



**IN THIS ISSUE:**

IN A FORTNIGHT	
By L.C. Russell Hsiao.....	1
CHINA'S NEW ARISTOCRACY: RED CADRES AND RED-HAT BUSINESSMEN	
By Willy Lam.....	2
THE CHANGING FACE OF PLA POLITICAL EDUCATION	
By David Szerlip.....	5
REORIENTATION OF CHINA'S ARMED FORCES: IMPLICATIONS FOR THE FUTURE PROMOTIONS OF PLA GENERALS	
By Joseph Y. Lin.....	7
SHANGRI-LA DIALOGUE HIGHLIGHTS TENSIONS IN SINO-U.S. RELATIONS	
By Ian Storey.....	10



China's Armed Forces

## In a Fortnight

### MAJOR REFORMS IN THE 12<sup>TH</sup> FIVE-YEAR PLAN?

By L.C. Russell Hsiao

As Western economies struggle to stave off contagion, Chinese leaders have been quietly working to chart the Middle Kingdom's triumphant return to the world's center stage. According to the most recent issue of *Outlook Magazine* (*Liaowang*), a weekly published by the official Xinhua News Agency, the 12<sup>th</sup> Five-Year Plan (FYP) of the Chinese Communist Party (CCP) will be deliberated and passed at the Fifth Plenary Session of the 17<sup>th</sup> CCP Central Committee meeting scheduled for the fall of this year (*Ming Pao* [Hong Kong], June 22). The items on the Five-Year Plan, which serve as the administrative blueprint for social and economic development, are formulated by the Strategic Planning Department of National Development and Reform Commission (NDRC) under the Chinese State Council. To be clear, the CCP Central Committee is the highest authority within the communist country and the meetings have been used to make important decisions on national policy. For example, the Third Plenary Session of the 11th CCP Central Committee in 1978 is when the Chinese leadership formally launched the late patriarch Deng Xiaoping's famous reforms of opening-up China to the world. In keeping with past meetings as well as future Chinese leaders' statements and media reports, the 12<sup>th</sup> FYP is slated to be no less momentous for China's development path.

According to *Outlook Magazine*, China's 12<sup>th</sup> FYP will lay out a grandiose roadmap for "accelerating changes in the mode of [China's] economic growth." The source cited by the magazine said that "major reforms" will be outlined in the 12<sup>th</sup> FYP in order to achieve the goal of establishing a "socialist market economy" by 2020, and the 13<sup>th</sup> FYP will be used for polishing the model (*Ming Pao*, June 22).

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Indeed, Chinese leaders have already started working on preparing this far-reaching social engineering project. As early as November 2009, NDRC Deputy Secretary General Yang Weimin confirmed that the central government had started drafting the 12<sup>th</sup> Five-Year Plan (En.sxcoal.com, November 24, 2009).

From the start of 2010, China's leading state-run newspapers have begun running editorials that seem to reinforce the theme of the 12<sup>th</sup> Five-Year Plan. For instance, in the party-mouthpiece *People's Daily*:

"With immense changes having occurred in China's external environment and internal conditions since the onset of the world financial crisis, the issue of altering or changing the economic growth mode has been turned increasingly prominent" (*People's Daily* [English], February 9).

More recently at a meeting meant to solicit proposals for the plan at the Chinese People's Political Consultative Conference (CPPCC)—the top advisory body for China's legislature, the National People's Congress (NPC)—Vice Premier Li Keqiang declared that, "The transformation of the economic growth pattern is a comprehensive and profound change, and it involves new ideas and innovative approaches. We must accelerate reform and opening-up in order to achieve it" (Xinhua News Agency, June 23).

The front and center role played by Vice Premier Li Keqiang in presenting the bold proposals appears to solidify his position as Premier Wen's successor. More interesting is Li's call for 'new ideas and innovative approaches,' which implies that the attendant political and structural changes necessary for such reforms may be in the playbook in the Xi-Li administration. If this is the case, it will be a significant departure from the change-and-risk-averse nature of the Hu-Wen leadership.

The period covered by the 12<sup>th</sup> FYP (2011-2015) will be especially important for not only China but also the world because of the relative weakness of the Western economies. Now more than ever before, the decisions that Chinese leaders make in formulating the country's five-year plan has profound global implications. The process leading up to its formal approval, which is expected at the 4<sup>th</sup> Plenary Session of the 11<sup>th</sup> NPC, deserves careful attention by observers as it offers a window into where China's future leaders wish to lead the Middle Kingdom.

As the Hu Jintao-Wen Jiabao administration prepares to hand power over to fifth-generation leaders like Xi Jinping and Li Keqiang in 2012—there are reasons to believe that leaders in the new generation may find more incentives for

political reform. Yet, the guidelines offered by the Five-Year Plan lay the framework for the implementation of economic and social policies for the decade to come, which will ensure continuity and stability in the transition process. And given the Hu-Wen administration's apparent distaste for political reforms, any attempt by the fifth-generation of Chinese leaders to implement 'new and innovative ideas' would likely be met with a lot of resistance.

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## China's New Aristocracy: Red Cadres and Red-Hat Businessmen

By Willy Lam

The scandal of Li Qihong, the female mayor of the Guangdong Province boom town of Zhongshan, highlights a backsliding of corruption in Chinese politics. Particularly, the increasing collusion between party cadres and businessmen has made the issue more acute. Even as the Chinese Communist Party (CCP) leadership ratchets up the rhetoric on fighting graft, more national wealth than ever has been flowing into the coffers of these powerful so-called "clans" (*jiazu*). Members of a typical clan consist of cadres as well as businesspeople, whose symbiotic relationship has enabled these savvy members of the new aristocracy to accumulate wealth at an astounding speed.

Li, 56, who is from a peasant family, spent her entire political career in Zhongshan, which is just a couple of hours' drive north of Hong Kong. In late May, she was detained by the CCP's Central Commission on Disciplinary Inspection (CCDI), the nation's highest graft-buster. Local media reported that Li, her husband Lin Yong'an, and the couple's siblings owned assets of at least 2 billion yuan (\$293 million). Particularly after she became director of the Zhongshan party committee's Organization Department in 1997, Li allegedly used her connections to help the real estate and other businesses set up by her husband and other relatives. After Li was named mayor in 2007, her clan reportedly made repeated killings in the Shenzhen Stock Market based on insider trading and other illegal practices (Xinhua News Agency, May 30; *People's Daily* [English], June 2).

The Li case has drawn scrupulous attention for various reasons. Zhongshan is the base of thousands of foreign enterprises, including those run by Hong Kong, Taiwan, Japanese and American interests. In speeches made over the past year, President Hu Jintao and other Politburo

members have issued tough new warnings against cadres using their connections to help relatives get rich. For example, Hu vowed at a CCDI conference early this year to redouble efforts to combat “power abuse” and related misdemeanors. Hu also urged, “the promotion of a corruption-free working style among senior cadres” (Xinhua News Agency, January 12; *People’s Daily*, January 13). Yet in spite of the CCP’s well-publicized anti-graft campaigns, Li’s superiors in Guangdong Province kept on promoting the cadre-businesswoman, even though she did little to hide her clan’s lucrative enterprises. According to the Chinese media, Li had on public occasions tried to exculpate herself by claiming she adopted a “Four Nos” policy regarding her kins’ businesses: “No participation; no help provided; no instructions; and no provision of [inside] information.” Yet even as the central government started cracking down on real estate speculation early this year, Li defended the property market by saying a housing boom would benefit myriad related sectors and provide huge revenue to the government (*Ming Pao* [Hong Kong] June 17; *Shenzhen Daily*, June 1; *Global Times*, June 1).

According to recent reports by the *People’s Daily* and *Nanfang Daily*, 3,000 families nationwide control assets worth 1.70 trillion yuan (\$248.9 billion), meaning that each of these *nouveau riche* clans is worth an average of 565 million yuan (\$82.72 million). *People’s Forum* magazine conducted an opinion survey on the phenomenon of super-rich clans, finding that 91 percent of respondents indicated that “the newly rich have benefited from networking with government officials” and 69 percent said they had a “bad impression” of the well-heeled families. While 75.56 percent noted that “collusion between officials and businessmen” was the “most serious factor” that contributed to the masses’ negative image of the government, 86.5 percent expressed worries about the prospects of weaning business away from political authority (*China Daily*, February 9; *People’s Forum* [Beijing journal], April 1). Yet, in light of the fact that ex-president Jiang Zemin decided to allow “red capitalists” to join the CCP in 2001, it might be too late to reverse the process of the perceived “bondage” between politics and business.

*People’s Daily* or other official media have not discussed whether these mighty clans include those headed by current or former Politburo members. This is despite well-documented evidence that the children of famous cadres, such as late patriarch Deng Xiaoping, ex-president Jiang Zemin, ex-premiers Li Peng and Zhu Rongji, President Hu and Premier Wen Jiabao, are successful entrepreneurs. According to liberal economist Luo Tianhao, a researcher at the Beijing-based Changjiang Business School, “red families,” meaning those of top cadres, figured prominently among the country’s affluent clans. “These business clans

boast deep political and economic capital,” Luo said. He added that due to their political connections, these families do particularly well in trade, energy and infrastructure, which are sectors that are still wholly or partially controlled by the state (Sina.com May 2; *China Mobile Weekly* [Beijing], March 22). Take, for example, the Li Peng clan. Li’s wife and two children have been active in the energy sector since the 1990s. Son Li Xiaoping is the former chairman of China Huaneng, an energy conglomerate; and daughter Li Xiaolin is the CEO of mammoth China Power International Development (China.org March 2; Reuters, June 8).

The CCDI, the party’s Organization Department and other units have since the mid-2000s issued numerous instructions and codes of practices against the so-called “marriage of power and money.” For example, the CCP passed in August 2006 a series of rules on the “avoidance system,” meaning cadres should avoid situations leading to conflict of interests. It warned senior party and government officials against “allowing or conniving at spouses and children engaging in businesses within [the cadres’] jurisdiction” (Xinhua News Agency, August 6, 2008; *Wuhan Evening Post*, June 17). This was followed by what official media call a watershed set of rules published earlier this year, namely, “Certain Regulations on Clean Governance of Leading CCP Cadres.” The document listed 52 areas of pitfalls that could result in corruption and other economic crimes. Section Five of the code says cadres must not allow spouses or children, as well as children’s spouses, to “pursue private gain” by using the former’s privileged positions. Moreover, senior officials must not “provide beneficial conditions” for the business activities of relatives (Xinhua News Agency, February 23; BBC News, February 24).

There is evidence, however, the CCP leadership has balked at perhaps the most efficacious way of battling graft: a “sunshine legislation” obliging cadres who have attained a certain seniority to publicize their wealth—as well those of their spouses and kids. According to reports in China and Hong Kong papers, a number of progressive cadres had proposed just such a “sunshine policy” at the Fourth Plenum of the CCP Central Committee, which was held in September of last year. The idea, however, was not adopted at the plenary session (*People’s Daily*, September 27, 2009; Hong Kong Economic Times, December 4, 2009; *Apple Daily* [Hong Kong], September 17). Thus far, only individual provinces and cities have come up with less stringent financial disclosure regulations affecting local-level officials. For example, the Shanxi Province branch of the CCDI issued a ruling early this year saying that senior cadres in the central-China province must report their properties, investments and other assets to superior

anti-corruption units. They must also submit a file on the professions and business dealings of spouses and offspring. There was no specification, however, about public disclosure of such information (Xinhua News Agency, February 1; *Shanxi Evening Post* [Taiyuan], February 1).

Even more significantly, Politburo members in charge of discipline and personnel have continued to put priority over “personalities”—meaning picking trustworthy candidates for high office—instead of introducing institutional safeguards. The emphasis on nurturing “virtuous” officials of exemplary moral rectitude of course goes back to the Confucianist ethos. In speeches the past two years, Director of the CCP Organization Department Li Yuanchao as well as Vice-President Xi Jinping—who also heads the Central Party School—have contended that the party’s headhunters must look for “officials who have both *de* [“morality”] and competence, with priority given to *de*.” Li said famously that “if a cadre were to go astray, the problem is usually not competence but morality” (China News Service, November 30, 2009; *People’s Daily*, December 1, 2009).

With the cessation of political reform—and the resultant concentration of powers in the CCP—there are no checks and balances to prevent putatively virtuous officials from abusing their powers. This is despite President Hu’s pledge during his early 2010 CCDI address that the CCP would work harder at “the construction of an anti-corruption mechanism.” Thus, Hu called for “intensified and improved publicity on anti-corruption measures, reform and improvement of intra-party supervision, expanded supervision channels, and the establishment of an anti-corruption information database and network” (Xinhua News Agency, January 12; CCTV news, January 13). Owing to the lack of an independent anti-graft agency, however, what Hu called “intra-party supervision” has amounted to little more than “the CCP investigating itself.”

The party’s refusal to grasp the nettle has resulted in the worsening of the corruption scourge. There has been a proliferation of cadres becoming the silent partners, patrons—and accomplices—of unscrupulous businessmen. The recent scandal surrounding Wang Guangyu, former chairman of Gome Electrical Appliances and once China’s richest man, is particularly alarming. Wang, who was last month given a 14-year jail term for crimes including bribery and insider trading, allegedly paid off a dozen-odd senior cadres, including the Assistant Minister of Public Security Zheng Xiaodong. The fact that investigations had taken one-and-a-half years and that the trial was shrouded in secrecy has raised suspicions that CCP authorities were reluctant to come clean on the identities of cadres who were in Wang’s pockets. Wang’s case is typical of a growing

number of prominent business “clans” whose affiliates include not only family members but also senior officials from a plethora of party and government departments (Reuters, May 28; *The Age* [Melbourne], May 25; *Ming Pao*, May 21).

Even more disturbing is the fact that corruption has extended to the courts, deemed the last line of defense against endemic graft. High-profile judicial cadres who received hefty jail terms this year have included the Vice-President of the Supreme People’s Court Huang Songyou and the Director of the Justice Department of the directly administered city of Chongqing Wen Qiang. Both Huang and Wen allegedly offered “protection umbrellas” to shield the crimes of cronies who were businessmen in Guangdong Province and Chongqing, respectively (Xinhua News Agency, January 10; *Global Times*, June 10). The shocking extent of judicial corruption was exposed earlier this month when three judges in Lingling District, Yongzhou City, Hunan Province were gunned down by Zhu Jun, a post office security guard who claimed he was the victim of the miscarriage of justice. Zhu killed himself after the shootings. One day later, several hundred local residents held a demonstration outside the Lingling court office. Holding placards saying “Zhu Jun is a people’s hero,” the protestors called upon provincial and central authorities to investigate how Yongzhou judges had colluded with corrupt officials and businessmen to suppress the members of disadvantaged sectors (*Ming Pao*, June 3; *Wen Wei Po* [Hong Kong] June 2). In the final analysis, unless the Hu leadership is willing to bite the bullet on the scourge of corruption—especially that perpetrated by the country’s new aristocratic clans—the angry masses could one day converge outside Beijing’s *Zhongnanhai* Party Headquarters.

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## The Changing Face of PLA Political Education

By David Szerlip

In mid-April, the People's Liberation Army (PLA) launched its second annual large-scale military pre-recruitment campaign, designed to attract the best and brightest in Chinese universities into the nation's armed forces. By the end of May, *Xinhua* announced that the campaign had already resulted in 100,000 new applications from college graduates—a marked increase over the previous year (Xinhua News Agency, May 30). The campaign is yet another indicator of a trend seen throughout the era of PLA modernization: academic achievement and advanced scientific and technical skills are now as desirable in the Chinese military—if not more—as political loyalty, so long the cornerstone of Red Army recruitment. Those who enter the military quickly discover that political indoctrination is also playing a lesser role within the PLA's education system. Today, a modernized and professionalized PLA spends more time on the battlefield training for real-world combat missions and less time in the classroom learning the ideological roots of Marxist-Leninist Thought.

As a result of this trend, many in the PLA have expressed concern in recent years that political work is outdated, inefficient, and often a hindrance to Professional Military Education (PME) in a modern armed force. Some commentators even provide “on-the-ground” accounts that demonstrate the failed integration of political education during the PLA modernization effort. While no commentator doubts the importance of political work in securing the party's unquestioned leadership over the military, there is a contingent that believes political work must be modernized and better integrated into other PME efforts or risk becoming irrelevant.

### CHANGING ATTITUDES?

Some of the most stinging critiques of the role of political work in the modern PLA came in mid-2009 from the *Huojianbing Bao*, the official CCP newspaper of the Second Artillery. In one commentary, the paper's editorial board criticizes the “lopsided stress on the exaggerated role of the political work.” While military training in Second Artillery units has changed significantly in recent years, the board says, the political education system remains the same. “The means of doing political work should be modernized...We should aim at providing a strong mental power for training, and cannot just rely on such formalistic activities of putting up posters, hanging streamers, projecting movies, and printing flash reports.” Instead, the editors write, “We should maintain the pragmatic and realistic attitude and

prevent the political work from being done in a superficial and simplistic way” [1]. In another editorial on the subject, the paper says that political cadres should feel “ashamed of being militarily ignorant.” Political work, they say, should “play a supportive role” to military training and military commanders, and cadres “should aim their work at serving the purpose of raising combat capabilities.” In order to rectify these concerns, the editorial argues that political work must be straightforward, concise, pragmatic and efficient [2].

How exactly do political cadres hinder PME and other military training efforts? *Renmin Haijun*, the newspaper of the political department of the PLA Navy, provides a number of examples. In a simulated combat drill within a destroyer formation, the political cadre did their duty of using the communication channels to announce the “official call to arms”—intended to provide the political inspiration for battle—at the start of the fight. Yet, the lengthy speech “kept the communication channel occupied for almost four minutes;” the live missile-firing operation, though, took less than three minutes to complete. The article says, “There unfolded a ridiculous scene in which ‘mobilization was still going on after the combat operation was over.’” Over the next two days of the at-sea exercise, the political cadre led study sessions, but “the group members found that they had to vie with the military cadres for time and resources to carry out their work, and because of that, they hindered rather than helped with the directing of the exercise.” Of the 52 documents the political cadres had planned to study with the sailors, only five were completed.

The *Renmin Haijun* article continues with two other real-world examples. First, it says, during a “long-distance navigation training session involving a new type of submarine,” political cadres organized a karaoke party for off-duty crew members “with the aim of boosting their morale.” However, the “excessive commotion of the music and singing” was soon captured by “the enemy's advance sonar detectors, resulting in the exposure of the submarine as a target.” Second, during a live-ammunition exercise, one fighter was “so nervous that he took up the wrong battle station.” In this situation, the paper notes, political cadres should have boosted the fighter's morale and reduced his “psychological pressure.” Instead, the political commissar concluded, “there was something wrong with [the fighter's] thinking,” and proceeded to scold the fighter to the point that he was in a “confused and stupefied state” and could “endure no more.”

The article concludes with three direct criticisms of political work in the PLA. First, it says, political work lacks innovation and “a sense of the times as well as of the practical results in political work.” Second, political

cadres are too often “simplistic in their capabilities and competence” and thus have deprived political work of “its relevance.” Third, there exists a “tension between military work and political work” to the point that all training becomes “muddled.” To avoid being overly critical of the system, the *Renmin Haijun* article notes that the General Political Department (GPD)—under General Li Jinai—has provided excellent regulations for political work but that “our political work cadres are still not sufficiently capable and competent to properly give play to the combat functions of political work” [3].

In November 2009, the *Renmin Qianxin*, the official CCP newspaper of the Nanjing Military Region, published similar accounts of the failings of political cadres during military training exercises. Like the PLA Navy experience, the Nanjing political cadres were unable to read their mobilization orders and wartime political work guidelines before combat operations began. When the exercise was complete, the military commander “picked up a baton and talked about tactics that were clear and well presented, but the political cadre stood to one side, not extending a hand and not saying anything.” And, in another example, only after the “the frontline commander had already completed the battlefield propaganda communications, and the assault group was deep in the enemy position” did army helicopters drop psychological warfare leaflets on enemy areas. The Nanjing paper concludes, “There was a lack of smooth communication between the joint political organ and the political organs of the various units participating in the training, and it had made it very difficult to amass the forces of the various units participating in the training together or truly train on the joint operational political work” [4].

These commentaries demonstrate a handful of common themes. First, inefficient and impractical political education risks becoming irrelevant within China’s fast-paced, technologically-advanced military. There simply is not enough time in modern PLA war plans for a political commissar to teach 52 political work documents over the course of a battle that could end within minutes or even seconds. Second, while military commanders in the PLA are on par with their counterparts in other advanced militaries, numerous commentaries note how incompetent political commissars and instructors are—perhaps because glory in the PLA now comes from learning modern military thought instead of increasingly anachronistic political ideology. Further, analysts note that many political cadres are not militarily qualified to be soldiers on a modern battlefield, and many call for the retraining of political cadres to contribute more to the cause than ideology. Finally, it is important to point out that all of the above criticisms of political work in the PLA come from notably advanced

and forward-thinking branches and regions. The Second Artillery and PLA Navy have been the leading benefactors of PLA modernization, and the Nanjing Military Region has been central as well due to its proximity to Taiwan.

## HU JINTAO’S SOLUTION?

Willy Lam has argued in this publication that Hu Jintao has returned the Party and PLA to the “lip and teeth” relationship that Mao so often espoused. Whereas Deng separated the two to ensure that the military did not stand in the way of economic development, Hu has instructed the military to take protecting development as one of its “new historic missions.” Further, Lam argues, Hu has returned the military to combat-readiness and is “paranoid about ‘hostile foreign forces’ sabotaging economic expansion or subverting the CCP’s leadership.” He also notes that Hu has strengthened the power and reach of the party in the military [5].

How are these influences reflected in the political work regulations in the military? It seems that Hu recognized the deficiencies of political work and has advocated an increasingly pragmatic, efficient, and informed political system (dubbed the scientific development of political work). In late 2009, the GPD released a new “Outline for Ideological and Political Education” which notes that the major task of political and ideological education is “to ensure that our armed forces will always be a people’s army under the absolute leadership of the party.” As opposed to old guidelines, this document notes that political and ideological education must focus on “actual results,” must be improved and innovated, and must use modern technological means. Importantly, it says that political education should not stand-alone but should be integrated into other forms of PME:

When we carry out ideological and political education, we shall combine it with learning relevant knowledge together, such as modern science and technology, history, economics, culture and arts, ethnic groups and religions, military diplomacy, psychology, management science and pedagogy, so that we can increase the contents of science, technology and cultural knowledge in it [6].

In many ways, these guidelines directly reflect the above criticisms of political work in a modern PLA.

As the PLA has focused increasingly on fighting local wars under modern, informed conditions, its personnel, technology and capabilities have improved considerably. At the same time, it appears that political instruction

has not been fundamentally transformed in parallel with these efforts. Yet, Hu Jintao, with a focus on ensuring the authority of the CCP, appears to recognize the problem and has put forth a solution. It remains to be seen how successful this will be, but what is known is that political work must keep pace with PLA modernization in order to ensure the unquestioned authority of the party over the armed forces.

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## Reorientation of China's Armed Forces: Implications for the Future Promotions of PLA Generals

By Joseph Y. Lin

Recent discourse concerning the Chinese People's Liberation Army's (PLA) modernization has principally focused on technological advances and less on the human dimension of PLA force transformation. In particular, a review of these discussions revealed the absence of a publicly available database of Chinese military leaders with the rank of full general (*shangjiang*). Against the backdrop of the PLA's stated intention to reorient the armed forces as part of its modernization efforts, an analysis of promotion patterns of the 118 PLA generals (1981 - 2009) may yield important insights into the foci of PLA force transformation.

### PLA TO BUILD UP NAVY AND AIR FORCE

A string of recent statements by senior Chinese military officials alluding to the realignment of the PLA indicates that significant changes in the composition of the armed forces may be in the offing. In April, the Chinese Defense Ministry's spokesperson Senior Colonel Huang Xueping stated during an interview that, "It's quite natural that we want to build up a *streamlined* [emphasis added] military force which has more focus on technologies rather than man power" (NPR, April 22). Huang's statement, taken in the context of increasing Chinese naval assertiveness in international waters near Japan and in the South China Sea in recent years, has raised questions over the PLA's intentions and capabilities.

To be sure, the Chinese military leadership seems to be signaling its intention to depart from its long-held emphasis on the army for the air force and navy. By enhancing the role of the navy and air force, the goal of its effort appears aimed at extending China's military power projection capability into the Pacific while reducing the size of its total military force.

According to Senior Colonel Yang Chengjun, a researcher with the Second Artillery Force of the PLA, the proportion of the army in the Chinese military is a "problem" rooted in history and points out the need to "optimize the composition of different arms" in order for the Chinese military to meet its modern day challenges (*Global Times* [China], January 28). Echoing the Chinese Defense Ministry's position, the director of the Centre for Arms Control and International Security Studies at the China Institute of International Studies in Beijing, Teng Jianqun,

considers China's focus on naval and air force development to be "inevitable" (*Global Times*, January 28). Taking the analysis one step further, Xu Guangyu, a retired PLA major general now with the government think tank China Arms Control and Disarmament Association (CACDA), believes that China can achieve these transformative goals with a budgetary allocation among China's army, navy and air force at a 50:25:25 ratio, representing a shift from the current 60:20:20 ratio. Xu does not see a 40:30:30 ratio since he believes that China's naval and air power will "mostly be used to enhance the combat effectiveness of our [China's] ground forces" (NPR, April 22; *China Times* [Taiwan], April 24). Xu's statement seems to imply that the PLA—at least for the time being—is not emulating American global power projection capabilities supported and enabled by U.S. military budgets that have in recent years allocated resources among the army, navy and air force roughly along a 40:30:30 ratio [1].

#### "FAR SEA DEFENSE" STRATEGY

The advent of the PLAN's "far sea defense" (*yuanyang fangyu*) strategy calling for the development of China's long-range naval capabilities, appears to be one of the major drivers behind the push to transform the composition of the Chinese armed forces (*New York Times*, April 23). Yin Zhuo, a retired PLAN rear admiral who is now a senior researcher at the navy's Equipment Research Center, stated in an interview with *People's Daily Online* that the PLAN is tasked with two primary missions: preservation of China's maritime security (including territorial integrity) and the protection of China's burgeoning and far-flung maritime economic interests. And while the former is still the PLAN's chief concern, the PLAN is beginning to prioritize more attention to the latter (*Ta Kung Pao* [Hong Kong], February 26). Rear Admiral Zhang Huachen, deputy commander of the PLAN's East Sea Fleet argues that, "With the expansion of the country's economic interests, the navy wants to protect the country's transportation routes and the safety of our major sea lanes" (*New York Times*, April 23). The rear admirals' statements present a legitimate rationale behind the PLAN's new strategy.

*Table 1. Promotions (composition by %) by service branch*

	Ground forces	Navy	Air force	SAC	PAP	Total
Deng	13(76%)	2(12%)	1(6%)	1(6%)	-(-%)	17(100%)
Jiang	59(75%)	5(6%)	7(9%)	3(4%)	5(6%)	79(100%)
Hu	12(55%)	2(9%)	4(18%)	2(9%)	2(9%)	22(100%)
Total	84(71%)	9(8%)	12(10%)	6(5%)	7(6%)	118(100%)

(Source: www.baidu.com, www.hudong.com, and author's tabulation)

The far sea defense strategy is significant for two reasons. First, it declares that China's naval ambitions extend beyond its traditional coastal area or "near sea" (*jinyang*). Secondly, it expands the PLAN's defense responsibilities to include the protection of China's maritime economic interests—which China's latest defense whitepaper did not explicitly address [2]. It stands to reason then that a possible key motivation behind the reorientation of China's armed forces stems from China's perceived need to project power beyond its coastal area to where the PLAN is required to carry out the newly expanded far sea defense duties.

#### CMC AS CHINA'S HIGHEST MILITARY COMMANDING BODY

As the highest military policy and commanding body in China, the CMC supervises and commands five service branches of China's armed forces: the PLA ground forces, PLAN, PLAAF, Second Artillery Corps (SAC) and the People's Armed Police (PAP) (which falls under the joint leadership of the CMC and the State Council). Since the restoration of military rank (*junxian*) in 1988, the CMC has promoted 118 military leaders to generals: 17 under Deng Xiaoping (1981-1989), 79 under Jiang Zemin (1989-2004) and 22 to date under Hu Jintao (2004-present) (see Table 1).

#### GROUND FORCES REPRESENT BULK OF CHINESE GENERALS

The Chinese military has traditionally been influenced by its ground forces because of China's historical status as a land power. Additionally, the PLA ground forces can trace their roots to the 1920s, predating the founding of the People's Republic of China and all other service branches. Therefore, ground forces generals not surprisingly represent a lion's share or 71 percent of the total. Yet, Hu has promoted substantially more "non-ground forces" (PLAN, PLAAF, SAC and PAP) generals than his predecessors. In percentage terms, 45 percent of Hu's generals are non-ground forces, compared to 25 percent and 24 percent for Jiang's and Deng's, respectively (see Table 1).

## STRATEGIC SECOND ARTILLERY CORPS

The CMC directly supervises and commands the SAC, which controls China's nuclear arsenal and conventional missiles. Its small manpower (estimated at 100,000 or 3 percent of Chinese military manpower) notwithstanding, the SAC has produced a disproportionately large number of generals. Of the 118 military leaders promoted to generals, 6 (or 5 percent of the total) were SAC generals—which may be an indication of the SAC's special status in China's armed forces. Hu has promoted the most SAC generals in percentage terms (9 percent), compared to Deng (6 percent) and Jiang (4 percent) (See Table 1). Hu's relative overweight in his SAC generals is a reflection of the strategic emphasis he places on the SAC.

## INTERNALLY ORIENTED PEOPLE'S ARMED POLICE

While other service branches are externally oriented, the internally oriented PAP is charged with “the fundamental task of safeguarding national security, maintaining social stability and ensuring that the people live in peace and contentment” [3]. Jiang successfully incorporated the PAP into the CMC's command structure by promoting the first PAP general in 1998. Altogether, he promoted 5 PAP generals, representing 6 percent of his total. Continuing the emphasis on PAP generals, Hu has promoted 2 PAP generals, representing 9 percent of his total (see Table 1). Since domestic stability remains among Hu's and the CCP's highest governing priorities, one can expect Hu to continue promoting PAP generals.

## HU TO PROMOTE MORE PLAN ADMIRALS

Excluding the strategic SAC and the internally oriented PAP to determine the relative proportions among the army, navy and air force generals, one finds that 33 percent of Hu's generals are non-ground forces (PLAN and PLAAF), compared to 17 percent and 19 percent for Jiang's and Deng's, respectively. In other words, Hu's generals are 67 percent army, 11 percent navy and 22 percent air force. Jiang's generals were 83 percent army, 7 percent navy and 10 percent air force, whereas Deng's generals were 81 percent army, 13 percent navy and 6 percent air force (see Table 2).

Hu appears to have begun the process of reorienting his generals by emphasizing the promotions of military leaders in the navy and air force. Given China's naval ambitions and the relative under-representation of PLAN admirals (when benchmarked against Xu's stated target proportion at 25 percent), one can therefore expect Hu to emphasize the promotions of PLAN admirals.

## HU REGULARIZES PROMOTIONS OF GENERALS

As CMC chairman, Deng promoted 17 generals in a single “class” in 1988. Jiang on average promoted generals once every two years between 1989 and 2004, with the average “class size” at about 10 generals. Hu on average has promoted generals once every year between 2004 and 2009 with the average class size at 4 generals. Where Jiang appears to have institutionalized the promotion process, Hu appears to have regularized the promotion process. Implications

If Hu continues to promote generals at roughly the same pace as he has in the past, he could reasonably promote another 10 generals by the end of his tenure as CMC chairman in 2012 (although he may hold on to CMC chairmanship beyond 2012 following Jiang's example). Given the reorientation of China's armed forces as a PLA priority, one should expect to see an overweighting in the promotions of non-ground forces generals in Hu's remaining tenure.

Of the additional 10 Hu generals, assuming one slot is set aside for each of the SAC and PAP, one may find it reasonably likely that the other 8 could comprise 3 army, 3 navy and 2 air force generals. This combination will result in a final relative weighting of 58 percent army, 19 percent navy and 23 percent air force for Hu's generals—a directionally consistent outcome when compared with Xu's stated goal of 50 percent army, 25 percent navy and 25 percent air force. The number of PLA Navy admirals is not likely to leapfrog as Hu is expected to continue his gradualist and balanced approach in promoting his generals in the future, taking into consideration each service branch's interests and representation as in the past. This also reflects Hu's rather cautious approach to the military given his lack of a military background. Yet the goals are clear. This is only the beginning of a long-term trend.

*Table 2. Relative promotion weightings (%) by service branch*

	Ground forces	Navy	Air force	Total
Deng	81%	13%	6%	100%
Jiang	83%	7%	10%	100%
Hu	67%	11%	22%	100%
Total	80%	9%	11%	100%

(Source: author's calculation)

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## NOTES

1. Todd Harrison, *Analysis of the 2010FY Defense Budget Request* (Washington D.C.: Center for Strategic and Budgetary Assessments, August 12, 2009): 38, [http://www.csbaonline.org/4Publications/PubLibrary/R.20090812.Analysis\\_of\\_the\\_FY/R.20090812.Analysis\\_of\\_the\\_FY.pdf](http://www.csbaonline.org/4Publications/PubLibrary/R.20090812.Analysis_of_the_FY/R.20090812.Analysis_of_the_FY.pdf). When the "defense-wide" item is excluded from the U.S. military budget, the relative budgetary ratio among the army, navy (including the Marine Corps) and air force has been approximately 40:30:30 in recent years.

2. Information Office of the State Council of the People's Republic of China, "China's National Defense 2008", January 2009, Section V: 7, [http://www.gov.cn/english/official/2009-01/20/content\\_1210227\\_7.htm](http://www.gov.cn/english/official/2009-01/20/content_1210227_7.htm).

3. *Ibid*, Section VIII: 10.

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## Shangri-La Dialogue Highlights Tensions in Sino-U.S. Relations

By Ian Storey

Strained relations between the United States and China took center stage during the June 4-6 Shangri-La Dialogue (SLD) in Singapore, the annual meeting of Asia Pacific defense ministers, military officers, diplomats and academics organized by the London-based International Institute for Strategic Studies (IISS) and attended by this author. The main points of contention that emerged between the two sides were how the international community should deal with North Korea in the aftermath of the *Cheonan* incident, and U.S. arms sales to Taiwan. The SLD also shone a spotlight on growing U.S. wariness at Chinese policy toward the contested Spratly Islands, and revealed how the South China Sea disputes have become a sticking point in Sino-U.S. relations.

On North Korea, U.S. Defense Secretary Robert Gates was uncompromising. Describing the sinking of the South Korean warship *Cheonan* on March 26 with the loss of 46 lives as "part of a larger pattern of provocative and reckless behavior," Gates asserted that the incident required

a tough regional response, as "inaction would amount to an abdication of our collective responsibility to protect the peace and reinforce stability in Asia [1]." His comment was seen as a swipe at the PRC, which has refused to assign blame to its North Korean ally for the attack. Indeed, in the question and answer session that followed Gates' speech, Major General Zhu Chenghu, director-general of the National Defense University in Beijing, appeared to cast doubt on the conclusions of the international team that investigated the sinking that the North Korean military was responsible for torpedoing the vessel by describing "controversial views" over who carried out the attack. Zhu went on to imply that America's stance over the *Cheonan* was hypocritical given its failure to condemn the Israeli commando raid on a flotilla of ships carrying supplies to Gaza on May 31, which resulted in the death of nine activists. Clearly surprised by Zhu's comment, Gates flatly rejected the comparison, describing the *Cheonan* incident as a surprise attack while Israel had issued the Turkish ship with warnings. The intemperate exchange set the tone for the rest of the day's proceedings between the Chinese and Americans.

More controversial was Gates' defense of U.S. arms sales to Taiwan. In January, the Obama administration approved a \$6.4 billion arms package to the island, which includes surface-to-air Patriot missiles, medium-lift Blackhawk helicopters and anti-ship Harpoon missiles. In keeping with past practice, Beijing condemned the decision and suspended military-to-military ties with the United States. This included rejecting a request from Gates prior to his trip to Singapore to visit Beijing after the SLD because the timing was "inconvenient."

Gates' speech at the SLD reflected U.S. disappointment and frustration with China's decision to freeze military relations. The defense secretary accused the Chinese of reneging on a pledge made by Presidents Barack Obama and Hu Jintao in late 2009 to advance "sustained and reliable" military-to-military relations at all levels so as to develop bilateral ties and reduce "miscommunication, misunderstanding, and miscalculation," exemplified by the March 2009 Impeccable incident off Hainan Island. Gates said China's decision "makes little sense" because the United States has been providing weapons systems to Taiwan for decades, Washington does not support independence for Taiwan, and that arms sales help maintain the balance of power across the Taiwan Strait in the face of "China's accelerating military buildup [which is] largely focused on Taiwan." The suspension of military ties by China would not, moreover, change U.S. policy toward Taiwan. In short, Gates' message to the Chinese on U.S. arms sales was blunt: Get over it.

The Chinese delegates bristled at Gates' speech, and responded by pointing the finger of blame squarely at Washington for the suspension of military ties. Major-General Zhu described the arms package as having caused damage to China's "core interests" and that while the Chinese treat the United States as a partner and friend, "Americans take the Chinese as the enemy." In a robust presentation to the SLD delegates later that morning, General Ma Xiaotian, the PLA's Deputy Chief of Staff, rejected all of Gates' assertions. According to Ma, it was America and not China that had erected obstacles in the way of military cooperation, namely the provision of weapons to Taiwan, U.S. military surveillance activities in China's declared 200 nautical miles Exclusive Economic Zone, and US domestic legislation which curbed cooperation with the PLA. Ma went on to label US arms sales to the island as "not normal" and a gross interference in China's internal affairs. General Ma also rejected Gates' contention that China's military build-up was directed at Taiwan (Xinhua News Agency, June 6).

Although Ma and Gates finally shook hands on the second day of the SLD having failed to do so at the opening dinner the night before in a departure from previous practice, no bilateral meetings took place on the sidelines of the conference.

The testy exchanges between Gates and the Chinese generals in Singapore came hard on the heels of another frosty meeting between the two sides at the Strategic and Economic Dialogue (S&ED) in late May in Beijing. According to one report, at that meeting the PLA's Rear Admiral Guen Youfei had launched a scathing attack on the United States, accusing it of being a hegemonic power bent on encircling China (*Washington Post*, June 8). The report suggested that Guan had not gone out on a limb, and that his comments reflected mainstream thinking in the Chinese government. A delegate at the SLD familiar with the meeting confirmed to the author that the atmospherics at the Beijing meeting had been very poor [2].

Of direct relevance to the security of Southeast Asia were Gates' remarks concerning the changing strategic context of the South China Sea dispute. As noted by contributors to the Jamestown Foundation, tensions in the South China Sea have been on the upswing since 2007 due to a combination of rising nationalism, increasing friction over access to energy and fishery resources, attempts by the various disputants to bolster their jurisdictional claims, and the rapid modernization of the PLA Navy which is shifting the military balance of power in China's favor [3].

At SLD, Gates highlighted the territorial dispute as an "area of growing concern for the United States." He

reiterated long-standing U.S. policy that America has a vital interest in the maintenance of stability and freedom of navigation in the sea, does not take sides on competing sovereignty claims, and opposes the use of force to resolve the problem. Yet he added that the United States objected "to any effort to intimidate U.S. corporations or those of any other nation engaged in legitimate economic activity," a clear reference to attempts by the PRC to pressure foreign energy corporations including U.S. giant ExxonMobil—into suspending oil and gas projects in disputed waters off the Vietnamese coast.

Gates went on to underscore the importance of the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DoC) as a mechanism to mitigate rising tensions. Conceived by ASEAN as a way of promoting dialogue and cooperative confidence building measures among the claimant countries, talks between the organization and China on formulating guidelines to implement the DoC stalled in 2009 over Beijing's insistence that discussions could only proceed on a bilateral basis rather than with the ten member grouping as a whole, an approach rejected by ASEAN. According to Gates, the United States supports the "concrete implementation" of the agreement, a remark that can only be seen as Washington's stamp of approval for Vietnam's efforts as ASEAN Chair to break the diplomatic impasse and coax Beijing into putting the agreement into practice (See "China's 'Charm Offensive' Loses Momentum in Southeast Asia Part I," *China Brief*, April 29, 2010).

The message could not have been lost on the Chinese delegation that on the first day of the Dialogue Gates had met with his Vietnamese counterpart, and that after the conclusion of the conference Admiral Robert Willard, Commander U.S. Pacific Command, and Andrew Shapiro, Assistant Secretary of State for Political-Military Affairs, discussed the territorial dispute in Hanoi at annual bilateral security talks (VietNamNetBridge, June 8).

Gates' comments on the South China Sea should be considered in conjunction with recent statements made by senior U.S. military officers regarding the impact of China's military modernization on the dispute. In Congressional testimony in January, Admiral Willard suggested that China's "aggressive program of military modernization" appeared designed to "challenge U.S. freedom of action in the region and, if necessary, enforce China's influence over its neighbors — including our regional allies and partners" [4]. In a speech to the Asia Society in Washington D.C. on June 9, Admiral Mike Mullins, Chairman of the Joint Chiefs of Staff, expressed "genuine concern" at China's military build up which, he argued, seems "oddly out of step with their stated goal of territorial defense" [5]. A

week later, Admiral Patrick Walsh, Commander of the U.S. Pacific Fleet, told a Japanese newspaper that the United States was concerned that Chinese assertiveness in the South China Sea risked endangering freedom of navigation and the flow of maritime trade (*Asahi Shimbun* [Japan], June 15).

From the perspective of governments in Southeast Asia, the current tribulations in Sino-U.S. relations are seen as boding ill for regional stability. Accordingly, Southeast Asians at the SLD highlighted the positive role ASEAN could play in promoting dialogue and trust among the major powers in the Asia Pacific region. It was in this context that Singapore Deputy Prime Minister and Defense Minister Teo Chee Hean commented that the inaugural ASEAN Defense Ministers Meeting Plus (ADMM Plus)—which will bring together the 10 ASEAN defense ministers and their counterparts from the eight Dialogue Partners, including China and the United States in October—would help ensure that “mistrust or disagreements do not lead to tensions, and tensions do not spiral into confrontation and conflict.” Yet SLD delegates pondered how effective the ADMM Plus could be at easing Sino-U.S. tensions if, as presently envisaged, it will only meet once every 2-3 years.

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## NOTES

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2. Interview with SLD delegate, June 5, 2010.
3. Clive Schofield and Ian Storey, *The South China Sea Dispute: Increasing Stakes and Rising Tensions*, Jamestown Foundation Occasional Paper, November 2009.
4. Statement of Admiral Robert F. Willard, United States Navy, Commander, United States Pacific Command, Before the House Armed Services Committee on Recent Security Developments Involving China, January 13, 2010.
5. Admiral Mullen’s Speech at the 2010 Asia Society Washington’s Annual Dinner <http://www.asiasociety.org/policy-politics/international-relations/us-asia/adm-mullen-s-speech-2010-asia-society-washingtons-ann?page=0%2C3>.

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