China’s global involvement means that it is increasingly caught up in events beyond its control. In the spring of 2011 it evacuated an estimated 38,000 Chinese from Libya, where it had three times as many workers as Europe employed on $19 billion worth of contracts in infrastructure and the oil industry. Beijing has sent an advanced missile frigate to help combat pirates off East Africa. It found some of its citizens taken hostage by Taliban fighters who attacked a base in Pakistan where they were employed. The PRC has been the biggest contributor of peacekeeping forces to the United Nations among the permanent members of the Security Council, having sent
more than 17,000 troops to join nineteen operations since 1990.

It uses its influence at the international body to protect nations with which it has nurtured economic relations or to limit international action in line with its insistence on the paramount principle of noninterference in the internal affairs of states. It sees the UN as a means of checking the influence of the United States and associating itself with non-Western nations. Though it did not block action against the Gaddafi regime in Libya after the Arab League and African Union backed such a step, Beijing (together with Moscow) applied the doctrine of non-interference by vetoing UN sanctions against the Syrian regime in 2011-2012 as the Assad administration used maximum violence to quell the popular uprising.

China is developing a ‘string of pearls’ on the sea route from the oil-providing states of the Gulf with ports in Pakistan, Sri Lanka – where it backed the government against the Tamil Tigers – and Burma. It plans to drive a high-speed rail track through Laos to Thailand to strengthen links with those two countries and open the route to South East Asia. The PRC accounts for half the foreign investment in Cambodia, where its engineers have built a container port, bridge and highway, though a PRC grid firm pulled out of dam projects after protests by local fishermen. It turned Burma into a client state, both for its natural resources and strategic position and as a transit point for oil. Three members of the Politburo visited the neighbouring dictatorship in 2009-10 and leaders of the military junta are honoured guests in Beijing. The Wa region of Burma, by the border with Yunnan, is on the PRC’s electricity grid. Trade flourishes in frontier towns that are
more prosperous than Rangoon. Chinese involvement is increasingly resented, however. There have been clashes between the Burmese army and tribal militia over Chinese hydropower projects along the Irrawaddy River, one of which was suspended in the autumn of 2011.

But Burma’s reform programme now faces China with the challenge of competition from other powers that have opened relations with the evolving state, notably the US and Japan. President Obama’s visit at the end of 2012 represented a direct attempt to ‘pull Myanmar off the China track’, as the PRC’s Global Times put it.¹

In Pakistan, with which it has a free-trade agreement, China is building a major port at Gwadar close to sea lanes to the Middle East, which will be linked by rail and a possible oil pipeline to Xinjiang and will provide a listening post on a sensitive maritime region. It provides Islamabad with nuclear-power stations, military jets, and modernization of the Karakoram highway across the mountains from Xinjiang as well as dams, including a $15 billion project on the Indus River. However, in the autumn of 2011, a Chinese company pulled out of a $19 billion investment (Pakistan’s biggest) to develop a big coalmine as well as power and chemical plants over a twenty-year period because of security concerns. Still, in an unsuble attempt to play off the PRC against the US, Prime Minister Raza Gilani praised the mainland as an ‘all-weather friend’ and President Ali Zardari said the relationship was ‘not matched by any other between two sovereign countries’. Raising the hyperbole, Pakistan’s ambassador in Beijing proclaimed their friendship to be ‘taller than the Himalayas and deeper than the oceans, stronger than steel, dearer than eye-sight, sweeter than honey’.²
In 2012, Beijing moved to develop relations with Afghanistan while buttressing its links with the “stans” of the former Soviet Union. The Shanghai Cooperation Organization (SCO), linking it with Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, acts as a strategic hedge in a region that supplies 10 per cent of the mainland’s energy imports through pipelines rather than long sea voyages. At the SCO summit in Beijing in June, 2012, where Afghanistan was granted observer status, Hu Jintao hailed the grouping as ‘a fortress of regional security and stability and a driving force for regional economic development’. In return for oil, gas and uranium, the PRC has underwritten road, railway and telecommunication development in Kazakhstan to the tune of $10 billion; it now controls a quarter of the nation’s oil output while Chinese firms are working on a $1-billion expansion of an oil refinery in the west of the country and a pipeline to Xinjiang set to carry 20 million tons of oil a year by 2013.

To the north, China is the major customer for Mongolia’s mineral wealth, though the home of the Yuan dynasty seeks to play Russia off against its southern neighbour and to prevent itself becoming an economic satellite of the PRC. South Korea is a major economic partner. China has a free-trade agreement with the ASEAN nations of South East Asia. In its role as the biggest of the BRIC economies, it hosted a summit of the four acronymic nations, plus South Africa, on Hainan Island in 2011, which produced nothing concrete but symbolized its world role. Despite this spread of activity and interests, Beijing has not evolved a coherent global policy beyond defending its ‘core interests’ and assuaging its thirst for natural resources.
A senior official, Dai Bingguo, has defined the target as being to ‘preserve its fundamental system and state security’. That is hardly a target befitting of a true superpower; nor does it suggest how the PRC will modify a world shaped by US leadership. The Central Committee has laid down that foreign affairs should ‘hold economic construction at its core’ but, as the scholar Yan Xuetong has pointed out, ‘a political superpower that puts wealth as its highest national interest may bring disaster rather than blessings to other countries’.

China wants to make its voice heard internationally. It seeks huayuquan, or the ‘right to discourse’, but on its own terms and without meaningful debate. Nationalism is on the rise, evident in the strident comments on Japan in the islands dispute, the often radical positions taken by the Party’s tabloid, Global Times, and in such campaigns as the (unsuccessful) attempt to have the Hollywood animated film Kung Fu Panda, which is set in ancient China, banned on the grounds that it ‘twists Chinese culture and works as a tool to “kidnap” the minds of Chinese people’. As the bestselling book’s title suggests, China can say no – and nationalists think it should do so more often. In that context, amid jockeying for leadership positions in the renewal of the Politburo and government in 2012–13, there are no dividends for politicians who seek compromise on foreign affairs and every encouragement to strike a hard line, evoking nationalism as a useful regime prop amid economic uncertainties and the US Pacific challenge.

China’s approach to the world does not embody the evangelical element in American foreign policy; some foreigner observers may admire the China Model but Beijing does not try to sell it in the way the US has aimed to spread
democracy and market economies. Having set its claims to Tibet and Xinjiang in stone, the PRC does not have expansionist territorial ambitions either. It may well wish to re-create the tributary system under which neighbouring countries recognized its supremacy as a basis for trade but it does not aim to follow the European model of colonization. What it wants, above all, is to be able to use the rest of the world to achieve its domestic development and to be able to go its own way without being obstructed by the moralizing of others.

Its foreign policy is essentially opportunistic. The leadership seems ill-prepared to grasp the strategic opportunities created by the current international situation and to mould them into an encompassing code of practice, notably with the United States. Despite the jostling over the South China Sea, the PRC has no interest in engaging in the kind of direct global competition with the superpower that was pursued by the Soviet Union in the Cold War. Beijing benefits from the ‘operating system’ overseen by the US that maintains the security of world trade, and shares with America common interests in global prosperity, open commerce and as stable a position as possible in the oil-producing Middle East. Yet the two sides do not share a sufficient communality of interests, values and objectives to form the basis for a wider understanding to underpin the future. It is hard for rising China to admit that, as Barack Obama put it when meeting Hu Jintao in 2011, its success has depended, in part, on ‘decades of stability in Asia made possible by America’s forward presence in the region and global trading championed by the US’.
For American ‘realist’ analysts, a financially troubled US risks finding itself on a path of declining influence in the face of a rising power that is larger than its opponents in the Second World War and more efficient than the USSR. That leads, of course, to the argument for Washington to maintain high military spending to enable it to push back against any expansionism by Beijing. But the PRC’s weaknesses also have to be taken into account in any balance sheet between the two great powers. The PRC’s shortage of natural resources is not going to be significantly reduced by efficiency measures; even if these are effective, which is far from proven, China will require even greater quantity of imported oil, iron ore, coal, gas and other minerals. The transport channels through which these pass are vulnerable to attack, most obviously in the Straits of Malacca but also out on the ocean or on long rail links. Pipelines can be burst. Naval blockades are not necessarily a thing of the past, and America has by far the most powerful navy on earth.6

Closer to home China is ‘a regional power without a regional policy’, in the words of the scholar Steven Levine. It would like to be the central state in Asia but its policies are little more than a series of bilateral relationships, driven either by immediate material considerations or by a self-defensiveness that echoes Cold War attitudes. On the wider global stage Beijing may proclaim its goal of creating a ‘harmonious world’ and promoting multi-polarity but its practices do little to achieve that. It denounces ‘hegemony’ (i.e., US power) but does not use its position at the United Nations to champion the granting of permanent Security Council seats to Japan, India or Brazil. At G20 summits it does not put forward proposals to recalibrate the global economic and monetary systems beyond vague talk of the need for a new reserve
system to replace the dollar. Historically the world financial system has hinged on the main creditor nation – Britain or the US in the past. But a ‘yuan standard’ is nowhere in sight as China shelters behind currency and capital market controls. If it turns out that the West, particularly the United States, is indeed losing its position of leadership, the People’s Republic seems singularly ill-equipped and unready to step up to take over.\(^7\)

Chinese foreign-policy experts reflect the uncertainty that envelops their country’s approach to the world. ‘China’s grand strategy is still a field to be ploughed [as its] power and influence relative to those of other great states have outgrown the expectations of even its own leaders,’ as Wang Jisi, Dean of the School of International Studies at Peking University, puts it. Pan Zongqi, Professor at the School of International Relations at Fudan University in Shanghai, defines the PRC’s role as that of ‘a responsible and constructive reformist’, which is ‘an active promoter and indeed shaper of the international system’. Gong Li, the global strategy director at the Party School, sees the United States struggling with the challenges of its economy, Afghanistan, Iraq, North Korea and terrorism, all of which will take their toll, but argues that China should remain cautious because it is still no match for the superpower.

One school of thought holds that China’s success is enough to be getting on with, and that it should simply ‘earn credits’ for its progress from the rest of the world. Others see the United States as owing a debt to the mainland for having bought so many of its government bonds, and regard its failure to act accordingly as a form of betrayal. Some Chinese analysts advocate a
triangular relationship with Europe and Russia to balance US power or, alternatively, believe it should concentrate on developing relations with Central Asia and Indochina. Those who look back to the decline of imperial China consider that foreign policy must be conducted from a position of strength, both military and economic, and invoke a ‘century of humiliation’ to assert that foreign powers owe China a debt from the past.

The scholar David Shambaugh has identified foreign-policy camps, starting with populist, xenophobic, Marxist ‘nativism’ and moving on to the dominant ‘realist’ group and those who think Beijing should concentrate on relations with the major powers and pay less attention to the rest. Then there are thinkers who put Asia and the developing world first, and so to ‘selective multilateralism’, which would expand China’s global involvement gradually and only where national-security interests are involved, and ‘globalism’, which holds that the country must shoulder responsibility for addressing a range of world-governance issues in keeping with its size, power and influence. The weight of each of these groups varies and none is dominant; but, Shambaugh notes, ‘globalism has lost the debate’, which faces the rest of the world with obvious problems.

On his visit to the United States in 2011, Hu Jintao was firm: ‘We should abandon zero-sum Cold War mentality, view each other’s development in an objective and sensible way, respect each other’s choice of development path and pursue common development through win-win cooperation. We should respect each other’s sovereignty, territorial integrity and development interests and properly address each other’s major concerns.’ He and his colleagues have no interest in
assuming the global responsibilities implied in the concept of a G2 with the United States; indeed, such an idea is seen as a potential trap designed to ensnare the People’s Republic and to divert it from its core concerns. Nor do they show much interest in joining a rules-based system for Asia, as promoted by Washington. The current ‘hodgepodge’ (to use Hillary Clinton’s phrase) of regional arrangements suits Beijing quite well, allowing it to pick and choose, to avoid commitments which it might come to regret and to ensure that its own interests always have primacy while its growing strength intimidates smaller neighbours. The appeal of such an approach is evident, but it is not the agenda for a great power, even if it reaches back into history for a foundation that has become part of the national mantra and is often accepted with little questioning abroad.9

China shows extreme sensitiveness when it perceives that it has not been accorded full respect. The problem is that Beijing’s definition of respect extends to requiring foreigners to gag themselves when their values are in conflict with those espoused by China on matters such as Tibet, Taiwan and human rights. Foreign leaders who dare to receive the Dalai Lama are told that they have ‘hurt the feelings of 1.3 billion Chinese’. After Nicolas Sarkozy met the spiritual leader when France held the rotating presidency of the EU, Beijing cancelled a summit with the EU. A White House meeting between Barack Obama and the Dalai Lama brought reprimands from China for having ‘grossly interfered in China’s internal affairs’ and breaching mutual trust between the two nations. The French retail group Carrefour suffered a boycott when it was accused of backing the Tibetan cause. Norwegian exports of salmon and trout to the PRC dropped
sharply after the award of the Nobel Peace Prize to the imprisoned Liu Xiaobo.

However, the PRC’s bark is not always followed up by a bite. Beijing thunders against US arms sales to Taiwan but has taken only limited countermeasures and has not imposed threatened reprisals against the companies concerned, whose non-military cooperation it needs in its development plans. In the summer of 2011 its reaction to a repeat White House visit by the Dalai Lama was remarkably restrained, as if it had decided that calmer relations with Washington were in order at the time. While the Chinese ate less Norwegian fish after the Nobel award, a state company went ahead with the acquisition of a stake in an energy field held by Norway’s StatOil group. Carrefour soon resumed normal operations.

China knows what it does not want others to do, but finds it hard to frame its policy in a more positive manner beyond the provision of markets and raw materials. If a definition of a great power is the ability to set out norms that others find attractive, China is singularly deficient. This state of affairs is further complicated by the way in which foreign policy is shaped by the interests of a variety of parties ranging from the Communist Party Leading Group on Foreign Affairs through the State Security Ministry and the PLA to the National Development and Reform Commission (NDRC), the main economic planning body, and the Commerce Ministry representing exporters. Then there are the heavy-industry and energy lobbies as the state oil companies expand globally and China ramps up its imports of coal and natural gas. The CCP’s Propaganda Department is concerned with the country’s image. The Finance Ministry and the People’s Bank of China have views on international
monetary and currency policy that, given the nature of the country's foreign involvement, spill over into broader policy areas. Nobody is quite sure how much clout the Foreign Ministry carries in decision-making but it is not thought to be great.

This complex of different interest groups easily leads to confusion or a failure to adopt a clear position. The PRC remains apparently unwilling, or unable, to bring its 'Little Brother' in North Korea to heel, leading officials to describe their neighbour as a 'spoiled child'. It says it wants to make the post-1945 global system more equitable but opposes the granting of permanent Security Council seats to Japan or India. Though China allowed the UN no-fly-zone resolution on Libya to go through, it made clear that it could still criticize action by NATO powers if things did not go according to its wishes. It then pursued a delicate balancing act between maintaining relations with the Gaddafi regime and talking to the rebels. Hu Jintao upbraided President Sarkozy over the air strikes and PLA generals sounded off in private to visitors in the presence of an apparently approving Xi Jinping. A PRC firm, meanwhile, offered to sell weapons to the dictator, though the deal was not concluded.\textsuperscript{10}

Hu Jintao has told Chinese diplomats that they need to 'build a more congenial image'. Improving China's image abroad was a main theme of a Party plenum held in the autumn of 2011. Beijing pursues 'soft power' through cultural missions and a network of Confucius Institutes abroad, bestowing funds on festivals that celebrate its civilization and brush awkward issues under the carpet. It lends out pandas and stages shows that highlight its history. It has committed to spending 50 billion yuan on its international broadcasting,
including a second English-language television channel and a doubling of the shortwave-radio output from a transmitter in Texas. (This at a time when the BBC has stopped its Chinese-language service.) The state newspaper China Daily has launched international editions. When Hu Jintao made a state visit to the US in 2011, China bought space on giant screens in Times Square in New York to show a glossy film of its star entrepreneurs, actors, athletes and astronauts. The prominent academic Yuan Xuetong argues that China should develop its moral authority to buttress its place at the top of the hierarchy of nations he sees dominating the world.

But the authorities prefer scale and spectacle as at the Beijing Olympics and the Shanghai Expo (even if the latter ended up with debts of 19 billion yuan). When they decide to put on a spectacle to impress the world, they push the boat way out to display their nation’s renaissance of the shengshì age of wealth and greatness before decline set in during the nineteenth century. Impressive as such displays are in scale, they reflect, above all, careful regimentation just as the push to charm foreign public opinion is the result of state planning offered strictly on China’s terms. The contribution of the private sector, of individual writers and artists, which has done so much to spread Western culture round the globe, is missing. A benevolent image is somewhat tricky when the country’s best-known international artist, Ai Weiwei, has been detained after criticizing the regime and when one of China’s only two Nobel laureates for literature, Gao Xingjian, has chosen to take French citizenship (the other, Mo Yan, who won the prize in 2012, remains within the system and is careful not to stray far from the official line). The President of the Norwegian Nobel committee said the long prison sentence passed on Liu Xiabao had ‘solved the problem’ of how to
recognize Chinese dissidents since ‘automatically he became [...] a universal symbol of human rights’. Once again the imposition of Party power took precedence over everything else, and ‘soft diplomacy’ suffered a large shot in its foot, made all the more evident when an attempt to set up a Confucius Prize to rival the Nobel ended in fiasco. A veteran Kuomintang politician from Taiwan, Lien Chan, who had held talks to smooth cross-Strait relations, was chosen as the first laureate in 2010. But he was not informed and did not turn up for the ceremony in Beijing at which the 100,000-yuan prize was handed to a small girl for unexplained reasons. In September 2011 the Chinese prize was scrapped with an explanation that it had ‘violated relevant regulations’ but its organizers still went ahead and gave the second year’s award to Vladimir Putin.

Nor is the talk of harmoniousness and congeniality helped by China’s military build-up. The PLA’s capacity remains far behind that of the United States. Data from 2009 show it accounting for 6.2 per cent of global military spending, ahead of France and Britain but far behind the 43 per cent for the US. A leading Chinese general says the PRC needs to double spending on its armed forces from 1.4 to 2.8 per cent of GDP to close the gap. The official PLA budget rose by 11.2 per cent in 2011 to the equivalent of $106 billion (though that figure is an understatement, since it does not cover all military-linked projects) and it is forecast to increase by almost 150 per cent by 2015. Even so, China is anxious to play down its military expansion.

When the Pentagon issued an assessment in 2011 the PRC was on track to forge a modern military force by 2020,
Xinhua responded by describing this as 'an utterly cock-and-bull story'. But Beijing does protest too much, for it is hard to ignore the expansion of spending on armed forces numbering 1.5 million troops and the drive to master advances in technology for military applications. The PRC shoots down satellites of the type used for military-command systems, sends submarines to pop up amid American fleet exercises, puts new fighter planes into service and develops its navy. While the US Defense Secretary was having talks with Hu Jintao in 2011, the air force showed off its stealth fighter. The PLA’s ability to watch targets from space is almost equal to that of the US forces, according to a report by a Washington think tank, though this seems to be a considerable exaggeration.  

The Pentagon says the mainland is increasing spending on nuclear weapons and long-range missiles able to reach targets beyond Guam. In 2008 General Ma Xiaotian, Deputy Chief of the PLA General Staff, was quoted as telling US officials that the growth of the PRC’s nuclear force was 'an imperative necessity' and that there could be 'no limit on technical progress'. A new base to house nuclear-powered ballistic-missile submarines has been built at Sanya on Hainan Island. An anti-ship missile dubbed the 'Sizzler' by NATO can be launched from submerged submarines and is reported to fly at three times the speed of sound over a 200-mile range. Another missile, the Dongfeng, is being developed to hit a carrier 2,000 miles away. The fleet air arm is being expanded to 200 planes.

The expansion of the navy and air force was originally spurred by the PLA's desire to be able to invade Taiwan if Beijing decided to use force to try to achieve reunification,
especially after the US navy blocked the Strait during the crisis that erupted in 1996 when the PLA fired missiles into the sea off the island. But it now has wider implications as China implements its version of the thesis advanced by the American strategist Alfred Mahan on the link between a powerful navy and the development of international trade. In 2011 the PRC conducted sea trials of a modernized 67,000-ton aircraft carrier bought for $20 million from Ukraine – supposedly to use as a floating casino off Macau but now converted to military purposes. There is uncertainty about whether the PRC should build its own carrier, a highly complex job that would test its technologies to the full, but some reports say that work is already under way as part of a ten-year navy-modernization programme. However, the PRC is still a long way from being able to rival the US navy – it managed to get jets to land and take off the ship only at the end of 2012. The single carrier is an assertion of China’s ambitions rather than a significant factor in the East Asia strategic balance.

Still, the PLA sees naval expansion as a means for the nation to project itself. Beijing wants to be able to counter any attempt by India or the United States to control the sea lanes that bring it oil from the Middle East. Eighty per cent of such imports come through the Malacca Straits, which will remain a potential choke point even after a pipeline is built from the Burma coast to Yunnan. So the ability to intervene to ensure freedom of navigation if this is threatened is highly important. Strategically, China views greater naval force as a means to free itself from the confines of the chain of islands, including Taiwan, that runs south from Japan to the Philippines and on to the US base at Diego Garcia, and a second chain further away that stretches
from Japan to the Marshall and Bonin Islands, including the American strongpoint of Guam.

This desire of the People’s Republic to become a blue-water ocean power in the region is entirely normal and natural, but it poses an obvious test to the regional-security system in place in East Asia since the end of the Second World War. Admiral Mike Mullen, the Chairman of the American Joint Chiefs of Staff, spoke in 2011 of Beijing seeking ‘access denial’ to push the US out of the area. Traditional US allies from Japan to Australia cannot avert their eyes to the possibility that their economic ties with the PRC will come into conflict with their strategic and political positions. ‘Differences between us are still stark,’ Mullen said after visiting China in mid-2011.  

With 2.3 million troops, 2,000 aircraft, 80 surface vessels and 70 submarines, the PLA is officially described as ‘defensive in nature’ as ‘China unswervingly takes the road of peaceful development’. But, like every other element of the power structure, it has a political role to play at the behest of the CCP – which, in Leninist fashion, insists that it remains under civilian control, with Xi Jinping now heading the Central Military Commission to ensure Party command of the gun. Eighteen per cent of Central Committee and two of the twenty-five Politburo seats are occupied by PLA members, giving the military a limited say in policy formulation.

The forces nurture a powerful narrative that gives them a central place in the regime and the creation of the People’s Republic, followed by the way the PLA was called in by Mao to cope with the excesses of the Cultural Revolution and then, in the official version, saved the PRC by cracking down on
the protesters of 1989. Naturally the PLA presents itself as serving the people and nation as it undertakes tasks set out in official statements that stress its role in disaster relief at home and abroad, in helping maintain law and order, solving 37,000 criminal cases in 2010 and seizing 3,845 illegal guns, digging wells, dredging waterways and planting 11 million trees a year. A White Paper issued in the spring of 2011 gives ‘maintaining social harmony and stability’ as one of its main aims in addition to ‘upholding national security and unity’ and subduing ‘all subversive and sabotage activities by hostile forces’.

But, as a senior PLA political officer, Zhang Weibing, restated in its theoretical journal, it is primarily a Party army with 90,000 Communist cells. In June 1989 it acted against the people in Beijing to save the CCP leadership, and its troops swore loyalty oaths to the ruling movement. A recent article in the People's Daily by the Commander and Political Commissar of the strategic missile force stressed that the PLA ‘should promote obedience in the ranks towards the Communist Party of China’. In the wake of the Bo Xilai case, the party stressed the need for the PLA to be loyal to it amid fears that some generals had been ready to side with the fallen politician.

The corollary of this is that, though civilian control of the military is enshrined, the PLA enjoys weight in the regime that sets it apart from professional, apolitical armies in the West. The evocation of heroic battles of the past and the PLA’s goose-stepping parades reinforce nationalism and sabre-rattling. Military-style campaigns remain part of the regime’s culture, even if they are no longer as vast and brutal.
as they were under the Great Helmsman. As the history of China shows, the past is filled with martial acts that undermine the veneer of Confucian reasonableness. In a recent book entitled *The China Dream* Senior Colonel Liu Mingfu called for the PRC to focus on building up its military strength while the United States suffers from economic problems. In the preface to another book published in 2011, General Liu Yuan, Political Commissar of the PLA’s General Logistics Department, declared that ‘history is written by blood and slaughter’ and described the nation-state as ‘a power machine made of violence’. He added: ‘Military culture is the oldest and most important wisdom of humanity’. Not content with that, the general, the son of Mao’s onetime number two who was purged and left to die in the Cultural Revolution, slammed General Secretaries of the CCP ‘recently and in the past’ for having betrayed it. Another general, Luo Yuan, has advocated the dispatch of hundreds of fishing boats to fight a guerilla war at sea for territories claimed by the PRC.

No wonder foreign analysts worry about the thinking and ambitions of the coming generation of army leaders. Civilian politicians remain in charge but the PLA’s political position and the readiness of senior officers to speak out sets a ‘boundary of the permissible’ about how far they can go in distancing themselves from the demands of the military, should they wish to do so.

Concern about China’s offensive potential is heightened by allegations of widespread ‘vacuum-cleaner’ espionage abroad, both on behalf of the military and by companies, and by the PRC’s cyber-war and hacking abilities. Officials deny
any involvement of the state or army, and say it is the work of individuals whom the authorities would like to catch. However, it is hard to believe that in a system such as that on the mainland the widespread and long-lasting hacking reported by Western investigators could continue without approval or encouragement from the security agencies. The Financial Times reported in October 2011 that the PLA had set up thousands of units in the previous decade in technology companies and universities to form ‘the backbone of its Internet warfare forces’. Some attacks have been traced back to the city of Jinan in Shandong, which houses a base for the national-security arm of the People’s Liberation Army. Mike Rogers, Chairman of the House of Representatives Permanent Select Committee on Intelligence in Washington, charged China with staging ‘a massive and sustained intelligence effort by a government to blatantly steal commercial data and intellectual property.’

In 2006–07 West European governments spoke openly of Internet attacks from China and the head of Britain’s security service wrote to 300 corporate chief executives and security advisers alerting them to the threat from China. A US government report in 2009 quoted the defence contractor Northrop Grumman as listing thirty-five significant cyber-attacks from the mainland against Western or Taiwanese targets. The following year, Canadian researchers uncovered a spy network using 1,300 computers, many of them in China, and said they had penetrated government systems. There were also reports of hacking into major oil and gas companies, the Lockheed defence-equipment company, the US electricity grid and the personal computer of German Chancellor Angela Merkel.
Then Google, which had pulled back from the PRC because of hacking into Gmail accounts of dissidents and Chinese censorship, reported that hundreds of users of its Gmail service had been ‘phished’ by cyber attackers who sent out fake emails to get access to passwords. The targets, the company said, were senior government officials in the US and several Asian countries, military personnel, journalists and Chinese political activists. Denying the charges through the People’s Daily, Beijing accused Google of having become a ‘tool for political contention’ by ‘deliberately pandering to negative Western perceptions of China’.

But the accusations continued to pile up. In the summer of 2011 the Internet-security company McAfee released a report listing infiltration over five years of seventy-two organizations, including governments, companies, the United Nations, the Association of Southeast Asian Nations (ASEAN), the International Olympic Committee and the World Anti-Doping Agency. The attacks, dubbed ‘Operation Shady RAT’, were believed to originate with ‘one state actor’, McAfee said. It did not name any country but an expert who was briefed on the hacking said the evidence pointed to the PRC, which again denied the accusation in a comment in People’s Daily. This stated that ‘linking China to Internet hacking attacks is irresponsible’ and charged that it was, itself, hit by nearly 500,000 cyber-attacks in 2010, nearly half originating overseas, with 14.7 per cent from the US and 8 per cent from India.
CHAPTER THIRTEEN


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