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In This Issue:

Hu Jintao at the Commissioning of the Aircraft Carrier, *Liaoning*

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In a Fortnight

By Peter Mattis

ZHOU YONGKANG'S TRIP HIGHLIGHTS SECURITY DIPLOMACY

For a man once mistakenly thought to be on the sidelines, Zhou Yongkang had a busy September leading a security delegation to Singapore, Afghanistan and Turkmenistan ("Zhou Yongkang and the Tarnished Reputation of China's Police," *China Brief*, March 30). The delegation included Chinese Communist Party (CCP) International Liaison Department Director Wang Jiarui, Minister of State Security Geng Huichang, Vice Minister of Public Security Zhang Xinfeng (a leader in public security modernization) and Vice Foreign Minister Xie Hangsheng (Xinhua, September 21; China News Service, September 21). The Afghan leg was a surprise announcement for security reasons, but was the first trip by a Politburo Standing Committee member to that country since Liu Shaoqi in 1966 (Xinhua, September 24; *China Daily*, September 24). This trip highlighted Beijing's growing security liaison along China's periphery to help stabilize its development environment.

The delegation's first stop was Singapore for the third set of security meetings this year. Upon his arrival in Singapore, Zhou gave a speech at the airport lauding the Sino-Singaporean growth of mutual trust and economic ties since the establishment of diplomatic relations in 1990 (Xinhua, September 21). Zhou also delivered a lengthy speech at the Singapore-China Social Management Forum,

where he said "social management is an essential activity in human society." According to Zhou, both the CCP and the People's Action Party face many of the same challenges in the current international situation for social management. Presumably, Zhou was referring to the challenge of maintaining a one-party system in a globalized environment (*Legal Daily*, September 24; Xinhua, September 22). Early last month, Singaporean senior minister emeritus Goh Chok Tong met with Zhou in Beijing where the two pledged to increase cooperation on social management. This probably also includes domestic surveillance technologies that both sides have developed, because Zhou drew attention to the high-tech cooperation on social management-related technologies (Xinhua, September 11). During the May meeting, the Chinese side was unusually specific about the benefits of the relationship. Zhou stated Beijing attaches great importance to the Sino-Singaporean security cooperation and hoped deepen cooperation in intelligence liaison and joint law enforcement investigations (Xinhua, May 8).

The next stop on the delegation's journey somewhat surprisingly was Afghanistan, where Zhou's delegation signed several agreements on further Chinese economic and security assistance during their four-hour stopover (*China Daily*, September 24; Xinhua, September 24, September 23). In Kabul, Zhou stated "China is willing to make due contributions to peace and stability in Afghanistan, which is at a critical transition period" (Xinhua, September 24). Although this may suggest Beijing may be signaling a policy shift and a newfound willingness to support the NATO-led stabilization efforts there, Zhou's commitment to train 300 Afghan police officers over the next four years and the Ministry of Public Health's donation of 100 ambulances seem like fingers in the dike (Xinhua, September 20). With the possibility of a natural gas pipeline crossing from Turkmenistan and a $4 billion investment in the Aynak copper mine, Beijing still seems stuck between its non-interference principle and the need to protect its interests (Xinhua, June 11; May 22, 2011).

The Turkmenistan leg of the trip most resembled a typical Chinese state visit abroad, including a variety of meetings with Turkmen officials and local Chinese businesspeople, including Turkmenistan-based employees of China National Petroleum Corporation (Xinhua, September 24). Expressing Beijing's views about the relationship, Zhou said "China and Turkmenistan historically have not had any problems, no contradictions exist" between the two sides. Zhou also encouraged greater law enforcement cooperation and information sharing against the shared concerns of the "Three Evils" (*san gu shili*)—terrorism, separatism and extremism—which also are a target of regional security cooperation under the aegis of the Shanghai Cooperation Organization (Xinhua, September 25).

The choice of a security-heavy delegation bolstered by the head of the CCP's diplomatic arm to meet with Ashgabat and Kabul shows the close relationship between diplomacy, resources and the growing need for Beijing to export security assistance. Chinese interests abroad probably have expanded more than Beijing's ability to track, manage and protect them. In the last five years, Zhou and State Councilor Meng Jianzhu, who covers political-legal affairs and leads the Ministry of Public Security, seem to have been more involved in diplomacy than their predecessors, suggesting Beijing is using their domestic security experiences and law enforcement expertise to support a positive development environment.

Arguably, one of China's signature diplomatic achievements last year was achieved by this duo, following the murder of 13 Chinese sailors on the Mekong River exactly one year ago. Last October saw a flurry of diplomatic activity and law enforcement liaison with the Burmese, Laotians and Thais headed by State Councilor Meng and Zhou to coordinate patrols for river traffic ("Mekong River Patrols in Full Swing but Challenges Remain," *China Brief*, February 21; "Mekong Murders Spur Beijing to Push New Security Cooperation," *China Brief*, November 11, 2011). That this security cooperation led to the arrest and extradition of the perpetrators to China in May shows that China's reach is extending and that it is not always the diplomats leading Beijing's foreign policy (*Beijing News*, May 11). As the U.S. and NATO presence and logistical tail draws down in Afghanistan and Central Asia, analysts should watch the travels of China's new security leadership.

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Examining the New Aircraft Carrier through the PLA's Revolution in "Organizational" Affairs

By David D. Chen

With the commissioning of the People's Liberation Army's (PLA) first aircraft carrier, more clarity has been provided in terms of the organizational setup of any future PLA Navy (PLAN) carrier strike group. The details emerging about the aircraft carrier *Liaoning* help illustrate one of the most important elements of the PLA's decades-long "revolution in military affairs"—the organizational and institutional revolution. David Shambaugh first called for a better understanding of PLA organization in the 1998 RAND study, *The PLA in the Information Age*, saying, "I would submit that institutional mapping is always necessary, as organizations must be thought of as evolving organisms that need to be carefully tracked" [1]. The field has ably responded with conferences and anthologies on the PLA as an organization, but this author would argue the focus still has largely remained on structure and technical capabilities, whether hardware or the "software" of human capital. The "institutional mapping" of how things get done that Shambaugh refers to has been largely lacking. The application of modern political science tools to what is essentially a learning organization with guns still has a wide horizon to pursue. This article will follow up on one of these questions by looking at the new carrier and putting it in the context of PLAN and PLA joint force structure.

A Division-grade Vessel: First among Equals

On September 25, the new captain and political commissar stood on the deck of the *Liaoning* proudly posing for Xinhua photographers and giving interviews. Captain Zhang Zheng even gave one in perfectly-accented British English for an English-language CCTV program (CNTV.cn, September 25). Both the captain and the political commissar wore lapels with four stars and ribbons with two stars, indicating they were both senior captains of the Navy, second half, meaning they were both division leader-grade (G-7) officers. This places the vessel under their command at the same grade, division-leader (G-7), making the *Liaoning* equivalent in the PLAN order of battle to a destroyer flotilla (G-7) and a grade above China's nuclear missile submarines (G-8). This has several implications for the organizational structure of a carrier strike group and its relations with other PLA units.

In October 2011, this author argued the carrier would be a deputy division leader-grade (G-8) vessel, with the offhand chance that it would be placed at division-grade (G-7) due to its importance. This conservatism was based on the estimation that the carrier would be more easily managed if it was within an overall naval tactical formation as then it could report to an overall flotilla commander and operate organically within a flotilla organization ("The PLA's Evolving Joint Task Force Structure: Implications for the Aircraft Carrier," *China Brief*, October 28, 2011). Now, it is clear the carrier will operate in a peer relationship with its escort flotilla, yet it would most likely operate on a "first among equals" basis within the larger structure.

Based on the observations of the PLA's *Lianhe* ("Joint") series of exercises, as detailed in the previous piece, the PLA has developed a nested set of organizations to facilitate communication and interoperability among units of different services. The tactical echelon of this structure is known as the joint tactical formation (*lianhe zhanshu bingtuan*). Sitting around this table are commanders of the ground force tactical formation (*lujun zhanshu bingtuan*), naval tactical formation (*haijun zhanshu bingtuan*) and air force tactical formation (*kongjun zhanshu bingtuan*). The grades of the constituent units vary, but are no higher than division leader-grade (G-7). As seen in multiple *Lianhe* exercises, these various unit commanders rotate the "chairmanship" of the joint tactical formation based on phases of an operation, such as the air commander during dockside loading, the naval commander during ocean transit and the ground commander during beach landing (*PLA Daily*, September 12, 2007).

Now, with the *Liaoning* commanding officer identified as a division-grade officer, analysts have an idea of how the tactical echelon would be composed. The analysis here presumes no "mirror imaging" of U.S. Navy organizational structure or behaviors, but rather is based on the development of the PLA's own joint organizational structure. The carrier would have to be able to link up with or into such a structure, even if it ever operated only with other Navy units in its career.

Table 1. Rank, Grade and Title in the PLA*		
Grade	*Navy Position*	*Army Position*
4. Military Region Deputy Leader (*daqu fuzhi*)	Fleet HQ Commander	MR Deputy Commander
5. *Jun* Leader (*zhengjun*)	Fleet HQ Deputy Commander	Group Army Commander
6. *Jun* Deputy Leader (*fujun*)	Support Base Commander	Group Army Deputy Commander / Group Army Chief of Staff
7. Division Leader (*zhengshi*)	Flotilla Commander	Division Commander
8. Division Deputy Leader (*fushi*)	Nuclear-powered Submarine Commander	Division Deputy Commander / Brigade Commander / Division Chief of Staff
9. Regiment Leader (*zhengtuan*)	Destroyer Commander	Regiment Commander / Division Deputy Chief of Staff

As a division-grade (G-7) peer, the *Liaoning* would be its own naval tactical formation with a second naval tactical formation composed of its escort flotilla also at the table. Having two tactical formations of the same service is not unprecedented within joint tactical formations. Given the prestige of the carrier and the central role it would play in any task force composed around it, Captain Zhang probably would serve as the head of the joint tactical formation for most or all of the operation. So while he would be equal grade to his escort flotilla commander, as head of the umbrella joint tactical formation, he would be able to direct the flotilla commander as he saw fit.

A Subordinate Air Wing

The previous analysis noted, when the PLA Air Force previously has operated jointly with the PLA Navy, it has been represented by regiment-leader grade (G-9) officers as compared to division leader-grade (G-7) interlocutors ("The PLA's Evolving Joint Task Force Structure: Implications for the Aircraft Carrier," *China Brief*, October 28, 2011). The establishment of the *Liaoning* as a division-grade vessel and the likelihood that an embarked naval aviation air wing would be two grades below it strongly suggests the CAG-equivalent would report directly to the ship captain rather than to an overall strike group commander. Reporting on air wing operations remains scant, so this hypothesis is in particular want of more data before it can be accepted or disproven.

The significance, however, is that the air wing commander will be a subordinate officer to the ship captain and political commissar. This in effect means the division-grade carrier will be a combined naval-air tactical formation with organic naval and aviation elements. How this impacts relations with PLAN aviation assets ashore or even PLA Air Force assets also remains to be seen. At first gloss, however, it appears that the air force tactical formation commander will not have exclusive ownership of all aviation assets in a joint operation with the carrier task group. That is to say, the embarked aviation elements will be operated separately from the air force tactical formation's operations, such as strategic air cover or reconnaissance.

The Carrier Strike Group Commander

Perhaps the most important role in any carrier operations, however, is not that of the vessel captain or air wing commander, but the commanding officer of the carrier strike group. In the PLA series of nested joint organizations, the joint campaign formation (*lianhe zhanyi juntuan*) is the next level up from the joint tactical formation.

The constituents of joint campaign formations also vary in grade, but are no higher than corps (*jun*) leader-grade (G-5). Previously, this author suggested the carrier strike group commander would be in effect the chair of the joint campaign formation, so thus would have to occupy a Grade 5 position. In the PLAN, this includes fleet deputy commanders or the fleet chief of staff. Seeing as how a chief of staff would be needed ashore, the most likely candidate to go to sea commanding a carrier strike group would be a fleet deputy commander, specifically for the *Liaoning*, a North Sea Fleet deputy commander. There are several qualified candidates within the North Sea Fleet from which to choose.

We perhaps would be left guessing as to which deputy fleet commander it would be, except for some fortuitous reporting and Chinese crowd sourcing. A Chinese-language report indicated the "formation commander" had been selected and while not naming him, indicated he had, "served for a long time in the South Sea Fleet, indeed as a South Sea Fleet destroyer flotilla commander and also worked in the Navy Command Department" (*Oriental Morning Post*, September 26). Internet commenters zeroed in on one particular candidate, Yang Junfei, a North Sea Fleet deputy chief of staff (G-6) with the requisite background details, including commanding a South Sea Fleet destroyer flotilla (Feiyang Junshi, Fyjs.cn, September 26). While not all responses agreed this was the man, a search for Yang Junfei in the *PLA Daily* shows an impressive record of service. He most recently served as commander of the PLAN's 11th escort mission task force in the Gulf of Aden, composed of the guided missile destroyer *Qingdao*, the missile frigate *Yantai* and supply ship *Weishan Hu* from the North Sea Fleet (China News Service, February 27).

The problem of his grade being below what was predicted for joint campaign formation commander also was solved sometime in early 2012. Listed as a deputy chief of staff (G-6) of the North Sea Fleet in February 2012, by March he was referred to as "deputy commander of the North Sea Fleet" (G-5) (*PLA Daily*, March 2; China Military Network, March 11). Ultimately, what is important is not necessarily the individual named to the position, but the contention that the carrier formation commander will be a Grade 5 officer of the North Sea Fleet. Yang may fit the bill, but so do others. Still, his recent return with the 11th Gulf of Aden escort task force to Qingdao coincides with suggestions from Chinese experts that the *Liaoning* will be berthed in Qingdao, where deep waters and ample anchorages can accommodate the multiple ships of a carrier task force (*Southeast Commercial News*, September 26).

Looking Ahead

In looking at the history of PLA joint training and how the *Liaoning* fits into that landscape, one cannot help but notice coincidences. As Andrew Erickson and others have noted, not naming the ship *Shi Lang* after the Qing admiral that conquered Taiwan was significant, and "*Liaoning*" honors the province in which the ex-*Varyag* was refitted (*Wall Street Journal*, September 25). To add to the significance, one can look to the passage of the joint training torch from Jinan Military Region in 2008 to Shenyang Military Region, which includes Liaoning province and the port city of Dalian. Now, with the organizational structure of the aircraft carrier emerging in what seems to be the form predicted by Jinan Military Region's *Lianhe* exercises and with the eventual home port located in Jinan Military Region's port city of Qingdao, the *Liaoning* can be said to be fulfilling a virtuous cycle of training development currently entering a new iteration of experimentation. Perhaps this next phase of PLA training innovation will emerge from its cradle in and around the green waters of the Bohai Sea and into the bluer waters of the open ocean.

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Notes:

1. David Shambaugh, "PLA Studies Today: A Maturing Field," in James Mulvenon and Andrew Yang, eds., *The People's Liberation Army in the Information Age*, Santa Monica, CA: RAND, 1998, p. 20.

System of Systems Operational Capability: Key Supporting Concepts for Future Joint Operations

By Kevin N. McCauley

A current focus of the Chinese People's Liberation Army (PLA) theoretical writings and exercises is information system-based system of systems operational capability, which they view as a key requirement and enabler for integrated joint operations. The PLA views integrated joint operations as the future trend that represents an advanced stage of joint operations, unifying forces down to the tactical level through information technology to create a seamless networked information system to increase combat effectiveness ("PLA Developing Joint Operations Capability [Part One]: Joint Task Force Experimentation," *China Brief*, May 20, 2011; *PLA Daily*, July 7, 2004). PLA theory in this area is influenced by U.S. joint developments, network centric warfare and system of systems theory [1].

Recently, the PLA press described modernization advances in communications, satellite navigation, and reconnaissance capabilities that enable greater sharing of information, situational awareness, and a flatter command structure. These have all been identified in PLA doctrinal writings as important components supporting these theoretical concepts (*PLA Daily*, September 17). This article examines system of systems operations and the related concept of operational system of systems—both related to the integration of command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) and the capabilities that form the foundation for PLA efforts to implement integrated joint operations.

While integrated joint operation is the goal, the PLA believes operationalizing it will require extensive force modernization as well as qualified personnel adept in information technology and joint operations command. The PLA appears to view joint operations under informationized conditions (*xinxi hua tiaojian xia lianhe zuozhan*), relying on lower levels of force modernization and joint operations capabilities, as an evolutionary step in its transformation [2].

C4ISR and Force Integration Capabilities

An integrated C4ISR system and command & control procedures with greater agility are fundamental requirements for integrated joint operation capabilities, representing a key area of PLA modernization, research and experimentation ("The PLA's Three-Pronged Approach to Achieving Jointness in Command and Control," *China Brief*, March 15). The regional integrated electronic information system (*quyu zonghe dianzi xinxi xitong*) is a key component of C4ISR modernization efforts [3].

As the PLA has modernized, it has come to realize that the development of combat and support capabilities are based on the integration of the armaments of entire units and entire systems at different layers, with different structures, and in different ways to create a synergy boosting overall capabilities and combat effectiveness (*PLA Daily*, September 9, 2010). The area of C4ISR capabilities to integrate forces and generate combat effectiveness by means of a complex system of systems is where PLA concepts become especially intertwined and difficult to understand.

The most important theoretical concept, which the PLA began to examine at the end of 2005, is information system-based system of systems operational capability (*jiyu xinxi xitong de tixi zuozhan nengli*), representing key integration and capabilities required to implement integrated joint operations. The capability also will support precision operations, combined arms combat, and diverse military tasks ("Developing a Framework for PLA Precision Operations" *China Brief*, July 7, 2010) [4]. System of systems operational capability, as conceived, will enable complex confrontation between systems of systems rather than single system on system confrontation of the past. The PLA considers system of systems operations a transformation in generating combat capabilities, often portrayed by the PLA as 1 + 1 > 2. It relies on information systems, specifically the military information system linkage and interoperability capabilities to unify and optimize force groupings, provide real-time information sharing and precision control of combat operations. System of systems operations serves as a multiplier for the capabilities of real-time awareness, efficient command, precision strike, rapid maneuver, full-dimensional protection and comprehensive support

(*PLA Daily*, January 27, 2011; *Military Terms*, 2011, p. 79) [5].

A system of systems operational capability will accelerate operational response times to enhance firepower and maneuver, particularly by shortening and streamlining decision making and sensor to shooter times to get inside an opponent's decision cycle. Additionally, it will enable units to operate with greater independence in dispersed deployment in a nonlinear battlespace; yet synchronize operations within a centralized command structure with some allowance for initiative (*PLA Daily*, November 11, 2010).

System of systems operations is described as essentially a process, based on the information systems, to optimize and allocate operational forces and resources in order to generate combat power, increase combat effectiveness, and streamline and integrate systems and organizations (*PLA Daily*, August 18, 2011; April 24, 2010). System of systems operations has the following requirements: support of the military information system, and in particular the subset command information system; real-time sharing of battlefield information through the interconnection, interoperability and intercommunication of the military information system; establishment of a centralized but geographically distributed interactive command network to synchronize the combat of dispersed forces; linkage of operational elements; the ability to rapidly recover and regenerate capabilities after enemy strikes; and the ability to dynamically reorganize modular task forces to meet changing operational requirements (*PLA Daily*, August 18, 2011; April 24, 2010) [6].

A related concept is operational system of systems (*zuozhan tixi*). This represents a network information system based on the combination of various operational systems (*zuozhan xitong*) and forces formed into an organic whole (*Military Terms*, 2011, p. 63) [7]. It refers to the entire system that conducts combat operations including systems, forces and support. For example, the air defense forces of a service could represent a branch-level operational system of systems that are linked together with air defense units from other services to build an integrated multi-service joint operations system that has redundancy and reorganization capabilities for greater survivability and agility (*PLA Daily*, September 23, 2011) [8].

PLA writings discuss forming operational system of systems with a three- or four-tiered structure. A four-tiered structure could be formed with the following components: operational system of systems; service-level operational unit; branch-level operational unit; and operational entity (*shiti*, the smallest unit in an operational system of systems). A three-tiered structure would include the following: operational system of systems; service- or branch-level operational unit; and operational entity [9].

Operational system of systems, essentially a campaign or tactical level group, will be task organized depending on the mission. For example, in a large-scale island offensive in a potential Taiwan scenario, the operational system of systems could be composed of informationized joint forces, including rapid maneuver forces as a vanguard, precision strike forces as the main body with backing by other forces [10].

There are additional terms employed in PLA writings on system of system operational capability that appear with some frequency, including the following:

- Operational Unit (*zuozhan danyuan*): Operational units, composed of various operational elements, are task organized to meet mission requirements and represent a basic unit that can complete an operational task. They can be combined to form higher level operational units and operational system of systems. Examples include an armor brigade or regiment task organized for an assault or various operational groupings such as an assault group (*jituan*), in-depth defense group (*qun*) or special operations group (*zu*) (*Military Terms*, 2011, p. 63) [11].
- Operational Element (*zuozhan yaosu*): Operational elements constitute the necessary factors of operational units and operational systems (*xitong*). The new *Military Terms* (2011) lists the following operational elements: command and control; reconnaissance and intelligence; firepower strike; information confrontation; maneuver; protection; and support (p. 63).
- Information Systems (*xinxi xitong*): These provide the material foundation, consisting of multiple civilian information systems and the military information system. System of systems operational capabilities rely primarily

on the military information system, particularly the subset command information system. The command information system—which consists of the command and control, reconnaissance and early warning, and comprehensive support systems—plays a fundamental role in the formation of the system of systems operational capability (*PLA Daily*, November 11, 2010) [12].

- Operational System (*zuozhan xitong*): An operational system is composed of operational units formed into an organic whole, constituting basic functions of the operational system of systems, such as firepower strike systems, information confrontation systems and comprehensive support systems (*Military Terms*, 2011, p. 63).

The PLA currently is working on these concepts to establish the required foundation for integrated joint operations. It has identified several areas to address in order to support these doctrinal concepts. The focus areas include improving the informationization level of the command system; improving the quality of officer's information technology knowledge and skills; optimizing command procedures and architecture; and improving capabilities of information technology for command confrontation [13].

Conclusions

The PLA's evolving theoretical concepts and terminology in pursuit of integrated joint operations is complex and interrelated. These key PLA doctrinal concepts and their importance and relationship to overall transformation efforts are critical for understanding evolving operational art, tactics and training. It appears the PLA considers its current joint doctrine as joint operations under conditions of informationization relying on limited force modernization and joint capabilities. Integrated joint operations, if successfully implemented, will greatly increase the PLA's operational capabilities and flexibility in a potential conflict. The PLA is making incremental progress towards implementing integrated joint operations with its modernization program, training and exercise efforts, and its success will depend on the establishment of a system of systems operational capability.

System of systems operational capabilities based on information systems is viewed by the PLA as a key enabler for future combat operations (*PLA Daily*, September 26, 2011). It represents the integration of systems and forces that will provide significant capabilities, such as situational awareness, precision command & strike and rapid maneuver. The importance of developing these capabilities explains the PLA's focus on this subject in recent writings and training.

Operational system of systems appears to be a new way of addressing force groupings at the campaign and tactical levels incorporating a system of systems building block approach that, if successful, should support modular grouping or regrouping of forces to meet operational requirements or make adjustments during the course of operational phases.

These theoretical concepts represent a major PLA doctrinal effort. Major impediments, as born out in exercises, are continued C4ISR integration issues and the lack of qualified officers. Consequently, the PLA is emphasizing C4ISR modernization, experimental joint exercises and professional military education efforts. Success in these efforts is critical for the PLA's overall transformation efforts and future warfighting capabilities.

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Notes:

1. *Comprehensive Integrated Study of the Military Information System*, PLA Communication Command Academy, Beijing: Haichao Publishing House, 2011, pp. 168–170; *Information System-Based System of Systems Operational Capability Building in 100 Questions*, Beijing: National Defense University Press, June 2011,, pp. 30–31. PLA writings also indicate an influence by the futurist writings of the Alvin and Heidi Toffler.
2. *Military Terms* (Academy of Military Sciences. Beijing: Military Science Publishing House, 2011), p. 68. Hereafter, cited in text as *Military Terms,* 2011.

3. *Study on Information System-Based System of Systems Operational Capability, Vol. 5 Information Systems*, Nanjing Army Command College. Beijing: Military Yiwen Press, 2010, p. 3.
4. Translated by the PLA as "system war-fighting capability based on information systems," *Military Terms*, Academy of Military Sciences. Beijing: Military Science Publishing House, 2011, p. 79. The series *Information System-Based System of System Operations*, Nanjing Army Command College. Beijing: Military Yiwen Press, 2010, discusses the subject in relation to ground force combined arms combat; *Information System-based System of Systems Operational Capability Building in 100 Questions*, Beijing: National Defense University Press, Jun 2011, p. 101.
5. *Information System-based System of Systems Operational Capability Building in 100 Questions*, Beijing: National Defense University Press, June 2011, pp. 3, 8.
6. Ibid., pp. 3–7.
7. The PLA translates both *zuozhan tixi* and *zuozhan xitong* as "operational system" in *Military Terms* (2011), to avoid confusion operational system of systems will be used for the former and operational system for the latter.
8. *Information System-based System of Systems Operational Capability Building in 100 Questions*, Beijing: National Defense University Press, June 2011, pp. 7–11.
9. Ibid., pp. 28–29.
10. Ibid., pp. 48–49.
11. Ibid., pp. 27–28; *Study on Information System-Based System of Systems Operational Capability, Vol. 1 Operations*, Nanjing Army Command College. Beijing: Military Yiwen Press, 2010, pp. 5–7.
12. *Information System-based System of Systems Operational Capability Building in 100 Questions*, Beijng: National Defense University Press, June 2011, pp. 11–22; *Study on Information System-Based System of Systems Operational Capability, Vol. 5 Information Systems*, Nanjing Army Command College. Beijing: Military Yiwen Press, 2010, pp. xx.
13. *Information System-based System of Systems Operational Capability Building in 100 Questions*, Beijing: National Defense University Press, June 2011, pp. 48–49.

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Foreign Businesses in China: Out on a Limb?

By Matthew Brazil

Even when Chinese relations with major trading partners are stable, arbitrary actions by the host government against foreign businesses in China have not been uncommon. At present, China's relations with Japan, the United States and several other nations seem on an uncertain trajectory—a state of affairs well described elsewhere (*Beijing Morning Post*, September 21; "Diaoyu-Senkaku Crisis Tests Resilience of Beijing's Japan Diplomacy," *China Brief*, September 7; *Global Times*, April 21). Yet foreign businesses in China now have the highest exposure ever if measured in numbers of people, companies and assets there. That can mean unacceptable, even if temporary, risk when tensions rise. Standard problems like sudden public anger or employee militancy, unexplained shipment delays and host government demands on local Chinese employees for confidential information can become more acute. In previous crisis periods like 1989 and 1999, drastic actions have been taken, or allowed, by Beijing, including the following: seizure of assets, detention of employees and attacks on facilities.

Historical forces provide at least a partial explanation for the high risk of doing business in China and how it has sometimes reaches unacceptable levels. Understanding these forces helps identify measures needed to mitigate risk, which are described in the conclusion.

Highest Tide, Greatest Exposure: More Foreigners, Companies, and Investment than Ever

During traditional times, popular and elite thought placed China at the center of the world with all other states subordinate [1]. In between then and now came the so-called "Century of Humiliation" (*bainian guochi*, 1842–1949) when foreign nations invaded the country, took territorial concessions, and usurped China's sovereign powers. Today, all Chinese students from primary school to university learn about this time. The most chaotic and violent period of that century was arguably 1911–45, when foreign influence rose to an unprecedented level.

Table 1. Foreigners and Firms Resident in China

Year	Number of Foreigners Resident in China	Number of Firms	Most Prominent Nationality	Other Prominent Nationalities
1879	3,814	351	UK	U.S.; German
1903	20,404			
1911	153,522	2,863		
1921	240,769	9,511		
1928	325,000	6,473	Japanese	Russia, UK, U.S.
1936	370,393			
1950s	12,600	N/A	Soviet	N/A
1987	52,000			
2004	468,200			
2007	539,892	144,284	Japanese	Korean, Russia, U.S.
2010-	Not yet available	222,639	Japanese	Korean, Russia, U.S., Malaysian

Sources: Author's Interviews and Correspondence in Beijing and Liaoning with U.S. Embassy, Chinese Officials as well as Japanese and Korean Businesspeople, 2011; Ministry of Public Security, Entry and Exit Administration; Nathan Pelcovits, *Old China Hands and the Foreign Office*, New York: King's Crown Press, 1948; Kenneth W. Lieberthal, Joyce Kallgren, Roderick MacFarquhar, Frederick Wakeman, eds., *Perspectives on Modern China, Four Anniversaries*, Armonk: East Gate Books, 1991; Albert Feuerwerker, "The Foreign Presence in China" in John K. Fairbank, ed., *The Cambridge History of China, Vol. 12, Republican China 1912-1949, Part I*, Cambridge: Cambridge University Press, 1983; Pingwen Kuo, Julia Johnson, *China Yesterday and To-Day*, New York, H.H. Wilson, 1928.

In the thirty years before the Communist victory in 1949, foreign political models were tried and retried; unequal treaties from the last dynasty remained in force; and from 1931 to 1945 the Japanese invasion dominated the nation's affairs, marked by indelible war crimes that loom large in the collective memory.

If the three decades before the founding of the People's Republic of China were the worst of times, some might argue the thirty-odd years after Mao Zedong's death in 1976 became the best of times, even though the level of foreign people, companies, and direct investment in China again reached a historic crescendo (*World Economics* [Beijing], January 2004; U.S.-China Business Council, "Foreign Direct Investment Inflows 2001–2011," 2012). However, it cannot be an original observation that the last time such foreign influence was present, chaos and revolution reigned. Perhaps it is not coincidental that arrests for "endangering state security" have risen to historically high levels—985 arrests on these charges in 2010—reflecting concerns about several problems including increased espionage ("Beijing's 'Wei-Wen' Imperative Steals the Thunder at NPC," *China Brief*, March 10, 2011; Duihuanews.org, March 2011; *The Telegraph* [UK], March 29, 2010).

A China That Can Say No

The Cold War ending in 1989 had linked U.S. and Chinese interests with an importance and urgency that has not been replicated in the subsequent post-Berlin Wall, post-Tiananmen Massacre era. Before and after 1989 there were many agreements, protocols, and MOUs between the U.S. and China on specialized issues such as scientific cooperation, health, maritime affairs, education and so forth. Since 1989, persistent Cold War-type disputes, however, have harried bilateral relations. The two nations

have not come close to a treaty or agreement comparable to the 1989 Malta Summit that ended the U.S.-USSR Cold War or establishing a clear set of rules for handling the inevitable crises [2].

U.S.-China bilateral agreements on technical issues partly reflected a mutual desire to separately develop commercial relations. Then paramount leader Deng Xiaoping worked with a consensus, begun in fits and starts after the U.S.-China rapprochement in 1972, to maintain stable relations with the United States and promote security and modernization [3]. Deng's widely cited quote at the time, "hide one's capacity and bide one's time" (*taoguang yanghui*), partly symbolized his successful efforts to maintain this policy in spite of continuing U.S.-China bilateral tensions (Xinhua, August 9, 2004; *South China Morning Post*, June 30, 1990). Jiang Zemin stayed the course after Deng gradually withdrew from the scene and passed away in 1997, and commercial relations with other countries, especially Japan, also blossomed.

Resentment of Japan, however, had never really abated. It also was growing against the United States among left wing intellectuals and, more importantly, the wider population. One symbol of distrust was the 1996 book *China Can Say No*. It spawned a sequel and imitators that remain popular, depicting the United States as a self-interested hegemon trying to stop China from further development. They were partly an argument against lying low and biding time, partly one asserting that U.S. human rights policy was a façade to pursue selfish interests. They also evinced a paranoid streak that continues to this today in some Chinese circles ("Fear and Loathing in Beijing? Chinese Suspicions of U.S. Intentions," *China Brief*, September 30, 2011).

Just as important, these criticisms implied the CCP was too soft on Washington, a popular idea linked to many recent public protests which were nationalist and pro-authoritarian—in distinct contrast to the anti-authoritarian demonstrations of the 1980s that led up to the Tiananmen Massacre. For separate reasons linked to issues from World War Two, protests against Japan also have arisen regularly, resulting in attacks against Japanese interests.

Perhaps with this popular dissatisfaction in mind, Beijing appears determined to crack down against offending countries like Japan, Vietnam, the Philippines and the United States. Among other developments is the diplomatic push to establish a "new type" of U.S.-China relationship requiring compromise only from one side. In July, two senior Chinese diplomats wrote "China has never done anything to undermine the U.S. core interests and major concerns…yet what the United States has done in matters concerning China's core and important interests and major concerns is unsatisfactory." Apparently referring to the rest of the field, they added "There have been some problems recently in China's neighborhood. China is not the maker of these problems, and still less the perpetrator of the harm. Rather, it is a victim on which harm has been imposed" ("China's Search for a 'New Type of Great Power Relationship'," *China Brief*, September 7).

Popular pressure on the Chinese political leadership not to give in to foreign powers comes at a time when the United States, Japan and the European Union appear economically weakened and China also is under economic stress. The outlook for anti-foreign sentiments in China is not eased by the possible weakness of the CCP's political leadership, while the political strength of the most anti-U.S. elements of the leadership elite, its "control cartel"—the military, the security services as well as the CCP Organization and Propaganda departments—is arguably as high as at any time since 1949 ("A Chinese Assessment of China's External Security Environment," *China Brief*, March 25, 2011; *The Diplomat*, March 3, 2011) [4].

A serious conflict with an important trading partner could lead to severe trouble for a business with high exposure in China that suddenly finds its nationality identified as China's adversary *du jour*. Such a situation could find China's opponent asking for U.S. political or military support, and retaliation against foreign businesses in China could follow.

How Foreign Businesses in China Might Be Affected

Even in stable periods Chinese workers can suddenly act in a militant fashion against foreign managers in isolated situations [5]. In periods of extreme tension, action by workers and other Chinese against foreigners can become widespread. The host government has seized assets, opened fire on diplomatic housing and allowed assaults against diplomatic posts and residences.

The last three periods of extreme tension with the highest danger for foreigners in China came during the following:

(1) the violent phase of the Cultural Revolution (1966-1968);
(2) in the weeks after the Beijing Tiananmen Massacre of June 1989;
(3) the week after the U.S. bombing of the Chinese embassy Belgrade on May 8, 1999.

During these times, the host government either unleashed masses of citizenry with license to attack targeted foreign nationals and institutional symbols (1966-68; 1999), or used the forces at their command (1966-68; 1989) to pursue punitive measures against chosen foreign nationalities, their organizations and/or Chinese affiliated with them. Foreign companies, often driven by the demands of the moment including upcoming quarterly results and their effect on stock prices, tend to handle such issues ad hoc. This may lead to a similar approach when they are faced with real emergencies. With today's higher exposure and greater potential for instability, it is a good time to consider more systematic approaches to managing risk.

More Far-Sighted Risk Mitigation

In most politically unstable countries, foreign firms do not hesitate to carry out their duty to protect employees and assets by instituting thorough evacuation plans, providing frank security briefings to employees, assigning armed guards where necessary in accordance with host country laws and so on. Public relations, brand image and perceived host country sensibilities, however, work to discourage the same steps in China. This is partly due to the lucrative and unstable nature of China and its market as well as the controls the host government has over large scale economic activity. Moreover, foreign business executives sometimes express the wish to "avoid offending the Chinese" as if the egos on the Chinese side were fragile beyond understanding.

An approach modeled on standard management expectations for industrial security should be seriously considered. None of the measures listed below are meant to stand alone as solutions. They are intended for development into a security program tailored for business operations in a lucrative market with an unstable polity and high theft risk against intellectual property (IP):

- Regularly remind foreign employees and dependents that Chinese law requires them to carry passports at all times. Ensure backup copies are available and that all foreigners carry material in Chinese stating their specific affiliation with the company, such as the employee's business card;
- Reach an agreement with the local public security bureau and their superiors in the municipal party committee that they will provide immediate notification if an employee is detained;
- Initiate a sustained effort to keep foreigners aware of China's ever changing internal travel restrictions. Ensure the travel department has a robust process to avoid violating them and to locate travelers in emergencies;
- Initiate a security briefing program at a minimum for foreign employees and family members of an agreed age that frankly discusses the problems such as IP risk, the dangers of an aggravated crowd, how to deal with police and so on;
- Contrary to widespread belief, thorough background investigations on local Chinese employees are possible, and may include ordinary criminal conviction inquiries and verification of previous employment. Pursue these to satisfy the same management expectations within local law as done in any other country;
- Conduct a serious practical review of evacuation plans in China and consider engaging providers who can supply chartered evacuation aircraft and experienced planning;
- Decide what to do about critical IP assets in China, including how to dispose of them and of export-controlled equipment there if a situation threatens their loss;
- Purchase enough high-capacity document shredders so that all sensitive waste is easily destroyed by individuals without the risky practice of collecting them intact and in bulk. Never send confidential material to an outside contractor for destruction—a surprisingly common practice;
- Consider expanding the company's technical surveillance countermeasures (TSCM) program to China—it can and has been done, and does not need to be kept secret from the host government;

- Consider ways, within the restrictions of U.S. or other relevant home country laws, to cultivate appropriate relationships with contacts amongst the more powerful sectors of the party and government, the "control cartel."

Many in the business world believe that "China is different" and that an antidote to uncertainty is *guanxi* (connections) at high levels in the relevant industrial ministry and the local CCP Committee. If the political situation between China and one's home country sours, however, major decisions regarding foreign interests are more likely to be taken by one or more organs of the "control cartel." Local CCP contacts will be given the job of managing foreign companies and their personnel and will be less inclined than in stable times to make their case to higher levels.

Adding to the confusion, analysts strongly disagree on China's future. Some predicting its coming collapse; others asserting that the Chinese century has arrived. Many key issues, however, remain unclear: party-military relations, how well the economy will weather the worldwide financial downturn, loyalty of the country's peripheral regions to Beijing, stability of the countryside, even the long term viability of unchallenged CCP rule. A more convincing argument says that China is unlikely to become a "waxing hegemon or failed state" as long as the current system prevails ("China's Shades of Grey," *China Brief*, September 7). Businesspeople with interests in China should consider the implications of putting their people and assets through continued cycles of uncertainty without significant risk mitigation.

Businesspeople should not accept dated notions that "China is different" or that personal relationships and loyalty are more important than common sense. These ideas are less relevant as China becomes more integrated in the world economy, yet less politically stable. Business in China is still business, and the China is still a nation-state with rational interests, opaque though its politics may be.

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Notes:

1. John K. Fairbank, "Introduction: The Old Order" in Denis Twitchett and John K. Fairbank, eds., *The Cambridge History of China Vol. 10: Late Ch'ing 1800–1911*, Cambridge: Cambridge University Press, 1978, pp. 29–31.
2. U.S. Department of State, "Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 01, 2011," pp. 52-55; and Peter Hough, *Understanding Global Security*, pp. 40–41.
3. Feng Jianzhi, Jin Chongji (eds.), *Mao Zedong zhuan* [Biography of Mao Zedong, 1949-1976], Beijing: Zhongyang wenxian chubanshe, 2003, pp. 1668–1669; Frederick Teiwes and Warren Sun, *The End of the Maoist Era*, Armonk: M.E. Sharpe, 2007, pp. 126–128.
4. Susan Shirk, *China, Fragile Superpower*, Oxford University Press, 2007, pp. 83–84; Alice Miller, "Splits in the Politburo Leadership?" *China Leadership Monitor*, No. 34, Winter 2011; David Shambaugh, "Coping with a Conflicted China," *Washington Quarterly*, Vol. 34, No. 1, Winter 2011.
5. For example, during a 2004 strike at an U.S. company's factory in north China, workers unexpectedly imprisoned U.S. managers on the premises for a day and a night, according to this author's interviews in 2005. Similar incidents also occurred at other U.S. businesses in 2010 and 2011, according to other interviews conducted in China.

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Four More Years: The DPP Assesses its 2012 Loss and Looks Ahead to 2016

By Cristina Garafola

Taiwan's presidential election in January 2012 marked a fresh wave of defeat for the Democratic Progressive Party (DPP) and has forced the party to grapple with its future vis-à-vis the Kuomintang (KMT). DPP presidential candidate Tsai Ing-wen's loss, widely believed to be the

result of the DPP's ambiguous cross-Strait policy based around the "Taiwan Consensus," has prompted the party to rethink its handling of the campaign and begin to regroup for the 2016 election. Since its defeat, the DPP has announced a combination of new initiatives and changes to existing policies. The party, however, still faces significant obstacles, including resolving inter-party tensions, securing voter confidence and forging consensus on an approach toward the People's Republic of China. Despite some promising signs that the party is addressing its weaknesses, the DPP will need to assuage concerns about its policy positions, unify around a single candidate, and sell its revamped platform to voters to successfully return to power in 2016.

Aftermath of the Election

In mid-February, the DPP published a report analyzing six main reasons for its defeat in the January 2012 presidential and Legislative Yuan (LY) elections: (1) "voters' doubts about the DPP as a ruling party"; (2) "a collaborated effort of the Chinese Nationalist Party [KMT] and the Chinese Communist Party to use the cross-strait economy as a scare tactic"; (3) "the KMT's abuse of its administrative resources as campaign tools"; (4) travel difficulties for people returning home to vote; (5) lower than expected voter turnout; and (6) tactical voting that reduced blue votes for third-party candidate James Soong in favor of President Ma Ying-jeou. During the election, the DPP rejected the "1992 Consensus"—that both Taipei and Beijing agree there is only "one China," though both sides interpret "one China" differently—but the party denied that this stance contributed to voters' concerns about a potential DPP administration's handling of cross-Strait relations. The party acknowledged that both the KMT, which has embraced the "1992 Consensus," and the mainland effectively portrayed the DPP as opposing the expansion of trade and cross-Strait economic ties (*Taipei Times*, February 16).

Since the publication of the party's assessment, the DPP has been focused on voters' concerns about the "Taiwan Consensus," which Tsai described in a pre-election interview with the *New York Times*: "people in Taiwan have to get together and form a consensus of their own and…turn around to talk to the Chinese to form a cross-Strait consensus so we can build a relationship on that consensus.". This reframing of cross-Strait relations was put forward as an alternative to the "1992 Consensus." Voters' familiarity with the "1992 Consensus," however, contrasted sharply with their unease over how the "Taiwan Consensus" would affect cross-Strait relations and growing economic integration that is widely viewed as beneficial for Taiwan. This was especially true given that Beijing made support of the "1992 Consensus" a precondition for any Taiwan-based groups seeking formal talks. Beijing's negative response to the "Taiwan Consensus" exacerbated popular fears that a return of the DPP to power would cause a reemergence of the cross-Strait tensions that existed during most of Chen Shui-bian's presidency from 2000 to 2008.

In the months following the election, the DPP launched a series of initiatives to clarify the "Taiwan Consensus" and elaborate on the party's cross-Strait policy. New party chairman Su Tseng-chang announced on July 25th that the DPP would reestablish its Department of China Affairs, which had been merged into a larger international affairs department in 2007 (*Global Times*, July 26). On July 27th, the DPP announced a "three stages and three levels" plan for cross-Strait relations. The three stages consist of the following: (1) restarting the China Affairs department and organizing a higher-level task force called the China Association Committee; (2) carrying out debates and discussions in the China Association Committee; and (3) codifying the party's vision for cross-Strait policy. The three "levels" for party action are "domestic," "international," and "cross-Strait" (*Want China Times*, July 29). Both the pre- and post-election cross-Strait frameworks are based on the party's 1999 "Resolution on Taiwan's Future," which maintains that Taiwan is sovereign and independent, so the "three stages and three levels" concept is more a repackaging of the "Taiwan Consensus" than a change in policy. This reformulation aimed to address voters' concerns by providing a step-by-step plan that explains how the party develops and executes its policy toward the mainland.

The party also is expanding its contacts across the Strait and further abroad. Three DPP members, legislators Hsiao Bi-khim and Lin Chia-lung and former spokesman Lo Chih-cheng, visited the mainland this year, although in the capacity of private citizens because the party does not yet have an official relationship with the CCP. The DPP additionally plans to re-open its U.S. office, which was closed in 2000 after the DPP came to power, in order

Table 1. DPP Central Standing Committee Membership, 2012

Faction	Elected Members (10 Seats Total)	Ex Officio Members (7 Seats Total)	Total Seats Controlled by Faction
New Tide	3	4*	7
Yu Shyi-kun	2	1	3 (effectively 2)**
Frank Hsieh	2	--	2
Su Tseng-chang	1	1	2
Green Friendship Alliance	1	--	1
Unaffiliated	1	1	2

Sources: Author's Interviews; *Taipei Times*; *Focus Taiwan*; Central News Agency [Taiwan].

*Three ex officio members, Chen Chu, William Lai and Su Chih-fun, are traditionally members of the New Tide faction but mainly focus on regional/metropolitan politics.

**One of Yu Shyi-kun's supporters, Chen Ting-fei, holds both an elected seat and an ex officio position on the CSC, so Yu's factional support on the CSC effectively consists of two people, himself and Chen.

to have more regular contact with U.S. interlocutors.

Factional Differences Play a Role

In addition to convincing voters of the DPP's willingness to advance the cross-Strait relationship, the party must also find a presidential candidate for 2016 who will receive broad pan-green support as well as win over middle voters. Even though factions were officially disbanded within the DPP in 2006, multiple factions influence the party's policies with other smaller groups playing auxiliary roles. The four main factions are the former New Tide faction, which originated out of a literary group begun in the 1980s, and the three personality-based factions surrounding former DPP Chairman and 2008 presidential candidate Frank Hsieh, current DPP Chairman Su Tseng-chang, and former premier Yu Shyi-kun. The factions were able to set aside their differences during the presidential campaign, but after Tsai's defeat, tensions resurfaced. In addition to divergent views on policy toward mainland China, there also are lasting personal grievances against the leaders of other factions. For example, Frank Hsieh and Su Tseng-chang have a notoriously rocky relationship that led to conflict during the election over the accuracy of the DPP's polling methods (*Taiwan Times*, January 19). The New Tide faction is considered the most pragmatic and strategic faction with a greater ability than the other factions to adjust its policies and expectations in line with changes in current events and public opinion. In contrast, "deep-green" voters are led by politicians, such as Koo Kwang-ming and Trong Chai, and many base their ideological compass around the first popularly-elected ROC president (and founder of the deep-green Taiwan Solidarity Union) Lee Teng-hui.

Elections for the two key party leadership bodies revealed deep-seated divisions. After elections for the 30-member Central Executive Committee (CEC) in July, the CEC elected 10 members Central Standing Committee (CSC)—the CSC also has seven other members who hold *ex officio* positions. During the CEC elections, a fellow party member accused Kaohsiung Mayor and interim DPP Chairwoman Chen Chu of meeting with "gangsters" and relying on other tactics to assure her supporters would win seats (*Taipei Times*, July 19). Later, the results of the July CSC elections indicated multiple factions were strong enough to win seats in the top level of DPP leadership. The New Tide won three spots, former premier Yu Shyi-kun's and Frank Hsieh's factions each won two spots and Chairman Su Tseng-chang's faction and the Green Friendship Alliance won one seat each. Another trend is the growing strength of the New Tide faction, which has the most representation in both committees. The New Tide, however, has yet to back any

other factions or candidates, such as Su Tseng-chang or Tsai Ing-wen, who are likely to be the top contenders for the DPP in next presidential primaries. Gaining this faction's support probably will be crucial for any would-be presidential contender in 2016.

New Thinking

On economic issues, the DPP's leadership will need to appeal to a broader base if its candidate is to win the 2016 presidential election. The DPP traditionally has voiced concerns over Taiwan's economic dependence on the PRC, with over 40 percent of Taiwanese exports headed to the mainland and Hong Kong in 2011 [1]. DPP legislators also have questioned whether the Economic Cooperation Framework Agreement (ECFA) signed between both sides of the strait in 2010 and more recent loosening of restrictions on Chinese investment in Taiwan will produce benefits or create greater vulnerabilities for the island (*Taipei Times*, March 15; July 11, 2011). Economic growth fell from 10.7 percent in 2010 to 4 percent last year and is forecast to at only 1.6 percent for 2012. This is a key concern for voters—many of whom believe strengthened economic ties with the mainland will bolster the economy. The DPP will need to convince voters that its policies can reinvigorate Taiwan's economic development rather than lead to unpredictability in cross-Strait relations that would be bad for business.

There are some signs that the DPP will revamp its economic policy by 2016. The lifting of a ban against U.S. beef imports ban in July, which the DPP opposed after the KMT returned to power, removed a chief stumbling block for Taiwan to resume Trade and Investment Framework Agreement (TIFA) talks with the United States. This also may be a stepping stone toward Taipei's membership in the Trans-Pacific Strategic Economic Partnership Agreement (TPP)—a popular initiative with voters that the DPP endorses. Tsai Ing-wen recently established a new foundation called Thinking Taiwan, which focuses on economic issues along with other key challenges facing Taiwan. In the first post on the forum's website, Tsai wrote that the "our… biggest test is to seek out a new model for the Taiwan's future economic development" (ThinkingTaiwan.com, 2012). In September, the DPP announced initiatives to develop a "sensible economy" through policies to boost industrial competitiveness, assist small-to-medium sized businesses and provide incentives for businesses that hire recent college graduates (*Taipei Times*, September 21).

For the DPP to promote its policies successfully, timing will be key. The first important deadline is 2014, when local and municipal elections will identify strong candidates and their backers in the party's top levels. If the candidates do well in those elections, Chairman Su's popularity will probably grow—if they do not, he will likely step down. Either way, the election outcomes should spur the factions to reach a decision about the strongest candidate for 2016 as the nomination process begins. If the factions hesitate in banding together around one candidate at that point, the DPP may face difficulties in selling a united message to voters in time for the platform to stick before the presidential election occurs. Given lingering concerns about the implications of key DPP policies, it is not enough to hope that President Ma's low polling numbers (currently below 25 percent) simply will sweep the opposition to victory, especially given that the KMT will field a new candidate in 2016 because of presidential term limits.

Conclusion

The Chen Shui-bian presidency from 2000 to 2008 left the DPP's reputation in tatters. The DPP scored a significant comeback in 2012, winning 46 percent of the vote, but popular doubts persisted about the party's overall vision for Taiwan and its ability to manage cross-Strait relations and Taiwan's relationship with the United States. To win in 2016, the party will need to accomplish three goals. First, it must convince voters, Beijing and Washington that a DPP-led government can maintain cross-Strait stability. Second, it must unite behind a presidential candidate after the local and municipal elections in 2014 to give the candidate and the DPP's Legislative Yuan candidates enough time on the campaign trail. Third, after naming a candidate, the party will need to show what it would strive to accomplish in office; well-defined defense and trade policies as well as a road map to reinvigorate economic growth will be essential.

Some with ties to the DPP understand the challenges the party faces for 2016 and already have expressed their concerns that the party is not changing enough

in response to Taiwan voters' evolving priorities. Julian Kuo, a former DPP legislator, wrote in June that the DPP's continued blocking of beef imports could offend Taiwan's political supporters in the U.S. Congress and harm the DPP's future re-election chances (Now News, June 14). Meanwhile, with respect to a cross-Strait joint construction project, Kuo argued cross-Strait finance and trade will continue to normalize in the next four years as an extension of recent improved ties. Kuo warned, however, "if the DPP is not careful, if it fails to clarify what its own political objectives are and continues to put national security above all else, following the same overly-politicized agenda as before, come the next election economic voters will almost certainly remain unconvinced the DPP is fit to govern, or that it can be trusted with cross-Strait affairs" (*Taipei Times*, February 27).

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Notes:

1. Calculated from "B-2 Export by Key Trading Partners," Republic of China, Ministry of Economic Affairs (2012), http://2k3dmz2.moea.gov.tw/gnweb/Indicator/wHandIndicator_File.ashx?type=pdf&report_code=FB02.

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