

China reorients strategic military intelligence

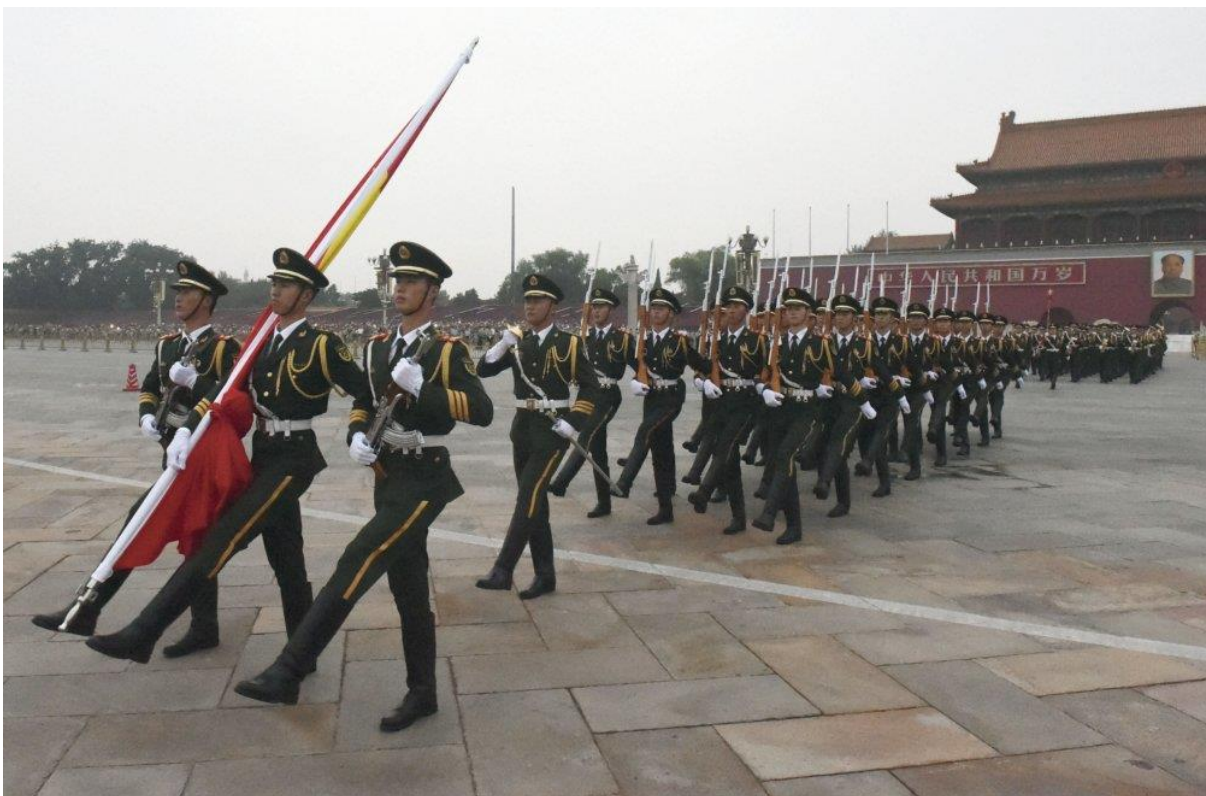
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The restructuring of China's military in 2015 and 2016 has had a profound impact on the country's domestic and foreign intelligence capabilities. Peter Mattis analyses the impact of the reforms and considers the outlook for China's intelligence apparatus

On 26 November 2015, Chinese president Xi Jinping announced the first significant revision of the People's Liberation Army (PLA) since its reorganisation during the 1950s, when the PLA transformed from an army fighting a civil war to one capable of protecting a nation-state. The reforms removed the Soviet-inspired system of general departments, established a new division of labour, and realigned the PLA organisationally to better fulfil the Military Strategic Guidelines that state the goal of "winning informationised local wars".

Many elements of the PLA's modernisation effort in the past 25 years have had strictly military implications, but this round of reforms reaches far beyond the Chinese military to reshape how the leadership receives information. To reinforce the Central Military Commission's (CMC's) control over operational forces and provide better battlefield intelligence support, the PLA created the Strategic Support Force (PLASSF). The new force consolidated much of the PLA's technical collection capabilities to direct them towards supporting military operations.

However, the emphasis on war fighting dismantled China's only all-source intelligence capability, residing in what was then the General Staff Department (GSD). The creation of the PLASSF marked the culmination of a decade-long trend of the Chinese military exerting greater control over its intelligence apparatus to support PLA priorities.



A flag-raising ceremony is held at Tiananmen Square in Beijing, China, on 1 August 2016. The ceremony marked the 89th anniversary of the founding of the People's Liberation Army (PLA). (PA)

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From a purely military perspective, the intelligence demands of modern warfare provide a clear logic. However, from a national perspective, the creation of the PLASSF and other organisational reforms to military intelligence may weaken Beijing's strategic intelligence posture at a time when Chinese leaders need more awareness overseas.

Intelligence services operate as a broader part of a national system that generates pressures, demands, and opportunities for these agencies to function outside their normal mandate. Where one agency fails, another may be tapped to provide support. However, capabilities and results cannot explain how Beijing balances these challenges. Bureaucratic politics and personal relationships have historically played a greater role in shaping the evolution of China's intelligence organisations over the last three decades than deliberative policy choices.

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Strategic Support Force

The creation of the PLASSF fundamentally altered how the PLA organises intelligence at the strategic and tactical levels. The PLASSF consolidates much of the military's technical intelligence collection (signals and electronic) and information warfare elements within a single organisation that reports directly to the CMC, the highest authority over PLA operations, headed by President Xi Jinping. The PLASSF strengthens the CMC's control over military operations by enabling the body to direct intelligence resources for operations and targeting to units that need support.



President Xi Jinping shakes hands with representatives during an inspection of the offices of the PLASSF on 29 August 2016. The PLASSF incorporates most of the PLA's technical reconnaissance capabilities and will be the critical organisation for its tactical intelligence efforts in future conflicts. (PA)

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The creation of the PLASSF dismantles the old intelligence architecture centred around the GSD, and bifurcates command and control over intelligence resources between the strategic and tactical levels (see graphics below). The GSD was a complicated organisation that functioned as the staff headquarters of the PLA ground forces, in addition to housing three departments that handled different aspects of intelligence: namely, the Second (2PLA), Third (3PLA), and Fourth (4PLA). 2PLA managed the military's overt reporting and clandestine human intelligence operations, including running the defence attaché network, and the department also possessed tactical and technical intelligence resources. 2PLA ostensibly had authority over some of the PLA's unmanned aerial vehicles (UAVs) and special forces, as well as control over the PLA's imagery satellites. 3PLA was the national and the PLA's signals intelligence (SIGINT) organisation, including the traditional disciplines on top of computer network operations. 4PLA, although primarily an offensive organisation for electronic warfare, may also have possessed electronic intelligence capabilities.

The PLASSF appears to have incorporated 3PLA and 4PLA in their entirety, as well as imagery satellites and UAVs. This puts the PLASSF in possession of most of the PLA's technical reconnaissance capabilities overhead, in cyberspace, and across the electromagnetic spectrum. It will be the critical organisation for understanding the PLA's tactical intelligence efforts and whether the Chinese military can integrate a shared intelligence picture across its war-fighting units.



China's deputy chief of the Joint Staff Department for the Central Military Commission, Admiral Sun Jianguo of the People's Liberation Army Navy, attends the Asia Security Summit in Singapore on 4 June 2016. Sun has responsibility over foreign affairs and intelligence at the JSD Intelligence Bureau. (PA)

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This leaves the new Joint Staff Department (JSD) with fewer intelligence capabilities than its predecessor and a much more constrained role. The JSD Intelligence Bureau probably includes 2PLA's human intelligence assets as well as its analytic bureaus and think-tanks, including the China Institute for International Strategic Studies and the China Foundation for International and Strategic Studies. A JSD deputy chief still holds an intelligence and foreign affairs portfolio, overseeing the work of the bureau, and also continues to sit in on the foreign affairs- and national security-related leading small groups (the informal bodies that bring together relevant policymakers to set overall policy guidance).

However, the JSD no longer holds sway over the current equivalents of 3PLA and 4PLA, and will therefore no longer provide an all-source perspective on policy issues. Analysis in the Chinese system is highly political and can only be conducted by senior officials with proper standing. Under the old system, the GSD deputy chief was one of the few people who possessed that standing anywhere across the Chinese intelligence apparatus.

Below the level of the major departments reporting directly to the CMC, little information has so far become available. However, a few reasonable suppositions about the organisation of intelligence can be made based on the logic outlined by the CMC. The CMC opinion issued on the reforms used the guiding phrase, "the CMC commands; the services equip; and theatre commands fight".

First, under the old system, the service headquarters for the Navy, Air Force, and Second Artillery (now the PLA Rocket Force) possessed an intelligence bureau and at least one technical reconnaissance bureau. The former served as a clearing house for intelligence reporting and, when appropriate, analysis. The latter controlled technical collection systems or received the take from the service's intelligence platforms.

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Division of labour

As military intelligence turns inward, the PLA will leave an opening, bureaucratically and informationally, in China's foreign intelligence efforts - the intelligence used to inform the country's policymakers about the world. The PLA's intelligence apparatus since the beginning of the Cultural Revolution in 1966 has stood at the centre of Beijing's foreign intelligence operations. The now defunct 2PLA also handled many of the most noteworthy espionage cases during the past decade. Examples include Chi Mak, a Chinese-born engineer living in the United States, who was arrested in 2005 and convicted of conspiring to export defence technology in 2007, and Major-General Lo Hsieh-che, who was responsible for electronic information in the Taiwanese military and who was given a life sentence for espionage in 2011.

The most obvious beneficiary is the Ministry of State Security (MSS). Created in 1983 to help monitor the growing influx of foreigners as then Chinese leader Deng Xiaoping's China opened up, the MSS never really carved out a position between military intelligence and the larger Ministry of Public Security (MPS). The MSS began as an amalgam of the party's Investigation Department, which collapsed in the early years of the Cultural Revolution, and the counter-espionage elements of the MPS.



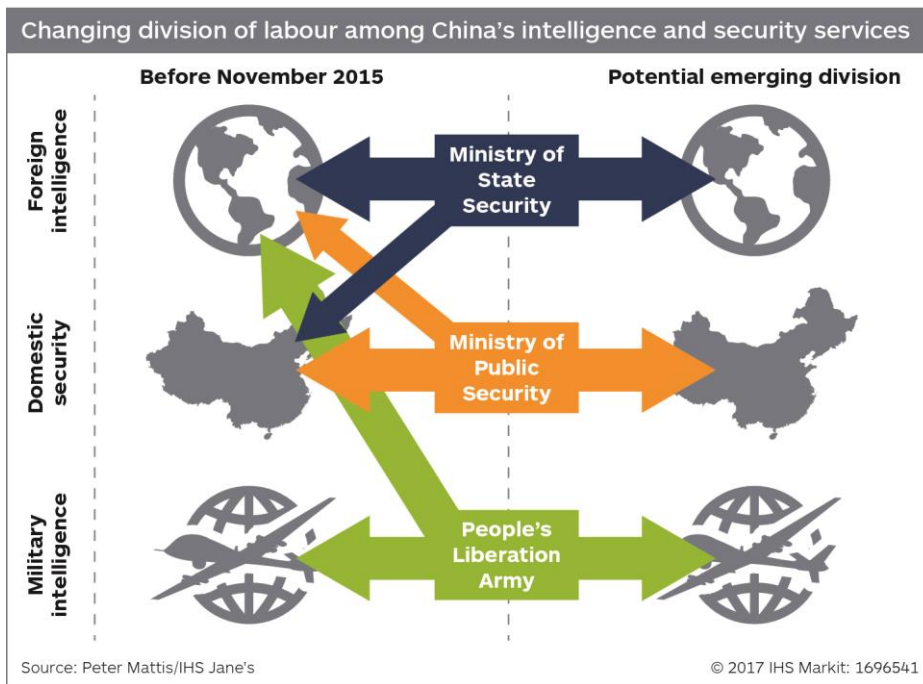
Chi Mak is depicted in this artist drawing during his trial in the federal court in Santa Ana, California, on 10 April 2007. He was accused of being a spy for Chinese intelligence and in May 2007 was convicted of conspiring to send technical military systems information to China. (PA)

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However, the MSS's successes in the 1980s against Taiwan's espionage operations and in tracking down the "black hands" of Tiananmen after the 1989 demonstrations led to its expansion into a nationwide organisation. During the late 1980s and 1990s, an MSS department was established in every province as well as countless major cities and counties. This expansion came at the expense of the MPS. At the provincial and local levels, a new MSS office resulted in public security personnel being directly transferred. However, the foreign intelligence mission and the organisational expansion did not translate into lasting influence.

The MSS's foreign intelligence role was complicated by the preference of successive Chinese leaders for using the PLA for foreign intelligence. This caused organisational difficulties for the MSS. For example, at the request of the Ministry of Foreign Affairs in 1985, Deng restricted the MSS's use of official platforms, such as embassies and consulates, for clandestine intelligence operations. The restrictions meant either the expulsion of or limits on the number of MSS officers who could be posted abroad.

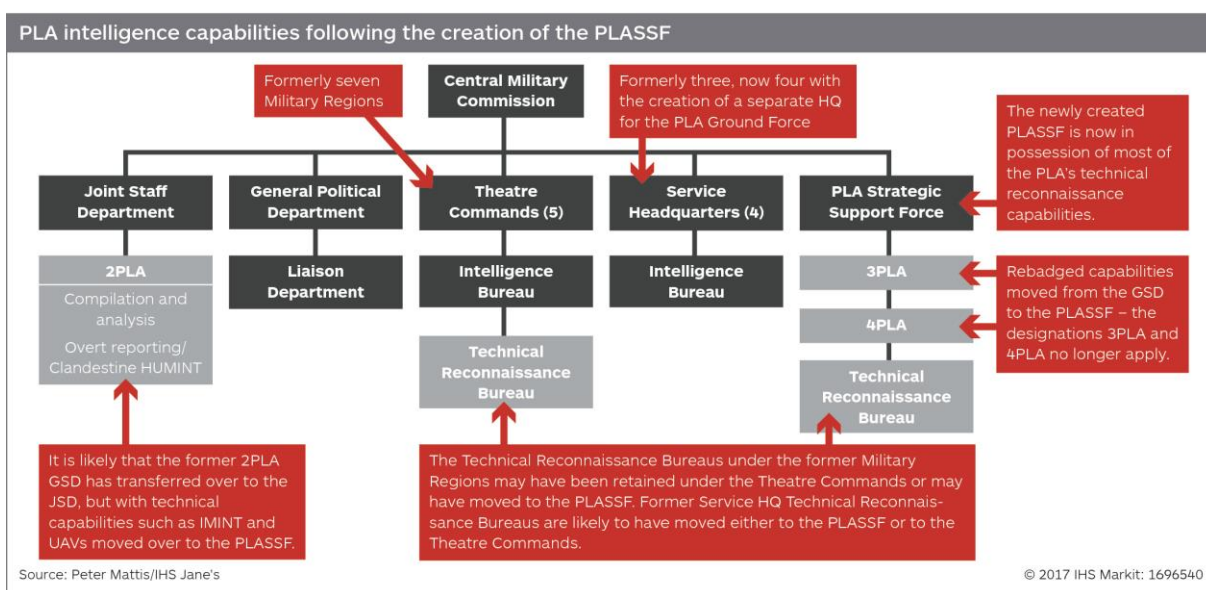
Moreover, the officers that remained were burdened by severe restrictions on their operations that may even have prohibited recruiting agents. This prohibition lasted at least until the late 2000s, when Swedish authorities uncovered an ethnic Uighur being handled as a clandestine agent by MSS officers with journalistic and diplomatic cover.



Changing division of labour among China's intelligence and security services (Peter Mattis/IHS Jane's)

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For internal security and counter-intelligence, the MSS initially staked out a clear position on national security-related issues that distinguished it from the domestically oriented MPS, which also serves as the national police force. However, the MSS's political superiority after the events of 1989 was short-lived, and in 2002 the MPS began to rise. In March 2003, the National People's Congress confirmed Zhou Yongkang as a state councillor and the new minister of public security. Just a few months previously, Zhou had been the Sichuan provincial party secretary and was promoted to the Politburo. Zhou also took a position on the Secretariat, which manages the bureaucratic paper flow and policy process for the central leadership.



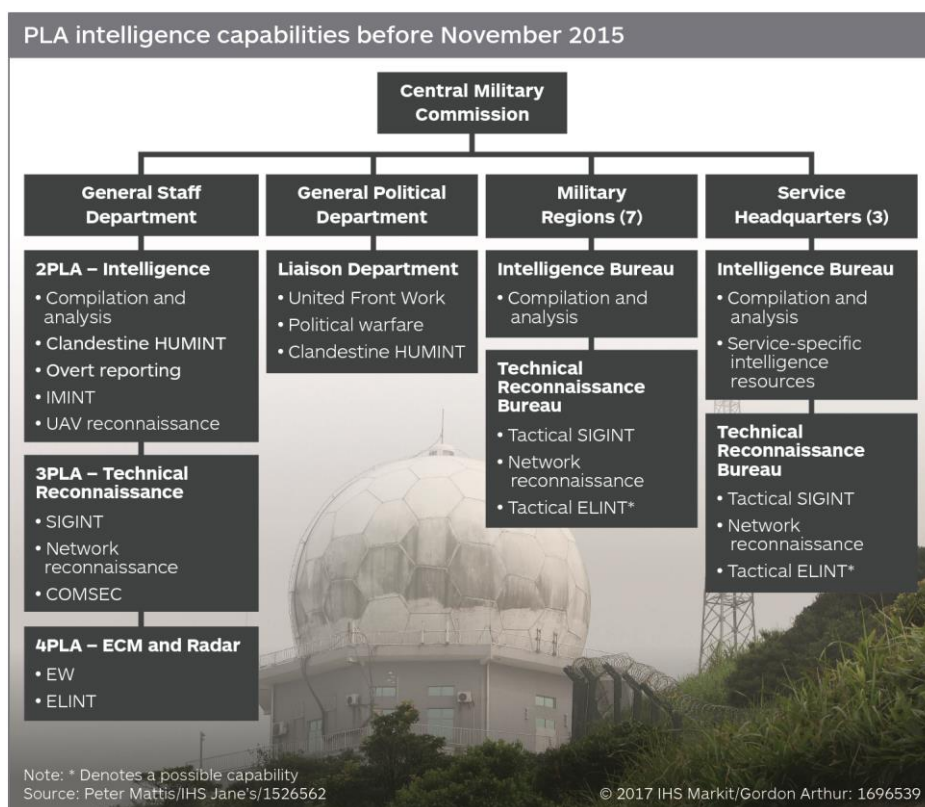
Concurrently, the MPS began outlining and executing a modernisation strategy centred around informatisation (xinxihua), similar to what the PLA began after the first Gulf War (1990-91). In the simplest terms, the MPS modernisation effort attempted to harness information-age resources for collecting and cataloguing data to drive security operations. Old techniques such as 'grid' surveillance were revived (for example, Dongcheng district in Beijing ran a trial programme in 2004 in which the district was broken down into 100-square-metre cells, with paid enforcers equipped with communications devices to allow them to provide real-time information to a central control infrastructure) and informant networks were expanded. At the same time, the MPS invested in nationwide databases to track people's movements and interconnected video surveillance to cover major cities in a unified camera network.

These surveillance resources strengthened the MPS domestically, because they were not shared resources upon which state security elements could draw. In August 2012, an article in the People's Daily contained a language shift that marked an official change and blurred the differences between the MPS and the MSS. Public security informatisation was previously intended to "preserve stability" and "strengthen public security", but the article shifted the formulation to "strengthen state [or national] security". The simple word change signalled that the MPS had become involved with a range of activities, such as counter-intelligence and counter-terrorism, associated more with intelligence than law enforcement.

The signs of an expanding MPS role were already present by the time that the official wording changed. For example, the MPS took the lead in co-ordinating patrols of the upper Mekong River following the 5 October 2011 murder of 13 Chinese river boat crew, and the ministry dispatched a team to Thailand and Laos to help hunt for the drug lord Sai Naw Kham, who it believed to be responsible. The joint operations eventually captured Naw Kham, and he was extradited to China for trial, sentencing, and execution in 2013.

Under Xi's anti-corruption drive, MPS officers have also been operating abroad to compel corrupt Chinese officials to return to China. Their activities eventually became aggressive and overt enough to generate a warning from Washington in 2015 about unapproved activities by Chinese officials.

Finally, the Counterterrorism Law passed at the end of 2015 also placed the minister of public security in charge of counter-terrorism policy and positioned the role as a "leading organ" for counter-terrorism work. The law also gave the MPS official sanction to operate outside China. In the past, counter-terrorism operations, especially abroad, were largely under the purview of the MSS, because the threats to China originated from outside the country rather than domestically. The MPS might have liaised with local law enforcement, but the MSS would have handled operations and intelligence.



PLA intelligence capabilities before November 2015 (Peter Mattis/IHS Jane's)

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Outlook

As the PLASSF and its myriad components settle into their new organisational tempo, structural logic should hold and the intelligence agencies should settle into their respective roles. However, structural logic presents an ideal form of the future without accounting for political friction that might derail operating logic.

China's highly competitive political system and the historical abuse of the intelligence services to settle scores or to keep tabs on other party leaders indicate that such friction is entirely possible. The question is what kind of political events could undermine the emerging division of labour.

The current system lacks an institutionalised mechanism for managing intelligence work across the party-army-state. The existing structure for policy-making keeps the intelligence inputs to the leadership separate and distinct, and the result is the absence of any system to share intelligence reporting, prioritise tasking, and co-ordinate operations.

Although many intelligence collection capabilities - for example, traffic analysis, direction finding (see imagery below), and overhead imagery - may be best suited for military use, they can be invaluable for vetting the reporting from human agents or determining another country's intentions during periods of tension. Establishing a mechanism for sharing intelligence reporting and prioritising the tasking of technical collection systems for different intelligence users would be a step towards a functional community rather than competing fiefdoms. A division of labour would still exist, but it would be arrived at deliberately according to capabilities at the time rather than as an accident of politics.



Airbus Defence and Space imagery showing a Circularly Disposed Antenna Array (CDA) site south of Beijing, China. The site was constructed between 2006 and 2010. Sites such as this are used for radio direction finding. Although this capability is primarily used by military intelligence, it can be a useful input for foreign intelligence agencies seeking to corroborate information from other sources.

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Airbus Defence and Space imagery showing a Circularly Disposed Antenna Array (CDA) site south of Beijing, China. The site was constructed between 2006 and 2010. Sites such as this are used for radio direction finding. Although this capability is primarily used by military intelligence, it can be a useful input for foreign intelligence agencies seeking to corroborate information from other sources. (CNES 2017, Distribution Airbus DS)

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This arguably would be the first potential disruption, albeit a distant possibility. The historical abuses of the intelligence services to serve factional interests - including in the removal of former Beijing Party secretary Chen Xitong (1995) and former Shanghai Party secretary Chen Liangyu (2006) - suggest that only a strong leader could overcome resistance to centralising authority over intelligence collection.

The second potential disruption would be that Chinese leadership disputes became severe enough to draw the security services inward and involve them in the conflict. Although Xi may not have instigated it, the competition under his watch brought life-and-death stakes back to Chinese politics. Xi has reshuffled the Central Guards Bureau, which is responsible for protecting the leadership, and has pursued key actors in the security services, including former Central Political and Legal Affairs Commission secretary Zhou Yongkang, former MSS vice-minister Ma Jian, and former Beijing Municipal Bureau of State Security director Liang Ke. In this scenario, the Chinese leadership would be grasping for whatever resources it could get its hands on to monitor its domestic competitors.



The Yilong I/Wing Loong II medium altitude long-endurance UAV, photographed here in 2016, is in development by AVIC; its predecessor is already in use by the PLA Air Force. UAV capabilities operated by the former General Staff Department of the PLA have probably moved to the PLA Strategic Support Force since its creation. This will benefit military intelligence collection, but represents a loss for elements of the former GSD involved in foreign intelligence. (IHS/Kelvin Wong)

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The third potential disruption would be if any of the major intelligence bureaucracies failed to perform, and the central leadership attempted to rebalance the system to better meet its needs. The MPS could probably only be minimally affected by failures, because too many of the ministry's resources are unique and there is no other police force. At most, the MSS could retake some ground on national security issues or share in the MPS's expansive technical surveillance network. The question of intelligence failure probably affects the balance between the PLA intelligence apparatus, especially the PLASSF, and the MSS. If the slimmed-down Intelligence Bureau in the JSD and the MSS cannot adequately support China's leadership, then the PLASSF's technical collection capabilities could start swinging back into the civilian orbit.

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