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In a Fortnight:

Taiwan's Elections

Editor's Note: *Ahead of Taiwan's presidential and legislative elections on January 16, we have devoted a number of this issues' articles to the question of what cross-Strait relations will look like and how Taiwan's ability to defend itself—a key strategic issue for the United States and for stability in the East Pacific—will be affected after the election.*

The top presidential contenders include Democratic People's Party (DPP) candidate Tsai Ing-wen (蔡英文), Kuomindang (Nationalist, KMT) candidate Eric Chu (朱立論) and James Soong (宋楚瑜), of the People First Party (PFP). According to the latest polls, Chu trails Tsai by almost 29 points (Straits Times [Singapore], January 11). Whoever eventually prevails will inherit a complex set of issues, ranging from a slowing economy and increased economic reliance on mainland China to Taiwan's complex defense modernization project, which is undergoing a shift from a conscription-based system to a professional military (See China Brief, January 11).

Although Taiwan's size and population (roughly 23 million) pales in comparison to the People's Republic of China, its strategic location, economy and trade with the United States (it is the U.S.'s 12th largest trade partner) and complex relationship with the PRC means that its elections can have a major impact on the U.S.'s role in East Asia.

Stability for Taiwan has meant maintaining a credible deterrent so that it can determine its future relationship with mainland China without the threat of military coercion. As part of maintaining that deterrent, in mid-December the U.S. State Department approved a $1.8 billion weapons and services package for Taiwan, including ships, anti-tank weapons and air defense systems (Defense Security Cooperation Agency, December 16, 2015; CNA, December 17).

Attempts to alter the outcome of elections in Taiwan have previously led to dangerous levels of escalation

in East Asia, such as the Third Straits Crisis between 1995 and 1996 that saw the deployment of two U.S. aircraft carrier groups to the vicinity of Taiwan in response to the PRC firing missiles into the sea to the north and south of Taiwan. With this critical election likely holding the keys to executive and legislative domination by one of the political parties, the winner will be a key partner for China and other Asian nations for resolving the host of territorial and economic issues in the region for the next four years.

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Chinese Military Reform

On January 1, China announced a number of major reforms to its military. Though several of these reforms had been signaled or discussed in Chinese publications for many years, the implementation of them still marks a watershed in China's military modernization. These follow a number of significant shakeups over the past few years, with top military leaders expelled from the party, charged with corruption and others sidelined. To reach this point, Chinese President Xi Jinping has effectively had to sweep aside old interests and putting likeminded and loyal military officers into positions to see the reforms through. The reorganization will include a reduction in the size of the overall military (as announced in September during Xi's commemorative World War II victory speech) and a reduction in the number of Military Regions (军区), which are to be reorganized into "Battle Zone Commands" (战区) (*China Brief*, September 9).

Part of this "deck stacking" has been careful selection of the leadership of the People's Liberation Army's (PLA) service heads, who will also be members of the Central Military Commission. Accordingly, new heads of China's Navy, Air Force, Strategic Rocket Force, and Army Ground Force were announced. PLA Ground Forces commander Li Zuocheng (李作成), for example, was a highly decorated hero from China's last significant conflict, the 1979 Sino-Vietnamese war. Navy Commander Sun Jianguo had operational achievements as the commander of a nuclear submarine (Baidu.com, [accessed January 5]). Their backgrounds reinforce the emphasis on operational knowledge and capability to "Fight and Win Wars" (能打仗，打胜仗). Though winning is obviously the objective of any military force, in the Chinese context it takes on additional meaning against the background of what the PLA has labeled the "Two Incompatibles" (两个不相适应), or the ability of the PLA to "win a local war under informatized (modern, networked warfare) conditions" or to "carry out the military's 'Historic Missions'" (新的历史使命) (*China Brief*, May 9, 2013; Jiangxi Defense Education, December 24, 2004). These reforms are meant to correct these "incompatible" truths and make the PLA an effective fighting force.

An "opinion" (意见) issued by the Central Military Commission—China's top military body laid out the key tenets of these reforms, meant to meet China's goal of completing military modernization by the longstanding deadline of 2020 (Xinhua, January 1). A key theme of the document is the emphasis on improving the quality, guidance and "jointness" of Chinese military forces. As one section explicitly states, the military should "speedily promote the transformation for a PLA reliant on numbers to one focused toward quality and effectiveness." One of the biggest changes was the combination of the General Armament Department and General Logistics Department (the former responsible for weapons development, and both a traditional source of graft within the PLA) into a new Strategic Support Service (**战略支援部队**). This new service will likely have additional duties beyond logistics and development, with a strong possibility of an information warfare role that encompasses a range of capabilities, including psychological and cyber warfare (Tencent Online, January 1; People's Daily Online, January 5). Other elements include a reorganization of the Second Artillery Force (SAF), responsible for China's nuclear and conventional missile forces. The reforms transform the SAF from a subordinate branch (兵种) into a distinct service (军种), the PLA Rocket Forces (火箭军). In a final organizational shift, the PLA Ground Force, whose structure previously dominated China's military thinking and resources, will be given a separate headquarters and structure, separating from the Chinese military's central command structure.

More of aspects of these reforms will likely be revealed in the coming months, providing increased clarity about this significant improvement in China's long military modernization.

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After the Election: The Future of Cross-Strait Relations

By Willy Lam

Barring an upset of momentous proportions, Taiwan's opposition Democratic Progressive Party (DPP) is expected to defeat the ruling Kuomintang (KMT) or Nationalist Party, during presidential elections scheduled for January 16. The latest polls by the popular Taiwanese TV station TVBS show the DPP candidate and party chairwoman Tsai Ing-wen, leading her KMT counterpart, Eric Chu, by at least ten percentage points (TVBS [Taipei], December 27, 2015). The DPP is also tipped to pick up a substantial number of seats in the Legislative Yuan, Taiwan's parliament (China Post [Taipei], December 26, 2015; *Taipei Times*, November 29, 2015). For international observers, the big question is what strategies the Chinese Communist Party (CCP) leadership headed by President Xi Jinping will adopt to prevent a rollback of cross-Strait reconciliation attained during the two four-year terms of out-going President Ma Ying-jeou. Also in the spotlight are the mainland-related policies of both Tsai and Chu, who is expected to remain KMT Chairman even if he were to lose the presidential contest.

Beijing's Taiwan policy is being formulated by the CCP Central Leading Group on Taiwan Affairs (CLGTA), whose Leader is President and General Secretary Xi and whose Vice-Leader is Chairman of the Chinese People's Political Consultative Conference (CPPCC), Yu Zhengsheng. While there is speculation that the CLGTA may call a National Taiwan Work Meeting (NTWM) after the presidential election, much of Beijing's future measures to promote national reunification can be divined from the work meeting that was convened in January of 2015. In the preceding months, Taiwan had held major elections and was reeling from a popular political movement. The NTWM was called when it had become obvious that the KMT was losing its popularity in Taiwan. During major municipal and county-level elections held in November 2014, the DPP won 13 seats versus six for the KMT. Of the six cities and counties won by the KMT, only New Taipei City—where incumbent mayor Eric Chu won by less than two percentage points—is considered a major KMT political stronghold. Earlier that year, the student-led campaign Sunflower Movement prevented the KMT from passing the Cross-Strait Service Trade Agreement (CSSTA) Pact in the Legislative Yuan (BBC Chinese, November 28, 2014; South China Morning Post, March 28, 2014). If a similar Leading Group meeting is called in response to this year's election, its recommendations will be deemed to have immense significance for the mainland's interactions with Taiwan's new leadership.

In his speech to the NTWM, Yu Zhengsheng, who is also a member of the Politburo Standing Committee (PBSC), laid down several policies that were geared toward promoting cross-Strait economic synergy and integration. "We must push forward economic integration, and promote the overall blueprint of the cooperation of the production [structures and capacities] across the Strait," he said. Specific measures included enhancing the participation of Taiwan businesses in free trade zones and other development areas in Fuzhou and Pingtan, Fujian Province, and in Kunshan, Jiangsu Province. Yu and other Leading Group members also cited the need to boost preferential policies, particularly for mainland-based Taiwanese manufacturers which had been hit by steep increases in labor, land and other costs (Huaxia.com [Beijing], February 3, 2015; Xinhua, January 27,

2015). President Xi reiterated the "economics first" principle while meeting Eric Chu in Beijing last May. The Chinese leader indicated that mainland-Taiwan "economic integration is beneficial toward mutual profits and win-win [scenarios]," adding that "this principle should not be disrupted under any circumstances." Xi also tried to win over young people in Taiwan by urging that "youth from both sides of the Taiwan Strait should become good friends and good partners in jointly fighting [for a better future]" (People's Daily, November 7, 2015; Xinhua, May 5, 2015).

Concurrently, the CLGTA leadership is increasing economic inducements for the *sanzhongyiqing* (三中一青) sectors, a reference to small- and medium-sized enterprises (SMEs), low- and medium-income groups, residents in central and southern Taiwan, as well as Taiwanese youth in general. For example, young unemployed Taiwanese are encouraged to find work in cities along China's prosperous eastern coast. Chinese importers are also urged to buy more agricultural and aquatic products from rural areas in central and particularly southern Taiwan counties, which happen to be the traditional strongholds of DPP supporters. These moves complement decade-long efforts by mainland-based, state-owned and private firms from a wide range of industries to establish substantial footholds on the self-ruled island (Global Times, May 4, 2015; China News Service, January 28, 2015).

In contrast to the "economics card," Beijing realizes that political agendas will have to wait. While it is no secret that Chinese leaders from Jiang Zemin onward have committed to starting "political talks" with Taiwan—meaning negotiations that would lead up to unification—as early as possible, even as ambitious a leader as Xi Jinping realizes that the prospects for a politically-oriented dialogue with Taiwan leaders are low in the near term. And even though Xi's unexpected decision to hold a summit with President Ma in Singapore last November was motivated by political considerations, the history-making tête-à-tête had a relatively limited goal of ensuring that the "one China principle" (known as the "1992 Consensus" in Taiwan), which underpins eight years of cordial relations across the Strait, would not be rolled back should the DDP triumph on January 16. While Xi sought to appeal to the political sensitivities of KMT supporters in Taiwan by using the familiar "blood is thicker than water" proverb, he also wanted to show DPP supporters that Taiwanese people as well as the Taiwanese economy—stand to lose if the next ruling party were to jettison the "1992 Consensus" (People's Daily, November 8, 2015; CCTV, November 7, 2015).

The CCP leadership, will, however, not give up the "military option" in pursuit of national reunification. The Xi leadership will continue to brandish the stick of a "war of liberation" to go along with the "carrot" of economic inducements. Despite signs of a thaw in the Taiwan Strait, both mainland and Taiwan authorities conduct annual war games aimed at each other. When Ma asked Xi during their Singapore conclave to remove the estimated 1,500 short- and medium-range missiles targeted at Taiwan, the Chinese leader did not give a direct answer (South China Morning Post, November 10, 2015; Channel News Asia, November 8, 2015). Moreover, thanks to ongoing restructuring of the command-and-control mechanisms within the PLA, which involves much-enhanced synchronization between the personnel and hardware of the Naval, Air Force and missile forces, Beijing's ability to take over Taiwan by force is believed to be improving (Phoenix TV, December 24, 2015; People's Daily, December 22, 2015).

How will the Tsai Ing-Wen administration react to the CCP's multi-pronged tactics? A former professor at National Taiwan University who specialized in international law, Tsai was credited with helping to coin the *liangguolun* ("two countries theory"; 兩國論) when she was the cross-Strait affairs adviser to former president Lee Teng-hui. The *liangguolun*—which refers to the fact that Taiwan is as legitimate a country as mainland China—was one reason behind the wargames conducted by the PLA just off the Taiwan coast during presidential elections in 1995 and

1996. Yet Tsai, who served as Minister of the Mainland Affairs Council during the DDP administration of former president Chen Shui-bian, has in the past few years toned down her rhetoric about mainland issues (United Daily News, December 26, 2015; *Apple Daily* [Hong Kong], December 25, 2015).

This was most clearly demonstrated during her visit to Washington D.C. last June, when her main message to U.S. President Barack Obama's administration was that she was committed to "maintaining the status quo of the Taiwan Strait." Tsai noted in a speech at a Washington think tank that she favored the peaceful and stable development of cross-Strait ties "in accordance with the will of the Taiwanese people and the existing Republic of China constitutional order" (China Post, June 6, 2015; *Taipei Times*, June 5, 2015). In the last few weeks of the presidential campaign, Tsai has characterized her mainland policy as "promoting communication, no provocations and no accidents." She said in a Christmas Day presidential debate that if elected, the DPP "would do our best to seek ways [forward] that could be accepted by both Taiwan and the mainland." "We will not be provocative, and hope the two sides can sit down and talk in a rational manner," she added (Hong Kong Economic Times, December 28, 2015; Taiwan.cn [Beijing], December 25, 2015).

However, the biggest challenge facing Tsai is not missiles from the mainland, but rather China's unprecedented outbound foreign direct investment (OFDI) game plan—or at least that part of the overseas investment strategy that is meant to render the island even more dependent on the mainland economy. Tsai has made no secret of the fact that DPP supporters fear Taiwan's economy would be swallowed up by the onslaught of "mainland money." As she put it last month: "Taiwanese people fear that Chinese enterprises are using state money to get into Taiwan so as to break up and then control Taiwan's independent industrial structure" (*Ming Pao [Hong Kong]*, December 26, 2015; Channel News Asia, December 26, 2015). Recent attempts by the state-owned chip-maker and IT giant, Tsinghua Unigroup, to shell out $2 billion for substantial stakes in two Taiwan chip-packaging companies, Silicon Precision Industries Co. (SPIL) and ChipMOS Technologies Inc., have raised eyebrows in business and political circles on the island, particularly owing to the fact that several big-name Taiwan chipmakers have already relocated to Shanghai and other areas. Tsinghua Unigroup's gambit has been interpreted as a part of an attempt by the mainland to hollow out the Taiwanese high-tech sector (Liberty Times [Taipei], December 12, 2015; United Daily News [Taipei], December 12, 2015). It is true that mainland capital has in the past few years targeted important economic fields in Taiwan ranging from banks to media groups. Yet efforts by Chinese high-tech firms to at least partially control chip-makers—thereby making a dent in Taiwan's so-called "Silicon Shield"—have aroused the most concern due to the fact that this sector has long been one of Taiwan's truly globally competitive industries (Global Times, December 7, 2015; *Taipei Times*, June 5, 2015). As of the end of 2015, Tsinghua Unigroup is awaiting the approval of the Taiwan government as well as that of shareholders of affected companies.

Charting a New Path?

In the event of a KMT win, the path forward is less certain, as the KMT's policies toward the mainland seem to be in flux. KMT authorities were forced to drop their presidential candidate, Legislative Yuan Vice-Chairman Hung Hsiu-Chu, at an acrimonious party conference last October because of the perception that she was too "pro-mainland" (BBC Chinese, October 15, 2015; Theinitium.com [Hong Kong], October 7, 2015). Moreover, the appearance of KMT Honorary Chairman Lien Chan in Beijing's military parade marking the 70th anniversary of the Chinese victory in World War II ignited so much indignation among the general public that even President Ma and other prominent KMT politicians dissociated themselves from Lien's perceived kowtowing to the CCP (BBC Chinese, September 5, 2015; Theinitium.com

[Hong Kong], August 30, 2015). This would constrain a KMT President's ability to follow President Ma's much closer relationship with the mainland.

Irrespective of how well Chu does at the polls in less than a week, it is likely that the KMT will avoid provocative statements regarding closer political ties between the mainland and Taiwan. Chu and his colleagues, however, will continue to insist that the future of GDP growth in Taiwan depends on a continuation of cross-Strait economic interactions—in addition to academic, culture and people-to-people interchanges. The KMT—and the CCP—seem confident that rational demonstrations of the win-win scenarios that have accrued from outgoing President Ma's friendly mainland policies the past eight years will enable Taiwan's oldest ruling party to triumph again in four years.

Conclusion

In light of the diffusion of cross-Strait tension since the pro-mainland KMT became the ruling party in 2000, Taiwan's significance as a player in the Asia-Pacific geopolitical theatre seems to have faded somewhat from the global limelight. Beijing's vehement protest against Washington's recent sale of $1.83 billion's worth of frigates and other hardware to Taiwan testifies to the CCP leadership's worry that the self-ruled island could become a pawn in America's perceived "anti-China containment policy" (Radio Free Asia, December 18, 2015; *Apple Daily*, November 26, 2015). The likely ascendancy of the DPP in Taiwanese politics could prod the Xi Jinping leadership into adopting tougher tactics to thwart "Taiwanese independence" including the re-brandishing of the "military liberation" card. Beijing could also take stronger measures against what it perceives to be Washington's efforts to scupper China's emergence as the unchallenged regional superpower. On the shoulders of the future Taiwanese president falls the complicated task of maintaining the island's economic growth while at the same time defusing tension with China and ensuring American support.

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Defense of Taiwan Post-2016 Elections: Legacy and New Challenges of Military Transformation

By Michal Thim and Liao Yen-Fan

Taiwan's presidential election is slowly but surely approaching its end, entering the last week before voters cast their ballots on January 16, 2016. Taiwanese elections are rarely uneventful, and this time they promise quite a shake-up of the domestic political environment. The leading opposition party, the Democratic Progressive Party (DPP), is poised to comfortably win the presidential elections and possibly even a legislative majority during the concurrent legislative races for the first time in the country's democratic history. Since Beijing's attempt to influence elections by force in 1996, a possible change of the ruling party in Taiwan has always drawn special attention to Taipei's complex relationship with Beijing. Moreover, the most recent iterations of Taiwan's Ministry of National Defense' (MND) annual report on the People's Liberation Army (104年中共軍力報告書) and biannual National Defense Report (104年國防報告書) re-emphasized a claim made two years ago that by 2020 the People's Liberation Army (PLA) will acquire sufficient capabilities to use force against Taiwan and prevent third party intervention. **[1]** The key take away from the MND's reports is not so much the exact year, as the fact of continuous

force build-up by China that defense planners will have to address with limited resources at their disposal.

As the primary existential threat to Taiwan's independence, China's military is a constant in Taiwan's defense planning and is the main factor underpinning defense policymaking of the new administration. However, this has not guaranteed that defense issues are high on the election campaign agendas. A rare exception was the DPP's defense policy briefing at the end of October, during which the party endorsed the plan to develop a 1,500-ton submarine and announced the proposal to establish an Information Communication Electronic Warfare Force in 2019 as part of the DPP's ten-year defense policy plan (*United Daily News*, October 29, 2015; *Taipei Times*, October 30, 2015). Based on Kuomintang's presidential candidate, Eric Chu's presentations on December 25 and the first presidential debate on December 27, he would largely follow Ma's defense policies (*Liberty Times*, December 26, 2015; *ETToday*, October 27, 2015). Irrespective of the winner, the new administration will inherit a challenging defense agenda underscored by increasing Chinese military capability and the will to impose it on Taiwan. But that is only part of the problem. Whoever replaces President Ma Ying-jeou will have to deal with a number of enduring problems from Ma's and previous presidents' administrations.

Troubled Transformation

Chief among the pressing issues is the unfinished transition of the military to an all-volunteer force (AVF), which President Ma announced during his election campaign in 2008 and had attempted to accomplish by 2014 (*United Daily News*, January 22, 2015). The decision to move toward a volunteer force was made in 2005 following the conclusion of the Military Service Overall Review Taskforce (兵役制度全面檢討改進推動小組)—several years before Ma made the AVF transition the backbone of his defense policy platform in 2008 (*Awakening News Network* [台灣醒報], March 30, 2015). Twenty years of downsizing has seen Taiwan's military shrink from just below 500,000 in 1994, to a projected 190,000–170,000 men and women by 2019, a leaner force better suited for the requirements of modern warfare according to defense planners (Central News Agency, August 26, 2015).

The essence of the AVF transition is to replace conscripts with career soldiers. But downsizing does not address the AVF project's woes. The final implementation date has been moved back from 2014 to 2015, and then to 2017 (*Taipei Times*, September 13, 2013). The whole process has been plagued by dismal recruitment figures, leaving much doubt over the future of the program (Focus Taiwan, August 26, 2015; *Taipei Times*, August 27, 2015). Moreover, the quality of the recruits also left much to be desired (*United Daily News*, October 12, 2015). The new president will have to decide whether to continue with the plan as envisioned by Ma, or implement changes, possibly keeping the current mix of mandatory conscription and volunteer force. Even though the transition to the AVF has been somewhat controversial, a reversion to a conscription-based force is not possible due to Taiwan's declining birth rate and the greater demand on technical skills of new recruits—a consequence of the ever-increasing technological sophistication of modern weapons and communications (*Apple Daily* [Taiwan], August 27, 2015).

Lack of recruits for the all-volunteer force is not the only problem. A closely related issue is Taiwan's relatively low defense spending. Like the KMT in 2007, the DPP in 2015 is promising to raise spending levels from just above 2 percent of GDP to 3 percent (*Apple Daily* [Taiwan], September 2, 2007). **[2]** Also like the KMT after it took power, the DPP will be hard pressed to fulfil its election pledge especially if it will require cuts elsewhere such as energy and fuel subsidies. The total sum allocated to defense spending tells only part of the story. Equally important is the structure of the spending. In 2008, Ma has promised an allocation ratio of 4:3:3 between personnel expenses, maintenance, and acquisition and research and development (R&D). Last year, Taiwan came close to the "golden ratio" with personnel expenses at 44.8 percent, maintenance costs at 23.1 percent, and R&D and acquisitions at 30.6 percent (*China Times*, September 5, 2014). However, it is unrealistic to sustain this allocation without increasing the size of the budget. For example, maintenance costs jump

in cycles between the purchase of spare parts for several years ahead; as weapons inventories age, maintenance costs are bound to rise. Moreover, the AVF transition is going to put further pressure on the budget that is already stretched thin. The military, which has benefited from "cheap labor" provided by skilled conscripts in the areas of maintenance and medical services, will need to offer competitive salaries for new recruits and experienced officers alike. It is clear that the next government will have to take bold steps if it is serious about addressing its defense needs via Taiwan's indigenous arms industry. Otherwise, with personnel and maintenance costs on the rise, the R&D and acquisition portion of the budget will suffer.

Acquisition and Personnel Issues

Under the broader category of arms procurement issues are Taiwan's nascent indigenous submarine program and the difficulty in acquiring new fighter jets for Taiwan's air force (Republic of China Air Force, ROCAF) (*China Brief*, March 30, 2012). These issues also illuminate Taiwan's relative dependence on U.S. arms sales and connect it to the necessity of a greater defense budget. Taiwan's submarine program alone offers an uphill struggle for the incoming president. The next few years will be critical for addressing the requirements needed to undertake this project, with which domestic shipbuilders have little technical experience and scarce human resources to offer. The submarine program is one of several projects pursued by Taiwan that seek to address its defense needs which have been constrained by limited access to foreign military sales. "Innovative and asymmetric" (創新/不對稱) measures are meant to help Taiwan to re-define the military balance across the Strait by providing a new form of credible deterrence (*United Daily News*, October 6). **[3]** Effort on the part of the domestic arms industry is indispensable in this pursuit. The DPP, as the likely winner of the 2016 elections, appears to grasp the necessity of greater investment in the defense industry, and it dedicated the last of its 12 Defense Blue Papers entirely to redevelopment of an indigenous defense industry. **[4]** Together with sales of diesel-electric submarines, acquisition of new fighter jets is another recurring feature of Taipei's defense procurement process. ROCAF has not obtained a new fighter jet since buying the Mirage 2000-5 Ei/Di and the F-16A/B Block 20 from France and the U.S., respectively, in early 1990s. The next generation fighter the ROCAF brass want—the F-35—will not be available in the foreseeable future (*Now News*, August 19, 2014). Since the upcoming tender for the new jet trainer, scheduled for 2017 and the upgrade programs for the F-16 and the F-CK-1 will consume a significant share of the budget allocated for the air force, Taiwan's ability to attain qualitative superiority or even maintain technological parity through equipment, is an unrealistic prospect (*China Times*, September 27, 2015; *United Daily News*, October 22, 2015; *ETToday*, December 4, 2015). Taiwan's next president will have to decide whether to focus on domestic fighter development, re-focus on the longer-term availability of the F-35, or perhaps even scale back the fleet of combat aircraft, and put emphasis on area-denial countermeasures in the form of modern surface-to-air missile (SAM) systems.

However, Taiwan's diminishing ability to maintain control of the airspace is not just a matter of replacing old hardware with new. In addition to an aging fleet, ROCAF effectiveness as a fighting force has also been severely hampered by a serious shortage of pilots, the eroding qualitative advantage vis-à-vis the PLA Air Force (PLAAF), and the vulnerability presented by relatively small number of primary airbases. **[5]** While most ROCAF pilots are well trained, with a higher than NATO standard of 180 flying hours per year, the deteriorating economic situation in Taiwan has forced the government to cut back on bonuses and other incentives, which resulted in a net loss of experienced pilots (*China Times*, January 8, 2014). As a result, the ROCAF has a dismal ratio of qualified pilots per plane (pilot-to-cockpit ratio) of less than 1.5 pilots per plane (*China Times*, September 1, 2008). This means that wartime sortie generation would be gradually hampered as pilots become exhausted from one mission to the next without the possibility of relief. These exhausted pilots would be up against newer Chinese J-11s, J-10s and Russian-built Su-30s. In addition to future additions to the PLAAF's inventory, PRC pilots are getting more time in the air. PLAAF pilots' average flight hours have been gradually increasing from 6 or 8 hours per month to 12, with pilots from its frontline regiments (歼击航空团) reaching 180 annual hours in recent

years (*Liberty Times*, October 23, 2008; *China Review News* [中國評論新聞網], January 13, 2014). Consequently, the qualitative advantage that the ROCAF enjoyed for the past few decades is rapidly shrinking.

A potential solution to ROCAF woes could be gleaned from U.S. Naval War College professor William S. Murray's controversial Porcupine strategy proposal. **[6]** Through hardened C4ISR and the efficient integration of both the Air Defense Missile Command and the Air Defense Artillery Command, Taiwan could conceivably reach a higher cost/benefit ratio in the fight for control of the skies over Taiwan. Problems facing such an approach are numerous, not the least being the number of scandals and low morale that have plagued the Air Defense Missile Command—allegedly one of the reasons behind the command's separation from the Air Force (*Apple Daily* [Taiwan], March 1, 2015; *Liberty Times*, April 9, 2015; Central News Agency, November 4, 2015; *Now News*, March 23, 2012). However the MND is considering the reintegration of these two commands under the air force again in the near future and that should pave the right way toward an efficient integrated air defense system that could lessen the load for the active fighter complements (*United Daily News*, May 2, 2014).

Conclusion

According to Taiwan MND estimates, the PLA will be able to field a maximum force of 410,000 troops for an amphibious landing on Taiwan, consisting of 30 infantry and four armored divisions. An invasion force of this size would necessitate a minimum force level of 192,500, with a 92,500-strong army and 50,000-strong air force and navy, respectively (*Apple Daily* [Taiwan], August 27, 2015). With Taiwan's birthrate significantly below the replacement rate, at 1.07 percent, the complete transition to an AVF would require the adoption of a more professional reserve component, not unlike the Active Guard Reserve (AGR) of the U.S. Army in order to supplement the shortage of experienced personnel (*ETToday*, October 12, 2015).

The most severe issues hampering the effectiveness of the ROCAF are low numbers of pilots and the difficulty in acquiring combat aircraft. Numerous concerns, including budget cuts that resulted in less training and insufficient protection in the form of hangers and bunkers also put the survivability of the fighter fleet in question (*Liberty Times*, October 23, 2008; *Liberty Times*, October 25, 2015). **[7]** Therefore, a shift toward a SAM-based area-denial approach may help relieve the air force's struggle for air parity across the Strait, provided that the integration of the Air Defense Missile Command (防空飛彈司令部) and Air Defense Artillery Command (防空砲兵指揮部) could be achieved in an efficient manner.

What will be required from the incoming administration is the political will to make the necessary steps, which start, but by no means end, with an increase of defense spending, even if it would mean alienating voters. This is no small feat for a government that derives its mandate to govern from democratic elections. However, what is at stake is not an election loss four years later, but the ability to stand up to Beijing's demands and preserve Taiwan's *de facto* sovereignty against the backdrop of a deteriorating security environment.

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Notes:

1. The 2013 National Defense Report (102 年國防報告書) states that "The PRC plans to

build comprehensive capabilities for using military force against Taiwan by 2020. In the future, the PRC will continue to use joint operations as the basic form of operations, and aims to effectively prevent foreign forces from intervening in its operations against Taiwan, posing a growing threat." The complete collection of English versions of National Defense Report (1992–2015) can be found on the author's blog Taiwan in Perspective, <http://taiwan-in-perspective.com/2015/08/06/complete-collection-of-taiwans-defence-policy-documents/>

2. The DPP's Blue Defense Paper No. 1 states: "budget deficiency in recent years has already seriously affected military acquisition and readiness. The administration should increase the defense budget at once. We will set a 3 percent of GDP level as the goal of the annual defense budget and significantly increase acquisition expenditure when the DPP returns to power." DPP's Defense Agenda (民進黨的國防議題), Democratic Progressive Party, June 2013 <http://english.dpp.org.tw/wp-content/uploads/DPP-Defense-Blue-Book-Issue-1.pdf>.
3. The term can be found in the latest iteration of National Defense Report (104 年國防報告書) 2013 Quadrennial Defense Review <https://michalthim.files.wordpress.com/2015/08/2013-quadrennial-defense-review.pdf>.
4. Preparing the Development of Indigenous Defense Industry (本土國防產業發展的準備), Democratic Progressive Party, May 2015 <http://www.dppnff.tw/uploads/20150525205747_8182.pdf>. The entire collection of DPP Defense Blue Papers can be accessed at <http://english.dpp.org.tw/defense/>.
5. Liao Yen-Fan, "F-35B Lightning II, Is it right for ROCAF?," *Strategic Vision*, Vol. 3 No. 16 <http://issuu.com/strategic_vision/docs/sv16?e=6315064/8968381> or <http://taiwan-in-perspective.com/2014/08/21/top-gun-a-case-of-f-35-for-taiwan-guest-post/>; The ROCAF's order of battle is available as an infographic on the author's blog "Taiwan in Perspective" <http://taiwan-in-perspective.com/2015/09/02/infographic-taiwans-air-force-and-naval-aviation/> or at CIGeography <http://cigeography.blogspot.fr/2015/09/republic-of-china-air-force-rocnna.html#more>.
6. Murray argued, in 2008, that Taiwan should focus on infrastructure hardening and redundancy instead of pursuing high-profile advanced weapon purchases from the U.S. His proposal found some audience in Taiwan as there were certain similarities drawn with Ma Ying-jeou's "Hard ROC" (固若磐石) plan. William S. Murray, "Revisiting Taiwan's Defense Strategy," *Naval War College Review*, Vol. 61, No. 3 <https://www.usnwc.edu/getattachment/ae650b06-a5e4-4b64-b4fd-2bcc8665c399/Revisiting-Taiwan-s-Defense-Strategy---William-S--.aspx>.
7. According to the *Liberty Times* report, the Control Yuan (監察院) has, for the second time in five years, pointed out that the Air Force was negligent in providing sufficient protective hangars for its fighter fleet. ROCAF officials acknowledged the insufficient protection offered by the current system but claimed that a solution has already been found, albeit a classified one. On the other hand, Taiwan has been highly regarded for its Rapid Runway Repair (RRR) capability. See Ian Easton, *Able Archer: Taiwan Defense Strategy in an Age of Precision Strike*, Project 2049 Institute, September 2014, pp. 17–18 and 52–53 <http://www.project2049.net/documents/Easton_Able_Archers_Taiwan_Defense_Strategy.pdf>.

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DPP Plans to Enhance Taiwan Defense: Prospects and Cross Strait Implications

By Jennifer Turner

Taiwan's January 16th presidential election will likely bring Tsai Ing-Wen's Democratic Progressive Party (DPP) into power. The DPP has promised investments in defense along with democracy-strengthening measures that respond to the concerns of protesters in the 2014 Sunflower Movement (*China Brief* April 9, 2014). With a defense budget less than 10 percent of China's, Taiwan faces a great challenge in maintaining credible deterrence. It is equally challenged by a portion of the domestic voting public that increasingly sees defense as a sunk cost and a perception in the United States that Taiwan is insufficiently committed to its own security (*Taipei Times*, May 8, 2013). **[1]** Taiwan's defense posture must deter aggression, but must present itself in a way that balances the desires of the domestic, U.S. and Chinese audiences, and optimizes political outcomes. The prospect for realization of the defense goals contained in the DPP's Defense Blue Papers depend on institutional factors, budget constraints, popular attitudes toward national security, the U.S, and China. Whether a DPP administration could achieve its defense goals will have implications for maintenance of the cross-strait status quo and security situation in the Asia-Pacific.

The Legacy of Ma Ying-Jeou's Presidency - Engagement before Defense

After an era of provocative statements by the last DDP President, Chen Shui Bian, U.S. officials welcomed Ma Ying-jeou's pragmatic engagement with China. Ma cleverly used the military for regional Humanitarian Assistance and Disaster Relief (HADR) missions to increase the profile of Taiwan. His policy of reconciliation with China was "economics first, politics second" as can be clearly seen in the tone of reports of the Mainland Affairs Council, an agency under the executive yuan that is responsible for mainland policy-making and implementation. This focus on economic policy meant less emphasis was placed on defense. In Ma's hierarchy of three priorities to secure national security, the first was engagement with China, then expanding Taiwan's international space, and, lastly, traditional defense programs. Despite his public support for the military, some in Taiwan's defense establishment viewed Ma as unwilling to push for budgets increases for defense modernization, which became even more difficult when an economic downturn hit.

Ma's policies soon drew sharp criticism and culminated in the student-led 2014 Sunflower Movement, in which the public expressed dissatisfaction with flat wages, rising housing costs, economic inequality in Taiwan's society, the uneven distribution of the economic benefits of cross-Strait agreements, and the lack of transparency in the negotiation of those agreements.

Predictions for Tsai Ing-Wen - Cautious Ambiguity and Social Issues

In the run-up to the election, the DPP's New Frontier Foundation think tank, with input from Taiwanese and U.S. defense officials, has released 12 Defense Policy "Blue Papers" (DPP International Site, June 2013–December 2015). The papers discuss modernization and expansion of current programs like cyber defense. Defense governance initiatives aim to bring greater legislative oversight to the National Security Council, improve bi-partisan and inter-agency cooperation, and improve dialogue with democracies and allies. **[2]** A senior defense official said the ideas were "not very different from the current [policies]" This suggests that there is already a great deal of continuity in thinking about military policy by both parties (*China Brief*, November 19, 2009). The papers have been reasonably well received by the U.S. defense policy community (*China Brief*, August 23, 2013). According to the papers, the current, Kuomintang (KMT) administration has misunderstood Taiwan's strategic situation—just because Taiwan's external situation has improved does not mean Taiwan can afford to spend less on defense. Historically, the DPP has been more focused on social policy, but following a period of rapprochement with China that

has displeased many Taiwanese, the DPP has seized the opportunity to strengthen its defense credentials and improve deterrence (Focus Taiwan, September 5, 2015). The DPP may even be able to conduct confidence building measures with China that the KMT could not pursue without being criticized for "selling out to China." **[4]**

The DPP's image-building campaign included Tsai's speech at the Center for Strategic and International Studies that reassured China by pledging to preserve the "accumulated outcomes" under the "Republic of China constitutional order," implying acceptance of the "One China" principle (*Apple Daily*, June 6, 2015). DPP campaign staff describe Tsai's strategy as cautious, proceeding slowly and monitoring the PRC statements and "other channels" to judge the reaction to DPP policies. Regarding a future inauguration speech, they say that "[acknowledgement of] the 'One China' principle will not happen" but will work with China and the United States to create a statement both ambiguous and concrete enough to satisfy everyone. **[5]**

Tsai has spoken widely about veteran's programs, increasing pay and benefits, and revitalizing "respect for our soldiers within Taiwanese society" (DPP International Site, August 22, 2014). **[6]** These initiatives may help overcome the effects of scandals about former officers spying for the PRC and low salaries that contribute to the public perception of military careers as low status, a perception which makes it difficult to achieve recruitment goals in the transitions to a volunteer force. **[7]**

To generate interest in defense policy, her statements package defense spending in terms of economic benefits, saying her plan for indigenous defense industries will create 8,000 jobs and a minimum of $7.6 billion (*Taipei Times*, October 30, 2015). In the short term, whether Tsai can enact her defense policies will depend on her ability to manage public opinion and get cooperation from the military, the opposition and factions within her own party. **[8]**

Budget Constraints and Procurement Issues

Despite much urging from U.S. politicians, Taiwan's defense spending has not risen above the U.S. recommended level of 3 percent of GDP since 1999. **[9]** U.S. leaders warn that the U.S. security commitment to Taiwan is not a blank check. **[10]** But Taiwan's defense policy community complains about the U.S. periodic unwillingness to agree to procurements of large systems which, had they been more timely and predictable, could have been included in an expanded defense budget. The unpredictability of procurements led to Taiwan's "spaghetti" tactic of asking for everything to see what stuck, rather than asking for specific, thoughtfully-selected systems. Officials say the process is better now, but particularly with regard to development of new systems, it is like assembling a jigsaw puzzle, and having to wait for years for the missing pieces in technology transfers. **[11]**

In the past, bipartisan conflict between the Legislative Yuan and the executive branch has prevented the president from achieving national defense goals. In 2001, President Chen's attempts to purchase an arms package were stymied by the KMT, with dozens of procurement special budget requests stopped by the procedure committee (*Taipei Times*, April 5, 2006). The lack of a working mechanism to resolve legislative and executive stalemates and acrimony between the KMT and DPP coalitions prevented any compromise on defense policy and could do so again if the president's party does not also control the legislature.

Because Taiwan's laws limit deficit spending, other social and economic programs would have to be cut to accommodate a defense budget increase. The DPP advocates immediately increasing the defense budget to 3 percent but do not explain how this will be achieved (DPP International Site, June 2013). The difficulty in increasing the budget or reallocating funds is compounded by the fact that Taiwan has one of the lowest tax rates in the developed world. Although this has been suggested as a way to increase the size of the budget "pie," it could encourage even more industries to leave for the mainland and Southeast Asia, further hurting Taiwan's economy.

Society and Identity

Data from the Taiwan National Security Survey, last

collected in 2014, shows a downward trend in preference for re-unification, a high preference for maintaining the cross-Strait status quo, and an increase in confidence that the U.S. would send troops to protect Taiwan if it was attacked for declaring independence. **[12]** 58 percent of respondents favored a reduction in arms purchases if China withdraws its missiles from along the southeast coast. Yet, 56 percent of respondents in 2014 perceived the PRC's attitude toward the ROC government to be "unfriendly" (Mainland Affairs Council, July 6, 2014). These trends point to an apparent contradiction between an awareness of a threat combined with a feeling of safety despite a growing military imbalance.

Watching China

Su Chi, a former Taiwan National Security Council official and influential thinker who coined the term "1992 consensus," to describe acknowledgement of a "One China principle" has conceptualized China as a bicycle moving forward on two wheels of "economic growth" and "nationalism." **[13]** To remain stable, both wheels must continue moving forward. An economic slowdown could pressure from increase nationalist elements to take action against Taiwan. Recent causes for concern include a training assault by People's Liberation Army forces on an apparent mock-up of the Taiwan Presidential Palace that was televised on state television. That in turn led to Taiwan's armed forces conducting special exercises to train to counter a PRC "decapitation strike" (*China Brief*, September 16, 2015; *Taipei Times*, September 1, 2015; Focus Taiwan, August 31, 2015).

Despite the potential for conflict, there are reasons for optimism. Political insiders in Taiwan report that the Taiwan public is developing "resistance to provocation." The Ministry of National Defense's threat assessments now explicitly discuss China, and "nam[ing] the enemy" has a calming effect on the population. **[14]** Leaders have gained experience in implementing counter-policies and assuaging fears in response to Beijing's economic and media influence attempts. **[15]** This tendency toward calm is a positive factor for the future of cross strait stability, but may also work against leaders' attempts to increase the defense budget.

U.S. Interests - Dangers and Opportunities

U.S. policy toward Taiwan "insists on the peaceful resolution of cross-Strait differences, opposes unilateral changes to the status quo by either side, and encourages dialogue to help advance such an outcome," a position with no preference for the outcome as long as the process is peaceful. **[16]** Arms sales help provide conditions for Taiwan to negotiate with China intelligently and from a position of strength.

In the battle of ideas, it is in China's interest to encourage the belief that defending Taiwan is not worthwhile or possible (China U.S. Focus, Marcy 25, 2014). A recent RAND study became a topic of discussion in Taiwan this year. It shows the U.S.-China military balance in comparison, with the U.S. retaining certain advantages, but the Chinese are attaining superiority in some areas, particularly within their own region and "near-seas" area (Apple Daily, October 19, 2015). **[17]** China's "salami slicing" tactics in the South China Sea have generated much concern and made Taiwan newly salient to U.S. policy-makers, either as an informal part of a U.S. security apparatus or as a model example of U.S. commitment to allies. Those in the U.S. who advocate abandoning Taiwan should remember that Taiwan has tried to develop a nuclear weapon, but was dissuaded by U.S. pressure. **[18]** If U.S. support evaporates, it is possible that Taiwan would again look to a nuclear deterrent, as it did in response to China's first nuclear test in 1964, increasing the dangers of escalation (*Taipei Times*, September 14, 2010).

The U.S. should advise an incoming DPP government to sustain economic progress and support their defense plans with technology transfers, training, and doctrinal support. If deterrence is linked to perceptions of the strength of U.S. commitment to the continued existence and success of Taiwan, then the U.S. can also bolster its support of Taiwan through non-defense channels wherever possible. Inclusion in an economic agreement like the Trans-Pacific Partnership (TPP) may have the same absolute value in deterrence as an aircraft carrier or number of fighter jets.

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The 13th Five-Year Plan: A New Chapter in China's Maritime Transformation

By Ryan D. Martinson

During the past three decades, China has experienced a tremendous transformation in its strategic outlook. It has evolved from a terracentric state with its military, political, economic, and cultural roots firmly planted on the Eurasian continent to one of the world's premier maritime states. The blueprints for this transformation can be found in the pages of the party-state's "Five-Year Plans for Economic and Social Development" (FYPs). In March 2016, China's National People's Congress (NPC) will approve the 13th FYP (2016–2020). As is the custom, the Chinese Communist Party (CCP) issued a "proposed" (建议) version of the 13th FYP at the autumn plenary

meeting of the Central Committee. A close reading of this document suggests that the next FYP will embody maritime aspirations that are increasingly global in scale and scope.

China's Maritime Transformation

"Maritime transformation" may be usefully defined as a dramatic increase in the importance of the ocean in a state's grand strategy. This change in strategic outlook may affect policies governing national defense, diplomacy, commerce, industry, and society. There is, however, no standard pattern that may be applied to all states undergoing this process: thus, it is an inherently "fuzzy" concept. **[1]**

By any standard, China has already undergone a maritime transformation. When Deng Xiaoping assumed power in the late 1970s, China had turned its back on the sea. It traded very little, owned a small shipping fleet, fished almost exclusively in its coastal waters, built few ships, was appallingly ignorant of the ocean, and operated a feeble, brown-water navy. Today, largely as an outcome of state policy, China is the world's largest trading nation, possesses the world's largest merchant and fishing fleets, builds more ships than any other country, invests heavily in ocean science, operates the world's largest coast guard, and commands a very formidable blue-water navy.

However, Chinese policymakers believe that China's transformation is far from complete. There is much more wealth to be generated, power to be accreted, interests to be protected, and prestige to be enjoyed through adroit crafting of marine policy. The 13th FYP represents the next chapter in China's maritime transformation.

The Five Year Plan as Blueprint

Five Year Plans (五年计划, or, beginning with the 12th FYP, 五年规划) are strategic documents intended to guide the nation's economic and social progress over the near-to-mid-term. They therefore reflect China's "grand strategy," i.e., what national goals Chinese policymakers hope to achieve and how they expect to achieve them. They indicate policy priorities and shed light on the dominant political philosophy among the Chinese leadership. As such, they are excellent sources for understanding the role Chinese policymakers conceive for the ocean in China's national development.

FYPs are formulated at the direction of the CCP, which issues a "proposed" draft in the autumn prior to formal approval at the NPC. The NPC then releases an "outline" (纲要) of each FYP to the Chinese public. Since the mid-1980s—a period when China's maritime transformation was just beginning—China has issued six FYPs.

China's Recent FYPs	
Plan	**Issued**
7th FYP (1986-1990)	April 1986
8th FYP (1991-1995)	April 1991
9th FYP (1996-2000)	March 1996
10th FYP (2001-2005)	March 2001
11th FYP (2006-2010)	March 2006
12th FYP (2011-2015)	March 2011

Throughout the period under discussion, Chinese planners have seen the ocean as a source of wealth, a medium closely tied to the party-state's primary objective of fostering economic development. The ocean was China's link to the outside world, with its capital, technology, knowledge, and markets. Thus, in the 7th FYP the vast majority of references to the "sea" (海) appear in content about the need to prioritize development of the country's coastal (沿海) regions and build port facilities. Since at least the 1980s, Chinese planners have also sought to increase the country's production of marine-related equipment, initially for use by Chinese firms and the Chinese state, eventually for sale to markets overseas. For instance, the 8th FYP asks Chinese manufacturers to improve their capacity to build and repair mid- and large-sized ships, and "at the same time they seek to satisfy domestic demand, they should increase exports."

Chinese planners have also regarded the ocean as a fund of resources that could contribute to China's economic development. Indeed, each subsequent iteration of the Plan includes new content on Chinese aspirations to exploit the living and non-living resources beneath the sea. Each new Plan has asked Chinese mariners to operate further away from the

Mainland coast—and told Chinese firms to give them the tools they need to do it. The 7th FYP instructed the country's factories to "gradually develop the ability to manufacture offshore oil equipment." By the 11th FYP, Chinese firms were tasked with developing equipment needed to exploit oil and gas resources in deep waters remote from China's shores, a request that China National Offshore Oil Corporation obeyed with great alacrity (People's Daily Online, March 28, 2006). China's fishing industry, too, was expected to migrate operations from coastal waters to, by the 9th FYP, the "far seas." Chinese planners flatly stated in the 11th FYP that the country would focus on developing resources in the Exclusive Economic Zone (EEZ), continental shelf, and international waters.

A New Perspective on the Sea

With the 12th FYP, the nature of China's maritime transformation began to change. Chinese planners continued to recognize the wealth-producing attributes of the sea, but they now began to see the watery world in overtly proprietary terms. This new concern is reflected in the inclusion of language about the need to protect China's "maritime rights and interests" (海洋权益). This term refers to rights (and interests these rights engender) to exploit and navigate the ocean as outlined in the UN Convention on the Law of the Sea (UNCLOS), which China ratified in 1996. However, China had its own interpretation of several of its provisions—above all, the right to regulate foreign military activities in the EEZ. China also claimed offshore islands controlled by other states, which led to disputes over rights in waters adjacent to them. This in turn created the need for "rights protection." Chinese planners first included an injunction to safeguard maritime rights/interests in the 10th FYP. Similar wording appeared in the 11th FYP. However, it was not until the 12th FYP that Chinese planners began to include substantive "rights protection" content. They continued to call for the state to improve its ability to develop and manage the ocean, but now they also asked it to be able to "control" (控制) it too. To help do this, they required China to greatly augment its maritime law enforcement forces. Thus, it was likely no coincidence that it was during the 12th FYP that China's maritime dispute strategy took a much more assertive turn.

It was also the 12th FYP that Chinese policymakers first formally recognized the country's maritime transformation for what it was. In the past, China had been an inwardly-focused land power. Now, given the manifest importance of the ocean in China's national development, China was a "land-sea hybrid" (陆海兼备) state. Both the land and the ocean were important for realizing the national destiny (Economics Daily, June 14, 2011). The 12th FYP introduced the concept of "land-sea coordination" (陆海统筹). Land-sea coordination was an economic philosophy: state development decisions should consider the land and sea to be parts of an organic whole. Land-sea coordination meant protecting the marine environment: economic activities, wherever they take place, should not harm the health of the ocean. It was also a geostrategic concept: threats to Chinese security and maritime rights and interests came from the sea. Thus, China needed to develop both land power and sea power. **[2]**

The 12th FYP also identified two new interests with important implications for China's maritime transformation: sea lanes and overseas interests. In China's FYP plans, the ocean's most important attribute—as the most efficient medium of transportation, connecting Chinese manufacturers with foreign markets and raw materials—is implied, not stated. For much of the period under discussion, Chinese policymakers assumed that the international system would ensure that inputs and outputs would arrive where and when they are required. This changed in the 12th FYP. For the first time, Chinese planners identified a need to "ensure the security of shipping lanes." In another departure from the past, the 12th FYP also obligated the state to protect China's "overseas interests," which had expanded under the encouragement of national policy (the so-called "Going Out" strategy).

A much more detailed treatment of all of these themes appeared in a separate, maritime-focused planning document covering the same period: the 12th FYP on Maritime Development. **[3]** This FYP, drafted by the State Oceanic Administration (SOA), was the first of its kind. Its commissioning likely reflected the growing eagerness of national policymakers to systematize China's maritime transformation, a desire reflected in a requirement in the 12th FYP

for Economic and Social Development that the country "formulate and implement a maritime development strategy" (the first FYP to do so).

The Next Chapter

The CCP released the "proposed" version of the 13th FYP in November 2015. **[4]** While this document is much briefer than the final outline that will be approved by the NPC in March 2016, it is a valuable source for assessing how Chinese planners intend to pursue the next phase of the country's maritime transformation. It calls for China to continue to pursue "land-sea coordination." Thus, the notion of China as both a land and sea power is now entrenched within the party-state's view of itself and its place in the world. Moreover, the "proposed" Plan recognizes that the objective of China's maritime transformation is to become a "maritime power" (海洋强国), reiterating a goal first enunciated at the 18th Party Congress. To become a "maritime power," China must do four things: grow the maritime economy, develop marine resources, protect the marine environment, and safeguard maritime rights and interests.

The "proposed" 13th FYP also calls for further geographic expansion of China's maritime activities. It states that China will "expand space for the blue [i.e., maritime] economy" (拓展蓝色经济空间). In a front page article in a SOA-run newspaper, SOA researcher Wang Fang interprets this to mean that China will "make full use of maritime space all around the world." According to Wang's understanding, developing new maritime spaces will create "new motive force" for China's national development (China Ocean News, November 26, 2015).

To the extent that it is focused on the nautical realm, this global vision is entirely congruent with China's "maritime power" strategy. However, the "proposed" 13th FYP also includes concepts that have no apparent place in that strategy, yet which have very important implications for China's maritime transformation. One is the "Maritime Silk Road," Xi Jinping's initiative that seeks to foster economic linkages between China and coastal states in the western Pacific and Indian Ocean. The other is the related objective of protecting China's overseas interests, first introduced in the 12th FYP. The "proposed" 13th FYP calls for China to build a "system to protect overseas interests" (海外利益保护体系), presumably including overseas military facilities. Both of these objectives are inherently maritime in nature, and yet must take place on foreign soil, where China has no inherent rights. It is reasonable, then, to expect that as these initiatives develop, China's "maritime power" strategy will evolve to suit the country's expanding interests. If this happens, we can expect to witness this ideological evolution in the pages of future Five Year Plans.

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