquisition of emerging military technologies.

4. What are the implications for the United States and its allies and partners of the level of military coordination between the PLA and the Russian military? How does the China-Russia bilateral military relationship impact other countries in the region?

Though the exercises and arms sales have become a routine dimension of the Sino-Russian military partnership, they have been unprecedented in relations between Beijing and Moscow. Chinese and Russian leaders routinely deny that their military cooperation is directed against any third party. However, the growing ties between the Chinese and Russian militaries have complicated U.S.-allied military planning, diverted resources from concentrating against other threats, worsened regional security environments, and may make Chinese and Russian policymakers more willing to employ military force or run escalatory risks.

The bilateral Sino-Russian friendship treaty, signed in 2001 and renewed in 2021, lacks a mutual defense clause. Instead, the accord obliges both sides to refrain from aggressive acts toward one another and to consult about mutual threats and international crises. PRC officials have repeatedly stated that they will not join foreign military alliances. Nonetheless, the intense Sino-Russian military coordination affirms the two countries' commitment to a strong defense relationship. The expanding number, scale, and geographic

scope of their military interactions have reflected, and reinforced, the closer Sino-Russian security alignment against the United States and other countries.

Sino-Russian military cooperation communicates to allies, adversaries, and domestic groups that the Chinese and Russian armed forces could coordinate their military forces in various ways and scenarios. By exercising as partners, China and Russia show the West that they are not as militarily isolated as Western countries desire. Their defense coordination also has an important reassurance function. PRC commentators, in particular, underscore the value of these exercises in promoting mutual trust. Some recent exercises utilized joint Chinese-Russian formations, in which Moscow demonstrated its willingness to subordinate units to PLA command. Such joint command structures are essential to certain multinational operations. Until recently, Russia had only accepted a prominent subordinate command arrangement over a decade ago during its deployment in the U.S.-led peacekeeping mission in Bosnia.[7] While the potential for a near-term Chinese-Russian military conflict is remote, through their exercises, the PRC and Russian national security establishments acquire information regarding each other's tactics, techniques, procedures, and capabilities.

5. What are the biggest remaining knowledge gaps on this topic? Are there areas that policymakers should pay greater attention to?

There is decreasing publicly available information about Russian-Chinese arms sales, R&D projects, and overall military-technology collaboration, presumably due to both countries' efforts to shield the participating firms from Western sanctions and other countermeasures.

Though there is still more detail in the Chinese and Russian media about their joint exercises, this open-source literature leaves uncertain to what extent the skills and capabilities that the Chinese and Russian media say they practice and learn in the exercises are genuine. Some analysts still consider the Sino-Russian exercises insufficiently rigorous to achieve substantial capability and interoperability gains. Immediately before Vostok 2022, the U.K. Ministry of Defence tweeted that the poor performance of the Russian military in Ukraine underscored that, "Such events are heavily scripted, do not encourage initiative, and primarily aim to impress Russian leaders and international audiences."[8]

Furthermore, the extent to which these skills and capabilities, if learned, are diffused to other Chinese and Russian military units that did not participate, remains unclear. The same uncertainty applies to the mechanisms by which this diffusion might occur.

The United States and its allies, partners, and friends have conducted more multinational drills, over a much longer period, and with more comprehensive and intensive activities. Chinese and Russian national security partners are vigorously striving to decrease this exercise gap. Projections of possible scenarios for how this narrowing might occur, and how long it might take, would be useful.

6. The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action related to the topic of your testimony?

Future Sino-Russian exercises could include rehearsing novel missions in new locations with additional partners. For instance, Russia could renew its efforts to convene multilateral exercises involving India, along with China, to encourage greater cooperation among Moscow's two most capable defense partners. The Russian Navy might take advantage of China's access to many foreign ports to seek replenishment and repair services and other global logistic functions.

In the future, Chinese and Russian drills will likely encompass new locations, capabilities, and partners— possibly including the Arctic, hypersonic delivery systems, and novel African, Asian, and Middle East partners—as well as continue such recent innovations as conducting joint naval and strategic aviation patrols and combined arms maritime drills.

Due to its global network of defense partners, the United States enjoys a unique capacity to help other countries consider how Sino-Russian defense ties could adversely affect their security. The United States and its allies can lobby foreign governments and militaries against participating in threatening Sino-Russian drills. Conversely, U.S. experts should consult with foreign defense establishments that work with the Chinese and Russian armed forces in order to garner intelligence about Sino-Russian practices, policies, and capabilities. Decreasing the aforementioned knowledge gaps is critical for assessing the evolving Sino-Russian partnership and its potential malign impact on the United States and other actors.

Beijing and Moscow still eschew a formal defense alliance; there is no pledge or expectation that they would conduct major joint combat operations anytime soon. Yet, that China and Russia are strong military partners despite their lack of a formal mutual defense alliance is a prominent theme of their information campaigns regarding their joint exercises, defense-industrial cooperation, and other military interaction. Retired PLA colonel and military commentator Yue Gang said, "We are not allies but as good as allies with our collective capabilities."[9] Zhang Xin, an associate professor at Shanghai's East China Normal

University, observed that recent Sino-Russian exercises and related cooperation mark the evolution of their defense relationship "towards a closed but flexible collaboration between two militaries without entering into a full-scale alliance."[10]

Chinese and Russian use of the phrase, "comprehensive strategic partnership of coordination," connotes a close partnership even without an alliance. Within this framework, Beijing and Moscow intend to "continue exploring new models of international military cooperation, so as to add new dimensions to the China-Russia comprehensive strategic partnership of coordination for a new era."[11] Regardless of the label, these binational exercises and arms transfers could adversely impact regional instability. Chinese and Russian policymakers might presume that the two countries' enhanced capabilities and security ties could weaken the credibility of Washington's defense guarantees to allies.

U.S. and allied military planners will increasingly need to consider potential contingencies involving both the Chinese and Russian militaries, potentially throughout the globe, but especially in Asia. These cases could include Russia's supporting the PLA in a China-Japan conflict or a PRC invasion of Taiwan. The United States can boost the credibility of its military ties with allies and partners, as well as enhance collective deterrence and defense, by ensuring that U.S.-led multinational exercises incorporate tactics, techniques, and procedures designed to address whatever novel capabilities and skills the Chinese and Russian forces attain through their interaction.

Notes

[1] Richard Weitz, "Assessing Chinese-Russian Military Exercises: Past Progress and Future Trends," Center for Strategic and International Studies, July 2021, https://www.csis.org/analysis/assessing-chinese-russian-military-exercises-past-progress-and-future-trends.
[2] Richard Weitz, *The New China-Russia Alignment: Critical Challenges to U.S. Security* (Santa Barbara, CA: Praeger, 2022).
[3] Richard Weitz, "Eurasian Naval Power on Display: Sino-Russian Naval Exercises under Presidents Xi and Putin," M*aritime Security* 5:1 (Winter 2022) pp. 1-53.
[4] Richard Weitz, "Assessing the Sino-Russian 'West Interaction 2021' Combined Exercise," *RINSA Forum: Korea National Defense University* 75 (August 31, 2021) pp. 1-4.
[5] Richard Weitz, "Sino-Russian Interactions in Vostok-2022," Russia Strategic Initiative, U.S. European Command, September 16, 2022.
[6] Catherine Wong, "China-Russia military drill makes room for combined force against US," *South China Morning Post*, August 13, 2021, https://www.scmp.com/news/china/diplomacy/article/3145010/china-russia-military-drill-makes-room-combined-force-against.
[7] "NATO and Russia: Partners in Peacekeeping," NATO Office of Information and Press, no date, https://www.nato.int/docu/presskit/010219/brocheng.pdf.
[8] U.K. Ministry of Defence [DefenceHQ]. "Such events are heavily scripted…" Twitter, September 2, 2022, Twitter.com/DefenceHQ/status/1565574315944427521?ref_src=twsrc%5Etfw.
[9] Wong, "China-Russia military drill."
[10] Reid Standish, "China, Russia Showcase Growing Ties With Joint Military Exercises," Radio Free Europe/Radio Liberty, August 9, 2021, https://www.rferl.org/a/china-russia-military-cooperation/31401442.html.
[11] "China-Russia drill signals new era in joint exercises: spokesperson," Xinhua, August 26, 2021, http://www.news.cn/english/2021-08/26/c_1310150971.htm.

OPENING STATEMENT OF JEFFREY BECKER, RESEARCH PROGRAM DIRECTOR OF THE INDO-PACIFIC SECURITY AFFAIRS PROGRAM, CENTER FOR NAVAL ANALYSES

CHAIRMAN BARTHOLOMEW: Thank you. Dr. Becker?

DR. BECKER: Well, first I'd like to thank the Commission for this opportunity to share my thoughts today on China's overseas military activities and the role that China's SOEs in particular play in those efforts. But I just want to note briefly the views I express today, they're my own and they're not those at CNA, the U.S. Navy, or the Department of Defense. Since at least 2017 with the establishment of China's first overseas base in Djibouti, the PLA, the People's Liberation Army, has continued to expand its overseas footprint.

And these efforts follow on the heels of about two decades of foreign investment activities through the Belt and Road initiative and a more assertive foreign policy as we saw illustrated through Xi Jinping's recent Global Security Initiative which he unveiled in April of last year. Viewed together, I think these activities raise a number of questions regarding the role of China's commercial firms in PLA operations abroad. They also raised some potential implications for the United States and for U.S. partners and allies.

So first, how exactly do China's SOEs support the PLA abroad? Well, in the interest of time, I want to highlight two in particular. First, SOE activities have at times allowed China to become a critical player in the national development plans of other states which is translated into increased access for the PLA.

In Djibouti, for example, China's SOEs were engaged in building critical infrastructure funded by PRC loans. These activities help at first pave the way, and they would later work in tandem with PRC efforts to acquire military access in that country. And this pattern of leveraging economic investment as an anchor to support military engagement, this has been repeated in other countries where the PLA seeks access.

So in the UAE, for example, Chinese state-owned firms have invested billions of dollars in the nation's ports and energy sectors. Then you have Chinese firms like Huawei which are closely tied to the Chinese state. And they've invested heavily in telecommunications.

Thus Beijing apparently sought to leverage these ties when in late 2021 the Wall Street Journal reported that the PRC was secretly building a military facility at the Khalifa Port where the Chinese state firm COSCO shipping ports operates a container terminal under a 35-year concession. Second, the PLA, particularly the PLA Navy, receives privileged access to overseas port facilities that are owned and operated by Chinese firms. And these provide logistics and sustainment support that the PLA can't generate on its own.

So while China's navy modernized rapidly in the last decade, it still lacks the logistics fleets and the overseas facilities that support extended global operations. Instead, it's made substantial use of overseas commercial facilities run by Chinese state-owned firms. And to be sure, all blue water navies, they all rely on foreign commercial ports.

But I think what's different here in this case is that Chinese state firms like COSCO and China merchants which operate overseas ports, they can provide Chinese naval vessels with more specialized technical repairs and maintenance that's unavailable from other port operators. The PRC has also established mechanisms to leverage SOE capabilities in support of PLA operations more directly. So for example, Chinese domestic laws now require private firms to provide support for military actions in the protection of Chinese overseas interests.

They also mandate that certain civilian vessels be built to military specification. PRC commercial ships have also begun to participate in PLA exercises with increasing regularity. And by providing these capabilities, Chinese state firms facilitate more robust PLA activities overseas than would otherwise be possible.

So given the situation, what are the implications of these activities for the United States and for U.S. partners and allies? Well, I think in the short term as the PLA becomes more active abroad, U.S. and PLA forces should expect to encounter and to interact with each other more frequently and in more diverse locations. And we've already seen that if not planned and managed more carefully, these unexpected interactions could quickly lead to military confrontation and potentially escalate into a real crisis.

A good example of this was in 2018 when a military-grade laser originated from China's base in Djibouti interfered with the landing of U.S. planes. Then in February of last year, a PLA Navy warship operating just north of Australia used an onboard laser to illuminate an Australian surveillance aircraft. As the PLA continues to expand its footprint abroad, it wouldn't surprise me to hear of similar issues occurring in the future.

And it's not hard to see how these types of issues and unexpected events could escalate. Over the long term, the PLA's growing overseas presence poses unique challenges to the United States. So for decades, the U.S. military has enjoyed virtually unimpeded global access.

And I don't believe the PLA is going to be able to match U.S. military capabilities globally anytime soon. But additional PLA bases overseas would certainly complicate U.S. efforts. So for example, having PLA assets deployed in Djibouti where China's base has been expanded to accommodate the largest ships in the PLA fleet or in Karachi and Pakistan, for example, where Chinese submarines have visited in the past, this could complicate efforts by the U.S. military to flow forces across the Indian Ocean to East Asia in a crisis. A more robust PLA presence near existing U.S. facilities could also create opportunities for surveillance and intelligence collection, allowing the PLA to not only learn about what the U.S. military is doing but also learn from the U.S. military and improving their own ability to operate more effectively abroad.

There are some actions, however, that the U.S. can take to mitigate these challenges. First, the U.S. needs to develop a more thorough understanding of how China's activities are being portrayed and perceived in countries where the PLA seeks access. I think doing so will allow the U.S. to understand which PRC policies are resonating in which countries and why.

And this will be critical to developing an effective response. Over time, though, as the PLA becomes more active overseas, the U.S. will need to make choices about which locations are crucial to U.S. strategic interests. Not everywhere the PLA operates necessarily constitutes a threat.

And seeking to counter PLA presence everywhere all the time may be counterproductive. Instead, the U.S. should identify locations where a permanent PLA presence would create a strategic challenge and where the U.S. should seek to counter while identifying alternative locations where U.S. forces can operate in order to maximize their flexibility. Finally, I think it'll be important to work with allies and partners by sharing information about PLA activities abroad and coordinating our outreach so we have a unified approach when engaging countries that are considering hosting PLA facilities.

The U.S. should also work within the existing multilateral institutions to craft alternative economic and security options that can compete with those offered by the PLA and PRC state-

owned firms. I think in doing so, the U.S. will be able to respond to China in ways that not only mitigate risk to security interest but help to revitalize the existing global order. Thank you.

PREPARED STATEMENT OF JEFFREY BECKER, RESEARCH PROGRAM DIRECTOR OF THE INDO-PACIFIC SECURITY AFFAIRS PROGRAM, CENTER FOR NAVAL ANALYSES

Prepared Testimony by

Jeffrey D. Becker
Research Program Director, Indo-Pacific Security Affairs, CNA

Testimony before the U.S.-China Economic and Security Review Commission

Hearing titled "China's Military Diplomacy and Overseas Security Activities"
Panel II: Military Diplomacy for Improving Capabilities and Access

January 26, 2023

The views expressed here are my own and do not reflect the views of CNA, any of its sponsors or affiliates, the United States Navy, or the Department of Defense.

Hearing Co-chairs, Chairman Bartholomew and Commissioner Schriver, Vice Chairman Wong, and members of the Commission: Thank you for this opportunity to share my thoughts on China's overseas military activities and the role that China's State-owned enterprises (SOEs) in particular play in supporting those efforts.

The past two decades have witnessed dramatic growth in the People's Liberation Army's (PLA) activity abroad. Beginning in 2004 with Hu Jintao's decision to give the PLA the task of protecting China's growing overseas interests and continuing with the launch of the PLA Navy's counter piracy operations in 2008 as well as the establishment of China's first overseas base in Djibouti in 2017, the PLA has continued to expand its overseas footprint.[1] More recently, publicly available reporting indicates that Beijing is seeking to expand the PLA's overseas access by building additional military facilities in Cambodia and the UAE[2] and has expressed interest in a host of other locations throughout Africa, the Middle East, and Central and Southeast Asia—locations which fall along key trade routes and strategic sea lanes of communication.[3]

These efforts to expand the PLA's overseas presence follow on the heels of two decades of Chinese foreign investment and economic activities which have coalesced in the Belt and Road Initiative (BRI), a program aimed at leveraging Chinese lending, investment, and technical expertise to construct infrastructure projects around the globe.[4] As a result of BRI, Chinese firms, led in large part by the nation's state-owned enterprises (SOEs), have spent billions on critical infrastructure projects around the globe.

More recently, Xi Jinping's April 2022 speech at the Boao Forum, in which he proposed forming a "Global Security Initiative" designed to "reject the Cold War mentality, oppose unilateralism, and

---

[1] On Hu Jintao's New Historic Missions, see, for example, Dan Hartnett, "The 'New Historic Missions': Reflections on Hu Jintao's Military Legacy," in Roy Kamphausen, David Lai, and Travis Tanner, ed. *Assessing the People's Liberation Army in the Hu Jintao Era* (Carlisle, PA: US Army War College Press, 2014), pp. 31-80. On China's counterpiracy operations, see Andrew S. Erickson and Austin M. Strange, *Six Years at Sea…and Counting: Gulf of Aden Anti-Piracy and China's Maritime Commons Presence* (Washington, DC: Jamestown Foundation/Brookings Institution Press, 2015). On the establishment of China's base in Djibouti, see Erica Downs, Jeffrey Becker, and Patrick deGategno, *China's Military Support Facility in Djibouti: The Economic and Security Dimensions of China's First Overseas Base* (Arlington, VA, Center for Naval Analyses, 2017).

[2] Ellen Nakashima and Cate Cadell, "China Secretly Building Naval Facility in Cambodia, Western Officials Say," *Washington Post*, June 6, 2022, https://www.washingtonpost.com/national-security/2022/06/06/cambodia-china-navy-base-ream/; Warren P. Strobel, "U.A.E. Shut Down China Facility Under U.S. Pressure, Emirates Says," *Wall Street Journal*, December 9, 2021, https://www.wsj.com/articles/u-a-e-confirms-it-halted-work-on-secret-chinese-port-project-after-pressure-from-u-s-11639070894.

[3] Cristina L. Garafola, Timothy R. Heath, Christian Curriden, Meagan L. Smith, Derek Grossman, Nathan Chandler, and Stephen Watts, *The People's Liberation Army's Search for Overseas Basing and Access: A Framework to Assess Potential Host Nations* (Santa Monica, CA: RAND Corporation, 2022), https://www.rand.org/pubs/research_reports/RRA1496-2.html.

[4] Jeffrey Becker, Erica Downs, Ben DeThomas, and Patrick deGategno, *China's Presence in the Middle East and Western Indian Ocean: Beyond Belt and Road* (Arlington, VA: Center for Naval Analyses, 2019), https://www.cna.org/reports/2017/07/DIM-2017-U-015308-Final3.pdf.

say no to bloc confrontation," may presage a more assertive PRC foreign and security policy moving forward.[5]

Viewed together, China's economic and security activities raise several important questions regarding the role of China's commercial firms in PLA operations abroad. They also raise some potential implications for the United States and for U.S. partners and allies.

My comments below focus on the role of China's business sector, particularly China's SOEs, in assisting the PLA to improve its overseas capabilities and expand its access. Specifically, I address three related questions:

- How do Chinese firms, particularly China's SOEs, support the PLA's efforts to expand its overseas presence and ability to operate abroad?
- What mechanisms does the Chinese Party-State have to control China's SOEs and leverage them to augment the PLA's overseas capabilities?
- What are the implications of the PLA's growing overseas presence for the United States and US allies and partners?

The remainder of my comments examines each of these three questions.

How do Chinese firms, particularly China's SOEs, support the PLA's efforts to expand its overseas presence and ability to operate abroad?

First, the overseas economic activities of Chinese State-owned firms have at times allowed China to become a critical player in the national development plans of other states. These economic activities provide PRC leaders with influence that they have been able to leverage into greater security cooperation and increased access for the PLA.

In Djibouti, for example, economic activities by China's SOEs at first preceded, and later continued alongside, growing PLA access within the county. By the time the PLA opened its first overseas base in 2017, China had become the country's largest source of capital, providing roughly 40%, or roughly $1.4 billion, in funding for critical infrastructure investments, including the Ethiopia-Djibouti Railway, the Ethiopia-Djibouti Water Pipeline, and the Doraleh Multipurpose Port (DMP).[6] In the case of the DMP, China's Export-Import Bank provided preferential export buyer's credit to the China Merchant Port Holdings–Djibouti Ports and Free Zones Authority joint venture that would develop the port.[7] It would later open in May 2017, roughly three months before the formal inauguration of the PLA base on 1 August. These economic activities, led by China's SOEs, would help to at first pave the way, and later work in tandem, with PRC efforts to acquire military access in the country.

---

[5] "Xi Jinping Delivers a Keynote Speech at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2022," Ministry of Foreign Affairs of the People's Republic of China, 21 April 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202204/t20220421_10671083.html.
[6] Downs, Becker, and deGategno, *China's Military Support Facility in Djibouti*, p. 8.
[7] China Merchants Group, "Djibouti Project (Jibuti Xiangmu: Xing Gang Zhi lu, Shuzi Zai Tiaodong; 吉布提项目：兴港之路，数字在跳动)," China Merchants Group, February 7, 2017, www.cmhk.com/main/a/2017/b07/a32755_32845.shtml; Downs, Becker, and deGategno, *China's Military Support Facility in Djibouti*, p. 82.

This pattern of leveraging economic investment as an anchor to support military engagement has appeared in other countries where the PLA reportedly has sought an increased military presence. In the UAE, the state-owned China National Petroleum Corporation invested over $3 billion between 2017-2018 in the country's energy sector,[8] while the Chinese telecommunications firm Huawei, which is ostensibly private yet closely tied to the Chinese state, has also invested heavily in the UAE's 5G telecommunications infrastructure. In 2016, the Chinese state-run China Ocean Shipping Company (COSCO) Shipping Ports signed a 35-year concession agreement with Abu Dhabi Ports, the UAE's state-owned de facto port authority.[9] The agreement gave COSCO the right to develop, manage, and operate Khalifa Port's Container Terminal 2.[10] Beijing may have sought to leverage these ties in late 2021, when the *Wall Street Journal* reported that the PRC was secretly building a military facility at the Khalifa port where COSCO Shipping Ports operates its terminal.

Second, China's military makes ample use of the PRC commercial shipping fleet and overseas port facilities owned by China's state-owned firms. These assets provide the logistics and sustainment support that the PLA cannot currently generate on its own. For example, while China's navy has modernized rapidly in the last decade, it still lacks the logistics fleet required to support expanded global operations. The PLA Navy maintains only a limited number of replenishment ships capable of supporting far seas operations, including a handful of *Fuchi*-class supply ships and two newer *Fuyu*-class fast combat support ships, which are designed to support future carrier operations.[11] As a result, the PLA Navy has a limited capacity to conduct at-sea resupply of combatant ships operating far from PRC home waters.[12] Nor does the PLA have access to the types of specialized military logistics facilities that would be required to support larger operations overseas, as the PLA base in Djibouti provides only limited utility in the event of more complex operations.[13]

Instead, China's navy has made substantial use of civilian shipping and state-owned overseas commercial facilities. To be sure, all blue water navies rely on foreign commercial ports to conduct basic refuel and resupply operations. However, Chinese state firms such as COSCO and China Merchants, which operate overseas ports, can provide PLA Navy vessels with more specialized technical repairs and maintenance operations unavailable from other port operators. Since 2017, for example, PLA Navy vessels have undergone significant technical repairs or maintenance in ports in Djibouti, Egypt, Greece, Indonesia, Malaysia, Singapore, Spain, Sri

---

[8] Anthony Di Paola and Mahmoud Habboush, "China Wins Big With Stakes in $22 Billion Abu Dhabi Oil Deal," *Bloomberg*, February 19, 2017, https://www.bloomberg.com/news/articles/2017-02-19/abu-dhabi-awards-china-s-cnpc-stake-in-main-onshore-oil-deposits; Lucy Hornby, "China's CNPC pays $1.2bn for Abu Dhabi oil holding," *Financial Times*, March 21, 2018, https://www.ft.com/content/820df99c-2d68-11e8-9b4b-bc4b9f08f381.

[9] "COSCO Wins Concession of Khalifa Port's New Terminal," *Offshore Energy*, September 28, 2016, https://www.offshore-energy.biz/report-cosco-wins-concession-of-khalifa-ports-new-terminal/.

[10] Downs, Becker, and deGategno, *China's Military Support Facility in Djibouti*, p. 92.

[11] Jeffrey Becker, "China Maritime Report No. 11: Securing China's Lifelines across the Indian Ocean" (2020), CMSI China Maritime Reports, p. 11, https://digital-commons.usnwc.edu/cmsi-maritime-reports/11.

[12] Ronald O'Rourke, "China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress," Congressional Research Service, Updated December 1, 2022, p. 4 https://crsreports.congress.gov/product/details?prodcode=RL33153.

[13] Peter A. Dutton, Isaac B. Kardon, and Conor M. Kennedy, "China Maritime Report No. 6: Djibouti: China's First Overseas Strategic Strongpoint" (2020), CMSI China Maritime Reports, p. 6, https://digital-commons.usnwc.edu/cmsi-maritime-reports/6.

Lanka, and Tanzania.[14] By providing these capabilities, Chinese state firms facilitate more robust overseas PLA activity, particularly PLA Navy activities, than would otherwise be possible.

What mechanisms does the Chinese Party-State have to control China's SOEs and leverage them to augment the PLA's overseas capabilities?

One of Xi's objectives since coming to power has been to reinvigorate the Party's position in society and the economy, including expanded oversight of both private and state-owned firms. While traditional means of CCP oversight through personnel appointments and Party organs have been strengthened under Xi,[15] the PRC has also established new mechanisms and tools to leverage SOE capabilities more directly in the support of PLA operations. This includes new legislation, which has helped to streamline the defense mobilization process and advance PRC goals of civil-military fusion.

The 2016 *Law of the People's Republic of China on National Defense Transportation*, for example, has improved the process for military requisition of civilian transportation assets, operating both domestically and abroad, during wartime in response to natural disasters or emergencies or in the event of "special circumstances."[16] In particular, Article 38 states that Chinese enterprises and agencies "shall provide shipping, aviation, vehicle, and personnel support for military actions in the protection of China's overseas interests, international rescue, and maritime escorts."[17] The law additionally mandates that certain civilian vessels be built to military specifications, allowing them to support PLA operations with limited modifications. PRC commercial ships have also begun to participate in PLA exercises with increasing regularity.[18]

Other legislation has also improved the Party-State's ability to compel Chinese private actors to act on behalf of the PLA, even if doing so is not in their best financial interests. China's 2015 *National Security Law* states that PRC private and state-owned firms have a responsibility to the

---

[14] Isaac B. Kardon and Wendy Leutert, "Pier Competitor: China's Power Position in Global Ports," *International Security*, Vol 46, No. 4 (Spring 2022), p. 39.

[15] Scott Livingston, "The Chinese Communist Party Targets the Private Sector," Center for Strategic and International Studies, October 8, 2020, https://www.csis.org/analysis/chinese-communist-party-targets-private-sector. On relations between the CCP, the PRC state, and SOEs, see William J. Norris, *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control* (Ithaca: Cornell University Press, 2016). The CCP's efforts to reinvigorate the Party's role in SOEs has been a long-standing initiative. See for example, Central Committee of the Communist Party of China, 中办发[2012]11 号 关于加强和改进非公有制企业党的建设工作的意见 (试行) [Opinion No. 11 on Strengthening and Improving Non-Public Enterprises' Party-Building Work], May 24, 2012, http://www.shui5.cn/article/ec/76352.html.

[16] 屈百春，廖鹏飞，高志文 [Qu Baichun, Liao Pengfei, and Gao Zhiwen], 军民融合加快推进战略投送能力建设 [Military and Civilian Integration Accelerates the Development of Strategic Delivery Capabilities"], 解放军报 [PLA Daily], September 5, 2016, www.81.cn/jfjbmap/content/2016-09/05/content_155683.htm.

[17] 中花人民共和国国防交通法 [National Defense Transportation Law of the People's Republic of China], Xinhua, September 3, 2016, www.npc.gov.cn/zgrdw/npc/xinwen/2016-09/03/content_1996764.htm.

[18] Lonnie D. Henley, "China Maritime Report No. 21: Civilian Shipping and Maritime Militia: The Logistics Backbone of a Taiwan Invasion" (2022), CMSI China Maritime Reports, p. 21, https://digital-commons.usnwc.edu/cmsi-maritime-reports/21.

state to help safeguard national security, while prescribing both rewards and vague punishments to incentivize cooperation.[19]

What are the implications of the PLA's growing overseas presence for the United States and US allies and partners?

In the short term, as the PLA becomes increasingly active abroad, U.S. and U.S. partner and ally forces will likely encounter and interact with PLA forces more frequently and in more diverse locations. If not managed carefully, unintended or unexpected interactions could lead to military confrontation and crisis. One indication that such a crisis could occur appeared in 2018, when a military grade laser, originating from China's base in Djibouti, interfered with the landing of a U.S. plane, causing minor injury to at least two US pilots.[20] Australian pilots experienced a similar situation in February 2022, when a PLA Navy warship operating just north of Australia's coast used an onboard laser to illuminate an Australian surveillance aircraft.[21] As the PLA continues to expand its footprint abroad, similar events are likely to occur in the future, and if not managed properly, could escalate.

Fortunately, the U.S. and China already have several mechanisms in place designed to mitigate these types of dangers. In 2014, the two sides negotiated and signed rules of behavior for air and maritime encounters.[22] China is also a signatory to the Code for Unplanned Encounters at Sea (CUES), an international framework designed to limit miscommunication between naval ships and aircraft.[23] However, frameworks such as these are only valuable if fully implemented by both sides, and China's continued reluctance to implement these agreements as negotiated means that possibility of future accidents escalating into a crisis remains high.

Over the long term, additional overseas PLA facilities pose a unique challenge to the United States. For decades, the U.S. military has enjoyed virtually unimpeded global access, and while the PLA is unlikely to have the capabilities to challenge the U.S. military globally in the near term, additional PLA bases overseas have the potential to complicate US military operations. For example, in 2021, China completed an expansion of its Djiboutian base, adding a pier large enough to accommodate the PLA Navy's new aircraft carriers and other large vessels within the

---

[19] 中华人民共和国第十二届全国人民代表大会常务委员会第十五次会 [Fifteenth Session of the Standing Committee of the Twelfth National People's Congress of the People's Republic of China], 中华人民共和国国家安全法 [*National Security Law of the People's Republic of China*], July 1, 2015, http://www.pkulaw.cn/fulltext_form.aspx?Db=chl&Gid=250527.

[20] Ryan Browne, "Chinese Lasers Injure US Military Pilots in Africa, Pentagon Says," CNN, May 4, 2018, https://www.cnn.com/2018/05/03/politics/chinese-lasers-us-military-pilots-africa/index.html.

[21] " Chinese Vessel Lasing ADF Aircraft," Australian Department of Defence, February 19, 2022, https://www.defence.gov.au/news-events/releases/2022-02-19/chinese-vessel-lasing-adf-aircraft.

[22] Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China, "Memorandum of Understanding Between the Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China Regarding the Rules of Behavior for Safety of Air and Maritime Encounters," November 9/10, 2014, https://dod.defense.gov/Portals/1/Documents/pubs/141112_MemorandumOfUnderstandingRegardingRules.pdf.

[23] "Code for Unplanned Encounters at Sea," USNI News, June 17, 2014, https://news.usni.org/2014/06/17/document-conduct-unplanned-encounters-sea.

fleet, such as the Type 075 *Yushen*-class amphibious assault vessel (LHD).[24] PLA Navy submarines have also conducted port visits to Karachi, Pakistan and other ports in the Indian Ocean, and China has sold Pakistan S-20 attack submarines, the export variant of the Type-041 *Yuan*-class submarines currently in service in the PLA Navy.[25] Should Pakistan and the PRC come to an agreement to host PLA assets on Pakistan soil, this could complicate efforts by the US military to move forces across the Indian Ocean into East Asia in the event of a crisis. A more robust PLA presence near existing US facilities could also create opportunities for surveillance and intelligence collection, allowing the PLA to improve its knowledge of what the US military is doing in those locations, as well as its ability to learn from US activities by observing US tactics, techniques, and procedures involved in operating overseas, thus improving the PLA's own capability to operate far from China's shores.[26]

Recommendations

- **Improve U.S. understanding of how PRC activities are perceived and portrayed in potential host countries.** U.S. policy makers need a thorough understanding of how China's activities are viewed in countries where the PLA seeks access. Doing so will allow the U.S. to understand which PRC policies are resonating in which countries and why, which is critical to developing an effective response.

- **Prioritize strategically important locations and focus efforts on countering PRC activities in those locations.** As the PLA inevitably becomes more active overseas, the U.S. will need to make choices about which locations are crucial to its strategic interests. Not everywhere the PLA operates necessarily constitutes a threat, and seeking to counter PLA presence everywhere will be counterproductive.

- **Empower local civil society organizations in potential host countries to gather and disseminate information to critically evaluate the impact of PRC and PLA activities.** China's efforts to expand PLA access are often accompanied or preceded by SOE activity. Yet PRC state firms operating overseas have been accused of multiple malign behaviors including use of forced labor, exacerbating debt crises through opaque lending practices, exporting polluting industries, and engaging in other environmentally damaging practices. Greater PLA presence overseas has also at times led to an erosion of sovereignty for host nations. Helping local civil society groups gather and disseminate information on PRC activities will allow states to make more informed choices regarding the advantages and disadvantages of PRC overtures.

---

[24] Brian Gicheru Kinyua, "New Pier At China's Djibouti Base Could Accommodate Carriers," *The Maritime Executive*, April 30, 2021, https://maritime-executive.com/article/new-pier-at-china-s-djibouti-base-could-accommodate-carriers.
[25] Becker, Downs, DeThomas, and deGategno, *China's Presence in the Middle East and Western Indian Ocean: Beyond Belt and Road*, p. 45.
[26] Jeffrey Becker, Testimony to the House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, Hearing titled "China's Maritime Silk Road Initiative: Implications for the Global Maritime Supply Chain," October 17, 2019, https://www.youtube.com/watch?v=SHFDJ2qGN4Q.

OPENING STATEMENT OF MELODIE HA, MANAGEMENT ANALYST, U.S. DEPARTMENT OF DEFENSE

CHAIRMAN BARTHOLOMEW: Thanks very much, Ms. Ha.

MS. HA: Good morning. Thank you so much for this opportunity to talk about PLA military exercises and port calls with U.S. allies and partners. I just want to note that I am here in my own personal capacity today, and my thoughts will not reflect of the U.S. Department of Defense.

So my analysis today is based on the open source NDU database that you heard Dr. Saunders talk about earlier that tracks military diplomatic engagements from 2002 to 2021. So the PLA engages in military diplomacy with foreign counterparts for three main reasons, to send political signals, to gain experience in training combat skills, and to engage in a spectrum of common nontraditional military operations such as humanitarian assistance and disaster relief. The PLA seeks to use military diplomacy as a tool to develop bilateral relations with other countries.

And by analyzing trends and country case studies over the years, we can see that PLA engagement largely plays a symbolic role in demonstrating friendly political relations. U.S. allies and partners, especially in Southeast Asia, often use military diplomacy as a means of managing their broader relationships with China and will engage the PLA to balance a more substantive security cooperation with the United States. So first, I want to talk about naval port calls.

It's a type of military diplomacy carried out by the Chinese navy. Port calls have a functional purpose, refueling, replenishing, or repairing ships and a military diplomatic purpose which is a friendly visit where an operational stop is not needed. Our port call data reveals that functional port calls show that China's relationship with a country is good enough that a country will allow a PLAN ship to stop at their port and refuel and replenish.

And the ports most frequently visited by the PLAN are all along the Indian Ocean rim, including countries such as Oman, Sri Lanka, and Saudi Arabia, which all indicate China's continued strategic interest in the countries. Next, I want to discuss military exercises. Unlike U.S. exercises, PLA exercises focus less on interoperability and building partner capacity and instead emphasize cooperative efforts and political signaling.

However, to note, PLA exercises with Russia, Pakistan, and multilateral exercises with the Shanghai Cooperation Organization are exceptions to this. And the PLA interacts with different foreign partners in different ways, signifying different levels of cooperation and trust between the PLA and the foreign military counterpart. And for example, the majority of PLA's combat exercises are conducted with Russia and Pakistan, countries that have real combat experience that the PLA is opting to learn from.

Countries that have territorial disputes with China or are suspicious about Chinese intentions, such as Vietnam, Malaysia, the Philippines, and South Korea, further exemplify the political significance of military exercises. And of note, most of these exercises are pretty limited in scope which means that most of them are not combat exercises but rather focused on nontraditional security operations. I want to take a moment to deep dive into Australia, a close U.S. ally that has sought to balance increased security cooperation with Washington with increased military engagement with China who is its largest training partner in recent years.

So most exercises between the two countries involve nontraditional security exercises, including activities on survival skills, navigational drills, and friendly team building exercises.

And a good example of this is in 2014, Australia hosted the trilateral Kowari exercise with the United States and the PLA where military personnel from all three nations worked together in the Australian bush to bolster friendly relations. And what they did together was they hiked, they kayaked.

And it was in order to increase security cooperation in the Indo-Pacific. Australia's actions demonstrate how U.S. allies and partners in the region can use military diplomacy to help manage their economic dependence on China and offset Chinese concerns about security cooperation with the United States. The PLA's increasing military diplomatic engagements are a sign that China wants to engage with the world. But it doesn't necessarily translate to increased influence or indicate that the PLA will achieve its strategic and operational objectives.

It's important to remember that military engagements are a two-way street. And they are often limited by the willingness and the capability of the foreign partners that want to engage with the PLA. So I'd like to conclude with some recommendations for U.S. policy.

It's not practical to assume that U.S. allies and partners will cease engagement with China due to their own self interests. So U.S. policy makers should not seek to dissuade allies and partners from engaging with the PLA as a part of their broader China foreign policy. And in fact, enforcing any nonengagement policies poses a risk of political backlash by U.S. allies and partners and could potentially push them in closer alignment with China.

Second, the U.S. should insist that allies and partners not teach the PLA any skills that they learned from the U.S. military, especially when conducting combat exercises. And a way the U.S. can approach this is by including more discussions about how to manage military activities involving China in its bilateral and multilateral security dialogues and alliance consultations. And third, the United States can provide allies and partners with more incentives or alternatives for learning and training military skills with the U.S. military while simultaneously emphasizing that other symbolic activities such as senior level meetings, they can engage with the PLA to showcase this political signaling and diplomacy.

And finally, the U.S. can put more effort into increasing awareness among allies and partners on the risks associated with engaging the PLA such as the PLA collection foreign intelligence -- excuse me, intelligence on foreign militaries and practicing combat maneuvers. And for instance, we see the PLA masquerades a lot of combat exercises as anti-terrorism exercises with partners like Russia. And it's important that in these cases the U.S. help clarify the distinction and raise awareness on what security risks these types of activities pose. So I'll stop there, and I look forward to answering your questions.

PREPARED STATEMENT OF MELODIE HA, MANAGEMENT ANALYST, U.S. DEPARTMENT OF DEFENSE

Testimony before the U.S.-China Economic and Security Review Commission

Hearing on "China's Military Diplomacy and Overseas Security Activities"

Panel II: Military Diplomacy for Improving Capabilities and Access

Melodie Ha[1]

January 26, 2023

Co-Chairs Bartholomew and Schriver, distinguished Commissioners and staff, thank you for the opportunity to participate in today's hearing on China's military diplomacy and overseas security activities. It is an honor to be here alongside esteemed experts on this panel. My testimony today will cover the People's Liberation Army (PLA) overseas military exercises and port calls with foreign counterparts and their strategic and operational objectives. I will analyze specific case studies where the PLA conducts such engagements with the United States and with U.S. partners and allies. The analysis is based on an open-source National Defense University (NDU) database that tracks Chinese military diplomatic engagements to assess China's senior-level meetings, port calls, and military exercises with foreign militaries from 2002-2021.[2]

The PLA defines military diplomacy as "external relationships pertaining to military and related affairs between countries and groups of countries, including military personnel exchange, military negotiations, arms control negotiations, military aid, military intelligence cooperation, military technology cooperation, international peacekeeping, military alliance activities, etc."[3] We can classify the reasons why the PLA and its foreign partners choose to engage in military diplomacy into three main dimensions: 1) to send political signals, 2) to gain experience and train in combat skills, and 3) to engage in a spectrum of common, non-traditional military operations.

The purpose of PLA military diplomacy is to project the narrative that the PLA is a cooperative and peaceful force, to support China's foreign policy goals and help shape the global strategic environment, and to support operational goals including PLA modernization and collecting intelligence on foreign militaries. Through analyzing trends and country case studies, we can see that PLA military exercises largely play a symbolic role in demonstrating friendly political

[1]All opinions, conclusions, and recommendations expressed or implied in this testimony are those of the author and do not represent the views of the U.S. Department of Defense or any other agency of the Federal Government. The author is solely responsible for all errors.

[2] Parts of the analysis draw upon Phillip C. Saunders and Melodie Ha, "China's Military Diplomacy," paper presented at "The PLA in a World of Strategic Competition with the United States," CAPS-RAND-NDU-USIP PLA Conference, Arlington, VA, November 18-19, 2022.

[3] All-Military Military Affairs Management Committee [全军军事管理委员会], PLA Military Terminology [中华人民解放军军语] (Beijing: Academy of Military Sciences Press, 2011), 1063.

relations and are used as a tool to develop bilateral relations with countries. Trends show that China prioritizes managing relations with specific countries and regions via PLA exercises that focus on non-traditional security issues such as humanitarian assistance and disaster relief, anti-terrorism, and other non-combat relevant skills. Unlike U.S. military exercises, PLA exercises focus less on interoperability and building partner capacity and instead emphasize cooperative efforts and political signaling. PLA exercises with Russia, Pakistan, and the Shanghai Cooperation Organization (SCO) are exceptions to this.

As the PLA's engagement with foreign countries poses security challenges to the United States, there are actions the United States can take to mitigate these risks. The following are recommendations for Congress on how the United States could respond to PLA military diplomacy:

- The United States should not discourage its allies and partners in engaging in military diplomatic activities with the PLA as a part of their broader China foreign policy, as it could cause political backlash and push our allies and partners into closer alignment with China
- The United States should insist that its allies and partners not teach the PLA any military tactics, techniques, and procedures that they have learned from the United States and to be cautious when engaging the PLA in combat exercises
- U.S. policy should focus on limiting the PLA's ability to use military exercises to improve its operational capabilities or to build strategic relationships that give it access to ports

NAVAL PORT CALLS

Port calls are one type of Chinese military diplomacy, primarily carried out by the Navy. They are generally peaceful and cooperative in nature and have included Chinese naval personnel of all ranks. Analysis of port call data reveals that functional port calls indicate China's relationship with a country is good enough that the country would allow a PLA Navy (PLAN) ship to refuel and replenish. There are a few reasons China continues this form of military diplomacy – first, to show the world that its military promotes peace and cooperation, second, to reinforce its influence in areas of strategic interest such as the Indian Ocean rim, and finally, to project naval power as the PLAN continues to seek blue-water naval capabilities.

Port calls continue to serve as another symbol of bilateral relations between two countries and are strategic and political in nature as one makes decisions on which ports to visit.[4] Port calls can have a functional purpose (such as refueling, replenishing, and repair/overhaul activities) and a military-diplomatic purpose, such as friendly visits where an operational stop is not needed.

Although China both sends ships out to do port calls at other countries and allows ships from other countries to dock at ports in China and Hong Kong, the database only captures Chinese

[4] Timothy R. Heath, "China Maritime Report No. 8: Winning Friends and Influencing People: Naval Diplomacy with Chinese Characteristics" (2020). CMSI China Maritime Reports. 8. https://digital-commons.usnwc.edu/cmsi-maritime-reports/8

ships that do port calls in foreign countries because it is a bigger commitment of resources and data is more readily available. Furthermore, the data differentiates between two types of port calls, PLAN escort task forces (ETF) conducting anti-piracy patrols in the Gulf of Aden, and non-ETF ships. ETFs usually consist of two warships and a replenishment ship; they conduct replenishment port calls to support their deployments and friendly visits on the way home after a four-month operational deployment. [5] Non-ETF port calls can involve regular PLAN warships, hospital ships, and training vessels. Most non-ETF port calls are in Asia, but some have been made to South and Central America. Finally of note, the PLA has conducted six port calls with the United States between 2000 and 2015, all of them friendly visits to either Hawaii or San Diego.

Figure 1 shows the PLAN's first global voyage in 2002, where the Qingdao DDG and a Taicang supply ship sailed to visit ten countries over a four-month deployment. [6] The PLAN did not begin ETF deployments to the Gulf of Aden until late 2008. These deployments generated new requirements for replenishment port calls and new opportunities for friendly port calls along the Indian Ocean rim. The ports most frequently visited by PLAN ETFs are all countries along the Indian Ocean rim, including Oman, Sri Lanka, Saudi Arabia, and Djibouti—where China's first overseas base is located.[7] This reveals China's continued strategic interest in the region, which includes supporting China's economic investments, protecting key maritime trade routes, and maintaining influence and access to key ports.

In August 2017, the opening of China's Djibouti base eliminated the need for replenishment port calls elsewhere; PLAN replenishment port calls to Djibouti are not tracked in the database as they do not involve engagement with foreign militaries and are not reported by the PLA. From 2017 forward, ETF port calls were all friendly visits for diplomatic reasons after the task force completed its deployment. PLAN ETD-33 conducted port calls in the United Arab Emirates, Bangladesh, and Thailand in the first few months of 2020. Since then, the COVID-19 pandemic has prevented any PLAN port calls other than replenishment port calls in Djibouti to support ETF anti-piracy operations.[8]

MILITARY EXERCISES

Military exercises are one type of Chinese military diplomacy that involve exercises with foreign militaries and are carried out by either the Army, Navy, Air Force, People's Armed Police, or multiple services (which the PLA calls Joint). The NDU database distinguishes between six

[5] For full analysis, see Andrew S. Erickson and Austin M. Strange, *Six Years at Sea and Counting: Gulf of Aden Anti-Piracy and China's Maritime Commons Presence* (Brookings Institution Press, 2016).
[6] Kenneth Allen, "Trends in People's Liberation Army International Initiatives Under Hu Jintao," in *Assessing the People's Liberation Army in the Hu Jintao Era,* ed. Roy Kamphausen, David Lai, and Travis Tanner (Carlisle, PA: United States Army War College Press, 2014), 447.
[7] Isaac B. Kardon, Wendy Leutert; Pier Competitor: China's Power Position in Global Ports. *International Security* 2022; 46 (4): 9–47. doi: https://doi.org/10.1162/isec_a_00433
[8] Of note, replenishment visits in the COVID period involve almost no interactions with host country nationals. According to PLA media, supplies are shipped from China via a COSCO ship and are transferred to the PLAN replenishment ship via forklift with minimal human interaction.

types of military exercise functions; combat, combat-support, anti-terrorism, anti-piracy, military competitions, and military operations other than war (MOOTW).[9]

The PLA seeks to use military exercises with foreign militaries to "learn from the advanced technology, operational methods, and management experience of foreign armies, focusing on the fundamental goal of seeking victory for war."[10] This objective is best achieved by combat and combat support exercises with advanced militaries and with militaries with extensive combat experience.[11] The data shows that starting in 2010, the PLA began to increase bilateral military exercises with foreign militaries and subsequently increased participation in multilateral exercises starting in 2014. This reflects a few factors—first, the PLA has grown more confident in its personnel and equipment to engage in more complex exercises with foreign militaries without risking failure or embarrassment. Second, military exercises allow the PLA to showcase its capabilities to the rest of the world and demonstrate that it is a formidable global military power.[12] This is particularly true of multilateral exercises which have more participants and are better vehicles for demonstrating PLA capabilities.

Moreover, the data reveals that the majority of PLA exercises focus on MOOTW (45%), anti-terrorism (25%), or anti-piracy (6%). This could reflect the fact that the PLA may be less capable of conducting combat exercises, making foreign partners less willing to engage in combat exercises. It could also mean that these are activities the PLA prefers to engage in to help demonstrate its willingness to shoulder global security responsibilities. MOOTW exercises focus on non-traditional security issues, such as humanitarian assistance and disaster relief (HA/DR), evacuations, and peacekeeping missions, all which help project the image of the PLA as a reliable partner and a military with global responsibilities. Along with anti-piracy and anti-terrorism, which also focus on non-state threats, approximately 80% of all PLA military exercises with foreign militaries focus on non-traditional security issues rather than developing skills that are directly relevant to combat, as displayed in Figure 2. In fact, the data shows that only 16% of all PLA military exercises are combat exercises.

Finally, it is important to note that the PLA is willing to use a strategy of "pragmatic cooperation" that begins with high-level visits, dialogue, and non-traditional security exercises with the goal of eventually developing military relations to include cooperation on military technology and joint exercises and training more directly related to combat skills.[13]

U.S. ALLIES AND PARTNERS

[9] See Appendix B for detailed definitions of military exercise functions.
[10] Deng Bibo [邓碧波], "Major Achievements and Basic Experience in China's Military Diplomacy in the New Era" [新时代中国军事外交的重大成就及基本经验], China Military Science [国军科学] 182 (February 2022), 54-63.
[11] Dr. Phillip Saunders discussion with PLA senior officer, 2015.
[12] Increased PLA participation in exercises with foreign militaries begins in 2010, the year that several analysts have identified as a turning point that marks a selective but significant increase in PLA transparency about military capabilities which is likely intended to shape the regional security environment. See Isaac Kardon, "China's Emerging Debate on Military Transparency," *China Brief* 10, Issue 18 (September 10, 2010).
[13] Deng, "Major Achievements and Basic Experience in China's Military Diplomacy in the New Era."

As military exercises play a symbolic role in demonstrating friendly political relations, we can see the PLA utilizing exercises as a means of managing bilateral relationships with other countries, including U.S. allies and partners. The PLA interacts with different foreign partners in different ways, signifying differing levels of cooperation, trust, expediency, and effort between the PLA and specific foreign military diplomatic partners. A high volume of PLA engagements does not necessarily equate to high levels of PRC or PLA influence. U.S. allies and partners, especially in Southeast Asia, use military diplomacy as a means of managing their broader relationships with China and sometimes engage with the PLA to balance more substantive security cooperation with the United States.

Countries that are more willing to exercise with the PLA—even if they have territorial disputes or suspicions about China's intentions—further exemplifies the political significance of military exercises. PLA exercises with South China Sea claimants like Vietnam and Malaysia, as well as with U.S. security allies like the Philippines and South Korea, all serve as interesting data points suggesting even countries that have significant security tensions or territorial disputes with China were willing to engage with the PLA. Most of these exercises have very limited combat or combat-support content but hold significant political symbolism.

Another example that demonstrates political symbolism is the PLA's participation in multilateral exercises. The PLA began participating in multilateral exercises in 2003, but the volume increased significantly from 2014 onward, including Rim of the Pacific Exercise (RIMPAC) and the Western Pacific Naval Symposium. Though the military content of PLA participation in exercises like RIMPAC was carefully limited, the invitation served as a positive signal from the United States that China could use to try to build trust with other countries. The converse of this is also true – the U.S. decision to disinvite China from RIMPAC in 2018 due to its "continued militarization" of the South China Sea was viewed as a political rebuke.[14]

The data shows a significant uptick since 2013 in the number of bilateral military exercises China participated in, as well as in the diversity of countries with which it did so. This next section will take a closer look at several case study countries involving U.S. allies, including Australia, South Korea, Japan, and the Philippines, as well as other partners in Southeast Asia such as Malaysia and Vietnam.

AUSTRALIA

Figure 3 displays Australia's military engagements with China from 2002 to 2021.[15] As part of the U.S. rebalance to Asia, the United States has increased security cooperation with Australia, including rotational deployments of U.S. Marines and the trilateral AUKUS security pact among Australia, the United Kingdom, and the United States, announced in September 2021.[16] Australia has sought to balance increased security cooperation with Washington with increased military engagement with China, its largest trading partner.

[14] Megan Eckstein, "China Disinvited from Participating in 2018 RIMPAC Exercise," *USNI News,* May 23, 2018, available at <https://news.usni.org/2018/05/23/china-disinvited-participating-2018-rimpac-exercise>.
[15] There were no military engagements between China and Australia from 2020 to 2021 due to COVID-19.
[16] The White House, "Joint Leaders Statement on AUKUS," September 15, 2021, available at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>

Australia conducted its first military exercise with China, a naval search and rescue exercise, in 2004. However, the volume of military engagement between China and Australia began to pick up in 2012, the year after President Obama formally announced the U.S. rebalance to Asia. Around that same time, Sino-Australia diplomatic relations also began to strengthen. In 2013, the two countries agreed to establish a prime-ministerial level dialogue, which makes Australia one of the few countries to have a dialogue at this level with China. This improved bilateral relationship is mirrored in the increasing numbers of military engagements and exercises from 2014-2019.

Australia has sought to use strengthened military relations to ease Chinese concerns about its close security ties with the United States. Most of the military exercises between the two countries involve MOOTW, with a focus on survival skills, navigation drills, and friendly team-building exercises. Such examples include the Pandaroo Exercise series. In 2014, Australia also hosted the first trilateral Australia-U.S.-China Kowari survival exercise, which illustrated the country's role as a bridge between the United States and China. This annual exercise encourages military personnel from the three nations to work together in the Australian bush to promote friendship and cooperation to enhance regional security in the Indo-Pacific. Training activities include hiking, sea kayaking, mountaineering, and canyoning.[17]

Australia's actions demonstrate how U.S. allies and partners in the region can use military diplomacy to help manage their economic dependence on China and offset Chinese concerns about their security cooperation with the United States. This balancing act was reasonably successful until 2020, when a combination of Australian concerns about Chinese efforts to influence its elections, Australian calls for a credible international investigation of the origins of the COVID-19 pandemic, and the AUKUS security pact caused a crisis in bilateral relations. Beijing's response focused heavily on economic measures to discriminate against Australian imports, but the PLA also stopped its diplomatic engagements with the Australian military.

SOUTH KOREA AND JAPAN

South Korea is another good case study of how bilateral relations with China affect military diplomacy. As depicted in Figure 4, most engagements between South Korea and China consist of military senior-level meetings, another type of engagement the NDU database tracks. South Korea and China established diplomatic relations in 1992 and maintained consistent military engagement until 2010. The break was due to an incident involving the sinking of the Cheonan, a Pohang-class corvette from South Korea in March 2010. An official investigation carried out by a team of international experts concluded the warship was sunk by a North Korean torpedo, which North Korea denied. China dismissed the evidence as not credible. Later in November 2010, tensions between North and South Korea flared into conflict, resulting in the bombardment of Yeonpyeong, killing four South Koreans and injuring 19 others. Chinese illegal fishing and the murder of a South Korean coast guard member in 2011, in addition to disputes over Socotra Rock (Ieodo) in 2012, further chilled relations between the two countries.

[17] "Exercise Kowari Starts in North Queensland," Australian Department of Defence, August 28, 2019, available at <https://www.defence.gov.au/news-events/releases/2019-08-28/exercise-kowari-starts-north-queensland>

Military engagements did not pick up again until 2013, when the PLAN conducted a port call to South Korea. In 2015, South Korea and China conducted its first and only military exercise, an anti-piracy exercise in the Gulf of Aden. Engagement remained steady for the next few years, indicating that bilateral relations between China and South Korea were flourishing, until July 2016 when South Korea allowed the United States to deploy the Terminal High-Altitude Area Defense (THAAD) system in its territory. Beijing feared THAAD's powerful radar could penetrate into Chinese territory and potentially allow U.S. ballistic missile defenses to track and target Chinese inter-continental ballistic missiles (ICBMs). China retaliated by targeting South Korea's entertainment, tourism, and shopping industries—for example, by sanctioning major South Korean retailer Lotte. Military diplomacy was another means for China to express its displeasure, as military engagements were cut to the minimum. Only in 2019 did activity pick up again.

Even though Northeast Asia holds strategic importance to China, the PLA still has limited interactions with this region due to historical strains in relations with Japan, as shown in Figure 5, and South Korea's reluctance to engage in military exercises with the PLA. The Japanese Self Defense Forces (JSDF) have never conducted a military exercise with China, and since 2012, Japan has had very limited military diplomatic engagements with the PLA.

SOUTHEAST ASIA

This section analyzes PLA engagements in Southeast Asia, including with select ASEAN member states: Malaysia, Vietnam, and the Philippines. These countries all engage in security cooperation with the United States, yet also rely heavily on China for trade and investment. The Philippines maintains low but consistent military diplomatic engagement with China, primarily consisting of senior-level visits and a few port calls. The PLA's engagement with the Philippines also fluctuates based on the political relationship, and there was reduced engagement from 2011 to 2015 as the territorial dispute over the Spratly Islands flared up and the Philippines pursed its case against China in the Permanent Court of Arbitration in the Hague from 2013-2016.[18] Consequently, the Philippines and China had no military engagements in 2012 and from 2014-2015. Engagements resumed when Rodrigo Duterte was elected president in 2016 and sought to reorient the Philippines foreign policy away from the United States and closer toward China and Russia. In 2020, the Philippines conducted its first military exercise with the PLA, a Coast Guard exercise focused on search and rescue and combating fire at sea in the South China Sea. The two Coast Guards were given a scenario of a vessel catching fire in its cargo and needed assistance to save victims.[19]

Despite territorial disputes over the Spratly Islands, Malaysia conducted its first military exercise with the PLA in 2015—Peace and Friendship. This was the first-ever joint live-troop exercise,

[18] See Euan Graham, "The Hague Tribunal's South China Sea Ruling: Empty Provocation or Slow-Burning Influence?" Council on Foreign Relations, August 18, 2016, available at <https://www.cfr.org/councilofcouncils/global-memos/hague-tribunals-south-china-sea-ruling-empty-provocation-or-slow-burning-influence>.
[19] "Chinese, Philippine Coast Guards hold joint exercise to achieve interoperability at sea," January 16, 2020, available at <http://eng.chinamil.com.cn/view/2020-01/16/content_9718789.htm>

focused on non-war operations including joint maritime escorts, combined search and rescue of hijacked ships and HA/DR.[20] Malaysia and China have continued regular exercises, mostly focused on MOOTW and anti-terrorism themes. Other engagements also continued through this period, possibly due to Malaysia taking a lower key approach to its territorial dispute with China. It is also likely that new Chinese Belt and Road Initiative projects in Malaysia starting in 2015 and 2016 have contributed to continuing military diplomatic engagement between the two countries.[21]

Vietnam is another country that has maintained relatively consistent engagement with China, including via PLAN port calls, despite having tensions over competing claims to the Paracel and Spratly Islands.[22] Vietnam conducted its first military exercise with the PLA in 2017 and has conducted three exercises with the PLA to date. All military exercises have focused on anti-terrorism and military medical cooperation. However, similar to the Philippines, engagement noticeably declined from 2012 to 2015, as the dispute over the Spratly Islands heated up.

The three aforementioned case studies serve as examples of Southeast Asian nations that have started bilateral military exercises with China despite territorial disputes. Malaysian, Vietnamese, and Philippine economies all depend on China as a trading partner and source of investment, and China wants to use military diplomacy as a tool to further bilateral relations and increase its influence within Southeast Asia. Both sides want to engage each other; however, the limited scope of military content shows that exercises play a more symbolic role as a measure of goodwill between nations regardless of tensions.

RUSSIA

To understand where the PLA is gaining a lot of combat military experience, we need to consider Russia and its military diplomatic engagements with China. PLA military exercises with U.S. allies and partners remain limited in scope as U.S. allies are more careful in engaging combat or combat-support related activities with the PLA. However, it is still important to recognize that the PLA's overall top military diplomatic partners are Russia and Pakistan. Both countries engage in combat or combat-support related military exercises with the PLA most frequently. These two countries both have combat experience, and the PLA tries to leverage bilateral ties with Russia and Pakistan to learn more military combat skills. 34% of the PLA's total combat and combat-support exercises have been with the Russian military, more than any other partner. Between 2005 and 2021, the data shows that Russia and China have engaged in 18 combat exercises, and Pakistan and China have engaged in 9 combat exercises and 2 combat-support exercises.

---

[20] Prashanth Parameswaran, "China, Malyasia to Hold First Ever Joint Live-Troop Exercise," *The Diplomat,* August 31, 2015, available at <https://thediplomat.com/2015/08/china-malaysia-to-hold-first-ever-joint-live-troop-exercise/>

[21] For example, Forest City was a $100 billion mixed development project to build a smart city in Malaysia. Huawei, China Construction Steel Structure Corporation, and Bank of China all signed on to develop smart city. See: Point Bello, "The Digital Silk Road Initiative: Wiring Global IT and Telecommunications to Advance Beijing's Global Ambitions," January, 2019, available at < https://a.storyblok.com/f/58650/x/0c5c298009/pointe-bello-digital-silk-road-2019.pdf>

[22] Vietnam is also one of the few remaining Communist countries, and the two countries maintain close and regular Party relations.

Military exercises between Russia and China began to significantly increase in 2014 onward, as depicted in Figure 6. Some examples of exercises include Joint Sea, which have been held in increasingly sensitive waters such as the Mediterranean, the Baltic Sea, and the East China Sea/Yellow Sea. The most recent Joint Sea exercise was held in December 2022 and consisted of a Russian missile cruiser, destroyer, and two corvettes, and Chinese destroyers and a diesel submarine. Combat related activities included firing exercises and anti-submarine drills and involved Russian and Chinese aircraft as well.[23] Other combat exercises include Vostok 2018, where the PLA deployed over 3,000 troops and practiced live-fire events as well as combat-support logistics activities to move troops, equipment, and supplies.[24]

The PLA has also been participating in military exercises sponsored by the Shanghai Cooperation Organization (SCO), a multilateral organization founded by China and Russia in 2001. China plays a major role in leading and seeking to institutionalize the SCO as a means of projecting its power and influence into Central Asia without alienating Russia. In recent years, SCO has continued to gain support in Central and South Asia, with India and Pakistan officially joining as full members in 2017. The biggest multilateral military exercise SCO hosts is Peace Mission, which began in 2007 and has been held almost annually since its inception. Peace Mission 2021 was a joint exercise that involved over 4,000 military participants from China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, India, Pakistan, and Uzbekistan. Though the Peace Mission exercise series is branded as anti-terrorism drills, the series is classified as combat military exercises in the NDU database due to combat elements such forces conducting live-fire drills and using infantry fighting vehicles and assault vehicles against targets. In fact, Russia and China will often conduct "counterterrorism" exercises that include heavy equipment, missile launches, and massive troop numbers, which are likely used to send political messages to the United States and its allies and partners on Sino-Russia strategic cooperation.[25]

There are two reasons why Chinese and Russian military diplomacy is increasing; first, the PLA wants to learn more combat skills from the Russian military, and second, both countries want to send a strategic message that they have formidable military capabilities and can operate together. However, increasing Sino-Russian military cooperation does not necessarily mean the two countries are allies, but rather that they have a common adversary in the United States and are cooperating in areas of common interest. China and Russia recognize each other as important strategic partners and choose to engage in military diplomacy to multiply their geopolitical influence. This is especially true as the two countries have strengthened their military cooperation since Russia's invasion of Ukraine in February 2022.China has not condemned Russia over the invasion and has not participated in Western sanctions, while Russia in the meantime has supported China as tensions with the United States over Taiwan has increased. These trends in both foreign policy and military engagements indicate a deepening relationship

[23] Ellen Mitchell, "Russia and China hold joint naval exercises," *The Hill,* December 22, 2022, available at <https://thehill.com/policy/defense/3785363-russia-and-china-hold-joint-naval-exercises/>

[24] Dave Johnson, "Vostok 2018: Ten years of Russian strategic exercises and warfare preparation," *NATO Review,* December 20, 2018, available at <https://www.nato.int/docu/review/articles/2018/12/20/vostok-2018-ten-years-of-russian-strategic-exercises-and-warfare-preparation/index.html>

[25] National Defense University's Center for the Study of Chinese Military Affairs is currently finishing a project to evaluate the military significance and political signaling value of PLA exercises with Russia, Pakistan, and the SCO.

and suggest increased cooperation in the future, especially on efforts to limit U.S. freedom of action and influence.

UNITED STATES

Finally, we examine trends and patterns between the United States and China. Figure 7 shows U.S. efforts to increase engagement with the PLA from 2011 to 2015, with a focus on negotiating rules of behavior for safe air and maritime encounters. During this period, the PLA was under orders from Xi Jinping to improve military-to-military relations with the United States.[26] The data tracks other academic analysis that shows a souring of U.S.-China relations beginning in 2014 and 2015, which led to a decline in U.S.-China military diplomatic engagements in the subsequent years.[27] The majority of military exercises between the U.S. and China consist of MOOTW, including a couple of counter-piracy exercises in the Gulf of Aden in 2012 and 2013.

The two countries continue to cooperate on providing aid during natural disasters in the Indo-Pacific region with the Joint Disaster Management Exercise series, which began in 2005. The field component of the exercise normally includes a disaster evaluation, search and rescue, first aid, and victim collection and evacuations.[28] These types of exercises serve as cooperation and confidence building exercises and are beneficial to the entire Indo-Pacific region in times of disaster and crisis. Moreover, this continuing cooperation shows that the United States and China are committed to working together where their interests align despite tension in the bilateral relationship. U.S. Secretary of Defense Lloyd Austin and Chinese Defense Minister General Wei Fenghe's meeting in November 2022 further reinforced this notion that the U.S. and China need to responsibly manage competition and maintain open lines of communication together to reduce any future risk.[29]

CONCLUSION AND RECOMMENDATIONS

The PLA seeks to use military diplomacy to support Chinese strategic objectives, including supporting China's overall foreign policy and shaping the security environment. PLA scholars believe that military diplomacy can be leveraged as a foreign policy tool when it is beneficial to national interests, by cutting off planned military exercises or exchanges or making military

[26] Discussion between Dr. Phillip Saunders and a PLA flag officer, 2015.
[27] See Thomas F. Lynch III and Phillip C. Saunders, "Contemporary Great Power Geostrategic Dynamics: Relations and Strategies," in Thomas F. Lynch III, ed., *Strategic Assessment 2020: Into a New Era of Great Power Competition* (Washington, DC: NDU Press, 2020), 45-72 and Phillip C. Saunders, "The Military Factor in U.S.-China Strategic Competition," in Evan S. Medeiros, ed., *Managing Strategic Competition: Rethinking U.S.-China Relations in the 21st Century* (Washington, DC: Georgetown University Press, forthcoming).
[28] "U.S., China conduct disaster management exchange," U.S. Army Pacific Public Affairs, November 22, 2013, available at <https://www.nationalguard.mil/News/Article/575366/us-china-conduct-disaster-management-exchange/>
[29] U.S. Department of Defense, "Readout of Secretary of Defense Lloyd J. Austin III's Meeting With People's Republic of China (PRC) Minister of National Defense General Wei Fenghe," November 22, 2022, available at <https://www.defense.gov/News/Releases/Release/Article/3225447/readout-of-secretary-of-defense-lloyd-j-austin-iiis-meeting-with-peoples-republ/>

diplomatic activities a bargaining chip that Beijing can wield. The PLA also hopes to use "pragmatic cooperation" to gradually move from cooperation on non-traditional security issues to military technology transfers and combat-oriented exercises with advanced militaries that will help the PLA improve its ability to fight and win wars.

The PLA's increasing military diplomatic engagements are a sign that China wants to engage with the world, but they do not necessarily translate into increased influence, or indicate that the PLA will achieve its strategic and operational objectives. It is important to keep in mind factors that limit the returns on PLA military diplomacy. First, all military engagements are limited by the willingness and capability of foreign countries to engage with the PLA. We can see this with South Korea, Japan, and Southeast Asian countries, which all conduct military engagements with the PLA but are all extremely limited in scope when it comes to combat exercises. Second, the priority placed on the political value of military engagements means that many PLA visits or exercises do not build much trust or interoperability with foreign nations. Once again, this is particularly true regarding China's bilateral military relationships with Southeast Asian countries and countries like Australia.

The PLA is strengthening bilateral relations with some developing countries through its efforts to help build their military capacity, especially in MOOTW areas. Other countries such as Australia, Singapore, and Vietnam use military diplomacy as a means of maintaining communications channels with the PLA and balancing their more substantive security cooperation with the United States. Individual case studies of countries and analysis of China's participation in bilateral and multilateral exercises show that most PLA exercises focus heavily on less-sensitive non-traditional security issues; PLA exercises with Russia, Pakistan, and the SCO are an exception to this general rule. Increasingly assertive PLA behavior is also likely to undercut the political effectiveness of its efforts to use military diplomacy to assure countries of its peaceful intentions.

Finally, it is not practical to assume that U.S. allies and partners will cease engagement with China due to their own self-interests. U.S. policymakers should not seek to dissuade allies and partners from engaging with the PLA as a part of their broader China policy. If U.S. policy seeks to enforce a no-engagement policy, it poses risk of political backlash by U.S. allies and partners. This could potentially push our allies and partners into closer alignment with China. Instead, U.S. policy should focus on limiting the PLA's ability to use military diplomacy to improve its operational capabilities or build strategic relationships that give it access to overseas ports and bases.

Moreover, the United States should also insist that allies and partners be careful to not teach PLA tactics, techniques, and procedures that they have learned from the United States and take caution when conducting combat exercises with PLA counterparts. In fact, the United States should take extra effort to remind its allies and partners that under the U.S. Department of State's Directorate of Defense Trade Controls (DDTC), any defense articles that are in any way developed or produced from U.S.-origin defense services are subject to U.S. export controls, even when completely overseas, and that the provision of such technical data to anyone in China

is strictly prohibited.[30] In addition, DDTC should canvass key U.S. allies to ensure their domestic export control systems adequately enforce their arms embargoes and other controls against China to ensure that they are effectively understood and enforced.

While it is impossible to completely mitigate all security risks, there are several things Washington can do. First, the United States can include discussions about managing military activities involving China in its bilateral and multilateral security dialogues and alliance consultations. Second, in some cases the United States might take part in multilateral exercises with its allies and partners and the PLA. A good example of this is the trilateral Kowari Exercises with Australia and China – U.S. participation gives the U.S. the capability to shape the manner and the degree of the activities and knowledge featured in these exercises. This would also depend on the PLA's willingness to engage in multilateral exercises with the United States, expressing a positive willingness to engage and undercutting Chinese talking points that claim the U.S. military is a destabilizing factor in the Indo-Pacific.

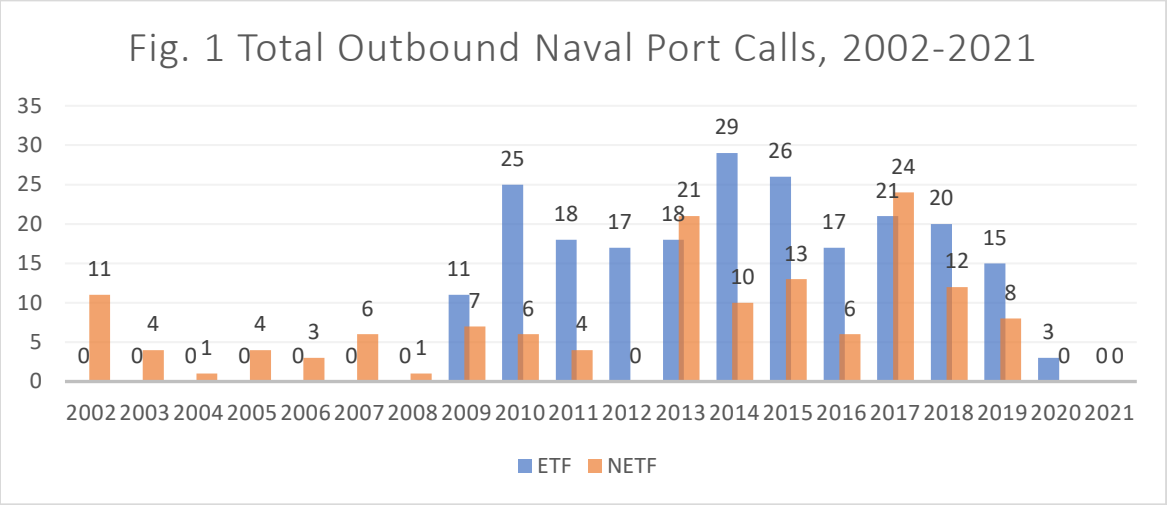
Third, the United States can provide its allies and partners more incentives or alternatives for learning and training military skills with the U.S. military while simultaneously emphasizing other symbolic activities such as senior military visits they can engage in with the PLA to showcase political signaling and diplomacy. Other high-level activities can achieve the same effect of managing the bilateral relationship with China and demonstrate communication and cooperation without the risk of transferring military skills or intelligence.

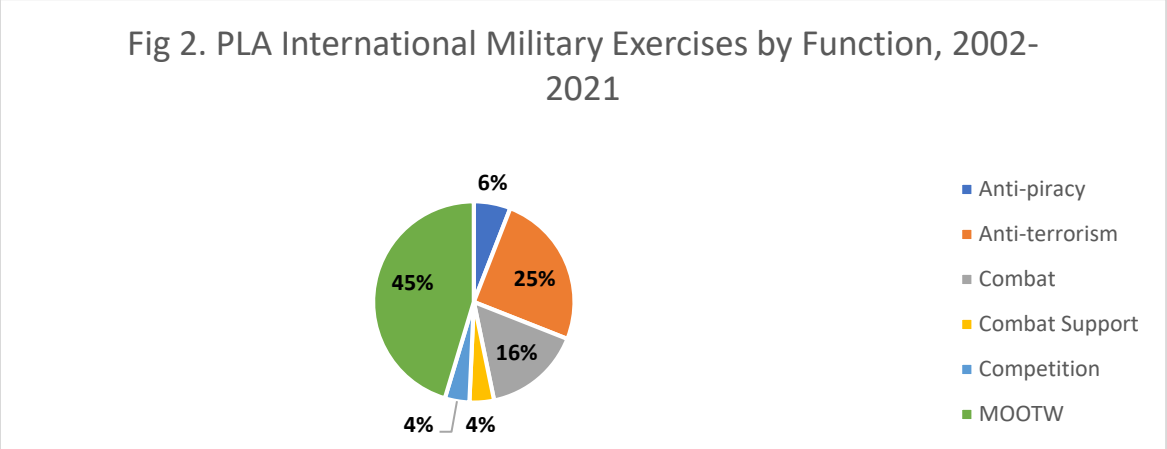
Fourth, the United States can put effort into increasing awareness among allies and partners on the risks associated with engaging with PLA, including but not limited to PLA collecting intelligence on foreign militaries or practicing combat maneuvers. For instance, we see that the PLA sometimes masquerades combat exercises as "anti-terrorism" with partners. In these cases, it's important that the United States help clarify that distinction and raise awareness on what security risks these types of activities pose.

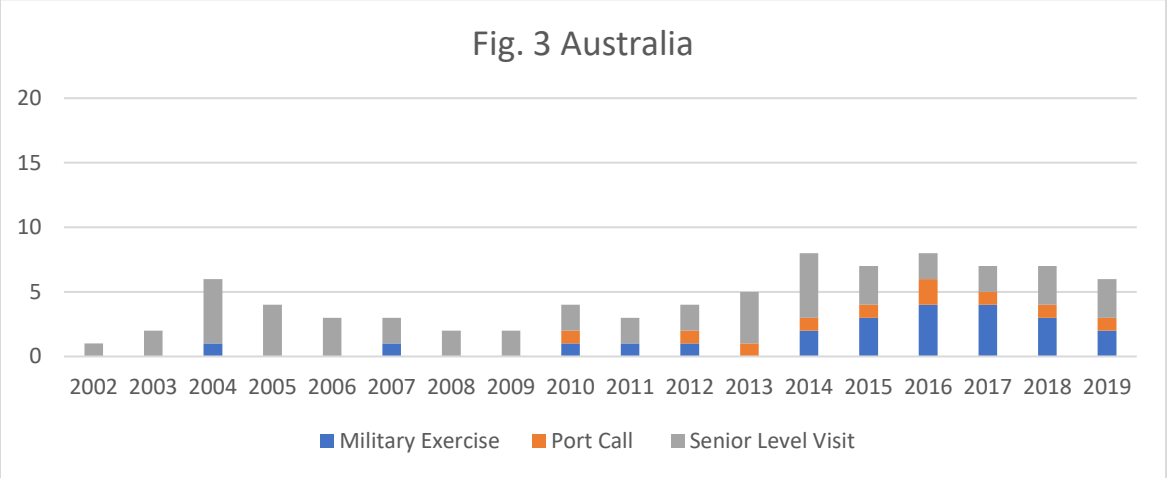
Many U.S. allies and partners in and beyond the Indo-Pacific region are concerned about balancing their economic relations with China and their security relations with the United States. Since the PLA uses military exercises and port calls as political indicators of its bilateral relationships, the United States should continue to allow countries like Australia to use symbolic military engagements with the PLA to balance their substantive security cooperation with the United States. Consequently, the United States should strive to continue building partner capacity and stress interoperability with allies and partners. These are areas where the United States has a substantial comparative advantage over the PLA and should be emphasized as Washington considers how to best leverage its own military diplomacy as an asset in the strategic competition with China.

[30] Defense services is defined as, "Military training of foreign units and forces, regular and irregular, including formal or informal instruction of foreign persons in the United States or abroad or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, and military advice." See: 58 FR 39305, July 22, 1993, as amended at 76 FR 28177, May 16, 2011; 81 FR 35616, June 3, 2016; 81 FR 54736, Aug. 17, 2016] available at <https://www.ecfr.gov/current/title-22/chapter-I/subchapter-M/part-124/section-124.8#p-124.8(a)(5)>

APPENDIX A: FIGURES







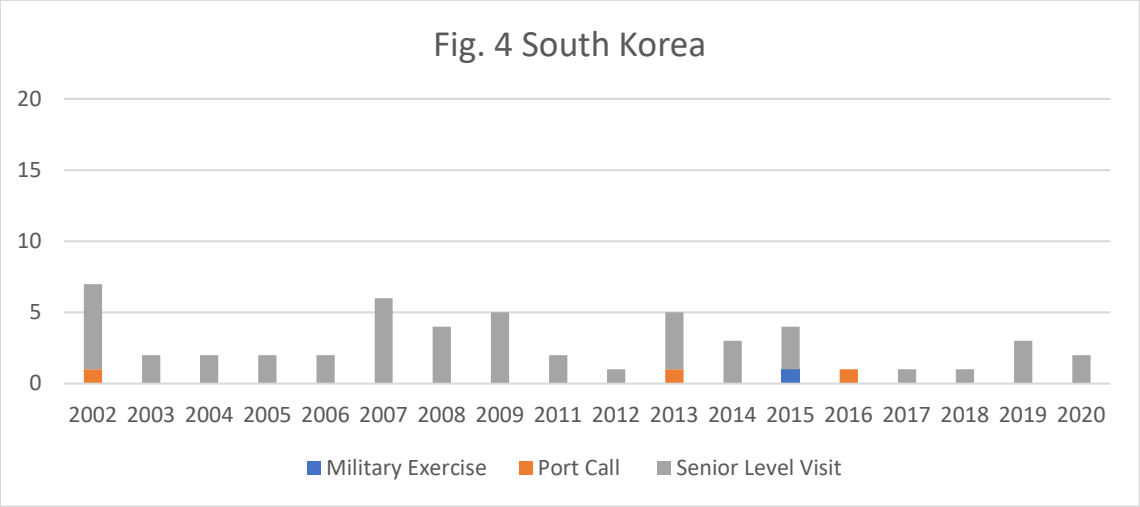


Fig. 4 South Korea
20
15
10
5
0
2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020
Military Exercise
Port Call
Senior Level Visit

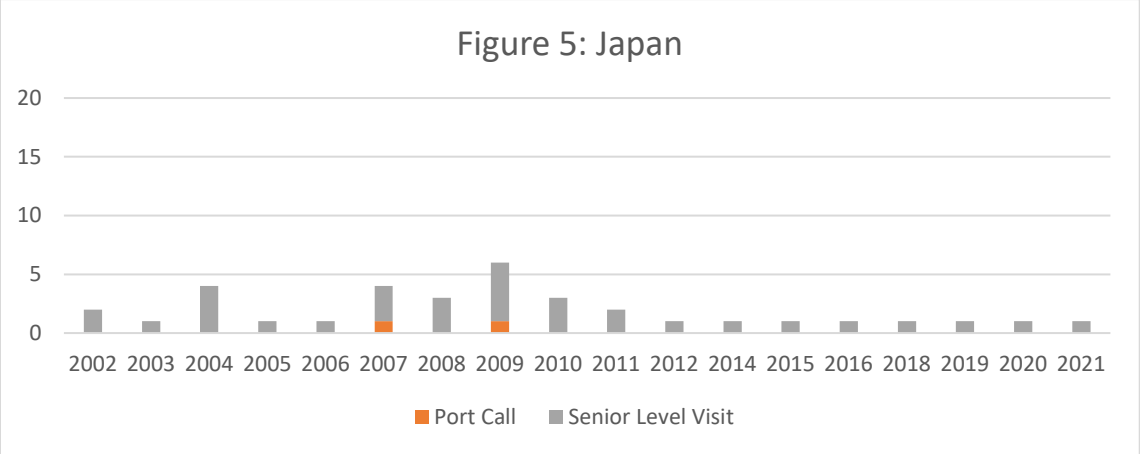


Figure 5: Japan
20
15
10
5
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2014 2015 2016 2018 2019 2020 2021
Port Call
Senior Level Visit

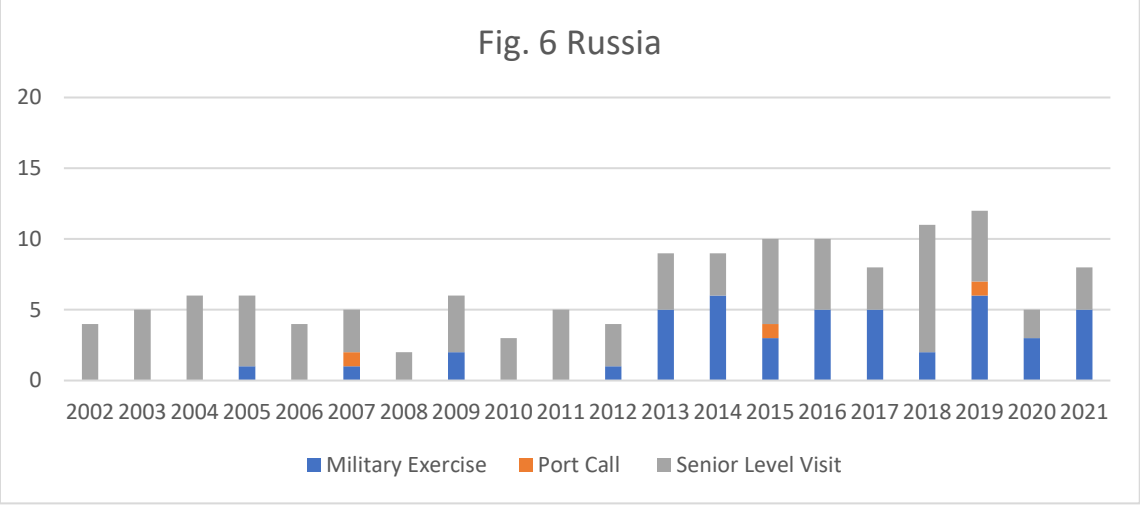


Fig. 6 Russia
20
15
10
5
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
Military Exercise
Port Call
Senior Level Visit

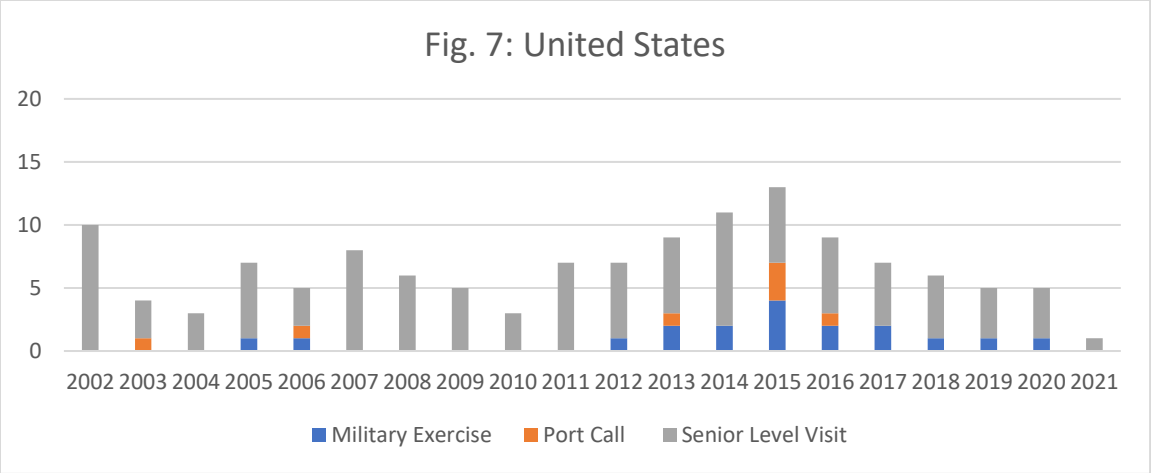


Fig. 7: United States
20
15
10
5
0
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
Military Exercise
Port Call
Senior Level Visit

APPENDIX B: MILITARY EXERICSE FUNCTIONS

Military Exercise Function	Definition
Combat	Typically involve standard military units operating doing traditional military tasks against notional adversary militaries. This often includes a live fire component against traditional military targets.
Combat Support	Typically involve logistics, intelligence, minesweeping and explosive ordnance disposal, surveillance or other capabilities that support traditional combat operations against a notional adversary military.
Anti-terrorism	Specifically focus against terrorist or infiltration threats; exercises that involve small-arms firing can still fit in this category. The distinction between combat exercises and anti-terrorism exercises would be classified by the notional targets, which are traditional military and terrorists respectively.
Anti-piracy	Specifically focus against pirates and may include convoy operations, boarding drills, or hostage rescue; exercises that involve small-arms firing can still fit in this category.
Military Operations Other Than War (MOOTW)	Include a range of activities that are focused on non-traditional security threats. This may include humanitarian assistance and disaster relief (HA/DR); search and rescue (SAR); peacekeeping; non-combatant evacuation operations (NEO); medical/infectious disease cooperation; and other similar activities. Activities involving basic military skills, such as navigational training, military survival training, and team-building engagements can also be classified as MOOTW exercises.
Military Competitions	Involve formal competitions between militaries to evaluate specific military skills; examples include Russia's Aviadarts air force skills competition. These are typically multilateral events that involve individual teams or platforms performing specific tasks and receiving grades based on speed or accuracy (tanks completing an obstacle course; transports air dropping supplies close to a target, etc.). If a competition involves combat training (e.g. fighter dog-fights or dissimilar aircraft combat training), it would be classified as a combat exercise.

CHAIRMAN BARTHOLOMEW: Great. Thank you very much. And for my colleagues, we're going to go alphabetical A to Z this time. So Commissioner Borochoff, you're up first.

COMMISSIONER BOROCHOFF: Thank you very much. I wish that I had the knowledge to really talk about the military aspects of this directly. But I'm very, very interested and have some because of my background interest and experience in the civil and state organizations, the companies that are investing and that leading to what you're talking about which is the military achieving some goal that they want to achieve.

So for Dr. Becker, you mentioned several projects that we've heard about in earlier hearings in your testimony, the antenna down in Argentina, the base in Djibouti. And I think your conclusion is that the things that their government did with private corporations to enhance the living conditions and possibly in those countries, whether it's put in a phone system or build out a road, led to the military advantage that they wanted. With the open sources that are out there, is there anybody that has created a list that shows a cause and effect?

Because we've heard testimony more than once in my couple of years here that there's a direct relationship. It's not obvious at first, but I think everybody here agrees with you that this happens and then this happens. Is anybody producing a list of those sorts of cause and effects around the country -- around the world?

DR. BECKER: In terms of a database that lays specifically into cause and effects, I'm not aware of one. What we have looked at is, so the Party and the government in China have a number of different mechanisms in place that they can use to compel both private and state actors to act on behalf of the state. And we're all aware of the organizational processes that the Party has in place or the other governmental processes that are in place.

In addition to that over the past few years, we've seen legal procedures put into place. I think I mentioned in my written testimony about the National Defense Transportation Law that requires firms to do certain things. The National Security Law is another example.

So while I'm not aware of -- and it would be a very interesting database to look at. I'm not aware of something like that. But the number of -- what's concerning to me are the number of tools at China's disposal to force actors to compel in ways that may not be in their own financial interest.

COMMISSIONER BOROCHOFF: I'm going to run out of time, so I want to do this very quickly. One of your recommendations is that we empower local civil society organizations in the host countries to disseminate information. And when you think of that, how would you empower them? What specifically are you thinking would happen?

DR. BECKER: So organizations like journalists, investigative journalists on the ground, organizations that have access to information that help to uncover all aspects of what PLA actors -- PRC actors, Chinese actors are going on the ground so that potential host nations, if there's a decision or discussion about whether or not to host military facilities, those host nations' leadership in those countries have full picture of everything that's going on and make more informed decisions.

COMMISSIONER BOROCHOFF: Educational process?

DR. BECKER: Yes, I think that's a big part of it.

COMMISSIONER BOROCHOFF: Okay. Thank you. I'll yield the rest of my time. Thank you.

CHAIRMAN BARTHOLOMEW: Commissioner Cleveland?

COMMISSIONER CLEVELAND: I thought you were going next. Thank you all for your testimony. It's very helpful. Ms. Ha, I find your definition of military diplomacy particularly helpful and comprehensive. I'm confident it'll show up in our report somewhere because it captures everything.

I would be interested in, Mr. Weitz, you have on page 6 of your testimony a reference to capabilities that the Chinese and Russia media say that practice and learn and that there is some skepticism about that. And you cite a UK tweet before Vostok-2022 that the poor performance of the Russians in Ukraine underscore that such events are heavily scripted, do not encourage initiative, and primarily aim to impress Russian leaders and international audiences.

I wonder if -- I assume since you included it, you concur with that perhaps scathing assessment. But I wonder if you could elaborate on that and talk a little bit about are these really showcases to impress or is there actually any meaningful learning going on. And if so, can you cite sort of examples, like, have command and control changed in how the PLA operates? Do we see any meaningful adjustments based on these exercises?

DR. WEITZ: Thank you for your question. So in terms of what they report, right, in the media, what they show photos of, what they say they've done, the skills have become broader and deeper and more appropriate for fighting the United States as opposed to the earlier ones which I thought really were counter-terrorist focused, particularly within the Shanghai -- but, so on paper, they now do combined exercises. They practice anti-submarine warfare, and they have a simulated defense and attack. They do simulated air and defense counter-air. And so on paper, they're showing greater skills.

And I would say this is true, of course, to the PLA as a whole. We've seen them practice more integrated warfare and more combined arms and so on. But I think a lot of us including myself were shocked by what's happened in Ukraine.

paper, we saw the Russians went through a number of military reforms a decade ago. And one of them was to have a lot more exercises. And these have grown in size from 10,000 to hundreds of thousands multi-stage.

So we thought that this had improved their performance from what we saw, for example, in Georgia. And it was hard to generalize from Syria. But certainly their occupation of Crimea went fairly successfully.

But the poor performance of the Russian military the past year, and of course we're still trying to understand the reasons, but it's made us wonder perhaps we took too -- we didn't approach skeptically enough what we were seeing and what they were saying they were accomplishing. So that may be true with the Russia-China drills.

It's really hard to know to what extent these skills are something they could actually replicate throughout the services as opposed to the set units they are using, with rather than a passive, fairly predictable target, you actually have a U.S. sub which is going to maneuver or counterstrike. So it's just -- I think it's something, though, that we need to approach with caution about how much they're really learning.

But I don't want to make the alternative mistake of underestimating the PLA, what the PLA might've learned from this either. So I think it's just something we need to keep in mind. I think that behooves us as analysts to give you a broad range of assessments and recommendations rather than, say, be too definitive. I think we all learned some caution this past year, at least the Russian analysts.

COMMISSIONER CLEVELAND: Thank you. Speaking of what we've learned, in our clips, there as an article recently on Afghanistan. And understanding that the Chinese view and stability on their borders is a threat, there seems to be an increasing or an intensifying relationship with Afghanistan and which may have been shaken somewhat by the recent attack on a hotel where five Chinese nationals were injured.

But it seems that we're seeing sort of the early days of what military diplomacy and military engagement may look like, particularly in the provision of UAVs for surveillance and field operations. I wonder if you could talk about the implications of U.S. withdrawal from Afghanistan in the context of Chinese advantage. Whoever looks the most surprised. I'm sort of thinking of it as a case study, that we are clearly out and they are struggling with some of the same things we did. But how do you see it in the context of their approach?

DR. WEITZ: I've been looking at the Russia-China reaction, right? There's a lot of debate during the withdrawal and both President Trump and Biden suggest this might be a possibility. If we stop basically upkeeping the Afghan government, intervening, this would force them to take up more of the burden of regional stability.

They're basically free riding on the NATO western approach. And even looking for opportunities they might be pursuing to move into Afghanistan for resource reasons. I know the Chinese are interested.

The Russians, of course, are apparently using Afghan fighters now in Ukraine and they want to expand their security zone. They have a Collective Security Treaty Organization in Central Asia. Or in Afghanistan, they have a natural interest in stability there.
But they have been a lot less active than they could have been. They have not recognized the Taliban government perhaps because the way they treat women, it really is odious. And they're going to get more opprobrium than they would get gains from recognizing it.

But they have not been very active. There was, as you mentioned, this recent announcement of a Chinese firm working with an Afghan firm. But as long as the instability is there, as long as it's such a poor country, as long as it lacks infrastructure, as long as the Taliban supports governance, the attractiveness just doesn't appear to be there.

So I'm more worried about what Russia and China are doing in other locations. At the moment Afghanistan -- there are a lot of problems there. But Russia and China involvement isn't high on that list presently.

DR. BECKER: Not focusing specifically on China-Afghan relations, I do view that in the context of China's concern with domestic stability and counter-terrorism. And we've seen China make diplomatic overtures and outreach to other countries particularly after some of the social unrest and uprising in Xinjiang in Western China. And I think that there is still a concern particularly in Central Asia over issues with regard to terrorism activities. And so I would view some of that, China's outreach to Afghanistan, in that context.

COMMISSIONER CLEVELAND: Thank you. I have a question on another round.

CHAIRMAN BARTHOLOMEW: All right. Thank you. Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Thank you very much. Dr. Weitz, you and a number of other witnesses have made the point that Russia has a lot of military experience and China has virtually none since 1979. It does seem, though, that the Russian experience has not been especially glorious.

And the war in Ukraine, of course, is the most spectacular example of evident failure or setbacks. But even the earlier examples that one can think of primarily involve the Russians

beating up on weaker opponents. So I guess one question is, what exactly could the Chinese learn from the Russian experience other than negative lessons?

And then how exactly is the PLA trying to learn from Russia's military experiences? Is this largely passive? PLA journals write historical analyses of all kinds of military campaigns.

Are they doing something similar regarding Russia's experiences? Or is there something more active with the Russians? Is there a process through which the Russians convey to their Chinese counterparts, sort of lessons learned? Do we know anything about that?

DR. WEITZ: So first on Russia military performance, it has been mixed. But unfortunately, it was successful enough against Georgia, against Ukraine in 2014 and then in Syria to keep I think Putin in thinking, well, this seems to be working. Why not try it somewhere else.

And so it's been a mix. But certainly, they have skills that the Chinese didn't have. And the Chinese appeared to be actively as well as passively learning these.

So as far as I understand it, their military journals review the Russian performance. There are a lot of the seminars and exchanges. But in the joint exercises, you see them practicing skills that the Russians have demonstrated in their exercises and in their actual operations.

So anti-submarine warfare is something the Russians have been engaged in for decades during the Soviet period. And the Chinese as far as I'm aware are lagging behind in that still. And so they've been purchasing Russian equipment and practicing at least in the recent exercises a simulated anti-submarine warfare operations.

There'd be a Chinese sub or a Russian sub which would be a target. And then the Russian and Chinese fleets would practice tracking it and sinking it. Same with combined air-ground operations.

There also have been some innovations in terms of the particular exercises. So they set up a joint information system in which they could supposedly combine the command and control structures of the Russian and Chinese.

You've seen the Russians for the first time since the Bosnia experience have put their units under Chinese command. So it taught the Chinese how to lead a combined military operation. So they are practicing these.

Again, they would learn more if they were doing it with the U.S. Navy than with the Russian Navy. But that's what they have. So they seem to be trying to take advantage of that. But to what extent they are actually learning what they're practicing as opposed to, as Commissioner Cleveland asked, just maybe perhaps it's just for show or at least to impress their commanders. That, it's hard to tell in the absence of an actual operation.

COMMISSIONER FRIEDBERG: Okay. Thank you. Dr. Becker, in your testimony, you describe how China is in the process of building out its overseas infrastructure. And you talk a bit about how this may increase China's ability to do various things, including potentially defending their own investments, defending sea lines of communication.

And you also -- at least you speculate about the high end of the spectrum, how China might be able to use these strengthened positions to constrain the United States. You don't get into this. But conceivably, they might be thinking about how to use these positions in the event of a conflict with the United States.

So I guess my question is, what kind of a challenge do you think this activity actually poses to the United States in the near to medium term? And should we be thinking about the highest end of the spectrum that you suggest we should? And what are the implications for our ability to conduct military operations if China succeeds in building out this infrastructure?

DR. BECKER: That's a great question. I think in the short term I think there are implications for China simply being more active abroad and the Chinese military being more active abroad. When you talk about a place like Djibouti that is a country the size of New Jersey and you have the U.S. military base and a number of other foreign military allies and partners all active in a very small location to include China up in the north, just simply proximity, simply being active abroad near U.S. facilities provides opportunities to observe what the United States is doing and potentially gain a better understanding of how the U.S. military operates abroad which I said was both helpful to understand what the United States is doing. And then help China to learn from that activity. I think at the upper end of the spectrum, like I said, I don't foresee the PLA -- as colleagues in the prior panel said, the PLA is focused much more on the near seas right now in Taiwan and that makes sense.

But I think that over time in sort of the longer perspective at the higher end, in the event of a crisis or a conflict if the United States were to try and flow forces from CENTCOM, for example, NAVCENT. I think that having extra PLA platforms and assets active in the Indian Ocean, PLA Navy submarines, for example, other assets, at the very least, that's just something else that U.S. military commanders have to take into account when they're trying to move forces across the Indian Ocean to the area of crisis. So I think that all of those issues are things that the U.S. military is currently grappling.

COMMISSIONER FRIEDBERG: If you think about this high end, it would seem to me at first glance at least that the utility of these overseas -- expanded overseas bases and so on would be greatest if China used them first in a kind of conflict with the United States and would go down very quickly because they'd be very vulnerable once a conflict actually began.

DR. BECKER: Yes, and obviously that would be quite escalatory. But I do think that in certain situations, having a place like Djibouti that can serve as sort of a hub for Chinese information collection analysis and then pushing that information out to other assets that are active in the Indian Ocean. I think those are the types of utilities that a more active PLA in that region could provide.

COMMISSIONER FRIEDBERG: Thank you.

CHAIRMAN BARTHOLOMEW: Commissioner Goodwin?

COMMISSIONER GOODWIN: Thank you, Madam Chair. And thank you all for your time today. Ms. Ha, I had a question for you, an export control question. In your written testimony, you reference the Directorate of Defense Trade Controls and note, of course, the defense articles originating from the U.S. are still subject to those controls even when overseas.

And then you go on to suggest that the director canvass our allies to determine how their own domestic export control systems are adequate, or whether they are adequate, to comply and enforce existing embargoes and controls. And of course, I would've hoped we were already doing that. So the question is, what is the extent and scope of our current understanding of our allies and partners control systems?

MS. HA: Yeah, thank you. I think the case study that's really interesting is the one with the Australian pilot that was -- or a former U.S. pilot who renounced his U.S. citizenship. He's now Australian and taught Chinese pilots how to land planes on aircraft carriers, so training. And he was -- I think the U.S. is trying to extradite him. So this would fall under I think it's a very interesting case study to see is Australia aware that -- are our partners and allies aware that these controls are in place?

And I think the overall recommendation for U.S. policy is to really just to increase a lot of this dialogue with our partners and allies. So especially when we are doing alliance consultations, when we are talking to Australia, Japan, South Korea, to really make sure that they do have a good understanding of what U.S. laws are and how to abide by them. But I think the case study with the pilot is a good example of what could happen.

COMMISSIONER GOODWIN: Thank you. Dr. Becker, I have a question for you about port infrastructure and the PLA's coordination with civilian shipping companies in SOEs. Dr. Isaac Kardon submitted a statement for the record for this panel and he's not here to defend himself, so I'll pitch the question to you.

He suggests that the U.S. is simply not well equipped to directly compete with China with regard to building, owning, and operating these large ports and other transportation infrastructure sites. Excuse me. Obviously, the need exists. And countries all around the world including our allies and partners in Europe have an interest in this sort of investment and development and infrastructure building.

So how do we build resilience to this global transportation infrastructure network that China is attempting to build? And how do we pitch it to those allies and partners? Dr. Kardon notes in his testimony that framing it through the lens of strategic military competition would turn a lot of these allies and partners off because they simply don't perceive the threat the same way that we do.

DR. BECKER: Yeah, I would agree with that. And first of all, I think Isaac does fantastic work and I relied on some of his work in my written testimony as well. But I think the point about framing this as a competition over security is -- that's a very good point.

I think working with partners and allies primarily, I mention this a little bit in my oral testimony about trying to work within the existing institutions -- multilateral institutions to come up with ways in which we can provide alternatives, by working with partners and allies, alternatives to what the PLA and SOE firms are offering. Because very often at least in the investment realm, we've seen that very often Chinese opportunities for investment, they lack transparency. There's other issues involved.

And so being able to come up with alternatives that can speak to what the host nation is looking for I think is a way in which we can counter. It's also important to note that Chinese SOEs are active in many port infrastructure facilities globally. But that doesn't necessarily mean that they all constitute a military facility or something that could be u used in a time of crisis or conflict.

What I think is really important to understand, I think we need to get a better handle on it, is understanding to what extent, as I mentioned, all blue water navies conduct port visits abroad. But what is important to know is what types of access arrangements would the PLA, particularly the PLA Navy, have in a conflict or crisis? To what extent would they be allowed to preposition specialized technical materials or military equipment, for example? Those are the types of questions I think that would allow us to get at understanding which locations are more concerning and potentially focus on some rather than the entire sort of universe of cases.

COMMISSIONER GOODWIN: Great. Thank you.

CHAIRMAN BARTHOLOMEW: Commissioner Mann?

COMMISSIONER MANN: Thank you. My first question is for Richard Weitz. Dr. Weitz, on Russia and China, let me ask you about the war in Ukraine. We know what China is doing in terms of diplomatic support and economic support for Russia and Ukraine. And I

wanted to ask, what is the PLA doing, if anything? Are they sending observers? Are they giving any kind of military assistance to the Russian Army?

DR. WEITZ: That's a great question that's really hard to tell from the open source literature. So I think their sympathies are with the Russians. For example, I found on Twitter a photo of Vostok-2022 exercise.

The PLA tanks all had the Z on them, the Russian insignia for symbolizing the invasion of Ukraine. And they're certainly studying it and talking about it. And I'm sure in either among themselves or when they engage with the Russians or other observers asking about this.

But to support -- the fear we've had is -- the U.S. has had has been weapons transfers. So far as far as -- and you can tell from the open sources the Russians have been getting equipment, drones from Iran, artillery shells from North Korea and so on. It's not -- I haven't seen anything saying that Chinese have provided that.

But dual use equipment, they can't get Western -- well, they can actually. We found that they are getting -- they still get western IT from some western companies through third markets and so on. But Chinese tech can perhaps fulfill that function.

But maybe a lot of was provided before the war. So from the outside, from the open source, I can't tell. That's something that definitely how the intel community is reviewing. Of course, they tell told us they're not what they're actually doing. Who knows. I can't tell.

COMMISSIONER MANN: Thanks. And a question for Melodie Ha. You have a nice section in your paper on Australia and you mentioned it in your testimony. The Australians are now -- the Chinese are now seeking to soften up their relations with Australia, starting to buy products and so on. Do you see any circumstances where the military cooperation that was cut off a couple years ago might resume?

MS. HA: First, I would say COVID had a big impact on a lot of the military engagements that Australia had with China. You see decreased engagement overall which I think makes sense. But I think it is a high possibility that military engagements will start to increase again if China's foreign policy towards Australia is trying to soften up more.

But another thing to note is that a lot of these nontraditional security exercises like the Kowari exercise and the Pandaroo exercises, these are annual exercises. I know it's a great name. These are annual exercises that the PLA has been conducting with Australia and with the United States continuously. So those have not stopped.

COMMISSIONER MANN: At the beginning of this administration, you had AUKUS signed. Does that make any difference on the Australia-China relationship?

MS. HA: Yes, I think you would see when Australia has increased security cooperation with the United States, with AUKUS, with the deployments of U.S. Marines in Australia. All of that signals to China that Australia is deepening cooperation and China does not like that. So we do see military engagements between China and Australia decrease during those years.

But at the same time, you still see those very friendly building exercises, the ones that I just mentioned. Those are still existing which shows to a certain extent that China and Australia are still maintaining some sort of friendly relations. It might not be as deep, but it still exists.

COMMISSIONER MANN: Thank you very much.

CHAIRMAN BARTHOLOMEW: Great. Commissioner Price?

COMMISSIONER PRICE: Thank you. I'm learning the downsides of being further down the list. Dr. Becker, on SOEs, one of your -- as you've already mentioned, one of your suggestions, recommendations is to engage civil society in education about the entities.

Implicit in this is that there's lacking information. Can you talk about that a little bit more? What do you think people are missing?

DR. BECKER: Well, on one side, I think that the Chinese media does a very good job highlighting the roles and activities of PLA actors overseas and augmenting the activities that they conduct. And we've seen Chinese media activities become more active overseas in various foreign languages and languages of the host nation which Chinese actors are involved. But I do think that there's a gap between the actions that PRC actors on the ground are often taking and the malign activities that they're involved in, things like IUU fishing, illegal unreported fishing, forced labor, resource extraction, degradation of the environment. Those activities which may get lost in the shuffle so to speak and are not heavily reported on.

And so one concern I do have is the extent to which host nations that may be considering hosting PLA facilities or developing greater relations with PRC state-owned firms, whether or not those decision makers have full access to all the information with regard to everything PRC actors are doing in those countries. And I don't think that's a magic bullet to solve all issues because obviously there's a number of factors involved in that decision-making process. But I think at the very least, it would behoove the United States if partners and allies and other countries that are engaged with PRC actors had better visibility on all the activities that are taking place in those countries.

COMMISSIONER PRICE: Thank you. Ms. Ha, this is a question I asked the last panel and you began to get to it in your testimony. But can you talk a bit about how policy makers -- U.S. policy makers should weigh the costs and benefits of engagement with China's security forces?

MS. HA: Yes, sure. So I think that the security risks obviously every time you engage, there is a chance of intelligence collection, right? You show what your military is capable of. So the U.S. military and all of our partners and allies on some level you will be showing the PLA what you can do.

But the benefits of engagement as military diplomacy is a marker of how bilateral relations are going between these countries. It does serve as a good mechanism to engage with the PLA, to engage with China even if there are tensions. And you see a lot of countries especially in southeast Asia do this, Malaysia, Vietnam, the Philippines.

A lot of these countries have territorial claims and a lot of territorial disputes with China. And when times have been really tense, these engagements slow down. But at the same time, you still see that they exist which means that the countries are still interested in maintaining relations with China.

And this could be due to a lot of other different reasons like economics, Belt and Road investments. China heavily invests in a lot of these Southeast Asian countries, trade, geographical -- how close these countries are. So there are a lot of reasons why we see benefits for our allies in, like, Southeast Asia to continue to engage China using military diplomacy as a tool.

COMMISSIONER PRICE: Thank you. And Dr. Weitz, I think we all have questions vis-a-vis Russia, Ukraine, and lessons China might be learning. And we've asked you similar questions in several different ways. But do you anticipate any changes in how they might carry out bilateral or multilateral exercises moving forward given recent experience?

DR. WEITZ: Well, as long as Russia is engaged in Ukraine, I think that's going to limit the size and opportunities for large exercises. But they're already held several exercises, joint strategic aviation patrols and now the new one that's out with South Africa. So the Russians are

striving to show that despite Ukraine, they're still a nature of global power and global naval activities. I would think as Professor Friedberg was alluding that the Chinese may be more questioning about the value of what they're learning from the Russians in terms of skills and they discount that. But that doesn't appear to dampen their enthusiasm to engage in these exercises for now.

COMMISSIONER PRICE: Okay. Thank you.

CHAIRMAN BARTHOLOMEW: Thank you. Hearing Co-Chair, Commissioner Schriver.

COMMISSIONER SCHRIVER: Thank you. I have two unrelated questions but both I think informed by what I understand congressional interest to be. So there's a lot of focus on Taiwan right now.

So Commissioner Friedberg asked about what can China and the PLA learn from Russia and its exercises. Can you go to a different level of granularity, a finer level, and say if you reverse engineer, what does the PLA need to improve upon in order to operationalize Taiwan? What might they get out of these exercises or these various activities?

And Ms. Ha, you said the Russians and the Pakistanis are the two most -- neither of which are really known for amphibious assault. But there probably are things. I mean, you would expect the PLA is very intentional about this. What would be the things they would want to extract from these interactions particularly related to a Taiwan contingency if you can? I don't think your microphone is on.

DR. WEITZ: Sorry. They have practice amphibious -- so they say they're amphibious assaults in some of their recent exercises. And in the islands between -- really off the Russia and Chinese cost with the implicit message that Japan -- I mean, at least the Russians, I think, were less -- were considering Taiwan. They wanted to make the Japanese think not to try and contest the islands that the Russians are after.

But if you think -- if the Chinese were going to decide on a military invasion as opposed to a blockage of Taiwan, they would learn a lot from Russian airborne operations. The Russians dropped a lot of airborne forces in the initial invasion of Kyiv. And their problem was we actually knew where they were going.

So we told the Ukrainians go there, there, and there and you can capture and kill them all. So we did. But I mean, hopefully, we can do that in the case of Taiwan which would make the Chinese think we can.

But that's something they could learn. They could perhaps learn about combining sabotage sleeper operations with the cells we thought the Russians had throughout Ukraine which don't appear to have been very effective. But that could be something they could use. A coordinating air-sea operations, many of the PLA's war planes, particularly the ones that are on some carriers, naval-aviation components were either provided by Russia or based on Russian Soviet systems.

So they want to use that. But the Russians as you said have declined to engage in an amphibious operation in the Black Sea because it is such a challenge. And it's going to be even more of a challenge if the PLA were trying to seize Taiwan. So they can learn some lessons, perhaps provide some useful equipment. But it's hard for me to say that's going to make a difference between a successful or unsuccessful invasion or even an invasion decision.

DR. BECKER: Looking at it from maybe another perspective, I think one thing that the PLA and China more broadly might be interested with regard to lessons learned from the Ukraine war is political warfare. I think that Ukraine has done a phenomenal job maintaining the

high morale of the population and maintaining a cohesive support from the international community. And I think that if faced with a long-term conflict over Taiwan, I think the PLA and the PRC, the Party would be facing some of the similar situations.

And I think there's an issue. The PLA is always focused on political warfare. And I think that understanding how Ukraine has been successful and what they could potentially do to make sure that Taiwan does not engage in similar success I think would be high on their list.

MS. HA: If I could piggyback really quickly off the political warfare. I think it's very difficult to say what the PLA is learning from a lot of these exercises that they conduct because from our research, it seems most of them are nontraditional security exercises. But I will say that because China chooses to engage in a lot of these evacuation disaster relief with other countries, it's also -- their goal is to show the world that they are a military that cares. They are willing to work with other militaries on these types of activities that everyone is worried about. So in terms of political signaling, it plays into their book where they're trying to show the world that they are a peaceful global military power.

CHAIRMAN BARTHOLOMEW: All right. Commissioner Wong?

VICE CHAIRMAN WONG: Ms. Ha, you talk a little bit about how we have to be prepared if our allies or us have exchanges or do exercises with the Chinese that they're going to learn something, the controls on that. But can there be deterrence value just showing them what we can do?

MS. HA: Can you expand a little bit more on that?

VICE CHAIRMAN WONG: We basically show them that we're very good at certain things and it deters them from taking action or they see certain equipment or capabilities that we have that they might not learn otherwise.

MS. HA: Are you talking about when the U.S. exercises --

VICE CHAIRMAN WONG: U.S. or our allies and partners, maybe together.

MS. HA: Yeah, I think because military engagements are a two-way street. So if -- our allies already themselves are pretty cautious about what they want to show China. So this is why you see most of the engagements are senior level visits and there's very few military exercises.

If you, I think, look at South Korea, there's only been one or two in the past 20-plus years. And one of them was just an anti-piracy exercise. So I think you see the unwillingness on our allies and partners to engage very substantively to show the technology and the skills that they have. But on the United States side, what we can do is to further bolster that and say, we want to make sure that you are not showing the PLA what the U.S. military --

(Simultaneous speaking.)

VICE CHAIRMAN WONG: What I'm saying is can we at times -- I mean, just theoretically say we want to show China something so they understand that they not be up to the challenge.

MS. HA: Yes, yes. Okay, sorry. I understand your question. Yeah, I think RIMPAC is a good example. RIMPAC is a combat exercise.
We invite the PLA there. But because we are participating in it, we control what we show them, what we do, the capabilities and the skills that we do. This could be a very powerful tool that the U.S. uses.

So it could be a recommendation that the U.S. participate in more of these multilateral exercises with the PLA. It gives the U.S. the power to limit the knowledge and capabilities that we show. But at the same time, it does for projecting our power, our political signaling to them. It gives us the power to do that as well.

VICE CHAIRMAN WONG: Thanks. Dr. Weitz, you talk about relative robust military cooperation between Russia and China exercises, exchanges, arms sales. This seems to be undergirded by a strong and growing commercial relationship, perhaps mainly the energy sector. You mentioned that in your testimony.

This is overlaid by a leader level agreement of a "no limits" partnership between Xi and Putin. And this seems at least to me wrapped in an overall identity of ideological interest of the East so to say versus the West. Given that situation which has broadened and deepened over the past 20 years with Xi and Putin in power, in your opinion, is there any space here for the United States to pursue a wedge between these two countries? Or is that not worth pursuing?

DR. WEITZ: Thank you. You summarized it nicely that the relationship is becoming closer and closer over time. And it's multidimensional, and I think it's strong in the security realm. Economic energy was lagging for a while but it's picked up.

It's still lagging at the popular level. Humanitarian social change is still pretty much a top down, particularly Xi and Putin driven project. So if one or two of those people are removed from the equation, I think there'd be opportunities to explore a possibility of pulling one away from the other. Until that occurs, it's really challenging.

And we've tried inadvertently over the past decade different strategies, either trying to be nice to one of them and not the other. That didn't seem to pull them apart, trying to ignore their relationship. That didn't seem to have much effect.

And now we're confronting them both simultaneously. None of these appear to be working. So my fear is we can do this at the margin. Perhaps we can -- but it's probably going to be more effective in some areas.

So they're very closely tied together in Central Asia, and we don't have a lot of influence there. But in Europe, Middle East, certainly Africa and Latin America, they're not acting much together. So that's something.

We have more opportunity to play around with the local actors there. So I think it's appropriate tell South Africans, for example, don't engage in these kind of exercises with both of them. But I think the kind of change we'd like to see which is get them further apart will probably not occur until there's a new person in power in one or both of those countries.

CHAIRMAN BARTHOLOMEW: All right. I guess it's my turn. I want to go back to the issue, Dr. Weitz, of Central Asia which is as we see that Russia's struggles in Ukraine have provided some opportunity to loosen Russia's hold on some of the Central Asian countries. Has there been any change in PLA engagement, diplomatic activities in Central Asia over the course of the past year? How are they or are they trying to capitalize on this growing distance between some of the Central Asian countries and Russia?

DR. WEITZ: So Central Asia has always been an interesting question between Russia and China. It looked like when Soviet Union broke apart, Central Asia could become an object of rivalry for the Russian Federation and the Chinese government. But that has not been the case.

Their partnership is probably strongest in Central Asia. They had a de facto division of labor in which Russia would maintain military dominance. It has three of the five Central Asian countries of formal allies and the other two at various points have been at least relying on Russian equipment.

The Chinese did not challenge that. The Russians at time tried to limit Chinese economic penetration. But they've given up on that. It's too hard.

And perhaps decided it's better to have the Chinese than the Europeans and the Americans. So whenever there's a big economic project, even if it's run by China, there's some Russian partnership and so on. The past year, yes, we've seen a lot of dissatisfaction among Central Asians, even some of the governments about what Russia is doing.

Russia might to do it to them at some point if you're the leader of Kazakhstan. Economically, there are a lot of disadvantages now to be linked in the Russian economic zone. Your currency is going to get pulled down with the ruble.

You're getting hit by -- inadvertently by collateral damage from the sanctions. The Chinese, though, I haven't seen a major change in their policy. You hear a new business deal and so on.

But they haven't tried to move in, take over. I mean, there's two possibilities, right? The Chinese could try and see this as an opportunity to expand their influence at Russia's expense.

But I don't think that's part of their overall foreign policy. More likely, you might see some cautious hedging. I think Dr. Becker mentioned the concern about terrorism seeping in from Central Asia.

So if the Russians aren't able to maintain order in that region, then the Chinese may have to go in more deeper than they want to fill that function. So far, that hasn't occurred. But that's what I'd be looking for at some point.

If they lose confidence in Russia's ability to protect their western frontier, maybe they'll have to engage more than they would really like to.

CHAIRMAN BARTHOLOMEW: Dr. Becker, do you have anything to add?

DR. BECKER: Just that I think that to the extent that the issue of terrorism remains front and center to the Chinese in Central Asia. I think that's addressed in conjunction with the Russians. And we've seen, so for example, some of the statements that Xi Jinping made back in October out of the 20th Party Congress, the issue of trying to increase the global influence of Chinese led international security organizations like the Shanghai Cooperation Organization. And that's an organization that Russia plays a key role in. So I would see it less as a source of competition and more of an area of cooperation.

MS. HA: Yeah, I was going to talk about the Shanghai Cooperation Organization. So on a multilateral front, I think -- and we're doing more research on this to see what happens. But on a multilateral front, you see China, Russia, and all these Central Asian states engaging more through SCO, including with military exercises.

So peace mission is one of the biggest anti-terrorism exercises that they conduct as a group. And even though it's branded as anti-terrorism, if you actually look at the components and the activities they do, the NDU database classifies it as a combat exercise. But overall from the multilateral lens, I think it should be within our interest to keep an eye out to see what happens there.

CHAIRMAN BARTHOLOMEW: Can I ask you all to speculate? I know the analysts don't always want to do that. But to speculate which is there's certainly some analysts who believe that Russia's path is going to end up as a vassal state of China. If that's the case, do you think that what the Chinese are just doing are biding their time right now vis-a-vis Russia?

DR. WEITZ: I think they're hedging. They're certainly aware that's a possibility. I don't think they want that at the moment. I mean, certainly they'd like to be able to rely on Russian support and so on.

But I think really when you're sitting in Beijing, you're confronting all your neighbors elsewhere, right, Japan. You've got problems in the Korean Peninsula. You've got problems with India. You're really challenged to the U.S.

So you want to keep Russia viable, deferential, but not necessarily become something you need to take over as part of the greater sphere of influence now. I think at some point, they may want to revisit some of the territorial disputes and so on. But for the moment, both of those governments are happy just to put their bilateral relationship in a benign non-confrontational because they're confronting everybody else.

So they want to keep this one strategic hold. That's my view. But you're right. It's speculative.

CHAIRMAN BARTHOLOMEW: Dr. Becker?

DR. BECKER: I mean, I would agree with that. I think that as long as Taiwan remains the main strategic direction and the relationship with the United States is as tense as it is, I don't think there's any incentive for Beijing to tackle some of the outstanding sovereignty issues with Russia or any of the other potential dormant issues they have in their relationship now. I think that stability is in the interest of both capitals.

CHAIRMAN BARTHOLOMEW: Ms. Ha?

MS. HA: Yeah, nothing really much to add. I think I agree with my colleagues here on the panel.

CHAIRMAN BARTHOLOMEW: Thanks. We have time for a second round. Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you. I have two questions. Dr. Becker, you talked about SOEs, the role that they play and that they are actors that can be compelled to act on behalf of the PLA. We did a study this year on LOGINK and how the use of commercial databases and the harvesting of information may ultimately lead to supporting the PLA.

And so there are concerns about the fact that while it's being offered on a commercial basis, it certainly has implications for the military. I'm wondering if you could think ahead and think beyond ports. And just as we looked at the LOGINK issue, are there areas where we are seeing the emerging risks in terms of either SOEs or the so-called private sector where they are increasingly being drawn in to support on a global basis the PLA. What should we be looking ahead at is what I'm really asking?

DR. BECKER: I think one area that stands out to me is information infrastructure and telecommunications. I mentioned Huawei being involved in the UAE and elsewhere, particularly in Africa, underwater sea cables, I think the dissemination of information and information telecommunications. That's not to say that I have readily -- I don't have ready examples right now of that occurring. But again, I think my concern is more of the fact that the Party-state has these mechanisms in place to reach out and touch a Chinese actor, be it a private firm or a state firm. If they're involved in an activity that can benefit the national strategic interests of Beijing.

COMMISSIONER CLEVELAND: And you would see those infrastructure and telecommunications as areas where that could impede or compromise or military capabilities?

DR. BECKER: I think at the very least, it could complicate our military operations abroad to the extent that we work with partners and allies and rely on some of those communication mechanisms to the extent that they become compromised. I think that could pose a real issue.

COMMISSIONER CLEVELAND: Thank you. I have a sort of broader philosophical question, and it comes from Dr. Weitz. It's the last page of your testimony where you talk about the close partnership between China and Russia even without an alliance.

I wonder if all three of you could address whether or not our traditional construct of an alliance, what it means, how it operates, who gets included, what the criteria for inclusion are. I wonder if what we see or expect or anticipate as we define alliances is in some way limiting our full appreciation of what Russia and China are building. In other words, are we seeing their relationship through a static lens?

And when you say it's a partnership but not an alliance, does that matter? Because China has an alliance with the DPRK. I guess I'm trying to get at how should we really be looking at the importance of what it is that they do have.

DR. WEITZ: Yeah, my own view is it's not that important. I mean, China doesn't have foreign alliances. Russia does. But both of them are happy to say that it's better than an alliance.

And in a way, it is because it allows a bit more flexibility. So the Chinese doesn't have to support Russia and Ukraine as much as if they were formal allies. The Russians don't have to join with China's claims in the South China Sea very aggressively.

I think they're happy to -- as long as the other side doesn't confront them in some ways because China doesn't really need Russia's help for an East Asian contingency. And same, I think in Russia, there's not much the PLA could do to help in Europe. So I think they're very happy to have a good multidimensional relationship.

And we've talked about some of the aspects that's both bilateral exchanges. But it's also with these other countries, the Shanghai Cooperation Organization, which it's actually faded a bit of importance than it was in the past. But they've got other arrangements, talking about integrating their -- in the BRI such as it is with Russian Eurasian integration program.

So this is clearly a very close alignment. That's the word I use, and I think that's the best way. I don't call it an alliance, but it is an alignment. They do cooperate extensively in some areas, often against U.S. interests. So that's how I'd view it.

DR. BECKER: I think that's a very good question. And I think you're absolutely right. The devil is in the details in terms of what are they cooperating with if they don't call it an alliance, per se.

What exactly are they doing? And I think that's where it's both important and difficult to get at the details of what they are doing together, particularly with regard to the war in Ukraine. That also speaks to the potential for that relationship to evolve over time as the situation changes.

But the one point I would make to add on to that is the U.S. structure of alliances is framed within a legal construct. So it's very clear what our responsibilities are with regard to our alliance partners. And there is a predictability there that I don't think is existent in the China-Russia relationship. So while it may be it's much more personalistic, in my opinion anyway, and it may lead to a change down the line that we might not foresee.

COMMISSIONER CLEVELAND: Strategic ambiguity has its benefits and its demerits. And so that's what I'm trying to anticipate. What do we think it might mean and then how our understanding be impaired? So yeah. Ms. Ha?

MS. HA: Yeah, I appreciate the very philosophical questions. Quite interesting. I think another interesting thing to note is that even though China has an alliance with North Korea, it's true the devil is in the details.

We don't see a lot of engagement when it comes to military exercises, port calls, or senior level engagement with North Korea even though they say they are allies, right? So it is very

much we need to look at the individual things that China does with each foreign counterpart. When they are happy with the bilateral relationship, they will increase ministerial-level dialogues.

They will increase engagement, do more trade. When they are unhappy, they will cease those dialogues. They will put sanctions on. So I think, yes, absolutely correct in that the strategic ambiguity gives them a lot of leeway to kind of achieve their objectives.

COMMISSIONER CLEVELAND: Thank you. Appreciate it.

CHAIRMAN BARTHOLOMEW: All right. Commissioner Schriver?

COMMISSIONER SCHRIVER: A question maybe primarily for Ms. Ha. But others, I'd be curious of your thoughts. So another thing our Congress takes an interest in is our military relationships and mil-to-mil activities and intervenes at times.

I mean, 2000 NDAA, but also post-coup in Thailand, post-coup in Fiji. And Indonesia, we were restricted from exercising with Kopassus. China watchers, maybe it's unfair for me to ask you what do you think of that. But it is hotly debated. But in the context of competition with China, it seems to me that they've been very opportunistic.

In each of those instances I mentioned stepped up their own military engagement. I mean, you can almost track it exactly, in Fiji, for example, when Australia-U.S. pulled out. So is this type of Chinese opportunism in their military diplomacy exercise patterns, port calls, et cetera, is that something in your opinion that should impact how we think about military relations and restrictions we place on ourselves sometimes?

MS. HA: Yeah, I think that's a great question. And yes, we are seeing the PLA engage more and more, right, because they want to project global power. They want to form these relationships with other countries.

And yeah, I think it's a good question that we should think about our military diplomacy and what we can do. But at the same time also think about what we can do better than the PLA which is interoperability and building partner capacity. We see that all of the PLA's military exercises and all their military engagements, it's still largely political signaling, right?

They want to build up that goodwill. But what we can do is to really emphasize what the U.S. military is very good at, whether it's placing Marine deployments in Australia to help them build up their combat skills and other types of engagements that really showcase what the U.S. military is strong with. So I think if we can take some time and effort to build upon those, especially increased dialogues with our partners and allies to talk about how to deal with Chinese activities as well. These could all be in our favor.

DR. BECKER: I think you're absolutely right. We've seen that in terms of its military diplomacy, the PLA has been very flexible in terms of identifying opportunities and filling a void when the United States steps out. You mentioned Thailand as an example.

Sri Lanka in the mid-2000s after the civil war is another example. So we have seen the PLA take advantage in terms of its military diplomatic efforts when something happens with a U.S. partner or a U.S. ally and there's an opportunity there. That's not to say -- it's clearly another issue that needs to be weighed when the United States is making decisions about how to engage and who to engage with.

CHAIRMAN BARTHOLOMEW: All right. Any other questions? Aaron, Jim, anything else?

COMMISSIONER MANN: Let me ask one question, and it's the one that I asked the previous panel. You've very helpfully flagged to us the role of state enterprises in some of this diplomacy. Can you think of any other ways in which the nature of their diplomacy -- military

diplomacy differs from ours? I mean, we make port calls. They make port calls and so on. But I'm looking for differences.

CHAIRMAN BARTHOLOMEW: Anybody want to answer that one? Dr. Becker?

DR. BECKER: I mean, many of the mechanisms of military diplomacy are the same, port calls, armed sales, senior level visits. I think maybe the fundamental characteristics that's different with regard to the PLA is that it is an arm of -- it's the armed wing of the CCP. And so that provides channels through which the CCP can use different mechanisms, be they governmental or societal or economic to help frame a more whole of government effort to engage with a country whereas the channels that the party uses may be different from what the United States or U.S. allies and partners use.

CHAIRMAN BARTHOLOMEW: Ms. Ha, Dr. Weitz, anything to add?

DR. WEITZ: Well, when the Communist Party ruled Soviet Union, there was an extensive Party-Party supplement to the military relationship. But moment there isn't that pillar. It's more traditional formal military plus, they have regular meetings between government officials, people in our equivalent of the state department, defense department who engage in Pol-Mil activities.

CHAIMANR BARTHOLOMEW: Ms. Ha, anything? No? All right. Aaron, you're up.

COMMISSIONER FRIEDBERG: I wanted to -- I think these is a question for Mr. Becker. But I'd be interested if others have views. Thinking about the building out of China's global infrastructure and you note the role that Chinese companies play in running dozens -- I think it's over 100 ports around the world.

What might be the utility of that control in the event of less than all out contingencies? Is it possible for those Chinese companies, even if they're operating on the soil of another country, even if that country might be favorably disposed towards the United States to use its control to interfere with the ability of the U.S. or its allies to use those ports to move ships from one theater to another? Do we see any indication that these Chinese companies have ever attempted to do that kind of thing?

DR. BECKER: I can't speak to the second part of the question. But in terms of the first part, there are a number of things that can pose a challenge to U.S. military activities operations before a crisis or conflict as a result of PLA -- or excuse me, SOE activities in port infrastructure. Things like intelligence collection to the extent that SOEs are involved and have relationships with the PLA which we know many of them do and we have examples of that.

Observation, I talked a little bit about the ability of the actors for the Chinese Party-state to be able to observe activities and operations of the U.S. military in order to understand how the PLA can better operate overseas. I think it's important to remember that the PLA is still learning how to operate far from China's borders. I mean, it was 2008 when they started to conduct the Gulf of Aden counter-piracy operations.

I believe the first port visit they conducted was in 1995, modern port visit into South Asia. So I think it's important to remember that there's still a number of lessons learned. But things like intelligence collection, things like the potential to observe U.S. activities.

Potential slow rolling of activities within those ports to the extent that the -- and it really depends again, the devil is in the details, about to what extent our Chinese firms do they own the port. Do they own the port through a joint venture? Do they own a majority of the port of terminals?

But to what extent do they operate the facilities? I think all of it really is on a case-by-case basis. But you could pull on those threads and see some potential implications.

COMMISSIONER FRIEDBERG: And there are even possibilities for sabotage. It's something that's not acknowledged but could cause problems.

DR. BECKER: That's not out of the realm of possibility as well. I would agree.

CHAIRMAN BARTHOLOMEW: Ms. Ha or Dr. Weitz, anything more to add? If not, thank you very much to our witnesses. We're going to break until ten minutes to 2:00.

I'm just going to take the prerogative of the Chair, though, to note as somebody who's been through a lot of the fights about who we are training and what we are training them to do. One of the differentiating factors for us is our values. On that, we'll leave it and we'll see everybody back here at ten minutes to 2:00 Thank you very much.

(Whereupon, the above-entitled matter went off the record at 12:49 p.m. and resumed at 1:51 p.m.)

PANEL III INTRODUCTION BY COMMISSIONER RANDALL SCHRIVER

COMMISSIONER SCHRIVER: -- Afternoon, we'll come back to session here for our third panel. So our third panel will examine China's foreign military sales, foreign weapons purchases, and acquisition of foreign military technology. We'll start with Dr. April Herlevi who is a senior research scientist at the Center for Naval Analysis.

Dr. Herlevi will address the equipment and services that China sells and exports to other countries. And lastly, we'll hear from Ms. Meia Nouwens, senior fellow for Chinese security and defense policy at the International Institute for Strategic Studies. Ms. Nouwens will discuss China's acquisition of foreign military technology.

Thank you very much for your testimony. I will ask the witnesses to please keep their remarks to seven minutes to preserve time for questions and answers. Dr. Herlevi, we'll begin with you. Thank you.

OPENING STATEMENT OF APRIL HERLEVI, SENIOR RESEARCH SCIENTIST, CENTER FOR NAVAL ANALYSES

DR. HERLEVI: Commissioners, thank you very much for the invitation to discuss the People's Republic of China's foreign military sales. The views expressed here today are strictly my own. And I will be addressing only a subset of the questions posed to me and my forthcoming written remarks will provide additional sources and graphics on those topics.

I begin by summarizing the two main judgements of my testimony. First, the PRC defense-industrial base is diverse, complicated, and evolving. Second, China's foreign military sales are becoming more diversified geographically.

But PRC defense relationships differ greatly depending on the specifics of the host nation and numerous historic factors. Because of these trends, the organizations and corporations that build and sell military equipment are not easily generalizable. Although we'll be discussing broad trends for any one company or industry, the empirical reality may differ.

Thus, in my recommendations, I encourage policy makers and scholars to continually update their assumptions and empirical analysis. The first question posed to me by the Commission was, what are the arms and equipment markets in which China excels? To answer that question, it is necessary to provide some historical context.

The PRC has shifted from a, quote, supplier of last resort as described by researchers in the early 2000s to an affordable choice for aircraft and ships. In the 1990s and 2000s, the PRC primarily exported missiles and ground-based platforms such as tanks and artillery, often to countries that could not obtain defense articles elsewhere. Over time, though, the PRC defense industry has been able to upgrade its arms exports.

Separately, the PRC has expanded the range of countries that it sells weapons to globally. In the decade prior 2020, the PRC sold arms to 50 different countries worldwide. Using the Stockholm International Peace Research Institute's Arms Transfers Database, we see that in 2020 and 2021 the PRC sold weapons and equipment to at least 20 countries including buyers in Asia, Africa, and the Middle East.

Consistent with historical patterns, Pakistan remains China's largest client of arms purchases by a wide margin. The second questions posed to me where the drivers and authorities behind PRC armed sales. I'm going to address these two issues separately.

For China's arms sales, there are both supply and demand side drivers. As the People's Liberation Army has modernized, there's now a larger inventory of platforms available for export. For example, Aviation Industry Corporation of China is now selling a wide variety of remotely piloted vehicles for export.

Recent aircraft sales include the Wing Loong UAV, transport aircraft, helicopters, and combat aircraft trainers. Ship building is also likely to remain an area of growth. Countries such as Pakistan and Bangladesh have purchased naval ships including corvettes, patrol craft, and submarines.

China had traditionally provided the hulls and ships to its recipients. But Chinese ship builders are increasingly providing radar, propulsion, and weapons capabilities for these vessels. In terms of demand side drivers, arms affordability remains the most important determinate of PRC military sales.

Selling older variants of weapons systems is often more realistic for middle and lower income countries where price is the key constraint. Under Mao, the PRC did not sell arms to

developing countries, preferring instead to use arms as part of its military aid. Military aid is less prominent today than during the Mao era.

But flexible financing structures for arms packages is being used to make those packages more affordable. In terms of the authorities for PRC arms sales and exports, I think this is one area that needs to be monitored closely as U.S.-China technological competition intensifies. As noted in an earlier panel today, the U.S. will also need to understand the export control systems of its allies and partners.

In October 2020, the PRC government officially released an updated version of its export control law. In that law, there are provisions that could facilitate arms control. But the law also includes legal authority to take retaliatory measures against countries that, quote, abuse export control measures to endanger the national security and national interests of the PRC, end quote.

This clause is reflective of U.S.-PRC tension that has grown since 2018. In Xi Jinping's report to the 20th Party Congress held in October 2022, the report states that, quote, mechanisms for countering foreign sanctions, interference, and long arm jurisdiction will be strengthened. Consistent with these comments, the PRC has created regulations such as the PRC Ministry of Commerce Order No. 1 titled Rules on Counteracting Unjustified Extraterritorial Application of Foreign Legislation, and PRC Ministry of Commerce Order No. 4, Provisions of the Unreliable Entity List, both of which are meant to enable retaliatory sanctions for any actions imposed on PRC companies.

There are international implications of China's foreign military sales. But the overall size of PRC defense exports has remained relatively steady at about 5 percent of global arms sales which is considerably less than larger suppliers such as the U.S., Russia, and France. Given the number of defense firms in the defense industrial base, PRC market share could increase as those firms look for opportunities to increase their own revenue. And I believe continued research on industry conglomerates and their subsidiaries is necessary.

In fact, my co-panelist that's speaking next has done excellent work in this area. Second, policy makers need to understand the PRC's innovation driven development strategy and how that relates to military-civil fusion or MCF. MCF encourages PLA technology to move to the commercial sector which is happening with aircraft and ships.

But there's also the question of technology flows from the commercial sector into the military. As the PLA attempts to incorporate intelligentized warfare into its operations, we need to understand which types of artificial intelligence, machine learning, and quantum technologies are being fielded for military use. This requires research and policymakers to understand the AI ecosystem in China and how those applications could be scaled for military use.

The challenge with these types of predictions is the difference in the model of innovation. PLA and defense industry conglomerates have historically applied a top-down model of innovation which is in stark contrast to what we've seen in the tech sector in China, especially in emerging fields like AI. Those fields have grown from the bottom up.

Commercial innovation was driven by business imperatives and cutthroat competition. As such, it remains unclear how applications created for commercial purposes will be adapted to military use. To conclude, the overarching goals of China's defense industrial base is to supply weapons and equipment to the PLA.

However, as the PLA is modernized, that has given China's state-owned enterprises an opportunity to upgrade the range of weapons available for export. In terms of location, the largest recipients of PRC arms transfers remain in South Asia. But there are buyers worldwide.

China only represents a small fraction of global arms sales. But when U.S. or European military equipment is unaffordable or restricted, then PRC defense industry firms may be able to fill those niches. Thank you for your time, and I look forward to your questions.

PREPARED STATEMENT OF APRIL HERLEVI, SENIOR RESEARCH SCIENTIST, CENTER FOR NAVAL ANALYSES

Testimony Prepared for the US-China Economic and Security Review Commission Hearing on "China's Military Diplomacy and Overseas Security Activities"

Panel III: China's Foreign Military Sales and Technological Acquisition

April A. Herlevi, PhD
Senior Research Scientist, China & Indo-Pacific Division, Center for Naval Analyses (CNA)
Nonresident Fellow, National Bureau of Asian Research (NBR)

Oral testimony given on January 26, 2023.
Written testimony provided February 8, 2023.

Introduction

Commissioners, thank you for the invitation to discuss the People's Republic of China's foreign military sales. The views expressed today are strictly my own and I will only be addressing a subset of the questions posed. My written remarks provide additional details, sources, and graphics for the supplementary questions not formally addressed in my oral remarks.

I begin by summarizing the two main judgements of my testimony. First, the PRC defense industrial base is diverse, complicated, and evolving. Second, China's foreign military sales are becoming more diversified geographically, but PRC defense relationships differ depending upon the specifics of the host nation and numerous historic factors.

Because of these trends, the organizations and corporations that build and sell military equipment are not easily generalizable. Although I will be discussing broad trends, for any one company or industry, the empirical reality may differ. Thus, in my recommendations, I encourage policymakers and scholars to continually update their assumptions and empirical analysis.

PRC Arms Markets: Recipient Countries and Equipment Types

The first question posed to me by the Commission was, "What are the arms and equipment markets in which China excels?"

To answer this question, it is necessary to provide some historical context. The PRC has shifted from a "supplier of last resort," as described by researchers in the early 2000s,[1] to an affordable choice for aircraft and ships. In the 1990s and 2000s, the PRC primarily exported missiles and ground-based platforms, such as tanks and artillery, often to countries that could not obtain such defense articles elsewhere. Over time, the PRC defense industry has been able to upgrade the quality of its arms exports to be more competitive against other suppliers.

[1] Evan S. Medeiros and Bates Gill, *Chinese Arms Exports: Policy, Players, and Process*, Strategic Studies Institute, 2000, https://press.armywarcollege.edu/monographs/132/.

Separately, the PRC has expanded the range of countries that it sells weapons to globally. In the decade prior to 2020, the PRC sold arms to over 50 different countries worldwide.[2] Using the Stockholm International Peace Research Institute's *Arms Transfers Database*, we see that in 2020 and 2021, the PRC sold weapons and equipment to at least 20 countries including buyers in Asia, Africa, and the Middle East.[3] Consistent with historical patterns, Pakistan remains China's largest client of arms purchases by a wide margin.[4]

Drivers

The second question posed relates to the drivers and authorities behind PRC arms sales. I will address these two issues separately.

For China's arms sales there are supply- and demand-side factors. As the People's Liberation Army (PLA) has modernized, there is now a larger inventory of platforms available for export from defense industry state-owned enterprises (SOEs). (Defense-affiliated SOEs prioritize sales to the PLA and are also responsible for coordinating arms exports.) For example, Aviation Industry Corporation of China (AVIC) is now selling a wide variety of remotely-piloted vehicles for export.[5] Recent aircraft sales include Wing Loong UAVs, transport aircraft (Y-12), helicopters, and combat aircraft trainers.[6]

Shipbuilding is likely to remain an area of growth. Countries such as Pakistan and Bangladesh have purchased naval ships including corvettes, patrol craft, and submarines. China had traditionally provided the hulls and ships to its recipients, but "Chinese shipbuilders are increasingly providing radar, propulsion, and weapons capabilities for these vessels," according to market analysis from Janes.[7]

In terms of demand-side drivers, arms affordability remains the most important determinant of PRC military sales. Buying older variants of weapons systems is often more realistic for middle-

[2] Michael Raska and Richard A. Bitzinger, "Strategic Contours of China's Arms Transfers," *Strategic Studies Quarterly* 14, no. 1 (Spring 2020), https://www.jstor.org/stable/10.2307/26891885; Stockholm International Peace Research Institute (SIPRI), SIPRI Arms Transfer Database.

[3] SIPRI, https://armstrade.sipri.org/armstrade/html/export_values.php, data for 2020-21 generated on January 9, 2023. See Table 1 in the Appendix for the list of top 20 country recipients.

[4] Ibid. The top four recipients of PRC arms exports, according to SIPRI for 2020-21, are Nigeria, Saudi Arabia, Malaysia, and Angola.

[5] Janes, *China Market Report: Exports*, July 17, 2020.

[6] Stockholm International Peace Research Institute (SIPRI), *Arms Transfer Database*, data generated on March 9, 2020, July 7, 2020, and January 18, 2023, http://www.sipri.org/databases/armstransfers/. A graphic depicting arms sales by platform is provided in Figure 2 of the Appendix; this graphic is based on the data generated on January 18, 2023.

[7] Janes, *China Market Report: Exports*.

and lower-income countries where price is the key constraint.[8] Under Mao, the PRC did not sell arms to developing countries, preferring instead to use arms as part of military aid.[9] Military aid is less prominent today than during the Mao era, but flexible financing structures for arms packages are now used to help make packages more affordable.[10]

Authorities

In terms of the authorities for PRC arms sales and export controls, I think this is one area that needs to be monitored closely as US-China technological competition intensifies.

In October 2020, the PRC government officially released an updated version of its Export Control Law.[11] In that law, there are provisions that could facilitate arms control, but the law also includes legal authority to take retaliatory measures against countries that "abuse export control measures to endanger the national security and national interests" of the PRC.[12]

This clause is reflective of US-PRC tension that has grown since 2018. In Xi Jinping's report to the 20th Party Congress, held in October 2022, the report states that "Mechanisms for countering foreign sanctions, interference, and long-arm jurisdiction will be strengthened."[13] Consistent with these comments, the PRC has created regulations such as the PRC Ministry of Commerce Order #1, Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation, and the PRC Ministry of Commerce Order #4, Provisions of the Unreliable Entity List, both of which are meant to enable retaliatory sanctions for any actions imposed on PRC companies.

Recommendations

The overall size of PRC defense exports has remained relatively steady at about 5 percent of global arms sales. This is considerably less than larger suppliers, such as the US, Russia, and France.[14] However, the PRC has been willing to sell particular platforms, such as armed drones, to countries that are unable to purchase those items due to export restrictions from other suppliers.

---

[8] China's ships sales to Bangladesh have included at least eight second-hand items, such as the Jiangwei frigates (Type 053). Stockholm International Peace Research Institute (SIPRI), *SIPRI Arms Transfer Database*.

[9] Luo Zhifan, "Intrastate Dynamics in the Context of Hegemonic Decline: A Case Study of China's Arms Transfer Regime," *Journal of World-Systems Research* 23, no. 1 (2017): 36-61.

[10] US Department of Defense, *Military and Security Developments Involving the People's Republic of China: Annual Report to Congress*, 2021.

[11] Standing Committee of the National People's Congress [PRC], 中华人民共和过出口管制法 [PRC Export Control Law], Oct. 17, 2020, http://www.npc.gov.cn/npc/c30834/202010/cf4e0455f6424a38b5aecf8001712c43.shtml.

[12] PRC Export Control Law, Article 48.

[13] Xi Jinping, *Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects*, Oct. 16, 2022, p. 46.

[14] SIPRI, *SIPRI Arms Transfers Database*, "TIV of arms exports from the top 10 largest exporters, 2010-2021, SIPRI TIV expressed in millions, data generated on Jan. 13, 2023, https://armstrade.sipri.org/armstrade/html/export_toplist.php.

Given the number of firms in the defense industrial base, PRC market share could increase as PRC companies look for opportunities to increase revenue. Continued research on industry conglomerates, SOEs, and their subsidiaries is thus necessary.[15] I would add that my co-panelist has done excellent work in this area.[16]

Second, policymakers need to understand the PRC's innovation-driven development strategy and how that relates to military-civil fusion or MCF. MCF encourages PLA technology to move to the commercial sector, which is happening with aircraft and ships, but there is also the question of technology flows from the commercial sector into the military.

As the PLA attempts to incorporate "intelligentized warfare" into its operations, we need to understand which types of artificial intelligence, machine learning, and quantum technologies are being fielded for military use and whether those applications will find their way into PRC arms exports. This requires researchers and policymakers to understand the AI ecosystem in China and how those applications can or will be scaled for military use.

There are several challenges with these types of predictions. PLA and defense industry SOEs have historically applied a top-down model of innovation. In contrast, the tech sector in China, especially in emerging fields like AI, grew from the bottom-up: commercial innovation was driven by business imperatives and cutthroat competition. As such, it remains unclear how applications created for a commercial purposes will be adapted to military use.

Conclusion

To conclude, the overarching goal of the PRC defense industrial base is to supply weapons and systems to the PLA. However, as the PLA has modernized, this has given China's state-owned enterprises an opportunity to upgrade the range of weapons available for export.

In terms of location, the largest recipients of PRC arms transfers remain in South Asia, but there are buyers worldwide. China still only represents a small share of global arms sales, but when US or European military equipment is unaffordable or restricted, then PRC defense industry firms may be able to fill those niches.

Thank you for your time and I look forward to your questions.

[15] A list of the largest PRC defense industry firms is available in Table 2 of the Appendix.

[16] Lucie Béraud-Sudreau and **Meia Nouwens**, "Weighing Giants: Taking Stock of the Expansion of China's Defence Industry," *Defence and Peace Economics*, https://doi.org/10.1080/10242694.2019.1632536.

Supplementary Questions

What do we know about the drivers and authorities behind China's arms sales? Are they predominately security-motivated, diplomatically-motivated, or economically-motivated? Which companies sell to the PLA, which sell to the international arms market, and what are these companies selling to each?

PRC defense industry companies are motivated by all of these factors, but the priority remains providing equipment to the PLA. Foreign arms sales are typically handled by a separate SOE subsidiary company or branch focused on the international market. Pakistan is a probably the best example of security, diplomacy, and economic motivations coming together in a way that is mutually reinforcing. Sales to Pakistan are diverse, wide-ranging, and a steady component of the China-Pakistan relationship. Between 2015 and 2021, China was the largest supplier of arms to Pakistan, in terms of volume, by a wide margin.[17] On average, Pakistan has purchased approximately $548 million USD worth of arms each year from China since 2009.[18]

The main top-level defense industry SOEs include the Aviation Industry Corporation of China (AVIC), China Aerospace Corporation (CASC), China Aerospace Science and Industry Corporation (CASIC), China State Shipbuilding Corporation (CSSC), China Shipbuilding Industry Corporation (CSIC), China North Industries Group Corporation (NORINCO), China South Industries Group Corporation (CSGC), China Electronics Technology Group Corporation (CETC), China National Nuclear Corporation (CNNC), and China General Nuclear Power (CGN). However, each of these companies has a separate subsidiary that handles foreign military sales and these large SOEs are often at the top of a complex corporate ecosystem that includes hundreds of subsidiaries, some of which produce defense articles and some which do not.[19]

What services does China sell alongside its equipment, such as maintenance, repair, and training packages? How do these packages compare to those offered by other major sellers, and how are they perceived internationally by perspective buyers?

In the past, the PRC had been criticized for selling military equipment and not providing training or maintenance for that equipment. However, as China's defense clients expand this aspect of PRC military sales has changed and the most concrete examples of this change is the relationship with Pakistan. In the 2010 joint statement on China and Pakistan's strategic partnership, the two countries agreed to "step up personnel training, joint exercises, training and co-operation for

[17] Using SIPRI's trend indicator values (TIV), the total for this 5-year time period was approximately 2.8 billion. The next highest supplier to Pakistan was Russia, with 252 million TIV.

[18] Center for Strategic and International Studies, "How dominant is China in the global arms trade?" China Power, April 26, 2018, updated May 27, 2021, https://chinapower.csis.org/china-global-arms-trade/.

[19] Béraud-Sudreau and Nouwens, "Weighing Giants."

national defense, science and technology, and collaboration in defense production."[20] The Pakistan's JF-17 is the result of co-production managed through AVIC.[21]

One other example of changes to PRC arms packages is the sale of particular systems to Thailand. In 2016, Thailand selected China for its main battle tank procurement, selecting the MBT-3000, which is produced by China North Industries Corporation or NORINCO.[22] After the MBT-3000 procurement, China "proposed developing a maintenance, repair, and overhaul facility . . . close to the 3rd Cavalry Division" which would operate the new tanks.[23] NORINCO has also provided armored personnel carriers (APCs) to the Royal Thai Army[24] and, in 2021, the Thai government confirmed that a maintenance, repair, and overhaul (MRO) facility will be run by Thailand's Defence Technology Institute (DTI) in coordination with NORINCO.[25]

In terms of co-development, Thailand and China have worked together on a locally produced multiple rocket launcher (MRL) system. The first set of local MRL production began in 2011, and there is now a follow-on program in place for a guided MRL, named DTi-1G; the new prototypes are being developed by Thailand's state-owned Defense Technology Institute (DTI) and China National Precision Machinery Export Corporation (CPMIEC) but, according to Janes, the program has stalled.[26]

While PRC maintenance, repair, and training packages may not be as robust as traditional exporters from the US or Europe, this is an area to monitor as PRC defense industry firms deepen their relationships in South Asia, Africa, and Latin America. In the cases examined for this testimony, maintenance and repair has primarily been the responsibility of defense SOE rather than the PLA. Future research should examine the role of the PLA in weapons sales and post-sale services to determine if this division of labor is changing.[27] Further analysis comparing these programs in different countries would be necessary to fully understand how PRC-host nation relationships are evolving.

---

[20] Brandon J. Kinne and Jonas B. Bunte, "Guns or Money? Defense Co-operation and Bilateral Lending as Coevolving Networks," *British Journal of Political Science* 50 (2020): 1074, https://doi.org/10.1017/S0007123418000030.

[21] "China ramps up production of JF-17 fighter jet," *Global Times,* July 15, 2020, https://www.globaltimes.cn/content/1194554.shtml; Janes, "China Market Report," July 17, 2020.

[22] Janes, *Jane's Sentinel Security Assessment - Southeast Asia*, June 9, 2020.

[23] Janes, *Jane's Sentinel Security Assessment - Southeast Asia*, June 9, 2020, p. 53.

[24] Ibid.

[25] Jon Grevatt, "Thailand, China Progress plan to establish joint MRO facility," *Jane's Defence Industry,* March 18, 2021.

[26] Janes, *Jane's Sentinel Security Assessment - Southeast Asia*, June 9, 2020, p. 56.

[27] Thanks to both Ken Allen and Phillip Saunders for discussions of the role of the PLA (or lack thereof) in PRC arms sales. More research on this topic should be done.

What are the international implications of China's approach to foreign military sales? Do China's arms sales threaten to create dependencies or undermine defense relationships with any of the United States' partners?

There are implications of China's increasing defense sales, but I think these vary greatly by region, host nation, and platform. In terms of regions, PRC defense sales remains highest in South Asia and sales in Africa and Latin America may be driven by different imperatives. Research from the Mercator Institute for China Studies indicates that in some countries in Africa, the competition for arms sales is between China and Russia.[28] This is a much different dynamic than, for instance, arms transfers in Europe and comprehensive regional comparisions could be explored in future research but would have to rest on significant research on individual countries to identify generalizable trends within a region or across regions.

For host nations, the question is less about dependencies or undermining defense relationships but rather the desire for countries to have options and the ability to negotiate prices. While diversification in arms purchases could make countries less vulnerable to single-source procurement, buying a variety of systems may create interoperability challenges within that force. Having multiple suppliers also gives countries options for technology that is restricted, as has been the case with the sale of armed drones. Since US and European defense manufacturers may be prohibited from selling certain types of UAVs, some countries have sought alternate suppliers as is the case with several Gulf states, including the United Arab Emirates (UAE).

Overall, arms transfers between China and the UAE remain quite low since the UAE continues to rely primarily on the US, France, and other European countries for equipment. However, as the China-UAE relationship has grown,[29] defense sales have become part of the relationship. The UAE agreed to purchase the Wing Loong UAV (翼龙 无人机, also known as the "Pterosaur" or "Pterodactyl" depending on the variant) in 2011, and received its first delivery in 2015.[30] The Wing Loong is an armed drone produced by Chengdu Aircraft Industry Group, a subsidiary of aviation giant AVIC.[31] As of 2018, the UAE had ordered 25 Wing Loong-I and 15 Wing Loong-

[28] Tom Bayes, *China's growing security role in Africa: Views from West Africa, Implications for Europe*, Konrad Adenaur Stiftung and Mercator Institute for China Studies, 2020.

[29] Xinhua, "China, UAE pledge to boost comprehensive strategic partnership," Xinhua Online (English), July 23, 2019, http://www.xinhuanet.com/english/2019-07/23/c_138248606.htm. In 2019, China and the UAE signed a "comprehensive strategic partnership" and this was an upgrade from the "strategic partnership" that was established in 2012.

[30] Joseph E. Lin, "China's Weapons of Mass Consumption," Foreign Policy, March 20, 2015, https://foreignpolicy.com/2015/03/20/chinas-weapons-of-mass-consumption/; Janes, *United Arab Emirates - Market Report*, March 31, 2020.

[31] Jeffrey Lin and P.W. Singer, "Chinese Drones Soon Flying Over Saudi Arabia," *Popular Science*, April 29, 2014, https://www.popsci.com/blog-network/eastern-arsenal/chinese-drones-soon-flying-over-saudi-arabia/; Peter Wood and Robert Stewart, *China's Aviation Industry: Lumbering Forward*, 2019, https://www.airuniversity.af.edu/CASI/Display/Article/1925704/chinas-aviation-industry-lumbering-forward/.

II, for a total of 40 UAVs.[32] In the latest arms shows, AVIC has shown newer, longer endurance variants of the Wing Loong and may now have six different variants.[33] According to SIPRI, since 2010, China has sold variants of the Wing Loong to Egypt, Kazakhstan, Pakistan, Saudi Arabia, Uzbekistan, and the UAE.[34]

Export Control Authorities

China has gradually instituted an export control system,[35] and the PRC's criteria for sales is determined by a combination of political goals, foreign policy, international arms agreements, and internal decision-making. The 2020 Export Control Law lists at least eight factors that will be reviewed for the export of controlled items including:

- National security and national interests;
- International obligations and commitments;
- Type of export;
- Item sensitivity;
- Destination country;
- End users and end use;
- Credit record of the exporter;
- Other factors as provided by laws and administrative regulations.[36]

While China has agreed to some international arms agreements, the government has been increasingly vocal in its response to US-led sanctions regimes. According to the PRC Export Control Law, the State Council and the Central Military Commission remain the key entities for approving export licenses and the law calls upon the State Council to establish an "export control

[32] Stockholm International Peace Research Institute (SIPRI), *Transfers of major weapons: Deals with deliveries or orders made for 2010 to 2019*.

[33] Oishee Majumdar and Akshara Parakala, "Update – Airshow China 2022: AVIC Displays Wing Loong-3," Jane's Defence Weekly, Nov. 10, 2022.

[34] Stockholm International Peace Research Institute (SIPRI), SIPRI Arms Transfer Database, *Transfers of major weapons: Deals with deliveries or orders made for 2010 to 2019*, September 3, 2020

[35] Jing-dong Yuan, Phillip C. Saunders, and Stephanie Lieggi, "Recent Developments in China's Export Controls: New Regulations and New Challenges," *The Nonproliferation Review* Fall-Winter (2002). NPC Observer, "PRC Export Control Law," 2020, https://www.cov.com/-/media/files/corporate/publications/file_repository/prc_export_control_law_comparison_dec_2019_to_jun_2020_ch_en.pdf.

[36] PRC Export Control Law, 2020. Article 13 lists these items; in the law the export control functions are known collectively as the "national export control management departments" or "state export control administration departments" depending how you choose to translate.

coordination mechanism" but does not specify additional details about that body.[37] Subsequent regulations implementing the law have been published in 2022[38] and should be evaluated further.

Export licensing for military items is under the purview of the State Administration for Science, Technology, and Industry for National Defense (SASTIND), which is subordinate to the Ministry of Industry and Information Technology (MIIT). Within the State Council, the Ministries of Public Security, Commerce, Foreign Affairs, and the Customs Administration all play a role in granting, denying, and/or enforcing export regulations. According to the Export Control Law, local governments will also continue have a role in export control compliance[39] and this likely means that there could be variability on how the provisions of the law are enforced.

[37] PRC Export Control Law, 2020. Historically, both PRC government ministries and PLA departments maintained lists of SOEs and private companies certified to produce defense articles. The current Export Control Law does not specify whether changes have been made to that system. For background on this aspect of the PRC defense industrial base, see: Daniel Alderman, Lisa Crawford, Brian Lafferty, and Aaron Shraberg, "The Rise of Chinese Civil-Military Integration," in *Forging China's Military Might: A New Framework for Assessing Innovation,* edited by Tai Ming Cheung, Baltimore: Johns Hopkins University Press, 2014, p. 109-135.

[38] PRC SASTIND, 军品出口许可——经营权和经营范围 [Licensing for the export of military products—managerial authority and scope of operations], July 18, 2022, http://www.sastind.gov.cn/n6195634/n6195706/n6195716/n6427863/n6428033/c6429000/content.html.

[39] PRC Export Control Law, 2020. Article 15 specifies that exporters must submit "user and ultimate [end] user use certificates" (用户和最终用途证明文件) to certifying documents will be issued by national or local government agencies.

Appendix: Data Tables, Figures, and Supplementary Information

Table 1: Top 20 Recipients of PRC Arms Sales, 2020-21

Country	Total TIV of Arms Imports (2020-21)	Region	Top 20 arms recipient prior to 2020?
Pakistan	1294	South Asia	Yes
Nigeria	139	West Africa	Yes
Saudi Arabia	80	Middle East	Yes
Malaysia	52	Southeast Asia	No
Angola	42	Southern Africa	No
Bangladesh	42	South Asia	Yes
Thailand	33	Southeast Asia	Yes
Tanzania	29	East Africa	No
Djibouti	24	East Africa	No
Ethiopia	24	East Africa	No
Indonesia	19	Southeast Asia	Yes
Serbia	11	Europe	No
United Arab Emirates	11	Middle East	Yes

Sources: SIPRI Arms Transfers Database, data generated on January 18, 2023, https://armstrade.sipri.org/armstrade/html/export_values.php. Only countries with a trend indicator value (TIV) of at least 5 combined for 2020-21 are included in this list. Comparison in column four is based on the Top 20 arms recipients prior to 2020 based on SIPRI data generated on July 7, 2020, which are displayed in CNA, "China's Defense Exports: Small Volume, But Room for Growth," October 2021, https://www.cna.org/quick-looks/2021/chinas-defense-exports.

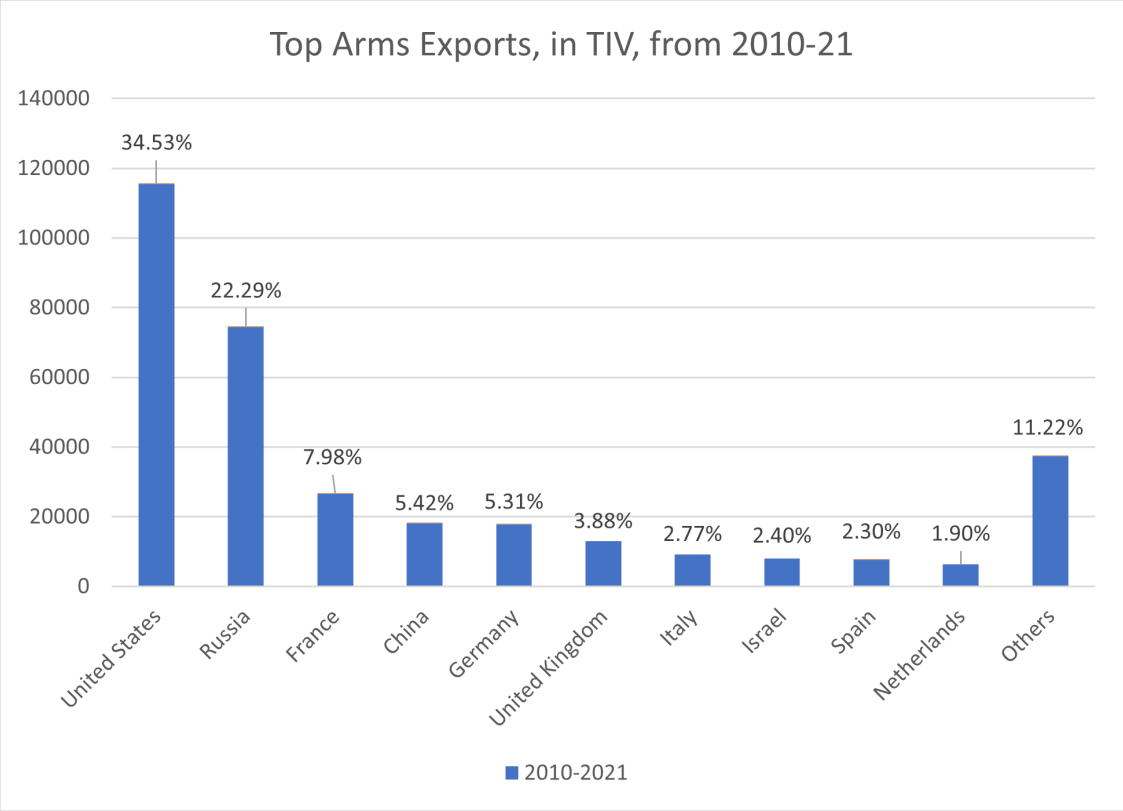
Table 2: PRC Defense Industry State-owned Enterprises (SOEs) by Sector

State-owned enterprise	Acronym (English)	Primary Sector
Aviation Industry Corporation of China	AVIC	Aviation
China Aerospace Corporation	CASC	Space
China Aerospace Science and Industry Corporation	CASIC	Space
China State Shipbuilding Corporation	CSSC	Naval / Maritime
China Shipbuilding Industry Corporation	CSIC	Naval / Maritime
China North Industries Group Corporation	NORINCO	Land / ordnance
China South Industries Group Corporation	CSGC	Land / ordnance
China Electronics Technology Group Corporation	CETC	Electronic warfare / Radars / Remote systems
China National Nuclear Corporation	CNNC	Nuclear
China General Nuclear Power	CGN	Nuclear*

Sources: Béraud-Sudreau and Nouwens, "Weighing Giants: Taking Stock of the Expansion of China's Defence Industry," 2019; Peter Wood and Robert Stewart. *China's Aviation Industry: Lumbering Forward,* 2019, https://www.airuniversity.af.edu/CASI/Display/Article/1925704/chinas-aviation-industry-lumbering-forward/; Greg Levesque and Mark Stokes, *Blurred Lines: Military-Civil Fusion and the "Going Out" of China's Defense Industry,* 2016.

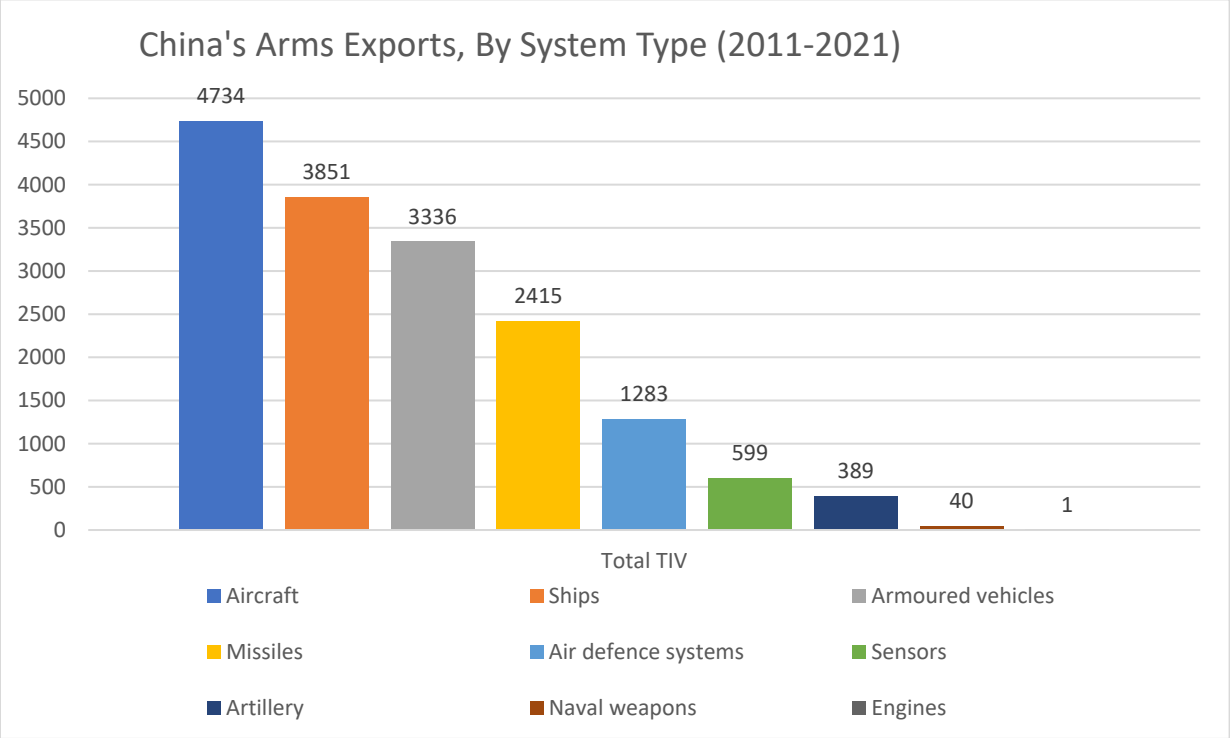
*CGN works primarily on civilian nuclear energy projects but has been identified as an entity that works with the PLA by the US government. See: US Department of Defense, "Qualifying entities prepared in response to Section 1237 of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261), June 12, 2020, https://www.cotton.senate.gov/files/documents/Sen%20Cotton%20NDAA%20FY%201999%20Sec%201237%20Response%2006242020.pdf.

Figure 1: Top Global Arms Exporters, 2011-2021



Source: SIPRI Arms Transfers Database, "TIV of arms exports from the top 10 largest exporters, 2010-2021," figures on Y-axis are in SIPRI trend indicator values (TIV), expressed in millions. Percentages on the top of each bar represent the total share of global exports from that individual country based on SIPRI data generated on January 18, 2023, https://armstrade.sipri.org/armstrade/html/export_toplist.php.

Figure 2: PRC Defense Exports, By System Type, in Trend Indicator Values



Source: SIPRI *Arms Transfers Database*, "TIV of arms exports from the top 10 largest exporters, 2010-2021," figures on Y-axis are in SIPRI trend indicator values (TIV), expressed in millions, with precise estimates on top of each bar based on SIPRI data generated on January 18, 2023, https://armstrade.sipri.org/armstrade/html/export_toplist.php.

References

Alderman, Daniel, Lisa Crawford, Brian Lafferty, and Aaron Shraberg, "The Rise of Chinese Civil-Military Integration," in *Forging China's Military Might: A New Framework for Assessing Innovation*, edited by Tai Ming Cheung, Baltimore: Johns Hopkins University Press, 2014, 109-135.

Bayes, Tom. *China's Growing Security Role in Africa: Views from West Africa, Implications for Europe.* Konrad Adenaur Stiftung and Mercator Institute for China Studies. 2020.

Beraud-Sudreau, Lucie and Meia Nouwens. "Weighing Giants: Taking Stock of the Expansion of China's Defence Industry." *Defense and Peace Economics* (2019). doi: https://doi.org/10.1080/10242694.2019.1632536.

Center for Strategic and International Studies. "How dominant is China in the global arms trade?" *China Power*. https://chinapower.csis.org/china-global-arms-trade/.

Gill, Bates, and Evan S. Medeiros. *Chinese Arms Exports: Policy, Players, and Process*. US Army War College Press, 2000. https://press.armywarcollege.edu/monographs/132/.

Grevatt, Jon. "Thailand, China progress plan to establish joint MRO facility." *Jane's Defence Industry.* March 18, 2021.

Janes. *China Market Report: Exports*. July 17, 2020.

Janes. *Sentinel Security Assessment – Southeast Asia.* June 9, 2020.

Kinne, Brandon J., and Jonas B. Bunte. "Guns or Money? Defense Co-operation and Bilateral Lending as Coevolving Networks." *British Journal of Political Science* 50, no. 3 (2020): 1067-1088. https://doi.org/10.1017/S0007123418000030.

Lin, Jeffrey, and P.W. Singer. "Chinese Drones Soon Flying Over Saudi Arabia." *Popular Science.* April 29, 2014. https://www.popsci.com/blog-network/eastern-arsenal/chinese-drones-soon-flying-over-saudi-arabia/.

Lin, Joseph E. "China's Weapons of Mass Consumption." *Foreign Policy*. March 20, 2015. https://foreignpolicy.com/2015/03/20/chinas-weapons-of-mass-consumption/.

Luo, Zhifan. "Intrastate Dynamics in the Context of Hegemonic Decline: A Case Study of China's Arms Transfer Regime." *Journal of World-Systems Research* 23, no. 1 (2017): 36-61.

Majumdar, Oishee, and Akshara Parakala, "Update – Airshow China 2022: AVIC Displays Wing Loong-3." *Janes Defense Weekly.* November 10, 2022.

Medeiros, Evan S. "Key Organizations in China's Export Control System," in *Chasing the Dragon: Assessing China's System of Export Controls for WMD-Related Goods and Technologies*. 2005. https://www.jstor.org/stable/10.7249/mg353.10.

Nuclear Threat Initiative. "SASTIND Summary." NTI Facilities Listing https://www.nti.org/learn/facilities/781/.

Raska, Michael, and Richard A. Bitzinger. “Strategic Contours of China's Arms Transfers.” *Strategic Studies Quarterly* 14, no. 1 (Spring 2020) (2020): 91-116. https://www.jstor.org/stable/10.2307/26891885.

Standing Committee of the National People’s Congress [PRC], 中华人民共和过出口管制法 [PRC Export Control Law], Oct. 17, 2020, http://www.npc.gov.cn/npc/c30834/202010/cf4e0455f6424a38b5aecf8001712c43.shtml.

Stockholm International Peace Research Institute (SIPRI). *SIPRI Arms Transfer Database*. Accessed (data generated) on 9 March 2020, 7 July 2020, 9 January 2023, and 18 January 2023. http://www.sipri.org/databases/armstransfers/.

US Department of Defense. *Military and Security Developments Involving the People's Republic of China: Annual Report to Congress.* 2021.

Wood, Peter, and Robert Stewart. *China's Aviation Industry: Lumbering Forward.* 2019. https://www.airuniversity.af.edu/CASI/Display/Article/1925704/chinas-aviation-industry-lumbering-forward/.

Xi Jinping. *Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects.* Oct. 16, 2022.

Xinhua. “China, UAE pledge to boost comprehensive strategic partnership.” *Xinhua Online* (English), July 23, 2019, http://www.xinhuanet.com/english/2019-07/23/c_138248606.htm.

Yuan, Jing-dong, Phillip C. Saunders, and Stephanie Lieggi. “Recent Developments in China's Export Controls: New Regulations and New Challenges.” *The Nonproliferation Review*, Fall-Winter (2002): 153-167.

OPENING STATEMENT OF MEIA NOUWENS, SENIOR RESEARCH FELLOW FOR CHINESE SECURITY AND DEFENSE POLICY, INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES

COMMISSIONER SCHRIVER: Thank you very much. Ms. Nouwens?

MS. NOUWENS: Chairman Bartholomew, Commissioner Schriver, members of the Commission and staff, thank you very much for your invitation to testify today on developments in China's technology acquisition methods and trends.

Firstly, China's reliance on foreign acquisition of military or dual-use technology has changed over the past decade and as China's defense industrial base has modernized and reformed as we've just heard. While China used to be almost wholly dependent on foreign defense-related technology imports to reverse-engineer and procure for the PLA, this is no longer the case. The Chinese Defense Industrial Base as we've heard is complex but remains one that is primarily dominated by state-owned enterprises which supply the PLA with weapons and platforms across all domains.

And while these SOEs remain large and in some ways cumbersome, they are becoming more competitive over time as well. All of China's seven SOEs that are related in non-nuclear defense production now rank in the top 20 defense companies globally in terms of annual defense-related revenue according to a Double-I Double-S methodology. And China's SOEs have been instructed to become more self-sufficient in their funding, innovative, and competitive in the future.

China's private firms as we've just heard also provide input importantly into the Chinese defense industrial base and are increasingly encouraged to do so through a national development strategy of military-civil fusion. While civil-military integration is not new in China's case, it is becoming increasingly important as the PLA looks to integrate emerging and disruptive technologies into its modernization and war fighting capabilities. Most of the innovation in these spaces is found in China's private sector.

We should be cautious, however, to assume that the PRC's top-down approach to MCF leads to immediate or easy successes. There are indications that result so far have been varied. China's defense industrial base has benefitted, of course, from successive ways of arms imports and reverse engineering, primarily from Russia in recent years and reported cases of IP theft which have led to perhaps faster development of some technologies than have done so purely indigenously. However, we should not assume that the DIB cannot innovate at all.

Indeed, according to the Double-I Double-S' assessments, in some domains, the PLA has weapons at its disposal that western militaries do not have equivalence of, for example, in the air-to-air missile domain. Nevertheless, the defense industrial base in China seems to be continuing to operate on a double track, innovative double track, innovate more indigenously at home in leverage for innovation and technology where possible. So China is still reliant on some foreign military technologies, though this list is decreasing over time.

In terms of material imports, the defense industrial base still has weaknesses in areas such as advanced engines and advanced components. Between 2015 and 2020, aircraft and naval engines represented the largest share of all Chinese arms imports. And in terms of advanced components, China is also dependent on foreign sources of advanced semiconductors, integrated circuits, precision circuits, precision measurement tools, and specialist machinery.

Following U.S. export restrictions of these technologies to China, both PRC government is directing funds to indigenize efforts. But results so far are limited. And China also remains dependent on some respects on international education and training, particularly as China's defense industrial base faces a STEM workforce shortage, though a number of international students -- Chinese international students studying abroad with STEM during the COVID-19 pandemic.

This is reportedly increasing again in countries like the United Kingdom. The PRC is thus able to acquire technology through a toolbox that includes both licit and illicit means. And these means are changing over time as the PRC responds to U.S. or ally regulations to counter it.

In terms of illicit technology acquisition, things like industrial espionage and IP theft have received the most public coverage both occurring in the U.S. and U.S. ally or like-minded countries. This also occurs, of course, in China itself through, for example, the establishment of joint ventures with local companies which can be a requirement for entering the Chinese market in certain industries. A survey conducted by the EU Chamber of Commerce in China in 2021 found that 16 percent of respondents reported being compelled to transfer technology when operating in China.

Sixty-five percent of those said that this took place in the last two years while 30 percent said that this was still ongoing. However, transferring IP gain through industrial espionage according to some students isn't necessarily a guarantee of successful technology integration at the end of the day as this becomes more difficult as foreign platforms and systems become more complex. In terms of lawful methods of tech transfer, the acquisition of foreign technology through mergers and acquisitions has gains attention and continues to be a method of tech transfer.

As the U.S.'s investment screening mechanisms and regulatory landscape has become stricter over time, European countries and companies have increasingly become targets for Chinese acquisition with a high in 2016. The main recipients of Chinese investment in 2021 were the Netherlands, Germany, France, and the UK. But Chinese companies have also been interested and tried to acquire companies like Ukraine's Motor Sich for its strength in engine production.

However, as Europe itself has begun to look more carefully at its investment screening landscape and has particularly become wary of predatory investments, the type of Chinese investment has also shifted. Investment in large companies has decreased year-on-year while investment has fractured into many more deals in Europe of smaller value. In particular, this is seen in Chinese venture capital investment across Europe which has doubled more than -- which has more than doubled between 2020 and 2021.

And this trend is likely to intensify considering the interest in the skills and ideas underpinning startups and the importance placed on forefront technologies and the emerging and disruptive technological space. This leads to another point on talent acquisition which can also be lawful at times. There are over 200 talent acquisition programs run by the PRC to bring foreign talent and R&D to China

And relatedly, Chinese PLA linked researchers have also been enrolled in foreign post-doctoral research programs working on areas of science and technology research. The priority for China's talent acquisition moving forward is likely going to be key areas of weakness and technologies that the PLA feel are central to future warfighting. And these can be found in documents such as five-year plans or medium to long-term science and technology development.

All of them focus -- and we can talk about this in detail later -- on frontier technologies in emerging and disruptive technologies. In responding to this, the U.S. and allies and partners need to take a more linked up approach. While the U.S. has strengthened inbound investment screening mechanisms and is considering outbound investment screening mechanisms, the EU has a more patchwork regulatory landscape due to member states legal competence over FDI screening.

And the EU has implemented an investment screening regulation and can offer advice. But this remains nonbinding. And two, EU member states still do not have any mechanism in place at all.

To summarize, and I'll talk happily about my recommendations during the discussion, Chinese investment is more likely to move where it is most easy to do and where innovation is taking place. It is therefore important to examine other regions beyond the transatlantic with regards to the protection of indigenous commercial technology such as in Southeast Asia. Thank you.

PREPARED STATEMENT OF MEIA NOUWENS, SENIOR RESEARCH FELLOW FOR CHINESE SECURITY AND DEFENSE POLICY, INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES

Testimony before the U.S.-China Economic and Security Review Commission

China's Military Diplomacy and Overseas Security Activities, Panel III:

China's Foreign Military Sales and Technological Acquisition

Meia Nouwens,

Senior Fellow for Chinese Security and Defence Policy,

International Institute for Strategic Studies

January 26, 2023

Chair Bartholomew, members of the Commission and staff, thank you very much for your invitation to testify on developments in China's technology acquisition methods.

China's defence industrial base (DIB) is the primary actor in supplying the Chinese military with military equipment. China's DIB has become increasingly modern, and today is able to support the People's Liberation Army (PLA) in nearly all areas of procurement of modern and advanced technology. However, while the DIB today is more technologically advanced and efficient and has been directed to work with China's private sector civilian companies through military-civil fusion on integrating emerging and disruptive technologies in the PLA's capability mix, the Chinese DIB still depends on foreign innovation, education and components for some of its R&D and manufacturing. While the US have over successive years strengthened their ability to counter technology acquisition by the Chinese DIB and PLA, US-allies in Europe and elsewhere have only recently begun to address these issues in a more substantive and coordinated way. In order to continue fine-tuning US and allied policies to protect national innovation and industrial strengths, it remains necessary to increase common understanding across allies countries of how China's DIB has developed over time, how Chinese methodologies of licit and illicit technology acquisition may change over time in response to greater scrutiny by foreign governments, and how best to coordinate countries outside of the alliance who have significant innovation capacity but may not yet have developed strategies to protect it.

Changes to China's reliance on foreign acquisition of military or dual-use technology changed over the past decade.

China's reliance on foreign acquisition of military or dual-use technology has changed significantly since its early years under Mao.[1] From 1949 until the deterioration of the Sino-USSR relationship, China's defence industry, dominated by large state-owned enterprises, depended heavily on the USSR for defence technology and equipment through arms sales and technology transfer. During Deng Xiaoping's era of economic reforms, Chinese defence companies began producing dual-use technologies as well as military products. While the defence industry grew during this time, innovation and production of military equipment lagged behind Western and Russian defence technology despite a more diversified defence relationship between China and the West. Following the 1989 Tiananmen Square massacre, China's defence industry was cut off from Western technology, and turned to Russia as its primary source of foreign technology and innovation. Since then, China's defence industry has undergone successive reforms and restructuring in order to downsize the country's large-scale industry, turn the country's five large SOEs into ten companies each focussed on aviation, space, nuclear, shipping, and land warfare. By doing so, the Chinese government aimed to increase competition within each sector and to restructure companies into more commercial entities. Since the early 2000's the original ten SOEs have seen further changes. In

[1] Beraud-Sudreau, Lucie, and Meia Nouwens, "Weighing Giants: Taking Stock of the Expansion of China's Defence Industry," Defence and Peace Economics, Vol. 32, No. 2, February 2021.

2002, China Electronics Technology Enterprise (CETC) was created, which focussed on defence-electronics. In 2008, AVIC I and AVIC II, the country's two aviation SOEs were reconsolidated to form AVIC. In 2020, the country's two shipping giants, CSGC and CSSC, were merged to form CSSC, one of the world's largest shipbuilding conglomerates.[2] To a certain extent, this reflects a lack of successful competition between companies in each sector. Aside from re-mergers, some companies have specialised to produce certain subsystems for the PLA.

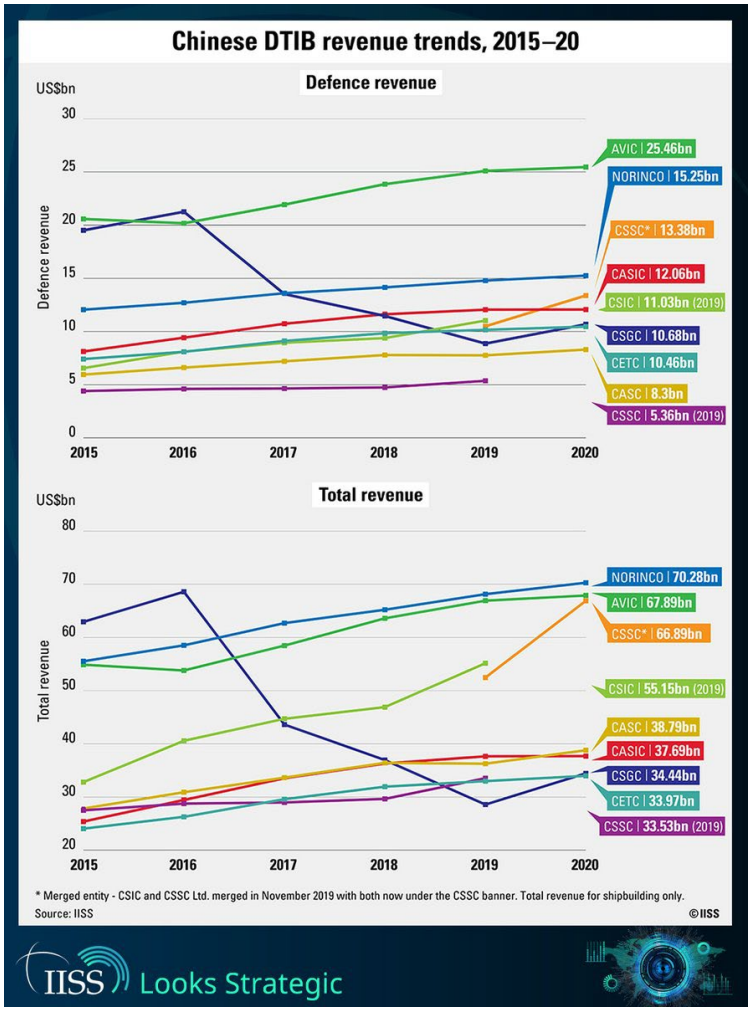
DIB Manufacturing Emphasis	Parent SOE	Manufacturing Activity
Land warfare, ground forces	• China North Industries Group Corporation (NORINCO) • China South Industries Group Corporation (CSGC)	Ground combat vehicles, main battle tanks, infantry fighting vehicles and soldier equipment, small arms and light weapons, ordnance
Air warfare, air forces	• Aviation Industry Corporation of China (AVIC)	Fixed-wing combat, transportation, bomber aircraft, rotary-wing aircraft
Naval warfare, sea forces	• China State Shipbuilding Corporation (CSSC) (the China Shipbuilding Industry Corporation [CSIC] was merged into the CSSC in 2019–2020)	Frigates, corvettes, destroyers, and cruisers; submarines (diesel and nuclear-powered); aircraft carriers; dock landing ships
Electronic warfare, electronic equipment	• China Electronics Technology Group Corporation (CETC)	Light unmanned aerial vehicles (UAVs), radars, computing resources, other military electronics
Space warfare, space forces	• China Aerospace Science and Technology Corporation (CASC) • China Aerospace Science and Industry Corporation Limited (CASIC)	Surface-to-air missile systems; intelligence, surveillance, and reconnaissance (ISR) systems; heavy UAVs, ballistic missiles, space launch vehicles
Nuclear warfare, nuclear facilities	• China National Nuclear Corporation (CNNC)	Nuclear reactors, nuclear weapons

Source: Beraud-Sudreau, Lucie, and Meia Nouwens, "Weighing Giants: Taking Stock of the Expansion of China's Defence Industry," Defence and Peace Economics, Vol. 32, No. 2, February 2021.

Nevertheless, by 2022 the seven SOEs that are responsible for non-nuclear defence-related production are estimated to rank in the top 20 of defence companies globally, based on the annual value of defence-related revenue.[3] China's defence industry has over time become more self-sufficient in its ability to innovate and produce equipment for the PLA across the above-mentioned sectors.

[2] Meia Nouwens, "Is China's shipbuilding merger on course?", Military Balance Blog, 4 September 2020, https://www.iiss.org/blogs/military-balance/2020/09/china-shipbuilding-merger

[3] McGerty, F. and Meia Nouwens, "A strong 2021 for China's defence companies", Military Balance Blog, 17 August 2022, https://www.iiss.org/blogs/analysis/2022/08/strong-2021-for-china-defence-companies



Private Chinese companies also form part of the defence industrial base though reports indicate that despite national-level guidance to do so, they continue to find it difficult to penetrate the highly state-driven defence industry. Under the guidance of President Xi, the national development strategy of military-civil fusion (军民融合) aims to encourage a greater degree of integration between the military and civilian economies. Though not a new policy, as civil-military integration has been attempted since the foundation of the Chinese state, Xi has given the policy greater prioritisation. While much attention has been paid to this policy, initial reporting from Chinese sources seems to indicate varied success in practice.[4]

While the Chinese defence industrial base has matured, and arms imports have decreased since the 1980s, arms imports remain an important source of technology, particularly in specific sectors. Chinese companies still rely on foreign sources of innovation and technology for advanced goods

[4] Kania, E. B. and Lorand Laskai, "Myths and Realities of China's Military-Civil Fusion Strategy", Center for a New American Security, 28 January, 2021, https://www.cnas.org/publications/reports/myths-and-realities-of-chinas-military-civil-fusion-strategy

and components. According to SIPRI, China imported US$1.1 billion in arms goods and services in 2017.[5] According to SIPRI, between 2018 and 2020, military imports to China originated from Russia and Ukraine for aircraft and naval engines and missiles. In that same period, SIPRI reports that France has supplied China with aircraft and naval engines and rotary-wing aircraft, while the UK has sold aircraft engines and Switzerland has sold air defence and fire control radar systems to China. In 2020, SIPRI reported a decrease in imports to China, though this is likely to be reflective of the dip in global arms trade activity due to the COVID-19 pandemic.

China also imports goods that fall below SIPRI's threshold for inclusion in its database but include components and materials that likely find their way into PLA weapons systems. Here, US and US-allied countries play a significant role. In a report by C4ADS, almost 20 percent of imports to companies in China's defence industrial base were from the US, and eight of the top ten countries were US-allies.[6]

Foreign military or dual-use technologies that China is reliant upon for the development of weapons for the PLA's own use.

China's defence industrial base is still reliant on foreign inputs such as education, material imports, intellectual property, intermediate goods and components and aircraft and naval engines. However, it is important to note that the list of technologies that the PLA is dependent on foreign sources is gradually decreasing. Depending on the product or service in question, imports could reflect a deficiency in the Chinese defence industry and lacking capacity to meet the PLA's demands or reflects an area of technology that the defence industry is still unable to produce indigenously.

Between 2015 and 2020, according to SIPRI, aircraft and naval engines represented the largest share of all Chinese arms imports, and almost half of SIPRI's data on weapons imports to China are for aircraft engines, marine turbine engines, and armoured vehicle engines.

China remains an importer of advanced components for military equipment and systems. In particular, China still imports precision measurement tools, integrated circuits and semiconductors. China is only able to produce 15.3 percent of its domestic demand for semiconductors, and imports have primarily been sourced from Korea, Taiwan and US-based manufacturers for designs, software, production-related machinery and semiconductors.[7] Between 2015 and 2019, China's relied on foreign sources for the vast majority of subcategories in electrical machinery and equipment, which

[5] Stockholm International Peace Research Institute, SIPRI Arms Transfers Database, March 15, 2021. As of January 10 2023

[6] Marcel Angliviel de la Beaumelle, Benjamin Spevack, and Devin Thorne, "Open Arms: Evaluating Global Exposure to China's Defense-Industrial Base", Center for Advanced Defense Studies, 17 October 2019, https://c4ads.org/reports/open-arms/

[7] Du, D. and Seaumus Grimes, "China's emerging role in the global semiconductor value chain", Telecommunications Policy, Vol. 46, Issue 2, March 2022, https://www.sciencedirect.com/science/article/pii/S0308596120300513

points to a continued failure in the domestic industry to indigenously respond to China's integrated circuit requirements.

China also remains reliant on US and Western-allied countries for specialist machinery such as: semiconductor fabrication tools and equipment; instruments and tools for optical photographic, cinematographic, and measuring; personal, transportation and other vehicles; and pharmaceuticals such as medicine, blood products, and sterile surgical materials.[8] These are imported from Taiwan, South Korea, Vietnam, Japan, Germany, the US and Ireland among other countries.

China's ability to innovate indigenously has improved over the past decade as reflected by the country's output but also inputs into the innovation ecosystem. China's national R&D spending has increased 35-fold between 1991 to 2018, reaching US$426.6 billion.[9] The amount of investment poured into China's R&D expenditure remains below that of the US, but is more than Japan, Germany, South Korea and France combined. Exactly how much of this spending relates to defence-research is unknown due to a lack of transparency in Chinese government budget breakdowns. China's R&D efforts have improved the country's global rankings in some ways. China ranks second behind the US in terms of scientific publications, however, the gap between the two countries is narrowing year-on-year. While the US ranked ahead of China nearly a decade ago in terms of high impact scientific publications (denoted by the number of citations received), in 2020, that trend reversed. However, China's defence-related innovation system remains dependant on international suppliers for education and IP, as China's STEM workforce remains insufficient for the country's needs in terms of quality and quantity.[10]

For example, approximately 1 million Chinese studies studied abroad, with roughly a third thereof studying in the US. Despite disruptions caused by Covid-19, Chinese students remain the largest group of international students in the US. Roughly 120,000 Chinese students are studying in US science, technology, engineering and mathematics programs in 2020/2021, up from 30,000 in 2005.[11] A recent drop in Chinese student enrolment in the US has found to be correlated with an increase in the number of Chinese student enrolments in countries like the UK.

As mentioned previously, Chinese weapons imports have shown that historically China's defence industry has relied on foreign technology, which was subsequently reverse engineered for adaptation to the PLA or reproduction in China. For example, the PLA Air Force and PLA Rocket

[8] Weinbaum, C., Caolionn O'Connell et.al, "Assessing systemic strengths and vulnerabilities of China's 'EU industrial base: with a repeatable methodology for other countries", RAND, 11 February 2022, https://www.rand.org/pubs/research_reports/RRA930-1.html

[9] "Is China a global leader in research and development?", CSIS China Power Project, https://chinapower.csis.org/china-research-and-development-rnd/

[10] Tai Ming Cheung, Thomas Mahnken, Deborah Seligsohn, Kevin Pollpeter, Eric Anderson, and Fan Yang, *Planning for Innovation: Understanding China's Plans for Technological, Energy, Industrial, and Defense Development*, prepared for U.S.-China Economic and Security Review Commission, 28 July 28 2016

[11] Zwetsloot, R. and Zachary Arnold, "Chinese Students are not a fifth Column", Foreign Affairs, 23 April 2021, https://www.foreignaffairs.com/articles/united-states/2021-04-23/chinese-students-are-not-fifth-columnhttps://cset.georgetown.edu/article/chinese-students-are-not-a-fifth-column/

Force platforms and systems are the result of reverse engineering of foreign technology that was acquired through arms imports or licensing agreements.[12] The scale of this activity in previous decades has allowed China's defence industry to provide the PLA with weapons and platforms on a potentially vastly accelerated timeline compared to if these technologies were indigenously researched and developed.

However, China's defence industry is becoming more capable and only requires foreign IP for a few remaining technologies, such as engines. The defence industry is expected to continue leveraging foreign IP when and where it is available, despite calls for greater indigenous innovation by Chinese leadership under President Xi Jinping.

China obtains foreign military technology or technology with dual-use applications through various methods and from a variety of Western countries.

China's means of technology transfer include various methodologies, ranging across sectors and varied stakeholders. Technology transfer from non-Chinese entities can occur both in China as well as abroad. While much attention has been paid to illicit transfer of technology to China through, for example, industrial espionage, many forms of technology and innovation transfer are also lawful. Lawmakers should note that as countries such as the US and its allies respond to Chinese technology acquisition methods through policy initiatives, so too will China's methods of technology acquisition change in nature, technological focus and geography.

Illicit

Illicit forms of technology acquisition from foreign entities to Chinese companies and ultimately the PLA have been covered thoroughly in existing research. The US Federal Bureau of Investigations Director Christopher Way has called Chinese counterintelligence and economic espionage the "greatest long-term threat to [the US's] information and intellectual property, and to [the US's] economic vitality."[13] A survey by CSIS of 160 publicly reported cases of Chinese espionage directed against the US between 2000 and 2021 that occurred in the US encapsulates the variety of stakeholders and methods used.[14] 42 percent of actors involved in reported incidents were Chinese military or government employees, while 32 percent were private Chinese citizens and 26 percent were non-Chinese actors. While just over half of the incidents sought to acquire commercial technologies, just over one third sought to acquire military technology. Almost half of the incidents involved cyber espionage, mainly by Chinese state-affiliated actors, while 16 percent of reported incidents involved the attempted acquisition of information from US civilian agencies or politicians. The data also showed that these efforts have been more reported or possibly increased in frequency

[12] Cheung, Tai Ming, *Strengths and Weaknesses of China Defense Industry and Acquisition System and Implications for the United States*, San Diego, Calif.: University of California, San Diego, School of Global Policy and Strategy, UCSD-AM-18-218, June 25, 2018

[13] https://www.fbi.gov/investigate/counterintelligence/the-china-threat

[14] https://www.csis.org/programs/strategic-technologies-program/archives/survey-chinese-espionage-united-states-2000

since 2009. Only 24 percent of the reported incidents took place between 2000 and 2009, while 76 percent took place between 2010 and 2021. Similar incidents are reported in US-allied countries with industrial strengths in sectors that are of strategic interest to China, for example Germany, the UK, France and The Netherlands.[15]

Industrial espionage is not limited to activity outside of China's borders. Indeed, foreign companies from certain sectors wishing to operate in China have in the past been required to cooperation with local companies through joint ventures in order to access the Chinese market. Following the formation of joint ventures, some companies have reported IP theft. The European Union Chamber of Commerce in China's Business Confidence Survey in 2021 found that "16 percent of respondents reported being compelled to transfer technology, with 65 percent saying that it took place within the last two years and 31 percent stating that it was ongoing".[16]

While industrial espionage has reportedly assisted the PLA in acquiring platforms that would otherwise have taken much longer to develop indigenously, such as the case of the J-35 and F-22[17], authors such as Gilli and Gilli argue that transferring IP gained through industrial espionage becomes more difficult as foreign platforms and systems become more complex.[18]

Licit

In addition to the import of weapons and platforms as examined previously, technology transfer also occurs through other lawful methods. Similar to technology transfer from joint ventures, the acquisition of foreign IP through mergers and acquisitions by Chinese companies of Western entities has raised alarm bells. Though foreign investment mechanisms in the US have become stricter over time, like-minded countries have been slower to respond to this challenge. In Europe, cases like the

[15] See: "Two former French agents sentenced to prison over China spying case: France Info", Reuters, 11 July 2020, https://www.reuters.com/article/us-france-intelligence/two-former-french-agents-sentenced-to-prison-over-china-spying-case-france-info-idUSKCN24C0F3; "Nederlandse Veiligheidsbelangen kwetsbaaar voor activiteiten andere landen" Algemene Inlichtingen- en Veiligheidsdienst (AIVD), 3 February 2021, https://www.aivd.nl/actueel/nieuws/2021/02/03/nederlandse-veiligheidsbelangen-kwetsbaar-voor-activiteiten-andere-landen?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axioschina&stream=china#_ga=2.263213391.235249041.1674609820-1648208376.1674213780; "China spying on Germany, say intelligence chiefs", Deutsche Welle, 17 October 2022, https://www.dw.com/en/china-spying-on-germany-say-intelligence-chiefs/a-63467038; Dan Sabbagh, "50 Chinese students leave UK in three years after spy chiefs' warning", The Guardian, 6 July 2022, https://www.theguardian.com/uk-news/2022/jul/06/50-chinese-students-leave-uk-in-three-years-after-spy-chiefs-warning

[16] "Event: Tech Transfer for European SMEs in China – A Crash Course", European Commission, 15 December 2021, https://intellectual-property-helpdesk.ec.europa.eu/news-events/events/event-tech-transfer-european-smes-china-crash-course-2021-12-15_en

[17] Wendell Minnick, "Chinese businessman pleads guilty of spying on F-35 and F-22", Defense News, 24 March 2016, https://www.defensenews.com/breaking-news/2016/03/24/chinese-businessman-pleads-guilty-of-spying-on-f-35-and-f-22/

[18] Gilli, A. and Mauro Gilli, "Why China has not caught up yet", International Security, Vol. 43, Issue 3, Winter 2018/2019, https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/Gilli-and-Gilli-isec_a_00337-15022019.pdf

2016 acquisition of Kuka, a German robotics company by the Chinese company Midea raised alarm bells across Europe that strategic industries may be at risk of transferring to foreign ownership.[19]

Following the acquisition of Kuka, Chinese investment in Europe has continued though in different forms. In 2021, China's foreign direct investment into the UK and EU continued on a downward trajectory from a high in 2016.[20] The Netherlands was the largest recipient of Chinese investment, due to Hillhouse Capital's takeover of Philips. Germany, France and the UK accounted from 39 percent of total Chinese investment into Europe. Investment into European sectors were mainly automotive; health, pharma, and biotech; information and communications technology; and energy sectors.

Importantly, there has been a change in the Chinese stakeholders that are investing in like-minded countries. State-owned investors are becoming less prevalent in annual figures, though their investments were mostly in energy and infrastructure projects in southern Europe.[21] Instead, Chinese venture capital (VC) investment has increasingly funded European tech starts-ups. In 2021, Rhodium reported that Chinese VC investment in Europe was more than double that of the previous year, totalling EUR 1.2 billion, directed mainly to start-ups in the UK and Germany. Chinese VC funding predominantly targeted European start-ups working in e-commerce, fintech, gaming, AI and robotics. Chinese capital has also reportedly been invested into US venture firms and US private-equity firms. Since 2010, at least US$4 billion has been invested into the former by Chinese government entities, funds, private individuals and corporations, with US$3.5 billion going to the latter.[22] Some reports, however, note that Chinese venture capitalist investment into Silicon Valley has been declining since 2018.[23]

Talent

Academia and science and technology experts have also been at the receiving end of knowledge and skill transfer methods by the PRC. While industrial espionage and mergers and acquisitions serve the purpose of acquiring technology and IP to reverse engineer or learn from, talent programs seek to fill the PRC's talent gaps. These have taken the form of talent programs, funding the post-graduate education of Chinese government of military officials at overseas universities and research institutes in areas of strategic interest, and ad-hoc opportunism. The Chinese Communist Party has established over 200 talent-recruitment programs, which offer favourable working conditions for

[19] "Midea of China moves a step closer to takeover of Kuka of Germany", New York Times, 4 July 2016, https://www.nytimes.com/2016/07/05/business/dealbook/germany-china-midea-kuka-technology-robotics.html

[20] Kratz, A., M. Zenglein, G. Sebastian and M. Witzke, "Chinese FDI in Europe: 2021 Update", Rhodium Group, 27 April 2022, https://rhg.com/research/chinese-fdi-in-europe-2021-update/

[21] Ibid.

[22] Heather Somerville, "Chinese investment flows into Silicon Valley Venture Funds", Wall Street Journal, 15 September 2022, https://www.wsj.com/articles/chinese-investment-flows-to-silicon-valley-venture-funds-11663234202&cd=1&hl=en&ct=clnk&gl=us

[23] Rebecca Fannin, "How the US-China trade war has starved some Silicon Valley start-ups", CNBC Tech Drivers, 1 February 2020, https://www.cnbc.com/2020/01/31/chinese-venture-capitalists-draw-back-silicon-valley-investments.html

overseas researchers to work in China, which have drawn in close to 60,000 overseas professionals between 2008 and 2016.[24] These programs aim to leverage foreign technology and expertise to contribute to China's own technological ambitions. While this type of activity is not covert or illegal, some experts have in recent years been penalized for not reporting their involvement in Chinese overseas talent recruitment programs, particularly where these may have presented a conflict of interest with their employer.[25] It should be noted that in many cases, technology transfer that occurs via academic collaboration is the result of academic freedoms and openness in Western academic systems, and academics do not always knowingly play a role in this technology transfer. As will be discussed in policy recommendations at the end of this testimony, upholding the norms and values of academic freedom and international collaboration, even with China, should be constant goal. Greater clarity is needed, however, for universities and research institutes, on what areas of research governments consider of key importance to national security and defence, and are therefore off-limits to certain types of collaboration.

In some cases, Chinese academics and researchers who have been linked to the PLA or Chinese military research institutes have also been sent abroad to establish relationships with researchers and institutions globally.[26] Some of these researchers have taken up academic post-doctoral positions in Western universities or research institutes. Their affiliation to the PLA is sometimes omitted, though some investigative journalists have been quick to point out that preliminary research in Chinese is sufficient to uncover this.

At times, academic collaboration occurs not directly through a talent program but rather through a lack of scrutiny by researchers or university of their Chinese research partners. These programs have been reportedly targeting US academics as well as academics and experts in Europe. For example, Denmark's Aalborg University was reported to have inadvertently collaborated with the Chinese navy-linked Naval University of Engineering on the development of electrical components for power systems in ships and submarines.[27] Follow the Money, a Netherlands-based platform for investigative journalism, found that since 2000, Western European universities have collaborated in

[24] Alex Joske, "Hunting the Phoenix: The Chinese Communist Party's global search for technology and talent", ASPI, 20 August 2020, https://www.aspi.org.au/report/hunting-phoenix

[25] "Harvard University Professor convicted of making false statements and tax offenses", United States Attorney's Office District of Massachusetts, 21 December 2021, https://www.justice.gov/usao-ma/pr/harvard-university-professor-convicted-making-false-statements-and-tax-offenses

[26] Alex Joske, "Picking flowers, making honey", ASPI, 30 October 2018, https://www.aspi.org.au/report/picking-flowers-making-honey

[27] Sebastian Kjeldtoft, "Aalborg Universitet beklager samarbejde: Hjalp kinesisk militærforsker", Politiken, 26 July 2020, https://politiken.dk/udland/int_kina/art7865938/Aalborg-Universitet-beklager-samarbejde-Hjalp-kinesisk-milit%C3%A6rforsker

studies with Chinese research institutes that are directly linked to the PLA.[28] The platform investigated 2,994 papers in which these two sides collaborated, and found that 2,210 of these were conducted with colleagues from China's National University of Defence Technology. European university researchers also collaborated with the PLA Information Engineering University, the China Academy of Engineering Physics, the China Aerodynamics Research and Development Center, the Air Force Engineering University, the Army Engineering University, the Naval University of Engineering and the Information Engineering University. The number of collaborations strongly increased after 2012 and dipped in 2019, likely due to the COVID-19 pandemic. The research areas covered in these studies reflects key areas of strategic interest for the PRC, including computer science, physics and chemistry, engineering, new materials, mathematics, photonics, and AI.

PRC talent acquisition has likely also taken advantage of ad-hoc opportunism. For example, in 2022, the UK's defence intelligence would reportedly issue a threat alert warning that the PLA was attempting to recruit serving and retired RAF jet pilots to train the PLA air force with generous recruitment packages.[29] Around 30 retired RAF pilots were believed to have taken part of these packages since 2019, though efforts are believed to have increased since the end of pandemic restrictions in the UK. These programmes are also reportedly believed to be directed at air force pilots from other Western militaries.

Priority technologies for China's acquisition efforts moving forward.

Moving forward, the PRC is likely to prioritise IP, technology and talent acquisition in key areas of weakness and strategic sectors that are prioritised by the Chinese government. These are clearly identified in working government documents such as the 14th Five Year Plan (FYP) for National Economic and Social Development and Long-Range Objectives for 2035, and National Medium- and Long-Term Program for Science and Technology Development (2006-2020). The technologies identified in these documents point to the desire to become a global innovation powerhouse in 'leapfrog' technologies that would provide the PLA with asymmetric technological advantage through their dual-use applications. The focus on these technologies will also likely drive technology and talent acquisition methods and targets to pre-competitive and pre-commercial sources, such as academic and research institutes and early-stage start-ups in the US, Europe and like-minded partner countries with strengths in these strategic areas of technology.

The former has set forth that between 2021-2025 China's public and private R&D will increase by 7 percent annually and will strive for a higher investment intensity than the preceding FYP. According

[28] De Bruijn, A. Dorine Booij, et.al., "European universities are helping China to build the world's most modern army", Follow The Money, 19 May 2022, https://www.ftm.eu/articles/china-science-investigation-launch?share=axL6eISdgf%2BSOLdgmmvGgqGGaQzkii6UaQ2e1x40o2snVVVkLaZPnwD19vE6IO4%3D

[29] Dan Sabbagh, "UK to issue 'threat alert' over China's attempts to recruit RAF pilots", The Guardian, 17 October 2022, https://www.theguardian.com/uk-news/2022/oct/18/uk-officials-threat-alert-china-attempts-to-recruit-raf-pilots

to the Plan, strategic emerging industries such as next-generation ICT, biotech, new energy, new materials, high-end equipment, new-energy vehicles, green tech, aeronautics and astronautics and marine equipment will be prioritised. Specific mention was made to AI, quantum information, integrated circuits, life and health, brain science, bio breeding, aerospace technology, deep earth and deep-sea technologies, and blockchain, cloud computing big data, IoT, industrial internet, and virtual reality and augmented reality.[30]

Echoing some of the sectors listed above, the National Medium- and Long-Term Program for Science and Technology Development also placed emphasis on specific 'frontier technology' sectors, including biotechnology, IT, advanced material technology, advanced manufacturing technology, advanced energy technology, marine technology, laser technology and aerospace technology.[31]

Gaps in U.S. and European countries' regulatory environment that that China exploits to obtain overseas military technology, and implications of China's overseas technology acquisition for the United States and its allies.

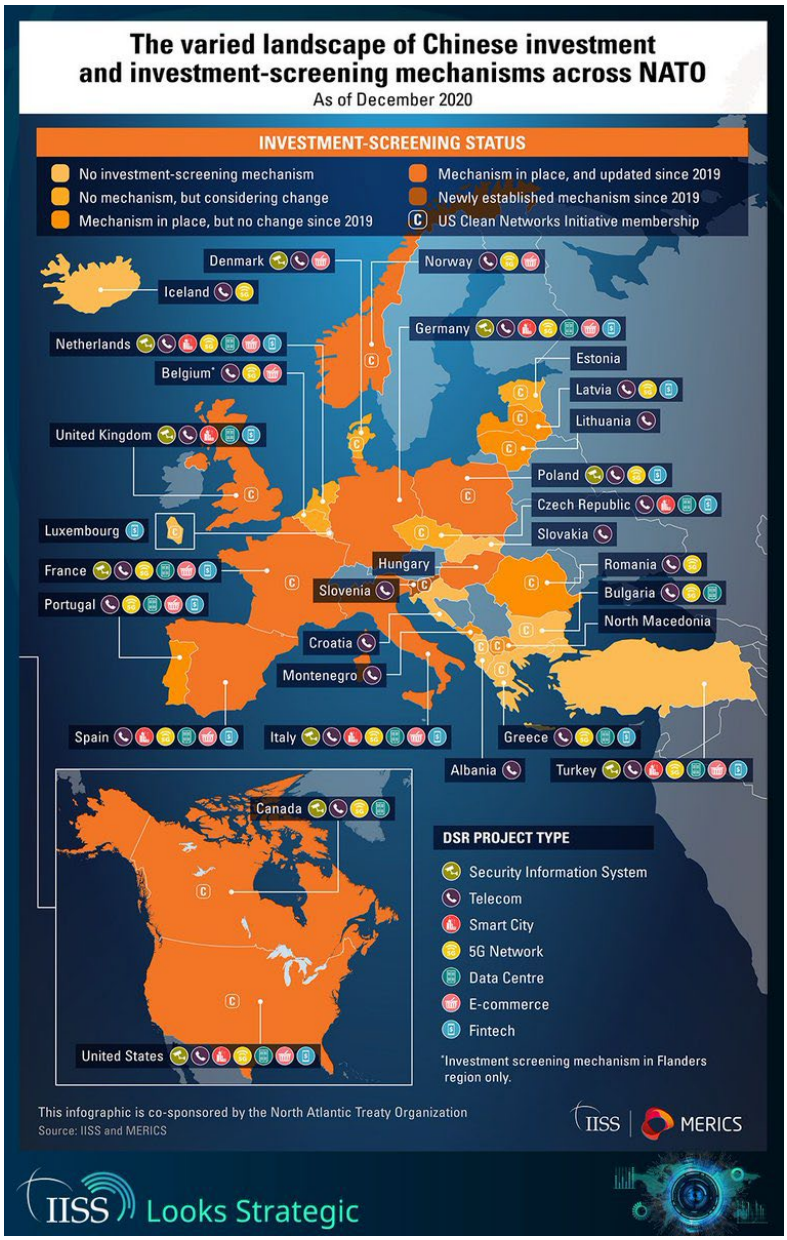
While the US has deepened and expanded its export controls and foreign investment screening mechanisms, Europe has only recently followed suit with the adoption of an investment screening regulation by the European Parliament in 2019.[32] The regulation called on (but did not require) all EU member state governments to create a national investment screening mechanism where these did not exist yet, and to create a level foundation of investment screening across all member states. The regulation also allows for reviews of potential investments of concern by the European Commission, on its own request, voluntary request for review by a member state, or at the request of a member state regarding a potential investment in another member state. The difference between the EU regulation and similar US measures is that any review by the European Commission takes the form of advice, and implementation of that advice remains at the discretion of the member state government in question. By 2022, some European Union member states have deepened their investment screening mechanisms to make these stricter following the COVID-19 pandemic and concerns over potential predatory investments. While outside of the EU, the UK has strengthened its own national investment screening mechanism in recent years. Others have created a mechanism nationally that meets the EU regulation's basic recommendations for issues like investment thresholds. A few EU member states, however, still have not made any moves towards creating an

[30] "华人民共和国国民经济和社会发展第十四个五年规划和 2035 年远景目标纲要" [The Fourteenth Five Year Plan for the Economic and Social Development of the People's Republic of China and Outline of the Long-term Goals for 2035], State Council of the People's Republic of China, 13 March 2021, http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm

[31] "国家中长期科学和技术发展规划纲要（2006—2020 年）"[National Medium- and Long-Term Program for Science and Technology Development (2006-2020)], State Council of the People's Republic of China, 2006, http://www.gov.cn/gongbao/content/2006/content_240244.htm

[32] "Press Release: EU investment screening and export control rules effectively safeguard EU security", European Commission, 2 September 2022, https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5286

investment screening mechanism at the national level. The EU's landscape thus remains one of a patchwork of national screening mechanisms.



While neither the US nor the European Union currently have an outbound investment screening mechanism in place, both sides of the Atlantic are discussing the possibility of creating one in the future. The US is likely to be ahead in terms of the maturity of its discussions, while the EU may deepen its discussions on the matter in 2023.

The implication of this uneven transatlantic approach to inbound investment screening mechanisms (and potentially in the future outbound investment screening mechanism) is that Chinese actors have been able to leverage this uneven regulator landscape to their advantage. As doors in the US have closed to inbound Chinese investment, or Chinese actors have found it increasingly difficult to import key technologies from the US, Chinese investors and importers have instead turned to

Europe, where doors to Chinese investment remain more open. Furthermore, as investment screening mechanisms target particular sectors or are only implemented beyond a certain financial or shareholder value threshold, Chinese investment has responded to focus on different stakeholders. The challenge for the US government and those of like-minded countries is to respond to existing challenges and foresee new ones that policy action may create. This needs to be done not in isolation from each other, but in coordination with like-minded states.

Ultimately, China's technology acquisition practices will not be limited to the US and Europe. Though much of the attention of technology transfer has been placed on countries' experiences across the Atlantic, technology acquisition will also expand beyond traditional target countries. Countries in across the Indo-Pacific will become a greater focus for Chinese efforts to acquire cutting edge innovation in emerging and disruptive technologies as young entrepreneurs there continue to innovate in these spaces. In the Middle East and Gulf, too, Chinese private companies are investing heavily in innovative start-ups, and founding collaborative research and development spaces. Until now, how these regions have experienced or responded to technology transfer has remained understudied.

Remaining knowledge gaps and recommendations for policy makers.

To respond to Chinese technology transfer methodologies, the US Administration and Congress should continue to deepen their understanding of and track incidents of technology and talent acquisition processes, both at home, with allied-countries, and in like-minded partner countries in key regions of strategic interest.

Firstly, Congress should support a public investigation into the incidents of technology transfer across sectors and industries. Current understanding of Chinese practices lacks a cross-sector and cross-industry overview, with incidents limited to larger private sector companies. How technology transfer is being conducted through the investment in or acquisition of US, allied, or like-minded start-ups should be of interest to Congress. Building on public awareness of these activities will also help to build resilience in these industries.

Secondly, as explained in this testimony, any effort that the US undertakes will have a follow-on impact on allied and like-minded partner countries as Chinese flows of investment shift in response to US policy action. It is therefore imperative that any action the US government takes is not done in isolation, but in coordination with partners and allies alike. This should go beyond the scope of traditional allies and partner countries in regions like the Indo-Pacific.

Thirdly, similar measures should be taken to counter talent-recruitment programs. This overlaps slightly with the above-mentioned point as the focus of Chinese acquisition shifts from end-stage mature technologies to skilled talent through the targeting of academic and research organisations and pre-competitive stage companies. Universities in like-minded partner and allied countries would benefit from greater knowledge and best-practice sharing with the US.

Fourthly, academic collaboration with China should be continued to be supported. This serves as important people-to-people links between the US and China, and ultimately supports US innovation and research and development. It is also fundamentally part of the Western norms and values of academic openness. The exploitation of these norms does not make them less important – indeed, they should remain at the heart of US and like-minded values. It is therefore imperative that the government work with the actors across the US innovation landscape on identifying the risk to, and defining clearly what are considered, strategic areas of research and what is open to collaboration. This should also be done in collaboration with allied and like-minded partner countries.

Fifthly, in order to respond to technology and talent acquisition, more needs to be done to fill the financial and funding gap that China presents to universities, companies and start-ups. If Chinese funding in strategic areas of technology research or work is undesirable due to the risk of technology or talent transfer, then there must be a government-led effort to help find support through other sources of financial support or investment. This, too, is an area where the US government could work collaboratively with allied or like-minded partner countries to, for example, support innovative research or start-ups with defence or dual-use application in areas of strategic interest to the US.

Lastly, the US should continue to work with allied and like-minded partner countries beyond Europe to help strengthen or establish sound investment screening legislation. Failing to do so would result in a continued patchwork landscape of investment opportunity and would risk missing the opportunity to work more closely with innovative researchers and companies at age stage of development abroad. In a similar vein, the US should work with allied countries on outbound investment screening mechanisms, particularly with the EU where the Union's experience with creating a level investment screening mechanism across all member states is likely to be repeated to the EU's specific mandate.

PANEL III QUESTION AND ANSWER

COMMISSIONER SCHRIVER: Thank you very much. We are back to reverse order. So we will begin with Vice Chairman Wong.

VICE CHAIRMAN WONG: Thank you. Ms. Nouwens, thanks for your testimony. I just want to be precise in one of your recommendations. In your fourth recommendation, you say that academic collaboration with China should continue, and you list some of the benefits of that collaboration.

But then you do say we should work with actors across the U.S. innovation landscape to identify areas of strategic research. And then you say what should be open to collaboration. The implication there is there's some areas that should be closed off to collaboration, right?

MS. NOUWENS: That is correct. My recommendation is more about clarifying exactly with actors across the innovation landscape and led by government as to what those sectors actually are. I think speaking to stakeholders in academia and research and development institutes, for example, in Europe, there is a lack of clarity as to what is considered strategic and what is considered at the end of the day dual-use and has a potential application to military. So from that perspective, I think having a more clear and on a rolling basis considered list of technologies or areas of research that should be consider off limit, not just in the United States but also in dialogue with allies and partners will be of help to institutes that are increasingly being targeted for technology acquisition.

VICE CHAIRMAN WONG: So I know you're not a bureaucrat. You're an academic. But that would be perhaps the Commerce Department, Defense Department working for a regulatory action to identify areas of strategic technologies and then presenting conditions and restrictions on collaboration in a formal rulemaking or a notice in comment rulemaking essentially?

MS. NOUWENS: Yes, that's correct. I think a top-down approach here from the government needs to be made to clarify and to remove this gray space and uncertainty when it comes to how researchers look at this. At the end of the day, researchers and academics will want to collaborate when and where possible as based on our norms and values of academic freedoms. And so having that clear guidance is, I think, necessary.

VICE CHAIRMAN WONG: Just anecdotally because I don't think you have data on it. Is the lack of clarity having a chilling effect on collaboration? Or is it basically there's been no change in the way collaboration is done over time?

MS. NOUWENS: I don't think the lack -- and I can only speak here to the UK, for example. I don't think the lack of clarification is having a chilling effect. I think there is a frustration here in certain academic corners of not understanding who to approach in government to discuss or to gain clarity. But it's certainly not stopping academic collaboration as such.

VICE CHAIRMAN WONG: Thank you.

COMMISSIONER SCHRIVER: Commissioner Wessel?

COMMISSIONER WESSEL: Yes, thank you. And very helpful testimony. I'd like to understand and get your views on let's call them enabling technologies and adjacencies rather than straight military sales, quantum AI, other surveillance technologies.

How should we be viewing those as part of China's strategies? There was a fear, of course, in Ukraine that Russian cyber capabilities would have a much greater impact than I think we've seen. But what is China doing in these adjacencies that we should be keeping our eyes out for?

The administration appears in addition to semiconductors to be moving forward on quantum and AI vis-a-vis Chinese capabilities. But help us understand sort of the broader range of what technologies that we should be worrying about and to both our witnesses. Go ahead.

MS. NOUWENS: So that's an excellent question. And I think what we're talking about here are technologies that the PLA considers are important as leapfrogging capabilities. So capabilities are force multipliers for the PLA, technologies that are force multipliers for the PLA such as cyber or outer space which are considered also domains in which the PLA can have a real advantage over its adversaries if those are domains in which the PLA has the main control over or dominates.

Second of all, these are areas of technology that also allow the PLA to operate more efficiently. So if we think about AI, it's not necessarily only AI to produce or innovate killer robots. These are technologies that allow the PLA, for example, to mobilize a lot more efficiently across the country, theater commands and branches and services. So these are capabilities that are sought to make the PLA more efficient, more quick to operate, and also to blind or target in some ways adversary capabilities as well in the event of a contingency.

COMMISSIONER WESSEL: Let me just pull on that thread for a moment. And thank you for that. Are we seeing, though, China expanding the capabilities of any other parties in those areas? Or is it still reserving those technologies for its own use? So again, surveillance, swarm technology in terms of drones and other things, space, have you see their supplying or enabling others to utilize those technologies?

DR. HERLEVI: I can speak here on this particular issue. And I'll bring in -- I think you raise a really important point in your question about the concept itself of dual-use. I think that concept where it grew out of makes perfect sense. I think in the realms we're moving forward in, in critical and emerging technology, I'm not sure it works as well.

I think one of the debates we're going to have to have over the next decade is the validity of that construct. I know Department of Commerce, Bureau of Industry and Security, and others are grappling with this very issue. I think about this.

As it relates to technology that is expanding, I think armed drones are one of the really important examples in this area. So we do know there's a variety of different kinds of artificial intelligence technologies that can be incorporated into these types of drones. We are seeing their use, for instance, in Ukraine.

We know the PLA does a ton of training exercises with drones of different sorts. And that's one of those areas where there were actually restrictions from both the U.S. and the European Union on selling armed drones to particular countries. And we have seen China fill that niche.

So in the Gulf States in particular, for instance, the United Arab Emirates, they have gone to China to purchase those drones. Overall, China sells very little equipment to the United Arab Emirates. But when it came to armed drones, they were the main source of doing that.

And that's an area where I've been following the Ukraine conflict because I think how those are implemented into warfare is really an interesting analysis we need to be doing as a community and also understanding, okay, so what's the next level after that. So these have some basic AI and other technologies incorporated in them. But what is the next level?

Does this mean we're going to go to a completely sort of unmanned version? I mean, there's been some debates in the PLA about could you do particular activities completely unmanned, things that we historically had to do with military forces, with people and equipment.

I don't think we have answers yet to those. But that's where this issue for me of dual-use is really difficult right now because I just don't know if it works for some of the critical and emerging technologies we're thinking about.

COMMISSIONER WESSEL: Thank you.

COMMISSIONER SCHRIVER: Commissioner Price?

COMMISSIONER PRICE: Thank you, and thank you both for your testimony. Just one question, as China increases its sales of weapons and military equipment to foreign governments, what kind of evidence do we have of their criteria? Is it just the highest bidder, or do they take into account internal conflict, international sanctions, or just their domestic needs, to either of you.

DR. HERLEVI: I can start on that one just because I think -- in my testimony, I made the comment about historic factors. And this is where I think China's defense exporters really fall in to the overall government approach. So I think one of the earlier panels mentioned today you have PRC diplomats and others go into a country first.

Or you might have state-owned enterprises that are building commercial relationships as was discussed in the case of Djibouti. And I think that lays the groundwork for partnership. And I think what happens with arms sales is it follows along that.

I think we've seen that most clearly with Pakistan which is by far the most robust relationship. For many years, it was just sort of selling various types of equipment. But in the case of Pakistan, we've actually seen an evolution in terms of joint exercises.

We've also seen the fact that they're doing co-development of various fighters. And there was a demand from the Pakistani side to do more training and co-development so the Pakistan military and Air Force can learn from this. And over time, PRC state-owned enterprises have learned that this is an important part of a relationship.

So there has been an effort to figure out how do we do co-development. How do we build maintenance into these packages so that it's not just an arms sale but it's part of the overall defense relationship. And I'll pause there and see if my co-panelist has any other comments.

MS. NOUWENS: No, I think that's largely right. It did start off with an ideological tone in the past, particularly during the Mao era. But over time, there's a commercial and a wider defense diplomatic effort that's taking place within this rationale. And certainly that is the case as the PLA starts to talk a more prominent -- or defense starts to take a more prominent role within China's foreign policy in general.

So there has been a directive by President Xi Jinping in the past for the military to be more active in pursuing and achieving Chinese foreign policy interest whereas in the past that really wasn't the case at all. Chinese foreign policy was the domain of the Ministry of Foreign Affairs, and defense was quite separate to that. More and more, those two are becoming linked and integrated. So we do need to see this within an overall diplomatic, I think, perspective.

The other thing that I'd say is that there's also, of course, an element of learning that comes with arms sales that is quite useful for the PLA to look at how other militaries my use Chinese weapons that have been transferred by arms sales or otherwise to learn about maintenance in other territories or conditions. And of course, to look at how those are integrated perhaps in other militaries. So there is an element here of a win-win, if you will, from the Chinese military's perspective when it comes to arms sales and seeing how certain things operate in ways that might not be possible for the PLA to do themselves just yet.

COMMISSIONER SCHRIVER: Commissioner Mann?

COMMISSIONER MANN: Thank you. A question for both witnesses, it's really a regional question. Does China have military and military technology relationships in Latin America in general? And then almost separately, what about Cuba? Is Cuba's relationship still almost entirely with Russia?

DR. HERLEVI: I can speak generally. I am certainly not a Latin America expert. But in the top 20 in the last decade, Venezuela has made the list.

That's a relatively new relationship for PRC arms sales. Obviously, historically they were another country that also relied heavily on Russia. But China has moved in to that market. In fact, in Sub-Saharan Africa, typically Russia and China are actually competing with one another.

So we talked earlier in the panel today both the growing strategic partnership between China and Russia. But in some arms markets, they are really the direct competitors because they're selling at the same price point and often the same types of equipment. I personally have not done any research on Cuba, so I can't answer that question.

COMMISSIONER MANN: Thanks.

MS. NOUWENS: Maybe I just add a little bit to that. I think there's a slight difference here in terms of the defense technological relationship between Latin America and China. As I said, there is competition between Russia in some cases.

But in others, there is that effort to use defense technological transfers as a method of diplomacy. And those aren't necessarily always in the same technologies that we've seen, for example, in South Asia or in some cases Southeast Asia or in the Middle East. They're also largely to do with things like capabilities that can also be used for law enforcement, armored vehicles and things like that.

There's also an element here of the defense relationship between Latin American -- certain Latin American countries and China which isn't purely defense. But it also touches on this dual-use technological aspect which has to do with Latin America's importance in China's space, interests in outer space. China does have a number of space-related satellite tracking -- ground satellite tracking facilities in Latin America which also feature into the PLA's ability and interest in becoming a space power globally as well.

COMMISSIONER MANN: So that's Argentina. What about Brazil?

MS. NOUWENS: I'd have to check again. But Argentina is certainly a country of interest.

COMMISSIONER MANN: Thanks.

COMMISSIONER SCHRIVER: Commissioner Goodwin?

COMMISSIONER GOODWIN: Thank you, Mr. Chair. I'd like to follow up on Vice Chair Wong's questions about higher ed. And Ms. Nouwens, you indicated that in the course of that exchange of engagement with the government to gain additional clarity would be helpful.

And we identified a couple of agencies where that might make sense. It's my understanding that previously that engagement has also included engagement between institutions of higher education and FBI, Justice Department, and law enforcement agencies. My question is, are you aware of any type of mechanism that exists today that allows for that sort of collaboration and information sharing between institutions of higher education and law enforcement to determine, discern, identify what is appropriate and what would not be appropriate with regard to collaborating the Chinese researchers?

MS. NOUWENS: I can't speak to the U.S. example here. In Europe, there is a greater cross-government effort to discuss these issues and to collaborate. And that involves not just law

enforcement. That also, of course, involves the services which are heavily monitoring defense-related technology acquisition or talent transfer. So those mechanisms on a smaller scale in some European countries do exist.

COMMISSIONER GOODWIN: And switching gears just out of curiosity, you indicated that two EU member states do not have FDI screening. Do you know those offhand?

MS. NOUWENS: I don't know them off the top of my head. But I'd be happy to look them up in just a second and get back to you on that.

COMMISSIONER GOODWIN: Thank you. That's it.

COMMISSIONER SCHRIVER: Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Yes, thank you very much. Start with a question for Dr. Herlevi. You referred to the limitations or possible limitations of China's top-down system for driving innovation. Would you say that Chinese commentators are aware of that or think of that as a limitation? And how do they think they can get around it?

DR. HERLEVI: Great question. And yes, I think they are well aware of it. I think as actually the tech sector in China has grown immensely, I think you have PLA scholars sort of watching that and sort of debating these issues.

As I mentioned in one of the other Q&As, the debate around unmanned systems is a very robust debate in PLA circles in the sense of how do we do this. And quite frankly, much of the drone technology has come out of the private sector. It's come out of firms that are sort of doing geospatial environmental analysis and other sorts of things.

So they weren't strictly speaking for military applications. And I think one of the challenges I've seen that's also debated in PLA scholarship is about interoperability. So the reforms that happened in 2015 in part was to get across barriers that had been built up over the years across military regions.

So when I mean barriers, I mean communication barriers. So using different radios, using different types of equipment because you are working with your local state-owned enterprise. And that's where you wanted to procure your equipment from.

There was debates and this is about three or four years ago I did some research on interoperability of communication systems. And there was a plethora of basically lamenting in PLA media. Oh, we can't even talk to that commander right down the road from us because he's got a different radio system.

So those issues are currently being addressed. So those were identified and being addressed. As we've seen, though, even though it's top-down, that doesn't mean they haven't made great strides. If you look at hypersonics, if you look at missile technology and space, it has not precluded them from making advances that are really important to the set of missions they want to undertake.

COMMISSIONER FRIEDBERG: The Soviets had a top-down system, and they were quite innovative at least for some periods during the Cold War. Ms. Nouwens, I had a question for you about this issue of academic openness. It has come up, I think, in a couple of the other questions. So the general premise that this is something important, an important norm for academic institutions in free countries and shouldn't be easily abandoned.

But then immediately the recognition that it has to be modified in some way when dealing with a country like China. But then it seems to me the question is how it's to be modified. And the problem it seems to me is that in emerging technologies, things that are not yet mature, the full uses are not yet evident, you really have to go into basic research, potentially,

and limitations on basic research and things like artificial intelligence and quantum computing if you want to maintain your advantages. Could you comment on that problem?

MS. NOUWENS: No, I think that's a really excellent point. And this isn't an easy problem to solve. And I think there isn't a country that has come up with a solution to this yet within like-minded countries.

So this is an issue that is still very much, I think, being discussed across like-minded governments. When it comes to basic research and whether or not we should stop basic research, I question whether, one, that's effective seeing as basic research leads to academic publications anyway which are open source and can be accessed. So my question with regards to that would be, how useful is it to stop that basic research?

Then I suppose basic research if you wanted to argue against that and for restricting basic research would be that it's not only just about the final IP but it's also about the skill building with regards to doing certain research in general that could be considered problematic. And if that's what we're concerned about, then that's a whole other discussion that we should be having.

COMMISSIONER FRIEDBERG: Thank you. Dr. Herlevi, another question for you about the possible impact of the recent war in Ukraine on China's foreign military sales. It seems possible that Russia is going to be damaged by the outcome of the war.

It's going to have used up a lot of equipment that it might otherwise have sold. The reputation of some of its equipment isn't going to be as high. It seems like this would be an opportunity for China to come in and take a bigger share of the market.

Is there evidence that Chinese industrialist planners, military people are thinking about this opportunity? Do they want to do this? How might they do it?

DR. HERLEVI: That is a great question. And actually, I wrote a paper about a year ago where I sort of talked about this idea that as China is facing issues associated with the middle income trap and coming out of COVID, there might be different incentive structures for companies going abroad. And I bring this up in the defense industry realm because there could be sort of underlying factors that make it apparent that these companies need to increase revenue.

And maybe the way to do that is by going more abroad. I certainly, when I wrote that original analysis, did not expect the Ukraine war, that was prior to that.

And as we're seeing that, I think you're absolutely right. I think the reputational cost to Russia could be a factor whereas for the most part China has remained somewhat neutral as it relates to that. And so that could be an opportunity for Chinese defense firms, as I said, in Sub-Saharan Africa, Latin America, places like that, whether it's tanks or multiple rocket launchers or small arms, those sorts of things, this could be an opportunity.

Now I have not seen specific evidence yet from any state-owned enterprises saying, oh, this is a market niche we are trying to fill. But I certainly in the next couple years will be watching for that because as economic challenges continue to face China, this could be an area where, it's not going to be grandiose or huge, but small increases could provide revenue to those companies.

The only other point I'll note about the Chinese state-owned enterprises is these conglomerates often have hundreds of subsidiaries. But sometimes only a small portion or a small percentage of those subsidiaries are actually selling arms. They're also working in other projects. So as an overall expansion, this could be a good strategy where you're providing both defense technology and other types of services and technology.

COMMISSIONER FRIEDBERG: Okay. Thank you both very much.

COMMISSIONER SCHRIVER: Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you both. I appreciate your testimony. In terms of equipment and maintenance repair training, how are these transactions financed?

DR. HERLEVI: It's a variety of methods. As I said in my remarks, originally the old thinking was really this should always be military aid. So this should be part of the military aid overall.

And I think some of that thinking even extended in the 1990s. But as China sort of faced financial realities and the focus was really on modernizing the PLA, there was less of an interest in using foreign military sales or foreign military as aid. Over time, I think in some ways it's driven by commercial imperatives.

For some of these state-owned enterprises, they're obviously going to generate quite a bit of revenue just by supplying to the PLA. So the domestic market, that is the priority and that is the focus of effort. But I think at least as it comes to drones and aircraft, I think it has been recognized that this is a commercial endeavor.

And so this is not a freebie. I mean, they want to make money on these deals. In particular cases where arms affordability is a challenge, this is why sort of financing deals might be part of the discussion. But I think from the perspective of the SOEs, there is still some impetus to just have purchases.

They want to make this both commercially and profitable. And so that is a focus. And at this point, I would see if my co-panelist has anything else to add.

MS. NOUWENS: So to add to that, there's a couple of ways. So some of these more commercial transactions are done via subsidiary companies whose sole purpose is to facilitate these types of arms sales. And as my co-panelist said, they're commercial in nature. I think that is important to note, not just as a source of revenue but also in a wider picture of understanding that directive that I spoke to in my testimony with regards state-owned enterprises being directed to be more self-sufficient in some of their financing.

And so, this commercial element of arms sales could potentially, if increases also over the next few years, assist these state-owned enterprises with reinvesting capital into their own innovation cycles. The other thing that I would just add and I can't speak to specifics at this point. But there have been a few examples of where arms transfers haven't been purely commercial as sales via a company.

They have occurred in return for privileged -- or perhaps more privileged access to rare -- not rare earth minerals but to resources, natural resources in certain countries. And this is particularly, I believe, been a case in certain Sub-Saharan African countries that have had bilateral relations with China and received arms as a transfer deal. And so there's an access question here in return which is still an economic issue and a commercial branch and incentivization.

COMMISSIONER CLEVELAND: So let's set aside the resource issue for the moment. What percentage of technology or arms transfers would you say are carried out on a commercial basis as opposed to the way we sell weapons which is largely through defense financing and its government supervised and regulated. So what I'm hearing you say is that there isn't the engagement by either the defense ministry or Defense Security Assistance Agency or some comparable mechanism. This is SOEs freelancing.

MS. NOUWENS: I wouldn't be able to answer that question. My apologies.

COMMISSIONER CLEVELAND: Okay. No, it's all right. Obviously, we probably need to find out.

DR. HERLEVI: Oh, I was going to just add to that, that is a -- actually, I have attempted to look at that to try to find data that would answer that question. And I have not had much success. I think that is a future research agenda we may want to look at.

I don't know if the data is there. I imagine -- I'm not even sure if the Ministry of Industry and Information Technology in China is tracking that kind of data. But in my past research, I have never been able to find something that would actually give us sort of percentages in the way you're talking about. But if we could find that information, it'd be important moving forward.

COMMISSIONER CLEVELAND: Well, it's not just the percentages. It's the concept of the arms transactions are done on a commercial basis versus under government regulation which would lead to the question that you're probably not in a position to answer which is, are there any arms agreements global, weapons or arms control agreements that these commercial transactions would be in violation of? But I don't think that's your area of expertise.

You both talk a lot about the emerging and frontier technologies. You emphasize the space that SOEs and China is eager to leap frog and dominate. I think this may be similar to what Commissioner Wessel asked.

I'm interested in sort of basic enabling technology. So you look at what happened with KUKA and how critical those manufacturing robotic capabilities are. Can you talk a little bit about sort of not the next generation of acquisitions but what you view as significantly risky or transactions that aren't in that list of AI quantum computing categories but that you view as of significant concern?

MS. NOUWENS: So I think going to technologies where China has strengths but where Western like-minded companies perhaps have niches are incredibly important. So here anything to do with advanced computing is incredibly important. So as we think about China being a source and having at its disposal large amounts of not just national but potentially international data, being able to leverage that is going to be key.

And so anything that has to do with that type of technology I think is going to be of interest to the Chinese defense industry. We saw an example of that, for example, by the acquisition of a German startup a few years ago which was acquired not by Chinese defense industrial state-owned enterprise but instead by Ali Baba. And that acquisition was a full acquisition of this startup.

This startup had a strength in being able to sort and analyze large scale data. And the reason for Ali Baba to acquire this company when interviewed was to say, well, it's not just enough to invest in this. We want the talent and we want the people who are able to innovate this technology to be integrated into Ali Baba in order to help us further our ability to do so.

So I think anything that allows them to do that type of innovation moving forward is going to be interesting. And you can look at that in terms of across any of these technologies, whether they be quantum or AI as well. It's really, from my perspective, the acqui-hire aspect of acquisitions that should be of interest to us.

COMMISSIONER CLEVELAND: I am interested in the building blocks that get us to this advanced technology. But I think our focus and concentration may be on the frontier technologies. And we are missing or we are failing to address more fully technologies that get us there, enabling technologies.

COMMISSIONER SCHRIVER: I think we have to --

COMMISSIONER CLEVELAND: I'm done.

COMMISSIONER SCHRIVER: Thank you. Commissioner Borochoff?

COMMISSIONER BOROCHOFF: Thank you both very much for being here today. Like a few of my colleagues, I'm very, very interested in this academia impact, students in America from China learning STEM particularly and the transfer of knowledge that's occurring on a regular basis. In your remarks, I talk about this a lot when I'm out and about.

I want to understand exactly what you said. You said there were about a million students studying abroad and a third are in the U.S. That's around 300 and some odd thousand.

And then you said there were 120,000 studying basically STEM. So about a third of that third are in the STEM programs. And then it declined slightly during the pandemic but increased in Europe.

And do you view that -- I assume because of the current attitude between the two countries, they've just shifted them to Europe. And secondly, is there anyone tracking the studies that they're collaborating on with China? You mentioned you have a whole paragraph about what's going on in the UK where they're inadvertently working and sending a lot of technology by working on collaborative products.

And there's group in -- I think it was the Netherlands or -- it was Denmark or Netherlands -- Follow the Money, I love the name of the nonprofit -- tracking who's working on these various things. So I have a two-prong question. Are we tracking how many kids are in STEM programs all the time?

And secondly, is there anybody out there tracking the inadvertent collaboration in America with those? It's probably illegal. But if it's inadvertent, they might not know it's illegal.

MS. NOUWENS: So two very excellent questions. On the first in terms of how you've understood those numbers, in my testimony, that's correct. It's a third of a third from the numbers that I was able to find for the U.S.

In terms of the numbers increasing again following COVID, that was in specific reference to the United Kingdom. And student numbers increasing again probably is the case in the United States. In the UK, Chinese-born international students are a really important source of revenue for universities across the board.

And so their uptick in that trend I think is interesting to see post-COVID. That hasn't changed despite the change in perhaps the UK government's tone when it comes to China. In terms of you said shifted to the UK, I think from anecdotal evidence that I've read in public source, I think there is an element here about where students feel welcome still and thus are going to choose to study.

Lastly, in terms of tracking academic collaboration, Follow the Money is Dutch indeed, a Dutch NGO that does this. And it's a collective investigative journalist across Europe. And they were able to I think just download and gain access to a bunch of -- thousands and thousands actually, nearly, I think, 300,000 academic papers and then kind of whittled those down to look at which European universities and academics are working specifically with PLA-linked researchers as well.

There are investigative journalists in countries like Denmark and the Netherlands who have done deep dives into cases where researchers are studying at European universities on strategic industry technologies. But I think this whole scale mapping that you're speaking of across like-minded states is still lacking as far as I'm aware. And perhaps my co-panelist can speak to the U.S. example.

DR. HERLEVI: Actually, I do want to actually add a couple great sources that are out there. The first that I will give a shout out to is Georgetown University Center for Strategic and Emerging Technology. They actually are tracking talent programs.

They have for several years now. They also have been doing research studying collaboration between U.S. and Chinese researchers in the artificial intelligence space. So I highly recommend their work.

In the Pacific, the Australian Strategic Policy Institute and other researchers in Australia have looked at academic collaboration between the PLA and Australia academic universities. So there is other research and resources on this very topic that is occurring. Georgetown focuses primarily on U.S. collaboration. But several think tanks in Australia are mapping that kind of research and collaboration in the Asia Pacific region.

COMMISSIONER BOROCHOFF: Thank you very much for that information. And with your permission, I think I might send you a note later for a response after the hearing. Thanks so much.

DR. HERLEVI: Please do. Thank you.

COMMISSIONER SCHRIVER: Chair Bartholomew?

CHAIRMAN BARTHOLOMEW: Thank you very much. And thank you to our witnesses. Following up sort of on a combination of Commissioner Cleveland's question and Commissioner Price's question, Dr. Herlevi, when you talked about export controls, I didn't hear very much about what export controls the Chinese government might abide by.

So I'm thinking both of -- I mean, you talked about retaliation. But I'm thinking both of will they sell anything to anybody. It follows up on the financing.

How much control does the central government authorities have over what the SOEs are selling? Are there restrictions on once they've sold something whether that country can then sell it on or donate it somewhere on? And I always -- I go back to I think it was the early 1990s and China's M-11 missile sales to Pakistan.

And if I remember properly, and I might not, it was Norinco. And I believe that the Chinese government said, well, we didn't know that they were doing this. This was this company that was doing, it which all of us found very difficult to believe that they didn't know something as sensitive as that was decided.

So do we know anything about where the decision hierarchy is? And I mean, it's a way to get out from responsibility about what's being sold. But it's still really hard to believe that the central government authorities don't know what's being sold where. So can you talk a little bit about that, and Ms. Nouwens, you also?

DR. HERLEVI: I would love to, and I think you raise a really important issue. I actually think in the 1990s, it's actually entirely possible that elements in the government did not know what was being sold. And not to say that some people in the government or the party didn't know.

But there was a period of time where there was not -- there was so much stovepiping within the Chinese bureaucracy that things like this did happen. In that particular case, I would have to go back and research it. But I have seen other instances where actually the left hand is not talking to the right.

That has changed over time. Actually, China's expanding global presence has in some ways forced that to change. There were instances and particularly with dangerous environments in Sub-Saharan Africa where actually companies were doing stuff and the diplomats found out about it later.

And I would say in about 2010 to 2014, the Chinese government said, this has to stop. We need to get a better handle on what our companies overseas are doing, both state-owned

enterprises and private firms. Obviously, with state-owned enterprises, they have a more direct way to influence those operations.

But to your question about how the export control regime operates, this has been one of my more frustrating areas of research because in the law, it lists the portions of the government that are responsible for this. It talks about putting together a committee that would review those rules. But also in the law -- in the new 2020 law says that at the end of the day, compliance and ensuring that these rules are being implemented will be done at the local government level.

And as a researcher that has done extensive research on local governments in China, I think that's an interesting choice. In some ways, that almost allows for the government to say they weren't aware. I'm not saying they are explicitly trying to flout export control laws.

But there was a period of time where I think China was seriously thinking about how to become part of international arms proliferation agreements to manage arms sales globally. And I think in the last several years because of U.S.-China tensions, the desire to be front and center on that has declined. Quite frankly, with all the sanctions that have occurred in the past four or five years, China feels targeted by the U.S.

And that's why the quotes I mention in my testimony about retaliatory sanctions is in direct response to basically sanctions on Chinese companies, whether it's Huawei, ZTE, or most recently with the semiconductor export controls. China feels like it is being unduly burdened by these rules and putting in place mechanisms to respond. And why I say that is because that answers in my mind the question about how well is it going to enforce its own export controls. I think it depends.

And if they think a country deserve to have a technology even though it might be frowned upon in the international community, I think there are some state-owned enterprises that are more than happy to sell those. I think the case of armed drones is the clearest of that to me because there are decisions in the U.S. and EU about not selling that kind of technology. And that has not thus far seemed to been a concern for China.

So it's not that they're not at all interested in international arms control regimes. But there is a sense that they've been treated duplicitously. And so thus, they will do what they think is in their best interest and in the best interest of their host nation partner.

CHAIRMAN BARTHOLOMEW: Ms. Nouwens, anything to add?

MS. NOUWENS: Yes, maybe just very briefly. I wanted to highlight that the double-I, double-S is going to be publishing a dossier that compares arms export practices. And I did write the chapter on China for that.

And I was able to find in Chinese sources the new process for arms export licensing which does go through the various steps. There's about ten of them, potentially, before a commercial entity is given approval for an arms export license. And there are about ten different entities from the State Council to the CMC, so on and so forth, Ministry of Commerce that need to provide input and give approval to these various entities that are applying for arms exports licenses. So that will be upcoming and at your disposal in the future.

CHAIRMAN BARTHOLOMEW: Great. Look forward to that.

DR. HERLEVI: Do you have a date on that? Because I would love to read it.

MS. NOUWENS: I don't yet.

COMMISSIONER SCHRIVER: I might forgo whatever brilliant closing statement I was going to make so I can get in a quick question. As long as there's a quick answer, we have about five minutes left. So along the lines that Commissioner Cleveland, Price, and Bartholomew began in terms of the level of scrutiny, control, intentionality on the part of the government.

There's risk of proliferation. There's risk of irresponsible behavior. But it seems to me the reverse would also be true. It limits their ability to really marshal military as a part of an integrated foreign policy approach.

If they sort of lack control to prevent irresponsible things, they sort of lack control to do foreign policy related objectives, right? I mean, our FMS, there's a reason it's run by the State Department. It's supposed to be integrated.

We link to our arms sales, maintenance training, interoperability, things of that nature. And so I'm just wondering. Is the reverse also true that this has been less than effective in promoting foreign policy goals?

Pakistan is maybe the closest to this integrated approach to military sales. But I can't think of a poster child in the Indo-Pacific, the East Asia part of that where it's sort of full intentionality of the government to promote a foreign policy goal and build a relationship. Am I missing something on that?

DR. HERLEVI: I would add one thing I just want to make clear is I'm making a comparison to in the past. I think that's actually gotten better in terms of the Chinese government and their ability to integrate that. I can address it in my written remarks. But I do have, I think, a case study of Thailand actually shows some interesting opportunistic behavior and it being part of an overall package of the defense relationship, especially as it relates to equipment and maintenance. I think that's another example other than Pakistan that shows a more integrated approach to that relationship.

MS. NOUWENS: Maybe I can just quickly add that within that step process that I mentioned, for any arms export license that's considered being sent to a sensitive country or a strategic country or is considered a particularly important case, both the State Council and the Central Military Commission have to give their approval for that arms export license to be provided. And so in that sense, I think there is greater coordination and has been in the last few years with regards to that. So I can't really point to a failure in this sense either.

COMMISSIONER SCHRIVER: Thank you. Commissioner Bartholomew, any closing?

CHAIRMAN BARTHOLOMEW: Yes. Just in closing, thank you again to our witnesses on this panel and the previous panels. It's been very interesting. I'm sure we'll have other questions that we'll be coming back to you to consult on.

And I just wanted to note that our second hearing will be on Friday, February 24th. It'll be on China's education system which I think we'll give an opportunity to work off of some of the issues that you guys have raised about what are they learning, how are they learning it, and what can they carry forward in terms of their indigenous innovations. So thank you very much to everybody. And with that, we will close the hearing.

(Whereupon, the above-entitled matter went off the record at 2:53 p.m.)

STATEMENT FOR THE RECORD

STATEMENT OF ISAAC KARDON, SENIOR FELLOW FOR CHINA STUDIES, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

26 January 2023
Isaac B. Kardon
Carnegie Endowment for International Peace
Statement for the Record before the U.S.-China Economic and Security Review Commission
Hearing: "China's Military Diplomacy and Overseas Security Activities"

1. *Please describe the services that the PLA Navy vessels can obtain from China's network of dual-use commercial facilities abroad (e.g. repairs, resupply). To what extent is the PLA already making use of these benefits in peacetime? How do commercial ports support the PLA through indirect methods such as providing opportunities for collection or economic coercion?*

PLA Navy (PLAN) vessels make extensive use of Chinese firms' network of commercial transport infrastructure around the globe. The most significant observations of this existing dual-use capability emerge from the network of nearly 100 ocean ports owned and/or operated by PRC firms in foreign jurisdictions.[1] PLAN warships have now called at over one third of these facilities, utilizing China's trade-centric infrastructure network with growing scope and intensity to fulfill an increasingly global mission-set.[2]

In peacetime, the primary dual-use function of port terminals is to service the routine needs of ocean-going ships, commercial and military alike. All vessels require regular refueling of petroleum, oil, and lubricant (POL) stores, replenishment and resupply of other critical consumables like fresh food, water, power, parts, as well as all manner of other husbanding services. Naval vessels are no different in this regard (though they have additional requirements, discussed below). Where there is no organic naval support at a site, local agents must be contracted to perform a wide array of services: disposing of trash and sewage, employing tugs, ferries, cranes, and forklifts to transfer supplies and equipment to and from vessels and warehouses, managing transactions with local vendors, arranging lodging and recreation for sailors on liberty, and a host of other incidental services associated with the varied particulars of a given ship's port visit.

Such activities are carried out under the auspices of port operating firms, which typically hold some or all of the lease or concession on a given terminal. Several PRC multinationals are among the industry leaders, operating port terminals across the planet. Some have become preferred facilities for the PLAN as they expand their operations abroad. The scale and concentration of assets under the control of firms like China Ocean Shipping Corp (COSCO) and China Merchants Group (CMG) create a globally-distributed, vertically-integrated transport and logistics network serving

[1] Statements in this testimony draw from the following published works and testimony, unless otherwise specified: Isaac B. Kardon and Wendy Leutert, "Pier Competitor: China's Power Position in Global Ports," International Security 46, no. 4 (Summer 2022), pp. 9–47 (see also data appendix at https:// doi.org/10.7910/DVN/LL9BKX); Isaac B. Kardon, "China's Global Maritime Access: Alternatives to Overseas Military Bases in the Twenty-First Century," Security Studies 31, no. 5 (2022), pp. 885-916; Isaac B. Kardon, "Pier Competitor: Testimony on China's Global Ports," *Naval War College Review* 74, no. 1 (Winter 2021); Isaac B. Kardon, "China's Overseas Base, Places, and Far Seas Logistics," in Phillip C. Saunders, et al. (eds), The PLA Beyond Borders: Military Activities Outside the PRC (NDU Press, 2021); Isaac B. Kardon, Testimony prepared for "Hearing: A 'World Class' Military: Assessing China's Global Military Ambitions," *U.S.-China Economic and Security Review Commission*, 20 June 2019; Isaac B. Kardon, Testimony prepared for "Hearing: China's Military Power Projection and U.S. National Interests," *U.S.-China Economic and Security Review Commission* (20 February 2020).

[2] Jennifer Rice and Erik Robb, "The Origins of 'Near Seas Defense and Far Seas Protection," *CMSI China Maritime Report*, no. 13 (February 2021).

many of China's international trade needs. The primary functions of this network are plainly commercial; its secondary and tertiary functions, however, enable the PLA to sustain a range of peacetime operations far from its shores. These dual-use functions are prescribed in China's domestic law and policy, which oblige PRC firms to give preferential access to PLA vessels their terminals, share information, and actively support defense transportation and mobilization.

The Chinese port network also offers a ready platform for intelligence-collection. In the normal course of business at a port terminal, port operators will collect and process huge volumes of proprietary information about vessels and their various fuel and supply requirements, routes and destinations, cargos, personnel, and other salient details. These data are potentially valuable for military intelligence purposes – especially given the relative ease with which the same observations may be taken of military vessels calling in commercial ports. It bears emphasizing that such commercial port calls are the norm for navies operating out of area, including the U.S. Navy (USN) – but only the PLA can do so in an extensive network of Chinese-owned and -operated facilities.

Leverage that may be used for economic coercion is also resident in the PRC port network. Because ports are the primary circulating nodes for global trade, China's status as the world's leading trading nation makes its terminals particularly effective instruments for exploiting its many asymmetric trade relationships. At the tactical level, dependencies created by flows of Chinese trade are localized at ports, where a local operator may permit or deny service on specific vessels or cargos.

At the strategic level, certain Chinese firms involved in foreign ports can indirectly represent China's national trading relations with a given country. PRC-controlled ports and the transportation networks they connect are key enablers of China's trade – and thus its overall economic interest – in major markets around the globe. This leverage was vividly demonstrated in Germany's deference to China on COSCO's bid for a stake in a terminal at Hamburg in 2022. Chancellor Olaf Scholz overrode his cabinet and strong public disfavor to champion the controversial deal, a costly action that illustrated German dependence on access to Chinese markets and its lucrative trade with the PRC.[3] Ports facilitate a credible threat to quickly divert trade or otherwise push foreign economic actors, complementing Beijing's well-practice repertoire of economic coercion techniques.[4]

2. *What are the limits of China's commercial ports in supporting PLA activity? For example, how much of the utility that the PLA gains from commercial ports in peacetime is likely to remain available to China in wartime? Would any of China's commercial port facilities be able to provide meaningful combat support?*

Commercial ports are generally ill-suited to provide specialized, military support for more complex and contested military operations. While many peacetime logistics and intelligence missions are readily achievable from most facilities, most wartime uses are likely to be severely constrained. The potential for Chinese forces in a conflict scenario to utilize a commercial port terminal leased to Chinese firms in a foreign country is limited and complicated by a host of political and technical factors.

[3] Thorsten Benner, "Turning the Tables on COSCO," *Global Public Policy Institute* (21 October 2022).
[4] See, for example, Darren J. Lim, Victor A. Ferguson, and Rosa Bishop, "Chinese Outbound Tourism as an Instrument of Economic Statecraft," *Journal of Contemporary China* 29, no. 126, 916-933; Jonathan Hackenbroich, "Tough Trade: The Hidden Costs of Economic Coercion," *Euroopean Council on Foreign Relations* (1 February 2022); see generally William K. Norris, *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control* (Cornell, 2016).

Politically, host governments will generally have discretion to determine the type and degree of PLA use of any facility on its territory. Because China does not have treaty alliances or other defined external security commitments, its leaders are not obliged to maintain forces abroad or directly participate in any overseas conflict. Should Beijing intend to deploy combat forces or otherwise engage in belligerent activities, any use of host nation infrastructure would have to be negotiated bilaterally. Whether and when Beijing would seek to negotiate such access raises important questions about PRC external strategy, and requires that we take stock of China's historically low levels of interest in engaging directly in militarized conflicts beyond its immediate periphery.[5]

In the absence of standing status of forces and other military access agreements, the PLA cannot be guaranteed access and use of foreign port terminals. This is not a prohibitive obstacle for all military use, as there are many scenarios in which host nations will permit PLA forces to operate – like humanitarian assistance, disaster relief, non-combatant evacuations, and counter-piracy, among other non-combat operations in which the PLA has already engaged abroad, with varied levels of effectiveness.[6] However, the bar for PLA participation in active hostilities staging from a host nation's territory must be judged considerably higher.

Technically, commercial terminals impose significant limitations at the high end. For a port to effectively support contested military operations, it requires high levels of armament and force protection, secure communications, specialized personnel, and a host of weapons systems, equipment, and munitions – as well as secure logistical lines to supporting facilities. Naval vessels and aircraft require particular shipboard and aviation fuels, maintenance, parts, and qualified technicians to service them. None of these special conditions are likely to be met in total at any commercial facility, even those wholly-owned and operated by PRC firms in permissive countries.

These limitations are not absolute. Host country naval bases are frequently collocated with commercial ports, and China could be authorized to use both under mutual agreement. Naval facilities are often proximate to naval shipyards where combat repairs and other maintenance could be undertaken, and virtually all have ready access to airfields and other transport modalities that can accommodate military aircraft and vehicles. Not every facility needs to provide comprehensive combat support for PLA forces to stitch together a workable solution for certain operations from the range of commercial ports, foreign bases, and underway support. Such options are likely most feasible in states where Chinese firms have built ports and airfields, host-nation military facilities, and/or have sold naval platforms with requirements comparable to those of the PLAN fleet.

3. *How does PLA access to a network of overseas commercial facilities differ from the more traditional method of power projection through overseas military bases employed by the United States? What are the geographic, geopolitical, and technological factors driving China's adoption of approach?*

---

[5] Allen S. Whiting, *"China's Use of Force, 1950-96, and Taiwan," Quarterly Journal: International Security* 26, no. 2. (Fall 2001); M. Taylor Fravel, "Securing Borders: China's Doctrine and Force Structure for Frontier Defense," *Journal of Strategic Studies* 30, no. 4 (2007).

[6] A thorough review of PLA activities beyond PRC borders is available in Joel Wuthnow, et al (eds), *The PLA Beyond Borders* (NDU Press, 2021). On the PLA's seminal experience with the 2011 Libya NEO, see 陈晓雷, 王智涛, 肖勇利 [Chen Xiaolei, Wang Zhitao, Xiao Yongli], "闻令而动,特殊战场建功勋: 海军遂行非战争军事行动任务 5 年主要成就回眸," 人民海军 [*People's Navy*], (28 November 2011), 1.

With only one dedicated military base, at Djibouti, the PLA does not yet possess the means to forward-deploy its forces and persistently project power into multiple world regions. However, American observers should take caution not to mirror-image American strategic objectives and global security interests onto the PRC's quite distinct circumstances. In fact, the familiar Anglo-American model of power projection from a far-flung constellation of military bases is not the only—nor even the likely—pathway for China to achieve its objectives of building a "world-class military" and becoming a "great maritime power."[7]

Even if leaders in Beijing were determined to replicate the U.S. overseas force posture (an extreme assumption), they do not have an existing network of bases, nor any clear pathway toward building one. Rather, the strategic problem facing China is to determine what kind of overseas military footprint is desirable and feasible – rather than the Pentagon's quite distinct problem of how to make the best use of its legacy architecture of global bases.[8] The commercial port assets of Chinese firms are one piece of this puzzle for PLA planners, who must meet Beijing's demands to project power overseas within relatively narrow political parameters.

China's opportunities for foreign basing are further diminished by certain structural features of the contemporary international security environment.[9] Most significant among them is the permanent reality of China's continental geography. The PRC shares long land boundaries with many powerful neighbors and must prioritize its periphery as a first-order national security concern. This does not preclude China from developing security interests and military capabilities in distant regions, as it clearly has – it simply means that diverting resources and strategic attention away from its primary strategic theater will entail significant opportunity costs.

A second near-constant feature of China's geostrategic position is its "encirclement" by the U.S. and its allies across Asia, Oceania, and Europe.[10] This problem is especially acute in maritime East Asia, the locus of China's strategic threat perceptions. With Taiwan as the central problem, and the U.S. security architecture a pressing concern in China's immediate littoral areas, the utility of bases far out of the likely theater of operations is much diminished.[11] American bases in allied and partner nations do not so much "crowd out" China's opportunities as make them more costly in an international security environment where every increase in PLA capabilities presents as a conspicuous challenge to the American-led alliance system.

Finally, technology also renders the "traditional method" of foreign basing less strategically viable for China in the 21st century than it may have been for powers in an earlier era. In particular, widely-

---

[7] See, respectively, M. Taylor Fravel, "China's 'World-Class Military' Ambitions: Origins and Implications," *The Washington Quarterly* 43 (no. 1), 85-99, and Liza Tobin, "Underway: Beijing's Strategy to Build China into a Maritime Great Power," *Naval War College Review* 71, no. 2, art. 5.

[8] Becca Wasser, "The Unmet Promise of the Global Posture Review," *War on the Rocks* (31 December 2021); Cristina L. Garafola, et al, "The People's Liberation Army's Search for Overseas Basing and Access: A Framework to Assess Potential Host Nations," *RAND Corp.* no. RR-A1496-2 (2022).

[9] These arguments draw specifically from analysis in Kardon, "China's Global Maritime Access."

[10] John W. Garver and Fei-Ling Wang, "China's Anti-encirclement Struggle," *Asian Security* 6, no. 3 (2010), 238-261.

[11] For a helpful analysis of the operational implications of the PLA potentially operating from Taiwan as a "base," see Caitlin Talmadge and Brendan Green, "Then What? Assessing the Military Implications of Chinese Control of Taiwan," *International* Security 47, no. 1, 7-45.

diffused precision strike technologies make all prospective Chinese bases soft targets.[12] Building dedicated basing infrastructure may well yield greater liabilities than assets in high-end conflict – a problem with which the U.S. joint force is also contending as it seeks to blunt China's threat to its many fixed positions across the Indo-Pacific.[13] In this sense, China may enjoy somewhat of a "second-mover" advantage in building a global force posture better suited to the present and emerging international security environment.

4. *How do you expect China's model of overseas power projection support to evolve in the future? What implications does this have for U.S. and allied engagement in long-term strategic competition with China?*

China is pursuing many power projection modalities simultaneously. We should expect efforts to establish formal military bases overseas to continue – and likely succeed in some cases.[14] Military utilization of PRC-operated foreign infrastructure is also set to proceed with greater intensity over time as key projects and security relationships mature. These PRC companies' assets are not purpose-built for PLA use, but they are a viable option for meeting certain pressing demands on the PLA to "safeguard China's overseas interests" and carry out "far seas protection" across the long, vulnerable sea lanes stretching back to coastal China. Further improvements to various modes of underway support and rotational deployment are also probable methods for sustaining out of area PLA operations.

This multi-faceted Chinese approach to overseas power projection entails several strategic implications for the United States and its allies. Three bear special emphasis:

- The PLA is becoming more capable of expeditionary operations over time. Meanwhile, a wide array of real and perceived security threats to "China's overseas interests" offer ready justifications for deploying forces to protect PRC assets, personnel, and supply lines. Yet because Beijing remains wary of direct engagement in external military conflicts, and because the primary mission-set for the PLA will remain Taiwan-related, PLA forces are unlikely to be committed in all but the most extreme circumstances.
- Military use of Chinese-owned and -operated commercial infrastructure has already created a distinctive (if limited) mode of military power projection for the PLA. The primary use of these dual-use facilities, however, will remain commercial activity. Episodic port calls from PLAN vessels account for only a tiny fraction of the utilization of Chinese port terminals. This dominant economic function should not be overlooked, as China's power position in global ports allows it to observe and control maritime flows of critical goods across the globe. In peacetime, this confers leverage to China in its trading relationships; in wartime, the implications are unknowable – but deep US and allied dependence on commercial supply chains (including foreign shipping and ports) for military operations presents a foreseeable vulnerability.

[12] See discussion of the implications of long-range land-, sea-, and air-launched missiles for fixed basing in the Spratlys in M. Taylor Fravel and Charles Glaser, "How Much Risk Should the United States Run in the South China Sea?" *International Security* 47, no. 2 (Fall 2022), 113-115.

[13] See, for example, Statement of Admiral Philip S. Davidson (USN), Commander U.S. Indo-Pacific Command, Before the Senate Armed Services Committee on U.S. Indo-Pacific Command Posture (9 March 2021)

[14] See Dept. of Defense serial reporting on Chinese efforts to acquire access, basing, and logistical facilities at dozens of sites, including Cambodia, Equatorial Guinea, Pakistan, Tanzania, United Arab Emirates. Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China," Annual Report to Congress.

- "Long-term strategic competition" should not imply that our strategic objectives are perfectly counterposed. There are certain clear asymmetries: China and the US are not competing to be the dominant global security provider, and the PLA is not postured or prepared for high-end conflict outside of East Asia. Chinese ports do not directly displace American military power; rather, China's inextricability from global transportation networks gives Beijing a potent, asymmetric platform to observe, assess, delay – and potentially deny – certain US and allied activities. This asymmetry is of a piece with many other facets of US-China peacetime competition, where China's main advantage is often economic and thus not readily denied with military power alone.

5. *What are the biggest remaining knowledge gaps on this topic? Are there areas that policymakers should pay greater attention to?*

China's global position in critical infrastructure is yielding significant advantages in long-term competition with the United States. Ports, in particular, warrant continuing focus as the vital nodes in growing networks of Chinese maritime power and transportation power (both goals in the PRC's 14th Five Year Plan approved March 2021).[15] But many of the other network attributes remain unobserved or inchoate.

One important area that remains to be investigated is the physical-digital interface created by PRC infrastructure. The ships, ports, cranes, containers, and other major components enabling trade to flow physically are also elements of an overlapping digital network. Chinese firms operating these assets gain access to proprietary information about the many transactions and movements conducted through its increasingly integrated trade and communications networks. This Commission has already produced a brief on some of the risks associated with the Chinese government's efforts to accumulate sensitive trade and logistics data.[16] Further inquiry is required into the various streams of data that flow through the many increasingly "smart," digitally-networked components of global trading networks and supply chains. As an initial step, further research should map the nature and extent of China's access to information through these networks. That descriptive effort can fuel further analysis into how Chinese leaders, state and party organs, and firms may aggregate and use these data.

6. *The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action related to the topic of your testimony?*

The US is not well-equipped to compete directly with China in building, owning, and operating ports and other transport infrastructure. However, many firms in US ally and partner states are leaders in these industries. Several are motivated, at a minimum, to compete economically with Chinese firms like COSCO perceived to wield unfair advantages due to their scale and state backing. American diplomatic and financial capital are required to stand up collective efforts to build some resilience into allied transportation networks and supply chains.

[15] PRC National Development and Reform Commission, "Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035"
[16] U.S.-China Economic and Security Review Commission, "LOGINK: Risks from China's Promotion of a Global Logistics Management Platform," 20 September 2022.

The Department of State's Strategic Ports Initiative is one laudable effort in this direction, and should be complemented by sustained Congressional action to align actors across the U.S. government and private sector to support a global interest in countering PRC advantages in maritime transport networks. The intent and purpose of such ventures should be calibrated to meet partner interest in competition for global market share rather than long-term strategic (military) competition with China. That stark framing risks alienating partners who do not perceive acute threats from the PLA and generally seek to advance their economic relationships with the PRC. American initiatives that recognize and advance the national interests of our partners – and respect their ambivalence about China – will produce more robust cooperation.