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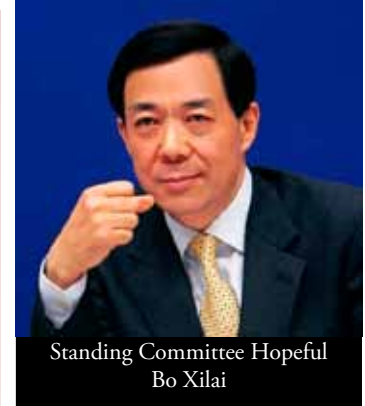
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In a Fortnight

By Peter Mattis and Samantha Hoffman

PLENUM DOCUMENT HIGHLIGHTS BROAD ROLE FOR SOCIAL MANAGEMENT

From October 15 to 18, the Chinese Communist Party (CCP) convened the 6th Plenum of the 17th Central Committee to address China's evolving cultural milieu. On October 25, the CCP released the resolution entitled "CCP Central Committee on Deepening Reform of the Cultural System: Resolution to Address a Number of Challenges to Promote the Development and Prosperity of Socialist Culture" (Xinhua, October 25). With the succession battle heating up for the 18th Party Congress next year, some observers saw the focus on culture as a way to avoid political horse trading over personnel. The emphasis on the CCP's role as guiding Chinese socialist and traditional culture, however, suggests a clear endorsement of the guidance work of several Politburo members and highlights the need for observers to evaluate the rising leaders in the propaganda and political-legal systems ("Jockeying for Position Intensifies among Candidates for the Politburo Standing Committee," *China Brief*, October 28; *Wall Street Journal*, October 24; *Los Angeles Times*, October 18).

Divided into nine sections, the plenum resolution shows the CCP's awareness that it faces an environmental shift in the nature of Chinese governance—including an international influence—and the party's determination to control those changes

while retaining power (*People's Daily*, October 19). Within the overall context of the scientific development concept and socialism with Chinese characteristics, the different sections addressed the development of socialist culture and its value system; the strengthening of cultural industries, such as film and art; and the integration of so-called “social management” tools to guide society and encourage a healthy cultural milieu (*Xinhua*, October 25).

The resolution explicitly highlighted the importance of modernizing the propaganda apparatus to compete internationally as well as domestically, where the speed of Internet users in transmitting data has undermined the CCP's ability to be in front of breaking news. To do this, the CCP needs to build coordination mechanisms and complementary coverage across newspapers, journals, television, online and other media outlets, capable of responding quickly and flexibly depending on the tone of public discourse. The document states, “proper public opinion guidance is a blessing for the [CCP] and the people; mistaken public opinion guidance is a disaster for the [CCP] and the people” (*Xinhua*, October 25). Internationally, Beijing ostensibly is worried about a perceived U.S. public opinion strategy to guide against international opinion against its adversaries, which includes China. A more aggressive and competent Chinese-sponsored propaganda effort is needed to counter this U.S. threat (*Red Flag*, June 28).

Western observers already have singled out microblogs as a principal target for CCP crackdowns; however, the resolution provides official sanction for a broad spectrum of long-expressed concerns and already extant programs targeting social media (*Bloomberg*, October 26; *Reuters*, October 26; *The Guardian* [UK], October 26). For example, while microblogs, such as Sina Weibo, have received on-and-off attention, following the Wenzhou high-speed train accident in July, official Chinese press coverage of microblogs and their relationship to social stability and “healthy Internet culture” ballooned in August (*Xinhua*, August 25; *Red Flag*, August 24). Chinese netizens also have noted increasingly sophisticated censorship techniques—including allowing users to view their own posted messages that are not visible to anyone else—where government and so-called “50 Cent” posters cannot keep discussion within acceptable boundaries.

In addition to shaping the Chinese culture, the resolution also calls for moral responsibility at all levels of society under CCP leadership. This piggybacks a discussion filling the Chinese press and public discourse over the state of public morality in China—most recently, the death of a young girl, Yueyue, who passersby refused to help after a van hit her, leaving her lying in the street bleeding. The resolution noted the CCP imperative to “strengthen public morality, professional ethics, family values and personal moral education” (*Xinhua*, October 25). One initiative already announced is television programming to teach moral behavior to replace some entertainment programs next year (*South China Morning Post*, October 26).

The principal beneficiaries of the 6th Plenum are the Politburo members most involved in the various forms of social management. Long-time Propaganda Department Director Liu Yunshan has overseen the dramatic rejuvenation of CCP propaganda from a failing policy of control to a guiding policy that aims to shape public discourse actively [1]. Another likely beneficiary is State Councilor and Minister of Public Security Meng Jianzhu, who has overseen the Ministry of Public Security's shift toward intelligence-led policing, consolidation of public security informatization and, most recently, the nationwide launch of public security microblogging (“Public Security Officially Joins the Blogosphere,” *China Brief*, September 30; “China's Adaptive Approach to the Information Counter-Revolution,” *China Brief*, June 3). Both Liu and Meng probably will rise to the Politburo Standing Committee, replacing Li Changchun and Zhou Yongkang, respectively.

It can be concluded from the 6th Plenum that under one rubric, the CCP has blessed authoritatively a variety of programs to improve Beijing's control over an increasingly restless society. Indeed, more than a year ago, Hu Jintao issued a work report—now canonized—on the importance of reforming China's cultural system as a component of social management and international power (*China News Service*, July 23, 2010). Looking to future personnel decisions, watching the political gravitas and reputation of who gets placed into social management positions, broadly defined, should provide insight into how the CCP will tackle the shifts in the political and social environment.

Notes:

1. Anne-Marie Brady, *Marketing Dictatorship: Propaganda and Thought Work in Contemporary China*, Lanham, MD: Rowman and Littlefield, 2008.

RISING LEADERS MEET IN PYONGYANG

From October 23 to 26, Chinese Vice Premier Li Keqiang travelled to North Korea (DPRK) on an official visit. Li, who is widely expected to succeed Wen Jiabao as Premier next year, made one comment that generated substantial media attention. In a meeting with DPRK Prime Minister Choe Yong-rim, Li stated “improving North-South and DPRK-U.S. relations, strengthening dialogue and communication and maintaining peace and stability on the [Korean] peninsula are the common interests of all parties” (Xinhua, October 24). China’s urging of the DPRK to improve diplomatic ties with the United States is a new entry on Beijing’s seemingly growing demand for the DPRK to comply with China and conduct its foreign policy responsibly. Chinese observers have attributed two meanings to Li’s visit, which was followed by a two-day official visit to South Korea. The first is to strengthen China’s relations with the two Koreas; the second is to encourage stability through continued security talks (*Fenghuangwang zixun*, October 25).

Nevertheless, there remains an overlooked storyline—on October 24 Li met with Kim Jong-Il’s third son, Kim Jong-un, who will almost certainly be his father’s successor (Xinhua, October 25). Very little was reported in Chinese media about Li’s meeting with Kim Jong-un. The meeting between the two up and coming leaders, however, brings to the fore some key questions about China’s future relationship with the DPRK. Beijing appears to have been making an early attempt to form a strong bond with Kim Jong-un. In August, *PLA Daily* carried an article supporting the launch of Kim Jong-un as heir apparent, it referred to China-DPRK historical ties, saying their bond is “unbreakable” (*PLA Daily*, August 31).

Earlier this week, North Korean state media reportedly started referring to Kim Jong-un simply as “General,” a move solidifying the young protégé’s status (*Chosun Ilbo*, October 26). Chinese media previously had reacted to reports Kim Jong-un was to replace front-line military commanders by praising Kim Jong-un’s ability to gain the

support of Korean youth and to eliminate “unhealthy tendencies” of party cadres (Xinhua, September 23). However, the article also questioned Kim Jong-un’s distance from economic and foreign affairs matters (Xinhua, September 23). It has been a difficult year for Sino-DPRK relations and economic issues have been at the center of these tensions. For example, during Kim Jong-Il’s trip to China in May, which many analysts labeled a “disaster,” “Kim often wanted to talk aid, while Chinese leaders spoke of economic development” (“Implications of China’s Economic Penetration of North Korea”, China Brief, July 15).

Beijing’s economic ties with the DPRK make the recent tensions appear superficial relative to the bilateral relationship’s status quo. Already, China-DPRK trade has risen 87 percent in 2011 to \$3.1 billion (Xinhua, October 19). Although this trade is economically insignificant to Beijing compared to Sino-South Korean trade—projected to reach \$250 billion in 2011—it is significant to Pyongyang (www.gov.cn, October 26). According to the Seoul-based Korea Trade-Investment Promotion Agency, in 2010, “China accounted for 83 percent of North Korea’s \$4.2 billion of international commerce,” (Bloomberg, May 27). With its food crisis deepening, North Korea finds itself more reliant on Chinese economic assistance. To make matters worse, massive flooding and resulting mudslides late this summer ruined 50,000 acres of North Korean farmland (China Post, August 1).

While Kim Jong-un is assuming a greater leadership role, political decision making is still in the hands of his father (*Nanfang Ribao*, January 14). At the moment, Kim Jong-un’s political positions are unclear. Therefore, Beijing possibly views supporting Kim Jong-un’s succession as an opportunity to make him beholden to Beijing. While Beijing probably cannot control Kim Jong-Il’s day-to-day policymaking, North Korea’s very existence increasingly relies on China’s assistance. It appears the younger Kim will have little choice but to kowtow to Beijing.

Li made clear in his visit to both North and South Korea this week that strengthening bilateral relations with the South is a priority for China, as are improved DPRK-U.S. relations. Beijing’s seemingly more assertive foreign policy in East Asia over the past few years indicates to some degree the threat Beijing perceives

on its periphery—especially as the United States again appears to be re-asserting its presence in East Asia (*People's Daily*, October 18; Xinhua, July 21; *People's Daily*, November 10, 2010). How Beijing prioritizes its goals for the Korean Peninsula remains unclear. Stability and influence seemingly far outstrip other potential goals, such as nuclear disarmament or reputational gains from pressuring Pyongyang. Regardless, perhaps the real message Li intended to send to the DPRK and Kim Jong-un was that even though Beijing pursues friendly relations with the DPRK, its economic assistance carries a price tag: China has both the ability and the will to exert influence over the DPRK's behavior.

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Jockeying for Position Intensifies among Candidates for the Politburo Standing Committee

By Willy Lam

The just-ended plenary session of the Chinese Communist Party's (CCP) Central Committee passed a resolution on “the reform of the cultural system” that is aimed at boosting China's soft power and buttressing the country's “cultural security.” Given that the Central Committee usually meets only once a year, all eyes are on what members of this top party organ might have discussed about the 18th Party Congress, which will witness the wholesale changing of guard. The terse plenum communiqué released by the Xinhua News Agency, however, revealed very little about what went on during the four-day conclave. It only noted the 18th Congress would be convened in the second half of 2012. “The national congress is to be held during a crucial period of the construction of a moderately prosperous society in an all-round way, the deepening of reform and opening up and the transformation of the pattern of economic development,” the communiqué said. The Central Committee also called upon party cadres “to unite and lead all the Chinese people in building a

moderately prosperous society in an all-around way as well as accelerating the nation's modernization drive” (Xinhua News Agency, October 18; *People's Daily*, October 19).

Despite the dearth of information, it is apparent that jockeying for position has intensified particularly among senior cadres who want to make it into the nine-member Politburo Standing Committee (PBSC), the CCP's powerful inner sanctum where seven members are expected to step down in 2012. Since the 370-odd full and alternate Central Committee members rarely meet, a plenum is a good chance for would-be PBSC members to engage in subtle campaigning. In the run-up to the Central Committee conclave, up-and-coming members of the party's two dominant if fractious cliques—the Communist Youth League (CYL) faction under President Hu Jintao and the Gang of Princelings (a reference to the offspring of party elders)—have been actively trying to enhance their chances for promotion next year (Bloomberg, October 14; Agence France Presse, October 19).

The most visible example is Chongqing Party Secretary, Bo Xilai, who is already a Politburo member. For the past three years, Bo, 62, a charismatic princeling, has become one of China's most high-profile politicians thanks to his populist campaign to “sing red songs and to strike at black elements,” a reference to reviving Maoist-era norms and combating organized crime (See “The CCP's Disturbing Revival of Maoism,” *China Brief*, November 19, 2009). Despite the relative enthusiasm with which the *chang hong* (“singing red songs”) movement has been received in different cities, the Central Committee did not give its imprimatur to reviving Maoist culture. The plenum communiqué urged all Chinese to “use as motivation [the spirit of] reform and creativity” so as to create cultural products that are “geared toward modernization and focused on the world and on the future.” “We must raise the cultural standard of all the people, boost the nation's cultural soft power, propagate Chinese culture and assiduously build up a culturally strong socialist country,” it said (China News Service, October 18; Sina.com, October 18). That no reference whatsoever was made to “red culture” seems to support the thesis that the country's two top leaders—President Hu and Premier Wen Jiabao—are not fans of Bo's *chang hong* persuasion. Moreover, despite the metropolis's

status as one of China's four centrally administered cities in addition to being the business hub of western China, neither Hu nor Wen has visited Chongqing since Bo became its party boss in late 2007 (Cablenews Hong Kong, October 14; The Globe and Mail, October 8).

Bo's near-desperate efforts to claim credit for the "Chongqing Model" also suggest his political fortunes may be waning or, at least, under attack. In early October, Bo invited the younger brother of Deng Xiaoping, Deng Ken, to write two scrolls of calligraphy for the city: "Never cease to strengthen oneself" and "Both hands must be equally tough." This was apparent praise for Chongqing's success in nurturing both material and spiritual civilization. At about the same time, *Chongqing Daily* ran a long interview with the retired cousin of Hu Jintao, Hu Jinxing. Hu, who heads a charitable organization in Shanghai, eulogized the Bo administration for "doing good work for the people's livelihood and upholding the path of egalitarianism." Hu added "Chongqing has provided valuable experience for exploring the road of socialism with Chinese characteristics." Within the largely conservative Chinese political tradition, it is uncommon for a politician to promote himself aggressively by soliciting the help of the relatives of either former or current party chiefs (*Chongqing Daily*, October 6; Wyzxsx.com [Beijing], October 8; Sina.com, October 13).

Should Bo fail to make it, fellow princeling Yu Zhengsheng, the Party Secretary of Shanghai, is seen as having a good chance of being inducted to the PBSC. Yu, who is sometimes called the "big brother among the princelings," is as low-profile as Bo is flamboyant. By the time the 18th Congress opens, Yu will have reached 67, the maximum age now acceptable for getting into the PBSC. While Yu's track record as Party Secretary of Shanghai—and before this, party boss of Hebei Province—is deemed mediocre, he is acceptable to most factions within the CCP. Moreover, Yu's status as a representative of the interests of Deng Xiaoping's family could endear him to cadres who consider themselves disciples of the "Great Architect of Reform" (*The Australian*, October 11; *Apple Daily* [Hong Kong] July 6).

Not everything however has been going against Bo. The unexpected appearance of ex-president Jiang Zemin on October 9 at a Great Hall of the People gathering marking the centenary of the 1911 Revolution is considered to be

positive news for princelings such as Bo. The 85-year-old former top leader's failure to show up at a July function celebrating the CCP's 90th birthday had given rise to widespread speculation that he was close to death. Jiang, who is himself a princeling, was a good friend of Bo's now-deceased father, party elder Bo Yibo. At the 17th Party Congress in 2007, Jiang also played a pivotal role in the selection of Vice President Xi Jinping, another princeling, as Hu's presumptive successor as party chief and state president. Before he fell sick earlier this year, Jiang reportedly gave strong backing to Vice Premier Wang Qishan—the son-in-law of late Vice Premier Yao Yilin—to replace Wen Jiabao as premier shortly after the 18th Party Congress. This was despite the tacit understanding at the 17th Party Congress that Executive Vice Premier Li Keqiang, a stalwart of the CYL Faction and a key protégé of President Hu's, would be given Wen's job (*New York Times*, October 9; *Ming Pao* [Hong Kong] October 10).

Developments prior to and after the Sixth Central Committee Plenum, however, seem to indicate that the political fortune of Li, 56, is on the upswing—and that he should have no problem becoming Wen's successor as head of government. This was attested to by the fact that the official media ran several laudatory articles on Li's achievements when he served in the provinces. For example, Xinhua News Agency earlier this month carried a piece by commentator Gong Wen praising Li's performance while serving in Henan Province from 1998 to 2004. The article eulogized Li for setting up viable economic links with both the East and West: "Li attracted technology, funds and talents from developed countries...Henan also established ties with East Asia, Central Asia and Eastern Europe." The article, which originally appeared in the journal *Party Construction*, also lauded Li's track record in agriculture, claiming "Henan not only manages to feed its 100 million inhabitants but has provided other provinces with a big variety of processed foods." A couple of other state media outlets carried stories about Li as a model youth who went on a rustication campaign in the Anhui countryside from 1974 to 1977. The reports praised the young Li's ability to study well into the night despite having worked hard in the fields during the day (Xinhua News Agency, October 9; News.ifeng.com [Beijing], October 11). A spate of high-profile visits both in and out of China suggests the executive vice premier's star continues to rise. For

example, Li represented the State Council when he visited Hong Kong in August, during which he pledged preferential economic policies to sustain the economy of the special administrative region. In early September, Li officiated at the first China-Eurasia Expo in Urumqi, Xinjiang. The Expo represented an ambitious effort by the Chinese to boost economic and other links with countries including Pakistan, Afghanistan, Kyrgyzstan, Azerbaijan and Kazakhstan (China News Service, September 1; China.org.cn, August 17). Last Sunday, Li embarked on a week-long trip to the DPRK and South Korea in an apparent effort to revive the long-stalled Six Party Talks on denuclearization in the Korean Peninsula (Xinhua News Agency, October 23; *China Daily*, October 23).

The plenum also has shed light on the PBSC chances of cadres who are not aligned with either the CYL Faction or the Gang of Princelings. If only because of the growing importance that the party leadership has attached to issues relating to culture, ideology and soft power, Liu Yunshan—the Politburo member in charge of propaganda—has a greater chance of securing the PBSC slot held by Li Changchun next year. While the 64-year-old ideologue has been criticized by liberal intellectuals as a conservative commissar, he has endeared himself to different CCP factions by ably manning the fort of orthodoxy. The former Xinhua journalist also is seen as having been effective in ensuring that destabilizing and “disharmonious” voices are kept out of the public discourse (*China Daily*, May 31; *Asia Times* [Hong Kong], May 1, 2010). That the CCP has devoted an entire Central Committee plenum to culture and ideology also reflects Liu’s ability to draw the party’s attention to hitherto neglected areas such as projecting Chinese soft power and safeguarding the country’s “cultural security.”

A key goal of “cultural reform,” as stated by the Central Committee, is that all Chinese should “strengthen their cultural self-consciousness and cultural confidence” so as to better “boost the country’s cultural soft power.” Since it has long been the party’s goal to aggressively propagate the China model of authoritarian one-party rule both domestically and abroad, it seems unlikely that “Western-style” political mechanisms will be introduced to the process of picking the CCP’s Politburo members. This is despite pledges made by President Hu and Premier Wen about respectively expanding “intra-party democracy”

and adopting “global norms” such as democracy and the rule of law. Befitting the party’s long tradition of factional intrigue, the composition of the new Politburo and its Standing Committee will likely be determined by old-style skullduggery and horse-trading with Chinese characteristics.

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Reforming the People’s Liberation Army’s Noncommissioned Officer Corps and Conscripts

By Kevin McCauley

The People’s Liberation Army (PLA) is in the process of reforming the Noncommissioned Officer (NCO) corps and the compulsory service system to attract personnel with higher education and skill levels to better support PLA modernization (“Noncommissioned Officers and the Creation of a Volunteer Force,” *China Brief*, September 30). The PLA has identified significant issues in the NCO corps and has initiated a series of reforms and adjustments since 1999, including recent announcements of further reforms in 2011 and 2012 to attract and retain quality personnel [1].

In tandem with improvements in the NCO corps, the PLA is altering the compulsory service system to provide incentives to attract college graduates and students. Two-year recruits are demobilized at the end of October each year and winter conscription for 2011, including university students, will begin on November 1 (*PLA Daily*, October 9; October 13). Raising the educational and skill levels of conscripts is another critical component of PLA efforts to build a modern informatized military. Other recent

developments include the announcement in last month to expand conscription to include full-time female college students (*PLA Daily*, September 17). A September 2011 speech to graduating college students who enlisted in the military by General Chen Bingde, Chief of the General Staff and member of the Central Military Commission (CMC), urging them to strengthen their quality and capabilities, indicates the high level interest in recruiting highly-educated personnel (*PLA Daily*, September 10).

These PLA efforts at enlisted personnel reforms still are in their early stages and will be a long-term process of adjustments to transform the NCO corps fully and attract highly-qualified recruits through the compulsory service system. The PLA probably has not shifted completely from conscription to an all-volunteer force—although that has been the trend since 1999. Success in these efforts is important to the PLA's overall transformation effort to build an advanced military and they already are resulting in a more professional, volunteer force.

Significant NCO Reforms and Restructuring since 1999

The PLA has identified a number of issues affecting the quality of the expanding NCO corps. These issues include a lax selection process that includes bribery; inadequate training and education; a need for a more thorough and demanding management system; and improvements in wages, subsidies, family housing, welfare and retirement/demobilization benefits. The PLA is attempting to address these problems with a series of reforms and restructuring initiatives (*PLA Daily*, November 4, 2009).

The four General Departments—Staff, Political, Logistics and Armaments—convened a “Working Conference on Reform of the Noncommissioned Officer System” in September 1999 to initiate a major reform and expansion of the NCO corps (*PLA Daily*, October 13, 2004). Reforms have continued as the PLA struggles to build a professional, highly-skilled NCO corps and reports continue to indicate adjustments and expansions of the NCO academies (*Ta Kung Pao*, August 9). These reforms include the following:

- A 2003 initiative for the special enlistment of civilians from colleges and advanced technical schools directly into the NCO corps. In 2008 the PLA press reported that the number of these

special enlistments had reached more than 10 percent of the NCOs recruited each year (*PLA Daily*, November 4, 2009; November 12, 2008).

- The 2003 CMC “Strategic Project for Talented People” with a twenty-year plan to professionally develop officers and NCOs to support a modern military (Xinhua, December 27, 2004).
- A 2004 regulation establishing and optimizing schools for intermediate- and senior-grade specialized technical NCOs (*PLA Daily*, April 20; October 13, 2004).
- A 2005 “guidance” to improve the allocation, selection, training, education and management of NCOs, and create yearly NCO awards to recognize achievements and boost morale (*PLA Daily*, January 25, 2005).
- Reforms in 2008 addressing continuing quality and capability issues regarding training and education, skill evaluation, management procedures, marriage, social insurance and housing. The General Staff Department also established a NCO selection registration system in an attempt to eliminate abuses in the selection process (*PLA Daily*, November 1, 2008; Xinhua, September 22, 2008).
- Continued efforts in 2009 to improve qualifications and increase the numbers of NCOs in high-tech units. Reforms included the establishment of the current seven ranks for NCOs, increased pay and subsidies and plans to recruit more graduates with three-year civilian college diplomas while relying less on promoting enlisted personnel who have generally consisted of middle school graduates with only nine years of education or high school graduates with 12 years of education (Xinhua, July 14, 2009; *PLA Daily*, July 13, 2009).
- A 2010 regulation implementing a position qualification system for specialized technical NCOs and increased stipends tied to skill levels (*PLA Daily*, August 30, 2010).
- A revised regulation issued in mid-2011 to further improve the NCO assignment process and benefits, including those for retirement/demobilization. The PLA stated the revision was to further intensify NCO reforms and “fundamentally resolve contradictions and issues existing in the building of the NCO contingent,” indicating continuing problems. The PLA noted

unfair NCO selection methods and the poor quality of the candidates as two of the issues being addressed (*PLA Daily*, July 10; June 27).

- Announcement of a new NCO selection qualification system to be implemented by 2012 establishing statutes, appraisal organizations and examination standards, database and management system to ensure the required professional skills for NCO posts (*PLA Daily*, January 25).

The continuing reforms suggest serious lingering problems in establishing a professional NCO corps. The PLA's monitoring and identification of issues requiring adjustments indicates the importance of the NCO corps to PLA transformation goals. The NCO system is still in an early stage of development, so it should not be surprising that continuing efforts are required to establish fully a well-developed and refined education, training, management, regulation and pay and benefits system.

Although the PLA has identified some problems, additional issues will inhibit the NCO corps' quality and limit the positive impact it can have on PLA modernization. While the current PLA NCO system is improving the quality of NCOs with technical specialties to operate, maintain and repair increasingly sophisticated equipment, the PLA has not developed a NCO corps with attributes of U.S. NCOs who have leadership responsibilities that can impact the development of more junior NCOs and enlisted personnel in their units.

PLA NCOs have little leadership impact on their units, because the PLA decision-making process structurally reduces their influence. For example, there is no equivalent of a U.S. sergeant major or first sergeant in the PLA at any level. In the U.S. military system, these positions have a significant positive impact on their unit and the NCOs and enlisted personnel under them. This is not to say that the PLA needs to mirror the U.S. NCO system. By not assigning greater leadership and professional development responsibilities to their NCOs, however, the PLA underutilizes and limits the impact of a potentially valuable resource. The Party Committee (Party Branch), and in particular the Standing Committee, in each unit down to the company level is the policymaking organization for all aspects of the unit's activities and follows the guidance from the next higher level's Party Committee. Currently, NCOs have virtually

no representation on Party Committees in the PLA, except at the company level where one or two senior NCOs might be on the Party Committee but not the Standing Committee. Therefore, NCOs have no input to the decision making or management process in the PLA, limiting the positive impact NCOs could have at any given level and giving even senior NCOs no influence in the promotion process [2].

Additionally, some NCO career tracks have a limited possibility for career progression, even if NCOs theoretically can serve a 30-year career. While NCOs can theoretically serve a 30 year career in military service, some posts have a limited possibility for career progression. For example, drivers have to demobilize after 12 years and must return to their home town because there is no possibility of promotion after that point. This limited career progression in some positions—and the difficulty of changing tracks—will hurt the PLA's ability to attract and retain quality NCOs.

Conscription Reforms

In parallel with the effort to build a professional, volunteer NCO corps, the PLA is attempting to recruit more highly qualified and educated personnel, including civilian college students and graduates, as two-year enlistees. During a recent Ministry of National Defense press briefing for French journalists, PLA officers stated that recruiting college students and graduates was critical to the PLA's modernization efforts, particularly for the PLAN and PLAAF. The targeting of college students began in 2001 and expanded in 2003 to cover a larger range of universities. The Ministry of National Defense Conscription Office is now actively targeting students with higher level or specialized educational experience including college graduates (*PLA Daily*, November 8, 2008; September 14, 2008).

At the end of 2009, the PLA recruited 130,000 civilian college graduates and students to serve as two-year enlistees. The PLA established the goal of recruiting some 150,000 college graduates in 2010, although one source states that only 100,000 were recruited that year. There have been no reports of 2011 recruitment goals or recruitment numbers for college graduates (*Xinhua*, September 9; *Agence France Presse*, September 23). The press report that the 2010 goals were not met and

no Chinese reporting of goals for 2011 could indicate problems attracting high quality college recruits. Other recent developments have included the following:

- The recent announcement of a program for selecting enlisted university graduates for the officer corps and recommending outstanding soldiers who are college graduates for admission to military colleges (*PLA Daily*, September 15; Xinhua, October 30, 2003).
- The Conscription Office of the Beijing Municipality expanded the scope of female soldier recruitment that was limited to high school, college or university graduates to include full-time college and university students (*PLA Daily*, September 17).

Some analysts believe that conscripts are now actually volunteers, making the PLA an all-volunteer force [3]. The PLA has established inducements and policies to attract college graduates into the compulsory service system, including subsidies for tuition fees or to repay educational loans; priority selection as NCOs or even promotion to officer rank for qualified candidates; and preferential treatment for college and post graduate enrollment after demobilization. The various incentives being offered to two-year enlistees probably indicates these recruits could be considered volunteers. However, the evidence is not conclusive that all conscripts, estimated at approximately 400,000 per year, are now volunteers. Two-year soldiers are still called conscripts and are governed by conscription regulations (Xinhua, June 27; April 9, 2010; *PLA Daily*, June 29, 2009).

A *Jiefangjun Bao* article from September 19, 2011 examined foreign armed forces that now rely on professional all-volunteer forces. The article argued the traditional conscription system cannot meet the requirements of modern warfare and technological developments, indicating, at a minimum, a continuation of the trend since 1999 toward a more volunteer and professional force will continue, with a possible goal of eventually establishing an all-volunteer force.

Conclusions

The PLA believes warfare under informatized conditions requires highly-skilled NCOs to operate and maintain

complex modern equipment and NCO squad leaders to support more independent combat at the tactical level (*PLA Daily*, August 24, 2009). The PLA is attempting to create a large NCO corps filled with quality personnel (Xinhua, September 22, 2008). However, the new NCO system remains in an early stage of development and significant issues have surfaced requiring continuing adjustments and revisions.

The PLA appears serious in addressing some problems in the NCO corps. Since 1999 the PLA has upgraded education and training, increased pay and benefits, established skill criteria for positions and instituted management reforms to improve selection and retention of quality personnel. However, the persistent problems plaguing the NCO corps indicates that building a professional NCO corps will be a long-term effort. The 20-year strategic talent program to develop professional officers and NCOs appears to be recognition by the PLA that professionalization in general is a long-term process.

The role of the PLA NCO corps is more limited than the U.S. NCO system and the PLA does not currently appear to have plans to alter its emphasis on developing primarily technical specialists. The PLA's NCO corps will support the PLA's equipment modernization program, but inherent limitations regarding leadership responsibilities and authority will lessen their positive impact on the PLA at the human level. Additionally, a selection process that is prone to bribery will adversely impact the quality and morale of the NCO corps.

There are possible sources of tension that could be detrimental to morale within the enlisted force, both two-year enlistees and NCOs. There could be tension between college-educated enlisted personnel and those having only a middle or high school degree. Within the NCO corps, personnel with college experience would have been recruited starting in 2003, either directly or from the enlisted ranks from those college students or graduates who were targeted beginning in 2001, making them intermediate rank NCOs. Current senior rank NCOs likely do not have a civilian college education, possibly leading to tensions with lower ranking NCOs who are better educated. Another possible source of tension is between those NCOs promoted on merit and those perceived to have been promoted by bribery or favoritism. Another area of tension could occur between

college educated enlisted personnel and officers.

The PLA is targeting college students and recent graduates for recruitment into the compulsory service system, or directly into the NCO and officer corps. Conscription Offices are offering a variety of incentives to attract qualified compulsory service personnel, men and women, to support modernization in combination with a restructured NCO corps. This targeting of personnel with at least some college education for both two-year enlistees and NCOs signals that without a more advanced education there is limited career potential in the PLA, although this is a long-term goal if there are difficulties attracting college graduates or students.

Current NCO corps and conscription developments are turning the PLA into an increasingly volunteer professional force. The continuity and experience provided by an expanding NCO corps provides the PLA with a large pool of trained and skilled personnel reducing train up times and allowing units to move more rapidly each year into higher level and more complex training and exercises. Overall, this development increases the combat capability of units, lessening the impact of the yearly turnover and train up of conscripts. The effort to conscript civilian college graduates and students, as well as civilians with technical skills also supports modernization efforts. The increasing size and particularly the improving quality of the NCO corps will significantly support PLA modernization, but lingering problems indicate a long development process and inherent limitations can limit the positive impact of the NCO corps on the PLA.

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Notes:

1. *Jiefangjun Bao Online* recently ran a series of articles in Aug 2011 on NCO development including continuing issues hindering the quality of the NCO corps; additional articles include *Jiefangjun Bao*, 18 Jul 2011, "Winning 'Battle of Noncommissioned Officers' – First Commentary on Vigorously Strengthening the

Construction of Noncommissioned Officer Teams;" *PLA Daily*, 27 Jun 2011, "Newly revised NCO management regulations issued;" *Jiefangjun Bao Online*, 10 Jul 2011, "Raise the Building of the Noncommissioned Officer Contingents to a New Level;" and *PLA Daily*, 25 Jan 2011, "NCO selection qualification system to be implemented in 2012"

2. PLA officer Interviews conducted by Ken Allen.
3. *National Air and Space Intelligence Center*, "People's Liberation Army Air Force 2010," August 1, 2010.

The PLA's Evolving Joint Task Force Structure: Implications for the Aircraft Carrier

By David Chen

At this juncture in the development of China's aircraft carrier force, the operational employment and integration of an aircraft carrier in a naval or joint task force remains very much in the realm of theory and speculation, yet with careful parsing of the People's Liberation Army (PLA) as an organization, some insights can and have been made. These include Ken Allen and Aaron Shraberg's insightful contributions in using the PLA's grade system to conduct a thought experiment on locating aircraft carriers within the PLA grade hierarchy ("Assessing the Grade Structure for China's Aircraft Carriers [Parts 1 and 2]," *China Brief*, July 15 and July 29). This article seeks to add to their analysis by taking observations from recent PLA exercises that involved joint force structures and speculating where an aircraft carrier might fit into a similar PLA task force organization. Based to this analysis, an aircraft carrier within the PLA Navy (PLAN) probably would be assigned a grade of division deputy leader (Grade 8) and the carrier strike group commander a grade of division leader (Grade 7)—a lower grade assessment than Allen and Shraberg. The implication is that the PLA is devolving joint command authority further down the grade scale as part of an overall attempt to transition away from centralized decision making.

Table 1. Rank, Grade and Title in the PLA* in refining joint command structures and joint training

Grade	Navy Position	Army Position	Joint Organization
4. Military Region Deputy Leader (大区副职)	Fleet HQ Commander	MR Deputy Commander	Warzone Joint Training Leadership Organ (战区联合训练领导机关)
5. <i>Jun</i> Leader (正军)	Fleet HQ Deputy Commander	Group Army Commander	Joint Campaign Formation (联合战役军团)
6. <i>Jun</i> Deputy Leader (副军)	Support Base Commander	Group Army Deputy Commander / Group Army Chief-of-Staff	
7. Division Leader (正师)	Flotilla Commander	Division Commander	Joint Tactical Formation (联合战术兵团)
8. Division Deputy Leader (副师)	Nuclear-powered Submarine Commander	Division Deputy Commander / Brigade Commander / Division Chief-of-Staff	
9. Regiment Leader (正团)	Destroyer Commander	Regiment Commander / Division Deputy Chief-of-Staff	

*Adapted from *China's Navy 2007*, Office of Naval Intelligence, March 2007, Figures 1 and 4.

Background

Beginning in 2004, the PLA steadily built upon an experimental joint training program in which units of different services were organized into special “military training coordination zones” (*junshi xunlian xiezuo qu* / MTCZ). Within these zones, units from different services—of *jun*-level (corps-level) and below—were mandated to share training resources and integrate training objectives. In particular, Weifang MTCZ produced some key building blocks of the PLA’s joint training program, including the development of a “Joint Combat Training Outline” (*lianhe zhandou xunlian gangmu*) on behalf of the General Departments (*zongbu*) for dissemination throughout the rest of the PLA (*PLA Daily*, November 2, 2007). PLA news articles credit Weifang MTCZ and Jinan Military Region, where the zone is located, for making contributions to joint force development, particularly through the “Lianhe” (meaning “Joint”) series of annual exercises. Through these exercises, army, navy and air force tactical- and campaign-level components worked through the obstacles and problems of coordinating and training with one another, making evolutionary progress

methods (*PLA Daily*, November 11, 2008). By examining the different organizational echelons of the Lianhe exercise series, some generalizations may be applied to the question of how an aircraft carrier would fit within a PLA joint task force organization.

Joint Task Force Echelons

Three “joint” concepts emerge from the Lianhe series, which illustrate the PLA’s structure for organizing joint task forces [1]. The first concept is the joint tactical formation (*lianhe zhanzhu bingtuan*). The joint tactical formation is the echelon encompassing division- and brigade-level organizations. For practical purposes, this echelon serves as the lowest and most tactically-oriented joint organization. Below this echelon are combat regiments and battalions, which operate largely in single-service fashion [2]. By looking at what units and who from those units occupy this echelon, we may understand better this part of the organizational framework. In Lianhe-2007, the joint tactical formation was composed of three service-specific tactical formations: the army

tactical formation (*lujun zhanshu bingtuan*), the navy tactical formation (*haijun zhanshu bingtuan*) and the air force tactical formation (*kongjun zhanshu bingtuan*). The commander of the army tactical formation also served as the overall commander of the joint tactical formation. This post was occupied by a commander of a motorized infantry brigade (Grade 8) (*PLA Daily*, September 11, 2007). Representing the Navy, the commander of a North Sea Fleet naval flotilla (Grade 7) served as the commander of the naval tactical formation (*PLA Daily*, November 2, 2007). The commander of the air force tactical formation was a deputy chief of staff of an Air Force aviation division (Grade 9), perhaps suggestive of the junior position of the Air Force among the armed services (*PLA Daily*, September 11, 2007). The grouping of these three service representatives into a single joint entity, however, suggests their peer status, at least at a functional level. For the captain of an aircraft carrier to sit at this level, he would have to be considered equivalent to a flotilla commander.

The second concept to emerge from the Lianhe series is the idea of the joint campaign formation (*lianhe zhanyi juntu*), which supervises the joint tactical formation. This is the joint echelon for *jun*-class organizations, such as a group army and its commander [3]. In Lianhe-2007, the commander of a certain group army (Grade 5) that was frequently identified as the lead unit of Weifang MTCZ served again as the general exercise director (*PLA Daily*, September 8, 2007). Furthermore, this commander was also identified as the chair of the Weifang MTCZ Leading Group (*Weifang xunlian xiezuo qu lingdao xiaozu zuzhang*) and his chief-of-staff (Grade 6) as the director of the MTCZ Office, which is the executive agency of the Leading Group (Xinhua, September 5, 2007; *PLA Daily*, September 8, 2007). Also sitting at this level, in Lianhe-2008, was a North Sea Fleet deputy commander (Grade 5), with the rank of rear admiral (*PLA Daily*, November 11, 2008). He was identified as an exercise general director, making him a peer to the group army commander and political commissar. For an aircraft carrier captain to sit at this level, he would have to be equivalent to a fleet deputy commander, equivalent to a *jun* leader grade.

The highest echelon of this hierarchy is also the least well understood. The General Staff Department and service headquarters are considered widely to be at the strategic

level of command, but between that level and the *jun*-level lies a transition between strategic and campaign command. In the *Science of Joint Training*, this level is divided into the “warzone strategic” (*zhanqu zhanluexing*) and “warzone direction” (*zhanqu fangxiang*), both concepts whose roles have yet to be fully clarified in practice [4]. There has been some indication as to what organs and personnel constitute this level. In 2009, the PLA established under the Jinan Military Region the military’s “first warzone joint training leadership organ” (*shouge zhanqu lianhe xunlian lingdao jigou*) (*PLA Daily*, February 25, 2009). Although initial reports suggest it was to be a military region headquarters-level leading group, later reports indicated the chair of the group was a military region deputy commander (Grade 4) (*PLA Daily*, July 28, 2009). In addition, the commander of the North Sea Fleet (Grade 4) served as a deputy commander within the “warzone joint command post” in 2009 (Xinhua, June 30, 2009). This implies the warzone-level joint command is at the deputy military region leader level (Grade 4).

Taken together, these three echelons make up the warzone- or theater-level joint command organization, bridging the strategic, campaign and tactical levels. The grade structure implied by the incumbent officers largely corresponds to the grade hierarchy given for PLA rankings as depicted in Table 1.

Conclusion

The analysis of Allen and Shraberg finishes off with certain remaining questions, which might be illuminated further through this analysis. One question posed was to whom the carrier would be subordinated. According to the joint organizational framework depicted here, a carrier participating in a joint task force probably would be subordinated to the joint campaign formation, the *jun* leader grade formation at the fleet deputy commander level (Grade 5). This is because a carrier strike group would first be considered part of a navy tactical formation, whose commander would represent the service within the joint tactical formation (Grade 7). Hence, the carrier strike group commander and the rest of the joint tactical echelon would report directly to the joint campaign formation [5]. This implies, then, that the billet of aircraft carrier commander would be below the flotilla commander grade, since the strike group commander would already sit in that chair. As Allen and Shraberg noted, “no vessel can

be assigned the same grade as that of the organization to which it is subordinate” (“Assessing the Grade Structure for China’s Aircraft Carriers: Part 1,” *China Brief*, July 15). This means that if the carrier was to form part of a naval flotilla, it could not occupy the same grade as the flotilla itself. Since the joint tactical formation grade is a flotilla commander grade, the carrier itself must reside below it. That leaves a deputy division commander grade billet (Grade 8), which also happens to be the grade given to China’s nuclear-powered submarines.

Given the strictures of the grade hierarchy, the experience of previous joint task force structures suggests that the aircraft carrier itself will be given the grade of deputy division leader (Grade 8) and the carrier strike group a grade of division leader (Grade 7). Whether the air wing commander is assigned the same rank as the carrier commander remains an open question, as previously an Air Force aviation division deputy chief-of-staff served with a navy flotilla commander in a peer relationship. The PLAN may see its own aviation forces in a better light than the PLA Air Force, but given the junior status of the Naval Aviation branch within the Navy, the air wing commander is likely to be at the grade of deputy division leader (Grade 8) or lower.

This casting most closely adheres to the lines of authority established in Lianhe, including allowing for a substantial degree of joint interaction and decision-making in the joint tactical formation. However, in an alternate scenario, the carrier strike group commander could be considered the overall joint campaign formation commander, making the person who filled that billet a deputy fleet commander (Grade 5). Under such a framework, the strike group commander would not only be in charge of the naval tactical formation, but would oversee the entire joint tactical formation, including other service components. This would allow space in the hierarchy for a division-grade carrier. The carrier would probably not be considered to be in an organic flotilla with its escorts, but would operate in coordination with any escort flotilla. How the carrier captain would relate to a peer flotilla commander and whether they would represent one or multiple naval tactical formations would have to be worked out in practice, as would other relationships within the joint tactical formation.

While giving rise to potential organizational frictions, it is completely within reason to suggest that the Navy may alter convention for an aircraft carrier, giving the vessel equal status to a flotilla, or higher, and subordinating the strike group directly to fleet or Navy headquarters. This may be somewhat more complicated in terms of command and control relationships, but such an arrangement could be accommodated by PLAN organizational structure. Hong Kong-based observers have made similar predictions that the carrier would stretch convention and receive higher grade status, “due to the first carrier’s importance” (*Tzu Ching Magazine*, August 2011). Until sea trials are concluded and the ex-*Varyag* engages in training missions of substance, we will have to wait and see.

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Notes:

1. The PLA literature seldom uses the phrase “task force”, but in reference to its own joint organization it uses the terms described herein. For Western readers, however, “joint task force” serves as useful shorthand.
2. Notwithstanding marginal progress in the development of joint combat units, such as the “integrated battalion” (*jicheng ying*) and “joint combat subunit” (*lianhe zhandou fendui*), these do not figure significantly in Lianhe exercises.
3. Many translate *juntuan* as “large formation”; either way the significance is lost without understanding that the Chinese *juntuan* connotes a corps- (or *jun-*) level organization.
4. Xu Genchu, ed., *Science of Joint Training (Lianhe Xunlian Xue)*, Beijing: Military Science Press, 2006, p. 234.
5. Grade 6, that of *jun* deputy commander, may remain a possible position at which to insert a new command organ, but there is scant evidence of such an occurrence.

Putin and the Future of the Sino-Russian Partnership

By Richard Weitz

Vladimir Putin, Russia's current prime minister, chose to make his first foreign trip to China after his announcement in late September that he would run again for president. This led some to expect Russia would align closer toward Beijing in coming years. Perhaps for this reason Chinese media commentators generally welcomed Putin's probable return (*Guangming Daily*, October 8; *Global Times*, September 26). Such a view neglects that the October 11-12 trip had been scheduled well before Putin's announcement, that Putin did not pursue especially Beijing-leaning policies during his earlier terms as president (2000-2008), and that current Russian President Dmitri Medvedev also made his first foreign trip to China. Putin's proposal for a Eurasian Union implies the Russia's probable next president might try to strengthen Moscow's control over the post-Soviet republics at the expense of Beijing as well as other external actors.

In any case, there is little evidence that Putin will pursue policies that could break with the mixed cooperation-with-conflict pattern that has characterized China-Russia ties for the past two decades. As described by Yuan Jingdong, "Beijing and Moscow have coordinated their policy positions and adopted mutually supportive approaches on a range of international issues from non-weaponization of space to respect for state sovereignty," ("Sino-Russian Relations: Renewal or Decay of a Strategic Partnership?," *China Brief*, September 30). The Stockholm International Peace Research Institute issued a report in early October that was even more pessimistic, concluding that the two countries were becoming increasingly less relevant for one another, with their other relationships growing in importance [1].

Since the end of the Cold War, Sino-Russian ties have improved markedly. Although both countries have experienced a geopolitical resurgence during the past two decades, neither Chinese nor Russian military experts perceive a near-term military threat from the other. The Russian government even has provided sophisticated air, navy and air defense platforms to the People's Liberation Army (PLA), confident that the PLA would employ these

systems, if at all, against other countries. In addition, China and Russia have resolved their longstanding border disputes as well as contained their rivalries in Central Asia and other regions. Initially widespread fears that illicit Chinese immigration into the Russian Far East would see that region fall under Beijing's control, though still present, have dissipated with evidence that most of the Chinese nationals who enter Russia only stay for a few years before returning home. Central Asia became an area of shared China-Russian interest rather than one of strong rivalry between Beijing and Moscow. This year marks the 10th anniversary of the signing of the Sino-Russian Good-Neighborly Treaty of Friendship and Cooperation and the 15th anniversary of the declaration of a China-Russia strategic cooperative partnership.

Troubled Partnership

Despite their improved relationship, China and Russia have not formed a mutual defensive alliance and still tend to pursue distinct, if largely parallel, policies regarding many issues. Personal and economic exchanges between China and Russia remain minimal compared to those found between most large countries in Europe and North America. China's indigenous defense industry has improved sufficiently that Beijing has lost interest in purchasing Soviet-era weapons from Moscow; the PLA now is interested only in acquiring Russia's most advanced weapons, which Russians refuse to sell for fear the Chinese might again copy their technology (RIA Novosti, February 21, 2008). Immediately before Putin's trip, the Russian Federal Security Service (FSB) announced they had arrested a Chinese national for allegedly trying to steal technical manuals for the S-300 air defense system that Russia had sold to China during the last decade. If China could maintain these systems themselves, they would deprive Russia of potentially lucrative contracts in this area. The manuals would also facilitate Chinese efforts to manufacture and export their own version of this surface-to-air missile system (Channel News Asia, October 5; *The Moscow Times*, October 6).

Russian policy makers, armed with nuclear weapons, probably will not soon fear a war with China, but they appear concerned about becoming a raw material appendage to China. Since Russia and China have settled their joint border and are not engaged in direct military competition with each other, the focus of the Russian-

Chinese relationship in recent years has been on economic cooperation. This has seen considerable progress. China has now replaced Germany as Russia's top trading partner, while China is expected to become a leading purchaser of Russian energy. Russia has begun supplying oil to China through a cross-border pipeline (*People's Daily*, October 15). China received only six percent of its oil imports from Russia in 2010. Putin however told the Chinese media that Russians hope to raise their energy deliveries further in future years by selling China large quantities of natural gas as well as more coal and nuclear power technologies and services (Xinhua, October 12). When Putin met Wen Jiabao in Beijing the two prime ministers announced they would seek to expand bilateral trade from an estimated \$70 billion this year to \$100 billion by 2015 and \$200 billion by 2020 (VOA, October 12). Other items in Wen's six-point proposal to strengthen China-Russia ties included implementing major energy projects, pursuing joint high-tech research and development, strengthening infrastructure cooperation between eastern Russia and northeastern China, deepening cultural and people-to-people ties and collaborating to enhance the development of the Shanghai Cooperation Organization (SCO) (Ministry of Foreign Affairs, October 12).

These points aim to overcome several problems that have arisen in the Sino-Russian relationship, such as their lopsided trade, which is imbalanced both in terms of relative importance and a reversal of China's trade deficit. Chinese enterprises now can manufacture most of the goods that China previously imported from Russia. China accounts for around 10 percent of the Russia's total international trade. China's share of Russian trade is larger than other single partner, but European Union member states collectively account for almost half of Russia's total trade. Meanwhile, last year, Russia accounted for less than 2 percent of China's global trade (Reuters, November 22, 2010).

Before 2007 Russia racked up steady surpluses—thanks to large deliveries of energy, arms and other industrial goods. Since then, the terms of trade have shifted markedly in China's favor due to a decline in Chinese purchases of weapons systems and other high-technology items. At present, Russian exports to China consist overwhelmingly of raw materials, especially natural resources like oil and timber. Russian policymakers are eager to reduce their dependence on volatile raw material exports by reviving

the Chinese purchase of high-value industrial goods and services, but past Sino-Russian declarations committing both governments to such a course have had little impact. Whereas half of China's exports to Russia consist of industrial or high-tech products, only 5 percent of China's imports from Russia comprise such manufactured products (*Washington Times*, October 25).

Official Russian commentaries on Putin's trip to China were, unsurprisingly, generally favorable. They stressed the foreign policy coordination between the two governments, specifically their joint positions in the UN on Syria (United Russia Party Website [er.ru], October 10). The week before Putin's trip, both countries vetoed a Western-backed resolution that would have imposed economic sanctions against Syria. In their communique, Wen and Putin endorsed enhancing the UN's authority within a multipolar world (*South China Morning Post*, October 13). The Chinese also interpreted Putin's remarks about how the "parasitic dollar" was creating problems for the entire world as defending China against U.S. charges of currency manipulation (NDTV.com, October 13).

Yet most independent Russian analysts and journalists do not consider Putin's visit to China a success, because he was unable to finalize a major natural gas deal with China. Putin undoubtedly had numerous goals in visiting Beijing, but his most visible mission was to make progress in the protracted negotiations concerning China's possible purchase of an enormous volume of Russian natural gas. For years, this issue has been a prominent agenda item at Russian-Chinese leadership summits. In 2009, the China National Petroleum Company and Gazprom even signed a framework agreement that would have Russia deliver 68 billion cubic meters of gas annually to China for a 30-year period.

No Gas Deal

Ahead of Putin's visit, expectations had been rising that an agreement might be imminent. Russian TV showed him meeting on October 3 with Gazprom CEO Alexei Miller and telling him to prepare proposals to expand Russian gas exports to Asia (Reuters, October 9). In the end, Putin proved unable to finalize the deal, further postponing the date when Gazprom would commit to build the expensive pipelines to send gas to China. Russian

analysts reviewing Putin's trip believe that selling natural gas is important for revitalizing the stagnant Russian economy as well as for underscoring Putin's diplomatic credentials before next year's presidential election (RIA Novosti, October 12).

According to press reports, before the Putin trip, Chinese negotiators were offering about \$250 per 1,000 cubic meters of gas, what they pay for Central Asian supplies and what Chinese consumers in northeast China normally pay for their subsidized gas purchases (Reuters, October 13). Russian negotiators were demanding approximately \$350, which is what they charge European purchasers (RIA Novosti, October 13; Christian Science Monitor, October 12). The gap may have narrowed since then to around \$50 (India Times, October 9). With the contract amounting to perhaps \$1 trillion dollars in total, the parties are haggling over every dollar—money which Chinese consumers can ill-afford. Chinese negotiators probably anticipate that they can force further Russian concessions given China's growing range of potential alternative sources of gas, ranging from liquefied natural gas (LNG), domestic and foreign shale gas and, most importantly, the vast quantities of natural gas Turkmenistan is offering to China.

Many Russian writers share the sense that Moscow's bargaining position with Beijing is declining over time and that Russian negotiators need to achieve a deal soon while they can still exploit their Soviet technological legacy for Chinese gestures of friendship (Business-Gazeta.ru, October 24). They fear Chinese negotiators understand the value of delay and are counting on Russia to accept their demands for a lower sales price (Kommersant.ru, June 17).

After it became apparent that no gas breakthrough would occur, the Chinese Foreign Ministry stated Gazprom and the CNPC would continue to negotiate on the basis of the "principles of fairness, friendliness and mutual accommodation" (*Chosun Ilbo*, October 13). "Those who sell always want to sell at a higher price, while those who buy, want to buy at a lower price. We need to reach a compromise, which will satisfy both sides," Putin philosophically explained. He added that "in political, humanitarian spheres we have no problem at all" and, referring to their stances on the Middle East, the countries had "reached unprecedented levels of cooperation" on

many issues (*The National*, October 12).

In a press conference after his talks with Chinese officials, Putin stressed the importance of broadening the Sino-Russian partnership further beyond gas, emphasizing the need in particular to prioritize hi-tech cooperation in such industries as biotechnology, nanotechnology and aircraft manufacturing (RIA Novosti, October 13). In an interview with Chinese news agency Xinhua and CCTV television, Putin proposed China and Russia jointly cooperate on space exploration as well as develop wide-bodied civilian aircraft rather than continuing to buy these commercial planes from Europe and the United States (Interfax, October 12). The two governments signed a Memorandum on Cooperation in Modernization to affirm their intent to pursue such collaboration (RIA Novosti, October 13). Beyond talk of future collaboration, the two sides signed \$7 billion dollars in commercial deals—the largest of which was a Chinese commitment to invest \$1.5 billion in a Siberian aluminum smelter (VOA, October 13).

Putin is correct that the Sino-Russian economic partnership needs to extend beyond energy, but Russian analysts worry that the visit—along with the general Russian effort to achieve modernization by means of exchanging Russian hydrocarbons for Chinese help in modernizing their economy—would simply reinforce the general pattern of Russia's relations with China resembling that of a "colony" exchanging raw materials for more advanced products from the more dominant power (RIA Novosti, October 12). More generally, Russian commentators fear Russia is indeed looking more and more like China's junior partner, because of the trading asymmetry noted above. Russia's population is stagnating while the Chinese appear more numerous, wealthier and more influential. Since the perceived economic, demographic and military trends are all in China's favor, Russian analysts urge their government to secure the best deal they can now on energy and other issues with China while keeping options open to partner with the West (*Global Affairs* [Russia], October 13).

Intensified Competition over Central Asia

Although Putin's approach to the West has yet to be defined, he already has indicated plans to consolidate Russia's hold over the other post-Soviet republics. In a

lengthy newspaper piece published before his trip, Putin unexpectedly called on the post-Soviet republics to join Moscow and create a Eurasian Union (*Izvestia*, October 3). Such a project, which his press secretary said would be one of his priorities as president, would again allow Moscow to lead a multinational bloc of tightly-bound, former Soviet republics. Having a ruble currency zone also would boost Moscow's claims to great power status despite its lagging economic potential compared to China (*Kommersant*, October 5). Many Western analysts saw the proposal as aimed at limiting the influence of NATO and the EU, but the plan would also serve to limit China's influence in the former Soviet space. The SCO, now chaired by China, has been seeking to expand its economic, security and other activities in the same functional areas as the proposed Eurasian Union. For years Russia has led opposition to Beijing's proposals to establish a free-trade zone and other economic integration within the SCO framework, because their firms probably would lose market share to lower-priced Chinese competition. Beijing recently opened two major Special Economic Zones (SEZs) in Xinjiang Province, which borders Central Asia. The SEZs are expected help promote cross-border trade along the old Silk Road connecting China to Europe through Central Asia (*The Diplomat*, October 11). Alexandr Lukashenko, President of Belarus, which currently chairs the rival Moscow-led Collective Security Treaty Organization (CSTO), said any future member of the Eurasian Union must also join the CSTO, which includes all SCO members except China (*RIA Novosti*, October 27).

Putin's plan seems less motivated by anti-Chinese sentiment than by his Russia-first nationalism, which Yuan Jingdong noted probably will irritate Beijing. Despite Putin's expected return to the presidency following next March's elections, it is difficult to foresee near-term changes in the China-Russia relationship. Putin retained considerable influence over foreign policy during his years as prime minister and no action Medvedev took would have occurred without his approval. The next few years probably will see this pattern of decent though not close relations continue. Beijing and Moscow will loosely cooperate on certain issues while basically ignoring each other regarding most others.

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Notes:

1. Linda Jakobson, Paul Holtom, Dean Knox and Jingchao Peng, "China's Energy and Security Relations with Russia: Hopes, Frustrations and Uncertainties," Stockholm International Peace Research Institute Policy Paper 29, October 2011, <http://www.sipri.org/publications>.
