

# EYES AND EARS OF THE OF THE DRAGON

## Chinese intelligence services Organisation and activities

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### 1. Introduction

Cultural misperceptions are quite often the reason for misunderstanding and in consequence for wrong actions and reactions. This is especially the case in the intelligence world.

Till 1990 the Western intelligence world was well organized:

„A dragon sitting in Moscow was the target. Now we are in a snakepit not knowing which snakes are poisonous“ – as a Western intelligence chief characterized the new scenario.

After the end of the Cold War new global threats are coming up: energy shortage, climate change, drugs, money laundry, organized crime, terrorism. Especially the last threat – islamistic terrorism – increased its importance and danger for the world in 2001.

New global threats demand new methods of action, of fighting these threats – also from intelligence services. Now there are different enemies and a different security scenario.

Especially Asia and here China – for a long time more or less neglected by Western intelligence services – is coming back on the global arena where China makes every effort to become (again) a top global player.

It's another dragon appearing – the Chinese dragon. And the Chinese intelligence services are the „eyes and ears of the dragon“.

For obvious reasons the knowledge about Chinese intelligence services is rather limited, not much is known; it's kept as secretly as the making of porcelain

So after giving a brief survey on the Chinese intelligence services – both in the PR China and on Taiwan – I will concentrate on the activities of the Chinese intelligence services of the PR China, of Western services towards China and finish with a short conclusion.

### 2. Historical and cultural background

The reason for keeping intelligence services secret is not because of the organisation itself but because of the target and the actor (spy) that is to cover the espionage action and to protect the spy. Otherwise all activity would be unsuccessful, fruitless.

Espionage is one of the eldest “trades” in the world and is used to obtain secret informations to help governments to make decisions.

This especially applies to the Chinese intelligence services in a country with a 5000 years history and therefore also corresponding experience and mentality of secrecy (porcelain-secret).

Intelligence activity in China started already in prehistoric times but the first concrete instructions were given by Sun Ze (600 BC at the time of Confucius) who gave a definition of espionage, the kind of spies and the way of using them in his book “The art of war” .

And since that time only little has basically been changed, only modernized especially in the technical field.

During the imperial time Chinese intelligence services under the leadership of the senior eunuch at the imperial court were mainly active in surveillance of oppositional groups in the country ( especially the triads). Only minimal or few activity was directed in gathering informations abroad.

This changed after the revolution 1911, the overthrow of the emperor and the establishment of the “Republic of China” under Sun Yatsen and Chiang Kai-shek.

Sun Yatsen had used his connections with the triads to gather informations against the Manchus and the emperor. He founded his own secret society “Xin Zhong Hui” (“New China society”) which later was transformed into a party – “Guo Min Dang” (KMT). The KMT was structured and organized modelling itself on the Communist Party of the Soviet Union.

With the founding of the People’s Republic of China by Mao Zedong in 1949 the Soviet Union again played the “godfather” of the new Chinese intelligence service which was organized after the model of the KGB, the Soviet secret service. The founder of the Chinese service was Kang Sheng, also nicknamed the “Chinese Derschinskji”, named after the founder of the Soviet secret service, the Tscheka, “precursor” of the KGB. Kang Sheng established the first Chinese intelligence apparatus “ Central department for social affairs”. Later it was renamed “Central Investigating Department” under the leadership of Li Kenong and Luo Qingchang.

In this department the “Offices for investigation and research” existed which in the 50<sup>th</sup> were responsible for collecting informations at every Chinese embassy abroad.

Evaluation and analysis of the informations were carried out at the 8<sup>th</sup> office of the Central Investigating Department. This office is known as “Institute for contemporary international relations” since 1978.

In the 60<sup>th</sup> during the cultural revolution in China the Central Investigating Department was dissolved. Personnel and material were taken by the General staff, department 2.

In 1970 the Central Investigating Department was refounded. But Deng Xiaoping ordered that the embassies abroad no longer served as cover for the intelligence service, instead reporters and businessmen were “employed”.

In 1983 the Central Investigating Department was combined with the counter espionage departments of the ministry of public security and in June 1983 transformed into the ministry of state security (MSS), directly under the State Council. The first minister was Lin Yun who later was toppled by a turncoat affair.

China still regards itself as the “Empire of the Middle” how the Chinese name “Zhong Guo” can be translated. And the Chinese nationalism is mainly a cultural nationalism, even a patriotism which prevails not only inside the country but also among overseas Chinese wherever they live.

Overseas Chinese are the biggest investors in China, their motherland, and especially in the regions where their ancestors came from. Chinatowns around the world are called “Tang cheng” (Tang city) after one of the most important dynasties in Chinese history.

So Chinese nationalism is basically independent from the current political system in China. Today Chinese around the world are proud of the achievements of PR China and its development towards a “world super power”.

### **Eyes and ears of the dragon**

#### **3. Chinese secret and intelligence services**

Today PR China (PRC) is characterized by a strong economic growth and an increasing geostrategic importance. Chinese intelligence services play an important role in this growth movement by means of worldwide intensive reconnaissance in all important fields, especially military and economy.

In the **PR China** quite a number of intelligence and secret services exists either under the Party or directly under the State Council (see Appendix).

But the most important services responsible for information gathering are the Ministry of State Security (Guo Jia An Quan Bu) (MSS) and the military intelligence service (MID) under the Ministry of Defense:

#### ministry of State Security (minister Geng Huichang)

Department 1	homeland security
Department 2	reconnaissance abroad
Department 3	Hongkong, Macao, Taiwan
Department 4	technology
Department 5	local intelligence offices
Department 6	counter espionage
Department 7	evaluation
Department 8	Institute for contemporary international relations
Department 9	counter defection and counter surveillance
Department 10	scientific and technical informations
Department 11	electronic and computer
Office for foreign affairs	liaison with foreign intelligence services
Training school	Institute for cadre management in Suzhou
Other departments	head office, political department, office for supervision and control department for personnel and training, party committee

#### military intelligence service

Department 2 General staff PLA

- duties: HUMINT – information gathering abroad
- Evaluation from HUMINT and SIGINT

- training and deployment of military attaches

other institutions:

Institute for international strategic studies

Institute for international relations in Nanjing (training center)

Department 3 General staff PLA

duties: SIGINT – telecommunication reconnaissance and evaluation

Department 4 General staff PLA

duties: ELINT – electronical reconnaissance

These two organizations are the main actors abroad. Besides these services there are in the military field the intelligence service of the navy and of the air force and in the political field the intelligence of the Communist Party. Most probably other secret and intelligence services exist which are kept top secret, most of their activity in the country and less active abroad.

Talking about Chinese intelligence services one should not forget the **services on Taiwan**.

Already at the time of the „Republic of China“ under Chiang Kaishek on the mainland a well organized intelligence apparatus existed.

Sun Yatsen, the founder of the Republic of China (ROC), had sent Chiang Kaishek to Moscow to study the Soviet secret service and build up a similar one in China.

After the escape of Chiang Kaishek together with members of the parliament and the government from Mao's troops a similar organization was established also on the island.

In 1955 the “National Security Bureau” (NSB) was founded by presidential order of Chiang Kaishek with the duty of surveillance and control of all administrative, military and Party (KMT) organizations in charge of security on Taiwan.

At the beginning NSB had the nickname „Taiwan KGB“ and in 1994 became by law a legal institution, very efficient and active all around the world.

It is interesting to note that the Chinese name of NSB - “GUO JIA AN QUAN JU” - is almost identical with the name of the MSS – “GUO JIA AN QUAN BU” - . The only difference is JU (Bureau) instead of BU (ministry).

National Security Bureau (NSB)

- Department 1 international information gathering
- Department 2 information gathering in PR China
- Department 3 information gathering in Taiwan
- Department 4 evaluation of national strategic informations
- Department 5 scientific - technological information gathering, telecommunication security
- Department 6 control and development of secret codes and installations
- Central department special service central command, presidential protection and security
- Central department technology of telecommunication
- Training center

Besides the NSB there exist a number of military and civilian intelligence and security organisations for which leadership, coordination and support NSB is responsible:

- military intelligence services of the ministry of defense
- - bureau of the military intelligence service (general staff)
- - bureau of telecommunication (general staff)
- - security department for general political warfare
- - military police command
  
- civilian organisations
- - national police (ministry of interior)
- - national immigration office (ministry of interior)
- - national investigation office/FBI (ministry of justice)
- - administration coastguard at the Executive Yuan

#### **4. Duties and activities of the Chinese Intelligence services**

The activity and actions of the Chinese intelligence services – here: the intelligence services of PR China - can be divided into three periods:

- 1. 1945 - 1980
- 2. 1980 - 1990
- 3. 1990 - till now

The **first period** is characterized by a concentration of intelligence work inside the country: surveillance, counterespionage and to a certain extent espionage operations against Taiwan. Information- gathering abroad was more or less neglected.

Main actor was the „Central Department for Social Affairs“ under the famous Kang Sheng; later renamed „Central Department of Investigation“.

Intelligence activities abroad were mainly performed by the MID, Department 2.

1945 - 1949 civil war, victory of PRC, ROC on Taiwan; USA advisors with Mao Zedong and Chiang Kaishek; mainly supporting Mao until the beginning of the Cold War, then on the side of Chiang = cultural misperception

1949 - 1971 domestic security, mutual operations PRC and ROC, neglecting the rest of the world

1971 - 1980 change of policy ROC – PRC, post-Mao, Deng Xiaoping – birth of the new China

The **second period** shows a change in intelligence activity and espionage operations. They are still the traditional espionage- and counter-espionage-activities and operations, but slowly enlarging from domestic actions to operations in the international area, especially after the „replacement“ of the ROC by the PRC 1971.

China's main principle is non-interference in domestic affairs of foreign countries (“Bandung” conference 1955).

With the opening policy proclaimed by Deng Xiaoping (1980) China entered the global arena. To support and speed up China's fast and surprising development and economic growth the assistance of intelligence was and is still needed. This led to the founding of the MSS 1983 and to more activity of the MID abroad.

China used in a more and more aggressive way the means of intelligence for gathering secret informations. The target fields were mainly hightech, armaments industry to help China to catch up in these fields with Western industrial countries. A vast reservoir in helping to reach this goal was and still is the huge number of overseas Chinese.

The **third period** shows a new scenario – more dangerous with global dimensions. Intelligence services are more important, more needed than before.

Till 1990 the Chinese intelligence services supported their country by collecting secret informations in the traditional way – espionage.

But after the end of the Cold War, especially after the disaster of September 2001 China saw itself like- the rest of the world- confronted with new threats and dangers that could not be fought the old way, but needed new methods and particularly cooperation with other nations' s secret- and intelligence services.

Not only its intelligence services but China itself is quite unknown in the West. The picture of China drawn in Western media is sometimes very different from the „real“ China.

China sees itself as the „empire of the middle“ („Zhong Guo“), the centre of the world as it once has been in its 5000 years long history.

Now China strives to return to this position by all means. What all Chinese around the world unites for reaching this goal is the ever present nationalism, a cultural nationalism and patriotism. This includes all Chinese – in the PR China, on Taiwan and abroad. They are proud of the achievements of China and its return to a world power. Overseas Chinese are the biggest investors in the PR China. They invest mainly in areas where their ancestors came from.

Relations („guan xi“) are the most important element in Chinese society stretching around the world. Even after taking a foreign country's nationality Chinese still remain Chinese with strong bonds to their mother-country China.

Bound to tradition and history Chinese can cope with their own identity and cultural conception but lack experience and knowledge of foreign mentality and culture.

This applies also to intelligence services who have the psychological knowledge and experience concerning the mentality of their „country-men“.

These facts are well known to Chinese intelligence services and used for their purpose. The „relation-network“ of the Chinese society at home and abroad also serves this purpose.

The target groups for the services are therefore ethnic Chinese around the world: overseas Chinese, Chinese students and scientists, businessmen, tourists.

The necessary „infrastructure“ consists of diplomatic missions, news-agencies, companies and restaurants.

In this way cultural misperceptions are not occurring and intelligence failures can be avoided.

The motive for agents recruited are patriotism and loyalty which also can be used as means of pressure.

Recruiting foreigners, especially Westerners is still rather seldom and only for very important targets.

Not being familiar with Western culture and behaviour (moral) Chinese intelligence services try to avoid mistakes and failures.

Chinese intelligence services are also using secret organizations, the Chinese triads which changed from former political opposition groups in China to global organized crime organizations with international relations.

Last but not least the almost 2500 years long history of Chinese intelligence guarantees successful work. Following the advice of Sun Zi helps avoiding mistakes

Foreign intelligence services, including counter-espionage services quite often lack the real understanding of China, its historical, cultural and social background.

Recruiting Chinese agents is possible, but never a safe affair: a „double agent“ might be the result who finally works for his country. This aspect is often forgotten by counter-espionage services. Chinese citizens with USA nationality remain Chinese during all their life willing to help their country China to regain its historical position. They can be regarded as „sleeper agents“ willingly or forced to be activated in a target country at anytime.

(2005 – 2007 in USA 30 Chinese were arrested, some with US citizenship, because of economic and military espionage; 2005 Chi Mak (50 years USA), 2008 Chung Dongfang (72 years old).

#### **4. Conclusion**

Still regarding China as the last „bulwark“ of communism in the world is indeed a (cultural) misperception which leads inevitably to intelligence failures.

Nationalism is the strong tie to hold the nation (China) together but it is a cultural nationalism, sometimes leading to an extreme patriotism.

Combined with an intensive global network of relations (guan xi) this phenomenon gives Chinese intelligence services a big advantage over Western services.

Not knowing Western culture the Chinese services try to avoid cultural misperceptions and in consequence intelligence failures. They therefore concentrate on Chinese people wherever they are in target areas to be recruited as agents and work for the Chinese services, willingly or forced to collect secret, needed informations.

All Chinese abroad – with Chinese or foreign nationality – are a kind of „fifth column“ for China's intelligence services.

In combination with Chinese triads China has a vast reservoir of potential „sleeper-agents“ in a very efficient global „relation-network“ to its disposal.

In the traditional intelligence field China can - by using agents of the same culture - easily avoid cultural misperceptions and intelligence failures. With the new scenario however Chinese intelligence services are confronted with new targets in unknown areas: terrorism, especially islamistic terrorism is based on a culture/religion almost unknown to the Chinese.

„Religion“ in the Western sense (monotheism) doesn't exist in China. Social life is based on rules of conduct initiated by Confucius and Buddha. Cultural misperceptions are the consequence. Chinese intelligence services have indeed a hard time to cope with the new danger and depend on cooperation with other services. But especially the USA war against terrorism „helps“ China to fight all oppositional groups in China (Xinjiang, Tibet) by just calling them „terrorists“.

Chinese intelligence services are one pillar of power in China besides the Communist Party and the military.

The „eyes and ears of the dragon“ have an important share in central control and surveillance to keep the „empire“ with 1,3 billion people together and to help China on the way to its „appropriate“ place in the world.

But it would be a mistake to put the blame on the „communist“ system. This system is regarded as a „foreign dynasty“ like the Mongols or Mandschus.

The communist ideology in its details is generally unknown to Chinese people.

„Zhong Guo“ is the symbol and main aim for all Chinese around the world.

#### Abstract

**Asian policy-makers and intelligence officials were confronted with the same kind of problems regarding their objectives vis-`a-vis the West as the West does regarding Asia – but with one difference:**

**Especially China showed a secluded society and a certain negligence of the outside world. Only in the last decades China opened up and therefore was confronted with foreign countries and cultures.**

**The West showing a more international attitude based on a more open society nevertheless hardly understands the differences of Eastern culture and history.**

**Because of this misunderstanding of Eastern culture and history plus the Western view of the world cultural misperceptions and in consequence intelligence failures happened in the West.**

**Intelligence services especially depend on understanding the characteristics of their target country and its people.**

**Asian/Chinese intelligence services tried to avoid failures by concentrating on their countrymen in using them as targets and information sources.**

**In the East different history and culture lead to different politics and intelligence activity.**

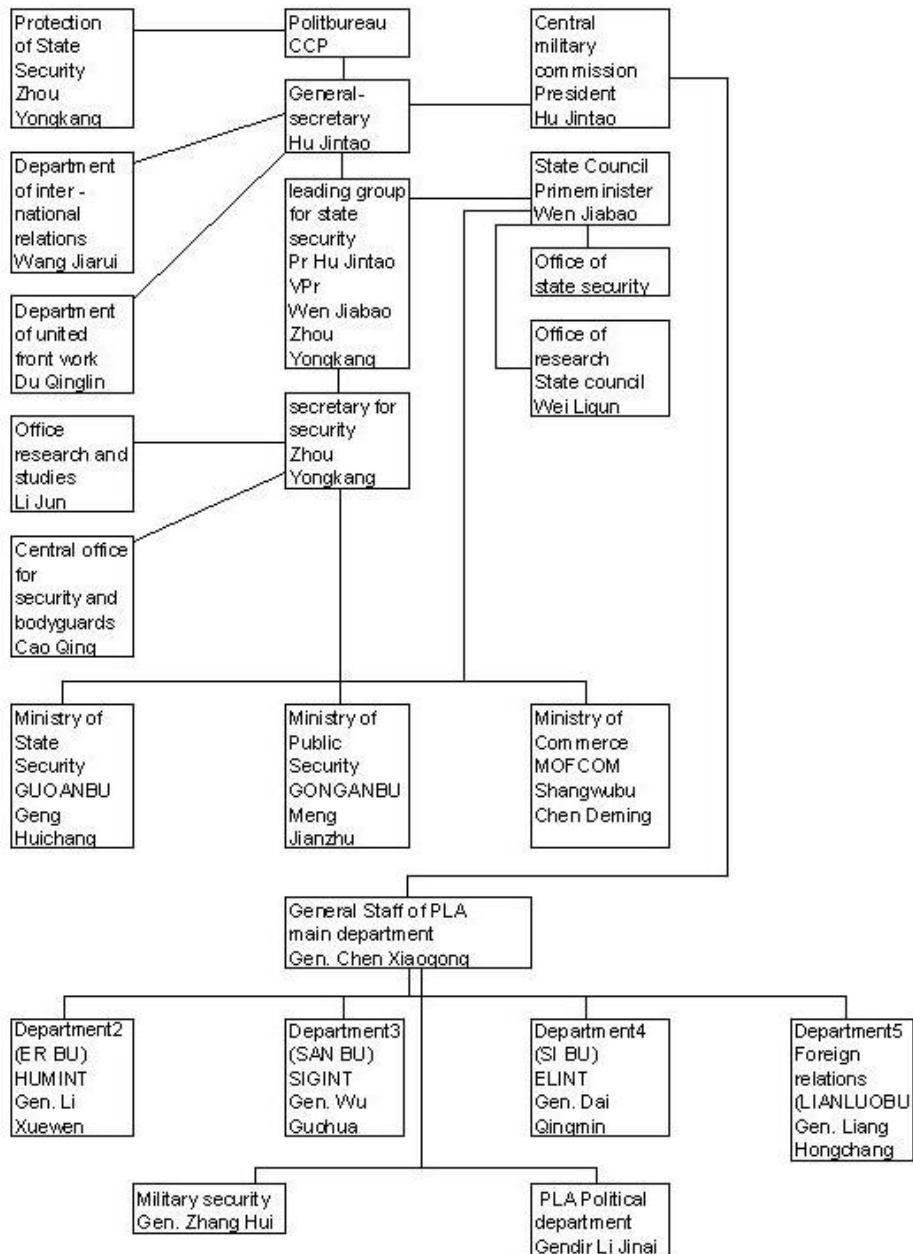
**The organisations are similar or even adopted from the West.**

**To avoid misperceptions and therefore failures intensive studies of the other side (culture, history, philosophy and language) is a must, especially today at the time of new global threats and danger.**

Keywords: Chinese intelligence services; MSS (Ministry of State Security); MID ( Military Intelligence Department); NSB ( National Security Bureau); cultural misperception; intelligence failures

**Appendix: Faligot,R. (2008), translated from French by author**

**Chinese intelligence community 2008**



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