Chinese People’s Liberation Army:  
Reduction in Force by 500,000 and Trend of Modernization

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Introduction

At the 15th National Congress of the Communist Party of China in September 1997, Chairman Jiang Zemin, General Secretary of the CPC Central Committee, announced the plan to reduce the military strength by 500,000 by the year 2000 in his report, and this reduction program was launched in 1998. The detail is not clear, but the target was achieved in the first year, and the reduction campaign is in progress in the second year, 1999.

At the First Plenum of the 9th National People's Congress (NPC) held in March 1998, Zhu Rongji was elected as Premier of the State Council to succeed to Li Peng. At assuming the office, Zhu Rongji stated positively that he would plunge a scalpel into three problems awaiting solutions in China and execute reforms (reform of state enterprises, financial reform and administrative reform) with a decisive stance. His reforms are being conducted simultaneously with the reduction in force. Reduction in force of the People's Liberation Army (PLA) is under way in spite of the increased difficulties although a number of workers have been laid off and unemployment has become a serious issue as a result of the development of this oppressive or bold reforms. The author attempts to delve into the conditions, significance and direction of the reduction in force.

The People’s Liberation Army has also been proceeding with modernization with a goal to win in local wars that involve high-technology conditions. The author also plans to describe the entire target picture of modernization of the Chinese military with the condition of the reduction in force as a starting point.

1. Background of reduction in force

No plans for further reduction in force had been executed since the reduction by 1 million executed by Deng Xiaoping in 1985 although reports for such intentions had been made a number of times. In 1992, in particular, a Hong Kong newspaper reported repeatedly about reduction of the People's Liberation Army, but it was never executed.¹

¹ Jing Pao, February edition, January 29, 1992; Wen Wei Po, April 25, 1992; Ming Pao, April 26 and July 7, 1992; H. K. Economic Daily, May 2, August 26, 1992; H. K. United Daily News, July 1, 1992; Guang Jiao Jing, August

According to the report in the Hong Kong newspaper, the reduction plan included reduction in forces by 300,000 to 1 million and reduction of the number of the currently seven major military regions. In 1993, however, the tenor took a complete change and the military leaders announced statements that denied such reduction plans.\(^2\) Five years later, at the 15th National Congress of the CPC held in September 1997, the plan to reduce in force by 500,000 was announced. What had been happening in these five years concerning the reduction in force? This paper shall not discuss the development of this reduction in force, but the author considers that there must have been some compromise between Jiang Zemin and the military in the background that enabled Jiang Zemin to execute such daring reduction in force by 500,000, though smaller in scale compared to Deng Xiaoping's achievement. It is natural to assume that the compromise included execution of modernization policy of the military and certain preferential treatment for the military.\(^3\) The leadership of Jiang Zemin can also be evaluated accordingly by achievement in obtaining such compromise. In addition, the following factors seem to have facilitated reduction in force.

(1) Changes in recognition of threats

One of the factors that enabled Deng Xiaoping to execute reduction in force by 1 million in 1985 is no other than the conversion in recognition of warfare (conditions). Up till then, China had been preparing for actions under the concept of Mao Zedong that a world war was certain to break out. Deng Xiaoping denied this concept, and shifted the battle readiness preparation that had assumed emergencies to a peacetime operation stance with the belief that a world war would not break out, and any emergencies would be local (limited). In other words, there was a conversion of concept from a doctrine of inevitable world war to avoidable world war.

China has changed potential threat nations in accordance with the conditions of the times since establishment of the present regime. In the 50s, its potential threat was the United States, in the 60s the United States and the Soviet Union, and in the 70s, the Soviet Union was the largest threat. Although they tried to change their recognition of wars in the 80s, the threat from the north was present. The visit by Secretary General Gorbachov in May 1989, however, triggered significant improvement in the China-USSR relationship. In May 1991, Jiang Zemin finally visited the Soviet Union and hope was conceived in the long-standing eastern border issues. Even after the resolution of the Soviet Union in December 1991, the relationship between these two countries are becoming more intimate as symbolized by the transfer of arms from Russia.

\(^{2}\) Paper by Liu Huaqing, vice-chairman of the Central Military Commission: "Our land is vast, the geographical features are complex, the border lines are long and the transportation system is undeveloped. We need the present military 3 million strong, and it is appropriate to maintain them." (Qiushi 15th edition, 1993), International Strategy Study, June 1993 edition, "The scale of the military is large in the absolute number, but relatively speaking the Chinese army is not so large."
\(^{3}\) Since 1989, the growth rate of the national defense budgets in comparison with the previous year has fluctuated in two digits, and the ratio of the national defense cost in the annual expenditure grew from 8% to 9% from 1994.
China’s recognition of threats has obviously changed, as indicated in the report titled “Strategic Trends in China” issued by the Institute for National Strategic Studies of National Defense University of the United States in June 1998, which stated as; “Assessment of threats by the People’s Liberation Army has drastically changed in the past 20 years. Up to immediately before the end of the Cold War, the People’s Liberation Army had been focusing the Soviet Union as its most apparent threat. Since then, China has gradually reoriented its focus to general emergencies concerning the interests in the seas and coasts along the changes in the strategic prospects,” and “the People’s Liberation Army is shifting its plans from those based on threats to those based on emergencies.” Therefore, reduction in force by 500,000 was enabled by the new recognition. China, however, has begun to consider political threats by the “peaceful revolutions” that aim to overturn the regime with peaceful measures as seen in the Tien An Men incident in 1989 as well as economical threats that aim to isolate China by economic sanctions as the new threats to China although military threats have been removed. In other words, they may have started to feel alarmed by the internal threats rather than external threats. The Chinese People’s Armed Police Force (PAP) is absorbing some of the reduced force for this reason, as discussed later in this paper. Thus, changes in the recognition of threats and wars (conditions) must be the major factor that enabled reduction in force.

(2) Necessity for modernization of military

Reduction in force should not be considered as simple decrease in the number of military personnel, but as enhancement of the quality. It was triggered by no other than the Gulf War in 1991. This war clearly demonstrated how the Chinese weapons, equipment and military technology were behind compared to those in the West. This is easily understandable by Jiang Zemin’s statement. Concerning improvement of the quality of the military, Director of Defence Chi Haotian published a paper in the 8th edition of “Qiushi” in 1996 as follows; “We must construct a choice regular troops that best suit the national conditions of China, reinforce improvement of quality, depend on highly technological strong forces, and continuously enhance the modernization level of our military forces. It is a fundamental trend in the current worldwide state of affairs in the military to reduce the force and aim for higher quality. In order to meet the changes in the state of affairs, many nations are making adjustment in the military strategies, take advantage of the current relatively peaceful situation, reduce the size of the military, and improve quality of the military under favorable conditions. Rapid development and application in the military purview of the present science and technologies, high-tech areas in particular, require higher standard to the quality of the military and offer an opportunity to reduce the size

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4 Jiang Zemin’s statement: “Successive local wars, local wars that broke out in recent years in particular, tell us that modern wars consist of high technology battles, which are three-dimensional wars, electronic wars and missile wars. Those who are behind and who have dropped out will be beaten without any reserve.” Liberation Army Daily, March 20, 1991. “We must fight modern wars with modernized military. We must respect science and take serious views on our arms. We should endeavor to enhance the level of our military’s weapons and equipment as much as our national budget allows.” Liberation Army Daily, March 31, 1991.
of the force. It is an inevitable trend where construction of military forces converts from the quantitative scale to the quality functions, and from manpower concentration to science and technology integration.\(^5\) Such announcement by a military leader to reduce in quantity and improve quality seems to be an indication that agreement has been reached inside the military for reduction in force. In a realistic point of view, now that it has become feasible to transfer arms, equipment and military technologies from Russia, it was a matter of finding the right time to launch the plan for reduction in force. They strongly feel the urgency that they would not be able to survive unless modernization with high-tech application in the military takes place, and that fear has led to reduction in force. Considering the fact, however, that the size of the reduction was between 300,000 to 1 million according to the Hong Kong newspaper, it is probable that it took 5 years to reach the compromise in the size although the reduction itself had been agreed upon.

(3) Sudden rise in counterattack against the Chinese threat concept

The reduction in the People's Liberation Army that is currently under way should be considered as an event in the same dimension as the Chinese threat argument that suddenly arose in 1991 or 1992. The emergence of Chinese threat argument was caused by a combination of several factors. One factor was the fear that the Chinese forces might replace the United States and the Soviet Union in the vacant regions in Asia after the withdrawal of the American Navy and Air force from the Philippines and the withdrawal of the Soviet forces from Viet Nam in 1991. Another factor is the introduction of SU-27 fighter airplanes to China from the Soviet Union. The radius of combat action of this model (1,500 km) is double the size of the latest J-8 fighter airplanes of the Chinese force (800 km), which meant significant reinforcement of the air supremacy by China. These fears were fanned by the enactment of “the law of the territorial waters” in February 1992 which clearly defined that Spratly Islands and Senkaku Islands are part of the Chinese territory. In addition, at the 14th National Congress of the CPC held in October 1992, Jiang Zemin mentioned “Protect marine interests” for the first time, and added it as a new duty for the People’s Liberation Army.

In other words, the Chinese administration introduced new military equipment as if they were ready to fill the vacancy, declared that the vacancy was part of the Chinese territory, and ordered the military to defend the territory. At the same time, the Chinese economy developed drastically, which fanned the fear against the Chinese military movement. The military drill conducted in 1995 to 1996 that included missile launching at the Taiwan Strait amplified the Chinese threat argument. Although China has been taking several countermeasures that included publication of the Chinese white paper “China’s National Defense,” they have not completely eradicated the Chinese threat argument as yet. The reduction in force by 500,000 might be

\(^5\) “China’s Arms Control and Disarmament” (dated November 16, 1995) and “National Defense of China” (dated July 27, 1998) in the first Chinese white paper “China’s National Defense.” Both have description that the national defense policy of China is “defense oriented,” and the national defense of China “will not present threats to any countries,” and “China does not seek hegemony.”
included in their countermeasures. These are some of the factors that forced the military leaders to compromise to reduction in forces although they had once stated that the Chinese military is not so large in size.

2. Current situation of reduction in force and other trends

(1) Situation of reduction in force

On February 6, 1998, Xinhua News Agency reported the start of the reduction in force for the first time, but in regard to the specific procedure for the next three years, no details were disclosed except for the expression, “to follow the experience of the reduction in force by 1 million in the 80s.” The report simply stated that “reduction in force is under way, and the field army in part of the Group Army was attached to the People’s Armed Police Force.”

Concerning this issue, the April edition (98.4) of the Guang Jiao Jing, a Hong Kong newspaper, reported on the conditions of the reduction in the People’s Liberation Army that “part of the army divisions in the second line (a total of 14 divisions) are transferred to the People’s Liberation Army one after another, maneuver PAP divisions were organized under the direct control of the General Unit of the People’s Armed Police Force, and the maneuver and operation capability of the People’s Armed Police Forces has significantly improved.” It was reported that as a result of these transfers, part of outdated heavy equipment has been abolished and the maintenance cost of equipment and expenditure for training of the units have significantly been reduced. It was also reported that the military is offering extremely favorable conditions to achieve the goals to win victory over local wars under high-tech conditions. From these reports, it could be understood that the surplus force after reduction is absorbed mainly by the People’s Armed Police Force whose duty is to strengthen domestic public order, and the military plans to apply the surplus budget to modernization of their equipment.

The Chinese white paper titled “China’s National Defense” published in July quoted the specific figures of the ratio of reduction in force for the first time. According to the publication, the army is to reduce by 19%, navy by 11.6% and the air force by 11%, and at the same time the structures are to be reformed, the military quality is to be enhanced and constructed, science and technologies are to be applied for reinforcement, and the modernization of the military structure is to be raised to a new standard.

Trial calculations on those ratio indicate that the major target in reduction in force is the army, and the specific figure is estimated at around 420,000. The navy will reduce by around 30,000, and the air force will reduce by around 50,000. It is speculated that they are aiming to modernize the military structure by executing reduction in force by 500,000. Although the details in the achievement in the first year is not clear, several media reportings suggest smooth start and fair achievement.

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One of the reports, “Liberation Army Daily” (dated September 11, 1998) said, “reduction in force is in progress and 100,000 have so far retired.” Following this report, the Xinhua News Agency reported on October 27 that, “arrangement for re-employment of the discharged soldiers for this fiscal year has basically completed, where 50,000 discharged officers have found new employment and over 16,000 have returned their homes.” It also reported that, “arrangement for re-employment of the discharged military personnel for this year was conducted in a new condition. The reduction in force by 500,000 is being conducted simultaneously with the reorganization of the system, reform of state enterprises and reform of the housing system, and the responsibilities for arrangement of re-employment are heavy and difficulties are arising,” which implies the difficulty in the task. The “Liberation Army Daily” (dated December 24, 1998) also reported that, “the discharge procedure has smoothly completed and several hundreds of thousands soldiers were discharged with fine spirit and appearance.”

As far as one can learn from these reports, the plan seems to have started smoothly although the reports lack specific information and indicates some difficulty in the first year. In the second year, however, it is necessary to continue to observe the progress to determine whether the goal may be achieved or not since the number of laid-off workers is on the increase and the Asian financial crisis may affect the outcome. Under these circumstances, the “Liberation Army Daily” dated February 6, 1999 reported that the State Council held a conference of veteran's transfer to another department to arrange support for re-employment of the military officers in this fiscal year, and “demanded the central government organizations and the central management to completely execute their duties since 1999 is the key year for the three-year campaign of reduction in force by 500,000 and the duty to support the re-employment of some 80,000 officers is essential.”

(2) Other trends

Needless to say, reduction in force does not complete by itself, but it requires absorption of the surplus manpower. It has been indicated that the affects of the reduction in force by 1 million executed by Deng Xiaoping in 1985 spread to numerous areas. Naturally, it is inevitable that the reduction by 500,000 this time will exert influence in various areas. The People's Liberation Army will suffer the consequences as a matter of course, but when such suffering propels the military to the desirable direction, this reduction in force will become truly significant. The desirable direction for the military is the acquisition of capability to win victory in the wars under high-tech conditions, in other words, reformation of the military into the high-tech oriented structure. The following section discusses the movement for that direction.

(A) Reorganization of the structure

Reduction in force by 500,000 would force reorganization of the structure of the military forces as a matter of course. In that end, the General Armament Department8 organized in

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8 Liberation Army Daily, April 6, 1998.
April 3, 1998 may be symbolic. The PLA General Departments, which is situated at the top of the staff organization of the People’s Liberation Army had consisted of three offices, namely the General Staff Headquarters, General Political Department and General Logistic Department, but with the addition of the General Armament Department, it now has four departments. The equipment office that had been ranked below now stands shoulder-to-shoulder with the three major general departments. The rationale would be the intention to assign the technical experts to execute modernization of the military structure instead of depending solely on the operational experts at the General Staff Headquarters. This indicates the structure of the decision making structure for the modernization process, and it now is possible to launch more prompt modernization policies. Furthermore, it is now possible to proceed with the modernization of the military structure more efficiently by integrating the technical development, management and operation windows that had been inefficient in the past. In other words, establishment of the General Armament Department is closely linked with the reduction in force, and perhaps this movement was done as an effort to ensure weapon development and other means of modernization of the military structure at the same time.

At the 1st Communist Party Committee Expansion Convention for the General Armament Department held on January 8, 1999, Jiang Zemin emphasized that “we must exalt the patient, daring, diligent, strenuous, solidarity spirit as we demonstrated when we were developing atomic and hydrogen bombs and artificial satellites, find the way to development of national defence science and technologies and weapons, endeavor to proceed and advance into a new phase of weapons and equipment of our armed forces,” and added that “we have determined to establish the General Armament Department to meet the challenge of military reforms in the world, strengthen the integrated and comprehensive leadership for weapons and equipment, and to quicken modernization of our weapons and equipment,” which is a clear indication of strong stance of Jiang Zemin in his intention to advance high-tech application in the military.

(B) Higher efficiency in military (banning business by military)

In July, 1998, Jiang Zemin forbade the armed forces and the armed police force to engage in any kind of commercial, economic activities, and by the mid-December 1998, businesses owned by the armed forces and armed police units were transferred to civilian companies. Resistance, opposition or complaint against this order have not surfaced so far. Withdrawal from commercial or economic activities by the military forces is not directly linked to the reduction in force, but it is an indication of the intention to obtain higher efficiency, i.e, better quality in the military by drawing clear distinction between the military and commercial businesses and to reform the military structure by bringing back the military to its original duties, in other words, it would lead to modernization of the military structure. In this sense, banning commercial, economic activities by the military forces could be considered at the same level as in the reduction

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Why did the military start to be engaged in business activities at the expense of its original duty of national defense? Its root lies in the culture and tradition of China, and started to reflect the history of self-sufficiency. From the very start, the People’s Liberation Army had three major responsibilities, namely “combat task, political maneuvering task and production task,” which means production was part of its responsibilities. It expanded to commercial, economic activities later. At the beginning, their economic activities concerned only agriculture and light industry, which presented no problems. However, when China started reform and open up line policy with the priority given to economic construction, the military followed this policy and expanded its economic activities. In 1984, in particular, Deng Xiaoping decided that the military should conduct the tertiary industry in addition to agriculture and manufacturing, which triggered the military to be actively engaged in economic activities. By 1989, the number of the military enterprises reached 20,000, and corruption, smuggling, illegal dumping, usurpation and other problems started to prevail within the military. At first, the central authority could take no countermeasures against these problems. The central government, however, started to enforce restrictions against commercial, economic activities by military one after another in order to maintain the healthiness of the military, and held the all military conference of production and management activities12 in November 1993. At this conference, Jiang Zemin emphasized that the duties of the military forces are “consolidating national defense and training,” which triggered tighter controls against the military. In February 1991, business activities were banned for all units under divisions, and the same was banned for all units under group armies in June, 1994. Furthermore, in April 1998, production and management activities of non-military troops were banned, and in July, all commercial, economic activities were banned.

Thus, Jiang Zemin enforced strict control against economic activities by the military, and finally achieved the total ban on economic activities by the military. His aim was to bring the military back to its original duties, improve its efficiency and modernize the structure to make the People’s Liberation Army to be reinforced, highly efficient, elite troops. At the TV telephone convention that announced the decision of the Party leaders on the ban on commercial activities on July 28, 1998, Chinese Vice-President Hu Jintao stated,13 “we will promptly cut down all relationship with profit oriented companies. We will ban all commercial activities from now. The national finance will guarantee necessary expenses for the military forces and armed police units,” which should mean that he assured compensation for the loss of profit from withdrawal from commercial activities, ordered the military to concentrate on its original duties without thinking of profit and loss and follow Jiang Zemin’s order. As a matter of fact, the defense budget for 1999 showed an increase by 12.7% compared to the previous year and made the record of high growth in two digits for eleven consecutive years. This indicates the preparation of the system where the military does not have to be involved in business activities and concentrate on its original duties, i.e., the way for modernization of the military structure.

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12 Liberation Army Daily, November 9, 1993.
(C) Modernization of equipment

Modernization of equipment and reduction in force are closely linked together as the means to create a slim, higher quality military body. How much saving in the defense budget would result from reduction of 500,000 from 3 million military effectives? A trial calculation with the defense budget in China in 1998 indicates around 15.47 billion yuan, which is equivalent to mere 1.87 billion US dollars. Generally speaking, the Chinese government does not announce the entire defense budget, and it is speculated that it is actually much higher than the official figure when unannounced defense budget is added. The actual figures vary by three- to seven-fold among different research institutes. Recently, it was proposed to use the purchasing power parity. Calculations using the purchasing power parity showed 10 to 30 times larger figure. An increasing number of researchers seem to be taking this method for evaluation. It is difficult to determine the correct figure since the Chinese government does not disclose the details. China should disclose some specific figures even though no one expects total transparency. The Chinese government has consistently insisted that the officially announced defense budget is the actual figure, and the details remain to be unseen.

A bold trial calculation indicates that 15.4 billion yuan is almost equal to the amount of the defense budget in the early 80’s when the People’s Liberation Army enrolled 4.2 million effectives. China does not use its currency yuan when making comparison with other nations, but use the US dollar equivalent which makes China appear more favorable. It should not be overlooked that the values converted to the US dollars in calculations are more convenient for China since they do not show much change in 10 or 20 years although the Chinese economy has grown drastically in the past 20 years. For this reason, in calculating the amount of the defense budget in China, it would be more appropriate to make detailed analyses on the introduction of weapons and equipment to China every year and draw estimations from them.

China seems to be steadily proceeding with modernization of weapons and equipment in the fields of fighter airplanes and naval vessels according to the recent reports. One of the new introduction is the SU-27 fighter airplanes which China started to make licensed production in 1998. It is reported that China plans to manufacture 10 to 15 airplanes every year. It was confirmed that the first model of the SU-27 manufactured under license made its first flight at Shenyang Aviation Manufacturing Corporation in the Liaoning Province in 1999.14 Another example is the disposition of a 6,000 ton class destroyer “Lu hai,” the largest vessel in China.15 These two are significant addition to their armament that would bring further renovation to the Chinese navy and air force.

In addition, China and Russia have agreed to establish a joint enterprize in Zhuhai City in Guangdong Province to manufacture training aircraft SU-29 and SU-31 based on the SU-27 fighters. In this city, an international aviation show was held in November 1998, when an FBC-1 fighter-bomber, a newly developed model in China, made a demonstration flight. This FBC-1

14 Mainichi Shimbun, January 5, 1999 ; Sankei Shimbun, January 6, 1999.
fighter-bomber has an engine for SU-27 fighters, with the performance characteristics of the maximum speed of Mach 1.7 and radius of combat action at 1,650 km, and can be equipped with a total of 6,500 kg of main equipment including 23 millimeter machine guns, air-to-air missiles, air-to-surface and air-to-sea bombs and missiles. China is also developing an improved version of MIG-21, a light fighter FC-1, and is also speculated to be developing F-10 fighters with the technologies employed in Rabbi fighter of Israel.

The Chinese navy is proceeding with the arms transfer from Russia that includes kilo-class submarines and Sovremenny class destroyers. Reduction in force by 500,000 will cast great significance in modernization of arms and equipment.

(D) Securing talented personnel by restructuring

Reduction in force necessitates the solutions as to how to reduce the current soldiers and how to control future enrolment as a matter of course. Reduction in force has the aim to modernize the military itself and it is essential to determine how to maintain or recruit higher quality soldiers in the smaller capacity in order to achieve the goal. The “Military Service Law” amended in December 29, 1998 offers the solutions.

In the “Liberation Army Daily” dated January 4, 1999, General Staff Headquarters Mobilization Department Director, Fan Xiaoguang indicated four major points. Here is the outline. The first is: the service term for conscription is too long which is creating extra burden. The volunteer enlistment system has been established and needs for conscription soldiers have diminished. Therefore, the current mandatory service terms in the army (3 years) and navy and air force (4 years) should be reduced to 2 years for all forces, the second is: modern warfare must employ high-tech. The reserve force should be classified by the level of their high-tech rather than their ages as currently conducted, the third is: a supremacy system for the military forces should be legally defined, and the fourth is: noncompliance to the Military Service Law should include penal regulations.

Director Fan also stated on the reasons for the amendment that, “it was necessary to amend the “Military Service Law” to strengthen the national defense structure under the new circumstances. It was also necessary to aim creation of higher quality military forces with the Chinese characteristics by converting the traditional quantitative style to quality and efficiency oriented style, and from concentrated manpower style to science and technology concentrated style in accordance with the demands in the military strategy policies in the new age in order to face the challenge presented by the military renovations in the world.”

On October 27, 1998 when this proposal for amendment of the Military Service Law was presented, Yu Yongbo, Director of the General Politics Department, stated that when the new law is executed, the rate of the volunteers in the entire armed forces would increase from the current 18% to 35% in 2000. In other words, the amendment of the Military Service Law is closely linked with the reduction in force by 500,000. They seem to plan to create smaller

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military with superior abilities by constructing the armed forces with professional knowledge through the volunteer system that had been adopted in the West to replace the traditional dependency to mandatory service so that they can secure superior individuals. Thus, China is making efforts to secure superior personnel required in creating professional military forces.

Here are some of the reported examples: the “People’s Daily” in July 1997\(^{18}\) carried an article entitled “Higher quality in high rank officers in Chinese military” and reported that the rate of university and technical college graduates has increased from 49.2% as of the end of 1992 to 78.4% today. The “Liberation Army Daily” in August 1997\(^{19}\) reported that the university and technical college graduates occupy 89% of the high rank officers in the divisions and 38% of the fundamental-grade executives (officers).

These imply that China is trying to secure superior personnel and improve their quality even further to construct the armed forces that can face the modern warfare.

The People’s Liberation Army celebrated the 71st anniversary of the founding of the PLA in August 1998. To commemorate, Director of Defense Chi Haotian published a paper in the “Liberation Army Daily,”\(^{20}\) in which he emphasized the importance of securing superior personnel and stated that “superior personnel is the key to modernization of our military. Without higher quality personnel, modernization of the military would be impossible,” and “it is an essential issue in the long-term development of our military to nurture and select many young officers with both talent and morals.” The restructuring of the system seems to emphasize securing talented personnel to meet the requirement of the military.

(E) Substantial education and training

Education is closely linked to securing superior personnel discussed above. The intention is to compensate for the drop in the military strength caused by the reduction in force through providing higher education to the secured superior personnel. The military leaders seem to assume a strong stance toward education. Education sessions and research seminars have continuously been held throughout 1998 for the high rank officers to study the subject of how to fight high-tech wars.\(^{21}\) PLA Military schools and academies also endeavor to provide more substantial education and training to improve the qualities of the officers through command post exercises and practice exercises.

In early 1999, Jiang Zemin visited the National Defense University in January and observed a training session with a military training simulation system. This could endorse how much interest Jiang Zemin has in education at the National Defense University. Jiang Zemin emphasized that\(^{22}\) “The National Defense University is an important base for military training

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\(^{18}\) People’s Daily, July 29, 1998.
\(^{19}\) Liberation Army Daily, August 5, 1998.
\(^{20}\) Liberation Army Daily, August 2, 1998. Quoted from Chi Haotian’s paper “Let us strengthen our national defense and modernization of the military structure under the great flag of Deng Xiaoping’s ideology.”
\(^{21}\) Liberation Army Daily, May 26, June 12, July 16, July 17, July 29, October 10, November 3, November 4, November 15, December 3, 1998.
\(^{22}\) Liberation Army Daily, January 6, 1999.
and bear an important mission to nurture personnel with higher quality. All military academies for all forces must observe the demand by Comrade Deng Xiaoping, look hard at the necessity for preparation for development of the times and military struggles, renovate the concept of education, and proceed with the educational reformation. The academy leaders and teachers for all forces must endeavor to be professionals themselves,” “(the academy leaders and teachers) must concentrate on the ideological and political education and at the same time endeavor for studies in the high-tech fields, pay special attention to enhance creativity in the students, and provide strong personnel and brains to reinforce the military with science and technologies.” He added, “in executing the strategy to strengthen the military with science and technologies, the most important points are to enhance the quality and level of military training and make a large number of officers and soldiers understand high-tech knowledge and the contemporary military technologies. All forces seem to have promoted military training with science and technologies. We must concentrate on these efforts, and greatly improve our capabilities to fight high-tech wars. We must attend to reformation of the contents and methods of training, and employ the latest technologies and methods as much as possible. Simulation training with computer technologies is an outstanding feature of the military training in the developed countries, and it is also the direction we are going to take.”

As seen in the address by Jiang Zemin, China seems to be trying to strengthen the military power that can more than offsets the reduction in force by bringing back the military to its original style and duties as well as strengthening military training, and the emphasis seems to lie on the high-tech education with good command of computers.

(F) Planning, delivery and order of new operations regulations

On January 24, 1999, Jiang Zemin delivered and ordered new operations regulation for the new age. The detail is not clear, but it seems to be equivalent to the field military law employed by the Japanese defense forces.

The “Liberation Army Daily” (dated January 25, 1999) reported that, “the combined campaign principles for the Chinese People’s Liberation Army are the general principles that cover the Army, Navy, Air Force, Second Artillery Corps and Logistic Department, the fundamental laws and regulations to provide the standard for operational actions and training and instruction, and consist of a joint combat regulation and 12 other operation regulations. They were completed by the specialists from the four General Departments, all units, PLA military academies and colleges, and the Science and Technology Department in the period of four years under the direct supervision of the Central Military Commission. They are the crystallization of wisdom.” The “Liberation Army Daily” (dated February 5, 1999) delivered these regulations from the General Staff Department to all forces, describing as “the fundamental regulations for the operations and training in China, with sufficient contents to obtain capabilities to win victories in local warfare with high-tech requirements,” and listed several features. “The first: they provide fundamental instruction ideology and principles that thoroughly recognize new conditions and characteristics of high-tech local wars, and understand/grasp the combined wars and joint battles in the future. The second: they apply to operation tasks and grasp the major styles of wars and battles. The third: they are fundamental tactics that integrate our traditional experiences and
new operational theories, and seriously understand/grasp the wars and battles. The fourth: they are the fundamental methods that closely combine the military structure and the actual conditions of the arms and equipment, and define the command structure, logistic organization, chain of armament and political maneuver for our combined wars and joint combats.”

How should this delivery of the new operation regulations be interpreted? It cannot be said that they have no linkage with the reduction in force by 500,000, but should be considered that they were enacted to meet the needs incurred by the reduction in force or for the People’s Liberation Army after reduction in force. Field military laws describe the principles of the operations and combat methods and how to operate the troops and equipment to win victories. Reduction in force has already started. They must have made thorough review on how to win victories with smaller force, or how to win with the given equipment before they were finally enacted. They studied and reviewed for the period of four years, and naturally (as a matter of course) they must have proved the effectiveness by experimenting with actual troops and equipment. Since they announced that they have thoroughly considered winning in high-tech wars, they must have studied the operations of fire power, maneuverability, striking power, electronic warfare, C3I and other state-of-art equipment.

3. Significance of reduction in force

The author has discussed the current situation and other trends of reduction in force of the People’s Liberation Army in the foregoing chapter. Now, how should we regard the reduction in force of the People’s Liberation Army under those circumstances? Reorganization of structure, acquisition of higher quality, modernization of equipment, reformation of the system, education and training, operations and battles, and other phenomena must be linked to the reduction in force as the author has pointed earlier. In other words, these phenomena should not be considered separately but should be regarded that the Chinese are conducting military reform in a comprehensive manner.

It must be safe to state that the People’s Liberation Army in China is in the midst of big remodeling toward modern, high-tech applicable body. The commander at the spearhead is Jiang Zemin. Without support and cooperation of the military, it must be difficult for Jiang Zemin, who has lost a supporter Deng Xiaoping, to create firm power base and lead China to superior position in the 21st century. Thus, Jiang Zemin must have won the support by the military, stand at the forefront himself, and promote modernization of the military.

In his action report at the 15th National Congress of the CPC held in September 1997,23 Jiang Zemin stated that “we will carry through the military strategy policy of proactive defense, plan to acquire better quality, and proceed to the high quality military in our original Chinese style. We will control the military strictly, emphasize ideology and politics, exalt our excellent tradition, construct spiritual civilization and stand at the forefront of the society. We will

strengthen education and training and enhance our defense capabilities with modern technologies and high-tech to meet the great changes in the worldwide militaries. Following the reduction in force by 1 million in the 80s, we will further reduce 500,000 effectives within three years. We will take a serious view of strengthening the military with science and technologies, reinforce the national defense technology research, establish and prepare the national defense industries that can promptly respond to the socialistic market economy system, and renovate the weapons and equipment gradually.”

Thus, Jiang Zemin is standing at the forefront himself, and executing modernization of the military wholeheartedly.

(1) Strengthening the power base under the protection by the military

Jiang Zemin had virtually no power base in the military, and is regarded to have assumed the office of Secretary General with the backup by Deng Xiaoping. Two other secretaries general, Hu Yaobang and Zhao Ziyang, who had been considered to succeed to Deng Xiaoping, fell from power, and in both cases the major reason was the lack of support base in the military. Jiang Zemin, however, assumed the position of Chairman of the Central Military Commission that commands the People's Liberation Army. Nine years have passed since then, and he won the top positions of General Secretary of the CPC and President of the nation. All these happened without the support from Deng Xiaoping. Jiang Zemin now seems to have virtually no rivals, have strengthened leadership, obtained firm support base in the military, and become the sole leader of China.

On March 27, 1998, Jiang Zemin promoted ten officers to high Generals (the highest rank). The Chinese military had not have ranks in the era of Mao Zedong, but Deng Xiaoping recovered the rank system and appointed 17 officers to high Generals. Since then, Jiang Zemin appointed 6 officers in 1993, 19 in 1994, 4 in 1996 and 10 in 1998. Thirty-nine out of the total of 56 high generals were appointed by Jiang Zemin.

At the 15th National Congress of the CPC in September 1997, forty-one military officers were elected members of the Communist Party Central Committee as representatives of the military. This means that around one-fifth (approximately 21%) of the members of the central committee, the core of the Communist Party of China, are from the military.
Those military officers are assigned as commanding officers, political committee members and executive commanders of the seven large military regions and twenty-four group armies, and are military leaders stationed throughout China. Their influence reaches all areas. Therefore, maintenance of stability in administration depends greatly on how to win the favor from or gain support from these influential military officers.

Upon a large scale flood in the summer of 1998, Jiang Zemin dared to postpone the visits to Russia and Japan and found his way to the front line of the flood himself, encouraged the People’s Liberation Army (PLA), the People’s Armed Police (PAP) and militias who had been engaged in the disaster relief operation, called the fight against the flood as the “people’s war” and appealed for the measures to fight the flood. In the end, Jiang Zemin declared victory over
this “people’s war” with the cooperation of the military, and by praising the People's Liberation Army, he strengthened his power base even more. The great flood that lasted for two months could be said to be an incident that dramatically strengthened the support base in the military for the Jiang Zemin's administration.

The direct support to Jiang Zemin comes from the military leaders who used to support Deng Xiaoping. At the 15th National Congress of the CPC, Zhang Wannien and Chi Haotian replaced Liu Huaqing and Zhang Zhen and assumed the office of vice chairmen of the Central Military Commission. The retired Liu Huaqing and Zhang Zhen, as well as the newly appointed Zhang Wannian and Chi Haotian are all supporters of modernization of the military promoted by Deng Xiaoping. Chi Haotian, in particular, has taken every opportunity to advocate modernization of the military in theses and other means. Jiang Zemin is supported by these military leaders who advocate modernization of the military.

(2) Reinforcement of the base of Jiang Zemin by laws

The administration has obtained support from the military and on the other hand it aims to control the military by laws. China has been promoting governing the military by laws in the past ten years as seen in the “National Defense Law for the People's Republic of China.” The details are published in the Chinese white paper on the national defense. They have enacted twelve national defense related laws, and forty-strong legislative regulations that cover the military. They have also enacted more than seventy military regulations that directly bind the military, and over 1,000 military regulations for each PLA General Department, PLA General Service and Arms and PLA General Military Area Commands as efforts to bind the military by law from the central to smallest local units. In other words, they aim to govern the military by laws.

China has had charismatic leaders, such as Mao Zedong and Deng Xiaoping, but there are no longer any leaders with charisma. The elders of the Communist Party or military leaders used to create a system where one word of authority from them could move a large force. Today, however, such charisma is non-existing and there are no other ways but to govern the military by laws. Therefore, a leader with no charisma and no supporting base in the military, i.e. Jiang Zemin is trying to strengthen his base by winning support from the military and at the same time structuring legal framework to control the military. In other words, Jiang Zemin is trying to strengthen his power base by creating legal framework to doubly bind the military.

(3) Reinforcement of the power base by modernization of the military

For Jiang Zemin, whose political life is numbered, it is essential to win support from the military to create the position to be the leader of China in succession to Deng Xiaoping. Thus, it is modernization of the military which Deng Xiaoping failed to execute must be the major theme for Jiang Zemin. When he accomplishes that, Jiang Zemin may be able to leave his name on the history as an equal to or as a successor to Deng Xiaoping as the leader of China.

At the 15th National Congress of the CPC, Jiang Zemin stated that, “to strengthen national defense and army building is the basic guarantee for national security and modernization drive.
Deng Xiaoping’s concept of army building in the new period is the continuation and development of Mao Zedong’s thinking on military affairs and the scientific guide to building the army and national defense. In line with the general requirements of being qualified politically and competent militarily and having a fine style of work, strict discipline and adequate logistic support, we should press ahead with the army building and reform so as to make the People’s Liberation Army a more revolutionary, modernized and standardized army.” Jiang Zemin seems to achieve modernization of the military in his own course by adding five phrases (being qualified politically, competent militarily, having a fine style of work, strict discipline and adequate logistic support) which he newly created to Deng Xiaoping’s military structuring philosophy. In other words, he must be trying to firmly secure his power base by achieving modernization of the military which Deng Xiaoping failed. At the same time he must be trying to be closer to, if not equal to, Deng Xiaoping as a leader of China.

Director of defense Chi Haotian stated in his paper published in the 11th edition of “Qiushi” with a title “Let us arm all forces with modern science and technologies, especially with knowledge in high-tech” that “Chairman Jiang Zemin indicated that ‘we must study modern science and technologies, high-tech, in particular, and use them to arm our forces,’ and ‘if we can achieve that, we can obtain fundamental security in renovation, modernization and legalization of the military and it will significantly improve the quality building and the fighting capabilities of our military.’ This is a presentation of an objective rule for the reinforcement of the military structure in the new era. All forces must proactively respond to the slogan by Chairman Jiang Zemin, arm ourselves with Deng Xiaoping’s ideology, study the modern science and technologies, especially high-tech broadly and continuously, arm ourselves with the new knowledge and face the new tide promptly,” where he demonstrated his strong support to Jiang Zemin.

Thus, the military leaders appear to support Jiang Zemin with large swords brandishing over their heads. As discussed above, reduction in force on the People’s Liberation Army is aimed at achievement of modernization of the military at the risk of the political life of Jiang Zemin.

Conclusion

The author has reviewed the current situation arising from the reduction in force of the People’s Liberation Army and the trends toward modernization of the military. In the first year, the reduction in force has been executed smoothly as discussed above, and it seems that reduction or reshuffle of the personnel is in progress as planned. However, there remain some problems. As the author pointed earlier, there are some difficulties in the guarantee of livelihood after the discharge from service by supporting job-hunting.

The Central Economic Working Conference was held under the auspices of the State Council from December 7 to 9, 1998, where Jiang Zemin gave an important speech. \(^{24}\) He stated that

although the Chinese economy encountered a severe, complicated phase in 1998, it was satisfactory as a whole, and he presented three key factors for the economic activities in 1999. One of the three includes restructuring of the government-owned enterprises. Jiang Zemin defined that it would be the most influential factor in 1999, and emphasized that; “we will improve profit through reduction of employees, take firm measures for lay-off, relocations and re-employment, and guarantee fundamental livelihood for the workers laid off from the government-owned enterprises.” The Xinhua News Agency reported on February 24, 1999\textsuperscript{25} that 99% of the workers laid off from the government-owned enterprises had been enlisted in the second employment service center by the end of 1998, the basic livelihood of those workers is guaranteed, and as many as 6.09 million workers laid off from the government-owned enterprises found second employment in 1998. It also reported that the Ministry of Labor and Social Security would set trial model cases in the labor force markets in some 80 cities nationwide to promote second employment of the laid-off and unemployed workers. As seen in these reports, the problem of laid-off workers remains to be an important concern that cannot be ignored and a serious problem for the Chinese government. In the second year of execution of the reduction in force, the attention will focus on whether employment support activities will proceed as smoothly as in 1998 under these severe circumstances. The actual figure for the reduction in force for the first year has not been announced, but it is estimated to be around 250,000 since a total of 14 divisions with 100,000 effectives attached to the second line troops of the army had been allocated to the People’s Armed Police, around 100,000 had retired from the army, navy and air force, and the number of draftees had been decreased.

Modernization of the military has extended to a number of fields and areas as discussed above. The author expects to hear and confirm the effects more tangibly in the near future. The first sign is the tendency to increase the national defense budget as the author pointed out earlier. If China does not intentionally conceal the actuality, the defense budget in China is likely to increase from 1999 on. The second sign is that modernization of the air force will be witnessed more closely as China manufactures SU-27 fighters at home. The third sign is the more energized activities of the Chinese navy in the South China Sea and the East China Sea, which will demonstrate the modernization condition of the Chinese navy as well as their air force. The fourth sign is the modernization tendency that concerns ballistic missiles. As pointed out in the Cox Report,\textsuperscript{26} ballistic missiles technology and its modernization in China are drawing great attention. The trend will disclose itself in several forms. It has been indicated that the strategic, tactical missiles of China present threats to the neighboring countries, and a significant number of those missiles are targetted toward Taiwan. It is likely that we will more closely feel the trend, problems and concerns of the modernization of the Chinese military.

At the end of December, 1998, vice-chairman of the Central Military Committee Zhang

\textsuperscript{25} China News Agency, February 26, 1999.

\textsuperscript{26} Cox Report (dated May 25, 1999) A report by the Special Committee of the House of Representatives of the USA (Mr. Cox, chairman) that announced that China has been stealing the American military technologies for over twenty years and developed various types of missiles.
Wannian published a paper[27] in the 24th version of “Qiushi” to point out that, “Jiang Zemin announced that he would achieve modernization of the nation by separating the fifty years from 2000 into three phases[28] at the 15th Communist Congress,” and went on as, “by the middle of the 21st century (100th anniversary of the establishment of the present regime), the Chinese armed forces will be standing military with excellent equipment, rationalized organization, latest theories, efficiency, brilliance, and high quality, maintain political characteristics, and become the armed forces with high capabilities characterized by the new era. The Chinese military in the middle of the 21st century will have huge national defense power that suits the international position and the level of development of China. By that time, the Chinese economy will grow drastically, the territorial sovereignty of China will be perfectly controlled, and the maritime rights and interests will have even more effective security.”

In 1999, China celebrated the 50th anniversary of the foundation of the present regime, and passed the center point of their target. They foresee that in the next fifty years they will solve the pending territorial land and waters as well as achieve modernization of the military. China is progressing strategically in modernization of the military in the long range view. If they succeed in reduction in force by 500,000 in these three years, it will give them confidence in modernization of the military. Therefore we need to continue to observe whether they can achieve reduction in force.

As part of China’s 50th anniversary celebration, the People’s Liberation Army staged a large-scale military parade. It was clear to anyone watching that parade that force reductions had indeed been carried out and that modernization of the military was progressing.

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28 Three Phase Strategy for Modernization of the Nation, from a report by Jiang Zemin at the 15th Communist Conference, “When we look over the next century, our goals are to double the gross domestic production recorded for 2000, make the people’s somewhat peaceful lives to more affluent ones, and to create comparatively daring socialistic market economy in the first decade, then to continue efforts for another decade, and at the time of the 100th anniversary of the establishment of the Communist Party, we will make the people’s economy grow further and improve various systems further, then at the time of the 100th anniversary of the establishment of the People’s Republic of China, we will fundamentally achieve modernization and create rich, powerful, democratic and civilized socialist nation.”