

Four Reasons Not to Fear Chinese Intelligence

Written by Andrew Brown

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ANDREW BROWN, NOV 3 2011

Hand in hand with the expansion of Chinese economic and political power over the past quarter century has come an explosion in overseas Chinese Intelligence activity. The world is now thick with Chinese spies and many, particularly in the West, have begun to see this as a direct threat. Indeed the West should be concerned by the vast resources which China is employing in its intelligence campaigns and the reckless nature of its covert actions, to a degree. However, the intensive media coverage given to each new case of Chinese espionage or cyber attack and Pavlovian political response has begun a process of building fear of Chinese intelligence activity out of all proportion to the real threat level posed by these actions. The question informed observers must ask is not “how effective is Chinese intelligence?” but rather “what real benefits are the Chinese actually receiving from their massive intelligence efforts?”. In this paper we will examine 4 reasons why Chinese Intelligence, as active and pervasive as it may be, does not pose a significant threat to Western nations, their governments, people or hegemony.

Reason 1: Focus on Subversion from Abroad

There is no denying that China employs large numbers of intelligence officers abroad backed by a massive domestic secret police infrastructure at home. The growing reach of Chinese intelligence is a cause for concern, particularly for Western counterintelligence organizations. However, when one examines the actual areas of focus for Chinese intelligence operations in the West a surprising fact emerges. According to defectors, such as Chen Yonglin, and other official sources the vast majority of Chinese intelligence efforts are targeted not at Western governments or their military-industrial complexes but at expatriate Chinese dissidents and their organizations. [1]

The Chinese seem to share with their communist fore bearers a predilection for expending massive resources combating foreign based dissident movements, often of questionable efficacy. The Soviet intelligence effort during the Cold War was obsessed to the point of mania with dissidents abroad and the Chinese seem to be even more focused on this issue than the Russians were. According to official reports the Chinese expend more effort on locating, infiltrating and neutralizing dissident movements abroad than on all other operational areas, combined.[2] This is a stunning fact and while very worrying for Chinese dissident groups can be used by Western intelligence to construct a number of conclusions about the strategic use the Chinese government makes of their spies.

The most obvious conclusion one can reach from knowing that China dedicates the vast majority of its intelligence resources to combating external subversion is quite simply that the Chinese power elite in Beijing are almost totally domestically focused. The Ministry for State Security (China's premier intelligence organ) was originally a branch of their interior ministry. Only recently, as late as 1983, has this agency been given full ministerial status and begun to deploy large numbers of spies overseas. As could have been guessed the majority of these operatives were tasked with combating the same internal dissident networks which State Security fights inside of China. The rationale behind the decision to utilize the majority of overseas espionage capability to target groups like the Dali Lama's Tibetan activists and the Falun Gong is that the Chinese Communist Party views internal subversion in the form of organized movements as the single greatest threat to their regime. This fear was driven to manic levels after the Tiananmen demonstration and now underlies a tremendous amount of Chinese government resource expenditure both foreign and domestic. Thus far the government and their military forces have been able to keep a lid on internal dissent and the almost daily eruptions of spontaneous protest actions across the country. The fear in Beijing is that if the now simmering internal dissatisfaction with Communist power were to have a base anywhere overseas, immune to

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persecution by government forces, the independent local movements of today would become the organized nationwide movements of tomorrow. Thus State Security has followed the dissidents abroad, in vast numbers. With this in mind such draconian actions as the Great Firewall of China and the heavy handed persecution of even the smallest organized dissent movement domestically becomes much easier to understand from the regimes point of view.

The need to focus the bulk of Chinese overseas intelligence action against relatively insignificant protest movements based abroad significantly reduces the amount of resources and talent available for other more serious attacks against Western governments, economies and their military infrastructure. It also shows that on a policy level the elites in Beijing are far more concerned with the issue of domestic subversion than with power plays against other nations.

Reason 2: China's Inability to Digest or Properly Utilize Intelligence Gathered

Authoritarian and Communist governments of the past and the Chinese regime of today have deployed arguably some of the finest and most extensive intelligence operations in history. It is axiomatic that authoritarian regimes are able to more efficiently marshal resources for large scale secret intelligence gathering programs and to create a society wide culture of secrecy than Democratic states. And yet, time and again the leaders of these states have been caught unaware by events abroad, the reactions of their competitors to their geopolitical moves and even invasions from neighboring states. This is generally not the result of poor intelligence. Quite the opposite, in fact, the Soviet and now the Chinese policy makers are often given an embarrassment of intelligence riches by their spies.

The reason that good intelligence so rarely has a productive influence on authoritarian decision making is systemic. Authoritarian systems are by their nature based on the world view of a mercurial set of power elites with virtually no internal accountability. Intelligence, as a tool of the state, is received by these elites and accepted or declined as they see fit. There is little or no accountability built into the system in the event of the elites making poor policy decisions as long as they can maintain the integrity of the state and control over the levers of state power. Internal factional power plays have a nasty habit of shaping the scope and content of intelligence delivered to the policy making level in Beijing. But even with perfect intelligence it always comes done to the predilections and judgment of the individual power elite as to how intelligence is to be used or if it is to even be believed, assuming it even makes it to their desk in the first place.

The classic example of this process at work was Stalin's refusal to believe the multiple reports his exceptional intelligence services delivered to him giving the exact date and order of battle for the German invasion, months before it happened. The Russian master spy in Tokyo, Richard Sorge, fed the GRU (Soviet military intelligence) virtually every conceivable detail the Russians would need to either forestall or at the least limit the catastrophic damage inflicted by Germany's initial attack in 1941. Yet not only did Stalin dismiss the meticulous reports from Soviet military intelligence's top spy he unconditionally refused to pass them along to his field commanders on the frontier who were caught completely unaware by the German blitzkrieg attack and annihilated.

The same systemic problems exist in China today that plagued their Soviet for bearers. There are too many independent intelligence groups in China. These groups are headed by leaders invariably tied to one government faction or another. This leads to a competition between these intelligence arms to develop, or fabricate, the information most likely to please their political masters. The information must pass through too many filters before it reaches the policy makers. This allows any number of people, most with an agenda of their own, to filter and "interpret" the data before it is given to leaders. The sheer scale of information being fed back to Beijing makes accurate and timely dissemination of critical intelligence to the elite policy making level difficult if not downright impossible. The ability to accurately receive even the most sensitive information gleaned from their competitors is thus significantly downgraded. Combined with the systemic disincentives for reporting anything that would conflict with the ingrained world views of the Beijing ruling cadres the actual utility of the vast amounts of information which Chinese intelligence is able to generate is significantly reduced.

Reason 3: Chinese Emphasis on Asymmetrical Technologies

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When one examines the list of military technologies targeted for acquisition by Chinese intelligence the first thing that strikes you is that it is by no means universal in nature. Chinese espionage primarily targets nuclear weapons, naval suppression, advanced aircraft, electronic warfare and missile technologies. Chinese intelligence targeting has to be interpreted through the lens of Chinese military strategic planning. The goal of Chinese military expansion and modernization is not to rival Western military power, a process which would take multiple decades, but to build an area denial capability to deter Western military involvement in a future scenario of cross straight conflict with Taiwan. The development and deployment of Chinese cyber warfare capabilities and anti-satellite weapons can also be viewed as a further attempt to increase the costs to Western powers of interfering in China's most likely conflict areas and not necessarily as a means of creating military parity.

The overriding emphasis placed on stealing or building asymmetrical warfare capabilities by Chinese intelligence is a powerful indicator of overall Chinese strategic thinking. The main thrust of Chinese military strategy at this time is twofold. First, develop asymmetrical war fighting technologies such as anti-satellite weapons, cyber warfare capabilities and ballistic missile technologies in order to possess a credible area denial option in the event of conflict across the Taiwan straits. This is by far the most likely scenario where China faces Western military power and one that has preoccupied Chinese military planners for decades. The second prong is a gradual but sustained development of Chinese military technology and power to achieve regional dominance. This is a process which will occupy the Chinese military for many years to come and does rely heavily on the theft of Western military technologies across a broad range of fields such as aerospace and naval technologies. However, even with a sustained effort and massive program of technology theft the process of building and supporting a viable regionally dominant force, let alone one capable of global power projection, is extremely time consuming and fragile.

One has but to look back at the massive Soviet effort, more often than not highly successful, to steal American military technology during the Cold War. Despite the many successes of the Soviet program their weapons systems were chronically at a qualitative disadvantage vis-a-vis their American rivals. This is down to two things. First, while stealing military technology does allow the thief to skip stages of the expensive R&D process these technologies still have to be reverse engineered, actually understood and then eventually integrated into new home grown systems. This process can take a great deal of time and money to achieve. Also the amount of time it takes to fully develop, test, mass produce and deploy new weapons systems in the field often means that stolen cutting edge technology can be generations behind the competitor once the new system is finally brought into service. The second aspect is that no collections program, no matter how successful, is ever going to be able to bring over 100% of the technology needed. If one were to steal even 80% of the systems designs for the F-22 Raptor, for example, that still leaves a large number of highly advanced systems which need to be developed and tested before a viable competitor copy can be produced. Modern military technology is not "plug and play", rather it relies on a vast web of interconnecting and mutually reinforcing technologies and tactical doctrines. There is also the issue that theft of advanced weapons technology inherently means that the receiving party is always playing catch up with their victim. A final consideration is military-industrial productive capacity. One of the primary drawbacks for the Chinese military technology acquisition program is that the hyper advanced tools and materials science capabilities required by cutting edge US weapons systems are, for the most part, simply unavailable to Chinese industry or too poorly developed to build out stolen technology on a large scale. Modern weapons systems require a tremendous amount of know-how and advanced technology to build and much of this technology is denied to the Chinese due to export restrictions put in place on so-called dual use technology. Thus in order to even begin to utilize the information stolen from the West the Chinese have to acquire, covertly or otherwise, the tools necessary to build the parts which in itself is a massively difficult and time consuming process.

Reason 4: Vulnerability to Reprisal

The Chinese one party state is in a very precarious position both domestically and geo-strategically. The Communist Party is faced, on one hand, with the inevitable social dislocations and friction inherent in their economic modernization process and on the other ringed in by competitor states most of which they have been in military conflict with relatively recently. China also lacks any kind of alliance structure abroad giving it either regional or global power pretensions. This situation makes it much easier to bring pressure to bear on China which can moderate or alter their behavior towards other states.

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Domestically China has been sitting on a smoking volcano of social issues for decades. These pressures nearly resulted in the toppling of the party in 1989 and continue to both evolve and fester as time has gone on. Most of these issues are the direct result of China's rapid adoption of a controlled conversion to a capitalist economy and the slow death of the unifying philosophy of Communism among the people. Continuing instability today is evident with the large number of protests, demonstrations, riots and other anti state activities which regularly erupt throughout the country. The causes of these activities are myriad. Rampant corruption, economic dislocation, environmental destruction, poor government policies, uneven economic growth and the resurgence of various regional liberation campaigns have all led to massive protests in the past and are only slowly being addressed by the central authorities. The high degree, or at the least perception among ruling elites in Beijing, of internal instability is the primary reason why China spends so much of its time and resources combating subversive groups both at home and abroad. Lack of unity at home is also a major pressure point which can be used by China's rivals to reign in Beijing as need be.

Internationally the growing power of China, economically, militarily and geo-politically, has lead to ever greater levels of friction with her neighbors. To name but a few areas of conflict the Chinese have an unending conflict with Taiwan over sovereignty and reunification, the Japanese over regional great power status, the Russians over energy and territory issues, Vietnam and others over control of the South China Seas resource area and with the US as their emerging regional power conflicts with long standing American control over the area. China also has become increasingly dependent on energy imports from abroad as well as access to overseas markets to sell her goods in to sustain her high levels of economic growth. Both of which are at the absolute strategic mercy of Western and allied power.

All of these pressure points make China extremely vulnerable to directed action and subtle coercion. The Chinese themselves realize what a precarious position they are in and often overreact to the mildest of perceived slights as a mechanism to protect against more overt measures of exploitation. The truth of Chinese power is, to borrow an expression, at this time little more than a paper tiger. The ability of any number of states, both regional and global, to disrupt or destroy Chinese power abroad is one of the main driving forces behind their massive deployment of spies around the world. The simple reality is that Chinese vulnerability to internal disorder and international interference has given them good cause for paranoia. Unfortunately, this paranoia has led them to see plots and machinations everywhere and deploy a tidal wave of spies to validate this suspicion. Thus they are becoming trapped in a self fulfilling prophesy. The more they work clandestinely to penetrate their neighbors and ensure their security through covert theft of military technology the more their neighbors perceive them as a threat and begin to take active measures to limit their power.

Conclusion: Seeing Chinese Intelligence in a Wider Context

Chinese power is increasing across the board, economically, militarily, politically and geo-strategically. Chinese intelligence activity is playing no small part in the continuing growth of Chinese power. However, intelligence must be viewed and understood within the larger context of Chinese ascension. As much as the Communist Party relies on secret intelligence for domestic control and as a vital part of their foreign policy it is highly reactive to the greater needs for stability and continual economic expansion at home.

Chinese intelligence activity abroad has expanded for the past thirty years for three main reasons. First, the regime considers it vital to their internal control that they be able to deny refuge in the outside world to any indigenous resistance movements. Second, it has yielded incredible results in the form of new technologies, political intelligence and economic competitiveness. It is hard to argue with success and Chinese intelligence has been earning its keep with the power elites in Beijing for years. It is also considered a vital element of Chinese leadership prestige that they are able to use their clandestine power to impact the world and develop secret information about their competitors. And finally, no country in the West has risked alienating a rapidly growing China by cracking down in a meaningful way on the predations of their intelligence apparatus. This is a vital point. China is like an adolescent with a room full of new and dangerous toys. It will continue to engage in high risk espionage against other countries until it perceives that the risks of such behavior outweigh the gains it can yield. No one has been applying meaningful sanction against China for its espionage and cyber weapons testing and so the leadership there believes that it is immune to rebuke for this kind of activity. This is a dangerous balancing act for both China and her intelligence targets, particularly the

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US.

Public opinion matters in a state like the US to a degree unimaginable to the elites in Beijing. Every case of Chinese espionage that is discovered targeting America makes it that much more difficult to reconcile the people there with a growing Chinese power. In many ways large scale Chinese intelligence activity is, for the above reasons, a self defeating enterprise. Without restraint the Chinese may wake up one day and find themselves firmly in the cross hairs of a fearful Western public. The benefits of Chinese intelligence activity, no matter how pervasive and effective, are in no way equal to the risk of being deemed an enemy state and cut off from the world by the West and their legion of regional allies.

The other side of the coin with regard to Chinese intelligence activity is that the governments and people of the West must begin to show some restraint and understanding of their own. The more sensationalized Chinese intelligence activity becomes in the press and among political/defense/intelligence circles the more divorced the perception of the power and threat of Chinese intelligence gets from reality. This is just as dangerous as the Chinese allowing their intelligence service free reign abroad. While there is little doubt of the scale and effectiveness of modern Chinese intelligence activity in the West at this point in time it simply does not merit the threat rating it is receiving. The information, technologies and accretion of asymmetrical systems which China receives from her spies does not imperil Western hegemony nor is it likely to pose a threat to their regional control in the near future. A rational examination of the place and power of China as she emerges from the last century of self destruction is long overdue. Overreaction in the West and the promotion of China as the next scary thing may seem like a relatively low risk option now that the end of the global war on terror is threatening defense/intelligence budgets and prestige, but how China is integrated into the greater world system (as threat or as partner) will define the coming century like no other single issue.

Andrew Brown is the author of the recently released book *The Grey Line: Modern Corporate Espionage and Counterintelligence*.

[1] http://www.aph.gov.au/Senate/committee/FADT_CTTE/completed_inquiries/2004-07/asylum/report01/index.htm Parliament of Australia:

[2] http://www.globalsecurity.org/military/library/congress/2005_hr/050721_2-transcript.pdf Congressional report (July 21st, 2005):