

## **Chapter 4**

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### **China: Chinese Party Leadership Strives to Maintain Its Rule**



China's internal political affairs during 2015 featured further efforts by the Communist Party of China (CPC) to display its ability to police itself through an intensified anticorruption effort; some of the prominent examples would be the life sentence handed to Zhou Yongkang, a former member of the Politburo Standing Committee, and expulsion from the Party for Guo Boxiong, former vice chairman of the CPC Central Military Commission (CMC) and referral of his case to military prosecutors. Diplomatically, China has continued its land reclamation operations in South China Sea features and its pressure on Japan from the presence of Coast Guard vessels around Japan's Senkaku Islands, and it is seeking to expand the reach of its international economic influence by setting up the Asian Infrastructure Investment Bank (AIIB) and promoting its "One Belt, One Road" concept. The military parade held to commemorate the seventieth anniversary of China's victory in the Anti-Japanese War was an opportunity to demonstrate to both domestic and foreign audiences the modernization of the People's Liberation Army (PLA). CPC General Secretary Xi Jinping, who continues to concentrate his power by concurrently serving also as president of the People's Republic and chairman of the CMC, has been focusing on maintaining the legitimacy of CPC rule and its authority even as China seems to be trending toward slower economic growth; in the face of a number of domestic and international problems, Xi will find achieving his goal to be a challenge.

The Ministry of National Defense white paper entitled *China's Military Strategy*, the first defense white paper in two years, reflects a strategy of growth beyond its borders. Particularly notable in the white paper is that while the PLA is maintaining its traditional military strategy of "active defense," the PLA Navy (PLAN) strategic policy is one of unifying "offshore waters defense" with "open seas protection." At the March 2015 National People's Congress (NPC), Xi Jinping addressed the vital role of military and civilian cooperation in national defense technology. Such cooperation is an element in the overall reform of national defense and the military and is being promoted in developing a domestic military equipment industry mainly through development of personnel.

A variety of trends have developed in the relationship between China and Taiwan, which had scheduled general elections for January 2016. Relations improved dramatically under the Ma Ying-jeou administration, and after a six-year hiatus, a top-level leadership conference and a third ministerial-level

working conference were held between the CPC and the Kuomintang (KMT) in March 2015. November also saw the first China-Taiwan summit meeting since the two sides split in 1949. Many in Taiwan, however, remain wary of the Ma Ying-jeou administration's policy of rapprochement with the mainland, and the Democratic Progressive Party (DPP) won an overwhelming victory in the presidential election. Close attention must be paid both to Taiwan's political environment and to the course of the relationship in the face of an increasingly likely change in Taiwan's administration.

## **1. Concerns at Home and Abroad for the Xi Government**

### **(1) CPC Leaving No Haven for the Guilty in Anticorruption Campaign**

As the anticorruption campaign pushes forward under the rubric of “swatting both tigers and flies”—both the big and the small alike—it was noteworthy that the Supreme People's Procuratorate of the People's Republic of China (PRC) announced that Ling Jihua, former head of the United Front Work Department of the CPC Central Committee had been arrested on charges including acceptance of massive amounts of bribes; Ling, it was announced, had been expelled from the Party and removed from his public office.<sup>1)</sup> Ling had risen up through China's Communist Youth League (CYL) and had served as head of the General Office of the CPC, placing him at the right hand of former CPC general secretary Hu Jintao, and his arrest and punishment suggested that the target of the anticorruption campaign had broadened to include the CYL. The CYL, however, has become a mammoth organization that is joined by youth and students in general before they reach the CPC, so there is little meaning in lumping together any particular miscreant and the CYL. There are instead signals that Ling was dealt with as a prominent member of the highly corrupt Shanxi faction with its ties to coal and electric power concessions. Further, it was also revealed that in April, Guo Boxiong, former vice chairman of the CMC, had been arrested and later expelled from the CPC at the July 30 Politburo meeting.<sup>2)</sup> Along with Xu Caihou, former vice chairman of the CMC (who subsequently died of illness) who had been expelled from the CPC and had his general's rank cancelled on suspicion of taking bribes in mid-2014, Guo had been placed on the CMC by former general secretary Jiang Zemin and stood as one of the top uniformed leaders in Hu Jintao's

government. Both Guo Boxiong and Xu Caihou held the lofty CPC position of Politburo member, though neither was comparable to Ling Jihua, former head of the United Front Work Department and a Central Committee member. Earlier, in March, it was announced that fourteen figures at or above the corps commander level were being investigated on suspicion of serious crimes of corruption.<sup>3)</sup> An additional two former top-level uniformed cadre also fell prominently, but there is no indication that the Chinese military has been shaken by these developments. In combination with the September 3 announcement by President Xi Jinping of plans to reduce the number of military by 300,000, it would instead appear that Xi has steadily been tightening his grip on the military. Within the military as well, there are likely many leading officers who themselves feel alarmed at the endemic corruption and who look forward to some relief provided by tightened discipline and bolstered fighting ability.

According to the report by the head of the Supreme People's Procuratorate to the March 2015 NPC, there were 41,487 cases of bribe-taking or embezzlement during 2014 that covered 55,101 people, an increase of 7.4 percent in the number of people involved over the preceding year. Among these cases, 3,664 (up 42 percent from 2013) were prosecuted for corruption, bribes, or embezzlement of public funds involving one million yuan or more. The report indicated that public officials punished at the county leadership level represented 4,040 officials (up 40.7 percent over the preceding year), 589 officials at the bureau chief level, and 28 officials at the ministerial level.<sup>4)</sup>

In addition, China is experiencing a growing number of potentially destabilizing domestic incidents such as ethnic minority-related violence and criticism of authorities on the Internet, spurring the Xi Jinping government to put more emphasis on the control of information, reform of the domestic economy, and reform of the military. The Table 4.1 presents the main small leading groups set up under the Xi administration. With few exceptions, media coverage of these small leading groups and information about their form and function has been extremely sparse, but it appears that General Secretary Xi himself is chairing many of the most important small leading groups. Most likely, the proposals from the most powerful small leading groups headed by Xi himself are accepted as is by the Central Committee, the aim being to speed up the process of establishing important policies.

A wide variety of people have had their corruption exposed under the Xi

**Table 4.1. Main small leading groups set up under the Xi government**

Small leading group	Established	Members
CPC Central Small Leading Group on Maritime Interests	Latter half of 2012 (according to media reports)	Chair: Xi Jinping (presumed)
CPC Central Small Leading Group for Comprehensively Deepening Reform	First session held Jan. 22, 2014	Chair: Xi Jinping Vice chairs: Li Keqiang, Liu Yunshan, Zhang Gaoli
CPC Central Cybersecurity and Informatization Small Leading Group	First session held Feb. 27, 2014	Chair: Xi Jinping Vice chairs: Li Keqiang, Liu Yunshan
CPC Small Leading Group for Deepening National Defense and Military Reform of the CMC	First session held March 15, 2014	Chair: Xi Jinping Vice chairs: Xu Qiliang, Fan Changlong
Central National Security Commission	First session held April 15, 2014	Chair: Xi Jinping Vice chairs: Li Keqiang, Zhang Dejiang
CPC Small Leading Group for United Front Work	Decided to establish July 30, 2015	Chair: Xi Jinping (presumed) Other members unknown

Sources: Compiled from *Xinhua Net*, *The Beijing News*, and other sources.

administration, including politicians, party bureaucrats, ranking members of the military, and industrialists, often with ties to Jiang Zemin or Hu Jintao, who were both former Party general secretaries. In September, Xi Xiaoming, deputy head of the Supreme People's Court of the PRC (equivalent to the supreme courts in Japan or the United States), was expelled from the CPC for grave violations of discipline.<sup>5)</sup> This case and the earlier example of a sentence of life imprisonment handed down to a former Politburo Standing Committee member indicate that there is no longer any "safe haven" for violators, displaying the strong determination of the Xi government to act against corruption. Looking at the CPC from the time of Jiang Zemin's administration through the present, both Jiang Zemin and Hu Jintao followed the unwritten law limiting their time as party leader (two terms totaling ten years, based on the convening of the CPC National Congress in the year of appointment) and stepped down at the end of their second term. Unlike former CMC chairman Deng Xiaoping and former CPC general secretary Jiang Zemin, however, Hu Jintao did not move on to chair the CMC and

instead chose complete retirement. If this trend is carried forward by the Xi Jinping government and the “rule of law” that has been stressed under the Xi administration is strictly applied even to the paramount leader, and if its application means that even the leader or his relatives or close associates could be charged when appropriate with violation of Party discipline or law, then Xi Jinping’s anticorruption campaign will continue to appear fair and justifiable.

## **(2) Chinese Attitudes and Actions on the South and East China Seas**

During 2015, China’s involvement in the Spratly Islands in the South China Sea became larger in scale and quicker in pace, including imposing land reclamation and construction of facilities such as harbors and runways. Some members of the Association of Southeast Asian Nations (ASEAN) and the United States reacted strongly to such Chinese attempts at unilaterally making major changes in the status quo there. At a summit meeting held in Kuala Lumpur in late April, ASEAN clarified its stance to the “grave concern” expressed by the Philippines and Vietnam regarding the land reclamation and called for discussions at the foreign minister level.<sup>6)</sup> At the IISS Asia Security Summit (the Shangri-La Dialogue) in May, US Secretary of Defense Ashton Carter sharply criticized China.<sup>7)</sup> On June 8, the Summit Declaration issued by the G7 Summit avoided criticizing China by name but still strongly opposed and denounced any unilateral actions seeking to change the status quo.<sup>8)</sup> At the US-China Strategic and Economic Dialogue held in Washington, DC, that same month, with a visit to the United States by President Xi pending in September, discussions addressed reclamation in the Spratly Islands for construction of military facilities and information leaks due to cyber attacks against the United States. During the September China-US summit talks, there seemed to be some closing of positions on dealing with cyber attacks, but on the South China Sea, President Xi repeated the customary claims that this has been Chinese territory for ages. Land reclamation has been conducted at seven locations with a

total area of eight square kilometers as of May 2015, and construction is underway for runways and other military facilities. In September, according to reports, the 3,000-meter-class runway being built on Fiery Cross Reef was largely complete.<sup>9)</sup> Concerned by this state of affairs, in October the US Navy sent the Aegis missile destroyer *Lassen* to within twelve nautical miles of Subi Reef in a “freedom of navigation” operation. China sent out destroyers (the *Lanzhou* and the *Taizhou*) and aircraft to track, monitor, and warn the US vessel. A Chinese Ministry of Foreign Affairs spokesman cited the *Lassen*’s actions as a threat to China’s sovereignty and safety and stated China’s “resolute opposition” to those actions. US Ambassador to China Max Baucus was also summoned to the Foreign Ministry to receive a protest from the assistant foreign minister.<sup>10)</sup> Media reports also indicate that in January 2016, China chartered civilian aircraft and conducted a number of test flights to Fiery Cross Reef.<sup>11)</sup>

China has also been very active in the East China Sea. In addition to violation of Japanese waters around the Senkaku Islands by Chinese Coast Guard vessels, China has attracted attention for its development of natural gas fields in its East China Sea waters very close to the equidistance line between China and Japan. Despite the agreement reached between Japan and China in June 2008 under the Hu Jintao government for joint development of such gas resources, China has unilaterally moved ahead with development, heightening Japanese distrust. Four of the structures, including Shirakaba (Chunxiao in Chinese) and Kashi (Tianwaitian), have already been identified; in addition, twelve other structures (including two jackets only) are known to have been put in place between June 2013 and June 2015. At a press conference in July, Japanese Chief Cabinet Secretary Yoshihide Suga laid out the situation, stating that Japan repeated its objection to China’s ongoing unilateral development and also calling on China to halt its operations.<sup>12)</sup>

This unilateral location of multiple maritime platforms is an attempt to set in place a new status quo for the region, an approach that has points in common with Chinese land reclamation operations in the South China Sea.

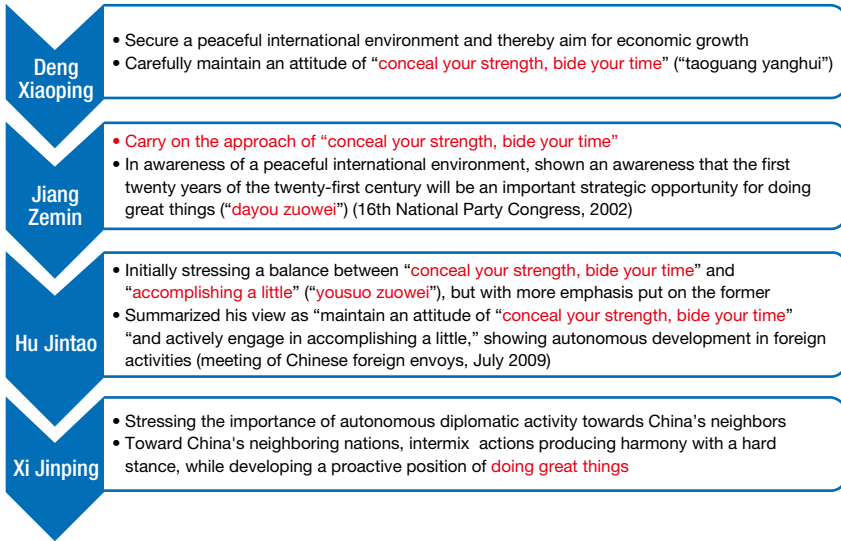


The basis for such Chinese attempts to unilaterally change the status quo in its surrounding waters and fix the new status in place dates back to the Eighteenth National Congress of the CPC held in November 2012. There, the Party launched policies calling for China to enhance its capacity for exploiting marine resources, resolutely safeguard China's maritime rights and interests, and build China into a maritime power. Even earlier, during the CPC Seventeenth National Congress in 2007, General Secretary Hu Jintao defined the duties of the Navy as increasing its ability to conduct comprehensive warfare in China's surrounding waters while steadily transitioning to providing defense on the open seas and improving its mobile fighting capabilities there, protecting China's sovereign waters and maritime interests, and protecting the safety of strategic routes for China's maritime industries, marine transport, and energy resources as they continue to develop steadily.<sup>13)</sup> China is growing stronger, and for 2010, it had the world's second largest nominal GDP. Against such a background, while also going through the occasional variation, China's foreign strategy is gradually becoming more and more rigid.

On September 3, 2015, China held a military parade in Beijing to commemorate the seventieth anniversary of China's victory in the Anti-Japanese, Anti-Fascist War. President Xi Jinping was joined atop Tiananmen Gate by President Vladimir Putin of Russia, President Park Geun-hye of South Korea, United Nations Secretary-General Ban Ki-moon, Jiang Zemin, Hu Jintao, and others in reviewing the parade. China's goal in holding such a major parade was in part to give international exposure to its status as victor in that war, but a further aim was reminding its domestic audience that victory had been achieved under the leadership of the CPC, thereby enhancing the authority of the Party's rule.

Nevertheless, China is not aiming at a state of absolute confrontation with Japan, the United States, and its neighboring countries. In October 2013, a Peripheral Diplomacy Work Conference in Beijing noted that during his June visit to the United States, President Xi Jinping had addressed President Obama in calling for "a new type of major-power relations" the key to which would be: (1) avoidance of collisions and confrontations, (2) mutual respect, and (3) cooperation that would serve the interests of each. While such a relationship would not mean giving way on a state's "core interests," this proposal could be seen as the parties' desire for cooperation resulting in a win-win situation. Despite the US Navy's "freedom of navigation" operations, China still permitted a visit to the PRC by

**Figure 4.1. Transition in China's foreign strategy**



Sources: Compiled from Hu Shengping, “Zhongguo Duiwai Zhengce—Cong Jiang Zemin dao Xi Jinping [Chinese Foreign Policy—From Jiang Zemin to Xi Jinping],” Zhizhixueshuchubanshe [Zhizhi Xueshu Publishing Company], 2015, *People's Daily*, and other sources.

Harry B. Harris, commander of the United States Pacific Command, and also took part in a joint communications exercise in the Atlantic off the Florida coast, signs that both the United States and China wanted to avoid a decisive confrontation. The same impression can be drawn from the summit meeting between Japan and China's top leaders in April on the sidelines of the Asian-African Conference and similar later activities aimed at restoring the bilateral relationship.

President Xi is aware that a Republican, usually associated with a hard line toward China, may take office as the US president in January 2017, and Xi can be expected to continue expressing his long-held views regarding mutual respect for the other party's core interests and major concerns, conducting active discussion of areas where cooperation is possible and standing unyielding regarding topics involving sovereignty. At the same time, however, the CPC's Nineteenth National Congress will take place in the autumn of that year, and Xi will likely take advantage of the large-scale turnover of Party leadership there to put together a more stable structure for his leadership.

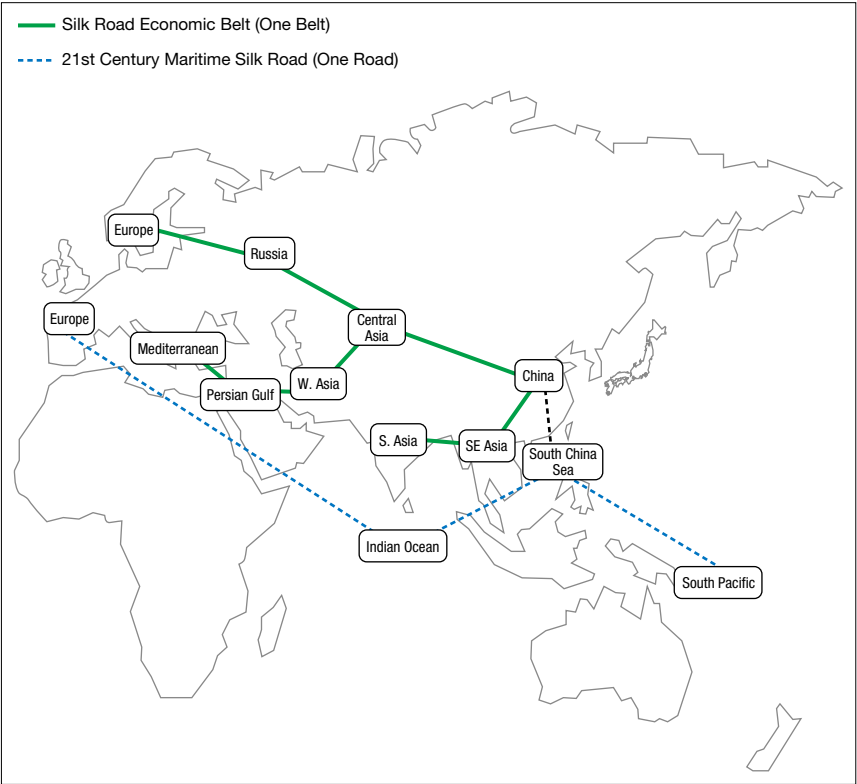
### **(3) “New Normal” and “One Belt, One Road”**

China finds itself in a period of slow economic growth. At the third session of the Twelfth NPC held in March 2015, Premier Li Keqiang illustrated this in reducing the GDP growth rate goal from 7.5 percent to around 7 percent. “The new normal” is the term being applied to the situation by the Chinese government as it tries to adjust course toward stable growth. The government has also unveiled a new grand design for sustaining growth and building its foreign relations: “One Belt, One Road.” The pattern for this concept was the Silk Road Economic Belt presented by President Xi Jinping in a September 2013 speech in Kazakhstan, combined with his proposal before the Indonesian parliament in October of that year for a Twenty-first Century Maritime Silk Road to be built through greater cooperation between China and the ASEAN member states and making apt use of the resources of the China-ASEAN Maritime Cooperation Fund in developing a maritime cooperation partnership.<sup>14)</sup> Since then Xi has frequently touched on the Silk Road Economic Belt in summit talks with Iran, Sri Lanka, Pakistan, Kazakhstan, and Indonesia. The concept is a further development of China’s earlier Great Western Development Strategy for China’s central and western regions, now expanded into a wide-ranging economic strategy that includes the interiors of Europe and Asia and extends to all of Europe. The “One Belt, One Road” concept explores the possibility of driving Chinese economic expansion west through Eurasia over both land-based and maritime routes, combining China’s historical position as a continental state with the new status of maritime nation to which it is aspiring. Through such an approach, China is aiming to deal with the slowdown in its economy in part through economic development based on directing domestic industries’ current excess production capacity outside its borders, as well as through expanding foreign investment and greater influence over the international community.

A picture of the overall “One Belt, One Road” concept appears in “Vision and Actions on Jointly Building a Silk Road Economic Belt and Twenty-first Century Maritime Silk Road” issued jointly in March 2015 by the National Development and Reform Commission, the Ministry of Foreign Affairs, and the Ministry of Commerce. Here, “Silk Road” is not limited in scope to its historical route. The concept includes: (1) a route stretching from Central Asia west through Russia to the Baltic, (2) a historical route starting from Central Asia and turning toward Western Asia, passing through the Persian Gulf on its way to the Mediterranean

Ocean, and (3) a route that passes through Southern China into Southeast Asia then leads through South Asia into the Indian Ocean. The Maritime Silk Road includes the historical course of transport from the South China Sea through the Indian Ocean, then through the Suez Canal into the Mediterranean, as well as a route from the South China Sea through the South Pacific. It is notable here that these routes bring in both northern and southern Europe, provide for routes through Southeast Asia and South Asia, and includes “Maritime Silk Road” routes reaching from the South China Sea to the South Pacific. It is clear that the concept foresees economic interchange with all of Europe. Somewhat unusually, despite the Chinese government’s frequent reference to the great voyages of Ming

**Figure 4.2. China’s “One Belt, One Road” concept**



Source: Compiled from the Chinese National Development and Reform Commission, the Ministry of Foreign Affairs, and the Ministry of Commerce, “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.”

Dynasty explorer Zheng He, who visited East Africa several times during the first half of the fifteenth century, the Maritime Silk Road's western terminus is not East Africa. This makes more sense, however, when one notices that except for the areas around the Red Sea, Africa as a whole is excluded from the AIIB target countries, and from the Route as well. In basic terms, the grand strategy of "One Belt, One Road" is heading west from China, a policy approach that does not conflict head on with the United States' rebalancing toward the Asia-Pacific. The concept, however, does provide for a Chinese advance into the South Pacific, reflecting China's intention to expand its presence in those waters. Some researchers also see the Xi Jinping government's attitudes stressing peripheral diplomacy and China's deepening involvement in Central Asia as factor behind "One Belt, One Road."<sup>15</sup> In addition, while China is not a participant in the Trans-Pacific Partnership (TPP), it has not openly opposed the TPP.<sup>16</sup>

China has been putting out a series of new foreign relations measures and foreign policies that support "One Belt, One Road." During a July 8 visit to Russia, President Xi Jinping held talks with President Putin in Ufa, with the two leaders reaffirming the promises in their May 8 joint declaration on cooperation in coordinating development of the Eurasian Economic Union and the Silk Road Economic Belt.<sup>17</sup> At the fifteenth summit conference of the Shanghai Cooperation Organisation (SCO) on July 10, India and Pakistan were approved as the first new full members since the SCO's founding, and Belarus was approved as observer.<sup>18</sup> Three SCO member states are included in routes under "One Belt, One Road." June 29 saw the signing of the AIIB agreement in Beijing. Out of the fifty-seven founding members, seven including the Philippines, Malaysia, and Thailand were unable to sign yet for domestic procedural reasons, but all of the other fifty members signed the agreement; the other seven completed the signing process by the end of the year. Many of the AIIB founding members are included in the various routes of "One Belt, One Road," meaning for China that the AIIB is an important financial tool for bringing the concept to reality.

While China is trying to bring "One Belt, One Road" to reality, it is also facing a pressing ethnic problem: the Xinjiang Uyghur Autonomous Region is not lending itself to inclusion in the family of Chinese ethnic nationalities. Even limited only to media reports, there have been incidents leading to injuries or death in the Kashgar area in April 2013 and in the Turfan and Kashgar areas in June. In October, a car deliberately struck people in the Tiananmen Square area. In 2014

**Table 4.2. Asian Infrastructure Investment Bank (AIIB) members**

Asia-Pacific	China, Bangladesh, India, Kazakhstan, Maldives, Mongolia, Nepal, Pakistan, Sri Lanka, Tajikistan, Uzbekistan, New Zealand, South Korea, Australia, Kyrgyzstan
ASEAN	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam
Middle East	Jordan, Qatar, Kuwait, Saudi Arabia, Oman, Turkey, Egypt, Iran, UAE, Israel
Europe	<b>UK</b> , <b>France</b> , <b>Germany</b> , <b>Italy</b> , Luxembourg, Switzerland, Austria, the Netherlands, Georgia, Russia, Denmark, Finland, Norway, Malta, Spain, Iceland, Portugal, Poland, Sweden, Azerbaijan
The Americas	Brazil
Africa	South Africa

Sources: Compiled from PRC Ministry of Finance International Finance Cooperation Department materials released April 15, 2015, and other sources.

Note: Boxed countries are G7 members. Bold-faced countries are ADB members.

as well, there were multiple incidents of injury and death, including Kunming Station in March, the Urumchi South railway station in April, the Urumchi morning open market in May, and Yarkant County in July. Chinese authorities are keeping alert for indications whether the Uyghur independence movement or foreign forces are cooperating in staging such frequent incidents of terrorism. It is possible that closer contact between western Asian countries and the Xinjiang Uyghur Autonomous Region under “One Belt, One Road” could contribute to higher incomes for people in the Xinjiang Uyghur Autonomous Region. It cannot be denied, however, that there might also be opportunities for the Uyghurs to build ties with groups such as the East Turkestan Islamic Movement, al-Qaeda, the Pakistan Taliban, or the Islamic State of Iraq and the Levant (ISIL).

The container explosion incident in Tianjin in August 2015 was typical of frequent explosions in a variety of areas. As attention was turned to shutting down the operations of factories around Beijing to bring “blue skies for the parade” on September 3, paralleling “blue skies for APEC” the previous year, the frequent explosions brought concern to some that Chinese emphasis on economic growth may have slighted attention to safety and environmental protection, with corruption playing a role as well. The anticorruption campaign being conducted by the Xi Jinping administration, its mixture of hard and soft approaches in foreign policy, and economic policies such as “One Belt, One Road” are all vital pieces in completing the jigsaw puzzle of maintaining rule by the CPC.

## 2. Digging In on Defense and Military Reform, Modernizing the PLA

### (1) Release of a New Defense White Paper, Progress on Defense and Military Reform

After a two-year hiatus, China released its latest National Defense White Paper, its ninth, on May 26, 2015. Entitled *China's Military Strategy*, the white paper gives an overview of the PLA's military strategy.<sup>19)</sup>

The white paper sees China's national security situation as facing an important "strategic opportunity," where the external environment is on the whole advantageous despite continuing to present China with a variety of multi-dimensional, complicated threats to its security. Specific examples would include the US strategy of rebalancing toward the Asia-Pacific region, Japan's adjustment of its defense policies, activities of individual countries that share maritime boundaries with China and that might take provocative actions toward China's territorial sovereignty and maritime interests, and US intervention in South China Sea issues. At the white paper's official presentation, National Defense Ministry spokesman Yang Yujung in particular displayed a strong sense of caution in touching on the US surveillance activities sparked by problems in the South China Sea. The white paper also addresses bilateral military exchanges with the United States in keeping with the new type of major-power relations between the two as well as the international responsibilities and duties that the Chinese military is seeking to fulfill, reflecting the attention being directed to international community's concern over China's strengthening of its military might.<sup>20)</sup>

Based on its view of the current strategic environment, the white paper explains the basis for the CPC's military strategic concept is "active defense." Chen Zhou, head of the National Defense Research Center at the PLA's Academy of Military Science, who is thought to have had input in the writing of the white paper, notes that although there have been adjustments from time to time in this "active defense strategy," come what may it is still the military strategy at the root of any attempts to resolve the nation's security problems.<sup>21)</sup> Much is still unclear about just how "active defense strategy" is defined, and some see the emphasis being placed on "active" over "defense," representing a shift toward stressing its offensive nature.<sup>22)</sup>

The white paper gives the following explanation of the strategies of the various military services. (1) In line with the strategic requirements of mobile operations

and multi-dimensional offense and defense, the PLA Army (PLAA) will shift from theater defense to trans-theater mobility, improving its multi-dimensional and trans-theater combat abilities. (2) In line with the strategic requirements of offshore waters defense and open seas protection, the PLAN will shift its focus from “offshore waters defense” to the combination of “offshore waters defense” with “open seas protection,” and enhance its capabilities for strategic deterrence and counterattack, maritime maneuvers, joint operations at sea, comprehensive defense and comprehensive support. (3) In line with the strategic requirements of building air-space capabilities and conducting offensive and defensive operations, the PLA Air Force (PLAAF) will shift its focus from territorial air defense to both defense and offense, and boost its capabilities for strategic early warning, air strike, air and missile defense, information countermeasures, airborne operations, strategic projection, and comprehensive support. (4) In line with the strategic requirements of being lean and effective and possessing both nuclear and conventional missiles, the PLA Second Artillery Force (PLASAF) will speed up its shift toward informationization, and strengthen its capabilities for strategic deterrence and nuclear counterattack as well as medium- and long-range precision strikes.<sup>23)</sup>

The white paper also addresses the military’s critical security domains, e.g., maritime security, outer space, cyberspace, and nuclear force. In particular, the white paper presents nuclear force as the strategic cornerstone for national sovereignty and security, and while it again affirms China’s firm adherence to the principle of no first use, the white paper also clearly states intentions to improve the nuclear force’s capabilities for strategic early warning, command and control, prevention of missile penetration, rapid reaction, and survivability, and deter other countries from using or threatening to use nuclear weapons against China.<sup>24)</sup>

Such contents are in large part contained in *The Science of Military Strategy*, published in 2013 by the PLA’s think tank, the Academy of Military Science,<sup>25)</sup> making it reasonable to see the white paper as reprising recent paths and giving them official status. Customary reference in the past to “local wars under the



conditions of informatization” has been replaced by the concept of “informationized local wars,” which has been taken by some researchers to mean that the PLA is showing itself ready to reach for new levels of trans-theater informationization.<sup>26)</sup>

Such strategies were also reflected in the developments in reform of national defense and the military as announced by the Xi Jinping administration at the Third Plenary Session of the Eighteenth CPC Central Committee in November 2013. As part of his review of the military parade held on September 3, 2015, to celebrate the seventieth anniversary of China’s victory over Japan, Xi Jinping, in his role as chairman of the CMC, announced a 300,000 reduction in PLA forces.<sup>27)</sup> This was the first major cut to the PLA since CMC Chairman Jiang Zemin announced a 200,000-troop cut in September 2003.<sup>28)</sup> Jiang’s successor as CMC Chairman, Hu Jintao, also wanted to reduce PLA ranks, but it is thought that setbacks prevented this.<sup>29)</sup> Ever since the reform of national defense and the military was first announced, there has been frequent speculation that President Xi would also reduce the number of troops, and spokesmen for the Ministry of National Defense did not affirm the possibility.<sup>30)</sup> The reason that the go-ahead on the reduction was announced as it was in 2015 was likely that following the July 2014 arrest of Xu Caihou, former vice chairman of the CMC, and then that of Guo Boxiong, also a former vice chairman of the CMC, in July 2015, Xi Jinping now had even stronger control over the PLA. The speech that President Xi gave at the time of the military parade was sent out by the military’s General Political Department via official circular so that every member of the military and the People’s Armed Police would be aware of it.<sup>31)</sup> Academy of Military Science researcher Chen Zhou points out that the decrease in the number of troops actually increases the PLA’s fighting potential.<sup>32)</sup>

Around the time of the military parade, a number of foreign media reported the possibility of reorganizing the PLA’s military regions. According to such reports, the existing seven military regions could be consolidated into just four or five theater commands. Such reorganization would permit correction of one of the PLA’s shortcomings—overconcentration on ground forces in regional defense. Reorganization, it was thought, would improve the military’s ability to conduct joint fighting operations and respond to emergencies.<sup>33)</sup> Xi Jinping himself touched on the possibility of reorganizing military districts at the CMC expanded session in December 2013.<sup>34)</sup>

In connection with such developments, the CMC’s meeting on reforming the

armed forces was convened in November 2015 in Beijing. There, Chairman Xi Jinping indicated his intention to resolutely carry out the reform of national defense and the military. He proposed a variety of reforms, including the four goals of such measures being: (1) establishing a separate ground forces headquarters; (2) strengthening the authority of the CMC by assuming the functions of the four general departments (General Staff Department, General Political Department, General Logistics Department, and General Armaments Department); (3) establishing a three-tier “CMC – battle zone commands – troops” command system and an administration system that runs from CMC through various services to the troops; and (4) establishing a discipline inspection commission and a political and legal affairs commission within the CMC for enforcing discipline within the military. He also indicated that the series of reforms would be generally completed by 2020.<sup>35)</sup>

On December 31, 2015, the PLA command announced: (1) the launching of a new PLAA leading organ, (2) conversion of the PLASAF to the Rocket Force and elevation of the force's ranking, and (3) launching of a new Strategic Support Force; President Xi Jinping presented the commanders of these units with their new military command flags. Li Zuocheng, former commander of the Chengdu Military Region, is the new commander of the PLAA, with Liu Lei, formerly political commissar of the Lanzhou Military Region, named as the Army Political Commissar. Wei Fenghe and Wang Jiasheng, both from the PLASAF, were moved up from their command positions there to become commanding officer and political commissar of the Rocket Force. Former PLASAF member and President of the PLA Academy of Military Science Gao Jin was named commander of the Strategic Support Force, with Liu Fulian, former political commissar of the Beijing Military Region, named Strategic Support Force Political Commissar.<sup>36)</sup>

On January 1, 2016, following ratification by President Xi Jinping, the CMC distributed its “Opinions on Deepening Reforms of National Defense and the Armed Forces” throughout China's military. On January 11, the former four general departments of the military were replaced by a restructured CMC. This new structure of fifteen functional departments, commissions, and offices consists of seven CMC departments (General Office, Joint Staff Department, Political Work Department, Logistic Support Department, Equipment Development Department, Training and Administration Department, and National Defense Mobilization Department), three CMC commissions (Discipline Inspection

Commission, Political and Legal Affairs Commission, and Science and Technology Commission), and five directly affiliated offices under the CMC (Office for Strategic Planning, Office for Reform and Organizational Structure, Office for International Military Cooperation, Audit Office, and Agency for Offices Administration).<sup>37)</sup>

The reason for such large-scale reorganization, according to an editorial in the *PLA Daily*, was that authority had become concentrated in the former four general departments, which were carrying out functions originally meant for the CMC, and this in turn was affecting the CMC's ability to conduct concentrated, unified control.<sup>38)</sup> Thus by applying the "Opinion on Deepening Reform of National Defense and the Armed Forces," the basic principle of the reorganization was to identify responsibility as resting fully in the chairman of the commission and concentrate the highest guidance and command responsibilities in the CPC Central Committee and the CMC.<sup>39)</sup>

This set of reforms, it is thought, will give Chairman Xi Jinping even firmer control over the armed forces.<sup>40)</sup> Chairman Xi's aims through reforms would seem to be: (1) a stronger system for integrated operations centered on the CMC chairman, (2) simplification of the chain of command so that the CMC had more authority and more capability to react to emergencies, and (3) abandonment of the traditional focus on ground troops.<sup>41)</sup>

## **(2) Training Leaning Toward Real Combat, Integration, and Informationization**

The military strategies laid out in the white paper are reflected in the training conducted by the various services. In January 2015, the PLA General Staff Department issued the "Instructions on Military Training Tasks in 2015" (hereinafter, "Instructions"). The 2015 Instructions, like those of the previous year, stressed actual-combat training and joint-operation training, with the aim of strengthening the military's ability to bring victory in information-based wars.<sup>42)</sup>

To give a firmer foundation for the type of actual-combat training it is trying to emphasize, the PLA in February 2014 set up a military training inspection system to evaluate whether each service and military academy is carrying out real-combat training and education.<sup>43)</sup> According to information released by the General Staff Department in January 2015, the Leading Group for Military Training Supervision pointed out cases where the education and training provided within the military

still did not carry the designation of “actual-combat.”<sup>44)</sup> Based on such revelations, the following month the General Staff Department stressed the results that had been achieved in all varieties of exercises during 2014 when the training included units independently in competition with each other and stated that the training policy for the future would further strengthen this trend.<sup>45)</sup> The 2015 NPC also heard it stated by many PLA delegates to the congress that carrying out actual-combat training was a matter of importance.<sup>46)</sup>

To address integrated training, in January 2015 the General Staff Department issued its “Provisional Regulations for the Chinese PLA Integrated Combat Training” (hereinafter, “Regulations”). The Regulations were taken as the “mother law” for the PLA’s integrated campaign training; from that point on, the Regulations stated, actual-combat integrated training by all the armed forces would be carried out under direction of the General Staff Department and managed by the General Staff Department’s Operations Department, with actual execution of the training falling under the battle division in the command structure at each level.<sup>47)</sup> These were the measures adopted so that China could strengthen its system for integrated combat training centered on the General Staff Department.

Based on these principles, China has actively been developing the full range of types of training. Just as in 2014, integrated combat training called “Joint Action” was held around the country during 2015 from August through October.<sup>48)</sup> Joint Action 2015 took place in the Lanzhou, Nanjing, Guangzhou, and Chengdu Military Regions.<sup>49)</sup> The specific exercises that took place in the Nanjing Military Region, which covers Taiwan and the coastline facing the East China Sea, Joint Action 2015B, had the PLAA 12th Army as its focus but also included PLAN, PLAAF, PLASAF, and reserve units in its activities as it sought to bolster integrated combat action among the ground, sea, and air units under informationized conditions.<sup>50)</sup> The training activities in the Guangzhou Military Region were called Joint Action 2015C, where the People’s Militia joined with units from the PLAA, PLAN, PLAAF, PLASAF, and reserves. These exercises consisted of amphibious landings as part of the integrated combat training.<sup>51)</sup>

The PLA also became much more active in exercises in the Western Pacific for the PLAN and the PLAAF. During 2015, the PLAN passed between Okinawa Island and Miyako Island and through the Bashi Strait several times for exercises in the Western Pacific. For such training in the Western Pacific, the PLAN not only used its customary naval vessels but intermittently mobilized fighter aircraft

attached to PLAN air units. The goal of such exercises was to increase the PLAN's open seas mobile combat capabilities.<sup>52)</sup>

Starting in 2015, combat aircraft assigned to the PLAAF also began to conduct training in the Western Pacific. In March, a PLAAF spokesman noted that PLAAF combat aircraft passed through the Bashi Strait for the first time and conducted training in the Western Pacific. The spokesman pointed out that this training was aimed at increasing the PLAAF's ability to conduct open seas mobile combat, and he also made the point that the training was in keeping with international law and international practice and was not directed at any specific country.<sup>53)</sup> Again in May and July 2015, PLAAF combat craft passed between Okinawa Island and Miyako Island for training in the Western Pacific. Aircraft taking part in such training included H-6K bombers, which can carry CJ-10 (DH-10) cruise missiles able to reach Guam and similar locations.<sup>54)</sup>

“Haishang Lianhe” (“cooperation at sea”) has become an annual joint naval exercise between China and Russia and was held twice during 2015, in May and August. Haishang Lianhe 2015(I) took place in the Mediterranean. The three warships that participated for China had been engaged in antipiracy activities in the Gulf of Aden and then later took part in the maritime defense training, resupply at sea exercises, and escort activities.<sup>55)</sup> In August, Haishang Lianhe 2015(II) took place at sea near Vladivostok, Russia. The PLAN assigned a total of seven warships (two destroyers, two frigates, two large amphibious landing craft, and one supply ship) and six ship-borne helicopters. China provided two hundred naval landing combat personnel and twenty-one pieces of amphibious equipment for the exercises. Chinese PLAAF aircraft also took part in these exercises, consisting of two J-10 fighters, two JH-7 attack planes, and one KJ-200 early warning aircraft. One of the most notable aspects of this training was establishment of an air command center through participation by the PLAAF combat craft. Another would be that the exercises included actual-combat training such as joint antisubmarine training and joint amphibious landing training.<sup>56)</sup> Evaluating such training, Zhang Junshe with the PLAN Naval Military Academic Research Institute has said that the mechanism for Chinese-Russian joint exercises is maturing, and participation by both naval and air force units indicates that the level of mutual trust is also rising.<sup>57)</sup> While all these various exercises may not necessarily have brought any marked improvements to the PLAN at the operational level, the exercises' diplomatic aspects may have been viewed as more important,

as they demonstrate to the United State, Japan, and others the growing closeness of the Chinese-Russian relationship.

### **(3) Equipment Development with the Stress on “Domestic,” and Civil-Military Cooperation**

In the September 3, 2015, military parade, a wide range of weapons was introduced under the rubric of “domestic.” The officer in charge of the parade, Qu Rui, vice chief of the Operations Department of the General Staff Department, announced that over 80 percent of the weapons appearing in the parade were being newly introduced.<sup>58)</sup>

Notable among the weapons introduced at the parade would be PLASAF ICBMs capable of carrying either nuclear or conventional warheads, including the DF-31A and DF-5B, the antiship ballistic missile DF-21D, nicknamed the Carrier Killer, as well as the intermediate-range ballistic missile DF-26, dubbed the Guam Killer.<sup>59)</sup> The DF-31A is a mobile-launched solid-fuel ICBM with multiple independently targetable reentry vehicles (MIRVs) as warheads,<sup>60)</sup> making it among the foremost elements in China’s US nuclear deterrence. Although the DF-41 has the whole US territory within its range and can carry MIRVs, and despite the August test launch reported by the *Washington Free Beacon*, the DF-41 did not appear in the September military parade.<sup>61)</sup> The DF-26 can be directed against targets at sea and can, according to Chinese media reports, carry both nuclear and conventional warheads,<sup>62)</sup> drawing considerable attention to itself.<sup>63)</sup> It seems likely that the considerable efforts directed at publicizing such missiles were meant as a diversion to US involvement in the East and South China Seas.

Turning to aircraft, the KJ-500 early warning aircraft is said to have started deployment around November 2014 and was presented in the parade. The KJ-500 is successor to the KJ-200 early warning aircraft and has been presented as providing support to the KJ-2000, one of China’s limited number of AWACS.<sup>64)</sup> The PLA also introduced a variety of patrol aircraft and electronic-warfare aircraft in the military parade.

In December 2015, a Ministry of National Defense spokesperson announced that China is developing a domestic aircraft carrier in Dalian. The new carrier is based on testing and training experience with the carrier *Liaoning*, according to the announcement, has a displacement of around 50,000 tons, uses a conventional

propulsion system, and provides a ski-jump-style flight deck for carrier-based aircraft such as the J-15 fighter.<sup>65)</sup>

Regarding development of equipment for the PLA, in March 2015 at the NPC, President Xi Jinping addressed the importance of expanding civilian-military cooperation in the field of national defense technology.<sup>66)</sup> He has also addressed civilian-military cooperation in equipment development in reference to the ongoing reform of national defense and the armed forces,<sup>67)</sup> and his reference at the NPC was likely intended to speed up that trend. Such remarks in the NPC by President Xi also received support from military delegates to the NPC.<sup>68)</sup>

Jiang Luming, a professor at the PLA National Defense University, views the current level of civilian-military cooperation as being insufficient in both depth and range and feels that such cooperation must be expanded. He views President Xi's statements at the NPC as pointing out the need to move forward with civil-military cooperation in a wide range of concerns such as human resources development and equipment development while achieving greater efficiency in building national defense to even higher levels.<sup>69)</sup> Based on this series of statements, we can foresee greater attention to pushing forward with civil-military cooperation in development both of human resources and of military equipment.

On June 5, National Defense Mobilization Committee office for traffic in preparation for war issued and activated new standards for China's thorough application of national defense technology in the building of new civilian ships. These standards mandate that Chinese civilian ships built in the future must thoroughly incorporate elements essential to national defense, including the vessel's overall characteristics, its potential uses and other important factors, and design requirements. According to specialists, issuing such technological standards should make it possible for the Chinese civilian shipping industry, with all its resources, to be converted to military applications making use of the industry's latent national defense potential.<sup>70)</sup>

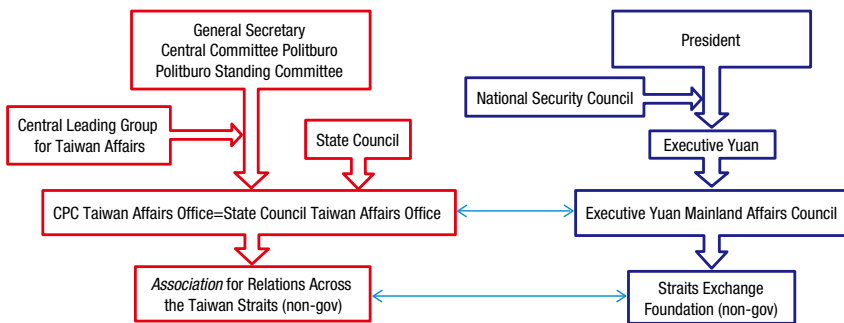
### **3. China-Taiwan Relations, Moving Toward Greater Tension**

#### **(1) Wariness Expressed toward the Ma Ying-jeou Administration's Rapprochement**

The year 2015 can be looked at as a period when both Chinese and Taiwanese authorities made efforts toward gradual "normalization" of the China-Taiwan

relationship. Looking back over the year, it seems that the Sunflower Student Movement that took place in Taiwan during March and April 2014 came as a great blow to Ma Ying-jeou and his KMT administration. The movement had the effect of fanning the anti-China sentiments that had been smoldering among Taiwan residents since the start of the Ma administration. The KMT suffered a stunning defeat in local elections throughout Taiwan that took place that November, and when President Ma resigned his KMT party chairmanship to take responsibility for the losses, his influence suffered as well, with support plummeting to seemingly irreparably low levels. The Ma administration was faced with the inevitable task of paying attention to the people's anti-China sentiments, which put a hard brake on exchanges between authorities on either side of the strait. The third round of bilateral ministerial working talks scheduled for Kinmen (Quemoy) in April 2014 between Zhang Zhijun, director of the PRC State Council Taiwan Affairs Office, and Taiwan's Executive Yuan Mainland Affairs Council Minister Andrew Hsia was deferred. Top-level discussions between the leaders of the two sides' semi-official working level groups, the PRC Association for Relations Across the Taiwan Straits and Taiwan's Straits Exchange Foundation, had taken place in February immediately before the outbreak of the Sunflower Student Movement, but these were also not held as next scheduled in April 2015. Bilateral top-level working talks were finally held in May 2015, with the deferred eleventh

**Figure 4.3. Administrative structure for Taiwan-Mainland affairs**



Sources: Compiled from "Structural Diagram of Mainland Affairs" by the Executive Yuan Mainland Affairs Council, CPC Taiwan Affairs Office, "Main Functions" by the State Council Taiwan Affairs Office Website, and other sources.

Note 1: Denotes counterparts.

Note 2: The Mainland Affairs Council is an organ of the Executive Yuan, but in Taiwan, China-Taiwan affairs fall under the authority of the President.



round of leadership talks between the two nongovernmental associations at last taking place in August 2015.

Following President Ma Ying-jeou's resignation as KMT chairman, his successor was Eric Zhu, the mayor of New Taipei City whose name was being raised as a possible candidate in the next presidential elections. In May, KMT Chairman Zhu visited China and met with General Secretary Xi Jinping at the Great Hall of the People, the first talks between KMT and CPC top leadership since KMT Chairman Wu Po-hsiung and CPC General Secretary Hu Jintao met in May 2008. Chairman Zhu expressed his hopes for a more transparent exchange between Taiwan and the mainland and the continuation and strengthening of the 1992 Consensus, as well as hopes China would respect Taiwan's participation in international organizations and allow more room for Taiwan to conduct international activities. Further, Taiwan had been turned down as a founding member of the AIIB, but Zhu hoped for participation under the name "Chinese Taipei," and he also sought Chinese agreement to Taiwan's participation in the East Asian Regional Comprehensive Economic Partnership (RCEP). In response, General Secretary Xi expressed a welcome toward participation in the AIIB and said he would take a "forward-looking position" in considering the RCEP request. General Secretary Xi indicated that it would be necessary for both sides to: (1) firmly support the 1992 Consensus and oppose Taiwanese independence, (2) deepen and peacefully develop the common interests of China and Taiwan, (3) recognize the importance of personal exchange between China and Taiwan, in particular heart-to-heart exchanges, (4) conduct discussions from a position of equality in the broad perspective, and (5) work together seeking the great revival of the Chinese Nation.<sup>71)</sup>

As can be seen from these various statements by the leadership of the CPC and the KMT, Taiwan and China agreed on deepening the relationship, in particular the economic relationship, the two sides had built up since 2008. At that time, some 840 flights a week (to rise to 890 flights a week) linked Taiwan and the mainland, and starting in September, the number of independent travelers from the mainland to Taiwan rose from 4,000 a day to 5,000. Already 5,000 group travelers were making that trip, and permission had been given for an additional thousand travelers from China via Kinmen (Quemoy) and the Matsu Islands, meaning that the number of Chinese visitors to Taiwan could reach as high as 11,000 a day. Since 2008, such personal exchanges between the mainland and

**Table 4.3. Agreements signed between China and Taiwan**

Mtg. #	Dates	Site	Contents of Agreement
1	June 11–14, 2008	Beijing	Restoration of formal dialogue. Two agreements signed, on charter flights, mainland residents' travel to Taiwan.
2	Nov. 3–7, 2008	Taipei	Four agreements signed, on cross-strait air and sea shipping, postal service, food safety.
3	Apr. 25–29, 2009	Nanjing	Three agreements signed, on joint investigation of crimes and judicial cooperation, finance cooperation, expansion of flights.
4	Dec. 21–25, 2009	Taichung	Three agreements signed, on agricultural products inspection, labor standards for fishing boat crews, common product quality standards.
5	June 28–30, 2010	Chongqing	Two agreements signed, on a framework for economic cooperation (ECFA), cooperation on protection of intellectual property rights.
6	Dec. 20–22, 2010	Taipei	Agreement signed on medical and health cooperation.
7	Oct. 19–21, 2011	Tianjin	Agreement signed on nuclear power safety cooperation.
8	Aug. 8–10, 2012	Taipei	Two agreements signed, on investment protection, customs cooperation.
9	June 20–22, 2013	Shanghai	Agreement signed on cross-strait trade in services. Also consultation on mainland provision of water to Jinmen (Quemoy) island.
10	Feb. 25–28, 2014	Taipei	Two agreements signed, on seismological monitoring cooperation, meteorological cooperation.
11	Aug. 24–26, 2015	Fuzhou	Two agreements signed, on cross-strait civilian flight safety and airworthiness certificate, tax cooperation and avoidance of cross-strait double taxation.

Sources: Compiled from materials released by the Executive Yuan Mainland Affairs Council.

Taiwan had been on a steady increase, and China had become an essential trading and economic partner for Taiwan.

China has tended, however, to maintain a consistently more cautious attitude toward Taiwan's participation in international organizations. There are definitely examples where Taiwan has achieved progress. After the start of the Ma Ying-jeou government, Taiwan was successful in raising the level of its participation in the APEC summit meetings to former vice president. Beginning in 2009, Taiwan has been permitted as observer at the World Health Organization (WHO) congresses

as Chinese Taipei. In the International Civil Aviation Organization (ICAO), Taiwan has been permitted since 2013 to take part in its annual conventions, albeit in the rather tenuous position of guest of the chairman. Since Taiwan concluded the Economic Cooperation Framework Agreement (ECFA) preferential trade agreement with the PRC in 2010, it has also achieved free trade agreements with Singapore and New Zealand. All of these results, however, have depended on the nod from the PRC. If the Democratic Progressive Party (DPP) should ever find itself in power in Taiwan, many knowledgeable observers believe that China might well start tightening the screws politically on Taiwan.

In July, the NPC Standing Committee approved a National Security Law, which went immediately into effect.<sup>72)</sup> Article Eleven of that law states, “The sovereignty and territorial integrity of China cannot be encroached upon or divided. Preservation of national sovereignty and territorial integrity is a shared obligation of all the Chinese people, including compatriots from Hong Kong, Macao and Taiwan.” In short, this law unilaterally places the obligation to preserve Chinese national unity on Taiwan as well. In Taiwan, the Executive Yuan Mainland Affairs Council immediately reacted strongly with a declaration in protest: “[A]ny unilateral action taken by the Mainland side will not change the fact that the ROC is a sovereign state and that neither side of the Taiwan Strait has jurisdiction over the other.”<sup>73)</sup>

Another point is that if Taiwan, with its connections to the various nations of Oceania, should take part in the AIIB, this would imply that the maritime route seen in the “One Belt, One Road” concept had become that much broader for China as well. Nevertheless, not only does the name under which Taiwan would participate represent a cause for delaying China’s approval, but the PRC may also think that given an upcoming general election in Taiwan and the possibility of a change in government, it holds another card to play in negotiations.

## **(2) Influence of the Presidential Election on China-Taiwan Relations**

During 2015, Taiwan had a presidential election pending on January 16, 2016, along with elections for the Legislative Yuan, the parliament. Attention was thus turned to the policies toward the mainland that the various presidential candidates would adopt. Those who declared themselves as candidates for the presidency were Hung Hsiu-chu, vice president of the Legislative Yuan, for the

KMT, Tsai Ing-wen, chairperson of the DPP, and James Soong (Soong Chu-yu), chairperson of the People First Party.

Chairperson Tsai Ing-wen visited the United States in June, and one of her activities was a presentation at the Center for Strategic and International Studies (CSIS). She assured her listeners that she was committed to a consistent, predictable, and sustainable relationship between China and Taiwan, and that if elected President, she would push for the peaceful and stable development of cross-strait relations under “the existing ROC constitutional order” and in accordance with the will of the Taiwanese people. Chairperson Tsai also noted that her position of maintaining the status quo would, she firmly believed, serve “the best interest of all parties concerned.”

Legislative Yuan Vice President Hung Hsiu-chu not only supported the 1992 Consensus that is the basis for the current China-Taiwan relationship, she also made a commitment to sign a “Cross-Strait Peace Accord” with China to assure peace and national security on both sides of the strait and ensure the development of international areas by both.<sup>74)</sup> The Ma government had also sought such an accord, but faced with popular disapproval, President Ma found that the hurdles to an accord were so high that he had to give up hope of achieving this goal himself. Hung Hsiu-chu had made reference to an eventual unification with China, which sparked calls within the KMT for her removal as a presidential candidate, in October resulting in her rather sudden replacement as KMT presidential candidate by Eric Chu (Chu Li-luan), KMT Chairman. Chu did talk about his intention to maintain a stable relationship with China under a KMT administration, but there was no mistaking the fact that Chu still played second fiddle to Chairperson Tsai Ing-wen.

Continuation of a KMT administration would be most desirable from a Chinese viewpoint, and the Chinese Academy of Social Sciences’ Institute of Taiwan Studies noted the realistic possibility that the DPP would field the next administration. There was as well the possibility that the DPP might take a

majority of seats (57) in the Legislative Yuan. If so, then a DPP government would find it easier to have a stable administration because it would be simpler to gain cooperation from the Legislative Yuan. From this viewpoint, the great majority of observers believe that while China would prefer the maintenance of a KMT government, it is resigned to the possibility of a DPP government and so will bide its time for the present.

If a DPP administration should take office, then each side of the strait will be closely observing the other, which could somewhat elevate tensions in the Taiwan Strait. There are indications that by 2020 China may have the military potential to invade Taiwan, but China is seeking not just a level of military capacity to invade Taiwan, it also is trying to equip itself with enough force to deter the United States from intervening militarily in case of an invasion or to slow down any such decision. China is seeking to bolster its fighting ability by increasing the number of short-range ballistic missiles and cruise missiles supposedly aimed at Taiwan; in addition, it is also thought to be working for more precise attacks. To deal with this situation, the Ma Ying-jeou government has a military budget less than 10 percent of that of the mainland. The air defense capability provided by the Patriot Advanced Capability-3 (PAC-3) ground-to-air ballistic missiles and the Tiangong-3 missiles still falls short of Taiwan's needs, and both its submarines and its fighter aircraft are too few and getting older. But Taiwan is doing nothing to provide China with justification for an attack, and it is expected that if Taiwan could hold off invading mainland forces for even a short while, world opinion would rally to Taiwan and make possible an advantageous conclusion to the fighting.

### **(3) A Summit Meeting for the PRC and Taiwan**

On November 7, 2015, President Xi Jinping and President Ma Ying-jeou met for an hour in Singapore. In the sixty-six years since Taiwan split from mainland China in 1949, this was the first meeting of the top leaders from both sides of the strait. Since the summit meeting was only announced unexpectedly on November 3, the population of Taiwan had no opportunity to express their thoughts about the meeting in advance. As a result, the meeting was carried out according to schedule despite a backlash from the opposition DPP and Taiwan society in general.

The meeting's discussion dealt with topics such as reaffirmation of the 1992 Consensus recognizing the One China Principle, the easing of hostility, expansion of exchanges between China and Taiwan, and installation of a hotline across the

strait, with agreement reached on these topics. There was no political agreement regarding the unification of Taiwan and the mainland, and no agreements or declarations were exchanged. Each of the leaders addressed the other as “Mister,” avoiding titles such as chairman or president. While President Ma did raise the issue of Chinese missiles pointed at Taiwan, he later revealed that President Xi’s response was only that the missiles were located as they were for overall (strategic) considerations and were not aimed at the people of Taiwan.

A number of factors influenced the holding of this summit meeting so close before a presidential election in Taiwan. For example, first, President Ma Ying-jeou was said to have wanted such a meeting for quite a while. Meetings between the mainland and Taiwan had risen to the Cabinet working level, and the only possible further progress would be a summit meeting. Second, the upcoming presidential election in Taiwan was a circumstance facing both sides of the strait. President Ma and his supporters wanted to compensate for a numerical inferiority in the election by being able to say that the party that opened negotiations with the PRC was *their* party, the KMT. It is thought that the mainland side also saw an opportunity to reaffirm the 1992 Consensus as a reminder to the DPP and the people of Taiwan. Since polls of support for the presidential candidates in Taiwan were holding fairly steady at around 45 percent for Tsai Ing-wen, 20 percent for Eric Chu, and 10 percent for James Soong, it would be difficult to say that the approach used by China and President Ma had been successful, the summit meeting’s influence on the presidential election seemed very limited at best.

The presidential election resulted in victory for Tsai Ing-wen, who surpassed Eric Chu by a sizeable margin of over three million votes, and in the parallel Legislative Yuan elections, for the first time ever the DPP captured a majority of the seats, sixty-eight in all. President Ma’s policies for reconciliation with China do seem to have had some effect in lessening the military tension across the strait, but the general population of Taiwan seems wary of any increase in the degree of dependence on the mainland, which would seem the likely reason for voters’ rejection

of Eric Chu's call for a continuation of President Ma's reconciliation policies.

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