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IN THIS ISSUE:

“Unity and Struggle”: The Campaign to Study the 20th Party Congress

By John S. Van Oudenarenpp. 1-5

Managing the PLA’s Military Diplomacy: Key Institutions and Personnel

By Chad Sbragia and Kenneth W. Allenpp. 6-17

China’s Economy: More Debt than Meets the Eye

By Antonio Graceffopp. 18-21

The Long Shadow of the 1962 War and the China-India Border Dispute

By Sudha Ramachandran.....pp. 22-25

The Changing Paradigms of Taiwan’s Grand Strategy

By Philip Hsu.....pp. 26-30

“Unity and Struggle”: The Campaign to Study the 20th Party Congress

John S. Van Oudenaren

On November 16, members of the local Young Pioneers group attended a lecture by Sanjianxi village party chief Gao Shuzen on the “Spirit of the 20th Party Congress” (二十大精神, *ershi da jingshen*) in Jinan, the capital of Shandong province ([China Youth Net](#), November 16). [1] Gao, who was a delegate to the October 16-22 Party Congress in Beijing, told the Young Pioneers about her experience participating in such a “grand occasion” (盛况, *shengkuang*). Two days earlier, transit workers in Huangshi, Hubei, attended a “learning and sharing session” on the “Spirit of the 20th Party Congress.” All of the participating employees reported that the study session inspired them to “work diligently, not slack off, take responsibility and make contributions to the new era” ([Hubei Daily](#), November 16). Scenes like this are playing out all over China as party members, workers, students and retirees alike study and seek to implement the “Spirit of the 20th Party Congress.”



(Image: Sanjianxi village Party chief Gao Shuzhen speaks to local students, source: China Daily)

Telling the Red Story

In many localities, citizens are being encouraged to learn about the “Spirit of the 20th Party Congress” at street side “red stations” (红色驿站, *hongse yizhan*), which seek to foster a “deep relationship” between the Chinese Communist Party (CCP) and the masses ([Rudong Daily](#), November 14). Last week, for instance, food delivery drivers in Lingwu city, Ningxia, attended a study session at the local “red station” on the importance of General Secretary Xi Jinping’s Party Congress work report, where they also received complimentary copies of the Party constitution, a reader of the “top twenty CCP reports” and N-95 masks ([Ningxia Daily](#), November 11). Many “red stations” feature speeches from CCP youth organizations including the “Little Red Bees” (红色小蜜蜂, *hongse xiao mifeng*) and the “Red Scarf Guides” (*honglingjin jiangjie yuan*) who underwent extensive preparation to undertake post-Party Congress outreach ([People.cn- Guangxi Channel](#), October 9). For example, on October 11, the Shaanxi Propaganda Department and Youth League cohosted a skills demonstration, which included a CCP history trivia contest and virtual “red” activities to practice conveying revolutionary stories ([Shaanxi Daily](#), October 15). The best commentators were then selected as “little propagandists” (小小宣传员, *xiao xiao xuanchuan yuan*) to “tell red stories well.” In some areas, such as in Qinghai, “Little Red Bees” went door-to-door to highlight the main points of Xi’s work report to older and ethnic minority residents ([Qinghai Daily](#), November 16).

Party Lessons

The 20th Party Congress convened from October 16-22 to select a new Central Committee, which in its subsequent First Plenum on October 23 rubberstamped Xi's third term as CCP General Secretary and approved a Politburo filled with his lieutenants ([China Brief](#), October 24).

On October 26, Xi led the other 23 members of the new Politburo in the first study session on the lessons of the 20th Party Congress ([People's Daily](#), October 27). Notably, the meeting occurred a day prior to Xi taking the new Politburo Standing Committee (PBSC) to visit the "sacred land of the Chinese revolution" in Yan'an Shaanxi, which served as Mao Zedong's base of operations from 1935 to 1948 ([China Brief](#), November 3; [Xinhua](#), October 29). At the study session, Xi touted the 20th Party Congress as an epochal moment in Chinese history that yielded "a series of great achievements in politics, theory and practice." He described the record of the October conclave as "a political declaration and action plan" of the CCP "to build a fully, modern socialist nation" and "achieve the great rejuvenation of the Chinese nation" ([People's Daily](#), October 27). In doing so, Xi was effectively calling on all citizens to study the speeches and documents produced at the 20th Party Congress, particularly the work report, which he presented at the Congress's October 16 opening ceremony ([Gov.cn](#), October 25). For Xi, the resources provide a blueprint for fully realizing the CCP's second centennial goal of becoming a fully developed, "great modern socialist country" that is "prosperous, strong, democratic, culturally advanced, harmonious and beautiful" by the 100-year anniversary of the People's Republic of China's (PRC) founding in 2049 ([Xinhua](#), October 18, 2017).

On October 29, the Central Committee issued the "Decision to Conscientiously Study, Propagate and Implement the Spirit of the 20th Party Congress" ([Xinhua](#), October 30). The Decision stresses the importance of resolute adherence to the "Two Establishes" (两个确立, *liang ge que li*): establishing Xi's status as core of the Central Committee and the Whole Party; and adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era. It also emphasizes the need to "deeply understand the Chinese characteristics and essential requirements of Chinese-style modernization," a concept introduced by Xi in his Party Congress work report. According to the Central Committee's October 29 decision, "Chinese-style modernization" is CCP-led Socialist Modernization adapted to China's specific cultural and material circumstances, in particular, its huge population. Hence, "Chinese-style Modernization" entails the advancement of "common prosperity" for all people; coordinating China's material and spiritual civilization; and ensuring harmonious coexistence between nature and humanity. As a result, "Chinese-style modernization" is presented as an essential vehicle to achieve the CCP's interlinked goals of achieving "national rejuvenation" at home, while building a "community of common destiny" in the world.

Pursuing "Unity" and Embracing "Struggle"

On November 2, *People's Daily* ran an editorial by newly appointed PBSC member and director of the CCP General Office, Ding Xuexiang, entitled "Comprehensively Advance the Great Rejuvenation of the Chinese Nation through Unity and Struggle (seriously study, publicize and implement the spirit of the 20th Party Congress)" ([People's Daily](#), November 2). In his editorial, Ding averred that the 20th Party Congress deeply analyzed and dissected the difficult and complex challenges that face China. He noted that the key lessons of the Congress are that strength comes from unity and success at work comes from struggle. He then identified five key themes of the Congress to carry forward in his *People's Daily* essay on unity and struggle :

1. *Unity and struggle are the distinctive spiritual symbols of the CCP and the Chinese people:* Ding noted that over millennia, the Chinese people creating a “unified multi-ethnic country” developing vast mountains and rivers through arduous efforts and overcoming countless natural disasters ([China Brief](#), April 29). Ding maintained that in modern times, the people united under the CCP’s leadership in the face of the catastrophe of national humiliation to drive away foreign colonizers and invaders in order to build a new China.
2. *Unity and struggle are essential to comprehensively advancing national rejuvenation:* Ding stated the CCP has reached its first centennial goal (achieving a “moderately prosperous society”) but that achieving rejuvenation by 2049 requires even more arduous efforts.
3. *Unity and struggle stems from the unifying will and action of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era:* Ding acclaimed that in difficult times, Xi Jinping Thought is a means to comprehend and navigate changing, often challenging circumstances. “As long as we thoroughly learn and comprehend this important thought, know both what it says and what it means, and grasp what it is and why it is so, confusion in cognition can be eliminated in time and the difficulties in work can be solved. We must persist in taking this important thought as the fundamental basis for thinking about problems” said Ding.
4. *Consolidate and strengthen all aspects of unity so the whole party and society think and move in one direction:* Ding explained that “our party is a highly centralized and unified Marxist party.” He stated that historical experience has proven as long as the party is united, “we will be invincible and overcome all obstacles and powerful enemies.” He stressed that it is not possible to pursue unity by “chanting slogans,” i.e. going through the motions. Rather, he averred that following the principle of the “two upholds” (两个维护, *liang ge weihu*; [Qiushi](#), July 9, 2019), which are to uphold Xi as the core and uphold the CCP’s centralized authority, requires “correct understanding and actions”
5. *Dare to struggle:* Ding quotes Xi in observing that China’s efforts to surmount the challenges it faces is a marathon not a sprint. He asserts that “only by daring to struggle can we overcome barriers.” Finally, Ding declared that “Communists in the New Era should abandon all timidity, negativity and laxity” and “always maintain a fearless spirit” no matter the dangers ahead.

Conclusion

It is unsurprising that when Xi had his first meeting with U.S. President Joseph Biden in Bali, Indonesia, on November 14, he expounded on the importance of the 20th Party Congress and its key outcomes ([PRC Foreign Ministry](#), November 14). In the meeting, Xi also made an explicit attempt to rebut foreign criticism of the CCP model, asserting that “the whole-process people’s democracy practiced in China is based on the country’s reality, history and culture, and it reflects the people’s will.” He also claimed that the PRC’s domestic and foreign policies are open and transparent, with clearly stated strategic intentions. Putting aside the veracity of Xi’s state, his remarks to Biden do highlight that foreign observers struggling to understand China’s present

trajectory would do well, albeit with a critical eye, to undertake their own extensive study of the 20th Party Congress and its lessons.

John S. Van Oudenaren is Editor-in-Chief of China Brief. For any comments, queries, or submissions, please reach out to him at: cbeditor@jamestown.org.

Notes

[1] The Young Pioneers are a national mass youth organization for Chinese children, which is run by the Communist Youth League. According to the State Council Information Office (SCIO) , the Young Pioneers had over 110 million members at the end of last year ([SCIO](#), June 1).

Managing the PLA's Military Diplomacy: Key Institutions and Personnel

Chad Sbragia and Kenneth W. Allen



(Image: *PLA and African Military Representatives at the First China-Africa Peace and Security Forum in Beijing in 2019, note the PLA participants are wearing OIMC arm patches, source:* PLA Daily)

Introduction

The People's Liberation Army's (PLA) status as the armed forces of the Chinese Communist Party (CCP) is particularly manifest in its handling of military diplomacy. This article examines the background and evolution of the Office of International Military Cooperation (OIMC)—the main Central Military Commission (CMC) organization responsible for managing and coordinating PLA relationships with foreign militaries. In addition, the piece examines and contextualizes the roles of the Joint Staff Department and the Minister of National Defense in military diplomacy. In examining the main PLA military diplomacy actors, this article builds on Kenneth Allen's recent *China Brief* series, "The PLA's Military Diplomacy in Advance of the 20th Party Congress," which overviewed recent senior-level engagements as well as specific areas of cooperation between the PLA and foreign forces (China Brief, [September 9](#); [October 4](#)).

A Brief History

The PLA's Foreign Affairs Office originated in 1951 when the CCP's CMC created a subordinate Foreign Liaison Division. [1] After the Ministry of National Defense (MND) was formed in 1954, the PLA used this office as a base to establish a subordinate Foreign Affairs Office (FAO; 外事办公室, *waishi bangongshi*) in 1955 that received dual guidance from the General Staff Department (GSD) Intelligence (Second) Department and the MND General Office (办公厅, *bangong ting*). In 1959, the FAO was placed solely under the MND's General Office. In January 1964, the office expanded to become the Foreign Affairs Bureau (FAB; 外事局, *waishi ju*) under the General Office. The bureau created a subordinate General Office (办公室) and three numbered divisions: 1st Division (一处, *yi chu*) : Military Attachés (武官, *wuguan*); 2nd Division: Military Assistance (军援, *jun yuan*); and 3rd Division: Research (调研, *diaoyan*). In 1965, the bureau was re-subordinated under the GSD, where it underwent unidentified organizational adjustments. From then on, the GSD Foreign Affairs Bureau and MND Foreign Affairs Bureau were dual hatted with MND's FAB providing a veneer for GSD activities.

In December 1998, both the GSD and MND changed the name of the Foreign Affairs Bureau to the Foreign Affairs Office. [2] Besides the name change, the new office was also upgraded to a corps leader-grade organization, which allowed it to deal with the GSD's Second Department and the GSD Foreign Affairs Office's counterpart in the Ministry of Foreign Affairs as an equal. The GSD / MND Foreign Affairs Office included the following subordinate organizations: Political Department (政治部; *zhengzhi bu*), Comprehensive Bureau (综合局, *zonghe ju*), Arms Control and Military Assistance Bureau (军控军援局, *jun kong jun yuan ju*), Asia Bureau (亚洲局, *yazhou ju*), Eurasian Bureau (欧亚局, *Ouya ju*), Americas and Oceania Bureau (美洲大洋洲局, *meizhou dayangzhou ju*), and West Asia and Africa Bureau (西亚非洲局, *xiya feizhou ju*), as well as some other unidentified bureaus ([Tsinghua University, Center for International Security and Strategy; People.cn](#), June 25, 2013).

Impact of 2016 Reforms

On January 11, 2016, the CMC underwent a reorganization from a General Headquarters System (总部制) to a Multi-Department System (多部门制) in which four General Departments were transformed into 15 organizations ([State Council Information Office \[SCIO\]](#), July 24, 2019). This systemic reorganization, under which the new departments, commissions and offices are to operate as the staff, executive, and service organs of the CMC, aimed to foster centralized and unified leadership; strengthen the top military leadership body's coordination functions; improve its capacity for strategic planning and overall management; and, strengthen restraint and supervision. As a result of these reforms, the Foreign Affairs Office was not only renamed to the Office for International Military Coordination (OIMC; 国际军事合作办公室, *guoji junshi hezuo bangongshi*), but was also elevated into the CMC's new Multi-Department Organization System to become the 13th ranked department in protocol order, which is the equivalent grade to a corps leader ([Huanqiu](#), January 11, 2016; [Guancha](#), February 1, 2016). Concurrently, these reforms also abolished the former GSD Foreign Affairs Office

([Takungpao](#), January 12, 2016). According to the official MND website: “the office is mainly responsible for foreign military exchanges and cooperation, and for managing and coordinating the foreign affairs work of the whole military” ([MND](#)). The arm patch for the office is shown in figure 1.

Despite the CMC OIMC’s recent origins, the exact link between it and the State Council MND office of the same name is unclear. However, it appears, these are the same organization with two different names. Specifically, various articles in 2016 noted that there was a CMC OIMC (中央军委国际军事合作办公室, *Zhongyang junwei guoji junshi hezuo bangongshi*) and an MND OIMC (国防部国际军事合作办公室, *guofang bu junwei guoji junshi hezuo bangongshi*), which were considered “one department with two brands” (一个部门两个牌子, *yige bumen liangge paizi*) ([Huanqiu](#), January 11, 2016; [Shangguan News](#), April 16, 2016). A reference to the MND OIMC was found as late as last December ([PLA NDU International College of Defence Studies](#), December 24, 2021).

This is consistent with the November 2012 adoption of the “Working Rules of the Central Military Commission,” which stipulated a “CMC Chairman Responsibility System” that was later included in the revisions to the CCP constitution that were adopted at the 19th Party Congress in 2017 ([PLA Daily](#), March 16, 2021). A seemingly new feature of the updated responsibility system is charging the Minister of National Defense with providing oversight of OIMC activities to the CMC. Based on the 2018 “deepening the reform plan of party and state institutions,” the Minister of Defense now sits on the CCP Foreign Affairs Work Commission as the sole uniformed PLA representative and coordinates with other state organs on foreign affairs through MND and the dual-hatted OIMC.

2021 Regulations on International Military Cooperation Work

The adoption of the “Military Strategic Guidelines for a New Era” conveyed in the People’s Republic of China’s (PRC) 2019 white paper on “China’s National Defense in the New Era,” not only expanded defense aims to include safeguarding overseas interests, but also affirmed the need to “actively develop constructive relationships with foreign militaries” that would require “a new configuration of foreign military relations which is all-dimensional, wide-ranging and multi-tiered is taking shape” ([SCIO](#), July 24, 2019). Demands for greater participation in global and regional security governance, expansion of bilateral defense partnerships, efforts to settle disputes over territory and maritime demarcation through negotiation and consultation, and increased security cooperation activities combine to levy twofold requirements on the international military cooperation activities of the PLA. First, the PLA must refine relevant mechanisms for protecting China’s overseas interests and foreign affairs. Second, the PLA must establish and improve “system coordination” (系统统筹) functions of the OIMC consistent with the overarching “Socialist Military Policy System (system of systems) with Chinese Characteristics” (中国特色社会主义军事政策制度体系, *zhongguo tese shehui zhuyi junshi zhengce zhidu tixi*) that orchestrates all PLA systems as well as with other foreign affairs systems of China’s governance.

[3]

After years in development, Xi signed an order as CMC Chairman issuing the “Regulations on International Military Cooperation” (国际军事合作工作条例, *guoji junshi hezuo gongzuo tiaoli*), which came into force on March 1, 2021 ([PLA Daily](#), March 16, 2021). The regulations not only provide fundamental guidelines for international military cooperation consistent with Xi Jinping's “Thinking on Strengthening the Armed Forces,” which are part of the broader effort to build a world-class military, they also seek to apply to Xi’s “Holistic National Security Concept” and expedite his strategic foreign policy aim to create a “community with a shared future for mankind.” The regulations also steer OIMC adaptation of the 2019 strategic guidelines for the “new era” and seek to implement specific steps for the reform and deployment of national defense and the military. A core feature of the regulations, which is consistent with the deepening reforms of the PRC’s national defense and the military systems since 2016, is the direction for OIMC to further “improve the working system and mechanism of international military cooperation in accordance with the leadership and management system established by the reform of national defense and the military, strengthen strategic management and work guidance, improve the work system, and clarify the responsibility interface of each unit in the work of international military cooperation” ([PLA Daily](#), March 16, 2021).

In concert with the other PLA and foreign policy reforms undertaken since 2016, the regulations establish the importance that international military cooperation and the OIMC must function within the PLA, the Party and China’s overall foreign affairs, national defense and military construction, which all contribute to enhancing the PRC’s overall international influence. The regulations specify the main tasks and preliminarily establish a framework, which covers all aspects of CMC-led international military cooperation. Moreover, the regulations establish an “International Military Cooperation Leadership and Management System,” which is internal to China’s armed forces (both the PLA and the PAP), in order to regulate horizontal coordination and to vertically divide the OIMC’s responsibilities and implementation processes to foster overall synergy of effort. The regulations also established a “Military Cooperation Work Inspection and Evaluation System” to conduct assessments, inspections, and evaluations, which aim to improve the overall efficiency and level of international military cooperation.

OIMC Organizational Structure

So far, only a few organizations have been identified as being subordinate to the OIMC, including the Eurasian Bureau (欧亚局, *Ouya ju*), the Security Center or Security Cooperation Center (安全合作中心, *anquan hezuo zhongxin*), which is linked to China’s peacekeeping activities and is usually identified as belonging to the MND OIMC, and the Arms Control and Compliance Affairs Office (军控和履约事务办公室, *jun kong he luyue shiwu bangongshi*), which has a subordinate Compliance Affairs Bureau (履约事务局, *luyue shiwu ju*) responsible for overseeing China’s Chemical Warfare treaty participation requirements ([71.cn](#), October 19, 2017; [PRC Embassy in the Netherlands](#), September 19; [People’s Daily](#), January 27, 2017). The OIMC also has a Comprehensive Bureau, Asia Bureau and Americas and Oceanian Affairs Bureau. It most likely has several other regional bureaus that correlate to the Ministry of Foreign Affairs’ regional departments for Asian Affairs; West Asian and North African Affairs; African Affairs; European-Central Asian Affairs; European Affairs; North American and Oceanian Affairs; and Latin American and Caribbean Affairs ([FMPRC](#)).

OIMC Leadership

The following personnel have been identified as the directors (主任, *zhuren*) for the OIMC starting in 2016, each of whom spent most of their career involved in military diplomacy. Each head of OIMC had held the grade of corps leader.

- **2016–2017:** Navy Rear Admiral Guan Youfei (关友飞), who worked in various billets in the GSD and MND Foreign Affairs Office starting in the early 2000s ([The Paper](#), January 15, 2016).
- **2017–2018:** Army Major General Hu Changming (胡昌明), who served most of his career in the GSD foreign affairs structure to include working as the first attaché in the PRC Embassy in Tanzania in the early 2010s and as a Deputy Director of the OIMC from 2016 – 2017 ([81.cn](#), November 22, 2017).
- **2018–2022:** Army Major General Ci Guowei (慈国巍). He previously served as the PRC Military Attaché in Kyrgyz Republic and then the Director of the GSD Foreign Affairs Office's Eurasian Bureau. He then served as a Deputy Director of the MND Foreign Affairs Office and then as a Deputy Director of the OIMC before becoming the Director in 2018 ([Huangju](#), December 27, 2018).

It appears that there have been at least four deputy directors (副主任, *fuzhuren*) of OIMC since 2016 as well, each of whom were a major general or rear admiral with the grade of corps deputy leader ([Baiké](#)). There are normally at least two to three deputy directors at the same time. It is not clear who, besides Huang Xueping, is currently serving as a deputy.

- **2016-December 2018:** Major General Ci Guowei
- **2016-2017:** Major General Hu Changming
- **2016-November 2017:** Rear Admiral Li Ji (李际)
- **November 2017-2022:** Major General Huang Xueping (黄雪平) ([CCTV News Weibo](#), September 18).

CMC OIMC Military Diplomacy Activities

The MND's English-language website catalogues 13 events involving the CMC OIMC from 2018 to 2022, which are listed below. An unexplained phenomenon, however, is what conditions spur publicization of meetings and other events since some routine official OIMC talks are published in one period but not on other occasions. [4] Of note, none of the articles identified the participants as from the MND OIMC, nor did they mention any participation by JSD representatives.

- On April 18, 2018, the Sasakawa Peace Foundation hosted a welcome reception for a delegation of colonel-level PLA officers ([China Military Online \[CMO\]](#), April 18, 2018). The visit was part of the defense exchange jointly hosted by the Sasakawa Peace Foundation, the Sasakawa Japan-China Friendship Fund and the China Institution for International Strategic Studies. As of the time of this reception, the two

sides had facilitated exchanges involving about 130 Japan Self-Defense Forces (JSDF) officers and more than 200 PLA officers since the program was launched in 2001. However, mutual visits were suspended in February, 2012. Major General Ci Guowei, who was a deputy director of the CMC OIMC in 2018, led the 25-member delegation to Japan.

- On November 21, 2018, the CMC OIMC invited foreign military attaches from nearly 60 countries to visit the MND's peacekeeping center near Beijing ([Xinhuanet](#), November 22, 2018). At that time, China had joined 24 peacekeeping operations, dispatching more than 36,000 personnel since the country first began participation in UN peacekeeping missions in 1990.
- MND hosted the 2019 New Year Reception in Beijing on the evening of January 25 to celebrate the approaching Spring Festival, the traditional Chinese New Year ([CMO](#), January 25, 2019). Over 240 foreign military attachés and their spouses, from more than 80 countries, attended the reception. State Councilor and Defense Minister General Wei Fenghe, and fellow CMC members General Li Zuocheng, Admiral Miao Hua and General Zhang Shengmin all attended the reception. The leader of the CMC OIMC delivered a speech on behalf of General Wei (see below).



- In July 2019, China's MND hosted the first China-Africa Peace and Security Forum in Beijing ([CMO](#), July 17, 2019). Representatives of the Chinese military and nearly 100 senior representatives from the defense departments of 50 African countries and the African Union, including 15 defense ministers and chiefs of general staff, attended the forum. CMC OIMC deputy director Major General Song Yanchao addressed the conference stating that: "In the face of new situations, the common languages, aspirations and interests of China and Africa in peace and security field have been increasing. Closer cooperation between the two sides is embracing new and precious historical opportunities" (see below).



- On October 20, 2020, a top officer of the CMC OIMC had a telephone conversation with a senior U.S. Department of Defense official ([CMO](#), November 1, 2020). They exchanged in-depth views on the relationship between the two militaries and discussed issues of mutual concern. The two sides agreed to strengthen communication between the two militaries, properly manage differences and conduct cooperation in areas of common interest. From October 28 to 29, the two militaries virtually convened the first Crisis Communications Working Group to discuss concepts of crisis communications, crisis prevention and crisis management. In addition, the two sides decided to hold the 2020 Disaster Management Exchange via video conference in mid-November. Finally the two militaries agreed to hold a video conference for the Maritime Military Consultative Agreement dialogue before the end of 2020.
- The 11th China-EU defense and security policy dialogue was held via video link on December 10, 2020 ([CMO](#), December 11, 2020). The dialogue was co-chaired by the heads of the CMC OIMC and the EU's Common Security and Defence Policy and Crisis Response at the European External Action Service (EEAS), which marked the 45th anniversary of the establishment of China-EU diplomatic ties.
- The 18th ASEAN Regional Forum Security Policy Conference (ASPC) was held virtually on May 27, 2021. The participants exchanged views on international and regional issues, threats and challenges of emerging technologies to defense security, the buildup of mutual trust and development cooperation in the Asia-Pacific region, etc. ([MND](#), May 31, 2021). The head of the CMC OIMC talked about China's views on current international and regional landscapes. 2021 marked the 30th anniversary of the establishment of China-ASEAN dialogue relations.
- On August 19, 2021, a leader of the CMC OIMC and U.S. deputy assistant secretary of defense (DASD) had a video conference ([MND](#), October 9, 2021). On September 28 and 29, 2021, a leader of the CMC OIMC and a U.S. DASD held another video conference to co-chair the 16th China-U.S. Defense Policy Coordination Talks. During the two interactions, the two sides exchanged in-depth views on the relations between the two countries and two militaries, and on issues of common interest.
- To mark the CCP's 100th anniversary, the CMC OIMC organized a visit by military attachés from nearly 70 countries to the Museum of the CCP in Beijing ([CMO](#), December 23, 2021). Interviews were also held with military attachés and international military students from 14 countries.

- On February 25, 2022, the 12th China-EU dialogue on defense and security policy was held via videoconference ([CMO](#), February 25). Leaders from the CMC OIMC and the Common Security and Defence Policy and Crisis Response department under the EEAS co-chaired the dialogue.
- On March 16, 2022, the Security and Defense Sub-Committee of the China-Nigeria Inter-Governmental Committee convened its first meeting via video link ([CMO](#), March 16). The meeting was co-chaired by leading CMC OIMC officials of and the Permanent Secretary of Nigeria's Ministry of National Defense.
- On April 29, 2022, the ASEAN Regional Forum (ARF) Defense Officials' Dialogue video conference was held. China and Cambodia, the rotating chair of the Association of Southeast Asian Nations (ASEAN) for 2022, co-hosted the conference ([CMO](#), May 1). Leaders from the CMC OIMC and the General Department of Policy and Foreign Affairs under Cambodia's Ministry of National Defense both delivered speeches.
- On June 3, 2022, the CMC OIMC Director participated via video link in the 19th ASEAN Regional Forum Security Policy Conference (ASPC) in which the participants exchanged views on the regional and international issues ([CMO](#), June 3).

Joint Staff Department Military Diplomacy Involvement

It is still not exactly clear how the current CMC Joint Staff Department (JSD), which replaced the GSD in 2016, is actively involved in managing military diplomacy. For example, as noted in "The PLA's Military Diplomacy in Advance of the 20th Party Congress (Part 1)", the PLA has always assigned the military diplomacy portfolio to one of the Deputy Chiefs of the former General Staff Department or current Joint Staff Department ([China Brief](#), September 9). The current Deputy Chief of Staff with this portfolio since August 2017 is Lieutenant General Shao Yuanming, who has the grade of Theater Command deputy leader.^[5] The meetings he has chaired are listed below:

- **January 2018:** China and Myanmar Diplomacy and Defense Consultations in Naypyidaw, Myanmar ([Xinhuanet](#), January 17, 2018).
- **May 2018:** China and Russia 20th round of strategic consultation in Beijing ([CMO](#), May 30, 2018).
- **September 2018:** China and Russia "Vostok-2018" strategic joint military exercise at the Tsugol training range in Russia's Trans-Baikal, where Shao was the PLA exercise director ([CMO](#), September 14, 2018).
- **April 2021:** China and Vietnam 10th Defense and Security Consultation in Dongxing, Guangxi Zhuang Autonomous Region ([CMO](#), April 23, 2021).
- **September 2021:** China and Singapore 8th Defense Policy Dialogue via video link ([MND](#), September 15, 2021).

- **January 2022:** China and France 16th China-France Defense Strategy Consultation via video link ([MND](#), January 13).
- **January 2022:** China and United Kingdom 8th Defense Strategy Consultation via video link ([CMO](#), January 12).

A New Defense Minister in 2023

Although the Central Military Commission (CMC) had several different names from 1925-1954, it served the same basic functions.[6] The official name of the Central Military Commission (CMC) today is the Military Commission of the Central Committee (中央军事委员会, *Zhongyang junshi weiyuanhui* or 中央军委, *zhongyang junwei*) of the CCP. Although the Chinese term for the CMC has remained consistent since its creation, the English translation has changed over the years. In the 1960s and 1970s, the commission was commonly referred to as the Military Affairs Commission (MAC).

Under the CCP's 1982 constitution, a state CMC was appointed by the National People's Congress (NPC), which is institutionally co-equal to the PRC's executive branch, the State Council. However, since its establishment, the State CMC and the CCP CMC have consisted of the same personnel, except for during the present, twice-a-decade period between a Party Congress and the next year's National People's Congress (NPC). During such transitions, the personnel who departed the CCP CMC following a Congress remain on the State CMC until their replacement at the NPC the following year.

Following the 20th Party Congress, the new Central Committee selected a new Party CMC, including two Vice Chairmen and four Members ([People's Daily](#), October 24). As noted, the State CMC will remain in place until the 14th NPC is seated in early 2023. As such, Wei Fenghe will remain as the Defense Minister and State Councilor until the NPC approves the Party CMC Vice Chairmen and Members to replace the current State CMC. The person who will replace Wei as the Defense Minister and State Councilor is General Li Shangfu (李尚福), a career Army officer with a focus on satellites, space, and weapons development ([lfeng](#), September 18). He received a bachelor's degree in 1982 from the PLA's National University of Science and Technology (NUDT) and a master's degree from the Chongqing University School of Automation. There are no indications that he has any military diplomacy experience.

Conclusion

In concert with sweeping organizational, systemic, and functional reforms of the PLA since 2015, renaming the GSD / MND Foreign Affairs Office as the Office of International Military Cooperation (OIMC) signifies a more transformational change in its role within the CMC. The OIMC plays this role in two ways. First, the OIMC serves as a center to coordinate the institutional alignment of the military diplomacy activity of the PLA/PAP with the PRC's broader foreign policy actions. Second, the OIMC seeks to manage the projection of external influence as an important manifestation of military soft power and to set favorable conditions for crisis and, if necessary, conflict.

As specified in the 2019 white paper “China’s National Defense in the New Era” and the 2021 “Regulations on International Military Cooperation,” OIMC will improve its leadership and management system for international military cooperation to “regulate the responsibilities of various tasks horizontally and divide the responsibilities of the organization and implementation process vertically” to achieve an “overall synergy” for the CMC ([PLA Daily](#), March 16, 2021). Externally, OIMC will seek to “deepen bilateral and multilateral security cooperation, promote a coordinated, inclusive and complementary cooperation among security mechanisms, and contribute to a security architecture featuring equality, mutual trust, fairness, justice, joint contribution and shared benefits” that will both complement and compete with existing international defense mechanisms and dialogues ([SCIO](#), July 24, 2019).

As U.S.-China systemic rivalry intensifies and as competition within the relationship increases, OIMC will serve as a fundamental vehicle to adapt to the developing international situation and promote China’s foreign and defense policy initiatives. The record show increases in China’s international defense cooperation activity, new forums and mechanisms for dialogues, and a concerted effort to reshape international military discourse advantageous to China. Construction of new China-led defense mechanisms and strengthening military discourse capacities serves to enhance military soft power and the “discourse dilemma” characterized as a critical gap in China’s defense diplomacy ([81.cn](#), May 26, 2021). The aim to build China’s so-called “military discourse power” (军事话语权, *junshi huayuquan*) in order to contend with the “Western-dominated discourse system” and strengthen the military discourse capabilities necessary for effectively shaping the situation to manage and control crises, contain wars, and win wars ([Study Times](#), September 20, 2017).

Yet, PLA military diplomacy management is likely to face prolonged challenges as tensions with the U.S. and other nations will remain an enduring feature of the international environment for the foreseeable future. The shift from the simple defense engagement of the past to a more active diplomatic posture faces new challenges amidst intensifying strategic competition. Combined with expanding PLA military deployments, overseas interests and basing, and concerns with PLA modernization, OIMC will find it difficult to navigate the need to promote defense interests while sustaining stable relations, especially when the latter is often sacrificed by Beijing as a symbol of strategic dissatisfaction, rather than viewed as a vital source of crisis prevention or conflict avoidance. Recent examples include the diplomatic instability leading to the U.S. cancellation of agreed-to defense contacts and exchanges at the beginning of the Biden Administration; and Beijing canceling phone calls, the Defense Policy Coordination Talks, and an operational safety meeting under the Military Maritime Consultative Agreement ([South China Morning Post](#), October 28; [Guancha](#), August 8).

One issue exacerbating already strained U.S.-China defense relations is that General Li Shangfu, who is expected to be the next Defense Minister, was sanctioned by the U.S. in 2018 under the Countering America’s Adversaries Through Sanctions Act, which adds yet another obstacle to routine diplomatic contacts and exchanges with the PLA’s senior uniformed diplomat ([U.S. Office of Foreign Assets Control](#), September 20, 2018).

Despite the challenges facing China’s military diplomacy, the maturation of the OIMC’s role and further codification of China’s international military cooperation may generate renewed capacities to manage diplomatic activities in order to stabilize key relationships and better avoid grave risk.

The early prospects for China's military to make this shift are promising in concept but entirely inadequate in practice. It will not be enough to improve internal processes to better align international cooperation, particularly because China can no longer rely on foreign diplomatic counterparts to design and sponsor mechanisms for stable military diplomacy, particularly in terms of crisis management. PLA military diplomacy management will have to accept responsibility and acknowledge it is in China's interest to sustain stable relations and prioritize escalation avoidance even when friction arises.

Kenneth W. Allen is a retired U.S. Air Force officer, whose extensive service abroad includes a tour in China as the Assistant Air Attaché. He was the former research director of U.S. Air Force's China Aerospace Studies Institute (CASI) from 2017 through 2019.

Chad Sbragia is a Research Staff Member at the Institute for Defense Analyses. He was the inaugural Deputy Assistant Secretary of Defense for China and previously served as the Director of the China Research Group for the U.S. Marine Corps. He also served the U.S. Indo-Pacific Command as the Acting Director of the China Strategic Focus Group and as the Country Director for China, Hong Kong, Taiwan, and Mongolia. Mr. Sbragia served in the U.S. Marine Corps from 1985-2012, including an assignment as the U.S. Marine Attaché within the U.S. Embassy Beijing.

Editor's Note: *This piece exceeds the standard length for China Brief articles, but is being published due to reader interest.*

Notes

[1] See Kenneth W. Allen, Christopher Clarke, John Corbett, and Lonnie Henley. "China's Defense Minister and Ministry of National Defense," in Kevin Pollpeter and Kenneth W. Allen, eds., *The PLA as Organization v2.0*. (Vienna, VA: Defense Group Inc., 2015).

[2] See Alice Miller, "The Central Military Commission," in Kevin Pollpeter and Kenneth W. Allen, eds., [*The PLA as Organization v2.0*](#), (Vienna, VA: Defense Group Inc., 2015).

[3] The Military Policy System was the most prominent change unveiled in the 2019 Defense White Paper (see [SCIO](#), July 24, 2019). At the CMC's Work Conference on Policy and System Reform held in Beijing on July 13-14, Xi stressed "the military policy system regulates military relations, standardizes military practice, and guarantees military development; and the reform of military policies and systems is of great significance to realizing the party's goal of strengthening the military in the new era and building the people's army into a world-class military in an all-round way, and to realizing the goal of the "two hundred years" struggle and realizing the Chinese dream of the great rejuvenation of the Chinese nation." The application of systems design as a structural form is not new but has clearly accelerated during Xi's tenure as reflected in the 19th Central Committee's fourth Plenary Session, which includes extensive development of systems architecture within the PLA ([Xinhuanet](#), October 31, 2019)

[4] For example, U.S. and PRC defense officials met in Beijing on January 14, 2020, for the 15th U.S.-China Defense Policy Coordination Talks, which the PLA chose not to list on the MND website or address during the MND's regular monthly press conference ([U.S. Department of Defense](#), January 16, 2020).

[5] Of note, prior to 2018, all deputy chiefs of the General/Joint Staff had the grade of Military Region/Theater Command leader; however, they were all downgraded in 2018 as part of the PLA's reorganization.

[6] See Miller, "The Central Military Commission."

China's Economy: More Debt that Meets the Eye

Antonio Graceffo



(Image: A stand for the Bank of Guangzhou at a financial expo in Guangzhou, source: China Daily)

Introduction

Since the beginning of this year, investment banks and international financial organizations, including the International Monetary Fund and the World Bank, have steadily downgraded their forecasts for the People's Republic of China's (PRC) GDP growth in 2022 to around 3.2 percent ([Nikkei Asia](#), October 7). Most analysts agree that Beijing is in a difficult economic position, but the situation has the potential to become far worse due to off-balance sheet liabilities. Such debt risks defaulting, or may otherwise need to be covered by the central government.

Another drag on the country's balance sheet that has yet to fully hit home is the impact of Belt and Road Initiative (BRI) financing. Due to economic problems and debt crises in BRI partner countries, a large percentage of the initiative's loans may have to be forgiven or at least restructured. Before looking at its financing and hidden liabilities, it is necessary to establish an overall picture of the current PRC economy across a broad spectrum of indicators.

A Snapshot of the Contemporary Chinese Economy

The PRC has a population of 1.4 billion and a GDP of about \$18 trillion ([Xinhua](#), January 17). With a per capita GDP of \$11,167 per year, it is an upper-middle-income country ([PRC National Bureau of Statistics \[NBS\]](#), February 28). The Asian Development Bank estimated the nation's wealth inequality Gini index to be .382 in 2019, the most recent year for which there is data. In the wake of the pandemic, the bank expects this number to rise ([Asian Development Bank](#), August 2021).

Beijing frequently boasts of having lifted 800 million people out of poverty. However, based on the World Bank's measure of upper-income poverty (\$5.50 per day), 13 percent of those within China's borders still live below the poverty line ([South China Morning Post \[SCMP\]](#), February 24, 2021). Furthermore, the wealth differential between urban and rural residents is significant. Roughly 36.1 percent of China's population resides in rural areas, where the average disposable income is 18,931 yuan (\$2,611) per year, while city dwellers have a disposable income of 43,504 yuan (\$6,053) (NBS, [February 28](#); [May 11, 2021](#)). As a result of the pandemic, wealth inequality is expected to increase ([SCMP](#), January 23).

Excessive debt is one of the greatest challenges facing the Chinese economy. In September 2021, non-financial liabilities stood at 264.8 percent of GDP ([Caixin](#), November 3, 2021). By the end of 2021, external debt had reached \$2.75 trillion ([Xinhua](#), March 25). The debt of companies owned by local governments is predicted to reach 51 percent of GDP this year, with the total expected to rise 14 percent by the end of next year ([Nikkei Asia](#), June 3). As part of its plan to stimulate the economy, Beijing will incur an additional \$13.4 trillion in loans over 2022. However, this stimulus may only forestall, rather than prevent a severe contraction.

The debt-ridden real estate sector and related activities account for 29 percent of China's total GDP ([Nikkei Asia](#), August 13). This year, however, new housing sales are down 27 percent and developers have defaulted on or delayed on 99 payments. Compounding these difficulties, homebuyers in over 300 unfinished projects are now refusing to pay their mortgages, adding to the industry's cash crunch, affecting \$133 billion of outstanding debt. Consequently, 20 percent of developers are facing insolvency. Widespread defaults in the sector could cause a major economic crisis. As real estate accounts for 26 percent of total outstanding loans, the negative impact on the PRC's GDP growth would be tremendous. It is estimated that a 20 percent decrease in real estate investment could cause the country's GDP to contract anywhere from five to ten percent. Additionally, roughly 15 percent of urban jobs are dependent on the property sector, meaning that a collapse would have ripple effects across the entire economy ([Nikkei Asia](#), August 13).

Overseas Lending

Through BRI and other overseas ventures, China Beijing has extended hundreds of billions of dollars in loans to foreign countries, including \$153 billion to African public-sector borrowers ([Nikkei Asia](#), November 4). These investments were made with the expectation of receiving interest payments or some other return on investment. However, following two years of COVID-19 lockdowns, major inflation, U.S. interest rate hikes, the impact of Russia's war with Ukraine and increased energy and food costs, many of these countries are unable to repay their loans.

Most recently, China has agreed to write off interest-free loans for 17 African nations ([SCMP](#), August 24). Current estimates posit that over half of the countries holding overseas loans are in economic distress.

Meanwhile, other countries are seeking loan restructuring or forgiveness. Every write-off or write-down represents an asset leaving the books of a PRC entity, exacerbating an economy already on the brink of an economic crisis due to its increasing debt-to-asset ratio.

Local Government Debt, LGFVs and Off-Balance Sheet Debt

By the end of 2020, local governments were responsible for about \$4.03 trillion in outstanding debt ([Xinhua](#), December 17, 2021). Between this January and August, Beijing issued another \$850.2 billion in loans to local governments ([Global Times](#), October 8). These administrations would normally repay their debt with land sales, but revenues from real estate are down 31 percent this year ([Nikkei Asia](#), August 13). Due to a slowing economy and dampening land sales, a shortfall of \$900 billion is expected ([Nikkei Asia](#), July 17). Some 30 percent of local governments could face a financial crisis by the end of the year ([Nikkei Asia](#), August 13).

On top of explicit balance sheet debt, the central government may have to cover direct debt issued by local administrations. This includes local government financing vehicles (LGFV), government-backed spending and construction funds issued by state-owned policy banks, such as the China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China.

Beijing used stimulus spending, as well as loose monetary policy, to guide the country through the 2008 global financial crisis ([Xinhua](#), January 10, 2010). Despite increased spending, the central government's budget deficit in 2009 only increase slightly ([National People's Congress](#), March 19, 2010). This suggests that these projects were largely financed through off-budget spending by local governments. As such, debt from the stimulus would not appear on the central government's balance sheet.

Augmented fiscal debt, which is calculated by adding any unaccounted-for losses the central bank incurs or government loans issued to recapitalize financial institutions to the overall balance, is a much-overlooked indicator of a country's economic health. This includes off-budget spending by local governments, which Beijing used to combat the effects of the COVID-19 lockdowns, much of which was funded by LGFVs.

Unlike other state-owned enterprises, LGFVs are established and owned by local governments ([Nikkei Asia](#), September 19). However, if these entities slide into default, the central government may need to step in to bail them out. This greatly increases the PRC's potential liabilities. This year, LGFVs are struggling to make their payments, with 43 paying late or defaulting as of the end of August ([Caixin](#), September 16; [Nikkei Asia](#), September 19). All told, LGFVs represent \$7 trillion dollars of in liabilities at the end of 2020 ([SCMP](#), November 2, 2021).

Loss of Confidence

Foreign investors are cooling on China. For seven straight months, foreign investment has been flowing out of the country. This August alone, \$83 billion left the foreign bond market ([Nikkei Asia](#), October 7). Due to their concern for the future, many families in China are holding onto their cash. Bank deposits increased by \$2.8 trillion in the first half of 2022. Household deposits alone rose by a record \$1.42 trillion. Consequently, consumer spending is down, with overall consumption contracting by 1.5 percent compared to a year earlier. This makes economic recovery problematic as consumption accounts for 40 to 50 percent of the nation's economic growth ([China Daily](#), July 14).

No Clear Fix

In the past, the government has used infrastructure spending funded through LGFVs to buy its way out of economic downturns. However, with existing LGFVs in peril, it is unlikely that issuing new ones will save the PRC's economy. Additionally, as defaults and near-defaults are reported, investor confidence is likely to decline even further. This will result in demand for higher yields and drive up the cost of borrowing for Beijing.

As the yuan recently hit a low not seen in decades, breaking seven to the dollar, the central bank is planning to use dollars to buy up yuan and drive the price back up. As a result, the PRC's foreign currency reserves declined by \$26 billion in September ([Trading Economics](#)). As foreign debt has to be serviced in dollars, depleting its reserves to buy the yuan may not be the best strategy for the central bank. This is particularly true while the central bank continues to maintain low interest rates, because this suppresses the value of the yuan ([Xinhua](#), August 16).

It appears that Beijing will try to use infrastructure spending to rescue the economy again. However, the GDP boost from these infusions has declined in recent years. In the past, when China built roads and railways linking neglected parts of the country, the resulting contributions to GDP far outweighed the cost.

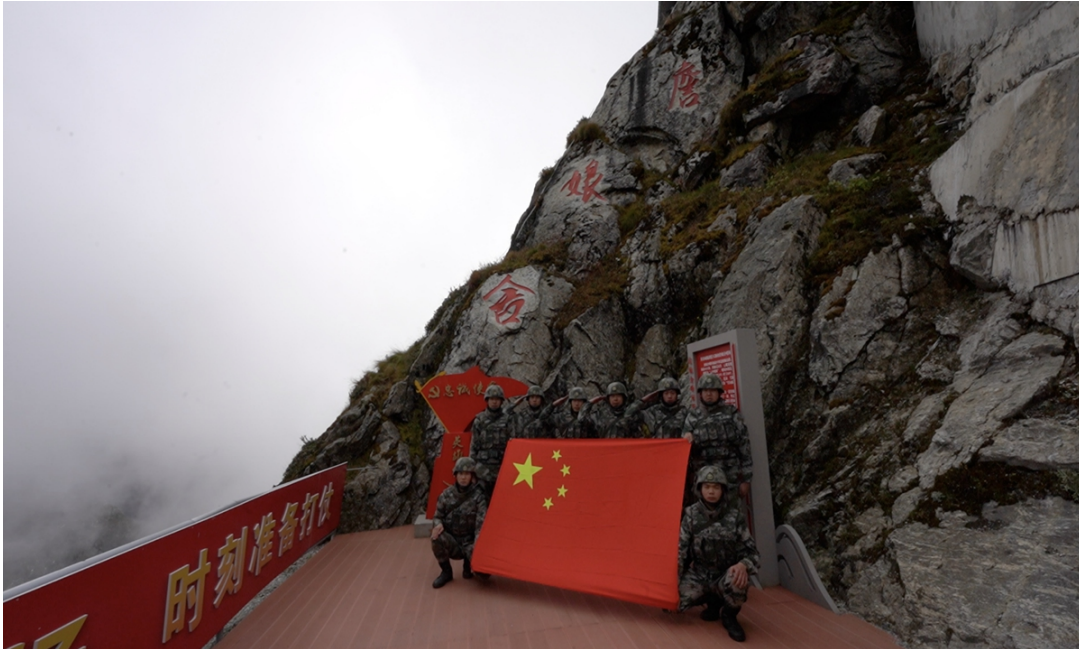
For China, urbanization—shifting hundreds of millions of people from rural farms to urban enterprises —has significantly increased the average GDP contribution from each worker. Now, with roads and railways connecting most of the country, and with roughly 65 percent of the population already urbanized, money spent on improved infrastructure is only marginally effective in comparison to other ways to stimulate the economy ([Xinhua](#), February 22).

Increased government spending will still increase the money supply and create employment, but this is a short-term fix instead of a solution that yields increased future revenue streams. Additionally, further spending will add to China's already massive debt load. Other long-term systemic issues pressuring the economy are an aging population and a shrinking workforce. Beijing has no solutions for these problems either, so it seems the days of breakneck growth are over. Thus, China's ambition to surpass the U.S. as the world's largest economy may be several decades away, if that day ever comes.

Antonio Graceffo, PhD, China-MBA is an American economist and university professor who works as a China economic analyst. He spent 20 years in Asia, including 7 in China and 3 in Mongolia, publishing over 10 books, including three about the Chinese economy. He has also published numerous articles and papers on the Chinese economy, as well as the Mongolian economy.

The Long Shadow of the 1962 War and the China-India Border Dispute

Sudha Ramachandran



(Image: PLA troops pose with a flag at a border post along the LAC with India, source: Global Times)

Introduction

In the war that India and China fought between October 20 and November 20, 1962, India not only suffered a humiliating defeat but also lost a chunk of territory in Aksai Chin in Ladakh in eastern Jammu and Kashmir. Sixty years later, the Indian Army and China's People's Liberation Army (PLA) are locked in a standoff along the Line of Actual Control (LAC), the de facto border, at Ladakh, which began in mid-2020 and continues through the present ([Jamestown Foundation](#), March 1). Both sides' corps commanders have held sixteen rounds of bilateral talks thus far and have reached agreements on the disengagement of troops from several points of friction and the establishment of several "buffer zones" in these areas ([Xinhua](#), July 28). However, China has refused to return to the April 2020 status quo and the buffer zones have been carved largely out of Indian territory. Sixty years after it lost a large swath of territory in Ladakh, is India ceding ground there again to China?

Background

The entire India-China border is disputed. The two countries disagree on where the border runs and claim chunks of territory under the other's control. China claims 90,000 square kilometers (sq km) of land in northeastern India, an area it refers to as "southern Tibet", which roughly coincides with the Indian state of

Arunachal Pradesh ([Global Times](#), January 22, 2021). As for India, in addition to the 38,000 sq km of territory in Aksai Chin that it lost to China in the 1962 war, it claims another 5,300 sq km in the Shaksgam Valley of Jammu and Kashmir that Pakistan occupied in 1947-48 and ceded to China in 1963 ([The Hindu](#), November 6, 2020).

Since the 1962 war, the sides have clashed at Nathu La and Cho La (1967), Tulung La (1975) and Sumdorong Chu (1986-1987) ([The Wire](#), June 17, 2020). Yet, through the 1990s, up until the mid-2000s, the situation along the LAC was relatively calm. Agreements reached on maintaining peace and tranquility (1993), military confidence-building measures (1996), political parameters and guiding principles for settling the border (2005) and border defense cooperation (2013) helped to keep the peace along the LAC. [1] That began to change in 2013-2014 when in addition to increasing “transgressions” across the LAC by the two sides, Chinese intrusions into the Indian side of the LAC grew in frequency, depth and seriousness. For example, in April and May 2013, Chinese soldiers intruded 19 kilometers into Indian-controlled territory in Depsang Valley and pitched tents there, resulting in a 21-day standoff ([India Today](#), May 6, 2013).

Chinese Intrusions Across the LAC

The current standoff along the LAC in Ladakh is unprecedented in terms of its duration, the number of casualties incurred in clashes; the build-up of troops and military hardware; and the expanse of territory occupied by China. The crisis began in April and May 2020 when thousands of PLA soldiers backed by tanks and armored personnel carriers crossed into the Indian side of the LAC at Galwan Valley, Pangong Tso, Gogra-Hot Springs, Depsang and Demchok, pitched tents there and blocked Indian patrolling teams from entering the area ([Business Standard](#), May 23, 2020). While clashes between Indian and Chinese soldiers began in early May, it was only when a violent skirmish erupted at Galwan Valley on June 14-15 that the magnitude of the crisis came to the fore ([China Brief](#), July 15, 2020). In the Galwan Valley clash, soldiers from both sides engaged in hand-to-hand combat resulting in multiple deaths, the first fatalities along the LAC in 45 years. The incident was regarded as “a gamechanger in India’s national security and foreign policy strategy” ([Observer Research Foundation](#), June 18, 2020).

The Chinese intrusions into Indian territory in April-May were serious; the PLA occupied a significant area of land. A senior Indian government official told *The Hindu* in August 2020 that over 1,000 sq km of territory along the LAC in Ladakh had fallen under Chinese control. This included around 900 sq km in the Depsang area, 20 sq km in the Galwan Valley, 12 sq km in Hot Springs, 65 sq km in Pangong Tso and 20 sq km in Chushul ([The Hindu](#), August 31, 2020). Indeed, Indian analyst Manoj Joshi estimates the area occupied by the Chinese at “anywhere up to 2,000 sq km of territory if you count the Depsang Bulge, the Kugrang River Valley, Galwan, Pangong and the Charding Nala areas.” [2]

Disengagement and Buffer Zones

In the 30 months since the bloody clashes at Galwan Valley, India and China have engaged in 16 rounds of military talks, which resulted in the disengagement of troops from “friction points” at Galwan Valley in July 2020, Pangong Tso in February 2021, Gogra Post in August 2021 and Hot Springs in September 2022 ([PRC Ministry of National Defense \(MND\)](#), September 9; [Global Times](#), September 9). Buffer zones have been set up at the

friction points and are of varying widths, ranging from 3 km in the Galwan Valley to 3.5 km each at Gogra and Hot Springs, and 10 km at Pangong Tso ([The Telegraph](#), September 17). According to a Ministry of Defense official, “both sides have retreated by equal distances” to create the buffer zones and neither side can patrol here. [3]

While both sides may have pulled back by equal distances, the buffer zones being created are detrimental to India. “In all four areas the buffer zones that have come into existence are entirely on territory both claimed and previously patrolled by India but now, as a result, India is denied the right to patrol up to where it previously could” said Ajai Shukla, a retired Indian Army colonel and strategic affairs analyst. In Gogra, for instance, “where the Chinese ingressed 4 km into Indian territory, they have gone back two km and the other two km have become a buffer zone.” As a result, the buffer zone at Gogra is “entirely on Indian claimed territory” ([The Wire](#), September 15).

Local Ladakhis complain that Chinese soldiers are not letting them graze their sheep and goats on their traditional pasturelands. And now the “grazing areas have reduced further as they have been made into buffer zones,” says Konchok Stanzin, an elected representative of Chusul in the Ladakh Autonomous Hill Development Council. “A huge grazing area has been turned into a buffer zone and we are retreating from our own land,” he said, adding that while India is losing land to buffer zones, the Chinese are ceding far less land, or none at all for the creation of these zones. [4]

Challenges Ahead

Chinese forces occupied the largest expanse of territory in Depsang and Demchok during spring 2020, but disengagement has yet to occur in these areas. The Chinese are reportedly unwilling to even discuss the creation of buffer zones in these two areas, claiming that the dispute is not part of the current standoff but dates back to 2013 ([The Hindu](#), March 11). If India acquiesces to China’s refusal to disengage in Depsang and Demchok, this will be not only a major loss of land but also strategic territory for India. To the north of Depsang lies the Karakoram Pass, to its east is Aksai Chin and the Siachen Glacier lies to its west. India’s control over the vital Sub-Sector North (SSN) in Ladakh, which depends on a recently built 255-km long Darbuk-Shyok-Daulat Beg Oldi Road runs through Depsang ([The Print](#), September 19, 2020).

Underlying India’s loss of territory is its flawed strategy. Instead of insisting on a return to the April 2020 status quo, it has agreed to the establishment of buffer zones ([China Military Online \[CMO\]](#), September 29). Indian defense ministry officials justify these concessions by claiming that the “buffer zones are temporary, and India has not given up its right on those areas” ([The Telegraph](#), November 1). However, retired military officials are skeptical. They point out that the April-May 2020 intrusions into the Indian side of the LAC by PLA soldiers were aimed at altering the status quo on the ground by occupying areas of strategic importance to the PLA. “These buffer zones represent a new status quo on the frontier,” a retired lieutenant general said. “The Chinese have been non-committal on restoring the status quo as of April 2020 and are pressing India to accept the altered frontier created by their transgressions” ([The Telegraph](#), November 7).

No De-escalation

A key premise of the China-India corps commander-level talks has been that the disengagement of troops from areas of friction will lead to de-escalation ([CMO](#), July 18). However, this has not happened yet at friction areas where Indian and Chinese troops have already pulled back. Indian government officials say that de-escalation will happen after disengagement is completed at all friction areas along the LAC in Ladakh.

Meanwhile, there is a noticeable escalation in infrastructure building on both sides of the LAC. At Pangong Tso, for instance, China is constructing two bridges across Pangong Tso. The second bridge, which is “bigger in size and wider” than the first, is expected to enable the PLA’s “faster induction of not just troops and vehicles but even armored columns” to the border. Apparently, China is constructing “multiple routes to counter any possible operations by the Indian forces on the southern banks of the Pangong Tso in the future” ([The Print](#), May 18). Multiple roads and bridges at Pangong Tso will facilitate the swift movement of troops from China’s Moldo garrison to the LAC when needed ([The Hindu](#), October 29). China is also constructing another highway linking Xinjiang with Tibet. The 857-km-long G695 highway will reportedly run near Depsang, Galwan Valley and Hot Springs on the LAC ([The Hindu](#), July 20).

Thirty months after Indian and Chinese soldiers violently clashed at Galwan Valley throwing the spotlight on the fragile military situation along the LAC in Ladakh, the situation remains tense. The two sides reportedly have around 50,000 soldiers each along the LAC at Ladakh. They continue to amass military hardware there. It is likely that soldiers will have to hunker down for another bone-chilling winter in the Himalayas. Amid this otherwise bleak scenario, there is a ray of hope; military commanders of the two sides will continue their talks to end the crisis along the LAC at Ladakh. The 17th round of talks between senior military commanders are due to be held “at an early date” ([The Hindu](#), October 14). The big question for which India will be hoping for an answer is whether China will be willing to discuss Depsang.

Dr. Sudha Ramachandran is an independent researcher and journalist based in Bangalore, India. She has written extensively on South Asian peace and conflict, political and security issues for The Diplomat, Asian Affairs, and the Jamestown Foundation’s Terrorism Monitor and Militant Leadership Monitor. She can be contacted at sudha.ramachandran@live.in.

Notes

[1] Manoj Joshi, *Understanding the India China Border: The Enduring Threat of War in the High Himalayas* (New Delhi: Harper Collins India, 2022).

[2] See, author’s interview, Sudha Ramachandran, “Manoj Joshi on Why China Wants Its Border With India to Remain Unsettled,” *The Diplomat*, October 25, <https://thediplomat.com/2022/10/manoj-joshi-on-why-china-wants-its-border-with-india-to-remain-unsettled/>.

[3] Author’s Interview, Indian official, Ministry of Defense, New Delhi, India, November 2.

[4] Author’s Interview, Konchok Stanzin, councilor, Ladakh Autonomous Hill Development Council, Ladakh, India, November 5.

The Changing Paradigms of Taiwan's Grand Strategy

Philip Hsu



(Image: Taiwanese President Tsai Ing-wen at Asia-Pacific Think-tank Summit in Taipei City in September 2018
source: Taiwan Ministry of Foreign Affairs)

Introduction

As Taiwan holds local elections on November 26 and presidential elections in early 2024, the island nation faces tough decisions in the midst of its changing economic, political and strategic trajectory. Polling suggests that the Kuomintang (KMT) may have the upper hand in local and municipal elections, although the party has also made allegations that its main political rival, the Democratic Progressive Party (DPP) is turning Taiwan into a “voted-in autocracy” with the help of “ignorant” youth voters ([Kharis Templeman](#), October 28; [iFuun](#), July 4; [United Daily News \[UDN\]](#), December 25, 2021). A closer study of the impetus behind such claims reveals a longer history of waning KMT electoral influence, which has occurred in tandem with significant changes in the cross-strait economic relationship. It also reflects the current DPP government’s efforts to remake Taiwan’s overall grand strategy.

The End of the “Pendulum” Strategy

Current KMT criticism of the DPP’s political strategy more likely stems from the former’s inability to swing Taiwan’s political pendulum towards pro-China policy since at least the Sunflower Movement of 2014 ([China Brief](#), September 9). [1] As a result, there has been a loss of Taiwan’s “Post-Chiang” Grand Strategy of alternating from “pro-China” to “pro-Independence” forces, which served to galvanize a two-party electorate

while maintaining the island's "economic pragmatism." Under that strategy, no matter which way the pendulum went, the island would pursue economic growth by maintaining a stable relationship with the PRC as well as Taiwan's many other trading partners.

Successive Taiwanese presidents since Lee Teng-hui have oscillated in the predictability of their behavior and the extent to which their policies touted closer political and economic ties with the Mainland—or conversely, greater recognition of Taiwan as an independent polity at the expense of that relationship ([Straits Times](#), January 2016). Much like democratic politics elsewhere, the unpredictability of the Taiwanese electorate reflected swing voters' desire to "have their cake and eat it too." In other words, many Taiwanese voters believed they could enjoy the best of both worlds—generally cooperative relations with the PRC and a growing sense of national pride due to partial, de facto international recognition of Taiwan, particularly given its role as a key player in the global economy.

Sunflower Sunset

Perhaps ironically, the Post-Chiang era began sunsetting during Taiwan's Sunflower Movement of 2014 and accelerated with the KMT's stunning losses in 2014, 2016 and 2020 elections. The Sunflower Movement was a popular protest against the Cross-Strait Service Trade Agreement (CSSTA), made specifically to facilitate the trade in services as part of the Economic Cooperation Framework Agreement (ECFA), the free trade agreement that the KMT government of Ma Ying-jeou signed with Beijing in 2010 ([FTV News](#), March 2015).

The CSSTA was signed by the semiofficial bodies responsible for managing cross-strait relations, the Straits Exchange Foundation (SEF) representing the Taiwanese side and the Association for Relations Across the Taiwan Straits (ARATS) representing the PRC side, on June 21, 2013 in Shanghai, but the agreement never came into force as it was not ratified in Taiwan's Legislative Yuan ([Taipei Times](#), June 22). In the months following the signing of the CSSTA in Shanghai, Taiwanese sentiment against the perceived impact of the agreement on small and medium businesses grew, along with resentment against the KMT-led government for fast-tracking the agreement without proper debate in the legislature. Fears were also widespread that the agreement would lead to Taiwan becoming too close to China too quickly and that jobs would be lost in the service industry as a result of opening the sector to PRC investment.

The immediate result was a 23-day student occupation of the Legislative Yuan beginning on March 18, 2014, but the longer-term impact of the Sunflower Movement cannot be understated ([Liberty Times](#), April 11). The movement marked a turning point in Taiwanese public opinion against closer relations with China that propelled the DPP and new third-party and independent politicians, most notably current Taipei Mayor Ko Wen-je, to electoral wins and created a new political landscape in Taiwan ([The Initium](#), January 17, 2016). However, one consequence of this shift was the collapse of Taiwan's longstanding Post-Chiang Pendulum grand strategy, which the KMT had been attempting to maintain, but failed to discern at the time that political sentiment was swinging away from support for deepening ties with the PRC.

From China to Southeast Asia?

Despite the Sunflower Movement protests scuttling the CSSTA, the cross-straits ECFA free trade deal remains functional and in force. However, in 2016, the newly-elected Tsai Administration proposed the New Southbound Policy (NSP), a broad framework for Taiwan's economic growth, which would serve as an alternative to the China-centric, Post-Chiang model of economic development ([TECRO Brunei](#), August 2016). NSP is an initiative to promote investment, cultural and diplomatic relations and bilateral economic ties between Taiwan and the Association of Southeast Asian Nation (ASEAN) countries ([Taiwan Ministry of Foreign Affairs](#), 2022). It was presciently initiated during a time when production costs, particularly for labor, were rising in the PRC, making Southeast Asian countries more attractive for manufacturing-focused Taiwanese businesses looking for other locations to produce goods from factories offshore. The NSP also reflected the DPP's popular mandate to reduce economic reliance on Mainland China.

From a purely investment standpoint, Taiwanese companies have divested from the PRC, in no small measure due to the impact of the global COVID-19 pandemic and the PRC's own national policy responses to the outbreak ([Central News Agency](#), November 10). Extended lockdowns and supply chain disruptions on the Mainland have increased the already rising costs of doing business there. Economic data from Taiwan's Ministry of Economic Affairs show a significant decrease in approved indirect investment by Taiwanese companies in the Mainland since the pandemic, with Taiwanese outward direct investment in Asia (excluding China, Hong Kong and Japan) and Singapore increasing dramatically in 2021 ([MOEA](#), 2022).

The NSP is the Tsai Administration's biggest platform for creating a new grand strategy for Taiwan, and it remains to be seen whether the relatively small amount of \$2.2 billion invested in NSP countries last year will continue to grow ([Nikkei](#), October 8). During the pandemic, Taiwanese companies' onshoring activity – both labor and investments – has significantly increased domestic investment and GDP from 2020 to 2021 ([Nikkei](#), January 27). Still, this activity may expand outward to Southeast Asia as COVID controls there wind down and inflation takes hold in Taiwan. Partly missing from statistics surrounding Taiwan's export and manufacturing-focused economy is the service sector, which was the focus of the 2013 CSSTA. Any successful economic strategy for Taiwan must make efforts to improve the competitiveness of non-manufacturing jobs in Taiwan, which employ the vast majority of the population ([Emerald Insight](#), February 1, 2016; [Focus Taiwan](#), June 11, 2016).

Sanctioned Pragmatism

Taiwan may have no choice but to pivot in the vastly changed post-COVID political and economic landscape. China has placed what are tantamount to political sanctions upon its own economy in the form of lockdowns, crackdowns on “monopolistic” industries and its use of corruption investigations against business and political leaders, all of which have had a chilling effect on Taiwan's investment in the PRC. On top of the PRC's self-imposed sanctions, there have been extensive U.S. sanctions against China targeting advanced industries such as semiconductors and increased regulatory scrutiny of major Chinese companies listed on U.S. stock exchanges. American sanctions in particular make it impossible for Taiwanese businesses to do business with sanctioned entities or in sanctioned industries in the PRC without first obtaining a business license or exemption.

As a result, economic pragmatism looks far different than it did a decade ago, reflecting a partial rejection of globalization on a massive scale—the same form of China-centric globalization that propelled Taiwan to its

high place in the global economic rankings to begin with. The PRC's reliance on Taiwan's economic pragmatism to maintain sustained, cross-strait economic relations is now on uncertain ground and may lead the Xi Jinping government to conduct additional provocations against the island after losing an established source of leverage.

However, when the effects of sanctions and the rise of Southeast Asian economies are combined with continuing zero-COVID policies on the Mainland, Taiwan may be acting just as pragmatically as before, only in a different way. Even if GDP growth of the NSP countries likely will not match the meteoric rise of China's economy during the 1990s to 2010s, the PRC's economic growth has slowed and the costs of doing business have grown to the point where an alternative is starting to look more appealing.

The Missing Military Link?

The key element that remains largely lacking from Taiwan's grand strategy is a military approach that goes beyond anticipating intervention by the United States and its Allies should a direct conflict with China occur. The prevailing military thinking in Taiwan has long reflected a preference for Cold War-era forward deployments and employment of large conventional weapon systems, although the Ministry of National Defense's Quadrennial Defense Review of 2021 now includes sections on asymmetric warfare and Grey Zone Threats ([MND](#), 2022). However, military policy does not fundamentally answer the question of military strategy as dictated by military identity – as in, what the military thinks of itself in the context of Taiwan's democracy. This is unsurprising as the political basis by which Taiwan's military acquired its mandate is relatively new. During the martial law period, Taiwan's military served the interests of the ruling KMT party—including its systematic repression of political dissent under the governments of first Chiang Kai-shek and then his son Chiang Ching-kuo, and U.S. interests vis-à-vis the PRC, to the extent that its activities were allowed under U.S. Asia policy. However, as plans to “take back the Mainland” were abandoned and Taiwan's two-party democracy strengthened, an alternative military identity never fully developed, despite halting movement towards an all-volunteer force (UDN, [March 1](#); [March 17](#)).

Strengthening the identity of Taiwan's military in order to achieve clarity as to what its service people are defending against and making the population understand the importance of this goal in the absence of an actual kinetic conflict will be a critical part of any future Taiwanese grand strategy. This is certainly the case given recent political gains by the DPP and historical changes in what the military is expected to defend against due to the PRC's significant recent military modernization ([China Brief](#), August 12). Otherwise, it remains unclear as to whether additional military purchases and budget increases alone will allow Taiwan to adequately defend against a highly motivated and well-equipped adversary whose political mandate is direct and unambiguous and whose military's missions now expressly include developing the capacity to invade Taiwan ([Backchina](#), September 19; [China Brief](#), September 20).

Conclusion: A Time to Choose?

As major elections in Taiwan approach, the local mayor/county magistrate and city council contests on November 26 and the next presidential election in January 2024, these difficult questions will loom larger. How far is Taiwan willing to commit to fighting totalitarianism regionally and abroad in a new global

environment? The answer to this question is crucial to determining an effective grand strategy for Taiwan that fully accounts for changing from a Cold War-era defensive posture to correctly handling the global and regional impact of an assertive, even belligerent China. This once seemed like an anachronistic question, but now appears urgent given the PRC's growing aggression against the island. Taiwan was not alone in assuming that the U.S.-led world order would deter "bad apple" actors from conducting regionally and globally destabilizing acts of aggression. Prior to the pandemic, it was unthinkable that such behavior would impact developed nations, much less result in the now exacting global challenges in food and energy supply, inflation and major disruptions to the technology sectors, which form the lifeblood of Taiwan's modern economy.

If Taiwan's posture is solely self-defensive and "preservative" of its society, it may risk becoming outmoded by U.S. allies in the Pacific who have committed to a proactive coalition against coercive and destabilizing states such as Russia and North Korea and a PRC that challenges the status quo of peace and order in East Asia. On the other extreme, the U.S. could soon find a new policy vehicle other than the Taiwan Relations Act in which active regional and global strategic measures will be delegated to Taiwan's government, and this may be unpalatable to fiercely independent Taiwanese public opinion ([Taipei Times](#), September 16). If this occurs, there will undoubtedly be pushback from some officials or politicians within the government, who either believe Taiwan's neutral or ambiguous posture should be maintained to achieve security objectives, along with those who advocate for reinvigorating ties with the Mainland for the same and additional reasons, such as business. But once the debate is over, it may be time to choose a side.

Philip Hsu is a freelance consultant and writer. He is a graduate of Columbia's School of International and Public Affairs and Georgetown's Walsh School of Foreign Service.

Notes

[1] Wu Rui-ren, et. al. *Shine Through: The Impact, Depth and Vision of the Sunflower Movement*. Taiwan New Taipei Left Bank Culture, 2016.