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China Brief is a bi-weekly journal of information and analysis covering Greater China in Eurasia.

China Brief is a publication of The Jamestown Foundation, a private non-profit organization based in Washington D.C. and is edited by David Cohen.

The opinions expressed in *China Brief* are solely those of the authors, and do not necessarily reflect the views of The Jamestown Foundation.



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In a Fortnight

By David Cohen

DISCIPLINE THROUGH PARANOIA: THE USES OF A CRACKDOWN

Writing in the last two issues of *China Brief*, Andrew Chubb raised an important analytical question about reading Chinese official sources: how much sense can we make of them without thinking about the audiences expected to read them? Chubb focused on the hawkish rhetoric of a group of Chinese military analysts, arguing that in reading it China watchers are not listening in on the policy debates of the PLA, but consuming a brand of propaganda partly intended to influence foreign analysis of China’s military intentions (*China Brief*, August 9, 25). A similar question is worth asking about articles in the ideological media of the Chinese Communist Party (CCP) describing liberal ideas, especially “constitutionalism” (*xianzheng*) as a foreign-inspired plot to subvert the Party’s rule. When we read articles like these, are we listening to the Party speak frankly to itself about what it perceives as the greatest threats to its own survival, or to internal propaganda campaign intended to promote the “sense of urgency at all levels” President Xi Jinping called for in a June 18 speech about the mass line campaign (People’s Daily Online, June 19; for more on the mass line campaign see “Xi’s Mass Line Campaign: Realigning Party Politics to New Realities,” *China Brief*, August 9)? Is the goal of these articles to suppress liberal ideas, or to raise awareness about them among cadres who have become complacent about the regime’s survival?

Of course, these goals are not exclusive. The Party's repressive apparatus seems to have begun a crackdown on liberal-leaning intellectuals, rights lawyers and netizens who have participated in "human flesh search engine" campaigns against corrupt officials, and discussion of even quite moderate political liberalization appears to have been placed out of bounds. However, this interpretation suggests that this crackdown is not an odd mismatch with the Xi-Li administration's advocacy of economic reform and anti-corruption efforts, but a key part of Xi's effort to mobilize junior officials to improve work styles and resist corruption.

At the start of Xi's administration, constitutionalism appeared to be a promising avenue for reform advocates. Xi appeared to be interested in the concept, making a speech shortly after taking office calling for "strictly enforcing the constitution" (Xinhua, December 12). An editorial pushing constitutionalism sparked the high-profile Southern Weekend strike in January, a rare case of public conflict over the freedom of speech in China, which appeared to end in a qualified victory for the paper ("How the Southern Weekend Protests Moved the Bar on Press Control," China Brief, February 1). However, a few weeks ago *Seeking Truth* (*Qiushi*), the Party's premier ideological journal, published a lengthy diatribe against the paper by Yin Guoming, a leftist online personality known for attacking the liberal author Li Chengpeng at a Beijing bookstore (*Qiushi*, August 8).

Looking at the archives of *Seeking Truth* (which includes articles with an ideological angle from four other top-level Party publications), it appears that the turn against "constitutionalism," perhaps better translated as "constitutional government," came on quite abruptly. As recently as the beginning of April, it was possible to cover the issue with a bland roundup page suggesting introductory readings on the topic. The article was careful to draw a distinction between "capitalist constitutional government" and a model compatible with China's socialist system, but helpfully pointed out that "It is not forbidden to bring up constitutionalism, as long as in doing so one carefully considers China's national conditions" (*Qiushi* Theory Online, April 3). This was followed by six weeks of silence on the issue, broken at last by a lengthy article in *Red Flag* (*Hongqi*) that roundly condemned the idea as a Western threat, analyzing it at length with quotes from Montesquieu and the Federalist Papers, identifying it with

"bourgeois hegemony," "religious freedom, primarily for Christianity," military interventionism and the loss of Party control over the army (for more on the importance of this issue, see "Army Day Coverage Stresses PLA Contributions and Party Control," *China Brief*, August 17, 2012); and concluding that "The people's democratic system must never be described as 'socialist constitutional government'" (*Red Flag*, May 21). This set an ideological line which has been repeated and expanded in recent months in articles with headlines like "The Essence of Constitutionalism is Capitalism" and "Constitutionalism is a Weapon for Public Opinion Warfare" and "American Constitutionalism Not Worthy of the Name" (*Qiushi* May 28; People's Daily Overseas Edition, August 5, 7).

The emergence of details about "Document No. 9" this week, a version of which was obtained and excerpted by the *New York Times* (and, with less clear sourcing, printed by the émigré magazine *Mingjing*), both explains the sudden shift on constitutionalism in April, and draws a clear connection between this ideological issue and the crackdown on grassroots reform advocates. The document, used as the basis for a secret educational campaign in April, lists threats to the Party, including constitutionalism, liberalism, "universal values," as well as grassroots activists who "have stirred up trouble about disclosing officials' assets, using the Internet to fight corruption, media controls and other sensitive topics, to provoke discontent with the party and government" (*New York Times*, August 19; *Mingjing*, August 19).

While these efforts clearly represent policy decisions, the available documents are not direct evidence about high-level deliberation. Rather, they are the results of this deliberation, templates for information campaigns directed at petty officials in every corner of China. The two known vectors of the anti-constitutionalism drive are both part of the cadre education system, a close cousin of the propaganda system with responsibility for indoctrinating Party members. Study sessions, such as those at which Document No. 9 was used as the basis for warnings about liberal subversion, are the main means through which ideological campaigns like the mass line are carried out, while *Seeking Truth* is a publication of the Central Party School. It is clear that cadre education, in addition to fulfilling a training function, is understood as part of the propaganda system. The 1992 *Encyclopedia on the Building of the CCP 1921-1991* (*Zhongguo Gongchandang*

jianshe daxidian 1921-1991) lists cadre education as a means of propaganda, along with newspapers, entertainment, and university education, and at present they are more tightly connected than ever—Liu Yunshan, the Politburo Standing Committee member with responsibility for the propaganda system, is simultaneously serving as president of the Central Party School (Encyclopedia quoted in “China’s Propaganda System: Institutions, Processes and Efficacy,” David Shambaugh, *The China Journal*, January 2007; Xinhua January 4; People’s Daily Online January 15).

As Chubb demonstrated, Chinese propagandists are capable of thinking in quite sophisticated terms about the construction of narratives that benefit their goals. It is therefore worth thinking carefully about the purpose of the implicit story told by the anti-constitutionalism drive: that of a Party beset on all sides by the iniquities of domestic opposition and the tyranny of Western hegemony. It is a narrative that he has made reference to in promoting the mass line campaign, calling it a matter of life and death for the party and calling for officials to develop “a sense of responsibility and urgency” (*Qinshi*, August 26; Xinhua, July 15). An article in *Seeking Truth* drew out this topic further, arguing that the China dream requires that officials have a “sense of danger”: “To strengthen the awareness of hardships, to fear danger in times of peace, is to drive forward the project of building socialism with Chinese characteristics, to achieve the inevitable requirements of the dream of the great revival of the Chinese people” (*Qinshi*, August 22).

Xi has declared ambitious plans to alter the workings of China’s political economy, which will require the compliance of millions of local officials. It looks as though the crackdown may be a central part of his plans to persuade them to cooperate. By hyping threats to the Party’s survival, the education campaigns likely aim to create a “sense of urgency” about reform that will scare cadres straight. If you don’t listen to me, this argument goes, you’ll be left to face the mob. Meanwhile, by authoritatively describing grassroots anti-corruption activists as part of an international conspiracy, the document gives local officials patriotic cover to defend themselves from the more personal threat of having pictures of them with their mistresses or ill-gotten wealth made public. The target of the crackdown may thus not be activists being thrown in prison, but the officials

putting them there—the dose of paranoia one gets from taking part in a witch-hunt may be just what Xi thinks they need.

David Cohen is the editor of China Brief.

Army Day Coverage Stresses Winning Battles with “Dream of a Strong Military”

By Daniel M. Hartnett

Every August 1, like clockwork, China’s official media publishes editorials commemorating “Army Day,” the anniversary of the founding of the Chinese military, the People’s Liberation Army (PLA). This Army Day was no exception, as the media carried editorials celebrating the 86th anniversary of the PLA. Like every year, the editorials contained ubiquitous congratulatory remarks to the members of the PLA from all of China.

Besides profuse remarks praising the military, each year the editorials contain a key theme for the PLA. These themes bear watching, since they reflect important priorities that the Chinese military and civilian leadership establishes for the PLA. Past themes have discussed the need for the PLA to fulfill its “Historic Missions” and to integrate its various defense production activities with the civilian sector (“Army Day Coverage Stresses PLA’s Contributions and Party Control,” *China Brief*, August 17, 2012; “Civil-Military Integration Theme Marks PLA Day Coverage,” *China Brief*, August 15, 2011). Continuing this trend, this year’s theme reiterated a refrain increasingly heard in recent months: the need to realize the “Dream of a Strong Military” (*Qiangjun Meng*).

The concept of the “Dream of a Strong Military” was most visibly captured in the editorial published in the PLA’s official newspaper, the *PLA Daily* (*Jiefangjun Bao*) (August 1). As the official newspaper of the Central Military Commission (CMC), China’s senior-most military organization, the *PLA Daily* is an authoritative source representing the official views and policies of the PLA leadership. The importance of this editorial’s message was further underscored by its verbatim republication in the People’s Daily (*Renmin Ribao*), the official newspaper

of the Central Committee of the Chinese Communist Party (CCP) (August 1). Several other official media sites also carried similar articles, further demonstrating the concept's importance (Xinhua, August 1; *Qinshi*, August 1).

What is the “Dream of a Strong Military?”

According to the *PLA Daily* Army Day editorial, the “Dream of a Strong Military” is the military’s component of the “China Dream” (*Zhongguo Meng*) (*PLA Daily*, March 13 and August 1). This is an ambiguous slogan promoted by the CCP since Xi Jinping assumed leadership of the Party during the 18th Party Congress in November 2012. Although apparently not a fully developed concept, the objective of the “China Dream” is to realize “the great renewal of the Chinese nation” (Xinhua, November 29, 2012). Implementing the “Dream of a Strong Military” is seen as one part of achieving the “China Dream,”—according to the vice president of the PLA National Defense University, Bi Jingjing, there can be no “China Dream” without a strong military (Xinhua, July 31).

There are three components to the “Dream of a Strong Military.” The first is to ensure that the PLA “listens to the Party’s commands” (*ting Dang zhibui*) (*PLA Daily*, August 1). As a Leninist state, the military is ultimately loyal to the CCP, not the Chinese government. The emphasis on loyalty to the Party is not a new development, as CCP control of the military has been a guiding principle since the founding of the PLA in 1927, as well as a major theme of last year’s Army Day editorials (“Army Day Coverage Stresses PLA’s Contributions and Party Control,” *China Brief*, August 17, 2012). It is a reaffirmation of this essential aspect of civil-military relations in China. In early February 2013, the PLA General Political Department (GPD) produced an article simultaneously carried in the *PLA Daily* and *Seeking Truth (Qinshi)*, the official journal of the CCP Central Committee. This authoritative article calls on the PLA to “resolutely obey the Party’s command” (*jianjue ting dang de zhibui*), asserting that the PLA should raise ideological-political education to the forefront and promote only those individuals seen as politically reliable (*Qinshi*, February 1, *PLA Daily*, February 1). The call for ideological purity in the ranks—particularly “medium-level and senior officials” [sic]—was repeated by Xi during his July 29 tour of the Beijing Military Region (Xinhua, July 29; *Qinshi*, August 1). It remains to be seen

whether this drive to strengthen PLA loyalty is an effort to re-exert a perceived loss of CCP control or is simply a restatement of the status quo.

Second, the “Dream of a Strong Military” seeks to ensure that the military is “able to fight and be victorious” (*neng da shengzhang*). The goal for this is a directive to ensure that all efforts to reform and modernize the PLA are geared to increasing its “combat power” (*zhandouli*) (*PLA Daily*, August 1). This point is clearly articulated in an April 2013 *PLA Daily* article on the concept, which asserts that “militaries exist for the purpose of fighting battles” (*PLA Daily*, April 4). Contained within this component is the idea that the PLA needs to be strong enough both to deter a conflict from occurring, and to win a conflict should deterrence fail. According to the editorials, all efforts to strengthen the PLA should be updated to reflect this objective, to include force modernization, readiness, training and strategy. Although quick to note that a stronger PLA does not imply that China has expansionist goals, it does mean that “if other people impose war on us, we must be able to fight and win decisively with great resolve” (*PLA Daily*, April 4).

Third, the “Dream of a Strong Military” calls upon the PLA to “have a good work style” (*youliang zuofeng*) (*PLA Daily*, August 1). This final component addresses the internal dynamics of the PLA, stressing the need to improve discipline and strengthen the use of regulations to manage the troops. It also attacks several administrative problems the CCP perceives in the PLA, such as excessive bureaucracy, overly formalistic behavior, and wasteful and extravagant lifestyles. There appears to be a particular focus on rooting out corruption within the military (*South China Morning Post*, June 22). According to CMC Vice Chairman Fan Changlong, these problems are serious enough to impact the PLA’s ability to carry out its missions (*Qinshi*, August 1). This third component also appears to be related to a larger CCP campaign to enforce discipline through the “mass line” (*qunzhong luxian*) education campaign (“Xi’s Mass Line Campaign: Realigning Party Politics to New Realities,” *China Brief*, August 9; Xinhua, June 21).

Significance of the “Dream of a Strong Military”

The “Dream of a Strong Military” is significant on three levels. First, it is not simply a slogan, but reflects high-

level CCP military policy. The *PLA Daily's* Army Day editorial referred to the concept as a “strategic task” for the military, while CMC Vice Chairman Fan wrote that it was the “Party’s goal” (*PLA Daily*, August 1; *Qinshi*, August 1). A March 2013 *PLA Daily* article asserted that it is “important strategic thought,” reflecting the CCP’s experiences developing and managing the military (*PLA Daily*, March 19). The writings also raise the concept to the level of the premier military thinking of each of China’s previous paramount leaders, Mao Zedong, Deng Xiaoping, Jiang Zemin and Hu Jintao, noting that it is the continuation of this select body of Chinese military thought. Furthermore, the “Dream of a Strong Military” is to guide and clarify PLA force modernization efforts (*PLA Daily*, March 19).

Second, it represents a break in military policy between Xi and his predecessors. Like Hu Jintao before him, the “Dream of a Strong Military” signifies Xi’s attempt to outline unique policy priorities for the military during his turn in power. Shortly after Hu assumed the chairmanship of the CMC in September 2004, he announced the PLA’s “Historic Missions” (*lishi shiming*), outlining four key tasks that guided PLA activities during Hu’s tenure. [1] Having assumed power this past fall at the 18th Party Congress, Xi is similarly attempting to develop his own military policies. The Army Day *PLA Daily* editorial pointedly attributes the “Dream of a Strong Military” to Xi, stating that he “explicitly set forth” the concept (*PLA Daily*, August 1). The concept is also billed as a new development in Chinese military thinking, “enriching and developing the Party’s military guiding theory” (*PLA Daily*, March 19; August 1).

Third, the “Dream of a Strong Military” reflects perceived changes in China’s security situation. On the one hand, China sees itself as an emerging great power, if not an already emerged one, and therefore feels that it needs a military befitting its stature. As the Army Day *PLA Daily* editorial states, Xi’s “Dream of a Strong Military” calls for building “a consolidated national defense and powerful military (*qiangda jundui*) that matches China’s international status, as well as its national security and development interests” (*PLA Daily*, March 19).

On the other hand, the concept also reflects Beijing’s growing concerns about problems in its security environment (*PLA Daily*, August 1). China’s most recent

defense white paper provides a bit of insight into China’s security concerns, some of which reflect U.S. efforts to “Rebalance to Asia:” the strengthening of U.S. alliances, expanding U.S. military presence and U.S. involvement in regional issues. [2] Maritime disputes with neighboring countries, such as Japan, are also a source of growing concern, as CMC Vice Chairman Fan notes when he writes, “China’s peripheral security, especially in the maritime domain, is facing an increasingly unstable and uncertain condition” (*Qinshi*, August 1).

Conclusions

The “Dream of a Strong Military” is a significant development in China’s military policy. It reflects Xi’s attempt to exert his control over the military and establish a break between himself and his predecessors. It also provides further justification for resources for PLA modernization in any internal “guns versus butter” debate among China’s leadership. The concept also establishes guidelines for how those resources are to be spent and is likely to influence its force development, training and procurement for years to come. Finally, it may also signify a harder turn in China’s military policy under Xi. If the PLA is being required to improve its combat capabilities in response to changes in China’s security environment, it could indicate that the Chinese leadership increasingly feels that it may have to resort to force to counter what it sees are growing national security concerns. Given that we are only in the first year of what is likely to be 10 years of Xi’s command, this is a potentially worrisome development.

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Notes:

1. Daniel M. Hartnett, “The PLA’s Domestic and Foreign Activities and Orientation,” testimony before the U.S.-China Economic and Security Review Commission, 4 March 2009, < <http://www.uscc.gov/sites/default/files/3.4.09Hartnett.pdf> >.

2. Information Office of the State Council, *The Diversified Employment of China's Armed Forces*, April 2013.

Sino-Mongolian Coal Relationship Continues Downward Spiral in 2013

By Alicia J. Campi

The Mongolian Minister of Mining, Davaajav Gankhuyag, meeting with journalists in an August 9 press conference, confirmed the continuing decline in coal exports to China, Mongolia's most important trade partner: "The slow speed of economic growth of Mongolia is caused by a drop in China's demand and the fall of coal prices by almost 40 percent." The value of the first seven months of Mongolian unprocessed coal shipments to China declined nearly 50 percent to \$582 million, versus \$1.1 billion in 2012, as volume dropped by more than 20 percent, from 10 million metric tons in the same period in 2012 to only 8 million tons this year (*The Mongol Messenger*, August 16). In the first quarter of 2013, Mongolia's GDP grew at an annual rate of 7.2 percent, as compared to 16.7 percent in the first quarter of 2012 (the country's growth for all of 2012 was 12.3 percent). The World Bank has now lowered its prediction for Mongolia's 2013 GDP growth from 16.2 percent to 13 percent. [1]

Although the World Bank and western financial analysts have attributed the drop in Mongolian coal exports to China's cooling economy, which has depressed domestic coal demand and thus influenced prices on international coal markets (Stratfor, July 19), it is evident that the trade downturn is to some degree desired and manipulated by Mongolian policymakers, who are strongly influenced by overwhelmingly anti-Chinese domestic popular opinion. Mongolian policymakers believes that the overheated economic growth of the past few years was both unsustainable and dangerous. They sought to reduce coal exports, which make up the bulk of its exports to China, as a way to bring about greater economic stability. However, there is more to the story. Mongolia has been very anxious about the Chinese monopoly over its overall trade, mineral development and foreign direct investment (FDI). Centuries-long historical animosity between the

two nations has spilled into the 21st century as a major factor in the way all Mongolians view their domestic economic development, as well as national security. The fact that Mongolia's strong growth rate is directly tied to the fact that China is the nation's number one trade partner and investor is not seen as a fortunate boon, but rather a slippery path coinciding with Chinese designs to overwhelm and eventually incorporate independent Mongolia into Chinese territory, along with southern, or Inner Mongolia. The Mongolian government appears to be reacting to concerns about the degree of its economic dependence on China—not, as it is sometimes simplistically labeled by western observers, a general antipathy to exporting natural resources, i.e. 'resource nationalism' or militant environmentalism. That the goal is diversifying markets, rather than limiting overall exports or foreign investment, is clear from the preferential treatment simultaneously accorded to South Korean and Japanese companies.

In April 2012, Mongolian authorities, motivated by inflamed anti-Chinese public rhetoric prior to parliamentary elections, intervened to stop the takeover by Chalco (Aluminum Corporation of China Ltd.) of a private Canadian-owned coal mine, Ovoot Tolgoi, which had been shipping all of its product to Chinese customers ("Mongolia's Coal Development Policies Tied to Goal of Reducing Proportion of Chinese Investment," *Eurasia Daily Monitor*, September 4, 2012). One month later, Chalco's acquisition plan triggered an onerous tightening by Mongolia's Parliament of foreign ownership investment regulations for the mineral sector, which were devised to stop foreign state-owned companies (e.g. Chalco and Chinese coal producer Shenhua) from investing in Mongolia ("The Bumpy Path to Sino-Mongolia Cooperation in the Mining Sector," *China Brief*, February 1). Since then, virulent anti-Chinese sentiment, including attacks on Chinese workers, has been a major factor in Mongolian domestic politics for all political parties. China has not been able so far to respond with sufficient reassuring measures to calm these concerns.

Chalco, as the number one importer of Mongolian coal, also has run afoul of the Mongolian government's exploitation of its 7.5 billion metric ton state-owned coal deposit in the Gobi called Tavan Tolgoi. The Tavan Tolgoi coal pricing agreement, in place since 2011, allowed Chalco to purchase raw coal excavated from the

East Tsankhi tract at \$70 a ton, which was considerably below the 2011 world price of about \$100. In July 2011, the Chinese company paid U.S. \$250 million in advance, but in January 2013 Mongolia stopped all Tavan Tolgoi coal deliveries to Chalco because the government claimed it had run out of funds and could not pay the private truck transport costs to the border, and so it demanded that the agreement be renegotiated. Since the Mongols had delivered only 2.5 million metric tons (worth US\$170 million) of the 3 to 4 million tons promised, Chalco, strongly supported by Beijing authorities and the international mining community, threatened to take legal action.

With world coal prices collapsing, the Mongols were in a weak bargaining position. Shipments resumed in late April, after the Mongolian side agreed to pay a higher interest rate on missed deliveries and reduce fees for road transportation to the border. Chalco in turn agreed to pay \$3 per metric ton more than the world price rate of \$56 under an enlarged \$350 million contract (Business-Mongolia.com, April 23). With the continued deterioration of world coal prices, the Mongols had to accept a lowered coal price of \$47 per ton in July. Nevertheless, Deputy Minister of Mining Oyun Erdenebulgan promised to pay off the Chalco debt this year with delivery of an additional 3.6 million tons by increasing Tavan Tolgoi total output and reducing coal extraction costs (Ministry of Mining website cited in InfoMongolia.com, July 25 and The Mongol Messenger, August 16) Once this obligation is fulfilled, the Mongols will be able to diversify Tavan Tolgoi sales to other foreign partners.

The Mongolian Government also has implemented other initiatives to slow the pace of coal exports to China—sometimes under the mantle of environmental protection. For example, the Mongolian Ministry of Environment and Green Development on August 16 announced the closure of Tsagaan Khad, a coal customs stockyard on the Mongolian side of the border with China. It cited environmental damage from coal haulage, but there are reports that this measure has yet to be enforced (Platts, July 3).

Chairman of the Mongolian Coal Association board, Luvsandavaa Davaatsedev, in response to queries about the decline in shipments to China (in 2011, Mongolia was China's largest supplier of coal, exporting 20 million

metric tons), even as China increased its coal imports 40 percent since April 2012, has said: “Even if we don't export our coal, China won't be ruined and run out of coal, because there are so many competitors exporting coal to China. We placed second or third as China's top coal exporter three years ago. But today, we aren't even included in the top six. We've lost our position in this market because of trying to export coal at higher prices. Mongolia accounted for about 40 percent of China's coal imports at our peak period. Now, we account for only 17 percent. It's hard to take back our lost position.” (UB Post, August 6)

In addition to pressuring the Chinese for better prices for less coal product, the Mongolian Government for the past year has taken a number of steps to diversify its future Tavan Tolgoi coal customers, especially by wooing Japanese and South Korean investors. This trend has accelerated with the re-election of Mongolian President Tsakhia Elbegdorj in late June. In Tokyo it was reported that during early August meetings between the two governments on how to implement their Economic Partnership Agreement, Mongolia would give Japan privileges in the mining sector and establish “stable conditions to extract coal and copper” (“Japanese Prime Minister Abe Declares Mongolia's Increasing Importance for Tokyo's Foreign Policy,” *Eurasia Daily Monitor*, April 18; Nikkei, August 4). Mongolian media reported on ongoing negotiations to exempt Japanese private companies from high mineral export taxes and additional waivers of laws and regulations limiting investment in the financial and communications sector (InfoMongolia.com, August 8). It is expected that these special preferential conditions will be announced in September when Mongolia's Prime Minister Norov Altankhuyag visits Japan.

Meanwhile, South Korean companies are now favored as international investors for construction in Mongolia's transportation sector. Samsung was awarded a \$483 million contract in early May to build the 267 kilometer railway from the Tavan Tolgoi coal field to the Chinese border. It is only one of the large Korean companies that are benefitting from Mongolia's decision to expand Russian broad gauge rail lines throughout the country. This decision adds \$3 to the cost of each metric ton of delivered coal, because the coal must be transferred to rail cars that are suitable for the smaller, internationally accepted, gauge used in China (News.mn English

service, May 10). Kyeryong Group is involved in major construction projects for redevelopment of the capital city of Ulaanbaatar and will construct a 365 km highway between Ulaanbaatar and the northern border town Altanbulag, the site of a Mongolian-Russian free trade zone (UB Post, July 7). Once the domestic rail and road networks are in place, Mongolian minerals will have access to passage north through Russia to Pacific customers, expanding the reach of Mongolian exports beyond nearby Chinese buyers.

Mongolia knew that its actions against Chinese FDI in the coal sector, reduction of raw coal exports to China and revision of mining investment legislation would agitate foreign investors, but it may have not predicted the extent of the ramifications. These developments, accompanied by continuing problems over how to operate and develop the country's large copper-gold deposit of Oyu Tolgoi (OT), which is controlled 66 percent-34 percent by Rio Tinto/Turquoise Hill and the Mongolian government, have roiled the investment climate. According to figures released in mid-August by the Ministry of Economic Development, total FDI fell 43 percent in the first half of 2013 to US\$961 billion, with geology, mining and petroleum FDI down by a third (Mongolian Daily Economic Update, August 18). Mining Minister Gankhuyag admitted that recent revisions to mining and investment legislation have caused doubts among investors because they were not properly researched and thought out: "Outside experts came to the conclusion that aside from unfavorable foreign influence, political actions and laws that were resolved for political reasons before the election facilitated to bring stability in the investment environment [put it] into a risk situation." (*The Mongol Messenger*, August 16).

It is clear that Mongolian President Tsakia Elbegdorj is aware of the precarious economic situation his nation faces because of the fall-off in foreign investment, declining tax revenues and slowing growth. In August he convened a special meeting with present and past members of the National Security Council including former Presidents, Prime Ministers and major political party parliamentary chairmen, to gather a wide range of views. He then asked the national Parliament to interrupt its summer holiday to meet for a special weeklong session, starting September 2. The Parliament agreed to the special session to discuss proposals to change the controversial

2012 Strategic Enterprises Foreign Investment Law (Business-Mongolia.com, August 16). However, this parliamentary action should not be interpreted as leading to any major reversal of Mongolia's brand of resource nationalist mineral policies. Rather, it is likely that the Elbegdorj administration's efforts to reduce Chinese economic penetration and trade monopoly, while simultaneously expanding coal and other mineral exports to new Northeast Asian customers as well as finding new non-Chinese FDI partners, will be altered in degree but not in substance.

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Notes:

1. *Mongolia Economic Update*, April 2013, World Bank <http://www.worldbank.org/content/dam/Worldbank/document/EAP/Mongolia/MQU_April_2013_en.pdf>.

A Tale of Two Volunteer Programs: China and Taiwan

By Kevin N. McCauley

Recent developments have shown the volunteer recruitment systems in Taiwan and China moving on decidedly different trajectories. The Taiwan military's attempt to implement a volunteer program by the end of 2015, which already faced serious problems, appears to be in jeopardy after the death of 24-year-old Army Corporal Hung Chung-chiu from heatstroke following extensive drills while in disciplinary detention. In addition, a short training period for new conscripts will contribute, along with limited joint and combined arms training, to declining operational readiness. A military with decreasing operational readiness and capabilities will be unable to execute a deterrence or defense strategy, weaken Taipei's position in dealing with Beijing and force increased reliance on the U.S. military for the defense of Taiwan.

Meanwhile, the PLA has taken an incremental approach to the transition to an all-volunteer force. Noncommissioned officer (NCO) reform, resulting in the expansion and qualitative improvement of the NCO force, combined with an active program to recruit qualified personnel, with an emphasis on college students and graduates, has increased the quantity and quality of volunteer personnel in the PLA. These programs to enhance military talent are important to PLA modernization efforts to build a high-tech force, which in turn would support a coercive strategy or diverse military operations in a crisis.

Taiwan's Volunteer Program

Public recriminations continue against the military over Hung's death, placing Taiwan's ability to recruit a volunteer force in doubt. A crowd of 30,000 in Taipei on July 20 protested outside of the Ministry of National Defense (MND), while a larger protest held on August 3 in Taipei drew a crowd variously estimated at 100-250,000. Furthermore, 18 officers and noncommissioned officers have been indicted and defense minister Kao Hua-chu resigned over the case (*Taiwan News*, August 2; *China Post*, July 27, 28, 31).

The results of a Taiwan public opinion poll released in late July showed that respondents did not trust the military judiciary to investigate and prosecute military personnel in the Hung case. The poll also showed that 74.7 percent of respondents viewed the Taiwanese military as "unfit to fight a war," providing evidence of the military's low credibility among Taiwanese civilians (*Taipei Times*, July 29; Central News Agency, August 4). This widespread lack of confidence in the military does not bode well for the future of a force whose capabilities appeared to be in decline even before the uproar over Hung's death ("Taiwan Military Reform: Declining Operational Capabilities?" *China Brief*, June 7).

While military reforms are occurring, it is not likely that indictments of a number of officers or military reforms can easily counter the impact of Hung's death on public opinion (*China Post*, July 27). Colonel Hu Zhong-shi, director of the Recruitment Center of the National Armed Forces, admitted at a press conference that "the Hung case will surely have negative impacts on the plan." Even before the uproar over Hung's death, the volunteer plan appeared to be having serious trouble with

both the quantity and the quality of its recruits. Colonel Hu reported on August 19 that only 72 percent of the 2012 recruitment goal had been met, and that only 4,290 personnel had been recruited out of the 2013 goal of 28,531 (*China Post*, July 22 and 28; Central News Agency, August 20). The MND announced on August 19 that it will loosen requirements, place greater emphasis on recruiting women and work to promote recruitment (Central News Agency, August 20). It is doubtful these measures will fill the recruitment gap without an increased defense budget to provide improve pay and benefits.

The PLA's Move to a Volunteer Force

The PLA has taken a slower, steadier approach to its move towards a volunteer force. It has recently placed greater emphasis on recruiting college students and graduates, and has initiated links with civilian universities and military educational institutes to train select students for eventual service in the PLA. These efforts, along with NCO reforms and expansion, are furthering the transition to a volunteer force.

Historically, conscription was the mainstay of PLA recruitment. Conscription began on November 1 each year, preceded by registration starting on September 30. Demobilization of soldiers would often occur in December, with transportation of some demobilized soldiers beginning in late November. The influx of untrained new conscripts and release of soldiers would result in a sharp decrease in unit operational readiness and impact training. The PLA began transitioning away from compulsory service in 1998 with the recognition that high quality personnel were required to support modernization. A key component in the move to a volunteer force has been the reform and expansion of the NCO corps, begun in 1999 to provide greater stability to the military with long-term skilled personnel (Xinhua, June 18; August 21; China Military Online, November 21, 2012; *China Brief*, Volume 11, Issue 18 and Volume 11, Issue 20).

Conscription Reform

The PLA began to move away from compulsory service in 1998, when the words "based on the compulsory service system as the main body" were deleted from the Military Service Law. The compulsory service period was

shortened to two years, and the active service system for voluntary servicemen and the reserve service system were reformed (China Military Online, May 6). Additional changes have included the following:

- In 2009 recruitment standards for women were changed to include raising the maximum age requirements for various categories in order to recruit more highly qualified and educated women (Xinhua, October 12, 2009).
- In 2011 relaxed physical restrictions were relaxed on tattoos and pierced ears, and height requirements for women were lowered, aided by the development of standardized medical and psychological screening system for the PLA (Xinhua, November 3, 2011; *PLA Daily*, January 20, 2011; China Military Online, June 22, 2011).
- Also in 2011, an online registration and pre-recruiting system aimed at high school graduates and college students was established, and inducements for students were strengthened, including tuition compensation, payments of government subsidized student loans and compensatory payments for qualified college graduates (*PLA Daily*, June 28, 2011; Xinhua, September 10, 2011; China Military Online, September 22, 2011).
- The National People's Congress in 2011 also removed limits on the registration of urban youth, abolished recruitment deferrals for full-time students was abolished, and allowed college graduates with excellent military service to be promoted directly to serve as active-duty officers. Furthermore, college students enlisting for active duty could resume their studies within two years of demobilization, the recruitment age for college graduates was raised to 24 years, and the registration period (but not the conscription period) was moved from September 30 to June 30 (Xinhua, June 15; Xinhua, September 10, 2011; *PLA Daily*, June 28, 2011; Xinhua, June 27, 2011; China Military Online, November 6, 2012; *PLA Daily*, October 9, 2011).

Recruiting Quality Students

The PLA began recruiting college graduates in 2001, with more than 130,000 college graduates serving as soldiers

at the end of 2009. From 2009 to 2012, approximately 100,000 college students joined the military each year (*China Daily*, August 19). This represents perhaps a quarter to a third of all recruits, by the author's rough estimate. The current emphasis is on increasing quality personnel by focusing on recruitment of college students and graduates. The State Council and CMC recently moved the start of the intake period to August 1, synchronizing it with the graduation period in order to attract qualified graduates, while limiting the numbers of secondary school students recruited. The previous November 1 start date resulted in missed opportunities to recruit the most qualified college graduates, due to the time lag. For example, one survey showed that in 2012 approximately 90 percent of university graduates had found work before the winter intake period, limiting the number of quality personnel available for PLA recruitment. The change to an earlier recruitment period will also lessen the drop in PLA unit combat readiness, as it allows for basic training of new recruits before the annual demobilization of personnel at the end of the year (Xinhua, June 15 and 18).

The Ministry of National Defense (MND) began receiving applications in June through an online website. Major cities focused on recruiting college students employing mobilization and propaganda campaigns. MND officials stated that college students will enjoy advantages in registration, admission and recruitment (Xinhua, June 17). The *PLA Daily* reports active recruitment drives throughout China, with various locations reporting increased college applicants over previous years. For example, Shanghai began military service registration on June 1, with over 300 military service registration stations set up at colleges and universities, while Beijing began recruiting college students on June 15, including activities with China's first female astronaut, Liu Yang, to attract prospects (China Military Online, June 3). The PLA has enhanced its propaganda and mobilization campaign this year, including online social networking programs, aimed at attracting college students and graduates away from potential business recruiters (China Military Online, June 18, 19, 20, 26, 27, 29; July 7, 11, 25). The Ministry of Education (MOE) announced on August 21 that over 200,000 college students had taken part in pre-conscription registration in large and medium cities (Xinhua, August 21).

College students and graduates can receive preferential treatment as an inducement to volunteer, including admission advantages, tuition payments, one time recruitment payments, preferential employment opportunities in state-owned enterprises and the civil service upon decommissioning, three years of free administrative charges for decommissioned college students starting their own business, and possible Beijing household registration permits for non-local college students recruited from Beijing universities and colleges (China Military Online, June 18; *Global Times*, June 18).

Unemployment and underemployment among college graduates could benefit the PLA's recruitment efforts. The expansion of higher education since 1999 has increased the number of college graduates entering the job market, with college graduates numbering 6.99 million in 2013, 190,000 more than in 2012 (*Global Times*, June 18; *The Atlantic*, May 24). The MyCOS Institute, a Beijing-based education research company, tracks college employment: a 2012 report indicated an employment rate of approximately 90.2 percent for 2011 graduates, and 89.6 percent for 2010 graduates. May 2013 statistics released by the Beijing Municipal Commission of Education reported that only 33.6 percent of college graduates in Beijing had signed employment contracts, reflecting continuing poor job opportunities (China Economic Review, June 12).

The decline in students' physical condition, however, has hurt recruiting, with the PLA finding since at least 1995 that sedentary life styles have resulted in weight, strength and vision problems. The Beijing recruiting office reported that approximately 60 percent of college students failed the physical fitness exam, 23 percent failed the eye exam, and 19 percent were either obese or underweight. Even with physical standards reduced in 2008 and 2011, the physical condition of students is adversely affecting student recruitment (*China Daily*, August 13). The 60 percent failure rate would indicate that of the 200,000 college students reported registering for military service this year, perhaps only 80,000 are fit for service, barring any other disqualifications. This is less than the reported 100,000 college students recruited each year between 2009 and 2012.

It is not clear whether the PLA has met past recruitment goals for college students and graduates. While the PLA

published the goal of recruiting some 150,000 college graduates in 2010, only 100,000 were recruited that year (Xinhua, September 9, 2011; Hong Kong Service of Agence France-Presse, September 23, 2011). The PLA has not announced recruiting goals for college graduates since then, which could mean that goals are not being met even with the incentives and poor employment environment.

Leveraging Civilian and Military Educational Institutions

The PLA is recruiting college students and graduates in greater numbers than before, but possibly still not enough to meet their requirements. Other PLA programs may be providing additional talent. While the PLA is primarily targeting students in higher education, some programs select highly qualified candidates to receive higher education through joint civilian-military programs (Xinhua, August 1). The PLA is using educational opportunities as an inducement to attract qualified male and female high school graduates. The PLA Air Force (PLAAF) took the lead in 2011 to partner with Tsinghua University to train qualified students to become pilots. The "3+1" [1] training model includes three years at a civilian college followed by a year at a military educational institute. For example, the class of 32 "3+1" students at Tsinghua University will study at its School of Aerospace and Aviation for three years and then spend a year at the Air Force Aviation University (AFAU), followed up a year of advanced flight training. The PLA has also partnered with 19 civilian colleges and universities to train national defense students. In 2012 Beijing University and the Beijing University of Aeronautics and Astronautics (BUAA) began a program to train national defense students. These students reportedly will spend four years at the civilian universities and then two years at AFAU for flight and command training (China Military Online, June 28; July 27; September 20, 2011; Xinhua, June 28; PLA Daily, May 24, 2012).

Building on the PLAAF plan, the General Staff Department (GSD), General Political Department (GPD), and the MOE expanded the effort this year by initiating a joint pilot training program to allow high school graduates to study in both military educational institutes and civilian universities. The program seeks an innovative military-civilian integration model in order

to maximize resources to optimize training of student pilots. The first 87 candidates will train in military educational institutes such as the Naval Aviation College and AFAU, and Beijing University (25 students), Tsinghua University (32 students) and BUAA (30 students). The civilian universities will provide a basic education with the military educational institutes providing specialized education and flight training. Qualified graduates will be sent to aviation units in the ground forces, PLAAF and PLA Navy (PLAN) (China Military Online, July 5; Xinhua, July 5).

This year the MOE and the four General Departments (Staff, Political, Logistics and Armaments) began targeting juniors from top universities to join the military upon graduation to become military engineers as part of the “3+1” program. Select students undergo a 6-12 month study in military academies and schools, research institutes, high-tech units and armament production enterprises. The program will provide military and academic education and training, as well as possible eligibility for post-graduate study. The government notice stated that over 300 students will be selected this year for the new engineering program (China Military Online, July 10; Xinhua, July 10).

Conclusion

Taiwan and China represent two volunteer recruitment programs moving along opposite trajectories. The Taiwanese volunteer force program has been launched with a shorter preparation and implementation period, and a lack of funding to increase pay and other benefits for servicemen, combined with a general disregard for military service by civilians, resulted in failures to achieve recruitment goals even before the current uproar over Corporal Hung's death.

Hung's death in detention is further souring public opinion regarding military service and competence of the armed forces. This inability to reach recruitment goals leaves the status of the volunteer program in doubt, and operational readiness will continue to decline as active duty authorized strength cannot be met. Not all of the fault lies with the Taiwanese military for the, as legislators have failed to meet the military's stated minimum budgetary requirements. It is difficult to envision how the volunteer system can be saved without significant increases to volunteer pay

and benefits and a successful public relations campaign. A return to the old conscription system would appear equally difficult, considering the current state of public opinion regarding military service. Declining operational readiness and an increasingly hollow military will make it difficult for Taiwan to execute its stated defense strategy, will place Taipei in a position of weakness in its dealings with Beijing, and could leave Taiwan's defense reliant on the U.S. military.

Moving in the opposite direction, the PLA has chosen a gradual, multipronged approach to attract high quality volunteers. The slower approach, supported by adequate funding for increased pay, benefits and other inducements, also allows for reassessments and readjustments to improve the initiatives. The recent moves to recruit highly qualified students, with an emphasis on college students and graduates, appear to be achieving some success. Limited employment opportunities combined with inducements should allow the PLA to recruit better-qualified talent to support a growing high-tech force and complex operational theories. Increasing PLA capabilities will provide a greater range of options against Taiwan, whether coercive or direct military actions.

It is not clear whether recruitment goals for college students and graduates are being met, and poor student physical fitness is hurting recruitment, but it does appear that the PLA is moving forward as it relies to a greater extent on volunteers to man high-tech units, while the Taiwanese program appears to be in deep trouble.

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Notes:

1. There are variations such as “2+2” and “4+1” programs combining military and civilian education.

The Democratic Progressive Party's Defense Policy Blue Papers and the Opposition's Vision for Taiwan's National Defense

By Michael S. Chase

The Democratic Progressive Party's (DPP) "Defense Policy Blue Paper," could not have come out at a more opportune time for Taiwan's main opposition party. Less than a month after its June 6 publication, Taiwan's defense establishment was thrown into turmoil by the death of Corporal Hung Chung-Chiu, allegedly after abuse by his superiors. The ensuing controversy and protests, with estimated turnouts of tens of thousands of people, led to the resignation of two defense ministers in less than a week, presenting the DPP with an opening to criticize President Ma Ying-Jeou's handling of defense issues. The blue paper, a series of four documents prepared by the DPP's New Frontier Foundation, gave Chairman Su Tseng-Chang ammunition for speeches stressing the party's defense credentials to the Taiwan public and the United States.

When Su spoke about the Hung case, he highlighted the "New Three Faiths" (*xin san xinxin*), a formulation drawn from the blue paper that would update and modify the army's existing "Three Faiths," which tells soldiers to show loyalty to superiors, trust in subordinates and confidence in themselves as responsible, disciplined soldiers (*Taipei Times*, August 8). The new three faiths shift the emphasis to the army's external connections, stressing the goals of inspiring confidence in members of the armed forces, trust in national defense and reassurance among Taiwan's international partners.

The series of papers, which the New Frontier Foundation refers to collectively as the DPP's "Defense Policy Blue Paper," [1] represents not only the DPP's critique of President Ma's approach to Taiwan's national defense (for an independent critique, see Kevin McCauley's June 7, 2013 *China Brief* article), but also its vision of the defense policy the party would attempt to implement if its candidate wins Taiwan's next presidential election in 2016.

The blueprint is important not only as an outline of the DPP's defense policy, but also as an indicator of its attempts to strengthen its appeal domestically and internationally in advance of the 2016 presidential election. The DPP's policy blueprint clearly suggests some differences with the ruling KMT on national defense issues and it is explicitly critical of aspects of President Ma's approach, especially Taiwan's current level of defense spending, which is well below Ma's own goal of three percent of the island's GDP. At the same time, however, the DPP's policy papers reflect a number of broad similarities between the two parties and suggest some areas of potential common ground. What is perhaps the most interesting aspect of the blueprint, however, is that it appears to represent an effort to position the DPP as a party that is strong on national defense issues and a viable alternative to the KMT. The papers appear to represent part of the DPP's broader attempt to ensure that it will appeal not only to the voters who will decide its fate in upcoming elections, but also to policymakers and opinion leaders in the United States, which remains an essential source of political and military backing for Taiwan even in an era of unprecedentedly stable and constructive cross-Strait relations.

The DPP's Blueprint for National Defense

In comments it issued marking the release of the documents, the DPP highlighted the work of the New Frontier Foundation's Defense Policy Advisory Committee. The team responsible for producing the documents conducted more than a dozen meetings to gather insights and opinions from a broad range of military experts, including members of the Legislative Yuan (LY), former government officials, defense policy researchers and more than 30 retired general officers. DPP Chair Su Tseng-chang, who serves concurrently as President of the New Frontier Foundation, also highlighted the importance of the documents as a reflection of the DPP's attention to national defense issues. "This is the first time since the party's founding in which we have a dedicated unit to research on national defense," Su said. "Today, we are issuing four blueprints to show that the DPP is taking concrete actions to value Taiwan's national defense and its military."

The DPP's defense policy blueprint is composed of four separate papers: (1) *DPP's National Defense Agenda*;

(2) *Transforming the CSIST: Strengthening Indigenous Defense Research and Development* (CSIST refers to the Chung Shan Institute of Science and Technology, the organization with primary responsibility for defense research and development in Taiwan); (3) *An Accountable National Security Council*; and (4) *New Chapter for the Taiwan-U.S. Defense Partnership*. [2]

The first paper, *DPP's National Defense Agenda*, provides a broad overview of the DPP's defense policy. The paper highlights "a common misconception that, if our external environment has improved, Taiwan does not need to spend so much money on national defense." The paper cautions that this assertion is problematic, and states that Taiwan's national defense "reflects the existence of Taiwan as a sovereign state, the determination of our society to defend itself, and the responsibility of all citizens to share the burden of national defense." Furthermore, it cautions, "Letting sovereignty slip away often starts with national defense being overlooked. Thus any leader in Taiwan must clearly recognize the value of our national defense and lead the society and the people in building self-defense consciousness." [3] To strengthen Taiwan's national defense, the paper offers a number of recommendations, including:

- Increasing defense spending to three percent of Taiwan's GDP;
- Enhancing indigenous defense research and development capabilities (the main focus of the second of the four policy papers);
- Prioritizing information warfare, battlefield awareness, crisis response, infrastructure protection and joint operations capabilities;
- Accelerating weapon acquisition procedures and initiating a series of "leap-forward" modernization programs;
- Increasing the frequency of training and exercises;
- Deepening strategic dialogue, intelligence exchange and technology cooperation with other democracies;
- Working with other political parties to seek mutually agreeable solutions for the problems associated with

Taiwan's transition to a voluntary military service system;

- Strengthening the military's capabilities for non-combat operations, such as disaster relief, epidemic prevention and fishing protection; and
- Emphasizing further organizational and institutional improvements to enhance the effectiveness and accountability of Taiwan's national security and defense agencies.

The paper provides at least somewhat more detailed proposals in many of these areas. For example, with respect to Taiwan's defense budget, the paper warns that a deficient defense budget "has already seriously affected military acquisition and readiness," and calls on the Ma administration to "increase the defense budget at once." The paper promises that when the DPP returns to power, it will work to raise the defense budget to three percent of Taiwan's GDP and "significantly increase acquisition expenditure." [4]

The second paper, *Transforming the CSIST: Strengthening Indigenous Defense Research and Development*, articulates the DPP's vision for the organizational transformation of CSIST. The paper states that the DPP has long advocated attempts to "actively strengthen [Taiwan's] defense science and technology (S&T) for indigenous weaponry research and development (R&D)." According to the paper, this is now more important than ever, because of growing Chinese pressure to halt or at least limit foreign arms sales to Taiwan. As the authors put it, "Foreign acquisition will become more difficult after the rise of China," and this places a premium on strengthening indigenous defense R&D. Consequently, according to the paper, "The need for indigenous weaponry R&D will further elevate the significances of the CSIST."

To respond to the challenge posed by China's vehement opposition to any foreign arms sales to Taiwan, the authors of the paper recommend that CSIST should spin-off its dual-use technology and engage in commercial markets to obtain more funding for its operations. At the same time, however, they indicate this must not risk of diluting CSIST's focus on its core mission: defense research and development. Accordingly, CSIST should also concentrate on integrating S&T advances from the

civilian sector and capitalizing on “spin-on” opportunities to improve its capacity for advanced weaponry R&D. Furthermore, the paper argues that at least three percent of the annual defense budget should be allocated to science and technology development. In addition, the paper urges that even after the reorganization of CSIST, it should still maintain a close relationship with the MND. Specifically, according to the paper, the MND “should effectively guide the CSIST” to ensure its focus on “fulfilling its core national defense missions.”

The third paper, *An Accountable National Security Council*, proposes a number of reforms to correct what it characterizes as a lack of accountability, inadequate legislative supervision, functional shortcomings such as problems with interagency coordination. According to the paper, “bold reform is needed” to effectively cope with the challenges Taiwan faces in an increasingly complex security environment. The report offers recommendations that are intended to optimize the organization of the NSC and strengthen its ability to make, coordinate, integrate and implement Taiwan’s national security policy. For example, the paper calls for Taiwan’s NSC to produce a report on Taiwan’s national security strategy within six months after every presidential election. The paper also proposes that the NSC “by law, should be under the supervision of the Legislative Yuan,” and that the NSC Secretary General should be required to “report to the legislature and be questioned by legislators” about the conclusions of NSC meetings and “vital policy decisions.” The paper indicates that this initiative is required “to demonstrate accountability in [Taiwan’s] democratic system.”

The fourth paper, *New Chapter for the Taiwan-U.S. Defense Partnership*, reviews the U.S.-Taiwan security relationship in the context of the U.S. “rebalance.” The paper highlights Taiwan’s security relationship with the United States as “one of the backbones of [Taiwan’s] national security.” Furthermore, it states that the U.S.-Taiwan partnership “should be regarded as a crucial asset in the U.S. pivot strategy.” The paper also calls for increased U.S. arms sales to Taiwan to balance China’s growing military capabilities. In addition, it emphasizes the importance of “non-hardware” cooperation between the two sides. Specific recommendations include strengthening high-level security dialogues, expanding U.S. training programs

for Taiwanese military personnel and stepping up cyber security cooperation.

Assessing the Implications for Taiwan’s Defense Policy and U.S.-Taiwan Relations

The DPP’s defense policy blueprint appears to reflect some differences between the two parties, and it explicitly criticizes aspects of the KMT’s defense policy, such as the current level of the defense budget and the problems encountered in the transition to an all-volunteer military. [5] Yet there are some notable similarities between the DPP’s preferred approach and the current defense policy of President Ma Ying-jeou. For example, the defense policy blueprint stresses encouraging innovation and states that Taiwan needs to develop asymmetric weapons as well as “novel and alternative ideas” for the defense of Taiwan. This appears to track very closely with the MND’s current emphasis on “innovative and asymmetric approaches” to Taiwan’s defense. Moreover, the blue papers call for a bipartisan approach to national defense issues. For example, the first paper, *DPP’s Defense Agenda*, calls for bipartisan cooperation that goes “beyond the parochial interests of any political party.” Along similar lines, when commenting on the release of the defense policy reports, DPP Chair Su emphasized that national defense should be a bipartisan undertaking and that defense policy should rise above the narrow interests of any political party.

More broadly, the DPP’s defense policy blue papers should be seen as aimed at serving several purposes, including building its image as a responsible opposition party that advances thoughtful critiques of ruling party policies, refining its thinking about defense policy issues in advance of the 2016 presidential campaign, differentiating its approach from that of the KMT and persuading voters in Taiwan that it is more capable of ensuring Taiwan’s national defense than the ruling party, and convincing U.S. officials and analysts that the DPP is serious about defense and has a vision it can translate into action if it regains the presidency in 2016.

The DPP clearly attaches considerable importance to all of these objectives. Assuming that most voters in Taiwan will make their decisions on the basis of economic and domestic policy issues rather than defense policy, however, perhaps one of the DPP’s most important

aims in emphasizing its national defense credentials is to serve its broader effort to strengthen its image and improve its relations with analysts and officials in the United States. [6] Accordingly, it was not surprising that national defense was one of several important themes DPP Chair Su Tseng-chang emphasized during his June 2013 visit to the United States, which included stops in Washington, DC and several other cities. [5] Speaking at the Brookings Institution during the visit, Su said: “In the past few years, the cross-strait military imbalance has become more serious, but Taiwan’s investment in defense is growing smaller. It is time for us to demonstrate that we are serious about our own defense. I would like to urge you to look at my track record again when I was serving as Taiwan’s Premier. Despite all difficulties, the defense budget reached 2.7% of GDP in 2007, and 3% in 2008.” Furthermore, Su stated that even though it is currently the opposition party, “the DPP is serious, and I am serious, about Taiwan’s defense. I guarantee you: the future DPP government will be fully committed to Taiwan’s self-defense.” [6]

Increasing the defense budget to a level sufficient to cover Taiwan’s transition to an all volunteer military, fully fund major force modernization initiatives and adequately support needed maintenance and training is clearly essential. The DPP’s proposal to increase defense spending to 3 percent of GDP is therefore likely to win praise from many observers in the United States as well as in Taiwan, but at the end of the day the exact percentage of GDP spent on national defense is a largely symbolic issue. Although the percentage of GDP devoted to defense has come to be seen as a reflection of the government’s commitment to Taiwan’s national defense, what is more important than the exact amount of money allocated to the defense budget is how wisely Taiwan spends its limited resources to strengthen its deterrence and defense capabilities. Charting a path forward will require not only creative thinking on the part of the KMT and DPP, but also a willingness to work together on national defense issues despite their political differences.

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Defense.

Notes:

1. See Democratic Progressive Party, “DPP’s Think Tank Announces Defense Policy Blue Paper,” June 6, 2013, <http://dpptaiwan.blogspot.com/2013/06/dpps-thinktank-announces-defense-policy.html?utm_source=BP_recent>.
2. All four documents are available on the DPP’s website. The first document and the forwards of the other three documents are available in English translation, presumably reflecting the fact that they are intended at least in part for international readers, especially analysts and decision-makers in the United States.
3. For an overview of President Ma’s major national defense policy initiatives, see *Taiwan Quadrennial Defense Review 2013*, Ministry of National Defense, 2013, <<http://qdr.mnd.gov.tw/encontent.html>>; and National Defense Report Editing Committee, *2011 Republic of China National Defense Report*, Ministry of National Defense, August 2011, <<http://2011mndreport.mnd.gov.tw/index.html>>.
4. Underscoring the importance the DPP attaches to strengthening its relations with officials and analysts in the United States more broadly, the DPP recently opened a Washington, DC office. The DPP’s press release on the establishment of the party’s Washington, D.C. office indicated that it will operate under the official name of the Taiwan Democratic Progressive Party Mission in the United States. Dr. Joseph Wu, who serves as the Executive Director of the DPP’s Policy Research Committee, will also be the DPP Representative to Washington, DC, though he will continue to be based primarily in Taiwan. See Democratic Progressive Party, “DPP Inaugurates Washington, DC Office,” June 17, <<http://dpptaiwan.blogspot.com/2013/06/dpp-inaugurates-washington-dc-office.html>>.
5. For an overview of Su’s trip, see DPP Department of Foreign Affairs, Democracy and Progress, June,

<<http://www.scribd.com/doc/151621888/DPP-Newsletter-June2013>>.

6. For the full text of Su's remarks, see Su Tseng-chang, "A New Partnership for a New Age: Strengthening U.S.-Taiwan Relations," Speech at the Brookings Institution, Washington, DC, June 13, <<http://dpptaiwan.blogspot.com/2013/06/chair-su-tseng-changs-remarks-at.html>>.

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