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**In a Fortnight**

By David Cohen

**CHINA CRITICIZES AMERICAN ACTION ON SYRIA, BUT SHOWS LITTLE INTEREST IN THE RESULT**

In the telling of China's official media, the proposed U.S. strike on Syria is a war in search of a pretext, yet another instance in a line of American aggression running from James K. Polk through George W. Bush and into the present administration (People's Daily Online, September 9). In truth, the real target of the campaign is not Syria but Iran, People's University Professor Yan Jincong said in an interview with the People's Daily, and while the current chemical weapons talks may delay the strike, they cannot prevent it (September 12).

China has been intensely critical of proposed U.S. military action in Syria, and the crisis has pitted the country against China and Russia in a political standoff. However, unlike Russia, China does not appear to believe that it has any direct interests in the issue, and seems more concerned with upholding the principle of unlimited sovereignty in internal affairs and protecting its own reputation. The Chinese government has attempted to portray itself as a neutral party interested only in finding a political resolution, and it seems to be doing so more effectively than in its response to previous Arab Spring conflicts. While both China and Russia are consistent opponents of American military intervention, this issue demonstrates that they are not a "bloc"—in fact, based on their actions and rhetoric on Syria, their perspectives seem to be farther apart than ever. Russia appears to view Syria as a square in a global game of chess played between it

and the United States, and has placed itself firmly behind the incumbent Assad regime, attempting to influence the outcome of the civil war through arms sales, and sending warships to the coast of Syria in an apparent response to the threat of U.S. attack. China, meanwhile, has made efforts to frame its opposition to the strike as constructive criticism, with President Xi Jinping reportedly taking aside Barack Obama at the recent G20 meeting to tell him that “a political solution is the only way to solve the conflict, and that a military strike cannot solve the problem’s root causes”(Xinhua, September 7).

China’s official media coverage has framed the issue as a debate between the United States and Russia, with China a (sternly critical) bystander. A *People’s Daily* report on the crisis’s effect on “Great Power relations” mentioned China only briefly in the context of energy security, while “World Cube” (*Huanqiu Lijiangwei*) a new Xinhua daily foreign affairs channel, listed Russia and Iran as the main countries supporting the Syrian regime (*People’s Daily*, September 10; Xinhua World Cube, September 9). China’s famous hawk commentators Luo Yuan and Dai Xu have not appeared in stories on Syria.

Official statements from the foreign ministry have avoided highly quotable denunciations, but Foreign Ministry spokesman Hong Lei has repeatedly stressed China’s view that intervention without the approval of the UN Security Council is “against international law and the basic norms of international relations” (Xinhua, September 11). Meanwhile, media directed at an internal audience have depicted the United States as an aggressor with a history of manufacturing pretexts to invade foreign countries<sup>7</sup>—one article reprinted in People’s Daily Online compares the Syrian crisis to the 2003 invasion of Iraq, the Spanish-American War and the Mexican-American War, complete with pictures of Presidents George W. Bush, William McKinley and James K. Polk (People’s Daily Online, September 9). They have also heavily criticized the U.S. decision-making process, describing Obama’s approach as “getting on the bus first and buying the ticket later,” and, in the inimitable *Global Times*, complaining that “the United States is giving a strike no more thought than cracking a walnut (People’s Daily Online, September 9; *Global Times*, August 30).

But China has not come out as a strong supporter of Syrian president Bashar al-Assad. As the U.S. Congress

debated the strike, China received a delegation from a Syrian group called the National Dialogue Forum, which it described as a representative of Syria’s non-violent opposition, highlighting the visit at the September 10 Foreign Ministry Press Conference (Xinhua, September 10). This stands in sharp contrast to China’s vocal support of the incumbent governments in the civil wars in Libya and Sudan a few years ago, and suggests that China’s foreign policy apparatus has learned a lesson. In Libya and Sudan, China became identified with the regime, forcing it to scramble to establish ties with the new governments of Libya and South Sudan in order to protect its economic interests in those countries. With Syria, China appears to be trying to hedge its bets.

Nor does there appear to be an official line on the fate of the Assad regime itself. In contrast to the Libyan and Egyptian revolutions, during which Chinese official media went to great lengths to depict the opposition as disorganized and illegitimate rabble, Chinese media have given the course of the Syrian war bland and neutral coverage, while praising calls for negotiation from both sides at different points (Xinhua, February 11, August 5). There has been little commentary on the fate of Bashir al-Assad, and what there is does not suggest official instructions—it ranges from warnings about the bloodthirstiness of the rebels to a surprising suggestion in the *China Youth Daily* that, while fighting the West might “display his personal heroism,” Assad should step down to spare his people further suffering (Xinhua, August 4; *China Youth Daily*, September 7).

While China remains firmly opposed to almost all military intervention in internal conflicts, its actions and rhetoric on Syria are, if anything, milder than in recent comparable events. The substantial gap between China’s approach and Russia’s should give pause to analysts inclined to describe the two countries as a bloc, and suggests that China is not especially concerned with preventing a strike, but rather with establishing norms that it can call upon to reject international intervention in a conflict in Tibet, Xinjiang or Taiwan.

*David Cohen is the editor of China Brief.*

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## Legal Reform in China: An Empty Ritual

By Willy Lam

The sensational trial of former Chongqing party secretary and Politburo member Bo Xilai—and growing speculation that former member of the Politburo Standing Committee (PBSC) member Zhou Yongkang may be under investigation for corruption-related offences—has focused the world's attention on Chinese-style rule of law. While senior cadres claimed that substantial improvements have been made to the transparency and fairness of the law-enforcement and judicial system, there is little reason to believe that the Chinese Communist Party (CCP) administration is willing to allow due process to trump political expediency.

Beijing has touted the trial of the 64-year-old Bo last month as evidence of improvements in government transparency in general and the rule of law in particular. “The Bo trial underscores China’s resolve for rule of law,” Xinhua News Agency wrote in a commentary after the five-day court event. “With the detailed proceedings microblogged live, the trial was a direct and strong response to reports that have been bashing China’s political and legal systems,” Xinhua noted. *Guangming Daily* claimed that the Bo trial had showcased “a judicial system that is under the sunshine.” “The new central leadership collective is self-consciously [implementing] rule of law and anti-corruption measures,” the official paper said. “The authorities are using the mentality of rule of law and methods [consistent with] rule of law to fight corruption,” added the *People’s Daily* (Xinhua, August 28; *People’s Daily*, August 26; *Guangming Daily*, August 24).

Zhou Qiang, the new President of the Supreme People’s Court, has made repeated efforts to raise the low esteem with which the Chinese judiciary is held inside and outside of China. “Transparency is our general principle—and non-transparency an exception,” Zhou said at a conference of senior judges in July. He added that the courts would uphold the law with the utmost vigor and that judicial fairness would be safeguarded. “We must ensure that every case is judged well, and particular attention will be given to complex, controversial and sensitive cases,” he indicated. “Even if the courts come out with only one misjudgment out of 10,000 cases, this will result in

100 percent injustice for the people involved,” he added (*People’s Daily*, July 5; Xinhua July 5).

Equally significant was the pledge made by the Politburo member in charge of the Central Political-Legal Commission (CPLC), Meng Jianzhu, that his powerful organ would not interfere with judicial procedures. The CPLC is in charge of the nation’s police, prosecutor’s offices and courts. At a nationwide meeting of law-enforcement officials held earlier this year, Meng, a former Minister of Public Security, pledged that the CPLC would not interfere with individual cases, and that procuratorial and judicial units would be given full independence in enforcing the law. “China is a big country with 1.3 billion people,” Meng pointed out. “The most fundamental guarantee of clean governance, social equality and stability is the rule of law” (*Southern Metropolitan News*, July 14; Sina.com, July 14).

Even more noteworthy were the statements made by President Xi Jinping about the rule of law with Chinese characteristics. Xi has on at least two occasions after becoming party chief at the 18th CCP Congress last November underscored the imperative of upholding the Constitution and the law. “We must seriously implement the law,” he said at a Politburo meeting devoted to legal and judicial issues. “There must be a fair judicial system, and all citizens must abide by the law.” He noted that “all organizations and individuals must conduct themselves within the parameters of the law.” And in a late 2012 speech marking the 30th anniversary of the promulgation of the 1982 Constitution, Xi said that “no organization or individuals has the special privilege of overriding the Constitution and the law,” “All actions that run counter to the Constitution and the law must be held to account,” he added (Xinhua, February 24; China News Service, December 4, 2012).

A closer examination of Xi’s statements, however, shows that he is hardly an advocate of decoupling law from politics. While talking about the Constitution, Xi stressed that “safeguarding the authority of the Constitution means safeguarding the authority of the joint will of the party and the people.” Following the long-standing principle that it is the party that provides guidance in formulating the Constitution and the law, Xi ended his talk on the Constitution by indicating that “we must insist upon the correct political orientation” and “we must



insist upon the Party's leadership" (Xinhua, December 4, 2012).

The apparent contradictions between Xi's pledges about the supremacy of the Constitution and the law on the one hand, and the imperative of party leadership on the other, can be explained by the fact that it is made clear in the preamble of the Constitution that all Chinese should observe "the leadership of the CCP and the guidance of Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory." It is also a ritual for the party leadership to state its respect for the Constitution and the law on important occasions. In December 2002, former general secretary Hu Jintao also underscored his administration's strict adherence to the Constitution on the 20th anniversary of the promulgation of the supreme charter (CCTV News, December 4, 2002; Xinhua, December 4, 2002). Despite Xi's apparent conservatism, public protestations of respect for the law is deemed an essential element of his image building.

That the Xi leadership may not translate its rhetoric into action is evident from the fact that major party mouthpieces have in the past few months run commentaries attacking the idea of *xianzheng* or "constitutionalism" as the term is usually understood in the West. For example, the theoretical journal *Party Building (Dangjian)* recently published an article claiming that "the goal of constitutionalism is to abolish the leadership of the Communist Party and to subvert the socialist administration." Last month, the *People's Daily* ran a commentary arguing that *xianzheng* was a propaganda tool whereby the United States sought to "globalize American liberal economics and legal system" (*People's Daily*, August 5; *Dangjian*, May 30). "Independence of the judiciary" is one of the seven "unmentionables" or taboo subjects that, according to an internal CCP document, should not be talked about in either the classroom or the media. (See "China's Reform Summed Up: Politics, No; Economics, Yes (Sort of...)," *China Brief*, May 23).

Moreover, it is clear that the downfall of Bo—as well as his show trial—was the product of political intrigue rather than an exercise in Chinese-style rule of law, as the party's CCP spin doctors have made it out to be. Bo, who harbored ambitions of making the PBSC at the 18th Party Congress, lost a power struggle with ex-President Hu Jintao and ex-premier Wen Jiabao. He also ran afoul

of then-vice-president Xi, who feared that Bo was after his job. Given the fact that Bo, the son of revered party elder Bo Yibo, enjoyed the support of party elders such as Jiang Zemin, however, the Xi administration took special care in handling his case. Thus Bo was only accused of corruption and embezzlement amounting to 26 million yuan. These ill-gotten gains were mostly provided by two businessmen—Xu Ming and Tang Xiaolin—who first got to know Bo when he was mayor of Dalian in the 1990s. The authorities chose to ignore the huge funds that Bo and his cronies allegedly confiscated from Chongqing businessmen who were arrested and tortured over dubious charges of being mafia bosses (*Ming Pao*, August 22; *Wen Wei Po*, August 22; *South China Morning Post*, August 21).

The way the Bo trial was conducted seems to fit a long-standing but unpublicized convention within the CCP: that serving and former Politburo members would not get a jail term of more than 20 years irrespective of the severity of their felonies. The two previous Politburo members who were incriminated after the Cultural Revolution, former Beijing party secretary Chen Xitong and former Shanghai party boss Chen Liangyu, were jailed for 16 and 18 years, respectively (*Ta Kung Pao*, August 22; *Asian Wall Street Journal*, August 20). And despite the availability of a live microblog feed, the five-day court proceedings were less transparent than official media made it out to be. For example, sensitive statements made by Bo—that he did not covet the position of prime minister and did not aspire to be "China's Putin"—were not released to the public (*Apple Daily* September 30; *Hong Kong Economic Journal*, September 30).

How about the rumored investigations of former PBSC member Zhou, who was party secretary of Sichuan Province and general manager of China National Petroleum Corporation (CNPC) before becoming Meng's predecessor as CPLC Secretary in 2007? Zhou has not appeared in public since the 18th Party Congress. Moreover, two of his cronies in Sichuan—former deputy party secretary Li Chuncheng and former vice-governor Guo Yongxiang—have been detained for alleged economic crimes. And five CNPC executives including former chairman Jiang Jiemin, who is regarded as a Zhou protégé—came under investigation for "serious disciplinary violations" last month (Caixin.com September 1; *South China Morning Post*, September 1). Yet

whether Zhou will eventually be prosecuted appears to hinge on political—not legal or judicial—considerations. There is a well-understood “mutual protection clause” for China’s most powerful politicians; serving and former PBSC members are not subject to criminal prosecution (*Ming Pao*, September 3; Hong Kong Economic Journal, September 2; Reuters, September 2).

The dominance of politics over the due process of the law is also evidenced by the large number of lawyers—especially rights-defense lawyers—who have been detained and prosecuted in the past year. Since the spring, at least 100 lawyers and NGO activists have been harassed or arrested for reasons ranging from publicly supporting “constitutionalism” to defending dissidents. And even as Beijing claims that it is using legal means to crack down on graft, police have arrested at least 20 lawyers and bloggers who have exposed the corrupt practices of senior cadres. These include prominent attorney and lecturer Xu Zhiyong as well as members of the New Citizens’ Movement, which has called upon Beijing to enact a “sunshine regulation” obliging senior officials to publicize their assets as well as those of their close kin (*Christian Science Monitor*, July 17; VOA Chinese Service, August 8; China Human Rights Defenders website, August 4).

Apart from the traditional issue of the party dominating law-enforcement processes, the judiciary has suffered from the dearth of qualified professional judges. While the current President of the Supreme People’s Court Zhou has a master’s degree from the well-regarded Southwestern University of Law and Politics, his predecessor Wang Shengjun was a career police officer who lacks any law credentials. (*China Daily*, July 5; *South China Morning Post*, April 4). The professional aptitude of many regional-level judges appears questionable. Among the presidents of the people’s high courts of China’s 31 major administrative districts, only 11 have degrees from law schools. 13 top regional judges boast diplomas from party schools of different levels—but not degrees from fully-fledged universities. Only one of them, Ma Xinfeng, the female President of the Fujian People’s High Court, is a lawyer. In terms of professional background, only ten have risen through the ranks of the judiciary. Two used to work in the procuratorate, two in the political-legal commissions and three are former police officers. The other top local judges come from a variety of

backgrounds. For example, four are former cadres in regional-level party or government departments, four were specialists in “work with the masses”, and two were senior staff in the railway system (*Ta Kung Pao*, August 14; Chinacourt.org, February 2).

Even more debilitating an embarrassment to China’s judicial system is the venality and apparent immoral lifestyle of many judges. One of the most sensational news stories of the year was that four senior judges of the Shanghai People’s High Court, including Chen Xueming and Zhao Minghua, respectively Chief Judge and Deputy Chief Judge at the city’s No. 1 Civil Tribunal, were fired for “serious disciplinary violations” after local businessman Ni Peiguo, who thinks he was a victim of a misjudgment in the Shanghai courts, posted videos of the four cavorting with prostitutes in a local hotel. More reports on the Internet indicated that the four had also amassed huge assets through illegal means (*People’s Daily*, August 9; Ifeng.com, August 4). Less than a month after this episode, Cui Yadong, the acting President of the Shanghai People’s High People’s Court was accused of assorted economic crimes when he was Head of the Police Department of Guizhou Province from 2008 until early 2013. Seventy of his subordinates in the Guizhou police force posted an Internet petition accusing Cui of misdemeanors, including embezzling more than 30 tonnes of expensive Mao Tai liquor during his tenure in the province (Radio Free Asia, August 16; *Apple Daily*, August 16).

According to President Xi, “running the country according to law” and a fair judicial system are integral to the realization of the “China Dream.” As the *Procuratorial Daily* pointed out in a recent commentary, “a just legal and judicial system provides a strong guarantee [for the attainment] of the China dream. “We must expand democracy within the judicial system,” the official paper indicated. “We must push forward judicial transparency and raise the [professional] ability of the judiciary.” (*Procuratorial Daily*, May 14; Xinhua, March 17) Given that Xi has fulfilled to some extent his earlier pledge that “both tigers and flies” among corrupt cadres would be nabbed, the authority and power base of the president has been consolidated. The wide gulf between what the likes of Zhou Qiang, Meng Jianzhu and President Xi have promised in terms of legal and judicial liberalization and the harsh reality seems to suggest that what the Xi

leadership is interested in is not reform itself but tighter control of the legal-political apparatus now that Zhou Yongkang and his cronies have been elbowed aside. There is after all a long tradition of a CCP faction on the ascendancy—in this case the Xi-led Politburo—getting rid of its opponents—in this instance Bo and Zhou—in the name of high-sounding principles such as social justice and judicial fairness.

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## China's Energy Development in the East China Sea

By James Manicom

China is doubling down on its hydrocarbon resource development in the East China Sea. The China National Offshore Oil Corporation (CNOOC) wants to double overall oil and gas production to 100 million metric tons per year by 2020 (*Petroleum Economist*, October 2012). CNOOC's first licensing round in June 2012 triggered a diplomatic crisis with Vietnam because the nine blocks offered were located in Vietnamese claimed waters in the South China Sea. Three blocks in the East China Sea were included among the 26 CNOOC opened for bids the second round of licensing in August 2012 (*Platt's Oilgram*, August 29 2012). Furthermore, CNOOC recently announced plans to begin production at seven existing fields in the East China Sea (Reuters, July 17 2013). Amidst recent tensions with Japan over the Senkaku/Diaoyu islands it is worth taking stock of China's offshore resource development efforts and assessing the impact on relations with Japan.

## China's Resource Development in the East China Sea

China opened the East China Sea for exploration in 1994 following its shift to net oil importer status in 1993. Despite early prospects for oil, natural gas is the most commercially viable hydrocarbon. According to CNOOC, proven gas reserves in the East China Sea are 300 billion cubic feet (Bcf), while oil reserves sit at 18 million barrels. Production at the Pinghu field began in April 1999 with gas piped to Shanghai and Ningbo. The field is wholly Chinese operated, with 40% ownership with the operator Shanghai Gas and Oil Company and the remainder split equally between Sinopec and CNOOC subsidiary Donghai Oil. Pinghu has total proven reserves of 26 Bcf of gas and 2.4 million barrels of oil. [1] Natural gas production at Pinghu peaked at 40 million cf per day and has declined. The operator announced the discovery of an additional 176.6 Bcf of natural gas and 9.5 million barrels of oil in October 2010 that is expected to reach markets by 2014 (*Platt's Oilgram*, November 15 2010).

The Chunxiao field is located 70 km southeast of the Pinghu field and has been co-owned by CNOOC and Sinopec since September 2004, after UNOCAL and Shell withdrew from the project. Chunxiao is composed of four primary fields: Chunxiao, Can Xue, Duanqiao and Tianwaitian. As of April 2007, Tianwaitian produced 17.65 million cf of gas per day. Ambiguity persists as to whether CNOOC is producing, or has ever produced, gas at Chunxiao. A CNOOC executive said production was ongoing in February 2010 (*Platt's Oilgram*, February 3, 2010).

Other fields under development in the East China Sea include Baoyuting and Wuyunting, which are directly north of Pinghu, and the Longjing field, located farther north. No commercial discoveries have been made at these three fields. Not all fields are in disputed waters, however. Gas production at Pinghu has been noncontroversial, although Japan considered protesting work there in 1996. Indeed, the Asian Development Bank helped fund the construction of the pipeline to Ningbo. Two independent oil companies operate in the East China Sea in partnership with Chinese state oil companies. Primeline Energy, a small Chinese company, has been active in the Lishui basin, approximately 91 nautical miles (nm) off the coast of Wenzhou, and has made commercial discoveries there.



Husky Oil, a Canadian firm, operates one field in the East China Sea. International expertise was integral when China opened the East China Sea for bids, but CNOOC is no longer reliant on foreign capital or technology to produce gas in the East China Sea.

### Competing Claims in the East China Sea

Japan and China have overlapping maritime claims in the East China Sea. China claims a 200nm Exclusive Economic Zone (EEZ) and has recently submitted evidence to the relevant UN organization to support its claims to an extended continental shelf as far as the Okinawa Trough (*China Brief*, July 9 2009). Japan claims a 200nm EEZ, but its 1996 EEZ law notes that a median line will mark its limit should its claims overlap with those of another state.

Tensions erupted when Japan discovered the drilling platform at Chunxiao in 2004 and protested on the grounds that there was potential for resources to be siphoned off the Japanese side of the median line, located approximately 5km away. China retorted that the Chunxiao field is located in Chinese waters and that the waters east of Japan's median line are disputed. [2] According to Japanese scholars the median line was never supposed to be a final boundary, simply a starting point for negotiations. [3] Indeed, the precise coordinates of the line have not been specified. Japanese officials recognize that this has not been communicated well. Much of the media and most pundits and scholars assume that Japan's EEZ claim extends only as far as the median line. In claiming jurisdiction as far as the median line, rather than the 200nm limit, Japan effectively conceded part of its maritime claim to China.

However, Japan has since moved to a 200nm EEZ claim, which has complicated the politics surrounding the dispute. Foreign Minister Matsumoto Takeaki reportedly conveyed a 200nm EEZ claim to Yang Jiechi during his visit to China in July 2011. [4] This expanded claim alters the basis of Japan's opposition to Chinese resource development projects near the median line. This modified claim places Chunxiao, and its related fields, well within disputed waters. The concern now is not just that Japanese resources are being tapped, but that China is exercising EEZ jurisdiction in Japanese-claimed waters. As part of this shift, Japanese leaders started protesting

Chinese progress at all fields near the median line, including Tianwaitian in addition to the Chunxiao field (Kyodo News, March 8 2011; Associated Press, February 1 2012).

### The 2008 Consensus on Resource Development

Following four years of threats and negotiations, Japan and China announced a consensus on resource development in the East China Sea on June 18 2008. The consensus allowed Japanese companies to enter the Chunxiao project under Chinese law and created a 2700km<sup>2</sup> joint development zone (JDZ) that straddles the median line. Implementation talks have been hamstrung by the deterioration of bilateral relations following the collision between a Chinese fishing trawler and a Japanese Coast Guard vessel. However, it is worth noting that confusion about Japan's claims have muddied each party's interpretation of the consensus, which limited progress on talks prior to the September 2010 crisis.

The consensus does not mention other gas fields near Chunxiao; it merely calls for nonspecific continued consultations. Japanese leaders interpreted this as a Chinese commitment to cease operations at Tianwaitian and other fields pending further talks. [5] When China continued to produce gas at Tianwaitian, Japan protested (*Platt's Oilgram*, January 6 2009; January 19 2010). China argued that, as Tianwaitian was outside the scope of the consensus, it was perfectly acceptable to proceed with development.

In a further product of the shift to a 200nm EEZ claim, Japanese enthusiasm for the first clause of the consensus has waned because the clause effectively concedes jurisdiction to China. CNOOC began making upgrades to the Chunxiao field in July 2009, arguing that no bids were forthcoming from Japanese companies. After winning power in September 2009, the DPJ government accused China of violating the agreement after Japanese Maritime Self-Defense Force (MSDF) patrol flights reported that it appeared that the Chunxiao field was producing gas (*Petroleum World*, December 9 2009). Japanese Foreign Minister Okada Katsuya subsequently stated that Japan would take "appropriate measures" if China continued to exploit gas at Chunxiao (Kyodo News, January 18 2010).

This series of events triggered a very public disagreement

about the terms of the consensus. In January 2010, the Chinese Foreign Ministry pointed out that there were distinct terms used for the arrangement: *Hezuo kaifa* (cooperative development) implies one party participating in the project of another while *gongtong fazhan* (joint development) implies that sovereignty is shared between the two parties. [6] The Chunxiao gas field was subject to cooperative development. Japan has refused to recognize Chinese sovereignty over the Chunxiao field despite the fact that the first clause implicitly recognizes Chinese sovereignty over it as part of its 200nm EEZ claim. According to one Chinese official, many in China interpreted these protests as an attempt by Japan to change the terms of the June 2008 consensus. [7] Japan's shift to a 200nm claim is typically interpreted as an effort to better protect its claimed maritime space. However skeptical analysts have become about China's sincerity in implementing the agreement, the vagaries of Japan's maritime claims, combined with tensions over the islands in 2010 have given China the pretext to walk away from implementation negotiations.

### Implications for China-Japan Relations

The recent announcement of new blocks on offer in the East China Sea likely reflects CNOOC's continued imperative to compete with PetroChina for a share of the growing natural gas market in Eastern China. Last year marked the first year that CNOOC held two rounds of licensing, making it likely that the first round, composed of only nine blocks located in Vietnamese-claimed waters leased to international oil companies, was politically motivated. Under a recently released plan, CNOOC approved funding for seven new fields in the East China Sea including, Huangyan II and Pingbei. The location of the fields will prove controversial. CNOOC recently began planned upgrades at Huangyan I, located 26km west of Japan's median line, which sparked a Japanese protest on the grounds that the field was within Japan's 200nm EEZ (Kyodo News, July 3 2013). CNOOC has long considered Huangyan as part of the Chunxiao and Tianwaitian development [Reuters, December 28 2001] and the delays in its development likely reflect both political concerns and uncertainties about the resource base. Because Huangyan II is adjacent to Huangyan I, it will likely elicit a Japanese protest if development begins. Pingbei is adjacent to the Pinghu field and has been described as located in an "uncontested area" of the East

China Sea (Reuters, July 17 2013).

Japanese leaders have not specified what measures, if any, they would take if China continued to produce gas in Japanese claimed areas. Japan has tolerated Chinese gas production in disputed areas of the East China Sea to this point despite China's improvements to Chunxiao, which are at minimum inconsistent with the spirit of the consensus. However, Tokyo has not repeated its 2005 threats to drill in the East China Sea. Nevertheless, there have been numerous confrontations and close calls between MSDF vessels and Chinese coast guard and navy ships in the East China Sea. News that the seven new fields were being opened sparked renewed Japanese interest in exploring the median line area, according to Reuters (July 18 2013).

Despite appearances to the contrary, resource development does not drive Chinese behavior in the East China Sea, or elsewhere. East Asia's proven offshore natural gas reserves are a fraction of the region's energy demand. According to BP, the Asia-Pacific region consumes 39 percent of global energy, but has less than eight percent of global gas resources (British Petroleum, 2012). Furthermore, contested jurisdiction can delay or even prevent commercial exploitation. Therefore, despite all the politics surrounding resource development, resources are only one part of the East China Sea dispute. CNOOC recently downgraded its production expectations for its East China Sea holdings and conversations with energy analysts in the Japanese government reveal a profound pessimism about the commercial viability of East China Sea gas, particularly when weighed against imported Liquefied Natural Gas.

Rather, Beijing perceives resource development as a manifestation of the economic rights afforded by the EEZ. It therefore needs to be understood as the same rationale as fisheries bans, detaining fishermen from other countries, and protecting Chinese fishermen from other claimants' authority. Importantly, this understanding is not limited to China. Japan threatened to drill in the East China Sea in 2005 as part of the exercise of its own EEZ jurisdiction and this was likely not far from the minds of Vietnamese leaders when PetroVietnam entered into contracts with foreign companies in Chinese claimed waters. Tensions over resource production are ultimately a manifestation of a wider legal and political dispute,



rather than driver of conflict in and of itself.

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5. Discussion with Japanese official, Tokyo, July 4 2011.
6. “China Emphasizes Sovereignty Over Chunxiao Oil and Gas Field, Opposes the Saying of Joint Development,” *Zhongguo Xinwen She*, January 19 2010.
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## Russo-China Naval Exercises: Dragging Moscow into China’s Territorial Disputes?

By Stephen Blank

From July 5 to 12 the Chinese and Russian navies participated in a joint exercise called “Joint Sea 2013.” This was the first of two exercises conducted by these two militaries in 2013, the second being a ground forces exercise with a Central Asian element, conducted from July 27 to August 15. Despite protestations from China that the drill was not directed at any third party, Japan and the United States responded to the naval exercise by hastily organizing a counter-exercise.

Despite Russia’s clear policy intention to avoid taking a stand on China’s regional disputes, its efforts to maintain and improve its relations with China are unintentionally shifting the balance of power in the Asia-Pacific in China’s favor. This runs the risk of alienating countries with whom Russia is trying to improve its relations, such as Japan, Vietnam and India, and effectively aligning Moscow with Beijing despite its clear desire to avoid entanglement in China’s maritime disputes (For more on Russia’s strategic intentions, see “Russia Plays Both Sides Against the Middle on Senkaku Islands, *Eurasia Daily Monitor*, November 14, 2012).

The naval exercise took place in the Sea of Japan, and was clearly intended to send signals to the United States and Japan. Russia sent 11 warships, three planes and a submarine, while China dispatched four destroyers, two frigates and a supply ship. Chinese sources described the exercise as the largest in China’s history and the first one during which its fleet had to supply itself exclusively from what it carried (Global Times Online, July 3; China Military Online July 5). One Chinese commentary stated that, while the drill was “an ordinary” one for China in line with its national security interests and international status, “The drill has let other countries know about the military strength of China and Russia” (Ta Kung Pao Online, July 11). Another commentator wrote the exercises were “not for show” (Wen Wei Po Online, July 8). Moreover, Chinese reports state that these exercises are only the first in a program that will be developed, normalized and institutionalized (China Military Online,

July 11).

The exercise reflected enhanced Chinese (and Russian) naval capabilities to conduct not only search and rescue operations but actual combat operations. Both navies turned on their radars, including fire control and missile guidance radars, sonar, photoelectric communications and anti-submarine and air defense equipment (China Military Online, July 3). Thus, as one Chinese account put it, the drill involved ship anchorage defense, joint air defense, maritime replenishment, passing a sea area under threat from enemy submarines, joint escort and rescue of a kidnapped vessel, strikes at maritime targets, joint maritime search and rescue, live fire use of weapons and a parade (China Military Online, July 6; China Military Online, July 10).

This exercise, at least as reflected in the Chinese media, marked a major step forward in the mutual trust and coordination of the Russo-Chinese military and political leadership. Variations on this theme appear in virtually every Chinese commentary on the exercise. But beyond that, the exercise clearly represents a major practical advance in Russo-Chinese naval and other exercises. One Chinese report extolled such joint exercises as a “hallmark of the across-the-board, broad-scope, multi-tiered, pragmatic cooperation between the two militaries at a critical time in their ongoing force development (China Military Online, July 4). Meanwhile, Chinese reports piously maintained that the purpose of the drills was to safeguard peace and that they were not directed against any third party (*People’s Daily Overseas Edition*, July 4).

This is quite literally unbelievable, given the aggressive naval moves that China has taken in the last year against Japan. Indeed, once the exercise ended China’s ships for the first time returned home through the Soya (La Perouse) Strait between Hokkaido and Russia, a show of force clearly directed at Japan (*Jiji Press*, July 14). Similarly, some Chinese officers seemed to want to publicize the drill as a sign of Russian support for China’s position on the disputed Diaoyu (Senkaku) Islands (Global Times Online, July 3). This does not appear to be grounded in actual Russian policy—the director of Russia’s Security Council Nikolai Patrushev specifically disavowed interference on the issue, saying that Russia would not take sides in the dispute over the these islands. It is hardly likely that Russia, which is currently seeking a rapprochement

with Japan, would offer China military support on that issue. Possibly the most striking example of the Chinese effort to portray a Russo-Chinese entente on Japan came from the Shanghai-based expert Feng Wei. He wrote that if China and Russia joined hands, this would shake the foundations of the U.S.-Japan alliance. Not only are Russia and China drawing closer together, he claimed, but the March, 2013 communiqué of President Xi Jinping’s visit to Moscow meant that both sides would back each other over territorial and sovereignty issues (Feng Huang Wei Shih Chung Wen Tai, July 9).

The reality falls short of this hype. There are no signs that Russia either supports China against Japan in the East China Sea or supports China’s aggressive moves in the South China Sea. But such statements and the fleet’s actions, as well as the agenda of this exercise, demonstrate a conscious effort to draw in Russian support, or at least the appearance of it, to intimidate Japan and possibly the United States.

While the benefits of working closely with China are evident to Russia, so too are the risks to Russia from too close an association, especially if a Chinese crisis with Japan gets out of hand. Russian commentary on the exercises was much more restrained, although it praised the execution of the mission and the coordination it demonstrated. Typically, since the exercises are seen by Moscow as showcases for its equipment, Russian commentators also pointed out that Chinese air defense ships are equipped with Russian air defense weapons and are capable of using them effectively. Furthermore, they deliberately raised the possibility that this exercise was deliberately tied to Russian exercises in the Russian Far East (Maritime Province-Primorye) using S-400 Air Defense and Pantsir-S air defense missile-gun complexes against enemy aircraft (*Nezavisimaya Gazeta*, July 9). In this context, it is probably not a coincidence that immediately after this exercise ended, Russian President Putin ordered a so-called snap exercise involving thousands of Russian forces in the Far East, including an ostentatious drill practicing an aerial and land movement of forces hundreds or thousands of miles to threatened Russian lands. That too is an unmistakable signal, but one directed as much at China as Japan if not more so.

Militarily, Chinese commentators repeatedly proclaimed their satisfaction with the improved trust, coordination,

cooperation and integration between the fleets (Xinhua Domestic Service, July 10; Xinhua Asia-Pacific Service, July 11). Whereas the earlier joint naval exercise in 2012 had involved only counterterrorism and piracy, this one marked a major step up for the Chinese, in that they were able to either conduct or observe fleet air defense, antisubmarine warfare and surface warfare (*New York Times*, July 10). It would appear then that China most likely learned more from the exercise than did Russia, while Russia gained enhanced presence, status and opportunities to showcase Russian weapons (Richard Weitz, “Global Insights: Russia-China Naval Drill Sends mixed Signals,” *World Politics Review*, July 23).

But these exercises also clearly illustrated the risks to Russia. While it gains status and an opportunity to sell China more weapons, China’s navy is gaining experience in performing complex military and logistical operations far from home and in using those weapons. Chinese sources are well aware that China has no allies and that Russia in particular is not an ally. That means there are many fewer opportunities for China to participate in joint exercises than U.S. allies such as Japan and the ROK (Renmin Ribao Overseas Edition Online, July 13). The exercises provided by the U.S. alliance are more frequent, more sophisticated and more lifelike, resembling actual combat operations. Therefore the PLAN likely needs the exercises more than its Russian counterpart and gains more from them.

At the same time, Chinese analysts hail these exercises as a response to the American strategy of rebalancing the Asia-Pacific, which they describe as squeezing Russia’s strategic space while also seeking to contain China. Many analysts therefore argue that Russia and China should become allies, an increasingly common refrain among Chinese strategists who see the United States as a major threat, although it is not established as official policy (International Herald Leader (Xinhua), July 15). Moscow may be moving closer to China, especially as it feels pressure from the United States on a host of human rights and geopolitical issues, but the independent Russian exercises in the Far East and the steadily accelerating reinforcement and reform of Russian armed forces in the region demonstrate that Russia is eager to push back against Chinese efforts to subordinate Russia as China’s sidekick. Nonetheless, if we look at the totality of Russo-Chinese military relations, including arms sales as well as

exercises, we see that China appears to be able to gain support for at least some of its objectives that are not altogether in Russia’s best interests or that reverse past Russian policies.

New trends in Russian arms sales reflect China’s growing power vis-à-vis Russia. Sales of aircraft engines and, most recently, advanced fighter planes and submarines have totaled \$2 billion annually since 2011. These sales could seriously destabilize Asian security. Like earlier Russian sales, they expand Chinese military capabilities that could one day be used against Russia. The newest sales, of four Lada-class diesel submarines, as well as the agreement in principle to the sale of Sukhoi Su-35 multi-role combat jets, are particularly egregious examples of this trend, representing a major boost to the quality of the weapons system available to China (Asia Times, June 3).

These arms sales, and the rapid growth of Chinese capabilities, are already beginning to incite an arms race in Asia. This obliges us to consider why Russia has taken the risk of inciting such tensions, especially as it is drafting a military partnership with Vietnam, and has just concluded a new deal to sell the country Su-30 Fighters (Interfax, August 29; *Jane’s Defense Weekly*, August 23). Even though Russian arms exporters clearly still harbor resentment against China for its violations of Russian intellectual property (or, to be blunt, piracy of their designs), the Russian government believes it can make a lot of money selling weapons to China—and that, if it surrenders an arms market, the West will simply step in and take it over. Moreover, arms sales provide Moscow with a window on China’s highly opaque defense development. Third, these arms sales reflect China’s continuing dependence on Russia for at least some key military technologies and weapons systems. Therefore, for Russia, they represent a way of “anchoring” China to Russia, as called for in the famous 2010 foreign policy blueprint published in *Russky Newsweek* (May 11, 2010). China has been making efforts to buy several divisions of the advanced S-400 air defense missiles and Su-35 Fighters since at least 2009 (Yuri Baskov and Andrei Pinkov, “Prospects for Russia-China Military Cooperation in 2010,” Kanwa Intelligence Review Online, December 10 - 18, 2009; March 9, 2011; Interfax-AVN Online, May 10, 2012). Russia has promised to sign a contract for exporting 24 Su-35s, but as of September it is still being negotiated—given the pace of Sino-Russian negotiations on other major deals,



it is likely that there are still major issues to be resolved. The latest indication of the state of negotiations is a statement from a Rosoboronexport executive, who said that the contract will not be completed in 2013, but will probably be signed in 2014 (RIA Novosti, September 9).

The S-400 system could have a major impact on the East China Sea, since its 400km range is longer enough to cover Taiwan or the Diaoyus from the Chinese mainland (*Defense News*, May 25). However, it is not scheduled for delivery to the Russian army until 2017, and it is not clear whether Russia is interested in a deal (WantChinaTimes, May 30).

These sales will surely increase Taiwanese, Japanese and other allied pressure on Washington to provide yet more weaponry, increasing the risk of a classic Cold-War-style arms race in the region. Russia's arms sales also aggravate India's situation, as they reverse Russian policy not to sell China better weapons than those it sells to India (*The Hindu*, March 8). The Su-35 deal is already raising concerns among Indian commentators:

New Delhi could also lose out in the emerging Russian-Chinese arms transfer relationship. So far, India has held the technological edge in terms of the quality of its fighter aircraft. The SU-35 will begin to tilt the balance against us, unless we pay for the expensive upgrade of the SU-30MKI or begin receiving the Russian fifth generation fighters in significant numbers. The Chinese-Russian entente could also mean that there could be an agreement for the supply of Russian engines for Chinese-designed and built fighters which would make them much more capable than they are at present (*India Today*, April 1).

Under sea, the Lada is far more silent and powerful than India's Kilo-class submarines. This would help China compete with India in the Indian Ocean, and maybe the South China Sea. Neither can its SU-30MKI match the Su-35, which has a higher thrust engine and more sophisticated radar, avionics and weapons (*The Hindu*, March 8). Furthermore, the Indian Rafales, to be acquired from France, are thought to be no match for the Su-35, so this sale may "shoot down the value of Rafale for India" (*The Hindu*, March 8). And China will probably acquire many more than just the initial 24 Su-35s, as has happened in previous fighter sales (*The Hindu*, March 8).

However wary it is of taking sides in China's regional disputes, Russia is increasingly having an impact on them in ways that effectively align it with China, creating risks for its relations with other regional players. China is realizing tangible strategic gains from these arms deals and naval exercises, but can the same be said for Russia?

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## Charting Course for 2014 Elections, Taiwanese Opposition Debates China Policy

By Jessica Drun

The leaders of Taiwan's Democratic Progressive Party (DPP) have spent the summer in discussion and negotiation over the Party's China policy, trying to establish a consensus on one of the central issues of Taiwanese politics. These negotiations, taking place in the party's newly-revived China Affairs Committee (CAC), represent a significant shift in strategy for the party, which is trying to establish and bolster its foreign and cross-straits policy credentials. Until its defeat in the 2012 presidential elections, the DPP preferred to compete on domestic issues while hosting a "big tent" on cross-straits relations, with leaders espousing a wide range of approaches to the mainland. Party leaders believe that this approach cost them the election, and that in order to regain power the the DPP will need to present itself as a unified party capable of handling relations with the mainland and the United States with a firm hand.

In order to achieve this goal, the DPP will have to bridge substantial differences between its main factional leaders and potential candidates for the 2016 presidential election. . In order to forge consensus within the party and present a convincing China strategy for the 2014 and 2016 elections, the DPP has charged the CAC with reformulating the party's China policy. So far, the committee has held two plenary meetings, on May 9 and

July 11, and four expanded “Huashan” meetings out of a series of nine, on July 7, July 25, August 15, and August 29. It provides a medium through which party members can exchange ideas and deliberate, with the ultimate goal of reaching an agreement on the DPP’s position on China. In his opening statement, DPP Chairman Su Tseng-chang stressed that “what we must do is to protect Taiwan’s core values, to develop the best benefits for Taiwan, and we must find the largest consensus for our future in the cross strait relationship” (“DPP holds first China Affairs Committee Meeting, announces complete list of members,” DPP web site, May 9). The final point, the need for a uniform approach on China, has been an issue of much deliberation both within the party itself and in its relationship with Taiwanese voters.

The implications, however, extend beyond the sphere of domestic politics and cross-Strait relations. Though it is too early to tell what the CAC meetings will produce, the DPP’s revised China policy will be a critical variable in Taiwan’s 2016 presidential elections and have far-reaching implications not only for the future of Taiwan, but also for the United States. Washington has praised Ma’s rapprochement efforts with the Mainland, viewed as a welcome change from former DPP President Chen Shui-bian’s more provocative actions, which had run the risk of drawing the United States into a cross-Strait conflict. If the CAC results in a China policy that is viewed as counterproductive to the current positive trajectory of cross-Strait relations, officials in Washington will be faced with the dilemma of either sending warnings to the DPP, or bearing the burden of a tense Taiwan Strait and having the Taiwan question reemerge as contentious issue in Sino-U.S. relations.

### **The 2012 Presidential Elections and Tsai’s “Taiwan Consensus”**

Some in the DPP, including prominent members of its Central Standing Committee, believe that the party’s failure to secure the presidency in 2012 was due, at least in part, to candidate and then-party Chairwoman Tsai Ing-wen’s China policy, which failed to persuade voters that a DPP government could maintain stable cross-Strait relations. Tsai had pushed for a “Taiwan Consensus,” that aimed to reflect the opinions of a majority of the electorate and was based on “democratic process” (“Tsai Ing-wen’s Remarks at the American Enterprise Institute

(AEI),” DPP web site September 13, 2011). President Ma Ying-jeou and his ruling Kuomintang Party (KMT) were quick to criticize the “Taiwan Consensus” as unclear and lacking substance, while at the same time arguing that Tsai’s rejection of the 1992 Consensus would cause “uncertainty” and prove detrimental to the “fragile” peace in the Taiwan Strait (*Taipei Times*, August 24, 2011).

However, Tsai’s strategy was to be deliberately ambiguous on China. She wanted to provide herself space for flexibility in conducting relations with Beijing, and so aimed to shift the focus of the election away from cross-Strait issues and toward more local concerns. Tsai’s intentions were in line with her party’s, which had chosen to omit mention of the 1992 Consensus from its August 2011 ten-year policy platform. She equivocated on the topic in discussions and speeches and only reiterated her party’s stance on the 1992 Consensus when asked directly. The DPP has long denied the existence of the 1992 Consensus, holding that the “consensus” is invalid because the terms were drawn up eight years after the 1992 meeting by KMT Legislator Su Chi, that no consensus was reached on the implications of the “One China” formula, and that the cross-Strait talks from which the consensus was supposedly born were between two political parties and failed to incorporate the popular views of the Taiwanese people. Instead, the DPP has sought to present an alternate policy, one that demonstrates the party’s capacity to manage cross-Strait relations in its own right. Yet, despite the seemingly softer approach to Beijing, voters remained wary of further crises. A post-election review conducted by the DPP found that the electorate lacked faith in Tsai’s China policy and held doubts about whether the cross-Strait economic growth of Ma’s administration could be sustained under a DPP administration (*Taipei Times*, February 16, 2012).

### **The China Policy Debate**

Believing that the DPP’s ambiguous China policy led to its loss at the polls, newly-installed Party Chairman Su Tseng-Chang reinstated the party’s China Affairs Department in the summer of 2012 to guide the development of a clear China policy. The CAC’s meetings are likely to culminate with an announcement or statement of the party’s official position, as the DPP understands the need for a more definitive approach after Tsai’s ambiguous China policy failed to garner sufficient support from the electorate.

Such a move would also help establish the party's national security credentials for the 2014 elections (see also Michael Chase, "The Democratic Progressive Party's Defense Policy Blue Papers and the Opposition's Vision for Taiwan's National Defense," *China Brief*, August 23).

The CAC's discussions are based on the DPP's expressed core values—Taiwan as a sovereign state under the title the Republic of China (ROC), sovereignty as the status quo in the Taiwan Strait, and the need for a democratic referendum before any change to the status quo is permitted—which were formulated at the party's 1998 China Conference, outlined in the subsequent 1999 Resolution on Taiwan's Future, and installed in the DPP's platform in 2001. [1] However, the DPP seeks to build off these principles and develop a novel policy that is "adaptable and flexible," yet compatible with Taiwan's future interests, providing the public a viable alternative to the KMT's China policy (*Taipei Times*, July 26, 2013). Members at all levels of the DPP, however, cannot agree about what this policy should be.

This became all the more apparent in November 2012 when the party began to organize for the CAC. Though disagreements occurred throughout the planning process, the most widely reported was one between two party founders and former Premiers, Yu Shyi-kun and Frank Hsieh. Yu articulates the view of the darker-green, more radical faction of the party, calling for the assertion of Taiwan as a sovereign country through a new Constitution. Hsieh, on the other hand, is focused on finessing the issue of the current ROC Constitution. He aims to utilize the Constitution as a foundation for cross-Strait dialogue, promulgating a "Two Sides, Two Constitutions" (*xianfa gebiao*) approach that calls for using the ROC Constitution as the basis for domestic consensus between the DPP and the KMT and for mutual recognition and regard for each side's respective constitution as the foundation of Taiwan's relationship with the PRC. [2] Hsieh talks about three requirements for a China policy, and describes his formulation as an effort to meet them. The policy, he says, must appeal to the Taiwanese people, must be acceptable to the United States, and must be tolerable for Beijing. In regards to the mainland, he argues that the ROC Constitution was implemented in the Mainland for two years and thus cannot be separated from "One China." By logical extension, officials in Beijing cannot

accept "One China" and reject the ROC Constitution. Hsieh's policy, though he is widely seen as the most open to working with the PRC within the party, is still rejected by officials in Beijing. In response, Hsieh has argued that if the mainland rejects the ROC Constitution, then Taiwan will need to draft a new constitution, for which Beijing will need to bear responsibility (Conversation of CSIS delegation to Taiwan with Frank Hsieh, August 2013).

Both Yu and Hsieh declined Su's initial invitation for a seat on the CAC a month later. Hsieh said that he viewed the CAC as being a solely nominal establishment. However, this may have been sour grapes over losing the chance to serve as the committee's head and guide the direction of the DPP's China Policy: Su seems to have initially tapped Hsieh for the position but then took on the role for himself. Yu refused as a matter of principle, given his opposition to the committee and its purpose.

Though Yu eventually acquiesced, when the DPP formally announced the members of the CAC on May 1, Hsieh's name was conspicuously missing. The eight members of the original committee were Yu Shyi-kun; Su Tseng-chang; Tsai Ing-wen; Ker Chien-ming, caucus whip in the Legislative Yuan; Chen Chu, mayor of Greater Kaohsiung; Lai Ching-teh, mayor of Greater Tainan; Chiou I-jen, former National Security Council Secretary General; and Wu Nai-jen, a former secretary-general of the DPP. Three days before the CAC official convened, Hsieh finally signed on, saying that "I have always advocated reconciliation and there is no one who I cannot work with" (*Taipei Times*, May 7, 2013).

Hsieh has established himself as one of his party's most frequently influential cross-Strait policymakers. He has undertaken two groundbreaking trips to China, in October and in June, arguing that interactions with the Mainland should not be monopolized by the KMT. His visits arguably mark the highest level of exchanges between the DPP and the Chinese Communist Party. Hsieh's personal approach to the formulation of the DPP's China Policy has been to "look from the grand perspective," exploring all possible channels for dialogue and seeking suggestions and opinions from both sides of the Strait (*South China Morning Post*, July 3, 2013). Hsieh appears to view dialogue, both within the party and



between the party and Beijing, as more important than the specifics of his policy, using it as a tool to position himself as someone who can talk to both his party's "Deep Greens" and to leaders on the mainland with the ultimate goal of forming a viable China policy. This is seen in his visits to the Mainland, which drew criticism from the pro-independence faction of the DPP, who viewed his trip and his "Two Sides, Two Constitutions" proposal as a blatant betrayal of party values.

### **The Chairman's Role, the 2014 Elections, and Beyond**

Caught in the middle of these debates is DPP Chairman Su Tseng-Chang, who has taken on a mediating role within his party in an effort to broker a single platform among the various factions. The stakes are much higher for Su than they are for Hsieh or Yu, as Su needs to demonstrate his ability to serve as a capable chairman. He must also promote an image of party unity and consistency before the elections in 2014. These elections are critical for the party. For the first time in Taiwan's history, the elections of seven local levels of government will be held concurrently in a "seven-in-one election" as a result of a 2008 amendment to the Local Government Law. The 2014 elections will also set the stage for the 2016 presidential race by allowing successful DPP candidates the opportunity to establish a record in office and restore public confidence in the party. Su has commenced a plan to "besiege the central government with local forces," after a study revealed that the DPP lacked the support of key voting blocs in urban centers (*The China Post*, February 28, 2012).

In order to demonstrate commitment to Taiwanese business interests in the mainland, Su appointed Honigmann Hong, who has a strong economics background, to serve as head of the DPP's Department of China Affairs, breaking from the norm of selecting a political figure. However, Su is also pushing to diversify Taiwan's economic strategy, saying that "Taiwan's economy needs globalization, not Sinicization" (*Taipei Times*, July 12, 2013). He expands this approach into the realm of politics and security, placing cross-strait relations within the larger matrix of regional and international dynamics. This includes reassuring the United States that the DPP is a responsible actor, telling Washington that he is interested in "not what the U.S. can do for Taiwan,

but...what Taiwan can do to earn U.S. support" ("A New Partnership for a New Age: Strengthening U.S.-Taiwan Relations" (speech, Washington, DC, June 13), transcript available on Brookings Institute web site). Su also supports an amended version of the "Taiwan Consensus," one that remains entrenched in the views of the electorate and the 1999 Resolution, but allows for normalization with China through the formulation of a domestic consensus. He disagrees with Hsieh's method of engaging China, viewing it as unnecessary competition with the KMT, but has been careful about criticizing his colleague—he defended Hsieh after the latter fell under criticism from party members for his trip to China. Su must strike a balance between divergent groups and opinions within his party in order to sustain an image of harmony.

The DPP is about halfway through its scheduled timeline for the CAC, with plans to hold two more plenary meetings and five additional expanded meetings. It is too early to tell what the final China policy will be, though it is likely that Chairman Su will push for a policy that is founded on an existing "Taiwan consensus." The party maintains that there is already a consensus among the Taiwanese people that is grounded in their shared democratic values, respect for human rights, and largely free market economic system. The DPP may fine-tune the definition of "Taiwan consensus" even further and formulate a policy that remains entrenched in the party's core values. The difference will be in the details and it remains to be seen whether the party will be able to balance between adhering to party principles and adopting a China policy that will be tolerated by Beijing. Though the latter is unlikely, given the wide gap between the interests of the DPP and Beijing, the final China policy should theoretically allow the party to speak on the issue in a unified voice, as it will be determined by consensus among party members.

Yet, the importance of a new China policy to DPP performance in upcoming elections has perhaps been exaggerated. Though the DPP's China policy is still a major concern among the electorate, other factors come into play that may take precedence to the party's relationship with Beijing. So long as the DPP does not adopt a policy reminiscent of Chen Shui-bian's aggressive pro-independence stance, issues perceived as more immediate

and closer-to-home will weigh in the DPP's advantage. With cross-Strait tensions at an all time low, domestic concerns, such as the construction and safety of Taiwan's fourth nuclear power plant, debate over the pension system, and the outcry for military reform stemming from the recent hazing death of a young conscript, will have more sway in the elections, particularly in 2014. The DPP, however, should proceed with reserved optimism. Beijing's low likelihood of accepting the party's revised China policy points to two probable issues of concern. First, the KMT is likely to utilize China's criticism of the policy as leverage in elections, drawing attention away from its domestic shortcomings to its cross-Strait achievements. Second, if the DPP does secure the presidency in 2016, the reemergence of cross-Strait tensions remain a possibility.

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Notes:

1. The DPP has endorsed several contradictory China policies in the past, leaving considerable room for clarification. During his time as party chairman, Hsieh claimed that the more conciliatory 1999 Resolution superseded the Independence Clause of the party Charter. This statement was never formalized in an official document and the more hardline pro-independence factions of the DPP do not accept this interpretation, but it has been tacitly accepted as the standard. There remains considerable uncertainty and confusion on the party's stance. Hsieh himself has noted disconnects in the DPP's apparent acceptance of "One China" in its "1999 Resolution on Taiwan's Future" and its call for a new constitution in its 2007 "Normal Country Resolution" and has asked for these contradictions to be addressed at the CAC. See "DPP makes minor revisions to stance on independence," *Taipei Times*, October 21, 2001 and "Taiwan politicians quarrel over China affairs," AsiaOne News, November 18, 2012.
2. A more literal translation of Frank Hsieh's

proposal, *xianfa gebiao*, is "Two Constitutions, Different Interpretations," but Frank Hsieh's office maintains that his preferred translation is "Two Sides, Two Constitutions."

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