

Chapter 4

China— Confidence Tempered with Unease

Three decades have passed since China launched in 1978 a policy of reform and opening-up. Over the ensuing years, that strategy has paid off by dramatically boosting China's comprehensive national power and by firmly establishing China's status as a major power among the international community—a transformation that was showcased by Beijing's hosting of the 2008 Summer Olympics. However, China has also drawn a line between itself and the established world order led by industrialized nations; as a developing nation ruled by the Communist Party of China (CPC), it has taken up the cause of increasing the voice of developing countries. As part of that endeavor, China is working to strengthen its political, economic, and security relationships with the African continent, which is home to many of the world's developing nations. At the same time, China is seeking to expand its influence by bolstering its military strength through various means, including increased defense spending, enhancement of power projection capabilities, and the creation of a spokesperson post for the defense ministry.

The three decades of reform and opening-up have also tremendously deepened the economic interdependence between China and the rest of the world. As such, China cannot achieve sustained economic growth without strengthening its ties of trade and investment with other nations, and hence it must also build cooperative relations with major powers and contribute to the formation of a stable international environment. Accordingly, the Chinese government is striving to improve its relations with Japan and Taiwan, avoid friction with the United States by advancing peaceful development, and engage in defense exchange and cooperation against nontraditional security challenges.

Faced with dim prospects for a quick end to the global economic downturn that emerged from the United States, China has made economic growth its top priority—a choice that compels Chinese foreign policy to shift toward cooperation with the international community in order to overcome the financial crisis. However, it will not be easy for China to realign its unique vision for the world order, which has evolved from China's standing as a developing nation and the domination of the government by the CPC. Regardless of which of these two paths is chosen, China's decision will have a strong impact on the future shape of the East Asian security environment.

1. Seeking Stability in the International Environment

(1) The Absolute Necessity—and Limitations—of External Cooperation

On August 8, 2008, Hu Jintao, president of the People's Republic of China and general secretary of the CPC, proudly proclaimed the opening of the Beijing 2008 Olympic Games. The moment marked the realization of a hundred year-long dream of the Chinese people to hold the Olympic Games. With more than 10,000 athletes from 204 countries and regions participating, the Beijing Olympics was the largest in the history of the games, and a significant accomplishment for China's political leaders. Built at a cost of approximately 300 billion RMB, the main stadium, pools, and other athletic facilities, along with a new transportation infrastructure—airport, subways, etc.—became symbols to the rest of the world of China's economic development. Among the leaders of the world's major nations attending the opening ceremony were President George W. Bush of the United States, Prime Minister Yasuo Fukuda of Japan, Prime Minister Vladimir Putin of Russia, and President Nicolas Sarkozy of France. Beijing's ability to impress upon such leaders their need to be present at the event demonstrated both domestically and internationally China's rising influence in the international community and the establishment of its standing as a major nation. Through the hosting of the games, China's leaders found an avenue to tout loudly the benefits of governance by the Communist Party, which has led the country to this place among the world's nations, and to reinforce the legitimacy of the party's rule.

While it carried off a successful Olympics, the government of President Hu faced manifold challenges in 2008, beginning early in the year. Between late January and early February, the central and southern regions of China experienced severe cold weather, which resulted in more than a hundred deaths from the snow and freezing temperatures; the weather also damaged transportation networks and power grids, and caused losses across the region to crops and farm animals. The relief effort, spearheaded by President Hu and Premier of the State Council Wen Jiabao, required a massive mobilization of troops from the People's Liberation Army (PLA), officers from the People's Armed Police Force, and citizens from local militias. Then, on May 12, a massive earthquake measured at magnitude 8.0 struck in Wenchuan County (location of the epicenter), Sichuan Province. This disaster left more than 87,000 people dead or missing and caused direct economic

losses of 845 billion RMB. President Hu and Premier Wen led the relief and recovery efforts, for which they again mobilized the military, the armed police, and militias. The Chinese government also allowed rescue and medical units from Japan and other countries to assist in these efforts.

In addition to catastrophic natural disasters, Beijing has also had to deal with rising societal insecurity caused by frequent outbreaks of violence and terrorism. On March 14, in Lhasa, the principal city of the Tibet Autonomous Region, a pro-independence demonstration led by monks turned violent as protestors clashed with security personnel from the Public Security Forces and the People's Armed Police, resulting in many deaths and injuries. Antigovernment movement by ethnic Tibetans spread to Sichuan, Gansu, and Qinghai Provinces. The government rooted out this violence thoroughly, but its hard-line responses evoked criticism from the United States and Europe, which feared that human rights were being violated. The antigovernment movement was not committed only by ethnic minorities. Riots also broke out frequently among the people at large, because of their dissatisfaction with the actions of local government officials and public security personnel. On June 28, suspicion surrounding the government's investigation into the death of a young woman in Weng'an County, Guizhou Province brought tens of thousands of citizens into the streets, where they clashed with the police and burned down public security facilities. In July, a police sub-station was attacked by seasonal workers in Yuhuan County, Zhejiang Province. In Boluo County, Guangdong Province several hundred citizens again attacked a police sub-station, angered by the beating death of a fellow citizen. The problems were not limited to antigovernment protests; China also had to deal with a series of terrorist incidents. On August 4, a unit of the People's Armed Police in Kashgar, Xinjiang Uygur Autonomous Region was attacked by terrorists, resulting in 17 deaths.

The CPC has relied mostly on rapid growth in the economy to get the Chinese people to go along with its rule. Now, amid rising societal insecurity and dissatisfaction brought on by natural disasters, violence, and terrorism, Beijing may face difficulty in playing that card as the outlook for the economy has begun to darken. Touched off by the sub-prime mortgage loan problem in the United States, the global financial crisis is growing increasingly severe and its negative impacts on the Chinese economy are being felt in ways that cannot be ignored. In 2007, China's GDP grew at a rate of 13 percent; this decelerated to an annualized rate of 9 percent in 2008. GDP growth, which was 10.6 percent and 10.1 percent

in the first and second quarters of 2008, respectively, dipped to 9.0 percent rate in the third quarter before plunging to a 6.8 percent rate in the fourth quarter. Exports, the main driver of China's economic growth, began declining on a year-on-year basis during the year and with this slowdown came a wave of bankruptcies and factory closings among export-related businesses, which led to spreading job losses among seasonal workers from rural areas—those known as *nongmingong* (migrant workers who have come to the cities in search of jobs). Increased unemployment as a result of the economic slowdown has become a potentially destabilizing factor for society.

Many of the problems that China faces domestically cannot be solved by China alone. Whether the issue is climate change, which can precipitate major natural disasters, or whether it is battling terrorism, global cooperation is a *sine qua non* for Beijing to deal effectively with these problems. Under the Communist Party's economic reform and opening-up policies, China's dependence on imports has risen to over 60 percent and it now relies on the outside world to supply many of its energy and resource-related needs. With its export-driven economy, China absolutely must coordinate policy with other global economic powers in order to sustain its economic development. To be able to concentrate its energies on economic development, Beijing will have to build friendly relations with other nations and establish a stable international environment. Such a situation compels the China of today to carry out a foreign policy focusing on cooperation.

That does not mean, however, that Beijing will always take a cooperative stance toward advanced Western nations such as Japan, Europe, and the United States. Beijing has vehemently rejected international criticisms of its suppression of human rights in Tibet and, to the growing concern of other nations, has steadily advanced measures to modernize China's military. These frequently non-cooperative approaches toward the West are rooted in two differences that exist between China and the West. The first is that while Japan, Europe, and the United States are advanced nations, China remains a developing country. To be sure, China's gross domestic product (GDP) is the third largest in the world and it is undeniably a major economic power. However, China's per capita GDP is still only \$3,000, a large number of its people continue to live in poverty, and its industry remains largely labor-intensive in nature. In Beijing's own words, China is "a developing major power," a phrase that is used to distinguish China from major Western nations. The other difference is that while Japan, Europe, and the

United States are democracies, China is a non-democratic nation, governed by a Communist dictatorship. The values of freedom, democracy, and human rights that are shared among Western nations are fundamentally antithetical to the political system in China and could, depending on circumstances, destabilize the one-party rule of the CPC. Beijing is in no position to accept the existing international order unconditionally and must on occasion adopt uncooperative approaches toward the West.

(2) Strengthening Relations with Japan

With a foreign policy oriented toward cooperation, Beijing is endeavoring to improve and strengthen its relations with Japan. When Prime Minister Koizumi was in power, China took exception to a sitting prime minister visiting Yasukuni Shrine and bitterly criticized Japan, causing tremendous strains in the political relations between the two countries. In 2006, however, Beijing changed course when the Shinzo Abe administration took office, adopting a policy of rapprochement toward Japan. Despite vagueness on Prime Minister Abe's part on how he would deal with the Yasukuni issue, Beijing requested that he make an official visit to China. After meetings between the prime minister and President Hu and Premier Wen, Japan and China issued a joint press statement which said that both countries would aim to build a mutually beneficial relationship based on common strategic interests (a "mutually beneficial strategic relationship"). In April 2007, Premier Wen visited Japan, conferred with Prime Minister Abe, and met with the Emperor. Abe and Wen agreed that the basic spirit underlying the mutually beneficial strategic relationship would embody the following hopes and expectations: "to contribute to the peace, stability and development of Asia and the world...in this context, both nations would benefit mutually and expand their common interests, thus elevating Japan-China relations to new heights."

The two leaders agreed to carry out programs of exchange, dialogue, and cooperation in a wide range of areas including security, where both sides pledged to exchange visits by naval vessels. They also signed joint statements for the promotion of cooperation in matters relating to the environment and energy. Finally, with respect to their dispute in the East China Sea, both leaders agreed on the necessity of adopting, by the autumn of 2008, concrete measures for the joint development of the oil and gas fields in the disputed area.

Beijing's posture of seeking better and stronger relations with Japan has

continued since that visit. Following his meeting at the end of December 2007 with visiting Prime Minister Fukuda, President Hu Jintao expressed in the following way his intentions to fully support exchange and cooperation with Japan: “The development of long-term, stable and good neighborly relations between China and Japan, and the achievement of the four major goals of peaceful coexistence, friendship for generations, mutually beneficial cooperation, and joint development, are the common anticipations of the two peoples, as well as the duty of the two nations’ political leaders.” This tone was echoed by Premier Wen Jiabao, who pointed out after his meeting with Prime Minister Fukuda that “to maintain and strengthen the China-Japan friendly ties is the only correct choice of the two countries. It is in line with the fundamental interests of their two peoples and is conducive to the peace and development of northeastern Asia, and the continent as a whole.” In these meetings, Beijing requested Japan’s cooperation in energy conservation and environmental protection and indicated that it would act boldly to deal with the problem of climate change. Based on these deliberations, the two countries announced a Joint Communiqué on Promotion of Cooperation in the Field of the Environment and Energy, in which Japan also committed to providing capacity building to China in these areas. Both sides also agreed on the visit to China of a vessel from the Japan Maritime Self-Defense Force (JMSDF) and also on the early commencement of work on a communications mechanism (hot line) between defense officials of both nations. On the issue of the East China Sea, which both nations were unable to resolve by the hoped-for target of autumn, the leaders agreed “to endeavor to resolve this issue at the earliest possible date.” Finally, President Hu formally announced his intentions to visit Japan “when the cherry blossoms are in bloom.”

However, just before President Hu’s visit to Japan, Beijing had to contend with some difficult problems in its relations with Japan. In January, a number of Japanese who ate Chinese-produced frozen dumplings became sick; then in March, the Tibetan riots broke out. The food-related incidents arose in Chiba and Hyogo prefectures, where people who ate the same Chinese-made product showed symptoms of food poisoning. Upon analysis, the dumplings manufactured at the Tianyang Food Plant in Shijiazhuang, Hebei Province were found to contain the pesticide methamidophos, in amounts many times above the standard allowed. Because methamidophos is not available commercially in Japan and because it was also detected in unopened packages of the dumplings, Japanese investigators

announced that it was highly likely that the pesticide had gotten mixed into the food during the manufacturing or packaging process in China. In response, Yu Xinmin of the Ministry of Public Security, who was in charge of the investigation in China, expressed deep skepticism about the Japanese findings, stating at a press conference that there was little to no possibility that the pesticide had entered the food in China. This kind of reaction by the Chinese exacerbated suspicions among the Japanese people about the safety of Chinese-made food and caused the image of China to deteriorate in the minds of Japanese. Then in March the violent protests in Tibet broke out. The government cracked down very hard on the demonstrations, heightening concerns in the international community about China's human rights situation. All of this occurred while the Beijing Olympics Torch Relay was being run around the world. The relay became a perfect target for those wanting to protest China's suppression of human rights and in a number of countries protestors attempted to disrupt the event. Although the torch relay held in the city of Nagano occurred without major incident, China's human rights situation had already become a matter of concern in Japan. For example, the starting point of the relay in Nagano was supposed to have been the Zenkoji Temple, but the temple backed out of its commitment to participate in an act of protest against Beijing.

The visit to Japan by President Hu took place under these circumstances. From May 6 through May 10, Hu engaged in a vigorous round of activity aimed at broadly advancing the goal of building a mutually beneficial strategic relationship with Japan. During talks with Prime Minister Fukuda, Hu noted that the common interests of China and Japan have continually expanded and that the common responsibilities of both nations have grown in tandem. To widen opportunities for interaction and cooperation between the two countries, Hu proposed a number of measures which would: (a) sustain high-level visits from one nation to the other, including regular mutual visits by the leaders of the two nations; (b) expand economic cooperation, and cooperation in trade and in science and technology, through continuing high-level economic dialogue, cooperation among small- and medium-sized enterprises, protection of intellectual property rights, and the peaceful uses of atomic power; (c) promote cooperation in environmental protection, such as in water-pollution measures and in energy-conservation technologies; (d) expand interaction at the personal level, with a focus on youth exchange programs; and (e) strengthen defense-related interaction through mutual

visits by high-level defense officials, and through interaction and cooperation at a variety of other levels. According to an announcement by the Japanese government, President Hu expressed his appreciation for Japan's support of China's economic development through yen credits and other means; and, with respect to the food poisoning incident, said that he intended to press forward on this issue until the truth was brought to light. During their meeting, Prime Minister Fukuda also requested China's support of Japan's bid to become a permanent member of the UN Security Council (UNSC). President Hu is said to have responded that China attaches importance to Japan's position and role in the UN and that it desired Japan to play an even greater constructive role in international society—and that it hoped that Japan would perceive the positive attitude of the Chinese side on this issue.

Following their meeting, Prime Minister Fukuda and President Hu signed the Joint Statement between the Government of Japan and the Government of the People's Republic of China on Comprehensive Promotion of a Mutually Beneficial Relationship Based on Common Strategic Interests. This joint statement became the “fourth important political document” guiding Japan-China relations, the others being the Joint Communiqué of the Government of Japan and the Government of the People's Republic of China in 1972, the Treaty of Peace and Friendship between the Government of Japan and the People's Republic of China in 1978, and the Japan-China Joint Declaration, which was issued during former President Jiang Zemin's visit to Japan in 1998. The joint statement, however, was the first document that was signed by both the prime minister of Japan and the president of the People's Republic of China. In the document, the two sides recognized that the Japan-China relationship was one of the most important bilateral relationships for each of the two countries and that Japan and China now have a great influence on and bear a solemn responsibility for peace, stability and development of the Asia-Pacific region and the world. Moreover, both sides recognized that they are partners who cooperate together and are not threats to each other. The two sides also resolved to comprehensively promote a mutually beneficial relationship based on common strategic interests. The Chinese side expressed its positive evaluation of Japan's contribution to the peace and stability of the world through peaceful means since the end of World War II, and expressed its desire for Japan to play an even greater role in the international community. On the other hand, Japan expressed its positive evaluation of the great opportunities that China's economic development has afforded to the international community,

and, with respect to the Taiwan problem, again expressed its adherence to the position enunciated in the Joint Statement of 1972. At the same time, both nations released a joint press statement that listed up to 70 specific areas of cooperation based on the latest Joint Statement, and also announced a joint statement governing the partnership between Japan and China on climate change.

At his joint press conference with Prime Minister Fukuda, President Hu emphasized that he would continue to work to advance a mutually beneficial strategic relationship between Japan and China. After noting that “as neighboring countries, and as countries with considerable influence in Asia and the rest of the world, China and Japan have no other way but to take the path of peace, friendship and cooperation,” the president stressed his intentions to cooperate with Japan in matters affecting Asia as a region, including: promoting the Six-party Talks and building a mechanism for peace and security in Northeast Asia; and strengthening cooperation in East Asia, principally through ASEAN + 3 (Japan, China, and South Korea). Also, with respect to the East China Sea issue, President Hu said that “prospects for settling the disputes are already in view.” On this matter, Prime Minister Fukuda also indicated the likelihood of an early agreement, remarking that “the outlook for settlement of a long-standing concern has been established.”

On his visit to Japan, President Hu also sought to improve perceptions of China within Japanese society. In a speech at Waseda University, Hu noted that to enhance the development of China-Japan relations, “the people of both nations should strive on an ongoing basis to increase mutual understanding.” He added that his “emphasis on remembrance of history is not meant to let hate linger on.” Touching on the “positive role” played by Japan in China’s development, he said that Japanese technology in areas such as energy conservation and environmental protection “is something that the Chinese people should learn from.” After the lecture, the president attended the opening ceremony on the Japanese side of the China-Japan Youth Friendly Exchange Year, where he played to his political audience by hitting some balls with the popular table-tennis player Ai Fukuhara, a professional with a large following in both Japan and China. The previous day, at the banquet held in his honor at the Imperial Palace, President Hu’s approach also contrasted sharply with that taken by former President Jiang Zemin in 1998. The latter appeared at the banquet in a Chinese tunic suit and, in the presence of the emperor, strongly denounced Japan for its handling of the history issue, arousing antipathy among the Japanese people. In contrast, President Hu attended

the banquet in a dark suit and did not touch on the history issue in his remarks.

Soon after President Hu returned home, China was hit by the Great Sichuan Earthquake. As it dealt with the disaster, Beijing took steps to strengthen its relations with Japan by accepting Tokyo's offer to send an international disaster relief team to China to assist. While Russia, South Korea, and other nations also offered to send teams, Beijing led off by accepting the relief team from Japan. As a result, Japan's team became the first foreign rescue unit to be allowed into China since the founding of the country in 1949. The fire, police, and other personnel who made up the Japanese disaster relief team entered the disaster area, where their activities were reported in detail by the Chinese side. When the Chinese media distributed a photograph showing the Japanese team lined up in silent tribute to the bodies of victims, it created a huge impact inside China. Many Chinese were said to have been deeply moved by the picture. The existence of anti-Japanese public opinion in China represents an obstacle that cannot be ignored by an administration that is seeking to promote a mutually beneficial strategic relationship with Japan. To the extent that Beijing's decision to accept a disaster relief team from Japan led to an easing of anti-Japanese sentiment inside China, it was a huge plus for the country's foreign policy toward Japan. Of course, there continues to be public opinion that is harshly critical of Japan within China. The existence of this anti-Japanese public opinion is the reason why shipments of relief supplies by the Japan Air Self-Defense Force could not be made at the end of May. However, according to a poll taken jointly by the *China Daily* and Genron NPO of Japan between June and July, the number of people who responded that Japan-China relations were "good" rose to around 54 percent (compared to approximately 25 percent last year), indicating a vast improvement in the image of Japan among the Chinese people. On June 24, the JMSDF destroyer *Sazanami* visited Zhanjiang in Guangdong Province, returning a visit by the Chinese missile destroyer *Shenzhen* which journeyed to Japan in

November 2007. On its visit, the *Sazanami* carried blankets, hygiene masks, food, and other “condolence offerings” to earthquake victims. These were formally accepted by Lieutenant General Su Shiliang, commander of China’s South Sea Fleet, who said in his remarks at the acceptance ceremony: “The relief aid from the Japanese Defense Ministry and the Self Defense Forces which have come along with the *Sazanami* are a sign of the friendly ties between the Chinese people and the Japanese people.”

On the issue of the East China Sea, about which President Hu remarked on his visit to Japan that “prospects for settling the disputes are already in view,” China and Japan announced the details of their agreement on June 18. The countries came to terms on two key points: that a China-Japan joint development zone would be established in the northern section of the East China Sea; and that in the Shirakaba gas field (Chinese name, Chunxiao gas field), where China has already begun development, Japanese companies would participate in the development on the basis of Chinese law. Japan and China made clear that “until a border can be demarcated, both sides have agreed to cooperate during a transitional period in which neither side’s legal position is impaired, and have taken the first step in that process,” adding that both sides would “continue their discussions hereafter.” The joint development zone that has been established in this agreement encompasses Exclusive Economic Zone on the Chinese side of a median line that Japan considers the sea boundary between the two nations. On the other hand, Japanese companies’ participation in the development of the Shirakaba gas field on the Chinese side of this median line will be subject to Chinese law. The compromise probably represented the most that either Tokyo or Beijing could concede to the other given the positions that both had staked out on the issue. Next, Tokyo and Beijing will have to begin the work of preparing a treaty for signing based on this agreement and also proceed with negotiations aimed at demarcating a final border between the two countries. There was some strong opposition to this agreement in China; in response, Foreign Minister Yang Jiechi was forced to clarify that the agreement did not amount to recognition of the median line and that sovereignty over Shirakaba resided with China. Judging from this situation, it appears certain that subsequent negotiations aimed at making this agreement a reality will be difficult. In any case, it is equally clear that the way in which Beijing approaches the issue will have major consequences on the future course of the “mutually beneficial strategic relationship between

China and Japan.” In this regard, Beijing’s continued go-it-alone development of the Kashi (Chinese name, Tianwaitian) gas field in the face of demands from Tokyo that the development be suspended will be a disadvantage to this mutually beneficial strategic relationship.

(3) Cross-Strait Relations Improving

In Taiwan, where President Chen Shui-bian completed his second four-year term of office, a presidential election was held in March 2008. The election pitted Frank Hsieh of the ruling Democratic Progressive Party and a former premier of the Republic of China against Ma Ying-jeou of the minority Kuomintang and a former mayor of Taipei. The result was an overwhelming victory for Ma, who captured 58.45 percent of the vote. In the elections for the Legislative Yuan, which were held earlier in January, the Kuomintang also prevailed, winning more than two-thirds of the seats in the nation’s unicameral legislature. Hence, the Kuomintang, under the leadership of newly elected President Ma, took over the reins of Taiwanese politics.

During the election campaign, Ma Ying-jeou ran on a “633 pledge,” a package of policies aimed at stimulating the flagging Taiwanese economy. Ma’s “633” stood for the goal of achieving 6 percent economic growth, per-capita GDP of \$30,000, and an unemployment rate of less than 3 percent. Ma also said that moving the Taiwanese economy forward would require strengthening economic relations with the Chinese mainland; toward that end, he called for a major improvement in relations with China, which had deteriorated during the Chen Shui-bian administration. Following Ma’s victory in March, leaders on the Taiwanese side, led by the Kuomintang, began to step up activities aimed at improving relations with China. On April 12, newly elected Vice President Vincent Siew held talks with General Secretary of the CPC Hu Jintao at the Boao Forum for Asia, which was taking place on Hainan Island. During these talks, Siew conveyed to Hu Taiwan’s desire to begin direct charter flights across the straits on weekends, which was a promise Ma Ying-jeou had made during his campaign, and to make sightseeing tours by mainland residents to Taiwan a reality at the earliest possible date. Hu said that he would support further discussions on these matters. Then on a visit to China on April 29, Lien Chan, chairman emeritus of Kuomintang, met with General Secretary Hu; this was the chairman’s fourth meeting over the years with Hu. During these talks, Chairman Emeritus Lien

stressed the need to work toward the peaceful development of cross-strait relations. In response, General Secretary Hu said that cross-strait dialogue should be restored at the earliest possible time.

On May 20, Ma Ying-jeou was sworn into office as the 12th president of the Republic of China. In his inaugural speech, the new president expressed his intention to maintain the status quo in the Taiwan Strait under the principle of the “three no’s”: “no unification, no independence and no use of force.” At the same time, President Ma made it clear that he wished to resume consultations with China at the earliest possible date based on the “1992 Consensus,” in which the two sides agreed on “one China, respective interpretations,” and that he wanted direct charter flights on weekends and tourism from the mainland to begin in July. The 1992 consensus was agreed upon by the leaders of the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS), two semi-official organizations that had been set up—the SEF on the Taiwanese side and the ARATS on the Chinese side—as channels of communication with the other side. President Ma thus indicated his strong commitment to improving relations with China, declaring that he hoped that “on this day, both sides of the Taiwan Strait can seize this historic opportunity to achieve peace and co-prosperity.”

Taipei’s policy of seeking improved relations with the mainland elicited a positive response from the Chinese side. On May 28, talks were held in Beijing between Wu Poh-hsiung, chairman of the Kuomintang, and General Secretary Hu Jintao. While expressing his opposition to independence for Taiwan and saying that all future agreements must adhere to the 1992 Consensus, Hu said that when dialogue resumes between the ARATS and the SEF, the parties should first discuss direct charter flights on weekends and tourism to Taiwan by residents of the mainland. On June 13, Chiang Pin-kung, chairman of the SEF, held talks with Chen Yunlin, president of the ARATS in China. This was the first meeting of the heads of the two organizations in about ten years. These discussions resulted in an agreement to begin direct charter flights on weekends and tourism from the mainland in July. Thus, cooperation from China allowed Ma Ying-jeou’s campaign pledge to become a reality. General Secretary Hu, in his meeting with Chairman Chiang Pin-kung, evaluated this agreement in a very positive way and said that he hoped that both organizations would deepen their dialogue hereafter and contribute to the promotion of more systematic cross-strait dialogue. Then, on July 4, a direct

flight carrying tourists and others from the continent arrived in Taiwan. In November, President Chen Yunlin of ARATS visited Taiwan, where in discussions with the SEF, he agreed to a number of new initiatives, including: the operation of direct flights, including flights on weekdays; direct service by cargo ships; direct shipping of mail; and the establishment of a venue for discussions on food safety. This agreement made China's long-sought desire to establish "Three Links" with Taiwan (direct trade, direct transportation, and direct postal service between China and Taiwan) a reality, figuratively and literally.

While Taipei thus moved rapidly to develop closer relationships with China, it caused a major problem to arise in its relations with Japan. In the early morning of June 10, the Japan Coast Guard patrol vessel *Koshiki* collided with the *Lienho*, a Taiwanese recreational fishing boat which was operating illegally in Japanese territorial waters near the Senkaku Islands. The collision, which occurred as the *Koshiki* was attempting to halt the activities of the Taiwanese vessel, caused the sinking of the *Lienho*. Although all of its crew was rescued, the Taiwanese side responded in a hostile manner. On June 13, Premier Liu Chiao-shiuan, at a hearing in the Legislative Yuan, said in response to a question that if necessary for the defense of Diaoyutai (Taiwan's name for the Senkaku Islands), he would not rule out war with Japan. This statement was given major coverage by the Japanese press. Then, on June 16, a ship carrying activists and members of the Taiwanese press sailed into Japanese territorial waters near the Senkaku Islands in protest against the *Lienho* incident. The ship, named the *Quanjiafu*, was protected by a convoy of nine patrol boats of Taiwan's Coast Guard Administration (an organization akin to the Japan Coast Guard). In Taiwan, anti-Japanese demonstrations broke out, leading the Interchange Association, Japan, the institution that is the de facto representative of Japan in Taiwan, to issue a notification to Japanese residents urging them to take precautions for their physical safety. The hard-line response by Taipei to this problem was undoubtedly a bit of a shock to the Japanese people, who generally

feel an affinity for Taiwan. The entry of the nine Taiwanese patrol boats into Japanese territorial waters, in particular, was newsworthy; this story, along with articles reporting that Japan and China had reached an agreement on resource development in the East China Sea, was carried by all the major newspapers in Japan on June 17—creating the odd contrast of improving Japan-China relations on the one hand and deteriorating Japan-Taiwan relations on the other.

In his inaugural speech, President Ma said that the policies of the Chen Shui-bian administration, which intensified Taiwan's rivalry with China and undermined cross-strait relations as well as relations with the United States and other countries, brought "support for Taiwan from abroad...[to] an all-time low." Instead, he declared that "Taiwan had to be a respectable member of the global village." Because China does not recognize Taiwan as a member of the international community, Taipei really has only one avenue available to it if it wishes to maintain its autonomous status: it must build friendly and cooperatively relations with as many nations as possible and obtain support from abroad. However, because of the steady growth in China's economic, political, and military power, obtaining such support for its autonomy from the international community is becoming increasingly difficult.

The Ma administration's position is that better relations with the mainland are necessary to enable Taiwan's economy to grow. This is testimony as well to the deepening dependence of the Taiwanese economy on the Chinese economy. Taipei considers the United States to be its most important partner from the standpoint of national security, but the United States, for a variety of reasons, is strengthening its ties with Beijing. These US-China relationships encompass not only economic matters such as trade and investment but also security-related issues such as dealing with the North Korean problem and preventing the spread of weapons of mass destruction. So, for the United States, China's strategic importance is also increasing. China-Japan relations are also improving. China has just surpassed the United States as Japan's largest trading partner. Cooperation between Japan and China on issues ranging from energy to the environment to climate change has also begun to move forward. The importance of maintaining and developing relations with China will only grow hereafter for the United States and Japan. Amid these changes in the international environment, Taipei will have to give serious consideration to what must be done to maintain Taiwan's autonomy.

2. China's Global Strategy Aimed at Building a "Harmonious World"

(1) China's Policy toward Developing Countries and Regions

China is also working to establish cooperative relationships on the global stage. One reason for this is the structure of the Chinese economy, which is highly dependent on foreign trade while also facing many internal problems. Another factor, however, is that the rise of China has raised questions in the international community about China's strategic orientation towards the rest of the world and the Chinese leadership is keen to address these. Since Hu Jintao came to power, the Chinese leadership has used a variety of slogans to drive home the message that the rise of China will not cause friction with the established international system. One year after Hu Jintao assumed the reins of government, the leadership began talking about China's "peaceful rise" (*heping jueqi*), stressing that the rise of China is peaceful and "will benefit the development, prosperity and stability of Asia, particularly neighboring nations." However, by the first half of 2004, references to "peaceful rise" had disappeared from the pronouncements of the leadership and from official documents and had been replaced by "peaceful development" (*heping fazhan*). This implies that it has not been easy to achieve a consensus within the leadership concerning the rise of China. Furthermore, both "peaceful rise" and "peaceful development" are concerned with how to characterize and bring about China's rise and neither represents a specific statement on the type of international order that China would like to see.

An indication of the type of international order that China would like to see came in a speech given by Hu Jintao in September 2005 at a meeting of heads of government commemorating the 60th anniversary of the founding of the United Nations (UN). In this speech, Hu referred to a "harmonious world" (*hexie shijie*). As expounded in the speech, China's foreign policy approach aimed at achieving a "harmonious world" embodies the following four points. The first is to "uphold multilateralism and realize common security." Not only is this presented as an extension of the "new security" concept espoused by China since the latter half of the 1990s, it further emphasizes the need for joint action against any security threat. The second point is to "persist in mutually beneficial cooperation to realize common prosperity," while the third point is "to uphold the spirit of inclusiveness to jointly build a harmonious world." These are presented as an extension of the

Five Principles of Peaceful Coexistence, but they also emphasize the need to recognize fully the diversity of civilizations and social systems as well as political systems. The fourth point is “to uphold a positive and reliable policy to promote the reform of the United Nations.” The “harmonious world” idea is understood among as embodying the basic values and direction of China’s foreign diplomacy, stressing that it expresses China’s intentions with respect to the current international order in the context of cooperation and the existing framework. For example, Liang Shoude, former head of the School of International Studies at Peking University, has described it as a clear shift from China’s “revolutionary diplomacy,” viewing it as an indication of China’s integration into the existing international order.

At the 2008 New Year Tea Party of the National Committee of Chinese People’s Political Consultative Conference (CPPCC), Hu Jintao declared that China would “contribute further to the building of a harmonious world.” At a press conference following the First Session of the Eleventh National People’s Congress (NPC) in March 2008, Yang Jiechi, minister of foreign affairs, commented that not only is the building of a harmonious world the long-term goal of China, but that it is also China’s “true mission,” indicating China’s intention to realize the diplomatic goal of building a “harmonious world” through foreign-policy initiatives. A key focus of China’s proactive diplomacy aimed at “contributing further” is diplomatic efforts targeting developing countries and regions. As it strives to realize its goals, China shows its concern for developing countries by stressing “common development.” This is not a new idea. The goal of achieving “common development” with the rest of the world or with other regions had already been confirmed at the Fifth Plenary Session of the Fifteenth CPC Central Committee in October 2000 as an element in China’s diplomatic approach. The policy of promoting “common development” was subsequently confirmed again at the July 2001 meeting held to celebrate the 80th anniversary of the Communist Party’s founding and also at the Party’s Sixteenth National Congress. Hu Jintao’s administration claims that China is now at the stage of implementing “common development” in its policies towards neighboring countries. A feature of China’s “common development” approach in recent years is the significant attention given to bolstering relations with developing countries. Although Hu Jintao used the term “common prosperity” rather than “common development” in his speech articulating the “harmonious world” concept at the 2005 UN General Assembly, the speech clearly reflected concern for developing countries. Proclaiming that China would “persist in mutually

beneficial cooperation to realize common prosperity,” Hu added that “economic globalization should generally benefit all countries, especially the developing countries.” More specifically, China has been strengthening its assistance and aid to developing countries. In a speech at the UN High-Level Meeting on Millennium Development Goals (MDGs) in September 2008, Premier Wen Jiabao announced that, as of the end of June 2008, China had given 24.7 billion RMB in debt waivers to 49 heavily indebted poor countries and least developed countries while granting credit worth 206.5 billion RMB to developing countries (including 90.8 billion RMB in grant assistance). Hu Jintao’s administration is also reported to have requested relevant ministries and agencies in recent years to consider increasing aid and expanding grant assistance to developing countries and has been pushing to upgrade the administrative infrastructure required to implement this.

While strengthening cooperation and assistance through bilateral ties with developing countries and regions, China has also been working to enhance policy coordination with developing countries on the global stage. In 2005, Hu Jintao proposed a group meeting with leaders of other developing nations. The first meeting, attended by the heads of government of China, India, Brazil, South Africa, Mexico, and the Republic of Congo, was held in 2006. At the meeting, Hu said there was a need to “strengthen cooperation among developing countries from a strategic perspective.” He advocated the creation of a fairer and more rational international economic system and rules to ensure benefits to developing countries, and proposed strengthening South-South cooperation. At the Seventeenth National Congress of the CPC in November 2007, Hu declared, “We will continue to contribute to regional and global development through our own development,” adding that China would uphold the legitimate demands and common interests of other countries, especially developing countries. Based on this policy, China has taken a strong stand in support of developing countries at the ongoing World Trade Organization (WTO) Round Negotiations (Doha Development Round). At a meeting with WTO Director-General Pascal Lamy in January 2008, Foreign Minister Yang Jiechi stressed, “The Doha Round is a meeting about development so it must clearly embody the theme of development. It should also properly take into account the ability of a wide range of developing countries to embrace the decisions adopted.” A position paper of the Chinese government at a meeting of the Sixty-third Session of the UN General Assembly in September 2008 also refers to the need for reform of the UN in the fields of

security, development and human rights, stressing in particular the importance of benefits for developing countries in the field of development. This position paper again highlights China's concern for the interests of developing countries in the Doha Round.

Obviously, the role China aims to play on the global stage may not merely be that of an advocate for developing countries. For example, some specialists in China have commented that as western pressure concerning China's international role and responsibilities in the Doha Round is growing, developing countries that are unhappy about globalization and the international order hope that China will push for a fair and rational international order and that China's role on this issue is to balance the demands of economically advanced western developed countries with those of developing countries. However, the mainstream view among specialists in China concerning the global economic system is that China should be arguing for the formation of fair international rules and a decision-making mechanism that reflects the demands of developing countries, which make up almost 80 percent of the membership of the WTO. These specialists favor diplomacy that is sympathetic to the needs of developing countries. Jiang Shixue, deputy chief of the Institute for Latin American Studies, Chinese Academy of Social Sciences (CASS), has argued that "because many international rules have been formulated by economically advanced countries, developing countries have frequently been placed at a disadvantage in the process of developing international linkages." He further stressed the importance of China "acting in solidarity with developing countries like Brazil, India, and South Africa to formulate international rules that dovetail with the interests of developing countries." Since 2006, it has become the practice to hold the above-mentioned group meeting with leaders of other developing nations on the sidelines of the annual summit meeting of the G8 heads of government. The meeting serves as a forum to communicate a message of solidarity among developing countries. Moreover, Hu Jintao has proposed institutionalizing the group meeting with leaders of other developing nations and there are indications that China is endeavoring to strengthen its voice within the international community by assuming a leadership role among developing countries.

(2) China's Proactive Diplomacy toward Africa

In the harmonious world argument, the Chinese leadership and foreign policy officials often mention the importance of China's relations with other developing countries especially African nations. A variety of factors is driving the push to bolster relations, but as described below, the main ones are political and diplomatic factors on the one hand, and economic factors, such as securing resources and assisting the overseas expansion of Chinese companies, on the other.

In January 2006, the Chinese government released a document entitled *China's African Policy* in which it revealed its policy of building multilateral cooperative relationships with countries in Africa, many of which are developing countries. In November of the same year, it hosted a Forum on China-Africa Cooperation (FCAC) attended by heads of government of 48 African countries. The meeting adopted a Declaration of the Beijing Summit of the FCAC. This called for raising the status of African countries in the UN through reforms of the world body, while the FCAC Beijing Action Plan for the 2007-2009 period, released at the same time as the declaration, stated that "priority should be given to increasing the representation and full participation of African countries in the UN Security Council." In the economic sphere, China also hosted the annual gathering of the Board of Governors of the African Development Bank Group (AfDB) for the first time in Shanghai in May 2007, emphasizing to developed nations the importance of defending the interests of African countries. In the political sphere, it held the first political consultation at the foreign minister level within the framework of the FCAC during the September 2007 UN General Assembly, launching a regular dialogue mechanism. Participants in the political consultation issued a communiqué reconfirming that China would double its aid to Africa by 2009 compared to 2006 levels and emphasizing the importance of policy coordination between China and African countries through regular consultations on regional and international problems. At the end of November 2008, the first strategic dialogue between China and the African Union (AU) was held. In addition to a discussion on the nature and direction of cooperation between the two there was an exchange of opinions concerning problems such as the Darfur conflict in Sudan.

On the matter of resolving conflicts in Africa, China has been active in dispatching personnel, including troops, to UN peacekeeping operations (PKOs) in Africa, and in May 2007, installed a special representative on African affairs in its Ministry of Foreign Affairs to boost efforts at finding a diplomatic solution to

the Darfur conflict. Through these policy initiatives, China aims to strengthen the role of the UN by assisting the effort to resolve the conflict in the framework of UN PKOs, and at the same time to strengthen China's international image as a "responsible power" by making a specific contribution to resolving conflicts and building peace in Africa. Furthermore, in a lecture at the UN High-Level Meeting on Africa's Development Needs in September 2008, Yang Jiechi, minister of foreign affairs, stated that the reason China places such emphasis on strengthening relations with Africa is because it regards "cooperation with Africa as an important part of South-South cooperation." He further stressed that China's cooperation with Africa is instrumental in promoting economic and social development in Africa, increasing employment, and raising people's living standards. Thus, Beijing views its African diplomacy as a successful model of South-South cooperation, that is, of China's diplomacy towards developing countries, and its African diplomacy is also intended to communicate at home and abroad the success of its "harmonious world" diplomacy.

The success of the China-Africa relationship also benefits China specifically in the form of energy diplomacy. China is already dependent on imports for almost 50 percent of its crude oil requirements and its aim is to secure energy supplies by strengthening relationships with oil-producing countries and regions. In February 2007, the Chinese government published foreign investment guidelines. Of the 32 countries covered in the guidelines, nine are producers of oil or natural gas, showing the importance attached by Beijing to developing relations with resource countries as well as its focus on supporting resource development as Chinese companies expand their operations overseas. This thinking also underlies China's efforts to strengthen relations with Persian Gulf countries, such as Iran and Kuwait, but as economically advanced countries already have a monopoly on the development of oilfields in the Gulf region, China does not look upon Gulf countries as stable sources of energy supply. In this regard, China has been striving to secure supplies of energy from Africa by strengthening its energy

diplomacy relying on the provision of low-interest loans and cooperation with resources development. Chinese leaders visited Africa in 2006 and 2007, and during a visit by President Hu Jintao to Nigeria in April 2006, the two countries signed an agreement on oilfield development, after which Chinese companies won bids for preferential rights to develop four concessions. In June of the same year, Premier Wen Jiabao visited Angola, where a deal was struck for China to provide an additional \$2 billion investment for infrastructure building.

It is important to note that China has not limited its efforts to summit diplomacy to secure resources, but is already at the stage of actually developing resources. The earlier-mentioned guidelines also show that China has clearly identified the regions where it intends to develop resources on the back of moves to strengthen political relations with African countries through summit diplomacy. China has previously issued guidelines in July 2004 and October 2005, but the investment targets in the resources field were Asia countries, such as Myanmar, Indonesia, and Brunei; Gulf countries, such as Iran, the United Arab Emirates, and Saudi Arabia; and North African countries, such as Egypt, Sudan, and Algeria. In the guidelines issued in February 2007, newly added investment targets are Morocco, Qatar, Libya, and Nigeria, increasing the weight of African countries among those that China is interested in targeting for resource development. Moreover, in recent years, China's imports of crude oil from Africa have averaged around 30 million tons annually, which already represent about 30 percent of China's total crude imports. Zhao Zhiming, secretary general of the China Petroleum and Petrochemical Equipment Industry Association, estimates that in 5–10 years' time, imports of crude oil and natural gas from Africa will account for 40 percent of the total.

In January 2008, Foreign Minister Yang Jiechi visited South Africa, Democratic Republic of Congo, Burundi, and Ethiopia. It would be fair to say that the purpose of the visit was to put flesh on the cooperative relationship pursued under the FCAC in a bilateral context. Ethiopia agreed to the early establishment of an economic and trade cooperation zone, informing the Chinese foreign minister that it welcomed the participation of Chinese companies in the building of telecommunications and other infrastructure. In South Africa, there was agreement to strengthen cooperation in the fields of agriculture, trade, science and technology, and human resources development, and to establish a mechanism for strategic dialogue at the foreign minister level in 2008, the 10th anniversary of the

establishment of diplomatic ties between the two countries.

Moreover, the China-Africa Development Fund (CADF) proposed by President Hu Jintao at the FCAC summit in 2006 has started operating. After gaining approval in the State Council in March 2007, the China Development Bank, a governmental finance institution, officially launched the CADF with an initial contribution of \$1 billion. The CADF provides broad financial assistance to Chinese corporations in the fields of African agriculture, manufacturing, energy, transport, telecommunications, infrastructure building, and resource development. Even before its official launch, the fund had already agreed to cooperate with China National Agricultural Development Group, China Machinery and Equipment Import and Export Corporation, and Shenzhen Energy Corporation. According to Chi Jianxin, CEO of the CADF, by September 2008, the fund had established cooperative relationships with more than ten domestic companies. Six investment projects were under way (worth \$90 million on a contractual basis and \$44 million on a disbursement basis) and almost 100 projects were at the preparatory stage. Zhou Yabin, director of the West Asia and North Africa Department, Ministry of Commerce, also stated that the Chinese government would assist Chinese companies to make further investments in Africa via this fund, a sign that the expansion of Chinese companies into Africa is likely to accelerate with the support of the Chinese government, not only in the primary field of resource development, but in other fields as well. China's presence in Africa is no longer merely a perception; it is unmistakably growing in the political, economic and security fields.

China's developing country diplomacy focused on Africa does not simply mean that China has opened a new foreign policy frontier. As argued below, the outlook for China's major power relations such as with the United States, Russia, and other countries is not necessarily promising, hence another way to look at China's relations with developing countries and regions, Africa in particular is that it represents an attempt to communicate China's constructive role to the international community.

(3) China's Major Power Relations Face Hurdles

China has traditionally engaged in major power diplomacy, or diplomacy focused on relations with major powers, believing that such relations are of pivotal importance because of the decisive role the major powers play in international

relations. Although Hu Jintao's leadership has exhibited greater involvement in good neighboring diplomacy, its most important relationships have been with the major powers. While there has been no clear change in this stance, the outlook for China's relationships with the major powers is less promising than in recent years.

Since the end of 2005, there have been growing calls in China to exercise greater caution in ascertaining the intentions of the United States in US-China relations. This is because China saw "peaceful evolution" as a motive behind the view inside the US administration that China should play a constructive role in sustaining the international system, a view that gained ground with the enunciation of the "responsible stakeholder" approach. For example, Jiang Zhenghua, vice chairman of the Standing Committee of the Tenth National People's Congress (NPC), articulated his perception of the United States' formulation of the issue as follows when speaking about the "responsible stakeholder" concept: the issue raised by the United States "is how to get China, which has already merged with the rest of the world, to take responsibility within the international system." The premise on which the United States will accept the rise of China is "to use the current rules to shape China, and it will not allow China to change the current rules." Ma Zhengang, director of China Institute of International Studies, a think tank attached to China's Ministry of Foreign Affairs, also drew attention to growing fears and the increased wariness of advanced Western nations towards China's rapid development. He urged greater caution in the US tone towards China, saying there had been no change in the basic strategic goal of Western powers to "divide and Westernize" China.

According to Jiang Yi, a researcher at the Institute of Russian, East European & Central Asian Studies under the CASS, writing in the July 11, 2008 edition of the *People's Daily*, official organ of the CPC, these Chinese concerns are starting to be realized through the "formation of a networked alliance" centered on the United States. Specifically, Jiang Yi views the July 2008 signing of an agreement between US Secretary of State Condoleezza Rice and Czech Foreign Minister Karel Schwarzenberg to build a radar facility inside the Czech Republic in connection with the plan to deploy the US missile defense (MD) system in Eastern Europe, as an indication of the United States' desire to pursue "absolute security." He drew attention to the serious impact of this, saying "the global strategic balance has been destroyed." The United States' pursuit of absolute security, as symbolized by this type of MD plan, was endorsed at a North Atlantic Treaty Organization (NATO)

summit in April 2008 and is reportedly starting to take concrete form in Poland, Lithuania, and Japan. Jiang Yi expressed alarm, describing this as the “formation of a networked alliance” against strategic rivals, namely, Russia and China.

It appears specialists within China also believe the “formation of a network of alliances” could extend to the neighboring region. Speaking to reporters during a visit to India at the end of February 2008, Secretary of Defense Robert Gates said the United States and India were “beginning to talk about conducting a joint analysis on what India’s needs would be in the realm of missile defense, and where cooperation might help advance that.” At a hearing of the Senate Committee on Armed Services on March 11, Timothy Keating, commander, US Pacific Command, and Burwell Bell, commander of the US Forces Korea, referred to the need for allies Japan and ROK to strengthen their missile defense efforts, stressing the need to address North Korea’s ability to deliver missiles outside of the Korean Peninsula. In reporting this Congressional testimony, key South Korean media said demands would be placed on the ROK government to develop an MD plan that facilitates complete integration with American MD plan. The ROK’s Lee Myung-bak administration, which assumed power at the end of February, indicated its intention to emphasize the US-Korea alliance. At a summit meeting in April, the US and Korean leaders agreed to develop the current ROK-US “alliance into a 21st century strategic alliance.” The argument in the ROK over the policy of developing the ROK-US alliance into a 21st century strategic alliance centers on the possibility of the ROK participating in the MD plan and the Proliferation Security Initiative (PSI), and it appears China views this as signaling the “formation of a networked alliance.” The Chinese side is particularly interested in the Lee Myung-bak administration’s diplomatic and security policies and the Foreign Ministry-affiliated journal *World Affairs (Shijie Zhishi)* (No. 10, 2008) carried an essay concerning the April 2008 visit of President Lee Myung-bak to Japan and the United States entitled “Is the Era of the ‘Iron Triangle’ on the Way?” This essay described the intentions of the United States in the US-ROK summit as being to “create a US-led trilateral alliance of the US, Japan, and ROK by combining the US-Japan alliance and the ROK-US alliance,” concluding with the analysis that the ROK is “becoming defensive about China’s growing strength.”

From this perspective, the China-ROK summit talks held at the end of May 2008, in which the two leaders agreed to upgrade the relationship between their countries into a “strategic partnership” at China’s urging, can be viewed as an

attempt by China to keep a rein on the ROK's diplomatic and security initiatives. At the summit talks, President Hu Jintao identified four points when characterizing the significance of upgrading the relationship to a strategic partnership: strengthening of mutual trust in the political sphere; promotion of practical cooperation, including a free trade agreement (FTA); expansion of personnel exchanges; and close cooperation on regional and international issues. There is nothing new about this characterization, but the same day, Qin Gang, deputy director-general of Press and Media Service under the Foreign Ministry, said, by way of discouraging moves to strengthen the US-ROK military alliance and the formation of a network, that the "US-ROK military alliance is something left over from history" and "the Cold War mentality of 'military alliance' would not be valid in viewing, measuring and handling the current global or regional security issues." He added that the ROK-China strategic partnership is "favorable to regional peace, stability and prosperity."

Previously, China's diplomacy aimed at countering the expansion or strengthening of alliances centered on the United States had focused on bolstering strategic cooperation with Russia. The Sino-Russian joint statement on major international issues signed by Russian President Dmitriy Medvedev and Chairman Hu Jintao at the conclusion of their talks during Medvedev's May 2008 visit to China highlights the common concerns of China and Russia with a statement that the "establishment of a global missile defense system... is not conducive to strategic balance and stability or efforts on international arms control and non-proliferation." The two countries also agreed that Russia would supply technology on uranium enrichment facilities as well as uranium while also exchanging agreements on cooperation in aviation technology and joint action plans in the field of tourism.

However, China may be forced to take a cautious line on strengthening strategic relations with Russia. Because former President Vladimir Putin has retained his political influence by staying on as prime minister in the Medvedev administration, many Russian experts in China think the Medvedev administration will persist with the "big power diplomacy" that emerged in the latter stages of the Putin administration, when Russia did not shrink from adopting a confrontational stance vis-à-vis the United States and other Western countries. The confrontational stance in Russia's big power diplomacy is almost certainly aimed at the United States and Europe, not at China. However, amidst growing tension between Russia and the

United States as well as Europe over the plan to deploy the MD system in eastern Europe, NATO's eastward expansion, the issue of Kosovo's independence, and the conflict in Georgia, any strengthening of the traditional strategic cooperation between China and Russia could negatively impact ties with the United States, which could lead to the "networked alliances" being clearly targeted at the US strategic rival China. In view of this, experts within China have been stressing the need for China to develop good relations with the United States as it deepens the Sino-Russian strategic partnership and have also again emphasized that the strategic partnership is not an alliance and is not aimed at any third countries.

Russia's military intervention in the South Ossetia region of Georgia on August 8, 2008, the opening day of the Beijing Olympics, and its announcement recognizing the independence of South Ossetia and Abkhazia on August 26 confronted China with difficult diplomatic choices. Hu Jintao has identified the promotion of ties with Russia as a priority of China's diplomacy, noting that China aims to deepen the China-Russia strategic partnership. However, China cannot support Russia's military action. This is because Russia intervened militarily in support of South Ossetia, a part of Georgian territory, and also recognized its independence. Given the problems of Taiwan and Tibet, China is not in a position to support the logic behind Russia's military action. Furthermore, China advocates the diplomatic principle of nonintervention in other countries' internal affairs, and regards the "harmonious world" concept as an extension of the Five Principles of Peaceful Coexistence centered on the notion of nonintervention, hence China is not in a position to support Russia's military action from the perspective of China's diplomatic principles. Another factor is the "Joint statement concerning the further development of the Treaty of Friendship and Cooperation between the PRC and Georgia" signed by President Hu Jintao in April 2006, in which China confirmed its support for Georgia's independence and maintenance of its sovereignty and territorial integrity as well as its view that the South Ossetia issue is an internal problem of Georgia. After Russia's military intervention in August, China's Foreign Ministry stated that it "understands the complicated history and reality of the South Ossetia and Abkhazia issue," and while showing a certain degree of consideration for Russia's position, appeared to caution Russia against further military action by emphasizing the need to "resolve the issue properly through dialogue and consultation." President Hu Jintao also made no mention of Russia's recognition of independence for South Ossetia at the Shanghai

Cooperation Organisation (SCO) summit held in the Tajikistan capital of Dushanbe at the end of August, while speaking of the need for SCO solidarity. In the joint declaration issued at the conclusion of the SCO summit also, participants expressed their “deep worries” over the tense situation triggered by the South Ossetia conflict without referring to Russia’s recognition of independence, and stated that they supported the “role played by Russia to bring about peace” in South Ossetia, not military action. President Hu Jintao stated to President Medvedev that “the Sino-Russian partnership of strategic cooperation has maintained a sound momentum of development,” while Russian prime ministerial spokesman Dmitriy Peskov, in an effort to prevent the South Ossetia problem from impacting Sino-Russian relations, said “just because China does not recognize South Ossetia’s independence does not mean it is trying to isolate Russia.” However, as already noted, there is an underlying wariness on the Chinese side towards Russia’s big power diplomacy, which is willing to risk confrontation with Western countries, hence China has no option but to act cautiously in strengthening strategic relations with Russia.

3. The Impact of Nontraditional Threats on the PLA

(1) Continuing Increases in Defense Spending

At the First Session of the Eleventh National People’s Congress (NPC) held in March 2008, it was reported that defense appropriations for fiscal 2008 would amount to 409.9 billion RMB, a 17.7 percent increase over the previous year. This marked 20 consecutive years of double-digit growth in defense spending by China. Based on figures released by Beijing, China’s defense expenditures already ranked third in the world in fiscal 2007. So, on the basis of face value comparisons of defense expenditures with other nations, Beijing’s rebuttals of those who say that China now poses a security threat are not persuasive. For that reason, in announcing its latest appropriation, Beijing has chosen to emphasize that, relative to GDP and to total fiscal outlays, China’s defense expenditures were lower than those of the United States, Britain, France, Russia, and India. Until last year, Beijing had always included Japan in the list of countries used in this comparison; this year, India was newly inserted in place of Japan. Beijing’s elimination of Japan from the list undoubtedly reflected the fact that Japan’s defense expenditures, both as a percentage of GDP and as a percentage of total fiscal outlays, are lower

than China's. There are many who contend that China's defense expenditures lack transparency. Beijing, in rejecting this criticism, says that transparency of intentions is more important than transparency of expenditures. Thus a gap in perceptions exists between China and other countries on this issue.

Spokesman Jiang Enzhu cited the following four reasons for the increase in defense spending: (a) improvements in pay and other benefits for officers and soldiers; (b) the need to offset sharply higher costs of food, fuel and other supplies; (c) education and training expenses for troops at the combat unit level; and (d) increases in weapons and equipment costs reflecting higher information systems-related expenses. The increases, in other words, were compensatory; they were needed to "supplement" weaknesses in the foundations of China's national defense. As we see below, the military's interpretation of "to supplement" is more straightforward.

In recent years, statements by the military regarding defense expenditures have often included remarks such as "our time of having to endure is over," "making good on a historical debt," etc. Under Beijing's economic reform and opening-up policies, priority was given to developing the nation's economy, which forced the military to bear with the frustrations of postponing work on building the nation's defense capabilities. One can detect from the preceding comments an attitude that now that China has become economically affluent, the military should naturally be given appropriate consideration. Before the opening of the NPC, an article on the country's increasing defense expenditures appeared in the February 26 issue of the *PLA Daily*, the Chinese military's newspaper. It spoke of these higher expenditures in the following terms: "future increases in defense spending will be de facto compensatory increases"; "where compensation is to make up for prior inadequacies, it stands to reason that these increases will be at a higher rate than the pace of economic growth"; "if one assumes that in two years' time, defense expenditures will be increasing in amounts that are normal for the country's level of economic growth, then these compensatory increases will be completed in twenty years"; "the current increases in defense spending are now only beginning to bring expenditures into alignment with the pace of economic growth and are enabling us only to reduce existing inadequacies; and "the task of compensating for these inadequacies will never be complete." Although the military certainly does not expect all of these arguments to be accepted, the fact that they were published just before the opening session of the NPC provides a gauge of how

China's 2008 Defense White Paper

On January 20, 2009, Beijing released "China's National Defense in 2008" (the 2008 edition of China's defense white paper; hereafter, "white paper"). All previous white papers have been released during the year that appears in the title of the report, but this year publication came after the turn of the year. The delay probably reflects the last-minute addition to the text of a commentary on the dispatch of navy ships to the seas off Somalia, which was carried out on very short notice at the end of the year.

As in previous editions, this white paper devotes a full chapter to a commentary on China's defense spending. This chapter contains a graph comparing defense spending as a percentage of GDP and on a per-individual service member basis among seven nations in fiscal 2007: the United States, Russia, Britain, France, Germany, Japan, and China. By both measures, the amounts spent by the United States dwarf the amounts spent by other countries. By emphasizing the outsized position of the United States in this comparison, China sought to dodge criticisms that its growing military capabilities pose a threat. Since the early days of China's economic reform and opening-up policy, Beijing has always discussed trends in defense spending in relation to GDP and fiscal outlays, emphasizing the "defense expenditure has always been kept at a reasonable and appropriate level" In the latest white paper, Beijing continued its practice of reporting expenditures under the three categories of personnel, training and maintenance, and weapons and equipment, and it has not provided further breakdowns of information. For a paper that has devoted an entire chapter to the issue of defense spending, the scope of information provided is quite limited and the improvement in transparency virtually nil.

There has been a change in the direction of military strategy. Although the white paper says that China will continue to adhere to "a military strategic guideline of active defense for the new period," it adds additional commentary on Beijing's intentions "to enhance the capabilities of the armed forces in countering various security threats and accomplishing diversified military tasks." Specifically, it cites "increasing the country's capabilities to maintain maritime, space and electromagnetic space security and to carry out the tasks of counter-terrorism, stability maintenance, emergency rescue and international peacekeeping; and it notes that China "participates in international security cooperation, conducts various forms of military exchanges and promotes the establishment of military confidence-building mechanisms." In addition, the expression "detering war," which Beijing has used in previous white papers, has been revised to "detering crises and war." Sr. Col. Chen Zhou, a researcher at the Academy of Military Sciences, remarked that this change in wording "indicates that the center of gravity of guidance on military strategy is moving from the deterrence of war to the deterrence of crises." The Central Military Commission, at its enlarged meeting held at the end of 2008, is thought to have debated a major question with regard to the direction of military strategy. It is possible that an amendment to the direction of military strategy was discussed at this meeting.

In the chapter on the Navy, the white paper states that the PLA will "gradually

develop its capabilities of conducting cooperation in distant waters and countering nontraditional security threats” This comment was probably written after the dispatch of ships to seas off Somalia. While the white paper modestly uses the term “cooperation,” the initial appearance in a white paper of the word “distant waters” is significant.

strongly the military feels about the need to increase military expenditures. One could even say that, with slower economic growth now on the horizon, the military may have been signaling a sense of crisis and a desire to avoid another round of “endurance” that would befall it should growth in military spending be curbed.

Beijing often uses the phrase “responsible major power” in explaining these increases in defense spending to the Chinese people and the international community. The article mentioned above contains the following statement: “As a permanent member [of the UNSC], our country has both the status and the responsibility of a major power. As such, it must contribute to sustaining world peace and protecting the stability of the region. To reduce the danger of international terrorism and international crime, China must strengthen its military cooperation with other countries and participate more frequently in the UN’s PKOs and in joint antiterrorism exercises. The increases in military spending will allow it to support these kinds of activities.”

In a commentary on rising defense spending, Maj. Gen. Luo Yuan of the Academy of Military Sciences stated that “in addition to dealing with traditional threats, the Chinese military now also has a duty to combat numerous nontraditional threats.” Gen. Luo added that “as the military’s responsibilities expand, defense expenditures inevitably increase. To carry out these new duties and missions, China must augment its defense expenditures.” For China, 2008 was indeed a year of continually arising nontraditional threats, including damage from snowfall, protests by Tibetans and Uyghurs, the Sichuan earthquake, floods, and terrorist attacks. Dealing with these kinds of nontraditional threats presents an immediate crisis to China, so nontraditional threats now take on considerable plausibility as a cause of defense spending increases.

In 2007, Beijing promulgated regulations against corruption in the use of military expenditures, including restrictions against unauthorized use, wasteful spending, and the like. In 2008, the Central Military Commission (CMC) released

its “Opinions on Further Intensifying the Economic Responsibility Audit [sic] of the Leading Cadres of the Armed Forces.” In this opinion, there is a strong focus on linking personnel evaluations to the results of financial audits. This reflects a situation that was described by the *PLA Daily* in the following way: “A minority of the leading cadres is not well aware of the responsibilities they have on the economic front; they lack a concept of what it means to endure difficulties and to continue striving and working industriously and frugally to see that the military is properly equipped. Instead, they engage in extravagant wasteful spending, which sometimes results in violations of rules and discipline.”

(2) Awareness of Inadequacies in Strategic Power Projection

In his address to the Seventeenth Party Congress in 2007, General Secretary Hu Jintao said that China needed to “enhance the military’s capabilities to respond to various security threats and fulfill diversified military tasks.” President Hu and Premier Wen Jiabao made this point again using the same words at the National People’s Congress in March 2008. In an editorial commemorating the 81st anniversary of the founding of the armed forces of the PRC, the *PLA Daily* noted that “since the beginning of the year, a host of military operations other than war have once again highlighted the great significance of and the strategic demands for the armed forces to enhance the capabilities in dealing with various threats to security and fulfilling diversified military tasks.” For China, the year 2008 was a year of manifold nontraditional threats. These real-world ordeals have forced the military and the People’s Armed Police Force to craft serious responses to nontraditional threats.

The military’s mobilization of armored vehicles to put down the protests in Tibet in March has been captured on film. Some analysts believe that the vehicles used to quell the demonstration were transported to the area on the Qinghai-Tibet Railway. It is undeniable that one of the reasons for the construction of the Qinghai-Tibet Railway was to give China a greater ability to move heavy weaponry in response to military emergencies. In recent years, the PLA has been moving from regional defense to trans-regional mobility and has emphasized rapid assault capabilities that overlap theaters of war. The PLA has been moving heavy weaponry around frequently; in the exercise dubbed “Peace Mission 2007,” which it engaged in with SCO countries in August 2007, the PLA succeeded in transporting armored vehicles over a distance of 10,000 kilometers. In the 2008

exercise known as “Sharpening-2008,” a mechanized infantry brigade from the Jinan Military Area Command moved to its exercise destination—a joint training base of the Beijing Military Area Command in Inner Mongolia—via railroad.

The Great Sichuan Earthquake on May 12 generated a number of lessons in terms of disaster response, including the need for a more effective joint command system, joint support system, and reserve service mobilization, and also for more and better rescue equipment, information-gathering capabilities, communication tools, public information capabilities, psychological counseling, and so on. But the greatest problem faced by those responding to the disaster was a shortage of air transportation capable of providing rapid mobility in geographically difficult terrain. Despite extensive media coverage of the exploits of airborne units, air transportation units, army aviation units, and requisitioned civilian aircraft, there are considerable concerns about the PLA’s air transportation capabilities. On June 18, Guo Boxiong and Xu Caihou, the highest ranking uniformed officers in the PLA and vice chairmen of the CMC, observed drills for deploying long-range air drops in civilian emergency situations, in which civilian aircraft also participated. Following the exercise, Gen. Guo remarked quite frankly: “This exercise has forced us to recognize that improving the PLA’s long-range airborne capability is a realistic and urgent issue.” However, the PLA is facing problems in procuring the aircraft that would provide it with this capability, including delays in deliveries of the Russian-made Il-76, among other issues. Developing its own aircraft is not a viable option over the short term. Thus, for the time being, China will have to utilize civilian aircraft to compensate for deficiencies in its long-range airborne capability. According to reports, the PLA must also alleviate the problem of shortages in the number of helicopters in its fleets and also upgrade the performance capabilities of its helicopters, including by adding all-weather and search-and-rescue aircraft. The *Outlook Weekly*, a publication affiliated with the Xinhua News Agency, has been urging the military to make the Sichuan earthquake a stimulus for the development of a domestic helicopter industry.

An article dealing with the subject of China’s power projection capabilities appeared in the September 23 issue of the *PLA Daily* and is worth noting. It argues that, in order to enhance China’s defense capabilities at a core level, Beijing will have to strengthen the military’s informational capabilities and at the same time increase China’s strategic power projection. It cites as reasons expanding duties in military operations other than war (MOOTW)—including UN PKOs,

cooperation in antiterrorist campaigns, and humanitarian aid and disaster relief—and the wider area in which such duties are carried out. Additionally it notes that MOOTW are becoming a constant in today's world; that participation in MOOTW protects China's image as a responsible major power; and that transformation to a strategically mobile force will encourage a slimming down of the military's strategic structure—i.e., that it will facilitate a reduction of the military's manpower needs. The article recommends that China move in the direction of maintaining a suitable regular force that projects strategic capability through a high level of readiness and special operations capability, and that it place special importance on the projection of naval and air power. It also proposes the development of strategic power projection capabilities through the use of civilian transportation and freight-carrying resources.

Although there are reports that China is involved in the joint development of large transportation aircraft with Ukraine, today Beijing is largely dependent on imports. There are some signs that Beijing is making progress in the strategic projection of its naval power. It is developing a large landing ship that can also be used rescue purposes in humanitarian crises and has just commissioned a large (20,000-ton class) hospital ship. The latter is the result of China learning from its experience in the aftermath of the Sumatra Earthquake and Indian Ocean Tsunami, where it could not project a presence. Hereafter, it is likely that China will seek to make itself more visible in humanitarian rescue situations.

In 2008 there were also reports regarding China's intention to possess an aircraft carrier. PLA Navy, which is seeking greater deepwater capability, is likely to continue building larger surface vessels hereafter. The ability to build larger ships reflects improved technological capabilities in China's shipbuilding industry, which have come about as a result of cooperation with Japanese and Korean shipbuilders. The Chinese magazine *Naval & Merchant Ships* published an article in its February 2007 edition calling for the priority mobilization

of advanced-capability shipyards, in which it noted (with accompanying photographs) that the Japan-China shipbuilding joint venture in Nantong, Jiangsu Province has the capacity to build and repair large ships.

The PLA Navy's moves from its coastal waters into the open ocean are continuing. For example, on October 19, a destroyer, two frigates and a supply ship from the PLA Navy sailed through the Tsugaru Strait. This action can be seen as an indication of the PLA Navy's desire to move into the Pacific Ocean. Another example is the navy's dispatching of ships to the seas off Somalia to protect shipping. Maj. Gen. Jin Yinan, Director of the Strategic Teaching and Research Department of the PLA National Defense University, described the significance of this move by saying that they "enhance national image" and they represent "the execution of semi-strategic capabilities in the open ocean." In the January 4, 2009 issue of the *PLA Daily*, an article asserted that "participating in missions that contribute internationally is essential if a country wishes to have a voice and influence in the international community." In addition, after stating that "we must protect not only our territorial frontiers but also the frontiers of our national interests" and that "a nation's area of safety must transcend its territory," the article said that "the Navy's convoy activity in distant seas indicates that the strategic space in which the military's activities take place will expand along with a widening of the nation's interests."

(3) Continuing Reform of Organizational Structure

In July 2008, Beijing promulgated a new *Outline of Military Training and Evaluation* (hereafter, "New Outline"), which provides the foundation for "informatization-oriented military training." The New Outline is the product of a two-year process of revision based on unit-level testing, which began after a decision in June 2006 by the PLA-wide military training conference to switch from training under conditions of mechanization to training under conditions of informatization. The New Outline will take effect for the PLA and the Armed Police Force on January 1, 2009. The *PLA Daily* reports that, to compile the New Outline, the training conference assigned issues to each major military region and 163 units participated in testing the new protocols. The *PLA Daily* also reports that, in the process of editing the New Outline, planners added research and training in matters relating to the protection of rights in the ocean and outer space, and also enhanced training in areas such as antiterrorism, protection of territorial

waters and airspace, and emergency responses to disasters and other serious accidents, as well as participation in UN peacekeeping missions. The New Outline will also stipulate policies and standards for training and evaluation relating to informatization and “combination” (*lianhe*; includes what is referred to in Japan as “integration” of different military services and “cooperation” among the service personnel of different branches), which is likely to contribute to a uniform enhancement of the PLA’s capabilities hereafter.

The New Outline spends a good deal of time dealing with the issue of “combination.” In 2008, reports on “combined battalions,” which are battalions comprising cooperating units, received frequent coverage in the *PLA Daily*. The New Outline defines the battalion as the basic tactical unit which is capable of carrying out independent missions, and adopts battalion-level tactical training as a formal training category. The “combined battalion” is a battalion possessing independent strategic capabilities which are built basically around mechanized infantry, motorized infantry, and a tank corps. Depending on the mission, these capabilities are augmented by tanks, artillery, engineers, air defense force, missile force, signal corps, chemical defense corps, electronic warfare unit, or rear service unit. Modularized units of battalion size, which combine various arms of service depending on the mission, are a global trend; the “combined battalion” represents the Chinese response to this trend. The combined battalions also aim to develop leadership skills by exposing commanding officers at the major or lieutenant colonel level to varied experiences and to make progress in organizational reform by removing barriers among the different service arms.

In 2008, the PLA put into effect an important system relating to personnel administration for officers and noncoms. For officers, it began enforcing rules that prescribe specific standards and guidelines for personnel evaluations, with the objective of ensuring fairness in selection, job appointments, and promotions. In relation to noncoms, it launched a system that enables the military to bring university graduates into the service as noncommissioned officers. For the PLA, which is aiming to achieve victory in local wars under conditions of informatization, the role of noncoms as engineers and technical specialists is growing. Duties previously assumed by officers are now in many cases assumed by noncoms. However, the personnel system for noncommissioned officers once they enter the military remains untouched, with many areas in need of improvement, particularly in terms of ensuring fairness in selection/hiring and of improving wages, housing

and other benefits.

(4) The Creation of a Spokesperson at the Ministry of National Defense

As epitomized by debates about defense expenditures, foreign countries sometimes harbor doubts about the “transparency” of China’s defense capabilities. To remove these suspicions, Beijing has issued defense white papers, opened combat units and military exercises to public inspection, and made efforts to bolster exchange between the PLA and foreign militaries. To underscore its commitment to transparency, Beijing recently established a spokesperson system at the Ministry of National Defense (MND). Although the MND’s press bureau itself had begun providing news relating to the military in January 2008, it was only during the recovery effort following the Sichuan earthquake that the MND spokesperson first appeared before the media. The establishment of spokesperson system reflects a keen recognition by Beijing that the manner in which it deals with the media will affect how China’s military is viewed. The fact that training in how to deal with the media has been made a part of exercises at the collective military operations level and that the commanding officers of rescue units deployed in the aftermath of the Sichuan earthquake have been criticized internally for their inappropriate responses to the media indicate that the military’s awareness of the importance of media relations is increasing.

By attempting to persuade an international audience of its improved transparency, the PLA is seeking to build an international environment that is favorable to China. In July 2007, the CMC established a press bureau, the MND Press Affairs Office, within the General Staff Department and also reached a decision to establish the Forces Propaganda Bureau within the PLA’s General Political Department. In response to President Hu’s directive in 2008 regarding overseas publicity and ideological work, the CMC developed and transmitted its “Opinion on Intensifying and Improving Overseas Military Publicity Work” (hereafter, “Opinion”). The Opinion includes the following statements: “overseas military publicity work is an important component of the party’s and the nation’s overseas publicity work”; and “it shall be a important responsibility [of the bureau] to portray our military in a good light, to use the weapon of public opinion warfare as an important tool, to be bold and effective in overseas publicity and public opinion battles, and to create for us a favorable environment of international opinion.” At the time of the Sichuan

earthquake, National Defense Ministry spokesman Hu Changming said in an interview with the China News Service that “our task is to bring the Chinese military into view for the rest of the world and to build an image for the military.” In 2009, the PLA is planning to hold a parade to commemorate the 60th anniversary of the nation’s founding in which the country’s newest weaponry is expected to be put on display. With the world increasingly concerned about the rapid rise of China’s military capabilities, there will be considerable interest shown in how the MND’s spokesman explains this growing capability to the outside world and in the kind of image of the PLA that he creates.

The PLA recognizes that the Internet must be included as one of the “weapons of public opinion” discussed in the Opinion. One of the Web sites used by the PLA is “China Military Online,” which is operated and managed by the publicity bureau of the General Political Department. With English being the primary language of the Internet and with the “China threat” being transmitted around the world in English, the PLA is vitally concerned about improving the content of the English-language version of China Military Online.

The PLA has accumulated years of research on public opinion warfare. The PLA Nanjing Institute of Political Studies is an institution run by the PLA to prepare students for service as leaders in the military’s publicity organs. A school on public opinion warfare has been established at this institution where both graduate students and undergraduates study. The research on public opinion warfare conducted at Nanjing Political College has been noted in the “military’s 2110 project” (which denotes high priority projects for the first decade of the 21st century). It is clear from this fact as well that the PLA is placing importance on public opinion warfare.

The PLA has analyzed all wars led by the US military since the 1990s and has gained valuable lessons from these wars both in their hard power and soft power aspects. For example, the PLA learned from the Kosovo Conflict in 1999 that the Internet is an important means of winning the support of international public opinion; and it learned from the US military’s strategy against the Iraqi military that the control of information, rather than openness or secrecy, is the effective approach. These lessons are incorporated in its “Regulations on the Political Work of the PLA,” which was revised in December 2003. These regulations deal with engaging in the so-called “three wars”: the war of public opinion, which is waged to gain understanding and support for its military; the psychological war, which

aims to destroy the enemy's will to fight on the battlefield; and the legal war, which seeks to obtain acceptance of the legality and justice of its own military's position and to expose the enemy's position as illegal. In its "Guidelines for Public Opinion Warfare" and its "Regulations on the Control of Military Information and Publicity in Wartime," which establish rules relating to public opinion warfare, the PLA states that "during war, the information officer shall implement a system of news releases and press briefings." As this indicates, the MND's spokesman system is one of the tools used by the PLA in public opinion warfare. In addition, in the "three wars" regulations, political maneuvering is also recognized as a part of a nation's fighting capability and this has led to a reassessment of the roles played by political officers responsible for three wars. The MND spokesman system may thus be said to symbolize a higher status for political officers.

4. Taiwanese Defense Policy Shifting toward "Defense"

Because newly elected President Ma Ying-jeou has yet to announce clear national defense strategies and policies, we can only judge from statements that he made before and after his inauguration what direction they are likely to take.

Before his victory in the election, President Ma criticized the development of the Hsiung-feng 2E (Brave Wind) cruise missile, citing it as part of a defense policy of the Chen Shui-bian administration that was an "offensive defense." This criticism, which was made with the election in mind, was clearly aimed at underscoring his "differences" with the Chen government. In a speech given in February 2008, Ma said that Taiwan has to be SMART, in its national security; from this acronym, it is possible to infer President Ma's strategies and policies for defense. SMART denotes five pillars of national defense: S stands for Soft Power, specifically the need to strengthen security through the promotion of economic and cultural power and deeper engagement internationally; M stands for Military Deterrence, specifically the creation of a "hard ROC" defensive stance, one so solid that it would deter a first strike; A stands for Assuring the Status Quo, a status quo based on maintaining the current political situation (which, however, includes the hopes of building a Military Confidence Building Mechanism and negotiating a cross-Strait "Peace Agreement"); R stands for Restoring Mutual Trust, specifically repairing relations between Taiwan and the United States and other regional neighbors and deepening military cooperation with the United States; and T stands for Taiwan, specifically a "small place" that helps itself

become “beautiful, strong, and upright.” In his inaugural speech, President Ma said that, in terms of security policy, he was committed to strengthening cooperative ties with the United States in matters of national security and economic relations, and that he would work to develop a rational national defense budget and to steer procurements toward defensive weaponry. All of these statements adhere to the SMART strategy that he enunciated before the election. In June, Minister of National Defense Chen Chao-min formally committed Taipei to a defensive strategy in his first operational report after assuming office. This represented a shift from the Chen administration’s “offensive defense” strategy and was a natural step for the Ma administration, which had been calling for reconciliation with China.

Thus a variety of indicators—the president’s pledges, his statements while reviewing military units, the operational report made by the Minister of National Defense—are gradually shedding light on the defense policies of the Ma administration. At the same time, however, areas of potential future difficulty are also beginning to emerge.

In a speech given at the Republic of China Military Academy on June 16, which commemorated the founding of the academy, President Ma avoided mention of the threat of China and instead used only the expression “defense capabilities that will deter any and all aggression.” This clearly differed from the approach taken by President Chen, who never failed to refer to the threat of China. Moreover, President Ma, when reviewing combat units, has said that while China is “a threat” it is also “an opportunity.” This is undoubtedly an expression of sensitivity toward China by President Ma, who wishes to improve relations with Beijing. However, China possesses a large number of missiles aimed at Taiwan and has not relaxed training and organization for a contingency involving Taiwan; playing down the threat of China risks lowering the morale of the Taiwanese military.

In the above-mentioned speech at the military academy, President Ma used the words “Taiwan is a small place. But we can be small and beautiful, strong and upright.” As these words also appear in the president’s SMART national security strategy, they can be viewed as one of the most important sets of words in his defense policy. President Ma intends to convert the Taiwanese military to an all-volunteer force over the next four to six years. Minister of National Defense Chen Chao-min states, however, that “at today’s level of defense expenditures, this will not be possible; there is a need to reduce the size of our standing military to

200,000 personnel.” Not only will creating an all-volunteer force require a reduction in the current number of personnel, but it will mean facing losses in the number of reserve troops on hand, which be extremely disadvantageous for the defense of Taiwan. At a time when the strategic balance between sea and air is increasingly favoring China and when the latter has secured air superiority and control of the sea, the PLA’s amphibious landing capabilities are also being enhanced. Because it will have to fight against an amphibious invasion, Taiwan must establish superiority in the concentration of force at the point of landing. However, with only a small number of reserve personnel to tap, Taiwan is incurring the risk of China establishing a bridgehead. The lesson learned from the “Han Kuang 24” map exercise held in June is that there is a need to increase the number of reserve brigades and battalions. The previously mentioned operational report by the minister of national defense touches on the mobilization of reserve personnel. It proposes that military service be changed to three months of military training and education in the summer and the winter, and that citizens be excused from mandatory peacetime service. These are the reserves that would be used as tactical ground forces during a contingency. However, it is simply inconceivable that soldiers who have only been trained for three months and have no experience in an active unit will be able to function effectively as a unit on the front lines. In view of the very difficult security environment faced by Taiwan, the issue of moving to an all-volunteer force will probably become a sticking point in the Ma administration’s defense policy.

From the time he was a candidate, President Ma has demanded the removal of the missiles that China has aimed at Taiwan. The operational report by the minister of national defense also states that, in moving toward establishing a system of mutual trust on both sides of the strait, China must first show its sincerity by removing the missiles it has aimed at Taiwan. The problem is these missiles are mobile; and that while removing them from the shore opposite Taiwan may have political significance, it would have no military significance. The minister of national defense himself acknowledges this fact. Wu Poh-hsiung, chairman of the Kuomintang (KMT), has revealed that at his meeting with the leader of the Communist Party, one high-ranking member of the party said unofficially that Beijing was willing to consider not increasing the number of missiles that it deploys in the future and also decreasing the number of its missiles in stages each time missile systems are upgraded. However, this senior official gave neither

specific dates nor amounts of such reductions. These “unofficial intentions,” moreover, have no meaning militarily because China already has a sufficient number of missiles to subdue Taiwan and there is no need for Beijing to increase the number of these missiles—and because the higher capability of any new missiles that would be deployed in an upgrade would make up for the reduction in the number of missiles deployed. Furthermore, these “unofficial intentions” are not binding; there is no assurance that China would actually act on these intentions. Finally, it is clear that the “high official’s intentions” have not been blessed by the military. At a meeting with a group of visiting field grade officers from the Japan Self-Defense Forces, Xu Caihou, vice chairman of the CMC, stated that Beijing had no near-term intention of reassessing its military capabilities with respect to the Taiwan issue.

Despite the lack of any clear demonstration of “sincerity” on the part of China, Taipei led off with an expression of “goodwill” toward Beijing. In July, the Legislative Yuan lifted the moratorium on the development of the Hsiung-feng 2E cruise missile, which has the range to reach Shanghai, but the Ma administration once again put the Hsiung-feng 2E’s development on hold. Of course, a moratorium on development can be reversed at any time, so Taipei’s expression of “goodwill” has political significance only. In the event that China fails to demonstrate “sincerity,” the moratorium can be lifted. Taipei undoubtedly is hoping to elicit concessions from China using Hsiung-feng 2E’s development as a bargaining chip. However, the fact is that Taipei placed its “goodwill” on the table first and unless Beijing responds with a demonstration of “sincerity,” it will be difficult for both sides to commence peace negotiations.