

Chapter 5

China: The 18th Party Congress Focuses on the Next Generation of Leadership

The Communist Party of China (CPC) convened in November 2012 the Eighteenth CPC National Congress (hereafter, “Eighteenth Party Congress”), the most recent session of the national congresses it holds every five year. This was a milestone event that, in contrast with the seventeenth session, saw the departure of many members of the party’s top echelon—including Hu Jintao, who stepped down as CPC general secretary after completing two consecutive five-year terms—and the launch of a new leadership headed by Xi Jinping as general secretary. Although China had sought to hold the congress under tranquil conditions during this transition of power, it encountered various challenges both domestically and internationally. On the domestic scene, the CPC’s selection of new leaders was greatly influenced by the downfall of Bo Xilai, secretary of the party’s Chongqing Municipal Committee, which was precipitated by an incident in which Chongqing Vice Mayor Wang Lijun fled into the US consulate in Chengdu. Internationally, the Chinese government was pressed to deal with the US strategy of “rebalancing to Asia” in the context of China-US relations, which for China represent the most important element of constructing a stable global environment. On the whole, Beijing displayed a restrained reaction, making efforts to foster a stable relationship with the United States through mutual state visits and the implementation and establishment of various frameworks for talks and exchange. Nevertheless, the aforementioned US strategy is perceived by some as an attempt to create a strategic deterrence system specifically targeted at China. At the same time, both countries still show no signs of making significant progress toward resolving differences over human rights issues. China’s relationship with Japan was very strained in 2012, a year that marked the fortieth anniversary of the normalization of their diplomatic ties. China reacted sharply to the Japanese government’s decision to “nationalize” the Senkaku Islands—in fact, to transfer the ownership of three islands from a private citizen to the government—, and large demonstrations took place in Beijing and other parts of China, some of which turned into attacks on local Japanese factories and department stores. In addition, state-owned vessels from China now routinely make incursions in Japanese territorial waters around the Senkaku Islands.

In military affairs, many members of the CPC’s Central Military Commission (hereafter “CMC” refers to the CMC of the CPC, as opposed to the CMC of the People’s Republic of China [PRC], which will be denoted as “State CMC”) were

replaced with new appointments in conjunction with the Eighteenth Party Congress. China also carried out refitting and sea trials for an aircraft carrier that it purchased from Ukraine (then called the *Varyag*). Although the vessel was commissioned into the PLA Navy in September 2012 under the name of *Liaoning*, much outfitting still has yet to be completed, so it is unlikely that the ship will be able to function as part of a carrier strike group anytime soon.

Taiwan held its latest quadrennial presidential election in January 2012, resulting in the reelection of the Kuomintang's (KMT) Ma Ying-jeou. President Ma has basically retained his conciliatory stance toward China, which emerged in May 2008 and has since then garnered the Taiwanese public's support. However, this does not mean that Taipei's relations with Beijing have warmed dramatically. Under Ma's leadership, Taiwan has established regular airline service with China, completing the last of the so-called "Three Links" (direct postal, trade, and transport links), and has stably maintained economic exchange with China, as exemplified by advancement of the Economic Cooperation Framework Agreement (ECFA) and by frequent visits to Taiwan by Chinese delegations of provincial party secretaries and provincial governor-class officials. While these trends indicate a sharp decline in the potential for military conflict to erupt between China and Taiwan, some sources of tension still persist—for instance, China has not reduced the number of short-range ballistic missiles it has pointed at Taiwan, and cases of Chinese espionage in Taiwan continue unabated.

1. Launch of the Fifth Generation of Leadership

(1) The Downfall of Chongqing Municipal Party Committee Secretary Bo Xilai

Up until early 2012, Chongqing Municipal Party Committee Secretary Bo Xilai was seen as a likely candidate for admission to the CPC's Political Bureau Standing Committee (PBSC) after the Eighteenth Party Congress. However, following accusations that he had received enormous bribes and abused his office in an attempt to cover up his wife's murder of a British national, he finally received the sternest punishment meted out to party members—he was expelled from the CPC and stripped of public office by the Political Bureau on September 28. Although Bo had earlier gained prominence for his "sing red, strike black" movement (referring to the singing of revolutionary songs and the dealing of

blows to organized crime) in Chongqing, his situation shifted greatly after an incident in February in which his confidant, Chongqing Vice Mayor Wang Lijun—who also oversaw the “strike black” portion of the campaign as head of the Public Security Bureau in that city—fled into the US consulate in Chengdu. After being coaxed out of the consulate by Chinese authorities, Wang was immediately taken into custody by Ministry of State Security officers and taken to Beijing. Following this incident, Bo Xilai attended the National People’s Congress (NPC) in March, but on the day following the end of the congress, March 15, Xinhua News Agency reported that Bo had been dismissed from his positions as secretary, standing committee member, and member of the Chongqing Municipal Party Committee, and that Vice Premier of the State Council Zhang Dejiang would concurrently serve as the new secretary. On April 10, it was announced that the CPC Central Committee had decided to suspend Bo’s membership in the Political Bureau and the Central Committee in line with the party constitution and its rules, and that the CPC Central Commission for Discipline Inspection would file the case for investigation. Subsequently, Wang Lijun was sentenced to fifteen years in prison, and Bo Xilai’s wife was handed a suspended death sentence.

This chain of events is widely seen not as some random incident, but as part of a power struggle. It occurred just ahead of the extensive reshuffling of the CPC leadership at the Eighteenth Party Congress, and is believed to have involved political bargaining among party leaders such as then General Secretary Hu Jintao—who presumably hoped to maintain his influence—as well as former general secretary Jiang Zemin and PBSC member Xi Jinping. It appears that the Hu Jintao faction initially had the upper hand in the party’s balance of power, as suggested by the stern punishment of Bo Xilai, and the publication in the *People’s Daily* of an article pledging loyalty to Hu by then PBSC member Zhou Yongkang, who was seen as having close ties with Bo. Furthermore, even though Xi Jinping clinched the three top party, state and military posts—general secretary of the CPC, president of the PRC (inauguration in March 2013), and chair of the CMC (elected at First Plenum of the Eighteenth Central Committee of the CPC, which immediately followed the Eighteenth Party Congress; expected to take office as chairman of the State CMC in March 2013)—some observers believed that the Hu Jintao faction could nevertheless prevail as the dominant force within the PBSC. Ultimately, however, the struggle ended with the Jiang Zemin faction capturing an overwhelming majority of the PBSC seats. It should be noted that the

People's Daily, in describing Xi Jinping's assumption of office as general secretary, referred to him with the same sort of language it used when Hu Jintao was elevated to the top of the party; it stated that the CPC had "Comrade Xi Jinping as general secretary," and avoided terms painting the emergence of a strong Xi Jinping leadership. This contrasts with how the *People's Daily* portrayed Jiang Zemin when he served as general secretary—the newspaper said that the CPC had "Comrade Jiang Zemin at the core." The expression "at the core" was used only for Mao Zedong, Deng Xiaoping, and Jiang Zemin, which speaks to the central position that each played in their respective generations of party leadership. Conversely, the phrase "with [him] as general secretary" simply expresses a job title, suggesting that the PBSC has shifted to a more collective leadership since Hu Jintao's term as general secretary.

At the same time, Bo Xilai's "sing red, strike black" campaign was vehemently censured by Premier of the State Council Wen Jiabao, who said that the errors of the Cultural Revolution and the vestiges of feudalism still had yet to be fully eradicated, and that Chongqing's party committee and municipal leadership needed to do some deep soul searching and learn a lesson from the Wang Lijun incident. This public condemnation can be interpreted as a declaration that no more leftist ideology-driven policies will be implemented by central or local government leaders.

The conflict between the Hu Jintao and Jiang Zemin factions is seen by some as a battle between a political reform-minded group of Communist Youth League of China (CYLC) alumni and the conservative "Princelings," who are descendants of high-ranking party officials, but this dichotomy is not always an accurate model for dissecting the power struggles in China's leadership. Many offspring of senior party leaders are student members of the CYLC, who totaled 61.88 million at the end of 2009. One example of the blurred dichotomy is Political Bureau member Li Yuanchao, who is both a former secretary of the CYLC secretariat with apparent connections to Hu Jintao, and the son of a past senior CPC official (former deputy mayor of Shanghai). Moreover, the CYLC is not monolithic, as observers have noted that the degree of loyalty to the CYLC alumni in the Central Committee varies widely between officers working directly under the first secretary in Beijing and those serving on the provincial committees. Likewise, it appears that the Princelings have their own schisms that prevent the formation of a unified faction, and many descendants of powerful party figures choose to go into business rather than politics.

(2) The Eighteenth Party Congress

The Eighteenth Party Congress was held in Beijing from November 8–14, 2012, five years after the seventeenth convocation, and was immediately followed on the fifteenth by the First Plenum of the Eighteenth Central Committee. Both gatherings resulted in a sweeping change of the PBSC membership and other leaders who will steer the CPC's course over the next five years.

The PBSC was downsized to seven members from nine, the level it had maintained since the Sixteenth Party Congress. The previously larger membership is believed to have been the product of emphasis on collective leadership in an era devoid of party bosses with clout similar to that wielded by Mao Zedong and Deng Xiaoping. The reduction in seats may be attributed to a desire to speed up the decision-making process at the CPC's nucleus, but regardless of the reason, it seems that the timing—during the tug-of-war over appointments to the PBSC that was triggered by the Bo Xilai incident and pitted a group led by Hu Jintao (the Hu Jintao faction) against a group endorsing Xi Jinping (the Jiang Zemin faction)—further intensified an already fierce behind-the-scenes battle. Hu Jintao's headstrong doling out of severe punishment to Bo Xilai created the impression that his clique had the edge over the Jiang Zemin faction, but as noted earlier, the latter group gained a dominant majority of the PBSC seats. Li Keqiang is the only committee member who can unequivocally be placed in the Hu Jintao camp. Nevertheless, the five new members—those other than Li Keqiang and Xi Jinping—are all elder cadres who will retire upon completion of their five-year terms on the Eighteenth PBSC. Of the twenty-five members of the Seventeenth Political Bureau (including those on the PBSC), there were only nine apart from Xi Jinping and Li Keqiang who met the committee's age requirement (under age sixty-eight as of July 1, 2012), and all Jiang Zemin associates in that segment were advanced in years. The selection of such older statesmen for most of the PBSC seats indicates that Jiang Zemin and other party elders staged a big comeback in personnel decisions just ahead of the Eighteenth Party Congress. On

**Table 5.1. Members of the CPC's Eighteenth Political Bureau
(as of January 28, 2013)**

Name (Month/year of birth)	Education	Major posts held previously	Notes
Xi Jinping (Jun 1953)	Tsinghua University (PhD, law)	PBSC member, vice president of PRC, vice chairman of CMC	Concurrently serves as chairman of CMC. Expected to take office as president of PRC and chairman of State CMC in March 2013. Son of former vice premier Xi Zhongxun.
Li Keqiang (Jul 1955)	Peking University (PhD, economics)	PBSC member, first vice premier of State Council	CYLC alumnus. Expected to take office as premier of State Council in March 2013.
Zhang Dejiang (Nov 1946)	Kim Il Sung University	CPC secretary of Jilin, CPC secretary of Zhejiang, Political Bureau member (since 16th Political Bureau), CPC secretary of Guangdong, vice premier of State Council	Central Committee member (since 15th committee). Concurrently served as CPC secretary of Chongqing for short time following the Bo Xilai incident. Expected to take office as chairman of NPC in March 2013.
Yu Zhengsheng (Apr 1945)	Harbin Military Engineering Institute	Minister of construction, CPC secretary of Hubei, Political Bureau member (since 16th Political Bureau), CPC secretary of Shanghai	Expert on electronics industry. Central Committee member (since 15th committee). Expected to take office as chairman of Chinese People's Political Consultative Conference (CPPCC) in March 2013.
Liu Yunshan (Jul 1947)	Inner Mongolia Normal University, Central Party School	CPC deputy secretary for Inner Mongolia Autonomous Region, member of Political Bureau and Central Committee Secretariat (concurrent, since 16th Political Bureau), director of Central Committee's Propaganda Department	Began serving in central party organs in 1993, starting out as vice director of CPC Propaganda Department. Currently president of Central Party School and Central Committee member (since 15th committee).
Wang Qishan (Jul 1948)	Northwest University	Director of China Construction Bank, vice governor of Guangdong, CPC secretary of Hainan, mayor of Beijing, Political Bureau member (since 17th Political Bureau), vice premier of State Council	Appointed secretary of Central Commission for Discipline Inspection in 18th Central Committee.
Zhang Gaoli (Nov 1946)	Xiamen University	CPC secretary of Shenzhen, CPC secretary of Shandong, CPC secretary of Tianjin, Political Bureau member (since 17th Political Bureau)	Extensive work experience in Guangdong. Strong backer of the oil industry. May become first vice premier of State Council in March 2013.
Sun Zhengcai (Sep 1963)	China Agricultural University (PhD, agriculture)	Beijing Academy of Agriculture and Forestry Sciences, minister of agriculture, CPC secretary of Jilin	Well-versed in agricultural/forestry technology. Currently CPC secretary of Chongqing.
Hu Chunhua (Apr 1963)	Peking University	Deputy chairman of Standing Committee for Tibet Autonomous Region, first secretary of CYLC, CPC secretary of Inner Mongolia Autonomous Region	Served in Tibet Autonomous Region 1983–2006 (excl. stint as CYLC secretary in 1997–2001). Strong Hu Jintao loyalist. Currently CPC secretary of Guangdong.
Zhao Leji (Mar 1957)	Studied at Peking University	CPC secretary of Qinghai, CPC secretary of Shaanxi	Born in Xining, Qinghai. Currently member of Central Committee Secretariat, director of Central Committee's Organization Department.
Wang Huning (Oct 1955)	Fudan University (Master's, law)	Dean of Department of International Politics at Fudan University, Dean of Fudan University Law School, member of 17th Central Committee's Secretariat	Former professor for Fudan University's Department of International Politics. Central Committee member since 16th committee. Director of Central Committee's Policy Research Office since 2002.
Wang Yang (Mar 1955)	Central Party School (Master's, engineering)	Deputy secretary-general of State Council, CPC secretary of Chongqing, CPC secretary of Guangdong	CYLC alumnus (did not serve in central organ)

Han Zheng (Apr 1954)	East China Normal University (Master's, economics)	CYLC secretary for Shanghai, CPC deputy secretary of Shanghai and mayor of Shanghai (concurrent)	Central Committee member since 16th committee. Currently CPC secretary of Shanghai.
Zhang Chunxian (May 1953)	Harbin Institute of Technology (Master's, management science)	Minister of transport, CPC secretary of Hunan	Central Committee member since 16th committee. Currently CPC secretary of Xinjiang Uygur Autonomous Region
Liu Qibao (Jan 1953)	Jilin University (Master's, economics)	CPC secretary of Guangxi Zhuang Autonomous Region, CPC secretary of Sichuan	CYLC alumnus. Central Committee member since 17th committee. Member of Political Bureau and Central Committee Secretariat (concurrent, since 18th Political Bureau). Currently director of Central Committee's Propaganda Department.
Li Yuanchao (Nov 1950)	Central Party School (PhD, law)	CPC secretary of Jiangsu, director of Central Committee's Organization Department	CYLC alumnus. Has served at both local and national level. Holds close ties with Hu Jintao. Central Committee member since 17th committee.
Li Zhanshu (Aug 1950)	Hebei Normal University, Harbin Institute of Technology (Master's, executive business administration)	Governor of Heilongjiang, CPC secretary of Guizhou	Said to have befriended Xi Jinping when serving as CPC secretary of Wuji County (Hebei). Currently director of CPC's General Office.
Sun Chunlan (May 1950)	Central Party School	CPC secretary of Dalian, CPC secretary of Fujian	Female. Started career in Liaoning. Currently CPC secretary of Tianjin
Xu Qiliang (Mar 1950)	5th Aviation School of PLA Air Force	Deputy commander of Shenyang Military Region and Air Force commander for that region (concurrent), PLA deputy chief of the General Staff, Air Force commander	Rapidly rose through ranks. Promoted to general when Hu Jintao chaired CMC (2007). Currently vice chairman of CMC.
Guo Jinlong (Jul 1947)	Nanjing University	CPC deputy secretary of Sichuan, CPC secretary of Tibet Autonomous Region, CPC secretary of Anhui	Served as executive president of the Beijing Organizing Committee for the 2008 Summer Olympics when he was the city's mayor. Currently CPC secretary of Beijing.
Meng Jianzhu (Jul 1947)	Shanghai Mechanical Engineering Institute (Master's, engineering)	CPC deputy secretary of Shanghai, CPC secretary of Jiangxi, minister of public security	Currently secretary of Commission for Political and Legal Affairs and minister of public security (concurrent). Helps to keep the CPC and state organs in line.
Fan Changlong (May 1947)	Central Party School	Chief of staff for Shenyang Military Region, assistant to the PLA chief of the General Staff, commander of Jinan Military Region	Rose through ranks in combat units (artillery). Promoted to general (2008) later than Xu Qiliang, but is senior to Xu in their CMC vice chairmanships. Currently vice chairman of CMC.
Ma Kai (Jun 1946)	Chinese People's University (Master's, economics)	Deputy chief of National Planning Commission, deputy secretary-general of State Council, secretary of National Development and Reform Commission	Former teacher at Beijing's prestigious 4th Middle School. Central Committee member since 16th committee. Currently state councillor and secretary-general of State Council (concurrent, since 2008)
Li Jianguo (Apr 1946)	Shandong University	CPC deputy secretary of Tianjin, CPC secretary of Shaanxi, CPC secretary of Shandong	Central Committee member (since 15th committee). Extensive provincial service, but lacking in experience in CPC central organs and State Council. Currently vice chairman of NPC.
Liu Yandong (Nov 1945)	Jilin University's College of Administration (PhD, law)	Director of Central Committee's United Front Work Department, member of Political Bureau (since 17th Political Bureau)	Female. Lack of experience in a top local post may have contributed to slow rise. Currently state councillor.

Note: All PBSC members were newly appointed, except for incumbents Xi Jinping and Li Keqiang. The top seven people in this table are the PBSC members, listed in order of rank. The remaining Political Bureau members (starting with Sun Zhengcai) are listed in order of age, from younger to older.

Sources: Compiled from the *News of the Communist Party of China* website and *Chūgoku jūyō jinbutsu jiten* (Encyclopedia of Key Personages in China; Sososha).

the other hand, however, it is likely that five of the current Political Bureau members will be elevated to the PBSC at the Nineteenth Party Congress slated for the fall of 2017. The Eighteenth Party Congress and the First Plenum of the Eighteenth Central Committee marked the launch of not only the Xi Jinping administration, but also a race toward the party's top echelon among the Political Bureau members who are candidates for the next generation of leaders.

The current Political Bureau is made up of twenty-five members, the same level it had following the Seventeenth Party Congress. Of the candidates for promotion to the Eighteenth Political Bureau, two in particular attracted international attention: Ling Jihua and Wang Huning, both of whom were serving on the Central Committee and the Central Secretariat. Ling Jihua (born in 1956), the director of the CPC's General Office and an ally of Hu Jintao, appeared to be guaranteed a seat on the Political Bureau, but in September 2012 he was reassigned as director of the United Front Work Department, a move that some interpreted as a demotion for a scandal involving his son. Although he had secured a position on the Central Committee, he was not selected for the Political Bureau and hence can be considered to have dropped out of the race for the next round of PBSC appointments. Wang Huning (born in 1955), director of the Central Committee's Policy Research Office, was also seen as a shoo-in for entry to the Political Bureau, and in fact became a member. Also appointed were two likely candidates for taking over the CPC's helm ten years from now—Hu Chunhua and Sun Zhengcai, two younger leaders born in 1963. Another candidate born in the 1960s, Zhou Qiang (born in 1960, secretary of the CPC's Hunan Provincial Committee), who drew the spotlight for his experience in local party administration, failed to make it on to the Political Bureau, falling a step behind in the race toward the next generation of leaders.

Selection to the PBSC requires fulfillment of the age requirement (born on or after July 1, 1949), and career experience both in the center and in local politics—as the head of a ministry or a central department of the CPC, and as the secretary of a provincial or municipal CPC committee—is also said to be important. In recent years, no military officers have been appointed to the PBSC, and no women have ever made it on board. In light of these criteria and practices, the pool of contestants for accession to the next PBSC will likely include the aforementioned Sun Zhengcai and Hu Chunhua (the latter lacks experience at the party center, but has worked for many years in the politically challenging environment of minority

autonomous regions, and is the current secretary of the Guangdong CPC Committee), as well as Li Yuanchao, Wang Yang, Li Qibao, Zhang Chunxian, Zhao Leji, and Li Zhanshu. Three of them—Hu Chunhua, Li Yuanchao, and Li Qibao—have, like Hu Jintao, previously served on the CYLC Secretariat, and Wang Yang is considered to have the backing of Hu Jintao. Li Zhanshu is another alumnus of the CYLC, but owes his appointment to the Central Committee's Secretariat to Xi Jinping. Because of his lengthy service in Beijing, Sun Zhengcai is speculated to have deep ties with Jiang Zemin ally Jia Qinglin, but since he appears to have been handpicked by Wen Jiabao, it is hard to tell which side of the fence he sits. Over the next five years, the current party leadership will pit these mostly Hu Jintao-leaning young members in a struggle to be considered for the next round of PBSC postings, and Xi Jinping will likely endeavor to win over the young Hu Jintao partisans and make them loyal members of his fold.

In addition to descending from his post as CPC general secretary and Central Committee member, Hu Jintao relinquished his CMC chairmanship to Xi Jinping. This starkly contrasts with Jiang Zemin, who retained the title of CMC chairman when he voluntarily resigned as CPC general secretary at the Sixteenth Party Congress in 2002. The chairman of the CMC, considered the most important post in China, wields the authority for leading all of China's armed forces. The magnitude of this role is demonstrated by Deng Xiaoping, who never attained supreme leadership of the party or the government, but was able to hold the CMC chair until 1989. While Hu Jintao willingly resigned from all of his top positions, he is widely reported to have secured a pledge from retired party elders not to interfere in the decisions made by the current leadership. At the Eighteenth Party Congress, Hu Jintao was joined in the front row on stage with Jiang Zemin seated at his side, along with the other members of the 41-person standing committee of the congress presidium, including party elders such as Li Peng and Zhu Rongji. Various reports on the selection of PBSC members also suggested that these elders still had

a big voice in party affairs, acting as watchdogs over the current leadership. However, press releases regarding the death of former PLA General Political Department (GPD) Director Yang Baibing in January 2013 indicated that Jiang Zemin had taken a steep plunge in the CPC hierarchy—he was described as ranking twelfth in seniority, below the members of the seventeenth and eighteenth PBSCs. At any rate, regardless of the motivations, Hu Jintao’s relinquishment of the CMC chair to Xi Jinping along with the party’s top post can be deemed a significant step forward in the institutionalization of personnel assignments and the centralization of authority within the CPC.

Although Xi Jinping is obliged to follow the policies outlined in Hu Jintao’s report at the Eighteenth Party Congress over the first five years of his administration, he will be able to take over all top three posts in March 2013, giving him the potential to start exercising his own leadership at earlier stage than did Hu Jintao. When that happens, he will likely set forth a new slogan as an anchor for discussion of the party’s guiding principles, following in the footsteps of Zhao Ziyang’s “Preliminary Stage of Socialism,” Jiang Zemin’s “Thought of Three Represents,” and Hu Jintao’s “Scientific Outlook on Development.”

(3) The Xi Jinping Administration’s Efforts to Preserve CPC Rule

Following his ascension to CPC general secretary, Xi Jinping selected Guangdong as the destination for his first tour of inspection, a choice that evoked memories of Deng Xiaoping’s 1992 visit to that province to urge the acceleration of reform and opening-up. During his tour, Xi made a stop at a statue of Deng Xiaoping, where he placed a basket of flowers and issued a statement underscoring his determination to push forward with reform and opening-up. At the same time, the inclusion of Wang Yang, secretary of the CPC’s Guangdong Provincial Committee, in the entourage was a reminder of the outcome of Wang’s notable antagonism with Bo Xilai in 2011. Although the policy of reform and opening-up itself has only widened the rich-poor gap, and the vision of a “moderately prosperous society” espoused by Hu Jintao remains in its infancy, the maintenance of China’s economic growth is the top priority for the CPC as a means of legitimizing and preserving its rule. As such, observers will be keeping an eye on how Li Keqiang steers the economy after his expected promotion to premier of the State Council.

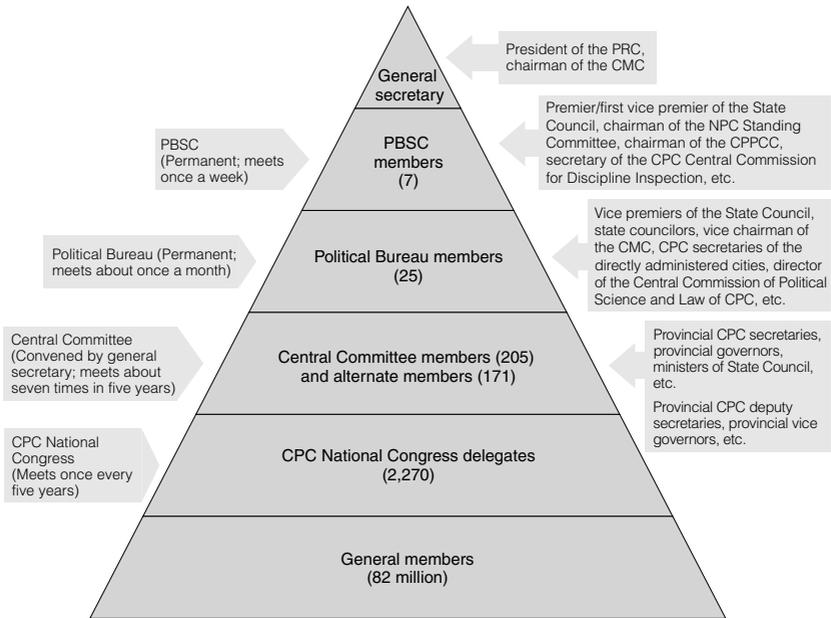
Xi Jinping has gained attention for referring to the “great renewal of the Chinese nation” four times during the first group study session held by the Political Bureau

after he became general secretary. Given that there is no single ethnic group in China that constitutes a “Chinese nation,” this expression is no more than a very modern political construct designed for unifying the people of the Republic of China and the subsequent PRC within the framework of a “nation.” Xi Jinping’s repeated use of the expression “Chinese nation” reveals him to be a politician willing to emphasize nationalism as a tool for preserving the CPC’s grip on power. Furthermore, he has made statements pairing nationalism with the desire to build a prosperous, militarily strong China—he said that strengthening the country’s armed forces was a prerequisite to the great renewal of the Chinese nation in remarks that he gave during his November visit to the National Museum of China’s “The Road Toward Renewal” exhibition with the other six PBSC members, and during his inspection tour of Guangzhou Military Theater in December. Naturally, the concept of a Chinese nation is founded upon the Han people, so it might not be intended as an identity to be shared with the ethnic minorities of areas such as Tibet Autonomous Region and Xinjiang Uyghur Autonomous Region. Moreover, there is the possibility that this construct will lead to stricter monitoring and crackdowns on those minorities. While the exact meaning of “great renewal of the Chinese nation” is not clearly defined, it obviously embodies Xi Jinping’s nationalistic stance and his ambition to use socialism and military power as means of achieving goals of the state and nation. At the Eighteenth Party Congress, Hu Jintao described corruption in the CPC as a major political issue of great concern to the people, and said that failure to resolve this issue could deal a fatal blow to both the party and the state. He then warned that all violators of party discipline and state laws must be brought to justice without mercy, regardless of their power or position. In so doing, he expressed a stronger stance against cadre misconduct than the one he displayed at the Seventeenth Party Congress of five years earlier, where he said that all corrupt elements were to be severely punished under the law. This shift toward sterner rhetoric may reflect a growing sense of crisis among the party leaders regarding corruption. Xi Jinping has likewise voiced his commitment to stamping out corruption, stating that grave infractions of party discipline and laws by CPC members were despicable acts that had a destructive effect on politics. Following Xi’s assumption of office as general secretary, a string of local CPC leaders have been collared for malfeasance, including a deputy party secretary of the Sichuan Provincial Committee (the committee’s number-three leader and an alternate member of the Central Committee), who was stripped of his duties

following a probe by the Central Commission for Discipline Inspection. Nevertheless, it is widely recognized that eradication of corruption among higher officials of the CPC will be a herculean task in a state where the party leadership exercises strict control over the government and the military—as well as the judicial system. The new secretary of the Central Commission for Discipline Inspection is Wang Qishan, who has already demonstrated strong political prowess in his handling of economic affairs and Sino-US relations, but it is unlikely that he will take a stringent course of action that would demolish the very foundation on which he stands.

The CPC's Power Pyramid

The Eighteenth Party Congress was attended by 2,270 delegates selected from among the CPC's 82 million members (for comparison, the seventeenth congress brought together 2,213 representatives from a membership of 73 million). Of those delegates, 205 were elected as members of the Central Committee, and 171 were chosen as alternate members. The Eighteenth Central Committee convened its first plenum on the day following the end of the party congress and appointed twenty-five members to the Political Bureau. It also selected seven of those members to the PBSC, one of whom was made the Central Committee's general secretary. Although the CPC national congress is technically the party's supreme decision-making body, its large size and infrequency—more than 2,000 delegates meeting only once every five years—preclude it from engaging in substantive policymaking deliberations. Furthermore, the power of congressional delegates encompasses little more than election of the Central Committee, and after they return to their local organizations, they wield no real authority in the capacity as congressional delegates. The Central Committee itself holds substantial power—it is reported to frequently vote down proposals made by Political Bureau—but meets only seven times every five years, in sessions lasting three or four days. When the Central Committee is not in session, its power is delegated to the Political Bureau and its Standing Committee, and it is these organs that do the actual steering of Chinese politics. Moreover, state and military posts are allocated based on the person's rank within the CPC. For example, the CPC general secretary is customarily awarded the posts of president of the PRC and chairman of the CMC, a practice that has been used since Jiang Zemin was made general secretary. Also, PBSC members are typically handed out positions such as premier and first vice premier of the State Council, chairman of the NPC's Standing Committee, and chairman of the CPPCC, with these being confirmed at the NPC (this time in March 2013). In conjunction with the downsizing of the PBSC, the post of director of the Central Commission of Political Science and Law of CPC (Zhou Yongkang on the seventeenth PBSC) has been awarded to a member of the Political Bureau but not of that committee. This change was likely made in order to restrain the PBSC and prevent abuses of power by it.

Figure 5.1. The CPC's power pyramid

Note: Members of upper organs are also members of the organs below them.

Source: Prepared by the author.

2. China's Foreign Policy: Responding to the United States and Focusing on Neighbors

(1) Sino-US Relations: Continued Dialogue and Responding to the US Rebalancing to Asia

China's reaction to the US policy of "rebalancing to Asia" is worth noting. From Beijing's perspective, the United States appears to have launched an all-out effort to build a strategic deterrence system for restraining China. In the wake of US Secretary of Defense Leon E. Panetta's announcement of plans to deploy six carrier strike groups to the Asia-Pacific in the future, and to deploy 60 percent of the naval fleet to the Pacific by 2020, reports from inside China indicate that the government interprets those plans as an intention by the United States to materially boost its military power. Chinese Ministry of National Defense spokesperson Geng Yansheng has criticized the United States' Joint Air-Sea Battle concept and strengthening of ties with regional allies—specifically, the deployment of US

troops to Darwin, Australia—as a product of Cold War mentality. At the same time, however, Ministry of Foreign Affairs spokesperson Liu Weimin, expressing the ministry's view of the US rebalancing, emphasized that the development of state-to-state relations should take into account the interests of other countries, and the peace and stability of the region. As these two pronouncements illustrate, China's reaction to the US rebalancing has generally been stern from a military perspective, but has been more subdued on the diplomatic front. A senior official with the Ministry of Foreign Affairs has stated that China welcomes the constructive role played by the United States in the Asia-Pacific, and that a stable Sino-US relationship is essential to the region, adding that the Pacific is big enough for both countries to cooperate and coexist with each other. Public statements such as these reveal a China that is weighing the United States as both a military rival and a partner for economic and trade cooperation. It should be noted that the US rebalancing policy is also a key component of the Japan-US alliance, and hence it appears that China is closely watching how Japan's policies and strategies under the second Abe administration will transform in the context of the US policy shift, and is maneuvering to keep Japan in check.

In February 2012, then Vice President of China Xi Jinping traveled to the United States on an official visit that included a stop in Washington, where he separately met with President Barack Obama, Vice President Joe Biden, and senior officials such as Secretary of State Hillary Clinton and Secretary of Defense Panetta. While the Obama administration welcomed Xi with a level of reception normally accorded to heads of state, it also used the series of meetings as an opportunity to stress the importance of developing a strong Sino-US relationship, urge China to be a responsible player, and point out the deterioration in the human rights situation in China. In Xi's meeting with Panetta, both sides agreed to promote exchange between their militaries. The warm reception extended to Xi appears to have been driven by a desire to build rapport with the man expected to become the next CPC general secretary, as well as to get a handle on his thinking and temperament. The meetings served a similar purpose for Xi, as the potential reelection of President Obama meant that the two would share a vital diplomatic partnership up to January 2017.

In May, the fourth round of the US-China Strategic and Economic Dialogue (S&ED) was convened in Beijing, with China represented by Vice Premier Wang Qishan and State Councilor for foreign affairs Dai Bingguo, and the United States

by Secretary of State Clinton and Secretary of the Treasury Timothy Geithner. During the talks, both sides showed a desire to expand their framework of dialogue, as was illustrated by their agreement to engage in future discussion of issues pertaining to human rights and the Middle East, and to pursue regular talks on specific regions. In addition, shortly after the S&ED, human rights attorney Chen Guangcheng—who escaped from house arrest in Shandong in April and sought asylum at the US embassy in Beijing—was granted permission by the Chinese government to travel to the United States under a student visa. The decision, a compromise between a US administration constantly keeping tabs on China’s human rights record and a Chinese government eager to save face, served to avert a potentially volatile situation.

China and the United States have continued to engage in military exchange as well. During an official visit to Washington in May, Chinese Minister of National Defense and CMC member Liang Guanglie met with Defense Secretary Panetta for a talk that resulted in an agreement to promote a stable relationship between both militaries and carry out high-level visits to each side.

The Senkaku Islands have been a frequent topic of discussion for Beijing and Washington, with the United States repeatedly stating that the islands were subject to Article 5 of the Japan-US Security Treaty. Nevertheless, in September, Minister of National Defense Liang Guanglie told visiting Defense Secretary Panetta that China was firmly opposed to that interpretation of the treaty.

The US National Defense Authorization Act for FY 2013, signed into law on January 2, 2013, included text recognizing Japanese administration over the Senkaku Islands and reaffirming the US commitment to its defense obligations to Japan. Prior to enactment, the Chinese government repeatedly expressed “serious concern and firm opposition” to the bill. Secretary of State Clinton, speaking at a meeting with her Japanese counterpart in Washington on January 18, delivered a warning aimed at restraining China as she reiterated the position that the Senkakus fell under the scope of Article 5, and added that the United States opposed any unilateral actions that would seek to undermine Japanese administration of those islands. In response, a Chinese Ministry of Foreign Affairs spokesperson declared China’s strong displeasure and firm opposition to the US stance, and urged Washington to exercise caution with its words and actions. Clearly reflected in this reaction is China’s intense desire to keep the United States out of discussion of the Senkaku Islands and territorial issues in the South China Sea, and instead

work toward resolution with only the parties directly concerned.

(2) China's Relationship with Japan: Tensions Mount over the Senkaku Islands

The year 2012 marked the fortieth anniversary of the normalization of diplomatic relations between China and Japan, and a variety of events were planned to commemorate this milestone. However, China reacted furiously to Governor of Tokyo Shintaro Ishihara's announcement on April 16 of a proposal for his prefecture to buy the Senkaku Islands, and to the Japanese government's decision on September 11 to purchase three of the islands. Nevertheless, Japan effectively controls the Senkakus, and there are no questions of sovereignty that need to be resolved vis-à-vis these islands. The Chinese government and the Taiwanese authorities started asserting their own claims regarding the Senkakus only after the islands began drawing attention in the 1970s following the release of reports indicating the potential existence of oil reserves in the East China Sea.

There had been signs of the rising tension well before the aforementioned announcements regarding purchases of the islands. For instance, on January 16, 2012, Japanese Chief Cabinet Secretary Osamu Fujimura announced the government's plans to formally assign names to thirty-nine unnamed islands that serve as baselines for the country's exclusive economic zone (EEZ), including four islets near the Senkakus. On the following day, the *People's Daily* carried an article that lambasted Japan, describing the decision to name the islets adjacent to the Senkakus (called the Diaoyu Islands in Chinese) as a blatant effort to harm China's "core interests." Traditionally, Beijing has used the term "core interests" in relation to Taiwan, Tibet, and Xinjiang, so it merits attention that the CPC's official newspaper drew a link between Chinese core interests and the Senkaku Islands—a viewpoint that was reportedly reiterated in statements made by Premier Wen Jiabao and Vice Premier Li Keqiang in May. On March 3, the day after Japan publicized the names it had established for the thirty-nine islands, China's State Oceanic Administration (SOA) announced its own list of formal names newly assigned to islands of the Senkakus. In August, members of a Hong Kong-based activist group called "Action Committee for Defending the Diaoyu Islands"—part of a wider movement for asserting Chinese claims to the islands—defiantly landed on the main islands of the Senkakus.

In response to developments such as these, the Japanese government concluded

that while any purchase of the Senkakus should not lead to issues with other countries or regions, it would be wiser for the national government to directly acquire the islands, rather than the Tokyo Metropolitan Government, so as to establish the foundation for “peaceful and stable long-term maintenance and management” of the islands. The Japanese government then began making preparations for the acquisition, and Prime Minister Yoshihiko Noda privately briefed President Hu Jintao regarding this matter on September 9, on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit held in Vladivostok. According to the *People's Daily*, President Hu told Prime Minister Noda that any form of purchase of the islands by Japan would be illegal and invalid, and that China firmly opposed any such action.

On September 11, the Japanese government announced that it had decided to acquire ownership of the islands Uotsurishima (the main island), Kitakojima, and Minamikojima from a private Japanese citizen, prompting the largest backlash in China to that point. The Chinese ministries of foreign affairs and defense each issued statements protesting the decision, with Minister of National Defense Liang Guanglie declaring that China was closely monitoring the situation and reserved the right to take further action. Demonstrations took place across China, including outside the Japanese embassy in Beijing, and in some cases involved looting and damaging attacks directed against Japanese factories, department stores, restaurants, and cars. Contrasting with the 2002 thirtieth anniversary celebration of the normalization of Sino-Japanese diplomatic ties, which came at a time when the two countries' relations were characterized as “politically cool, but economically warm,” the fortieth anniversary ceremony in Beijing was, at China's request, canceled and replaced with a meeting between CPPCC Chairman Jia Qinglin and a Japanese delegation.

Following the Japanese government's decision to “nationalize” the Senkaku Islands, Chinese state-owned vessels have roamed the sea near those islands and have repeatedly made incursions into Japanese territorial waters, in an apparent attempt to erode Japan's effective control over the island group. Chinese government vessels violated Japan's territorial sea around the Senkakus on twenty-four occasions during the period from September 14, when six China Marine Surveillance (CMS) ships under the SOA made an incursion, to January 31, 2013. Such intrusions have been defended by the *People's Daily*, which published a commentary asserting that navigation in the waters around the

Senkakus by Chinese state-owned vessels—including those of the CMS and the China Fisheries Law Enforcement Command (FLEC) under the Ministry of Agriculture’s Bureau of Fisheries—represented normal activities in line with international law. The article also urged Japan to admit that the territorial dispute exists and join China at the bargaining table, saying that a prompt initiation of negotiations would contribute to resolution of the issue and improvement of the two countries’ relations. Subsequently, China violated Japanese airspace as well, when a fixed-wing aircraft operated by the CMS made an aerial incursion about fifteen kilometers south of Uotsurishima on December 13. Further Chinese intrusions by sea and air are likely to continue, sparking concern that unexpected contingencies could result.

On September 10, China announced its definition of base points and baselines demarking Chinese territorial waters around “the Diaoyu Islands and their affiliated islets,” and on the thirteenth a Chinese representative met with UN Secretary General Ban Ki-moon to deliver a list of the coordinates of those base points and baselines, and a nautical chart delineating China’s territorial waters around the islands. Chinese media outlets have also lent their backing to this drive—weather reports on television have started issuing forecasts for the Senkaku Islands, and the English-language *China Daily* has placed propaganda ads in major newspapers overseas declaring that the islands are Chinese possessions. These actions by China clearly reveal that it was already meticulously preparing measures for advancing its claim over the Senkakus from a very early stage.

In Taiwan, President Ma Ying-jeou has also spoken out on the Senkaku Islands, giving an address in August in which he reasserted Taiwan’s claim to the islands but also proposed a five-point “East China Sea Peace Initiative” that called on Japan and China to join Taiwan in shelving their sovereignty disputes and engaging in joint development of resources in the sea around the islands. It should be noted here that Taiwan’s claim differs from that of China in that it includes an assertion of fishing rights as well.

In late June, the Chinese and Japanese defense ministry officials met for a third consultation on the development of a maritime liaison mechanism between the two countries, and significantly advanced the project by agreeing to begin partial implementation before the end of the year, and to engage in further talks toward that goal. Under the present circumstances, however, Japanese patrols in the Senkaku Islands are carried out by the Japan Coast Guard, and the Chinese ships

being countered by it are ones operated by civilian state agencies such as the CMS and the FLEC. As such, these types of encounters are not covered by the maritime liaison mechanism being developed by the Chinese and Japanese defense ministries. Hence, it is also important to further contribute to the stabilization of Japan-China relations in this respect by organizing regular talks between the maritime agencies of both sides, like the Japan-China High-level Consultation on Maritime Affairs held in May 2012. As part of this endeavor, Tokyo has repeatedly called on Beijing to join in further defense ministry talks concerning the maritime liaison mechanism, but as of late January 2013, those talks had yet to be resumed.

(3) Constructing Foreign Relationships with an Eye on Competition with the United States

The emphasis on neighboring countries and Africa in China's foreign policy has remained largely unchanged. In January 2012, Luo Zhaohui, director-general of the Chinese foreign ministry's Department of Asian Affairs, said that ties with neighboring countries were the most important aspect of any state's foreign policy, and announced China's plans to hold celebrations in 2012 to mark the anniversaries of the establishment or normalization of diplomatic ties with nations such as Japan, the Maldives, South Korea, and Brunei. As mentioned earlier, however, the commemoration of normalization of Japan-China diplomatic relations was cancelled due to China's negative reaction to the Japanese government's decision to "nationalize" the Senkaku Islands. With regard to Africa, China has clearly underscored its focus on that continent through various official functions, such as Minister of Foreign Affairs Yang Jiechi's visits to Côte d'Ivoire, Niger, and Namibia from January 2–7, 2012, and CPPCC Chairman Jia Qinglin's participation in the annual Africa Union summit held from January 27–29.

Among its neighbors, China has highlighted the closeness it shares with long-standing partners North Korea and Russia. On December 19, 2011, the CPC Central Committee, the NPC Standing Committee, the State Council, and the CMC expressed their condolences over the death of North Korean leader Kim Jong Il, and the Chinese government also sent Pyongyang a telegram of condolence that said China supported the Kim Jong Un regime. On the twentieth, President Hu Jintao and CPC Vice Chairman Xi Jinping visited the North Korean embassy to express their sympathies, and Premier Wen Jiabao and Vice Premier Li Keqiang followed suit on the next day with their own visit. While these actions were likely

aimed at sending a clear signal that China shared solid ties with the North Korea, the latter has become a difficult partner to work with for the Chinese leadership. Following the DPRK's March 16 announcement of plans to launch a long-range ballistic missile—which it referred to as a satellite rocket—President Hu Jintao told President Obama in a March 26 meeting in Seoul that China was interested in and concerned about how the situation would develop. After North Korea carried out the launch on April 13, China, as well as Russia, backed the adoption of a UN Security Council presidential statement condemning the DPRK. More recently, China voted in favor of UN Security Council Resolution No. 2087, which was passed on January 22, 2013 (New York time) to expand and tighten sanctions against North Korea in response to another missile launch it made on December 12.

In June, President Hu Jintao met with visiting Russian President Vladimir Putin, after which they issued a joint statement that included pledges to pursue economic, trade, and military cooperation. The statement also touched upon the situation in Syria, expressing a view divergent from the positions taken by Japan and Western nations, and it reaffirmed that China and Russia held a solid relationship grounded in a shared perspective. Both leaders also attended a summit meeting of the Shanghai Cooperation Organisation (SCO) that was held in Beijing during Putin's state visit. At the conference, which was tinged with sentiments contrary to US policies, the members expressed their support for resolution of the Iranian nuclear issue through political and diplomatic means, and voiced their opposition to the United States' construction of a missile defense system in Europe.

In developments in China's territorial disputes with Vietnam and the Philippines in the South China Sea, the Chinese government established the prefecture-level city of Sansha on Woody Island (called Yongxing in China) in the Paracels on July 24, and declared the islands, reefs, and surrounding waters of the Paracels, Macclesfield Bank, and the Spratlys to be under Sansha's administration. The PLA has also instituted a patrol zone encompassing that area, under the jurisdiction of the Hainan Province Military Region. These actions by China drew fierce opposition from Vietnam and the Philippines, as well as statements of concern from Washington, but the Chinese government subsequently began construction of wastewater treatment and garbage processing facilities on Woody Island. While these projects were launched under the pretext of environmental protection, it is

clear that they are part of China's drive to bolster its effective control over the South China Sea and to legitimize its territorial claims.

As the examples cited in this chapter indicate, China, buoyed by its burgeoning state and military power, is carrying out inflammatory actions in the Senkakus and the South China Sea without any concern for the friction it generates with its neighbors. Even though a stable global environment is a prerequisite for China's further economic growth, Beijing displays no willingness to budge on issues of sovereignty and territorial rights. It will be wise for the international community to more closely watch how this stance will be linked with the Xi Jinping administration's desire to alter the status quo in international relations. As of this writing, China still shows no signs of shifting its firm stance on issues of sovereignty and territorial rights, as evidenced by the foreign ministry's addition of a watermark map to Chinese passports that depicts the entire South China Sea and disputed border regions with India as part of Chinese territory, and by the government's continued dispatch of state-owned ships and aircraft to the Senkaku Islands area to maintain pressure on Japan. Yet, at the same time, Beijing is taking great pains to preserve friendly ties with Russia and North Korea, as well as countries in Central Asia and Africa. China's efforts to deepen partnerships with African nations are motivated in part by a desire to secure resources through the provision of financial aid, and to expand Chinese influence over the UN and other international institutions. As such, this mixed approach to foreign policy appears to be aimed at reshaping the current global milieu to China's own advantage. However, there have also been some divergences from this posture, such as was seen in UN Security Council consultations over North Korea's missile launch on December 12, 2012. In response to the tough resolution advocated by the United States, China initially voiced its typical opposition to any action that would heighten tensions on the Korean Peninsula, but, as mentioned earlier, ultimately decided to back the resolution. Moreover, when Pyongyang began hinting that it would perform a nuclear test in defiance of the resolution, the CPC-affiliated *Global Times* took a rare step for a Chinese newspaper by issuing a warning to North Korea, declaring that China would unhesitatingly reduce its aid to the DPRK if the regime attempted to carry out any further nuclear testing or launches of "satellites." After North Korea went ahead with its third nuclear test in February 2013, the Chinese Ministry of Foreign Affairs immediately released a statement of condemnation, saying that the Chinese government firmly opposed North

Korea's repeated nuclear testing in spite of opposition by the international community, and strongly urged Pyongyang to abide by its agreements regarding denuclearization of the Korean Peninsula. Given these developments, it is imperative to pay closer attention to whether the increasingly tense situation on the Korean Peninsula will prompt some sort of change of course in Chinese foreign policy.

3. The Launch of a New CMC Lineup, and PLA's Modernizing Efforts

(1) PLA's Generational Change

Around the time of the Eighteenth Party Congress, the PLA's senior leadership also underwent a major personnel shakeup, the first since Jiang Zemin relinquished chairmanship of the CMC to Hu Jintao in September 2004 at the Fourth Plenum of the Sixteenth Central Committee. Of the CMC's eight nonexecutive members, five were retired for surpassing the de facto age ceiling of sixty-eight, with Xu Qiliang, Chang Wanquan, and Wu Shengli remaining on the commission. Most of the new members are generals aged sixty-five or younger as of December 2012 (see Table 5.2). These and other realignments of senior military personnel correspond to the PLA's emphasis on institutionalization and trend toward generational change in recent years. More than half of the current members will be qualified to retain their seats for the next ten years, assuming the age ceiling mentioned above.

The recent reshuffling of the senior military leadership was made in conformance with the governing rules and regulations, although not every assignment exactly matches the traditional pattern of rotations. Furthermore, the choices of personnel can be seen as contributing to the PLA's endeavor to establish joint operation under the General Staff Department (GSD), and the biggest replacements were announced prior to the Eighteenth Party Congress by then CMC Chairman Hu Jintao. As such, this round of reassignments is not likely to lead to a major change of course for China's defense policy.

The new appointments to the CMC were confirmed at the First Plenum of the Eighteenth Central Committee, which immediately followed the Eighteenth Party Congress. Earlier, there had been speculation on whether Hu Jintao would hold on to the CMC chairmanship—as had his predecessor Jiang Zemin did when stepping

Table 5.2. CMC members elected at the First Plenum of the Eighteenth Central Committee

	Post	Name (age)	Preceding Post
Chairman		Xi Jinping (59)	Vice Chairman
Vice Chairmen		Fan Changlong (65)	Commander, Jinan Military Region
		Xu Qiliang (62)	Commander, PLA AF
Members	Minister of National Defense	Chang Wanquan (63)	Director, General Armaments Department
	Chief of the General Staff	Fang Fenghui (61)	Commander, Beijing Military Region
	Director, General Political Department	Zhang Yang (61)	Political Commissar, Guangzhou Military Region
	Director, General Logistics Department	Zhao Keshi (65)	Commander, Nanjing Military Region
	Director, General Armaments Department	Zhang Youxia (62)	Commander, Shenyang Military Region
	Commander, PLAN	Wu Shengli (67)	Unchanged
	Commander, PLA AF	Ma Xiaotian (63)	Deputy Chief of the General Staff
	Commander, SAC	Wei Fenghe (58)	Deputy Chief of the General Staff

Sources: Compiled from the PRC Ministry of National Defense website, the *PLA Daily*, and other sources.

down from the CPC's top in November 2002—but he formally handed over the position to Xi Jinping at the first plenum, and extolled Xi as a person qualified for the positions of CPC general secretary and CMC chairman. If the transition of power proceeds as expected, Xi will also assume the offices of president of China and chairman of the State CMC at the NPC in March 2013, completing his acquisition of the highest party, state, and military posts. Compared with Hu Jintao—who remained vice chairman of the CMC until he moved up to the chairman in September 2004—Xi Jinping made a smooth start to the establishment of his rule.

The two vice chairmanships of the CMC were assigned anew to Fan Changlong and Xu Qiliang at the Seventh Plenum of the Seventeenth Central Committee, just ahead of the Eighteenth Party Congress. Both were also appointed to the Political Bureau members at the First Plenum of the Eighteenth Central Committee. Fan Changlong previously served as commander of Jinan Military Region for eight years. Fan's elevation to CMC vice chairman was reported to be an exception to the typical pattern of promotions—his past experience included a stint as assistant to the chief of the General Staff from December 2003 to September 2004, but no

postings as a member of the CMC or the head of any of the PLA's four General Headquarters departments (General Staff, General Political, General Logistics, General Armaments). Xu Qiliang is the first person to become a CMC vice chairman from the PLA Air Force (PLAAF). His appointment enabled the PLAAF to secure a foothold in the Political Bureau, and establish a two-man presence on the CMC (the other being the PLAAF commander). As a result, the air force will likely gain a larger influence in the party leadership and the PLA.

The navy, whose developments have been attracting global attention in recent years, is represented on the CMC by PLAN Commander Wu Shengli, who retained his seat on the commission despite speculation that Deputy Chief of the General Staff Sun Jianguo might take his place as naval commander. Wu's age of sixty-seven makes him the oldest member of the current CMC. Chang Wanquan, who was considered a likely candidate for one of the vice chairmanships, is to replace Liang Guanglie as Minister of National Defense at the NPC in March 2013.

Four new members were appointed to the CMC to head up the departments of the General Headquarters: Fang Fenghui (General Staff), Zhang Yang (General Political), Zhao Keshi (General Logistics), and Zhang Youxia (General Armaments). Fang Fenghui, who rose from commander of Beijing Military Region to chief of the General Staff, oversaw the military parade for National Day of the People's Republic of China in October 2009. Zhang Yang was promoted to General Political Department director from political commissar of Guangzhou Military Region. He is the first example of such an appointment since 1987, when Yang Baibing stepped up from political commissar of Beijing Military Region. Zhao Keshi and Zhang Youxia were promoted from their commanderships of, respectively, Nanjing Military Region and Shenyang Military Region. It is worth noting that these four and Fan Changlong were all elevated to the CMC from the top echelons of military regions.

The post of PLAAF commander was filled by Ma Xiaotian, while the role of commander of the Second Artillery Corps (SAC) was given to Wei Fenghe. Both generals were deputy chiefs of the General Staff at the time of their promotion. Given that Ma's predecessor, Xu Qiliang, and the current PLAN commander, Wu Shengli, were also deputy chiefs of the General Staff before rising to command their respective branches, the current CMC assignments are said to reflect the PLA's emphasis on strengthening its joint operational capabilities under the lead of the GSD in recent years. Nevertheless, the strong presence of ground force

generals on the CMC—including the chief of the General Staff—suggests that the joint operations of China's military will continue to lean toward the ground force.

When the new CMC lineup was elected at the First Plenum of the Eighteenth Central Committee, Wei Fenghe was the only member to still hold the rank of lieutenant general, but he was subsequently promoted to general on November 23—making Wei the first person to be elevated to general by Xi Jinping since taking over the CPC chair.

In conjunction with the realignment of the CMC, reassignments were also made in the leadership of the four General Headquarters departments and the military regions. Extensive changes were made in the top echelons of the military regions, with the PLA installing new commanders in all regions except for Chengdu and Guangzhou, and replacing the political commissars of Chengdu, Nanjing, and Guangzhou. Moreover, all General Headquarters officers aged seventy and older and all military region officers aged sixty-five and older retired from service. The result was a striking display of the advancement of generational change in the PLA—the commanderships of the military regions are now all staffed by officers born in the 1950s, with the exception of Chengdu Military Region Commander Li Shiming, who was sixty-four as of late 2012. Among the new military region commanders, some previously worked in multiple military regions and others served both as military commanders and political commissars. This is seen as a manifestation of the PLA's recent emphasis on strengthening cross-regional service and promoting exchange between military commanders and political commissars.

(2) PLA Education and Training: Three Salient Features

In his political report at the Eighteenth Party Congress, Hu Jintao revealed the course for China's defense development in the next several years, declaring that the nation would make major progress in mechanization and informatization of its military by 2020, and needed to enhance its capabilities to accomplish a wide range of military tasks, particularly the ability to win local wars in the information age. With regard to military training and education, Hu said that China would cultivate a new type of high-caliber personnel, intensively carry out training under conditions of informatization, and improve integrated combat capability based on information technology. Viewed in light of these statements, the PLA's educational and training efforts in 2012 show the following three salient features.

First, China is stepping up its construction of a system for education and training in joint operation. This endeavor started off in December 2011 with the establishment of a Military Training Division under the GSD through the overhaul of the preexisting Military Training and Arms Division. The new organization is seen as being designed to reduce the heavy emphasis on ground force training and provide training guidance for PLAN, PLAAF, and SAC units as well. Later, a section for managing joint operational training programs was created within the new military training division. This realignment laid the foundation for a GSD-led system for education and training in joint operation across China's entire military.

The PLA's training plan for 2012, announced in January 2012, also states that joint operational training would be reinforced. In a briefing on the plan, Military Training Division Director Zhang Zhaohai said that the main objective of training in 2012 was to firmly implement joint operational training at the strategic and campaign levels (corresponding to the Military Regions and Group Armies). This plan also stated that the PLA would strengthen research and war games at the strategic and campaign levels, disseminate the products of joint operational training, and intensively study basic theory of joint operation and related training. According to the *PLA Daily*, the PLA is putting this policy into action by actively constructing a system of education and training for joint operation. For instance, eighty regiment- and battalion-level officers were selected from the Guangzhou Military Region-based units of all PLA services—ground force, navy, air force, and SAC—for an inaugural education course aimed at early cultivation of joint-operation staff officers. Consisting of two phases, this one-year program starts with an informatization class at the National University of Defense Technology and specialized studies at the PLA service colleges, followed by on-hands training across multiple services. As another example, the Shijiazhuang Army Command College, at the direction of the PLA General Headquarters, organized a workshop in March for discussion of joint operation-related education among experts from military academies of various services.

In June, an exercise named Lian Jiao (Joint Education) 2012 was held at Queshan Joint Tactical Training Base in Jinan Military Region, with participation by nearly 3,000 personnel from twenty-four organizations of all the PLA services, including Shijiazhuang Army Command College and eighteen other military academies. The exercise, which included field drills, was focused on enhancing capabilities in joint operation under conditions of informatization,

with particular emphasis on operation of a command information system that fully integrates all services. The GSD's Informatization Division, which was reorganized from the Communications Division in June 2011, has been playing a key role in the development of the integrated command information system. Another joint operation exercise was carried out in Jinan Military Region in July, bringing together personnel from the region's army, naval, air, SAC, and People's Armed Police units, as well as representatives from agencies affiliated with the Shandong and Henan provincial governments, for mainly war games and study of tactical problems.

As these examples illustrate, the PLA is seeking to enhance its joint operational capabilities by building up an army-centered system for cooperation among not only General Headquarters and the service commands, but also various military academies and think tanks. Furthermore, the PLA is retooling its education and training programs for greater emphasis on areas such as military simulation and the cultivation of joint operation commanders, and is also starting to conduct joint operation exercises based on an integrated command information system.

The second feature is the active pursuit of joint exercises with other nations in order to absorb their advanced expertise, as typified by Haishang Lianhe (Maritime Cooperation) 2012, a joint naval exercise held with Russia in April. China was represented in this drill by eighteen vessels selected from the three PLAN fleets (North Sea, East Sea, and South Sea), which comprised two submarines and sixteen surface vessels, including destroyers, frigates, a support ship, and a hospital ship. This flotilla included the *Harbin*, a member of the domestically produced *Luhu*-class of guided missile destroyers, as well as two frigates that had served in antipiracy operations off Somalia and in the Gulf of Aden. A PLA source has suggested that China's participation in the drill was aimed in part at strengthening its antisubmarine warfare capabilities by gleaning expertise from the Russian Navy. Given the PLA's recent trend toward enhancing officer training by aggressively learning from other nations, it is likely that the PLA strongly desires to regularly engage in further exercises with Russia, if Moscow is willing.

The third feature is that China—against the backdrop of rising tensions in the region—is aggressively publicizing its military exercises via media outlets in mainland China and Hong Kong, in a manner that links those drills with its foreign policy. This trend has become particularly evident amidst the rise in Sino-Japanese tensions that followed the Japanese government's announcement of its

intention to purchase the Senkaku Islands.

In September 2012, mainland and Hong Kong media gave extensive coverage to several exercises carried out separately by the PLA's various services. However, in terms of content, the drills showed no special divergence from those of past occasions. In October, Chinese news agencies announced in advance the PLA's plans to conduct Donghai Xiezuo (East Sea Collaboration) 2012, a joint maritime exercise in the East China Sea by the East Sea Fleet and the East China Sea branches of the CMS and the FLEC. The media reports said that the maneuvers, involving eleven vessels and eight aircraft, represented the largest joint drill by the Chinese navy and state maritime agencies. The reports also indicated that the exercise would include a scenario in which Chinese surveillance ships, tailed and harassed by foreign vessels while patrolling in disputed waters, would request backup from the PLAN.

A few days before this exercise was conducted, a PLAN flotilla returning from drills in the western Pacific sailed near the maritime boundary between China and Japan eighty kilometers southwest of the Senkaku Islands. Although the ships did not actually enter the contiguous zone around the Senkakus, Chinese state-run broadcaster CCTV reported that this passage was the first time for PLAN ships to go into the waters surrounding the Senkakus. In a similar incident, another group of Chinese naval vessels transited waters near Okinawa while on the way back from an exercise performed in the western Pacific from late November to early December. Again, the ships did not penetrate the contiguous zone around the Senkakus, but Chinese news agencies nevertheless reported that the flotilla entered the sea around the Senkakus. The exercise in this case was, in a rare move by the PLA, announced in advance, and was covered repeatedly by the *PLA Daily*.

It appears that these various exercises were conducted for the most part in line with the PLA's annual training plan, as was frequently stated by Ministry of National Defense spokespersons and Chinese media. It is likely that the PLA's aggressive media publication of such ordinary drills was aimed at boasting of its military capabilities and selling the image that the Chinese government and armed forces, under the CPC's guidance, were united in their stand on the Senkaku Islands issue. Moreover, this posturing by the PLA is not limited to the Senkakus issue—it has already been employed in regard to those in the South China Sea as well.

In summary, recent trends in PLA education and training reveal that China is endeavoring to cultivate personnel capable of carrying out joint operations, to

actively acquire military expertise from other countries in areas where it lags, and, apparently, to link training exercises with foreign policy through clever use of state-controlled media.

(3) China's Military Acquisition: An Emphasis on Homegrown Equipment

Hu Jintao's Eighteenth Party Congress report also mapped out a course for China's acquisition of new military equipment, stating that the country should bolster its development of high-tech weapons and equipment, and enhance its "capacity for innovation in defense-oriented research and industries." The PLA followed this path in 2012 by developing and deploying new equipment with a focus on domestically produced weaponry. These efforts featured the following three particularly noteworthy trends.

The first was the PLAN's September 2012 commissioning of the *Liaoning*, a used aircraft carrier (formerly the *Varyag*) that was purchased from the Ukraine. The *Liaoning* had already underwent as many as eleven sea trials, starting in July 2011. The commissioning ceremony was attended by many senior leaders from the Chinese government and armed forces, including President Hu Jintao and Premier Wen Jiabao. PLAN Senior Colonel Zhang Zheng, who had experience in captaining a frigate and a destroyer, and studied in the United Kingdom, was appointed as the *Liaoning's* inaugural commander, and Senior Colonel Mei Wen was assigned as its political commissar. Nearly all—98 percent—of the ship's officers are college graduates, with more than fifty of them holding master's or doctoral degrees, and approximately 60 percent of the entire complement are CPC members. The *Liaoning* has already begun aircraft takeoff and landing trials, using the J-15, a carrier-based fighter developed by China.

According to a PLA source, the commissioning of the *Liaoning* has several important implications—it boosts the navy's blue-water capabilities, enhances China's prestige, and highlights the fact that the Chinese defense industry has reached the high level of technology needed to successfully refurbish an aircraft carrier on its own. A Ministry of National Defense spokesperson has also emphasized the self-reliant nature of the *Liaoning's* refitting, declaring at a press conference that the ship's technologies were independently developed by China, and not something illicitly acquired from abroad. As these statements indicate, China is unequivocally positioning the *Liaoning* as a homegrown weapon.

At the same time, however, many PLA officers have conceded that considerable time will be required before the *Liaoning* becomes combat operational, and are cautioning against excessive expectations regarding its entry into service. Following the ship's initial takeoff and landing tests, Naval Military Art Studies Institute Deputy Director Zhang Jundu said that it would take at least two years to make China's carrier-based aircraft combat ready, and four to five years to do the same for the *Liaoning* itself. As of the end of 2012, the officially stated purpose of the *Liaoning* is to serve as a platform for research and training, reflecting Beijing's concern that the ship's entry into service could paint China as a threat in the eyes of its neighbors and the international community. Nevertheless, China's plans for aircraft carrier operation remain unclear. For example, many questions surround the PLAN's deployment of the equipment necessary to form a carrier strike group like those operated by the US Navy, such as surface vessels, submarines, antisubmarine patrol aircraft, and airborne early warning systems. Writing in the *PLA Daily* soon after the *Liaoning*'s commissioning, Deputy Secretary-General of the China Military Science Society Maj. Gen. Luo Yuan and National Defense University Associate Professor Fang Bing said that these challenges in the aircraft carrier program should be resolved.

A Ministry of National Defense spokesperson, speaking at a regularly scheduled press conference after the *Liaoning* was commissioned, stressed that the ship's entry into service did not represent a shift in the basic direction of China's defense policy, and repeated the official stance that the *Liaoning* was a research and training aircraft carrier. However, he avoided making any clear statements regarding the deployment of fighters, surface vessels, or submarines. Also, in defense ministry press conferences held in September and November, reporters asked about the existence of a fully Chinese-made aircraft carrier, but the ministry's spokesperson did not give a definitive answer. As of this writing, the *Liaoning* is said to be under the direct command of the PLAN headquarters, but it is not clear which of the three fleets will deploy the ship.

The second noteworthy trend was the steady advancement of China's development of a homegrown next-generation fighter and unmanned aerial vehicles (UAVs). As one sign of this progress, Maj. Gen. Zhu Heping, an active-duty PLAAF officer and the vice president of the Air Force Command College, said in March 2012 that the Chinese defense industry was independently developing a new jet engine for the J-20, which is said to be a fifth-generation fighter under

development. This represents a significant technological advance since jet engine development issues have bottlenecked the development and production of domestic fighters, forcing China to rely on Russian-made powerplants. While Zhu did not specify the engine that would be used in the fighter, his statement implies the conviction that China has made a breakthrough in jet engine development.

In November, it was reported that the J-31, another so-called fifth-generation fighter being developed by Shenyang Aircraft Corporation, had successfully completed its first test flight. Details remain sketchy, but the J-31 is reportedly a stealth fighter that is smaller and lighter than the J-20. Some observers have suggested that the J-31 could be used as a carrier-based fighter.

The Chinese UAVs are also starting to slowly take form. In particular, the Yi Long model has attracted much global attention since it was first unveiled at an international air show in Zhuhai in November. The Yi Long, whose shape resembles the US-built Predator drone, is reportedly capable of operating continuously for up to twenty hours and carrying up to 200 kilograms in bombs or lightweight missiles. However, experts say that China's UAV research and development is not yet up to par with that of the United States and Israel. According to the *People's Daily*, Chinese drones are designed for reconnaissance/surveillance, ground attack, law enforcement, antiterrorism, and border patrol.

The third salient trend was a string of reports on strategic missile tests by China, starting in August with two articles posted on the Washington Free Beacon website. The articles, based on information provided by senior US government officials, indicated that China conducted in July separate launch tests of the DF-41 (Dong Feng 41) intercontinental ballistic missile and the JL-2 (Ju Lang 2) submarine-launched ballistic missile. The report on the ICBM launch was reprinted in the British military journal *Jane's Defence Weekly*, bringing greater international attention to the test. Responding to these articles, a Ministry of National Defense spokesperson stated that China had recently performed "some normal weapons tests" in its territory, and that the tests were not aimed at a specific country or target, but he

avoided confirming or denying the reports in foreign media. Later, the *PLA Daily* ran an article affirming that China had successfully conducted launch testing of a new type of strategic missile, without specifying the date or type of missile.

Media reports indicate that the DF-41 can carry up to ten multiple independently targetable reentry vehicles (MIRVs) and has a range of 14,000 kilometers, meaning that it can strike anywhere in the United States, and hence poses a threat to that country as well. The JL-2 is said to derive from the DF-31 and to be capable of carrying three or four MIRVs over a range of more than 7,400 kilometers. If China were to deploy *Jin*-class submarines equipped with the JL-2, the level of its deterrence against the United States would likely increase.

As global interest in China's missile testing deepened, Xi Jinping participated in the Eighth SAC Party Congress in his new capacity as CMC chairman. During the congress, Xi stressed the importance of SAC within Chinese defense policy, declaring that the corps was "the core strength of China's strategic deterrence, the strategic support for the country's status as a major power, and an important cornerstone safeguarding national security." Xi also called on the SAC to create a strong information-based strategic missile unit. Given that SAC Commander Wei Fenghe was, as noted earlier, the first person to be promoted to general by Xi, it seems likely that SAC will receive a greater share of resources under Xi's defense policy in the coming years.

The overarching theme of China's development and deployment of military equipment in recent years is the emphasis on a self-reliant approach that leverages the technological advances being driven by the country's rapid economic growth. Moreover, China is actively deploying its homegrown weapons to accelerate the modernization of its military. As long as China does not run into a serious economic crisis that forces the authorities to drastically reduce defense spending, the current trend in military acquisition will likely continue for the foreseeable future.

China's BeiDou Navigation Satellite System and Space Development

In December 2012, Ran Chengqi, the director of the China Satellite Navigation Office, announced that the BeiDou Navigation Satellite System, developed and operated by China, had officially started offering service to the Asia-Pacific region.

This made China the third nation in the world capable of independently operating a navigation satellite system, following the United States' Global Positioning System (GPS) and Russia's GLONASS.

According to Ran, China launched six BeiDou satellites into orbit with four rockets during the year, completing a constellation of sixteen satellites that reportedly cover a region extending from 55 to 180 degrees east longitude. Ran also said that the BeiDou system's performance was on par with that of the GPS, following enhancements to its precision—compared with the level of performance at the start of a test run in December 2011, BeiDou's positioning accuracy improved from 25 meters to 10 meters horizontally and from 30 meters to 10 meters vertically, and its velocity accuracy improved from 0.4 meters per second to 0.2 meters per second. A Chinese researcher has also reported that BeiDou also offers its own short message service, and that the effectiveness of that service was demonstrated by its use in the aftermath of the 2008 Sichuan earthquake.

Deployment of BeiDou service is reportedly scheduled in three phases: (1) a test run from 2000 to 2003, (2) beginning of regional service for the Asia-Pacific in 2012, and (3) start of global service around 2020. The formal launch of service in December 2012 marked the successful conclusion of the second phase, and completion of the third phase around 2020 would provide the entire globe with positioning, navigation, and timing services based on a constellation of thirty-five satellites.

In the 1980s, China began exploring possibilities for developing a navigation satellite system tailored to the country's own needs. According to reports from mainland and Hong Kong media agencies, China became acutely aware of the necessity of creating its own navigation satellite system after experiencing the United States' ability to arbitrarily disable GPS service in cases such as the 1993 *Yinhe* incident and China's 1996 missile tests in the Taiwan Strait, and after witnessing how the US military exploited the GPS to make precision guided missile strikes in the Kosovo War in 1999. Already, the PLA is using the BeiDou system for purposes such as position tracking in field activities and emergency communication in disasters. The Chinese military is said to be planning to expand its use of BeiDou to many other applications after the system's accuracy further improves, including: navigation of aircraft, missiles, surface vessels, and submarines; reduction of the time needed to set firing coordinates for weapons such as mobile ballistic missiles and self-propelled artillery; rescue of personnel; and land mine removal.

On the day that BeiDou service for the Asia-Pacific was launched, Vice Chairman of the CMC Fan Changlong, the PLA's top uniformed leader, toured the PLA Main Satellite Navigation and Positioning Station along with Chief of the General Staff Fang Fenghui and other high-ranking officers. In remarks made during the visit, Fan stressed that BeiDou was intended for both civil and military purposes, signaling the PLA's high expectations for the new navigation satellite system.

In Chinese space development efforts, the manned spacecraft Shenzhou-9 successfully carried out an automated docking on June 18 with the Tiangong-1, an orbiting space laboratory launched in September 2011, and the crew—three

PLA officers, including one woman—remained in space until the twenty-ninth. In addition, China made the second largest number of rocket launches in 2012—nineteen, including one manned mission—following Russia's twenty-nine launches (four manned, two failures) and surpassing the United States' thirteen (none manned). As these achievements demonstrate, China is making immense strides forward in space development activities and technologies. The country is also believed to be planning to construct a manned space station sometime around 2020.

Although the Chinese government has consistently called for peaceful use of space and international cooperation regarding space, it has also engaged in actions seemingly aimed at other nation's military use of space, such as the antisatellite test that it conducted in 2007. For this reason, China's rapidly advancing space development efforts should continue to be closely watched.

4. Conciliation Advances across the Taiwan Strait

(1) Taiwan's Ongoing Conciliatory Policy to China, and Future Challenges

KMT Chairman Ma Ying-jeou was reelected as president of Taiwan in the January 2012 election, which was held concurrently with elections for lawmakers in the Legislative Yuan. The presidential race drew much attention both domestically and abroad as a test of Taiwanese public approval of the conciliatory policy toward China that Ma Ying-jeou had consistently pursued since his inauguration in May 2008.

Cross-Strait relations significantly changed in 2008. High-level working talks between China's Association for Relations across the Taiwan Straits (ARATS) and Taiwan's Straits Exchange Foundation (SEF)—which had been suspended in 1999, during the Lee Teng-hui presidency—were resumed, paving the way for acceleration of exchange, particularly in economy and trade. Also, regular airline and ferry service was established with the mainland, completing the last of the so-called "Three Links"—postal, trade, and transport services directly linking Taiwan and China. Passenger traffic from China to Taiwan was gradually expanded from group travel to personal trips, resulting in a dramatic rise in the number of mainland visitors to Taiwan. Both sides also established the ECFA, a sort of free trade agreement that began operating on January 1, 2013, to phase out tariffs on a mutually agreed list of 539 Taiwanese products and 267 Chinese products. In

addition, following a lengthy delay in negotiations, the two sides finally signed the Cross-Strait Bilateral Investment Protection and Promotion Agreement and the Cross-Strait Customs Cooperation Agreement in August. The delay apparently stemmed from China's rejection of the Taiwanese proposal that any trouble arising over the agreements be settled through third-party arbitration, and the text of the agreements suggests that China pressured Taiwan to back down from this request.

Taiwan's basic stance on cross-Strait talks can be summed up as "economy first, politics later" and "simple things first, hard things later," and China has been understanding toward this approach. Since most of the relatively simple matters have already been settled through the eight summit meetings of the ARATS-SEF forum, further discussion will need to focus on the thornier issues. Faced with this challenge, Taiwan has recently been exploring engagement of China that goes beyond economy and trade to include culture as well. President Ma Ying-jeou has frequently referred to the people of China and Taiwan as being "the descendants of Yan and Huang" (referring to the legendary Chinese emperors Yandi and Huangdi) to underscore the cultural ties between them. By couching the cross-Strait relationship in the framework of Chinese civilization, the Ma administration may be aiming to make the concept of "one China" more palatable to the Taiwanese public. In addition, the elevation of the Council for Cultural Affairs to the Ministry of Culture in 2012 may also have been motivated by the unspoken aim of bolstering the cultural strategy of engagement. In recent years, tours of Taiwan by representatives of Chinese provinces have been focusing out not only economic exchange but cultural exchange as well, which suggests that cultural affairs are gaining greater weight in cross-Strait interaction.

Hu Jintao's report at the Seventeenth Party Congress in 2007 referred to "China's sovereignty and territorial integrity" three times on the topic of Taiwan, which was then under the presidency of Democratic Progressive Party (DPP) leader Chen Shui-bian. However, this expression was not included in Hu's report for the Eighteenth Party Congress, a possible sign that Beijing had somewhat softened its stance toward Taiwan following the launch of the Ma Ying-jeou administration. The Seventeenth Party Congress report also included as a goal the strengthening of cross-Strait exchanges and promotion of the Three Links, but since this objective was subsequently achieved, the Eighteenth Party Congress report instead expressed Beijing's security and political aspirations, such as establishing a cross-Straits confidence-building mechanism for military security and reaching a peace

agreement with Taipei. The most-noted feature of the latter report's discussion of Taiwan was that it specifically referred to the "1992 Consensus," which is interpreted by Beijing to mean that there is only one China. While this was not the first time for the Chinese leadership to mention the 1992 Consensus, the direct citation of it in a Party Congress political report indicates that this expression has gained legitimacy in China. However, Lee Teng-hui, who was Taiwan's president in 1992, and the subsequent DPP administration have denied the existence of such a consensus. If the DPP were to reclaim the presidency while maintaining that stance, cross-Strait relations could very well become strained.

(2) Deepening Exchanges between China and Taiwan

In recent years, Chinese delegations led by provincial CPC secretaries and provincial governor-class officials have made numerous visits to Taiwan for purposes such as engaging in various exchanges and arranging contracts for the purchase of Taiwanese produce. In the latter half of 2011, Taiwan began asking local governments in China to refrain from making such trips so that it could concentrate on the January 2012 presidential election, but once that interlude passed, visits by various provincial delegations began rising in frequency in May. However, it should be noted that the visits have been only for economic and trade exchange, and that although CPC officials as high as Central Committee members have led those tours, no members of the Political Bureau have traveled to Taiwan. As such, the Chinese government undoubtedly views such visits as nothing more than provincial-level exchanges. It will be worth watching to see whether any Political Bureau members visit Taiwan after the current transition of China's leadership winds down following the Twelfth NPC in March 2013. If such a visit were to take place, it would probably be easier for both sides if the participants were selected from among the Political Bureau members who are top regional leaders, such as the party secretaries of Guangdong Province or the four direct-controlled municipalities.

The Cross-Straits Economic Trade and Culture Forum—which is represented on Taiwan's side by, among others, members of the KMT, the People First Party, and the New Party—met for its eighth session in 2012. All gatherings have been held on the mainland, although it is reported that China unsuccessfully tried to have Taiwan host the 2012 forum. To date, the Chinese delegation has included high-level representatives such as CPPCC Chairman Jia Qinglin and Wang Yi, the

director of the State Council's Taiwan Affairs Office. For this reason, holding the forum in Taiwan would mean that the seniority level of Chinese officials visiting the island would take a large jump upward, and thus the Taiwanese leadership seems cautious about playing the role of host.

The DPP, having been defeated in the 2008 and 2012 presidential elections, is pressed to shift to a China policy that appeals to a broad section of the Taiwanese electorate in order to have a chance at winning the next presidential election in 2016. Former DPP chairman Hsieh Chang-ting—the party's 2008 presidential candidate and a former premier of the Executive Yuan—visited China in October 2012 with the ostensible aim of establishing communication with the mainland. The Chinese government arranged for meetings between Hsieh and officials such as State Councilor Dai Bingguo and Minister Wang Yi, in what was a very rare exception to China's typically cool attitude toward the DPP, whose platform includes Taiwanese independence as a key pillar. This move may have been motivated by the desire to probe the China policy of Taiwan's leading opposition party, now that Beijing's stable relationship with the KMT administration has given it some breathing room in dealing with Taiwan. However, since the DPP membership has a diverse political makeup—ranging from supporters of Taiwanese independence to those eager to pursue exchange with China—it will be no easy task to form a coherent policy toward China without abandoning the forces in the party who oppose it. Furthermore, the DPP's aforementioned denial of the 1992 Consensus is a stumbling block to talks with Beijing because the Ma Ying-jeou administration recognizes the existence of that agreement (albeit with the interpretation that there is only one China, but both sides hold their own views on what that means). Unless the DPP removes this impediment, it will be very difficult for the party to engage Beijing in any substantive dialogue.

(3) Challenges Facing Taiwan's Military

Although the risk of war erupting between China and Taiwan has greatly decreased, the latter is not letting down its guard, as evidenced by its *2011 National Defense Report*, which says that Taiwan must squarely face the threat posed by a PLA that “has not renounced the use of military force against Taiwan,” and “has deployed over one thousand missiles along its southeast coasts opposite Taiwan.” The gravest military concern for Taiwan is saturation attack by China's short-range ballistic missiles. Taiwan lacks similar weapons for counterbalancing that threat,

and its only means of defense are three Patriot Advanced Capability-2 (PAC-2) missile batteries deployed around the Taipei area. According to media reports, the Taiwanese armed forces are gradually upgrading their PAC-2 units to the PAC-3 system and plan to purchase additional PAC-3 units for deployment in the island's southern and central regions, but it appears that actual deployment will not come anytime soon. Efforts to modernize the armed forces' weapons and equipment—including the Patriot missile system—depend mainly on procurement from the United States. During the past few years, Taiwan has asked the United States to supply it with sixty-six F-16C/D fighters to replace its aging F-5E/F fleet, as well as eight conventionally powered submarines to supplement the only two combat-capable ones it owns. However, China has indicated that such weapons constitute a “red line” that must not be crossed, and the United States has maintained a cautious stance regarding arms sales.

Taiwan is placed in the quandary of not being able to design its defense strategy as it sees fit—since China will not allow it to freely select the weapons needed for defense, it can only contemplate what can be done with the weaponry it has already acquired from the United States. Note, however, that following the establishment of the Ma Ying-jeou administration, Chinese criticism of potential arms sales to Taiwan have been leveled only at the United States, and not Taiwan—a sign that Beijing has shifted its longstanding tendency to lump Washington and Taipei into the same category. This may be because the Chinese leadership has judged that it would be unwise to criticize the Ma Ying-jeou administration as long as it is adhering to the policy of “no unification, no independence and no use of force.”

In addition to not being able to freely modernize its weapons and develop its defense strategy, the Taiwanese armed forces also face another big challenge with regard to the island's increasingly conciliatory stance toward China. A controversy erupted when a retired Taiwanese Air Force general—whose service included deputy chief of the general staff and president of the National Defense University—was reported to have made remarks in China in which he said that both the Taiwanese military and the PLA were Chinese armed forces, and that the two militaries shared the same goal of seeking Chinese unification. More public consternation followed when a Taiwanese newspaper reported that a large group of retired Taiwanese generals had visited China for a golf social with retired PLA generals. These and similar reports of fraternization led President Ma Ying-jeou

to express strong misgivings, saying that such incidents, if true, represented inappropriate behavior that would undermine the morale of the Taiwanese armed forces and hurt the public's feelings. Ma also called on the Ministry of National Defense to study ways to prevent the occurrence of similar incidents in the future.

Behind this state of affairs is the historical reality that the vast majority of the Taiwanese military's senior officers are *waishengren*—Han Chinese who immigrated to Taiwan after the end of the Japanese rule and their descendants. Reportedly, the only Taiwanese defense ministers who have never visited China are Tang Yiau-ming (born in Taizhong, Taiwan) and Lee Jye (a *waishengren*). It is also said that many retired military personnel have a sentimental attachment to China because they were born there or have relatives living there. While it appears that there no longer are any active-duty personnel who were born in China, the affinity of immigrant descendants for the mainland may still be strong, given the influence of parents' education on them and the presence of many *waishengren* who were born in Taiwan but grew up in immigrant military personnel communities. Additionally, for at least some members of the Taiwanese armed forces, having been inculcated that Chinese unification is the ultimate goal of military service may have conversely sparked sympathy in them for the mainland. Meanwhile, it also appears that the Taiwanese military's sense of vigilance and opposition toward China has weakened—perhaps due to the decreased risk of actual war with the mainland—and this may have facilitated recent cases of espionage, such as the arrest in 2011 of an active-duty major general for divulging military secrets to China (the highest-ranking officer ever to be charged for this crime) and the arrest in 2012 of a retired officer for spying for the mainland.

At the same time, however, examination should be given to the question of whether contact between Chinese and Taiwanese retired generals has helped to relax cross-Strait military tensions. The Chinese organization that coordinates visits by retired Taiwanese generals, the Alumni Association of the Huangpu Military Academy, is a group that was formed to promote the unification movement. As can be readily surmised, an organization such as this would need to have permission from the CPC's senior leadership in order to host so many Taiwanese generals—even if they are retired. Judging from this and the circumstances outlined above, it may be that the visits to China by retired Taiwanese generals are the product of an effort by Beijing to advance unification by taking advantage of Taiwanese amity toward the mainland. If this is the case,

China might be actively seeking to create opportunities for exchanges along the lines of those frequently held among retired Japanese, US, and Taiwanese generals, such as open or closed symposia on security issues. As such, it is possible that China will pursue such engagement in order to lay the foundation for the construction of a confidence-building mechanism in military affairs.