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**China's New Leadership and a Taiwan  
Confrontation: Implications for Deterrence**

Virginia A. Monken

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## **PREFACE**

This document was prepared under the auspices of the Institute for Defense Analyses' Independent Research Program. The document focuses on the ascent of the Fourth Generation of political leadership in China, its risk perception, and the implications that carries for the ability of the United States to deter the People's Republic of China during a Taiwan confrontation.

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## SUMMARY

Sino-U.S. ties continue to strengthen in an era where the two countries share increasingly common interests in trade and economic development, combating the war on terrorism, and securing stability in East Asia; however, the Taiwan issue remains a primary point of contention, and one that could lead to military conflict. U.S. military strategists are intuitively concerned with how, when, and why this standoff could evolve into confrontation. Furthermore, the U.S. defense community also is interested in how the People's Republic of China (PRC) could be deterred from initiating confrontation, as well as escalating a conflict once engaged. This paper focuses on the latter. The analysis assumes that initial deterrence has failed, and that the United States and China are engaged in a confrontation over Taiwan.

In any case, this paper focuses on a component that plays a central role in any deterrence equation or escalation framework: what factors inform the Chinese leadership's risk perception and shape its crisis behavior? How does its focus on regime survival inform its decision-making calculus? And particularly in light of the recent ascent of a Fourth Generation of Chinese Communist Party (CCP) leadership, would the PRC have the flexibility to deescalate at any point during a confrontation, or would it be willing to run huge risks for fear of dramatic political fallout, including the collapse of the CCP, were it to compromise?

With these primary drivers in mind, the analysis concludes that the PRC leadership feels that the survival of the CCP regime in fact would hang in the balance of a Taiwan confrontation. The CCP has come to rely heavily on the Chinese people's nationalist sensibilities to promote its own agenda and mask its ideological contradictions as it tries to reconcile an obsolete Communist doctrine and corresponding political system with its desire to develop a market economy. Consequently, Taiwan, which has come to represent the most fundamental of China's national interests (territorial integrity, state sovereignty, future economic development and prosperity, and reunification of the motherland), is emblematic of the very principles for which the Communist Party purportedly stands. Therefore, should the CCP lose Taiwan, it would essentially de-legitimize its self-proclaimed role as the PRC's guarantor of national pride and prosperity. The public, already skeptical of the CCP and its motives, is not likely to tolerate such failure.

The rise of the new CCP leadership also has brought potential fragmentation and power struggle to the political establishment. Outgoing CCP Chairman and PRC President Jiang Zemin retained his chairmanship of the Central Military Commission (CMC) and essentially created multiple power centers within the PRC leadership. Although Hu Jintao is the constitutionally recognized head of the Party and the state, Jiang Zemin controls the military and, in the PRC political tradition, he who holds the gun holds the power. Consequently, should a Taiwan crisis arise in the absence of a clearly delineated chain of command or formally recognized principal decision-making authority, the leadership will most likely take a harder-line approach to any Taiwan confrontation in the hopes of preserving internal unity.

Nevertheless, the decision to escalate will not be the preferred choice. The Fourth Generation leadership largely comprises a group of young, pragmatic, educated technocrats focused on China's domestic economic development. Their top priority is facilitating the PRC's modernization and economic growth to secure long-term domestic stability and to demonstrate the Communist Party's ability to provide for the Chinese people – a critical undertaking if the CCP is going to perpetuate its power. Thus, a Taiwan confrontation, which would undermine the PRC's foreign trade, investment, and stature, would debilitate the CCP's development plan.

Furthermore, as the government tries to implement the reform needed to facilitate this same economic growth strategy, it faces fallout in the political, social, and economic arenas. On the political front, the CCP is struggling to respond to calls for greater openness, transparency, and reform to match those changes being made in the economic arena. Similarly, the transition from a Communist, largely state-supported industrial complex to a market-oriented economy has wreaked havoc on the PRC's socio-economic stability. Thus, the CCP leadership finds itself in a precarious position: respond to China's fervent nationalism and win reunification no matter the cost so as to potentially secure the Party's survival, or compromise for fear of an economic fallout that could prove equally detrimental to the regime's longevity.

U.S. defense strategists can consequently anticipate the following: the PRC will avoid initial confrontation at all costs but, should conflict arise, the CCP leadership will pose a significant deterrence problem – its very survival is at stake in such a scenario and the loss of Taiwan would likewise signify the loss of the regime's grip on power.

## I. INTRODUCTION

Taiwan remains a primary potential flashpoint in Sino-U.S. relations. A central question for U.S military planners is how China's leaders would act if the flashpoint were to erupt. Would they have the confidence and flexibility to compromise, deescalate, and otherwise manage the crisis effectively?<sup>1</sup> Or would they be inflexible and willing to run huge risks, largely out of a fear that any compromise would put the continued rule of the Chinese Communist Party in serious question?<sup>2</sup> Historical experience suggests the former. The rise of Chinese nationalism and an unstable political power arrangement suggest the latter.

Although these perspectives propose different outcomes, they share a premise: China's response to a Taiwan crisis scenario is heavily dependent on the Communist regime's perception of its ability to survive the loss of Taiwan. Given this premise, this paper evaluates the Chinese leadership's risk perception and introduces an added dimension to the traditional discussion: the recent ascent of the Fourth Generation of CCP leadership, and the implications that carries for deterring the People's Republic of China once engaged in a Taiwan crisis.

On one hand, the ascent of the new leadership indicates China may take a more flexible approach toward dealing with a Taiwan crisis. The Fourth Generation comprises young, well-schooled, pragmatic politicians. Raised and educated against the backdrop of the Cultural Revolution, they share the distaste that the majority of Chinese have developed for radical revolutionary ideas.<sup>3</sup> The isolationist, Maoist policy of the past no longer holds the same mass appeal; it has been replaced by a desire to transform China into a market economy does. And no group can be characterized as more ardent supporters and beneficiaries of the current modernization push than the technocratic bureaucrats that have emerged as the new political elite.<sup>4</sup> Deng Xiaoping's transformational visions for the economic and political spheres seem to be coming to

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<sup>1</sup> Whiting, Allen S. *The Chinese Calculus of Deterrence: India and Indochina*. The University of Michigan Press. Ann Arbor, MI: 1975; and Whiting, Allen S. *Chinese Domestic Politics and Foreign Policy in the 1970s*. The University of Michigan Press. Ann Arbor, MI: 1979.

<sup>2</sup> Payne, Keith. *An Empirical Framework for Deterrence and Application: Sino-U.S. Conflict Over Taiwan*. National Institute for Public Policy, July 2000; and Christensen, Thomas J. "China," *Strategic Asia 2002-03: Executive Summary*. The National Bureau of Asian Research.

<sup>3</sup> Yu Bin. "Hu's Mini 'New Deal,'" *Pacific Forum CSIS*. 6 March 2003.

<sup>4</sup> Yu Bin, *ibid*.

fruition. The Fourth Generation leadership emphasizes domestic development and economic growth over Mao's socialist doctrine, and its members demonstrate more a practical than an ideological drive. This focus suggests that the new generation, which places economic development and modernization concerns paramount, may lean toward a more diplomatic, flexible resolution to the Taiwan question. After all, a confrontation over Taiwan could derail the leadership's plan for China to become a modern, developed state and a respected member of the world community.

On the other hand, the leadership transition complicates an already volatile political climate in China, and may detract from the Fourth Generation's ability to effectively navigate a Taiwan crisis. In addition to re-casting the players who stand at the helm of Chinese policymaking, the recent leadership transition re-arranged China's political power structure and clouded the lines of decision-making authority. This beset the Party with an even greater degree of fragmentation and ambiguity, and may constrain the new leadership's policy options and diplomatic hand.

This paper thus analyzes the stability and behavior of the Fourth Generation CCP leadership under these uncertain circumstances, and focuses on the following fundamental question: amidst pervasive nationalism, socio-economic discontent, and political uncertainty, will the new leadership have the ability to back-down from an escalating conflict with the United States?

The paper explores this question by breaking the analysis into three primary components. The first is a brief overview of the deterrence debate that frames the Taiwan question, and the importance of regime survival within that context. The purpose here is to examine the following: China's national priorities; how these interests coincide with the outcome of the Taiwan question; where regime survival figures into the PRC's policy calculus and its linkage to Taiwan; and the ramifications that all of these factors bring to bear on deterring China, once engaged in a Taiwan crisis scenario.

The second component builds on this foundation. It establishes a situational overview of the current Chinese political landscape following the recent leadership transition. This section assesses the composition of the new leadership and the current political climate, which is largely characterized by a resurgent Chinese nationalism, a potential fragmentation of power, and weakly delineated lines of constitutional authority. The resultant assessment gauges the stability of the current Communist regime and the PRC's political stakes in a Taiwan crisis. It demonstrates that the new leadership could indeed face political fracture and regime collapse in the wake of a Taiwan confrontation.

The paper's third analytical component examines those additional factors that would shape the Fourth Generation leadership's response to a Taiwan confrontation. These factors are socio-economic stability concerns, greater political openness and the fallout that may follow such reform, and the role that the People's Liberation Army (PLA) plays in PRC policymaking and the political power arrangement. This final section highlights both the pragmatic concerns that would encourage the Fourth Generation leadership to avoid escalation during a Taiwan confrontation, and those factors that would constrain the new leadership from doing so.

In the end, how will a tenuous political climate fraught with resurgent nationalism and calls for reform impact China's Fourth Generation leadership in their decision-making ability? Will the new leadership with its pragmatic, more open and reform-oriented modus operandi take a diplomatic, flexible approach to PRC crisis management? Or will the fragmented chain of command and disparate factional loyalties that characterized its rise to power force the new leadership to adhere to a harder-line approach should a conflict with Taiwan erupt.

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## II. REGIME STABILITY, RISK PERCEPTION, AND THE DETERRENCE QUESTION

Understanding where domestic and international politics fit on the hierarchy of Beijing's interests also helps explain why external pressure on issues like proliferation and nuclear testing tends to be more productive than pressure on issues of internal governance, like human rights, where Beijing feels it has less room for maneuver.

– Thomas J. Christensen, *China*<sup>5</sup>

Deterring an adversary means creating risks that are disproportionately higher than any possible gains that adversary can secure through its intended course of action.<sup>6</sup> Deterrence thus requires a sound understanding of a potential adversary's perceived risks and gains – and of the interests that inform that calculus. With this premise in mind, this paper argues that to adequately understand the China-Taiwan deterrence debate, one must realize that China's perceived risks, and gains, are largely tied to CCP regime survival. This section attempts to establish this link, and explores the following: what national priorities and values suggest that Taiwan plays a central role in PRC policy? Why is the CCP's regime survival so intimately tied to Taiwan? What do the answers to these questions mean for deterring China in a Taiwan confrontation?

The PRC's 2002 National Defense White Paper lays out China's national policy priorities and security doctrine. It indicates that China's overarching national goals and defense priorities are jointly focused on “safeguarding state sovereignty, unity, territorial integrity and security,” and are designed “to achieve national reunification of the motherland.”<sup>7</sup> Furthermore, the PRC's security doctrine expresses a resolute commitment to the following objectives:

- Resist any perceived aggression that threatens China's territory;
- Defend the PRC's sovereignty and unity, and in so doing, demonstrate the resolve and capability to stop any separatist movement, as well as realize the reunification of the motherland;

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<sup>5</sup> Christensen, Thomas J. “China,” *Strategic Asia 2002-03: Executive Summary*. The National Bureau of Asian Research.

<sup>6</sup> Gaddis, John Lewis. *Strategies of Containment: A Critical Appraisal of Postwar American National Security*. Oxford University Press, 1982.

<sup>7</sup> *China's National Defense*. White Paper. People's Republic of China. 2002.

- Stop any apparent armed subversion that threatens the socialist system;
- Pursue a military strategy that endeavors to “safeguard world peace and oppose aggression and expansion.”<sup>8</sup>

As a whole, these goals convey that China is chiefly concerned with territorial integrity, state sovereignty, and regime stability. However, examining each of these goals suggests that the Taiwan issue is perhaps the primary driver behind PRC defense policy. First, China considers Taiwan part of its national territory and thus may view any U.S. military involvement on behalf of Taiwan as constituting a “perceived aggression that threatens China’s territory” (or loss thereof). Second, Taiwan poses the main obstacle to China’s reunification of the motherland. Third, just as “subversive western, bourgeois forces” were responsible for fueling the Tiananmen Square incident in 1989,<sup>9</sup> China may view U.S. support of Taiwanese independence as an attempt to undermine China’s Communist regime. This would indicate that the Chinese leadership views the Taiwan issue as a potential liability for the CCP’s survival. Finally, the PRC’s last objective could again represent a warning for Taiwan. Despite the fact that its aim to “safeguard world peace and oppose aggression and expansion” appears to contradict any notion that the PRC would force Taiwan’s reunification with Mainland China, this in effect may not be the case.

For example, from the U.S. perspective, a Chinese use of force against Taiwan would seemingly constitute the very aggression and expansion China rhetorically opposes and disrupt the world peace that the PRC’s security doctrine promotes. However, from the PRC’s perspective, this goal may emphasize China’s commitment to the principle of sovereignty more than it promises to actively promote peace. After all, the PRC feels that Taiwan is an indisputable part of China; its renegade status is a domestic issue; and reunifying it with the mainland is a stabilizing, natural inevitability.<sup>10</sup> Thus, it’s plausible that China’s opposition to aggression, expansion, and disrupting world peace, as articulated in its security doctrine, would not apply to a PRC military resolution of the Taiwan question. Rather, might this commitment be meant to communicate to the United States that China will oppose any perceived *foreign* expansionist or aggressive intentions in East Asia?

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<sup>8</sup> *China’s National Defense*, *ibid.*

<sup>9</sup> Nathan, Andrew J. and Perry Link. Compiled by Zhang Liang. *The Tiananmen Papers*. Public Affairs. New York, NY. 2002.

<sup>10</sup> *The Taiwan Question and the Reunification of China*. White Paper. The Taiwan Affairs Office and the Information Office of the State Council. August 1993.

## 1. Regime Survival and Risk Perception

For the purposes of this paper, however, the emphasis on regime survival is the most important of those national interests noted above, even though at first glance it may be unclear why this priority is so significant. After all, as the old adage goes, “all politics are local.” Is it really surprising that China’s political leadership is primarily concerned with its own survival? Aren’t all regimes? Were it as simple as this, the answer would be no; however, for the PRC, regime survival is not just a peripheral concern, it is a paramount priority, and one that could carry widespread ramifications for the PRC’s behavior given a Taiwan confrontation.

In contrast to the security strategies of comparable powers, China’s national security strategy has a notably internal focus, and its emphasis on protecting the “socialist system” is a conspicuous one. The strategy does not promote a Chinese vision for world development, or look to wield great external, global influence. China’s objectives are reactive in nature. They focus on resisting aggression, stopping separatist movements, averting the subversion of the governing political system and leadership, and opposing expansion.<sup>11</sup> This is not the defense doctrine of a rising, strong, stable, nationally unified state. Instead, these are arguably the objectives of a weak, unstable regime that is focused on its own permanence, and worried about its ability to sustain itself. The PRC actions at the negotiating table reflect this concern as well. China is far more flexible on issues such as weapons proliferation and nuclear testing than it is on issues such as Taiwan or human rights. This indicates that those issues that threaten internal governance comprise the PRC national defense policy’s chief objectives.<sup>12</sup> Coincidentally, it is on such matters that China’s leadership has proven virtually immovable.

Tiananmen Square provides a particularly poignant example of the premium that the PRC places on the Party’s survivability because it demonstrated that the CCP will even use force against its own people if it perceives a threat to its power.<sup>13</sup> In fact, throughout the PRC’s history, the Party has deployed military force more often against domestic opposition than against external aggression.<sup>14</sup> This record indicates the CCP’s risk perception can, and does, drive PRC policy, and will surely play a significant role in any PRC deterrence equation.

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<sup>11</sup> *China’s National Defense*, op. cit.

<sup>12</sup> Christensen, “China,” op. cit.

<sup>13</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

<sup>14</sup> Christensen, “China,” op. cit.

This pattern carries potentially dangerous ramifications for a Taiwan crisis scenario for two primary reasons. First, the outcome of a Taiwan confrontation could destabilize China's economic, social, and political landscape, and the fallout could feasibly threaten CCP regime security. In a country that boasts a history of popular uprising and sudden revolution spurred by domestic instability, a Taiwanese bid for independence and subsequent conflict could provoke dramatic upheaval.<sup>15</sup> Second, Taiwan threatens CCP regime survival because it embodies those principles the Communist Party has used to establish its legitimacy and accrue political capital: nationalism and unity. In the wake of Tiananmen Square and amidst the push for market reform, the CCP lost its ideological footing, and has since embraced nationalist and unifying rhetoric in order to drive China's modernization efforts. The Party's socialist mantra of the past no longer applies to the current reality. It now looks to nationalism to confer legitimacy on Party doctrine and bolster support for the political leadership. This draws the CCP's ability to handle a Taiwan crisis into question. Taiwan has become such a principal symbol of Chinese nationalism and pride that its loss would essentially constitute national humiliation. As a result, any of the nation's leaders responsible for Taiwan's loss are likely to be cast as *lishi zuiren*, or "the people condemned by history"<sup>16</sup> – not a legacy the CCP is anxious to secure. This daunting prospect leaves the leadership little room to maneuver. Through its nationalist rhetoric and underpinnings, the Party may have inextricably linked its fate with that of Taiwan. This concept is developed fully later in this paper.

In sum, the Taiwan question is closely associated with China's most fundamental national objectives, and has the potential to shake the foundation of the Communist regime. This indicates that deterring China will indeed be difficult, and flat out impossible in certain cases. In fact, *China's Defense White Paper* states that China will use force against Taiwan under any of three conditions: formal declaration of independence by Taipei; acquisition of nuclear weapons by Taiwan; or a failure to return to the negotiating table sooner or later. There seems little question but that Beijing would not be deterred from the use of force in the first two circumstances. In the third, deterrence could well be expected to play a role in determining if, when, and how China would use force to bring Taipei back to the negotiating table. The focus of this paper is

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<sup>15</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

<sup>16</sup> "Chinese Foreign Policy in the Post-Cold War Era," *China and Inner Asia Round Table Discussion. Session 2 Abstract*. Chairman: Allen S. Whiting. Organizer: Quansheng Zhao. Discussants: Harry Harding, Alastair I. Johnston, and Samuel Kim. The Association for Asian Studies Annual Meeting. 1995.

not a discussion on deterring China from initiating military confrontation under any of these scenarios; rather, it is on the role of deterrence once a conflict has begun, for whatever reason.

## **2. Deterrence**

A recent DoD study argues, “should China decide to use military force against Taiwan, there are several options or courses of action available to Beijing, including – but not limited to – an interdiction of Taiwan’s SLOCs [sea lines of communication] and a blockade of Taiwan’s ports, a large-scale missile attack, and an all-out invasion.”<sup>17</sup> The real deterrence questions thus revolve around the PRC’s behavior once confrontation occurs. If China’s early objectives are not met in any such course of action, might decision-makers in Beijing then escalate or deescalate? Might interdiction turn into blockade? A blockade turn into a missile attack? A missile attack into an all-out invasion? Might initial confrontation with U.S. military forces at the conventional level escalate into confrontation at the nuclear level? It is difficult to definitively answer these questions, but an important factor in shaping the answers will be whether decision-makers in Beijing believe that the continued dominant role of the CCP is at serious risk if they choose compromise over more risky confrontation. This paper explores this dimension, and pays particular attention to the impact that the Fourth Generation of CCP leadership’s rise to power has on PRC risk perception and decision-making ability.

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<sup>17</sup> “The Security Situation in the Taiwan Strait,” Report to Congress Pursuant to the FY99 Appropriations Bill. 26 February 1999.

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### III. THE CHANGING POLITICAL LANDSCAPE

Resurgent nationalism and the rise of a Fourth Generation of CCP leadership are changing the political landscape in China, and carry significant implications for the PRC leadership's behavior in a Taiwan crisis.

#### 1. Resurgent Nationalism

Given the near gutting of any other ideological justification for their rule during the baldly capitalistic reform program, besides economic performance the Chinese Communists have little else to bolster their mandate for power than nationalism and the maintenance of national stability and integrity. So, from the perspective of state-society relations, the Chinese Communist Party must demonstrate effectiveness and resolve on the Taiwan issue. The loss of Taiwan to a previously inferior Japan in 1895 stands alongside the Nanjing massacre as perhaps the greatest humiliation in Chinese history. As a result, individual leaders must be tough on Taiwan independence not only to protect their current positions against political rivals within the Party, but also to protect their historical legacies as patriots and to avoid the opprobrium cast on historical figures, such as Li Hongzhang, accused of negotiating away Chinese sovereign territory in the 1895 Treaty of Shimonoseki.

– Thomas J. Christensen, *Posing Problems Without Catching Up: China's Rise and the Challenge for American Security*<sup>18</sup>

The Chinese Communist Party grapples with a growing dilemma: the ideological foundation of the CCP has become deeply rooted in nationalism and, by extension, to the fate of Taiwan. Following the 1989 crackdown at Tiananmen Square, the CCP realized that the PRC's pace of economic reform and burgeoning capitalist forces had largely discredited the socialist doctrine on which the Party was based. It needed to create a viable, sustainable, high-growth economic system to demonstrate its ability to provide for the Chinese people. Thus, it began to embrace market reform – despite its inconsistency with Mao's socialist economic policy of the past. However, frightened by the near loss of control during Tiananmen, it wanted to maintain its iron grip on civil liberties and halt reform in the political sphere.<sup>19</sup> Thus, it faced a contradiction: how to embrace capitalist economic doctrine while governing in accordance with Leninist socialist principles. This ideological “void” was extremely problematic for the CCP leadership, which needed to

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<sup>18</sup> Christensen, Thomas J., *Posing Problems Without Catching Up: China's Rise and the Challenge for American Security*. SAIS Policy Forum. February 2001.

<sup>19</sup> Nathan, Andrew J. and Perry Link, op.cit.

reunify the Chinese populous following the political and social fracture that followed Tiananmen.<sup>20</sup>

The Party's solution to this problem was to incorporate nationalist overtones into its rhetoric. The intent was to use nationalism to foster internal unity, legitimize market-oriented reform in a nation ruled under a socialist doctrine, and breed distrust of the bourgeois influences emanating from the outside world. The campaign to build national pride fell on fertile ground. From Britain's war with China in 1839 to the U.S. bombing of the Chinese Embassy in Belgrade in 1999, the Chinese populous largely perceived China's history as one marred by a series of humiliations perpetrated by the West.<sup>21</sup> In fact, this nationalist sentiment was, and is, well established in China, such that the CCP had only to perpetuate and manipulate it to "bolster its own legitimacy and claim to rule."<sup>22</sup>

This strategy has indeed proven effective, as the CCP has adeptly channeled popular grievances toward the West to unify their people through patriotism. However, although nationalism has succeeded in conferring some sense of legitimacy on the CCP, the Party has a vested interest in keeping this fervor in check: the same nationalist sentiment could undermine their power. Wu Jiaying, a former senior official who was imprisoned after Tiananmen and now lives in the United States, articulates this same warning: "Nationalism is very dangerous for the Communist Party, because after you've created it, it grows stronger and stronger on its own until it is very difficult to control."<sup>23</sup> A Taiwan crisis provides a perfect illustration of how and why this could be the case.

The loss of Taiwan could conceivably initiate a domino effect wherein other separatist provinces might declare their independence, triggering national catastrophe. But the real concern seems to lie elsewhere. The fundamental danger behind Taiwan gaining its independence is the ramifications it entails for the Chinese leadership. Taiwan epitomizes the national pride, territorial integrity, and state sovereignty that constitute the foundation of Chinese policy. Taiwan's success represents Beijing's vision of an

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<sup>20</sup> Ibid.

<sup>21</sup> Kristof, Nicholas D. "Nationalism in China Becomes Wild Card as the Country Opens Up," *The New York Times News Service—World Tibet News*. 23 April 2001; Metzger, Thomas A. and Ramon H. Myers. "Chinese Nationalism and American Policy," *ORBIS*. v42, n1. Winter 1998; Sheng, David. "Who Lost China? The Resurgence of Chinese Nationalism," *Chinese Community Forum*. 1996; and Chang, Maria Hsia. "Chinese Irredentist Nationalism: the Magician's Last Trick," *Comparative Strategy*, v17, n1. January-March 1998.

<sup>22</sup> Shambaugh, David. "Insecure China is Stoking Xenophobic Nationalism," *The International Herald Tribune*. 15 May 1999.

<sup>23</sup> Kristof, Nicholas D. "Nationalism in China..." op. cit.

economically developed PRC. Furthermore, China may feel that the PRC can only play a politically significant role in the international system once it has resolved the Taiwan question. China's people view Taiwan as a renegade province integral to the "national reunification of the motherland."<sup>24</sup> Thus, the island has become a symbol, both of China's past weakness and humiliation and of the PRC's potential for future prosperity and power. Starting with China's loss of Taiwan to Japan in 1895, and continuing with Taiwan's 54 years of obstinate self-rule since the CCP came to power, Taiwan epitomizes China's past humiliation.<sup>25</sup> Likewise, a successful resolution to the Taiwan question would in a sense redeem China in its own eyes, and demonstrate that it has effectively consolidated its power and is no longer haunted by its historical failings. Taiwan's reunification could thus equip China with a newfound national pride, as well as help generate the kind of economic prosperity that would promote that nation to the rank of a leading world power.

Given this potential pay-off in victory and the prospective political fallout in defeat, it is not likely that China's general public or the PRC leadership will accept Taiwan's loss. For the Chinese people, losing Taiwan, particularly if the West's support of the island were to prove the deciding factor, would be an utter disgrace. It would again demonstrate their nation's inability to stand up to perceived Western aggression. By extension, such a loss would effectively entail disaster for the PRC leadership. In fact, it is widely argued that no Chinese politician "would survive if he were seen as the one who 'lost Taiwan.'"<sup>26</sup> Such arguments are certainly made for polemical reasons, but they also may be true. Subsequently, Taiwan has become the most potentially inflammatory nationalist issue that Beijing faces.<sup>27</sup>

It is not coincidental, then, that China's national policy priorities reflect the CCP's concern over resolving the Taiwan issue. The Chinese leadership walks a thin line. The Party has basically solidified its power by capitalizing on the Chinese people's perception of the West's imperialistic, containment strategy toward their country. However, by fueling this fervor, the Party also must grapple with the general public's call for the leadership to take an unforgiving approach in dealing with perceived transgressions committed against Chinese national interests.

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<sup>24</sup> *China's National Defense*, op.cit.

<sup>25</sup> Christensen, *Posing Problems*, op. cit.

<sup>26</sup> Johnston, Alastair Iain. "Solving the China-Taiwan Standoff: A Modest Proposal." Harvard University. 1997.

<sup>27</sup> Wu Xinbo. "America's Next President Needs a New China Policy," *The International Herald Tribune*. 10 November 2000.

Since the 1990s, popular criticism of the government has been on the rise. Although some complaints are related to economic change, unemployment, and social security, the majority of this criticism is directed at the government's unwillingness to stand up to foreigners, particularly over the Taiwan issue. This is a notable trend. Criticism about the economy is nothing unusual, but accusations that CCP members are "traitors" are unprecedented in Party history.<sup>28</sup> In fact, it has even become commonplace for PRC citizens to accuse Party officials of being *maiguo zei*, which literally means "criminal who sells out his country."<sup>29</sup> Thus it appears that the general population, including the CCP's traditional working class base, are increasingly disillusioned by the CCP. It has become skeptical of the leadership's fealty to its interests and needs, and largely believes that the Party is more occupied with making money than with representing China's national interests.<sup>30</sup>

The intellectuals and middle class Chinese share their working class brothers' frustration. They too believe that the Party leadership has been over-accommodating of the West and its influence, and expressed as much through their art, literature, and pop-culture during the 1990s.<sup>31</sup> Books, TV series, Internet sites, and even increased pride in Chinese athletes engaged in international competition (i.e., the national focus on China's professional women's soccer team playing the U.S. for the world title) conveyed strong anti-Western overtones and criticism of the Chinese leadership for bowing to Western policy preferences, values, and solutions.<sup>32</sup>

A particularly poignant example of this, and one that speaks directly to the importance of the Taiwan issue, is the book *China Can Say No*. In the book, the authors go so far as to assert that force should be used to "'reclaim' Taiwan 'when conditions necessitate' because 'Taiwan is a part of China, just as two plus two equals four.' Taiwan's strategic location makes its reunification with the mainland "the key" that will determine 'whether the Chinese nation survives or dies, prospers or fades.'"<sup>33</sup> From an outside perspective, this may sound extreme. However, it is only one more indication of the central importance that Taiwan carries in the psyche of the Chinese people, rich or poor, laborer or intellectual.

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<sup>28</sup> Christensen, *Posing Problems*, op. cit.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Xu Guangqiu. "Anti-Western Nationalism in China, 1989-99," *World Affairs*. Spring 2001.

<sup>32</sup> Ibid.

<sup>33</sup> Chang, Maria Hsia. "Chinese Irredentist Nationalism: the Magician's Last Trick," loc. cit.

Moreover, the Chinese people's commitment to their nationalist ideals is not simply a popular conversation topic but can manifest itself in dangerously seditious forms. For example, popular protests swept China in response to the Chinese government's perceived weak response to the United States' bombing of their embassy in Belgrade. The demonstrations were so vehement that Party leadership had to act quickly to control a situation it feared was spiraling out of control, put an end to the protests, and co-opt Hu Jintao to address the nation (possibly because Jiang Zemin did not want to be associated with the politically volatile situation).<sup>34</sup> Similarly, the EP-3 incident and Jiang's decision to return the U.S. aircrew generated an outburst. Once again, many felt that their government was projecting a weak China through its "willingness to toady to America."<sup>35</sup> These instances, along with the CCP's experience during the Tiananmen Square incident, poignantly reinforce the notion that the Party fears mass protest, which has the potential to turn into uprising. In fact, "all in all, the government often seems more afraid of the Chinese people than the other way around. The leaders know that protests by students, workers, or even peasants could paralyze the country and that unrest or high levels of popular discontent could provoke a coup d'état."<sup>36</sup> So, were the CCP to be even more accommodating of Western preferences than it already has been, particularly in response to a Taiwan crisis situation, the Party would not only face assured backlash, but also run the risk of inciting a popular revolt it seems to have little confidence that it can control.

Thus, the national push for reunification is not an issue that the leadership could conveniently downplay or sweep under the rug. The PRC's best hope seems to be to avoid confrontation altogether – and this could explain the CCP leadership's recent effort to tone down the anti-American rhetoric and hard-line approach to the Taiwan issue.<sup>37</sup> Indeed, the leadership may be able to avoid confrontation and reunify Taiwan with Mainland China under circumstances that don't entail a use of force. However, were Taiwan to declare *de jure* independence, or were one of the other scenarios detailed in the deterrence discussion to transpire, the PRC would be hard pressed to pursue a diplomatic solution because such an action would likely be perceived as accepting defeat. By catering to China's national fervor and using the passion evoked by the Taiwan issue to

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<sup>34</sup> Hutzler, Charles. "Public Anger, Nationalism Drive China's Leaders to Embrace Protests," Associated Press. 5 November 1999.

<sup>35</sup> Kristof, Nicholas D. "Nationalism in China..." op. cit.

<sup>36</sup> Ibid.

<sup>37</sup> Nathan, Andrew J. and Bruce Gilley. *China's New Rulers: The Secret Files*. The New York Review of Books: New York, NY. November 2002.

fuel its power and mission, the Party has inadvertently constrained its maneuverability and effective control in time of crisis. For example, should the leadership choose to pursue a peaceful resolution to the Taiwan standoff but fail to deliver reunification, it would compromise the very base of nationalist support on which it currently relies. On the other hand, should the leadership choose to escalate a Taiwan confrontation for fear of the domestic political fallout, the CCP might jeopardize its plans for economic growth and political stability. This could prove equally detrimental for the Party. The CCP recognizes that it needs to orchestrate effective reform and modernization if it is to maintain its relevancy and public support. The Party thus finds itself in a tenuous situation: it must capitalize on the national pride that masks its weak ideological footing, but it cannot let that nationalism get out of control or it will be overrun by patriotic zeal and unable to deliver on its promises for China's future development.

Finally, the situation is further complicated by the fact that it is not clear that the PRC has the ability to control the very nationalism that has the power to both sustain and destroy the Communist Party. The CCP has benefited from the nationalist fervor that grips the Chinese people. However, there is reason to believe that its propaganda strategy cannot take full credit for fostering this nationalism.<sup>38</sup> Indeed, China's growing nationalism may actually be attributable to a range of other factors that have conveniently reinforced that propaganda. For example, the hard stance taken by American politicians and the news media on Taiwan, Tibet, and human rights; antagonistic rhetoric from the Taiwanese leadership; and a range of international incidents (e.g., the Belgrade embassy bombing or the MP-3 incident) may have reinforced the notion that foreign forces conspire to contain and infiltrate China.<sup>39</sup> These incidents perhaps stoked China's "victimization" complex and evoked a visceral pride amongst the Chinese people, independent of the CCP's efforts to foster the same sentiment. Alternatively, the nationalism may be derived from China's recent rapid economic growth and the Chinese people's growing sense of pride in their success; or perhaps a greater exposure to Western media and influence has fueled a sense amongst the people that their traditions and way of life are being corrupted.<sup>40</sup>

The possible explanations are numerous and diverse, but the fact that there are alternative explanations suggests that challenging times lie ahead for the CCP. After all, what happens if the CCP is not really a source of Chinese pride, and the Chinese people

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<sup>38</sup> Sheng, David. "Who Lost China? The Resurgence of Chinese Nationalism," *op. cit.*

<sup>39</sup> *Ibid.*

<sup>40</sup> *Ibid.*

do not consciously correlate the Party's doctrine with their national interests? Particularly in light of widely publicized, rampant corruption scandals, might some even perceive the CCP to be the antithesis of a leadership working on behalf of its people?<sup>41</sup> Could the nationalist movement adopt an authority in its own right and become a seditious political force? In the short-term, these possibilities may seem far-fetched, and their consequences moot; the Party continues to capitalize on the nationalist pride to its benefit. However, the CCP's unclear association with the nationalism that both sustains and threatens it, calls into question its ability to manage this sentiment during crisis, and in the long-term.

## **2. The Rise of the Fourth Generation Leadership**

We must uphold the basic strategy of ruling the country according to the law. We must further consolidate in the entire society consciousness about the constitution as well as the authority of the constitution.

– Hu Jintao, General Secretary of the Chinese Communist Party and President of the National People's Congress

Tension between the rule of law (*fa zhi*) and the rule of man (*ren zhi*) has long characterized Chinese politics. The Fourth Generation of CCP leadership's unstable and ambiguous power relationships do not break with this tradition.<sup>42</sup> In fact, the 16th National Congress of the Chinese Communist Party and the 10th National People's Congress (NPC) have spawned multiple power centers and created a weakly delineated line of political authority. This is particularly problematic for a governing regime, which lacks a fully institutionalized legal process. Thus, the Fourth Generation leadership's ability to manage a crisis like a Taiwan confrontation without dramatic political fallout seems highly unlikely.

### **a. A Review of Recent Developments**

Stepping down as Chairman of the CCP and President of the PRC, Jiang Zemin made an unprecedented move towards institutionalizing Chinese succession politics. However, the long-term stability and significance of this effort remain to be seen. Although Jiang relinquished formal control of the Party and the government, he held on to his title and the corresponding power of the chairmanship of the Central Military Commission (CMC). Consequently, Jiang not only ensured that he would remain a formidable force in Chinese politics for the next three to five years, but he also blurred

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<sup>41</sup> Kalathil, Shanthi. "Nationalism on the Net." [The Asian Wall Street Journal](#). February 22, 2002.

<sup>42</sup> Yu Bin. "Hu's Mini 'New Deal,'" op. cit.

any clearly delineated lines of authority, and laid the groundwork for a possible fragmentation of the leadership.

Jiang's continued influence carries significant ramifications for the CCP and the PRC as a whole, as already evinced by three important developments. First, the State Council has embarked on a dramatic revamping of economic and trade-oriented government agencies in line with Jiang's economic vision.<sup>43</sup> The fact that the NPC sanctioned the complete transformations of the State Development and Planning Commission (SDPC) and the State Economic and Trade Commission (SETC), and created a new Ministry of Commerce to regulate the domestic market and foreign trade, indicates that Jiang's economic vision will come to fruition. This vision – to develop a middle-class, professional society – emphasizes significant investment in technology, and pursues a coastal development and a trade-oriented strategy. It marks a significant shift in the socialist-based, traditional PRC economic policy.

The second development is that the CCP decided to incorporate Jiang's "three represents" theory into the constitution. Incorporating the "three represents" theory into the constitution is a major transformation of the CCP's doctrine. This theory states that the Communist Party represents the advanced forces of production, advanced culture, and the fundamental interests of the vast majority of the people. The theory favors a more inclusive policy wherein the Party can admit entrepreneurial, professional elements into its fold, demonstrating an effort to bridge the CCP's ideological underpinnings with the market-oriented socio-economic reality. The overall outcome remains to be seen; but these changes suggest that the CCP may be abandoning the Party's original Communist doctrine, and reframing its mission to represent the capitalists, technocrats, and intellectuals, instead of its traditional working class base.<sup>44</sup>

The third development is a more concrete manifestation of Jiang's continued political influence. It entails immediate consequences for the power dynamics at work in the Chinese leadership, placing mainly Jiang allies at the helm of the Party, the state, and the military. Six of the nine members of the Politburo Standing Committee (PBSC),<sup>45</sup> 12 of the 15 non-Standing Committee Politburo members, several of the appointees to the

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<sup>43</sup> Fewsmith, Joseph. "The 16th Party Congress: Implications for Understanding Chinese Politics," *The Chinese Leadership Monitor*, No. 5. Winter 2002 and Willy Wo-Lap Lam. "China to Convince West of Reform," *CNN*. 3 March 2003.

<sup>44</sup> Dutt, V.P. "Fractured Transfer of Power: Challenges Before China's New Leadership," Delhi University. 26 September 2002.

<sup>45</sup> Politburo Standing Committee: highest decision-making organ of the CCP.

State Council, and virtually the entire Central Military Commission membership are Jiang supporters (see APPENDIX A: Committee Memberships for PBSC, general Politburo, State Council, and CMC individual member profiles).

Suddenly, Jiang's "unprecedented leadership succession" seems less than meets the eye. In fact, it is notably reminiscent of China's former, fragmented political power arrangements wherein the lack of a clearly delineated decision-making authority compromised the CCP leaderships' abilities to manage major crisis. The 1989 Tiananmen Square incident most poignantly demonstrates this problematic dynamic. In 1989, Deng Xiaoping, like Jiang Zemin, held an informal grasp on power through his chairmanship of the CMC. Similarly, Zhao Ziyang was the appointed CCP Chairman and PRC President and held legitimate, constitutional authority, as Hu Jintao does today. However, just as there is no designated chain of command or consolidated decision-making authority today, neither was there in 1989 when the Tiananmen Square crisis erupted. Consequently, when Deng and Zhao found themselves at odds over the decision to use military force against the protestors, there was no protocol to follow.<sup>46</sup> Lacking an institutionalized procedure to arbitrate the dispute, internal debate spurred massive political fallout. In fact, the crisis may well have brought the Communist regime to the brink of collapse.<sup>47</sup> In the end, Tiananmen demonstrated that power lies with the military, not the law – despite the fact that Zhao commanded full constitutional authority of the Party and the state; Deng, as Chairman of the CMC, ultimately persevered and moved troops into Tiananmen Square.

This sets a sobering precedent for what could transpire during crises in the present era. If student protest wreaked such havoc then, what would a galvanizing issue like Taiwan incite today? How closely does the power arrangement in China today really reflect that of the previous era? Does Jiang Zemin wield the same kind of influence in retirement as Deng did? Would Jiang's opinions be received with the same privileged deference that his predecessor's were during crisis – and, if not, would it mean that Hu would enjoy greater autonomy and decision-making authority, or would it set the stage for an all-out power struggle?

The results of the 10<sup>th</sup> National People's Congress speak to these latter points. In particular, the NPC vote totals illustrate the depth of Jiang's power, or lack thereof, and indicate that the stage may indeed be set for fracture. The NPC comprises approximately

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<sup>46</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

<sup>47</sup> Ibid.

3,000 deputies who meet to confirm or reject state leaders recommended by the CCP. There are no alternative choices for candidates; thus the purpose of the NPC is to essentially provide a rubberstamp approval of Party recommendations. However, they can indicate disapproval by casting a “no” ballot or by abstaining from voting.<sup>48</sup> With this in mind, the results of the 10<sup>th</sup> NPC imply that Jiang and his Shanghai faction’s apparent success is, in fact, a somewhat superficial one. Four days before the NPC session’s closure, 220 out of the 2,946 deputies (7.5 percent) either cast opposition ballots or abstained from voting for Jiang Zemin to serve another term as the Chairman of the State Central Military Commission (SCMC).<sup>49</sup> Furthermore, 36 deputies wrote Hu’s name on their ballots for submission. Given that the majority of the NPC deputies are also CCP cadres, this makes a significant statement. It implies that the Communist Party does not whole-heartedly support Jiang’s decision to hold on to the CMC chairmanship. Perhaps some of the cadres perceive Jiang’s move as a calculated effort to prolong his influence to the detriment of CCP efforts to institutionalize retirement norms and political succession.

Along this same tenet, the delegates demonstrated an unprecedented lack of confidence in Jiang’s “alter ego” and chief political operative, Zeng Qinghong, and his nomination for Vice President. His 177 “no” votes, 190 abstentions, and 87.5 percent overall approval was a sharp divergence from the vote totals for former Vice Presidents Hu Jintao (96.5 percent), and Rong Yiren (97.5 percent). Similar discontent was directed at Executive Vice Premier Huang Ju and State Councilor Chen Zhili, both close associates of Jiang and commonly perceived as mediocre officials whose successes are primarily rooted in Jiang’s patronage. One day before the NPC’s closure, Huang received the lowest number of votes among the four new vice premiers, and likewise Chen received the lowest number of votes among the five state councilors.<sup>50</sup> By contrast, Hu Jintao received 99.8 percent of the vote for President, 99.75 percent of the vote for Vice Chairman of the SCMC, and new Prime Minister Wen Jibao, who is more closely aligned with Hu than Jiang, was confirmed by a 99.35 percent vote.<sup>51</sup>

The moral of this story is that while Jiang’s associates do indeed hold prominent positions in the state as well as in the Party, their positions are not necessarily perceived

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<sup>48</sup> Lam, Willy Wo-Lap. “National People’s Congress: Popularity and Power,” *China Brief*, Vol. 3, Issue 6. 25 March 2003.

<sup>49</sup> Although there is a nominal distinction, the SCMC and the CMC are comprised of the same members, *Ibid.*

<sup>50</sup> Lam, Willy Wo-Lap. “National People’s Congress: Popularity and Power,” *op.cit.*

<sup>51</sup> *Ibid.*

as merited by their fellow cadres. This implies that Jiang will indeed wield a significantly lesser degree of influence in retirement than did Deng Xiaoping. However, even though Jiang lacks the prestige and sweeping influence of his predecessor, the possibility for instabilities to arise out of this ambiguous power arrangement endures. Wu Guoguang, a former party official who now teaches political science at the Chinese University of Hong Kong, articulates the crux of this issue. Wu notes that the biggest problem with the dynamics at work today is that, even the problematic leadership arrangements of the past entailed discreet understandings of the power relationships and roles in play, but today there appears to be no such clear division of labor.<sup>52</sup>

Two, if not three, major power centers recently have been created in China's leadership. Jiang's retention of the chairmanship of the CMC creates an obvious, divisive dynamic that forms two primary power centers: that of Jiang and the military, and that of Hu and the Party-state. However, in a more subtle twist, Jiang maneuvered Zeng Qinghong, a close ally, political strategist, and arguably personally preferred successor to head the Party secretariat, and in turn may have created a third power center in China's leadership.<sup>53</sup> This move reflects Jiang's short-term, winner-take-all strategy wherein he fought to place allies in significant positions of power in an attempt to usurp the factional balance to his own benefit.<sup>54</sup> This strategy may indeed effectively prolong Jiang's influence in the short-term, but it also could paralyze and fracture the new leadership in the long run.<sup>55</sup>

Particularly, Jiang's placement of Zeng as head of the Party Secretariat as well as a Vice-Premier on the State Council sets the stage for a future power play and establishes a serious obstacle to Hu's ability to fully consolidate a power of his own. Until October of 2002, Zeng ran the CCP Central Committee Secretariat, and in this position he directed the Party's Organization Department that is responsible for all of the CCP's major personnel decisions. From this vantage point, Zeng successfully energized Jiang's powerful base of cadre support, and effectively blocked the elevation of several of Hu's Communist Youth League (CYL) affiliates.<sup>56</sup> In fact, although four years older than Hu, there is speculation that the Shanghai Faction is positioning Zeng to assume power from

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<sup>52</sup> Eckholm, Erin. *China's New Leader Promises Not to Seer Tether to Jiang*. 21 November 2002.

<sup>53</sup> Dumbaugh, Kerry. "China's New Leadership Line-Up: Implications for U.S. Policy," *Report for Congress*. The Congressional Research Service, The Library of Congress. 9 December 2002.

<sup>54</sup> "Assessing the 16th Party Congress and China's New Leaders," Carnegie Endowment Lunch Forum, Panelists: Minxin Pei and Michael Swaine, 25 November 2002.

<sup>55</sup> *Ibid.*

<sup>56</sup> Lam, Willy Wo-Lap, "Nasty Surprises in Store for China?" *CNN*. 19 November 2002.

Hu in 2007 at the 17<sup>th</sup> CCP Congress.<sup>57</sup> It should be no surprise then that Hu and Zeng have a tense relationship, and are furiously working to solidify their respective factional bases. There also is reason to believe that this emerging rivalry is partly responsible for Jiang's retention of the chairmanship of the CMC. According to a well-placed Beijing editor, Jiang was even initially willing to give up the chairmanship as long as Zeng would be given the CMC vice-chairmanship. However, Hu was reportedly in vehement opposition to this arrangement and, subsequently, the deal was not made. It is an important situation to note because it suggests that there is serious potential for competition and enmity between Hu and Zeng.<sup>58</sup>

Thus, the smooth transition of power appears tarnished. The inequitable distribution of top posts solidifies a set of disparate factions within the upper echelons of the Fourth Generation of Chinese leadership. All of the players involved are currently committed to *zhengzhi wenming*, or “civilized political behavior,” a rational approach to settling disagreements among different factions, and maintaining unison at the top to jointly “confront the nation’s problems, and to combat the party’s enemies.”<sup>59</sup> However, the new leadership’s ability to properly execute this strategy remains to be seen – can the CCP effectively govern in the shadow of Jiang’s prolonged influence? The changes to PRC policy and Party doctrine, and the number of Jiang allies included in the new leadership, reflect the fact that Jiang will continue to play a significant role in PRC policymaking. Although this can be characterized as a personal “win” for Jiang Zemin, it creates a divisive dynamic and fragments the mandate on power such that it may be considered a “loss” by those cadres who had hoped for a clean, institutionalized leadership succession. Hu is the constitutionally appointed chief decision-maker, but his mandate is weak at best while Jiang controls the PLA. The two primary leaders endeavor to secure the Party’s proverbial “long reign and perennial stability,”<sup>60</sup> and are likely to find common ground on primary policy objectives, but the true test of these multiple power centers is sure to materialize during military crises. What do these dynamics mean for the chain of command if crisis occurs in the Taiwan Strait? What then of the ambiguous line of political authority? Would the factional breaks within the Party emerge and incapacitate the current leadership’s effectiveness?

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<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> Lam, Willy Wo-Lap, “‘Civilization’ Balances Bickering CCP Factions,” *CNN*. 1 January 2003.

<sup>60</sup> Ibid.

## **b. Key Questions for the Future**

In keeping with recent history, a tension between the rule of law and the rule of man has once again emerged in China. Under the Fourth Generation CCP leadership, it remains unclear which system of governance will ultimately rule China. Will China's Fourth Generation keep with a political tradition wherein informal influence supersedes formal authority, or will it break with the past? And what does this mean for the regime's ability to navigate through a crisis, particularly one such as Taiwan, in which the Party's very survival could be at stake?

In order to assess whether or not the political culture in China is changing, it is important to understand the tradition on which it is based. This historical context frames the PRC's ideological underpinnings, and may help explain why Hu's behavior may signify a break with past policy, and how Jiang's does not.

The basis of power in China has never been a legal one. Whether guided by Confucianism or Marxist-Leninist ideology, the rule of man has traditionally superseded the rule of law in China.<sup>61</sup> China's leadership has historically neglected institutional constraints on political power, and stressed the subordination of the individual to the Party-state (depicted as an embodiment of public interest). Perpetuating this notion of the "dictatorship of the proletariat" has legitimized the absolute power of the Party-state, and successfully elevated its leadership to supernatural levels. The all-powerful leadership of the CCP's Mao Zedong and Deng Xiaoping speak to this point. Furthermore, the military has played a significant role in conferring that absolute mandate on power on a particular charismatic leader, and has thus become intimately involved in politics and power struggles in China. This tradition has established a precedent in China: authority is derived from power, and power is based on force. Thus, each paramount leader has relied on the allegiance of the military, and adhered to Mao's philosophy that "political power comes from the barrel of a gun."<sup>62</sup>

Given these underpinnings, the law has only been used by the Party as a penal tool to maintain governance and control, to legitimize CCP policy, and to fit political agendas or personal conveniences. In following, the law has not been used to protect individual liberties or to safeguard those mechanisms that facilitate a balance of power system. Therefore, in China the law does not represent objectivity and freedom. This

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<sup>61</sup> Fu Zhengyuan. *Autocratic Tradition and Chinese Politics*. Cambridge: Cambridge University Press, 1993.

<sup>62</sup> *Ibid.*

system has proven an effective way to consolidate power in the hands of the CCP and exercise control over the population, but it has bred institutional instability and political unpredictability. There are no legal precedents or established protocols to follow in times of political succession, economic reform, social transition, public dissent, and international crisis. For this reason, the Chinese leadership has traditionally used the only tool at its disposal: force, or the threat thereof. Tiananmen Square provides a particularly poignant example of this dynamic. Although it was not altogether clear that the protests were aimed at overthrowing the Communist Party, the CCP did not have an effective way to engage in a dialogue with the dissenting students. Thus, when protest turned to confrontation, the leadership resorted to force.<sup>63</sup>

There are indications however, that this *modus operandi* may be changing in China. As China modernizes, enters the global market and international community, and focuses on its economic and internal development, the CCP's traditional policy instrument may prove problematic. Indeed, military force will not secure the foreign investment and capital that China needs to develop into the economic power it has envisioned for itself. Instead, the PRC must institutionalize property rights, protections, regulations, and a wealth of additional rights and obligations.<sup>64</sup> In fact, a major CCP show of force or repression could cripple its path toward modernization and its vision for China's future. Consequently, although traditionally governed by personality politics and military might, the Party may be facing a new reality wherein an institutionalized rule of law is key to meeting the PRC's national goals.

The Fourth Generation leadership and its goals reflect this ongoing political shift. For instance, Hu Jintao's subtle departure from Jiang Zemin's leadership style implies that Hu recognizes this new reality. Hu is quick to emphasize the rule of law, the role of the constitution, and collective leadership. He seems genuinely interested in reform and implementing institutionalized norms. For example, he has already introduced policies that favor reducing burdens on farmers, self-governance in rural areas, cutting government bureaucracy, and granting equal legal status for migrant farm workers in urban areas.<sup>65</sup> In a distinct break with Jiang's policy, which favored a more market-driven, elitist approach, Hu's philosophy stresses serving the people, and doing so through a legal construct. And his slogan reiterates this concept: "Power must be used for

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<sup>63</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

<sup>64</sup> Dickson, Bruce. *Red Capitalists in China*. Book discussion, George Washington University. Discussant: Chen Li. 15 April 2003.

<sup>65</sup> Yu Bin. "Hu's Mini 'New Deal,'" op. cit.

the sake of the people; [cadres'] sentiments must be sought in the interest of the people."<sup>66</sup> Hu and his leadership may indeed be "firing the first salvo of incremental political reform."<sup>67</sup>

On the other hand, Hu's rhetoric may really just be a ploy for self-aggrandizement.<sup>68</sup> Under the auspices of China's constitution, Hu enjoys a mandate on power, and this fact leads some to question his motive for promoting constitutional authority: is it really surprising that Hu actively promotes governance by the rule of law – the construct under which he holds decision-making authority? Might his by-the-book rhetoric be a discreet criticism of Jiang Zemin's continuing influence, and an attempt to consolidate a power of his own? Or, in a slight variation on this theme, might Hu be employing the same tactics that Jiang did, and using a crackdown on "graft as a pretext to elbow aside political foes . . . including those who have enjoyed the out-going president's patronage?"<sup>69</sup> This speculation suggests that Hu's rationale for promoting the rule of law is actually an attempt to orchestrate a shift in power more to his liking. Hu's remark in a speech celebrating the 20<sup>th</sup> anniversary of the promulgation of the 1982 Constitution, wherein he repeated the following key constitutional clause, might be interpreted as such: "No organization and individual has special powers to override the constitution and the laws."<sup>70</sup> Similarly, his remarks at the first Politburo working committee meeting in December 2002 may have implied that Jiang's hold on power lacks legitimacy. In his remarks at that event, Hu linked the ideal of "administration according to the law" with the goal of "strengthening and improving Party leadership."<sup>71</sup>

So, which is it? The answer may actually be neither. More than mere self-promotion, yet less than a wholehearted push for reform, Hu's rule of law rhetoric seems to be driven by an ulterior motive: the survival of the CCP. Amidst widespread corruption, declining ethical standards, and political irresponsibility, the CCP is in trouble.<sup>72</sup> In fact, the public perception of the Party indicates that many believe the political, economic, and, to a lesser degree, intellectual elites have formed an "alliance" of sorts, and monopolize China's resources for their own benefit to the detriment of the

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<sup>66</sup> Lam, Willy Wo-Lap. "Power Politics Before the National People's Congress," *China Brief*. Vol. 3, Issue 4. 25 February 2003.

<sup>67</sup> Lam, Willy Wo-Lap. "Hu Girds for Political Reform," *CNN*. 14 January 2003.

<sup>68</sup> Yu Bin. "Hu's Mini 'New Deal,'" *op. cit.*

<sup>69</sup> Lam, Willy Wo-Lap. "Power Politics Before the National People's Congress," *op. cit.*

<sup>70</sup> Lam, Willy Wo-Lap. "Hu Girds for Political Reform," *op. cit.*

<sup>71</sup> Lam, Willy Wo-Lap. "Hu Jintao: Playing by the Rules," *China Brief*. Vol. 3, Issue 1. 14 January 2003.

<sup>72</sup> Yu Bin. "Hu's Mini 'New Deal,'" *op. cit.*

Chinese people.<sup>73</sup> Thus, the Fourth Generation has come to realize that it must combat this perception and address its underlying problems if it is going to secure support for the Party.

For this reason perhaps, the Fourth Generation has indicated a desire to implement democratic mechanisms and an effective legal system, and to allow for greater upward mobility in a relatively efficient, clean government.<sup>74</sup> For example, Hu has already announced that the CCP intends to focus on China's economically disadvantaged groups (i.e., the peasant class which constitutes approximately 70 percent of the total population), and to fight corruption and elitism amongst senior CCP cadres.<sup>75</sup> Furthermore, in an unusual glimpse into the mindset of China's Communist Party, a CCP journal article explains the rationale behind the Fourth Generation's behavior – a rationale that supports the notion that the Fourth Generation leadership is primarily concerned with regime stability. The article asserts that the new CCP leadership is shaping its policy based on lessons learned from the failures of past Communist parties (i.e., the Soviet Union), and has found that it must “focus on economic development and improving the people's standard of living” while remaining “faithful to its proletarian roots” to ensure the domestic stability and the Party's longevity.<sup>76</sup> This consequently suggests that more than any other motivation, the Fourth Generation leadership has embarked on a path of economic and ideological reform to ensure the Party's survival.

The Fourth Generation indeed appears to be breaking with PRC political tradition. However, the fact that Jiang still controls the PLA may ultimately jeopardize movement toward political reform and the implementation of the rule of law if crisis materializes. After all, PRC history demonstrates that the leader who carries the stick ultimately wields the power. Therefore, were Jiang to make a decision to use force over the preferences of the constitutionally empowered Fourth Generation leadership, the move could quickly erase any progress toward institutionalized political authority – just as Deng's decision did in 1989 when he usurped Zhao's authority to crackdown on the Tiananmen Square protests.

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<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

<sup>75</sup> Lam, Willy Wo-Lap. “Hu's New Deal,” op. cit.; and Elisabeth Rosenthal. “China's Dance of Political Power is Set to Open in Beijing,” *The New York Times*. 4 March 2003.

<sup>76</sup> Lam, Willy Wo-Lap. “Hu Woos With People Power,” *CNN*. 26 February 2003. [Note: taken from CCP Journal, Seeking Truth article: “The CCP must consolidate its status as ruling party through finding the law of [successful] administration.”]

This potential split in political authority carries two primary ramifications for the Communist regime's ability to effectively handle a Taiwan confrontation. The first is that, amidst this transitional period, who would definitively be in charge during a Taiwan crisis? Would it be Jiang, who commands the military and as the outgoing leader holds ultimate decision-making authority (in accordance with the PRC's traditional rule of man/by force philosophy)? Or would Hu, the constitutionally authorized head of the Party and the state, have the final say? There currently is no institutionalized chain of command that designates one over the other. Second, the Communist Party faces waning legitimacy in the eyes of the public and is working to shore up its political base through economic development. However, in order to do so, the leadership has been forced to embark on a series of incremental political reforms that could spur the downfall of the Communist Party nearly as easily as could the CCP's inability to deliver on economic promises, or fragmentation within the highest levels of Party leadership.

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## IV. CCP DECISION-MAKING CONSIDERATIONS

As the CCP considers all of those issues that carry ramifications for the Communist regime's ability to survive a Taiwan confrontation, it must look beyond the problematic political dynamics and power arrangement created by the ascent of the new leadership. The new leadership also must take into account China's tenuous socio-economic circumstances, the potential fallout any efforts to bring politics into the open may incite, and the ambiguity of the PLA's loyalty to the Party-state.

First, as briefly mentioned in the previous section, the CCP has become increasingly dependent on China's successful economic development. The Communist Party must demonstrate that it can orchestrate China's continued modernization, reform its economic and political institutions as needed, and control any volatility that threatens a stable standard of living for the majority of the Chinese people. However, in order to do so China must encourage the international community's foreign investment, trade, and respect, and adhere to existing international norms; not to do so would reinforce fears that an emerging China will overturn those norms and associated institutions. Thus, the PRC's behavior in a Taiwan crisis carries serious ramifications for its ability to achieve the economic and political status it desires.

Second, the new leadership must implement at least limited political reform to facilitate the kind of economic growth it envisions for China; and it must do so successfully if it is to demonstrate the Party's ability to provide for the Chinese people. To secure the future of the Communist regime, the Party must introduce greater transparency and openness in the political sphere, and relinquish its absolute control of public space and political discourse. The Fourth Generation leadership faces the challenge of modernizing, without jeopardizing the regime. This places the PRC in a particularly vulnerable moment, and brings its ability to effectively navigate a Taiwan crisis into question.

Third, it is not altogether clear whether the PLA is loyal to an individual leader, the Communist Party, or the state itself. At the moment, Jiang Zemin's retention of the CMC chairmanship, and the PLA's apparent loyalty to him, indicate that Jiang wields the ultimate decision-making authority in situations that entail using military force. This carries obvious implications for the Fourth Generation leadership's decision-making ability (or lack thereof) during a Taiwan crisis, and begs the following questions: does the

new leadership have any power to decide to use force and/or escalate during a confrontation with Taiwan? Is there potential for disagreement between Jiang and the new leadership over the appropriate course of action, and particularly the military's role, in such a scenario? What ramifications does this ambiguous chain of command entail for both the resolution of the Taiwan question and PRC stability?

## 1. Socio-Economic Constraints

We will hear the call for political change again . . . any organized group is seen as a threat, so repression continues. What kind of stability is that? With no other outlets for their frustrations, unemployed workers and farmers outraged by corruption are protesting every day. China's leaders twist the meaning of stability. To them, it means the power to silence dissident voices. But repression doesn't erase the factors fanning dissatisfaction throughout society. As long as the leaders fail to institute real rule of law and political reforms, discontent will accumulate. An eruption will become inevitable, and it will be very destructive. The later the eruption comes, the more likely it will cause uncontrollable chaos.

– Wu Guoguang, speechwriter for former Chinese President Zhao Ziyang<sup>77</sup>

The Communist Party's ability to foster economic growth is key to social stability, and subsequently the regime's survival. For this reason, the PRC is struggling to keep its market and social forces in balance, despite the fact that it needs to reform its financial sector, its state-owned enterprises (SOEs), and the corresponding oversight and regulatory bodies in the wake of the PRC's accession to the World Trade Organization (WTO). With a weak banking sector, a depressed global economy, unsettling international developments in Iraq and North Korea, oil's growing importance as a strategic asset to the Chinese economy, and rising unemployment due to the reform of state-controlled industries, China has reasons for concern. The leadership need only look as far back as 1989 for a vivid demonstration of what can happen during a period of political transition, economic reform, and tumultuous international events.

The Tiananmen Square incident occurred against a backdrop similar to present-day China. The PRC's current need for reform is reminiscent of Deng's economic transformation, which targeted financial reform, state industry privatization, and market liberalization.<sup>78</sup> Deng's reforms opened China and paved the way for the economic growth that was to follow, but in so doing, fueled a call for parallel change in the political

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<sup>77</sup> Wu Guoguang. "Fear and Loathing: A Recipe for Chaos—To be truly healthy, China needs to begin political reform." *AsiaWeek*. Vol. 27. No. 2. 19 January 2001.

<sup>78</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

establishment. The timing was such that many Chinese students and intellectuals were disenchanted with the Communist Party in the wake of several highly publicized, widespread corruption scandals; and their dissatisfaction meshed with that of China's farmers and laborers who were bearing the brunt of the rampant unemployment brought about by the privatization of state industry. These forces thus coalesced and laid the groundwork for the mass protest that followed.<sup>79</sup>

Many speculate that the protest was not in fact directed at overthrowing the government as much as it was a plea to increase transparency, to give civil society a political voice, and to hold the CCP leadership accountable for its actions. However, since the PRC had no institutionalized means for dealing with dissent or airing concerns, the situation escalated. Intentions eventually became misconstrued, or perhaps morphed into a more revolutionary-like purpose, and the CCP came to fear for its survival.<sup>80</sup> In response, the Communist regime carried out the infamous crackdown, but not without first sustaining casualties of its own. Zhao Ziyang, the acting CCP Chairman and PRC President at the time, and his pro-reform allies, were removed from their posts. An unofficial, previously unknown, committee of influential "Elders" (led by Deng Xiaoping) usurped both the authority of the legally designated NPC, and that of the highest organ of formal political power in China: the Politburo Standing Committee.<sup>81</sup> Internal dissent fractured the highest levels of leadership within the Communist Party as the various power centers disagreed over the appropriate approach for dealing with the protestors. In fact, PRC documents from 1989 indicate that the CCP was on the verge of virtual collapse.<sup>82</sup> The government was unable to control the unprecedented demonstrations flooding Beijing and other major cities throughout China, the Party was breaking down along factional lines, and the leadership lacked of an institutionalized chain of command prepared to manage crisis.

Therefore, with the Tiananmen Square example in mind, the CCP has placed economic security and domestic stability at the forefront of its policy agenda. For example, at the 16<sup>th</sup> Party Congress in November 2002, the Fourth Generation leadership emphasized China's stability and positive growth trend, and stressed that investors can expect continuity in the PRC's economic policy.<sup>83</sup> The leadership made a concerted effort

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<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> Naughton, Barry. "Economic Policy After the 16<sup>th</sup> Party Congress," *China Leadership Monitor*. Issue No. 5. Winter 2003.

to focus on the potential near-term gains that promise to follow China's impressive 2002 economic performance wherein the PRC boasted an estimated seven percent growth rate.<sup>84</sup> Likewise, the CCP avoided any discussion of the long-term financial disaster that may be looming as China's financial sector faces a potential meltdown underneath the burden of growing debt and bad loans at state banks.<sup>85</sup> Yet despite these Party efforts to steer attention elsewhere, the focus has recently shifted to the complex economic and political issues that underlie signs that an economic downturn is on the horizon.<sup>86</sup> As stated by one Chinese commentator, "a rising market eases contradictions; a falling market sharpens contradictions."<sup>87</sup> Thus, despite the CCP's best-laid plans to avoid a repeat of China's socio-economic environment in 1989, the same dynamics may have emerged. The new leadership is grappling with a series of politically complex issues (e.g., public ownership, pension reform, and the government's regulatory role in the economy), all of which bear significant consequences for China's ability to establish a viable, stable market, and sustain positive economic growth.<sup>88</sup> And at the same time, the Party needs to implement political reform to match and facilitate the PRC's economic development under way.

The Fourth Generation therefore faces an immediate dilemma as it embarks on its first year in charge of PRC economic policy: should it remain cautious and vaguely optimistic about future reform, but refrain from undertaking any dramatic measures that could upset the short-term prosperity of the market? This would stabilize short-term confidence but could lead to long-term disaster, since it would fail to implement necessary reform measures. Or, should it clarify its policy directions and intent to implement reform, and remove the uncertainty that plagues and perpetuates the policy-driven market in China? This would create a foundation for long-term growth but it could prove equally detrimental to China's success, because it would expose the need for dramatic reform and indicate that painful times lie ahead. The CCP has yet to decide which course of action it will pursue, but either way, these circumstances suggest that the PRC's economic stability stands on unsteady footing – a condition that carries serious ramifications for CCP risk-assessment during a Taiwan crisis. A confrontation over Taiwan would undermine China's trade relationships, foreign investment, and already

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<sup>84</sup> Ibid.

<sup>85</sup> Kahn, Joseph. "Retiring Premier Says China Must Pump Money into Economy," *The New York Times*. 6 March 2003.

<sup>86</sup> Ibid.

<sup>87</sup> Naughton, Barry. "Economic Policy..." op. cit.

<sup>88</sup> Ibid.

fragile economy. Therefore, the Fourth Generation would seem particularly keen to avoid such certain economic devastation, and in turn would do everything in its power to avoid conflict.

The PRC also is dealing with another politically explosive dynamic tied to its economic development strategy: the socio-economic polarization of Chinese society. Economic growth has spurred a growing income disparity between China's inland, rural regions versus its coastal, urban ones. In fact, unemployment in China's rural areas has increased by 16 million people a year since the early 1990s such that an estimated one-third of China's 934-million rural population currently lacks full employment.<sup>89</sup> This is a stark contrast to the 3.6 percent urban unemployment rate that the National Bureau of Statistics estimated for 2001.<sup>90</sup>

Problematic at face value, this discrepancy may entail even greater complexity for the political leadership than initially meets the eye. Not only does this gap create an imbalance in economic wealth, prosperity, and power, but also it reflects a factional favoritism within the CCP and so takes on a sensitive political dynamic. The overrepresentation of Shanghai and the eastern, coastal provinces in the upper echelons of the CCP ranks is largely responsible for focusing China's economic development initiatives on their large, urban constituencies.<sup>91</sup> As a result, as China's east coast has prospered and China's already impoverished inland and western provinces have become more so. Furthermore, despite this growing disparity, there is no indication that the new political leadership will close the gap. The Fourth Generation membership's regional make-up is similar to that of its predecessor.<sup>92</sup> Although the Politburo reflects a small improvement in provincial diversity and Hu Jintao established his political resume in two of China's poorest western regions, Jiang Zemin's careful maneuvering has stacked the Politburo Standing Committee with members of Jiang's Shanghai faction<sup>93</sup> (see APPENDIX A: Committee Memberships for an individual breakdown of this PBSC membership). Consequently, even though there is consensus on China's general economic policy and direction, the stage is set for factional infighting among the CCP's political elite who may ultimately have different personal agendas. Therefore, should this socio-economic gap continue to grow, particularly as a result of blatant political

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<sup>89</sup> Dutt, V.P. "Fractured Transfer of Power: Challenges Before China's New Leadership," op. cit.

<sup>90</sup> "China's Urban Unemployment Rate 3.6%." *People's Daily Online*. 1 March 2002.

<sup>91</sup> Nathan, Andrew J. and Bruce Gilley. *China's New Rulers: The Secret Files*, op. cit.

<sup>92</sup> Ibid.

<sup>93</sup> Ibid.

favoritism, it could fuel a popular uprising against the regime. With conditions already ripe for dramatic internal fracture, the new leadership could feasibly face a national crisis on a par with that of Tiananmen Square.

These sensitive circumstances place an enormous premium on domestic political stability for the Fourth Generation leadership. Stability is crucial for fueling China's economic engine – it provides the confidence, certainty, and security needed to foster continued growth and development. This is critical if the Party is to realize the development and success it envisions for China, and subsequently perpetuate its dominant role in China's political life. It must demonstrate that it can build a prosperous nation and meet the needs of its citizenry. However, to accomplish this goal, China must also deal with an additional dynamic. It must secure foreign investment, trade, and respect, and meet those expectations set forth by the international community. For this reason, the CCP is working reform its economy according to market principles, rationalize its methods of social control, and open the country to foreign trade and investment in accordance with international norms.<sup>94</sup>

This is tall order, considering the leadership is trying to implement drastic changes in the socio-economic sector and at the same time maintain its complete control of the political sphere. The CCP must reconcile its traditional modus operandi with its need to conform to the standards that are prerequisite to China becoming a respected, affluent, and influential member of the world community. China has thus far proven successful in this endeavor – a success evidenced by its selection to host the Olympics in Beijing in 2008; its invitation to join the WTO; and its active role in advancing international security through its participation in the war on terrorism and talks with North Korea.

However, with growing international status comes additional responsibilities, and China faces some inherent contradictions between its current political and economic system, and its goals for the future – primarily the fact that China is still nominally operating under communism but is taking a market-oriented capitalist approach to its economic development. Reconciling these conflicting ideologies will not prove a recipe for short-term stability. However, it does provide an interesting context for examining the new leadership's cost-benefit analysis regarding a confrontation over Taiwan. The PRC's uncertain economic, social, and political stability, its need for reform, and its growing

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<sup>94</sup> Ibid.

obligations to the world community have dramatically raised the stakes over Taiwan in recent years. In fact it begs the question: would China be willing to risk any, or all, of the following to force Taiwan's reunification with the mainland, or escalate militarily once confrontation has occurred?

- The PRC's growing stature and influence in an evolving world order.
- China's overall stability in a period of socio-economic instability and political fragility.
- Severing China's economic ties with Taiwan, the United States, and possibly the world community.

After all, doing irreparable damage to the PRC's path toward economic development, which as its primary policy objective, ultimately may be responsible for conferring long-term legitimacy on the Party and could prove as detrimental to CCP survival as would a nationalist uprising.

## **2. Political Opening and Potential Fallout**

But the need for such reforms does not necessarily mean that the regime will undertake them. Experience of democratic transition elsewhere suggests that few authoritarian regimes initiate, of their own accord, reforms that could threaten their hold on power. In most cases, political and economic crises have forced them to accept the inevitable.

- Minxin Pei, Carnegie Endowment for International Peace<sup>95</sup>

There are two ways of thinking about China's recent leadership transition, its risk perception, how it might approach political reform, the PRC's policy agenda, and how it might navigate a Taiwan crisis. For one, the Fourth Generation leadership comprises a young, diplomatic, pragmatic, well-educated group of technocrats who are bringing change to Chinese "politics as usual." They are a more flexible, transparent generation with an inclination toward integration, economic development, and peace. Under their charge, there will be no Taiwan confrontation because they have decided to capitalize on the strategic opportunity of the next 20 years, in which they can pursue non-aggressive means to work toward integration. In fact, Taiwan does not even make their top-three list of imminent policy concerns. The crisis over the Strait will not be allowed to interfere with the PRC's general strategic focus on domestic development and modernization. In the extraordinarily unlikely circumstance that the crisis turns to confrontation, the CCP leadership will capitalize on its lessons learned from past crisis management experience

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<sup>95</sup> Pei Minxin. "The Real Test of China's Appetite for Reform," *The Financial Times*. 27 January 2003.

gained during the Taiwan Crisis of 1996, the Belgrade embassy bombing, and the EP-3 “accident.” With these precedents in place, the leadership will follow a smooth chain of command and effectively coordinate any high-level, joint politico-military efforts. Furthermore, the new CCP leadership will consult its special Taiwan “working group” composed of several top Politburo Standing Committee members, and from there render a decision effectively avoiding any fragmentation within the leadership or the Party.<sup>96</sup> Therefore, given this confidence that Taiwan poses no immediate threat, this new leadership will have the opportunity to incrementally implement the political reform needed to foster China’s economic growth. From this standpoint, the Fourth Generation’s ascent to power marks a fundamental shift in politics as usual in the PRC.

By contrast, another perspective on the Fourth Generation CCP’s recent ascent, and their promise for change, facetiously questions, “what leadership transition?” In this view, Hu Jintao has been nominally elevated to the general chairmanship of the Communist Party, but Jiang Zemin still holds the power. There is virtually no difference between the Fourth Generation and the Third, aside from an age difference and the latter’s better understanding of Jiang’s “three represents” theory. They embrace the same policies and doctrine as their predecessors, and are focused on China’s economic development, modernization, and stability. However, they are by no means willing to relinquish Party control in the political sphere, nor are they satisfied with the Taiwan question stalled at its present status quo. They, too, prefer to avoid military confrontation with Taiwan but will not hesitate to use force should confrontation arise, and they will ensure that the PLA is prepared to act in such a scenario. This perspective is similarly unconcerned with potential fracture in the leadership simply because it knows that the one-China principle is universally accepted and endorsed by both the outgoing and incoming leadership. There will be a unified stance on achieving reunification at all costs. Also, just as there will be little compromise the Taiwan issue, so will there be little concession over domestic political reform. This CCP believes that political reform could make the Party vulnerable to subversion, and thus it is not prepared to adopt any measures that it perceives weakens its grip on power.

The reality is that both interpretations are correct. The Fourth Generation is indeed a young, well-educated pragmatic group of leaders. It is a leadership focused on China’s economic development, internal growth, and domestic stability – and appears to endorse a careful policy of greater openness, transparency, and reform. Nevertheless, the

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<sup>96</sup> Private interview.

new leadership is driven first and foremost by its ability to perpetuate the Communist regime, and it is ultimately likely to make all strategic decisions based on this underlying motive.

However, the new leadership's first six months in power demonstrated an initial break with past Party practice. For instance, to the great surprise of Western observers, George Orwell's "Animal Farm" was "accidentally" released at a theater in Beijing one day before the closing of the 16<sup>th</sup> Party Congress as an example of the Fourth Generation's new initiative to gradually open the public and cultural "space."<sup>97</sup> This move suggests that the leadership recognizes that Chinese society is changing, and is attempting to deal with the increasing affluence, access to information, and advanced means of physical mobility that have rendered many of its traditional means of social control obsolete.<sup>98</sup>

The CCP appears to be adjusting to this new reality through the implementation of limited political reforms. First and foremost these reforms are focused on facilitating the Party's economic and development goals, but they do allow some state-sanctioned cultural liberalization and political participation. The recent promotion of competitive elections for urban, neighborhood communities and rural villages illustrates this point.<sup>99</sup> But these advances may be tentative at best. Although the reforms demonstrate the Party is aware of the need for political reform, they do not mean that the CCP will actually undertake them on a significant scale. Past experience with nations undergoing similar transitions to democratic rule suggests that few regimes actually implement reforms that threaten their hold on power unless they are driven by crisis to do so.<sup>100</sup>

This trend appears to hold true for China as well. Two recent instances in the PRC demonstrate that crisis can indeed be responsible for bringing about political opening. A recent submarine accident in which 70 Chinese sailors lost their lives gave rise to a notable shift in CCP behavior. The Party traditionally allows very limited public access to information regarding military operations, accidents, or even training exercises; in an unusual departure, the Chinese government issued a public statement on the incident. China's military leaders (Jiang Zemin, Hu Jintao, Guo Boxiong, and Cao Gangchuan)

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<sup>97</sup> Yu Bin. "Hu's Mini 'New Deal,'" op. cit.

<sup>98</sup> Pei Minxin. "The Real Test of China's Appetite for Reform," op. cit.

<sup>99</sup> Ibid.

<sup>100</sup> Pei Minxin. "The Real Test...", op. cit.

even met with the families of those who lost loved ones.<sup>101</sup> This demonstration, which projected new-found government accountability, may have been little more than a public relations act geared to instill public confidence in the government during the Severe Acute Respiratory Syndrome (SARS) outbreak.<sup>102</sup> It certainly portrayed Hu Jintao and the Fourth Generation as following through on their outspoken commitment to, and concern for, the “Chinese people.” Regardless the motive, it is also indicative that China’s society is changing. In an era of international scrutiny and more liberal media coverage, it is increasingly difficult for the Communist regime to cover up significant events and developments.

The SARS outbreak and subsequent cover up illustrate this point. In an unprecedented move, the Chinese government admitted to mismanaging the outbreak of the virus that has plagued that nation’s capital. The government increased the number of confirmed SARS cases in Beijing from 37 to 346 in a single day, and in so doing acknowledged it lied about the previous total.<sup>103</sup> It marked the first time that the Party admitted to a cover up of this magnitude in its 54-year rule.<sup>104</sup> The intense international pressure and the information revolution demanded that the Party take ownership of the crisis. In a short period of time, news of the virus – which contradicted government reporting – spread quickly through China via text messaging and related technologies. This initiated a “political earthquake” of sorts; it forced the Party to remove high-ranking officials from their posts for “disloyalty” for the first time since Tiananmen Square.<sup>105</sup> The mayor of Beijing, Meng Xuenong, and the minister of health, Zhang Wenkang, were fired for ordering the cover up. The full extent of the fallout has yet to materialize. However, the developments thus far have some speculating that this represents a turning point for the CCP, after which the Party will be forced to embrace greater openness, transparency, and accountability. As one senior official in China commented on the shake-up: “This is the beginning of the end. This is the spark many of us have been waiting for.”<sup>106</sup>

Whether these recent crises will prove as revolutionary as some anticipate remains to be seen, but the new leadership is arguably presiding over one of the most

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<sup>101</sup> “Military Leaders Meet Relatives of Dead Submarine Crew,” *Xinhua News Agency*—www.china.org.cn. 6 May 2003.

<sup>102</sup> Ibid.

<sup>103</sup> Pomfret, John. “SARS Cover Up Spurs a Shake-Up in Beijing,” *The Washington Post*. 21 April 2003.

<sup>104</sup> Ibid.

<sup>105</sup> Pomfret, John. “SARS Cover...,” op. cit.

<sup>106</sup> Ibid.

transformational times in CCP history. Its willingness to endorse limited economic, social, and even slight political reform promises to strengthen China's potential for economic growth and modernization.

The new leadership's softer, more modern approach seemingly places the CCP in a more stable, secure position. It allows for greater flexibility and fosters a more educated, informed, productive, and prosperous society. And it positions the Party such that it may have the staying power to weather a Taiwan crisis; and in so doing allows the Fourth Generation greater flexibility and a wider range of response options amidst a confrontation scenario. Additionally, the new leadership has explicitly defined its priorities, and placed economic development and stability at the top of its list. During its short tenure, the Fourth Generation leadership has already witnessed the potential volatility of the Chinese people in crisis via its experience with the SARS outbreak, as well as tasted the beginnings of an economic downturn. Consequently, the Fourth Generation has begun to develop a sense of the political and economic risks it would run were it to engage in a Taiwan confrontation. This growing realization, in combination with the new leadership's preference for greater flexibility and reform, would suggest that it will exhaust all possible alternatives before turning to a use of force to resolve the Taiwan question.

However, as the recent SARS debacle demonstrates, the same political opening that positions the new leadership as a credible force for change also weakens the Party's monopoly on power. Thus, although the new leadership has demonstrated accountability and a willingness to change, this openness leaves it vulnerable to criticism and susceptible to opposition. The CCP must relinquish a significant amount of its control and sacrifice short-term stability if it is to implement the reform needed to secure China's long-term prosperity. But, there is also no guarantee that the Party will endure a painful and unsettling socio-economic transition – or that it will ultimately implement the kind of political reform needed to facilitate socio-economic transformation to begin with. The July 2002 Report to the Congressional U.S. China Security Review Commission highlights the PRC's primary dilemma:

China is thus embarked on a highly questionable effort – to open its economy but not its political system . . . if the economy fails, or the Chinese people demand full freedom instead of merely a taste of it, then the leaders will have to choose between reasserting central control and

granting greater political and social freedom, with a consequent weakening of their own authority.<sup>107</sup>

Herein lies the tension. Despite moving in a seemingly positive direction, the ascent of the Fourth Generation and its limited reform agenda may inadvertently, but ultimately, make the Party more susceptible to collapse. This is particularly likely given a Taiwan confrontation. The new leadership will have made the Party more vulnerable on the domestic front and weakened the CCP's foundation at the same time it will have to deal with a fragmented power base and chain of command crisis due to Jiang Zemin's continued influence.

### **3. PLA Loyalty: an Army of the Leader, the Party, or the State?**

Jiang's retention of the chairmanship of the CMC raises serious questions about the chain of command, particularly in a Taiwan crisis, where escalation control is made more difficult by the triangular dynamic between Washington, Taipei, and Beijing.

– James Mulvenon, *The PLA and 16<sup>th</sup> Party Congress: Jiang Controls the Gun?*<sup>108</sup>

Socio-economic and domestic stability concerns weigh heavily on the side of restraint, but other factors, such as control over China's army, may obligate the PRC leadership to act more aggressively. This is largely because Jiang Zemin's retention of the CMC chairmanship may have wrought the following consequences: interrupted the PLA's movement toward complete professionalization; hindered the army's ability to separate itself completely from politics; and complicated the chain of command.

This is problematic for the new leadership on multiple fronts. First, Jiang's move prevents the new leadership from pursuing its goal of institutionalizing a legitimate authority through the rule of law. The PLA historically has allied itself first with a paramount leader, second with the Party, and third with the state. However, the increasing professionalization of the PLA since Tiananmen Square has been an encouraging sign that the pattern is changing. Unlike its political interventionism of yesteryear, the PLA increasingly has been focused on solely military matters. Having divested a great deal of its material interests in state-owned enterprises, and modernized

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<sup>107</sup> "The National Security Implications of the Economic Relationship Between the United States and China," *Report to the Congress of the United States*, China Security Review Commission. July 2002.

<sup>108</sup> Mulvenon, James. "The PLA and the 16th Party Congress: Jiang Controls the Gun?" *China Leadership Monitor*. Issue No. 5. Winter 2003.

its weaponry, mission, culture, and personnel, the PLA appears to have evolved from being a personal tool of the Communist leadership, or individual leader, to a professional military force in its own right. Furthermore, present PLA leaders are far more educated, experienced, and well trained than their counterparts of the late 1980s. PLA leaders of the past rose through the ranks amidst the Cultural Revolution and were intimately tied to ideology and personality politics. Today's PLA leadership is an experienced, professional one and primarily composed of officers educated at the military academies and well versed in the practice of modern warfare.

In light of these notable advancements, Jiang's decision to stay on as the head of the CMC poses a second major problem: it is a retrogressive step in Party-military relations. In fact, it reintroduces the potential for the military to be used as an instrument to manipulate political power. In this sense, the arrangement is reminiscent of that which existed during the Tiananmen Square era when Deng Xiaoping held onto the chairmanship of the CMC in the late 1980s. However, although Deng's move was considered a legitimate, strategic decision at the time, Jiang's decision is widely perceived as a selfish desire to prolong his personal influence and secure his legacy.<sup>109</sup>

Deng reportedly made his decision to ensure the establishment of a series of new norms (i.e., institutionalizing age-based retirement) amidst uncertain political and socio-economic circumstances.<sup>110</sup> And although Jiang would likely argue that his motivation is not so unlike Deng's, they differ significantly. Deng's decision was based on ensuring the stability and welfare of the Party; Jiang's decision has had the opposite impact and has positioned the CCP for fracture. Nevertheless, Jiang claims that he is retaining his CMC post for the sake of continuity and to compensate for the Fourth Generation leadership's lack of foreign policy and national defense experience – and this may be accurate. But, in so doing, Jiang has essentially re-personalized army loyalty,<sup>111</sup> and whether or not this was Jiang's intention may matter little in the end. The fact remains that although Jiang holds no formal position in either the Party or the state, he enjoys the whole-hearted support of the PLA. The PLA was one of the most outspoken institutional proponents of Jiang's "three represents" preceding the 16<sup>th</sup> Party Congress, and its praise of Jiang's leadership has continued in the military press, remarks that have failed to make notable mention of Hu Jintao. In fact, on November 17, 2002, the military newspaper *Jiefangjunbao* pledged "absolute" loyalty to Jiang by name, as chair of the CMC, and

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<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

<sup>111</sup> Ibid.

only identified Hu Jintao as the core of the new Central Committee.<sup>112</sup> Additionally, the day after the close of the Party congress, the new heads of the four general departments of the army publicly pledged their loyalty to Jiang. Once again, Hu Jintao was given only a cursory nod. The examples are numerous, their implication is the same: “Party control over the PLA has been split by Jiang’s retention of his CMC position.”<sup>113</sup>

This raises the third major ramification that Jiang’s retention of the CMC chairmanship entails for the PRC: it potentially divides the chain of command. Although Hu has been able to make notable headway with the PLA, despite his lack of military experience, it is doubtful that he can come close to securing the same loyalty that Jiang Zemin does from the PLA leadership. Hu, through his improved personal ties with retired CMC vice-chairman General Zhang, who commands the respect of several acting senior military officers, will have access to critical advice on promoting the Fifth-Generation PLA, if and when that time comes.<sup>114</sup> However, in the interim, there is little doubt that the PLA will respond to Jiang’s preferences over those of Hu’s, just as the PLA followed Deng’s orders to crackdown on Tiananmen Square against Zhao’s wishes.<sup>115</sup> Thus, the same dynamic that paralyzed the CCP leadership in 1989 could jeopardize the Fourth Generation’s ability to execute its foreign policy and navigate through crisis. As it is, the military wields a great deal of influence over foreign and security matters and has not always accommodated the wishes of the civilian leadership. For example, in both the Taiwan crisis of 1996 and the recent EP-3 incident, it is widely believed that the PLA was calling the shots.<sup>116</sup> These dysfunctional dynamics could have particularly grave consequences for the new leadership’s ability to effectively manage a Taiwan confrontation. In fact, as circumstances currently stand— from the outset of a confrontation, much less amidst the chaos of an escalation – the PRC would face an equally difficult negotiation amongst its internal power centers (the Party leadership, Jiang, and the PLA) to establish a unified position, as it would with Taipei and Washington to resolve the crisis.

In sum, Jiang’s decision to retain the CMC chairmanship has indeed undermined the PLA’s further professionalization, an institutionalized political authority and transfer

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<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

<sup>114</sup> Lam, Willy Wo-Lap. “National People’s Congress Maneuvers: Jiang on Top,” *China Brief*. Vol. 3, Issue 5. 11 March 2003.

<sup>115</sup> Nathan, Andrew J. and Perry Link, *The Tiananmen Papers*, op. cit.

<sup>116</sup> Mulvenon, James. “The PLA and the 16th Party Congress: Jiang Controls the Gun?” op. cit.

of power, and an established, clearly recognized chain of command. Given these circumstances, the Chinese leadership likely will be hard pressed to effectively command and control the Party itself, much less the public, in the heat of a Taiwan crisis. Furthermore, Beijing currently has no formal process to resolve this inevitable command and control crisis. For this reason, some have even suggested that China's greatest national security risk at present is actually Jiang's decision to retain the chairmanship of the CMC.<sup>117</sup> Could it be that the recent, most "successful" leadership transition in the history of the CCP fosters the very instability that the Communist Party has fought so hard to avoid – and ultimately jeopardizes the regime's survival?

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<sup>117</sup> Private interview.

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## V. CONCLUSION

Although calamity is by no means imminent, were the Taiwan crisis to erupt, the PRC would pose a serious deterrence problem for the United States. The PRC's fear of regime collapse, compounded by the fractured and unstable ruling politic that emerged with the recent ascent of the Fourth Generation leadership, indicates that the Chinese leadership would be willing to run enormous risks to reunify Taiwan with Mainland China.

This conclusion hinges on several components. First, China's national priorities reflect a PRC preoccupation with the outcome of the Taiwan question and regime survival, and the linkage between the two. In fact, the PRC defense posture specifically discusses China's concern over territorial integrity, state sovereignty, the subversion of the Communist system, and even reunification itself – all of which are concerns that potentially apply to the Taiwan issue and imply that cross-Strait concerns factor significantly into PRC security policy.

Second, as the CCP has come to rely on China's resurgent nationalism to mask its weak ideological footing, it has tied the fate of the Communist regime to that of Taiwan. The CCP currently is struggling to reconcile its communist political doctrine with its increasingly capitalist economic approach, and in so doing the Party has championed China's nationalist interests to bolster its own authority. Therefore, Taiwan, perhaps China's most salient and explosive nationalist issue, has come to represent the fundamental underpinnings of the Communist Party. Although successful in conferring legitimacy on the CCP, this nationalist tilt has constrained the leadership's decision-making flexibility. Even if the pragmatic Fourth Generation leadership were to prefer a more diplomatic means of resolving a Taiwan crisis, the Chinese people are not likely to tolerate any ruling regime that they perceive as soft on Western aggression and failing to project a strong China.<sup>118</sup>

Third, the ascent of the Fourth Generation CCP leadership further complicates these already difficult circumstances. Jiang Zemin's retention of the chairmanship of the CMC, in addition to his orchestrating the placement of key allies in posts under the Fourth Generation leadership, has created multiple factions and power centers within the

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<sup>118</sup> "Assessing the 16th Party Congress and China's New Leaders," op. cit.

Party. Consequently, in case of crisis, particularly Taiwan – wherein regime survival and military confrontation are on the line – the new leadership arrangement would be hard-pressed to follow a clear chain of command, execute an effective management strategy, or render a unified decision. Under such circumstances, a fragmented, divided government, regardless of factional preferences, would likely take a more conservative, less flexible stance if only to avoid internal fracture.<sup>119</sup>

Fourth, the CCP's ability to effectively navigate through a Taiwan confrontation is also highly dependent on domestic stability. Economic reform and political opening are critical to realizing the PRC's vision of an economically developed and modern China, and by extension to securing the Party's long-term survival. However, these reforms are also fueling calls for more dramatic change, exposing the CCP's vulnerabilities and creating a volatile internal dynamic in the short-term that could erupt during a crisis situation (i.e., a Taiwan confrontation). In fact, the CCP's power base may be weakening against the backdrop of a recent downturn in the market, a political shake-up brought about by the SARS outbreak, and the government's attempt to reform its financial and state-owned sectors, as well as the Party itself. This makes the CCP particularly susceptible to collapse should a Taiwan crisis test the Party's internal cohesion as well as the Chinese people's loyalty to the CCP.

Finally, Jiang not only retained the CMC chairmanship, which allows him to maintain his formal position as head of the military, but the PLA also pledged its loyalty to his leadership. Consequently, in China, where the military has more often been used in domestic power struggles than for external confrontations, and is traditionally loyal to a paramount leader rather than the Party or the state, the stage may be set for a dramatic fallout should there be dissent within the CCP. In fact, given a Taiwan confrontation, the PRC leadership would likely need to first command and control the Party and the Chinese public before it could actually pursue any military option.

Thus, the CCP leadership's course of action in a Taiwan confrontation is virtually predetermined. Because the PRC lacks formal protocols to deal with internal disagreement, and Jiang Zemin holds the gun, the CCP has two choices: (1) it can compromise, lose Taiwan, and ensure the collapse of the Communist regime; or (2) it can reunify Taiwan with Mainland China no matter the cost, and face a still unpredictable, equally fateful political fallout. Even under "winning" circumstances, a Taiwan conflict

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<sup>119</sup> Christensen, Thomas. "The Party Transition: Will it Bring a New Maturity in Chinese Security Policy?" *China Leadership Monitor*. No. 5. Winter 2003.

would test the limits of the dysfunctional power arrangement that characterizes the CCP following the 16<sup>th</sup> Party Congress. After all, a “retired” leader [Jiang Zemin] wields the ultimate mandate on power based solely on his ability to use force, and is neither the designated leader of the Party or the state. Were he to make a decision on Taiwan in contrast to those preferences held by the Fourth Generation leadership, which holds a legitimate political authority, it would surely nullify any advancements China has made in institutionalizing the rule of law, leadership succession, constitutional authority, and the professionalization of the military. And this could prove particularly cataclysmic given China’s unstable domestic circumstances, which already have dramatically weakened the Party’s control.

To finish, the Communist regime currently faces a moment of strategic vulnerability. The government cannot risk confrontation with Taiwan and endanger its growing international stature, its economic transformation, or its ability to maintain domestic stability. Yet the CCP also cannot afford to back down from a military challenge should one arise, or it will likely face a similar call for regime change on the home front – and that scenario is particularly problematic since it is doubtful that the PRC’s political and military establishments are fully capable of managing a crisis and carrying out an effective, cohesive military response. Does this mean then that a Taiwanese bid for independence would likely succeed were it launched in the near term? Possibly. However, China’s current vulnerability also makes it a more dangerous, unpredictable, and undeterrable adversary than if were it a strong, stable nation, and less likely to miscalculate or escalate unnecessarily. In reality, the CCP and its new generation of leaders are likely to avoid a Taiwan confrontation to the fullest extent of their abilities. But, should conflict materialize, the regime faces potential collapse, and no risk will be perceived as too costly to secure its own survival.

What then do these dynamics imply for U.S. defense policy? The United States can expect the Fourth Generation CCP to pursue an ambitious economic growth, military modernization, and overall development strategy. This pragmatic group of leaders will remain acutely focused on domestic stability, and with that concern paramount, China will avoid upsetting the regional and international balances of power to the best of its ability. This implies that the CCP will continue to tone down “anti-American” rhetoric and opposition to national missile defense, cooperate with the war on terrorism, play a constructive role in resolving the North Korea nuclear issue, and most importantly for this discussion, treat the Taiwan question with greater patience and less saber-rattling in the hopes of pursuing a more effective integration strategy.

Nevertheless, regime survival is arguably the CCP's top priority and the Party perceives losing Taiwan as a paramount threat to its existence. Washington cannot underestimate the power of this risk assessment. Should the U.S. fail to deter the PRC from using force in the first place, there is potential for the situation to escalate in ways Washington might not expect, would not desire, and may not be able to contain. Washington could expect that the PLA would likely meet every U.S. escalation with an escalation of its own; that Beijing could not deescalate even if the United States were to signal its readiness to do so; and that the PRC may resort to high-risk strategies to "stay in the game," or to initiate escalations of its own, such as attacks on U.S. bases and carriers in the region or on cities of host countries. In fact, it is feasible the PRC would even resort to nuclear use in the theater. After all, a military defeat would mean the end of the Communist Party, the leadership and their future. There would be no way to politically spin or downplay such a loss. The CCP would be responsible for allowing the greatest of national humiliations.

## APPENDIX A: Committee Memberships

Table 1. Chinese Communist Party Politburo Standing Committee Membership

Chinese Communist Party (CCP) Politburo Standing Committee (PBSC) <sup>120</sup> Profile	
Individual	Position(s)
Hu Jintao	<p>Party Secretary, President (State Council), CMC Vice Chairman</p> <p>Background</p> <ul style="list-style-type: none"> <li>▪ Thought to be hand-picked by Deng               <ul style="list-style-type: none"> <li>○ Product of Deng's Four Transformations' strategy to position young, talented cadres to serve on PBSC under age of 50 so that could become Party secretary by 60 and retire by 70</li> <li>○ Following June 4, 1989, Hu possessed two key qualities: (1) demonstrated exemplary loyalty (never refused an assignment), and (2) was not involved with the Tiananmen Square crisis</li> </ul> </li> <li>▪ Served as Secretary-General of the Communist Youth League (CYL), President of the Central Party School (CPS) – these positions constitute Hu's principal power base</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Following early promotion to PBSC and positioning as Vice President, heir apparent to Jiang Zemin for some time, but not Jiang's selection</li> <li>▪ Has kept a low profile and stayed on Party message</li> <li>▪ Served in two poorest regions in China – speculation that leans more toward addressing social issues and wealth discrepancy between rich and poor than Jiang's focus on courting the entrepreneurial/professional sector of Chinese society</li> </ul>
Wu Bangguo	<p>Standing Committee Chairman (10<sup>th</sup> NPC)</p> <p>Background</p> <ul style="list-style-type: none"> <li>▪ Product of Deng's Four Transformations of cadres, politically-based in Shanghai</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Part of the Shanghai Faction, and Jiang's preference for the premiership, but Zhu Rongji able to position Wen Jibao instead</li> <li>▪ Faces tough challenge: enhance stature of legislature, promote the rule of law concept</li> </ul>
Wen Jibao	<p>Premier (State Council)</p> <p>Background</p> <ul style="list-style-type: none"> <li>▪ Zhao Ziyang's assistant during Tiananmen, but managed to remain in politics and become expert on Chinese economics</li> <li>▪ Protégé to Zhu Rongji (when Zhu was Vice-Premier and later Premier) → positioned Wen for premiership (over Jiang's choices: Wu Bangguo or Li Changchun)</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Has working relationships with both Jiang and Hu, but no strong allegiance to either</li> <li>▪ Favors market economy but emphasizes need to address interests of the poor for political stability</li> </ul>

<sup>120</sup> Nathan, Andrew J. and Bruce Gilley. *China's New Rulers: The Secret Files*, op. cit.; Dumbaugh, Kerry. "China's New Leadership Line-Up: Implications for U.S. Policy," op. cit.; and Fewsmith, Joseph. "The 16th Party Congress: A Preview," op. cit.

Table 1. Chinese Communist Party Politburo Standing Committee Membership (continued)

Chinese Communist Party (CCP) Politburo Standing Committee (PBSC) <sup>121</sup>		Profile
Individual	Position(s)	
Jia Qinglin	Chairman (10 <sup>th</sup> CPPCC)	<p>Background</p> <ul style="list-style-type: none"> <li>▪ Transferred to Beijing to become Party secretary and mayor following corruption scandal in Fujian Province</li> <li>▪ Non-descript, long-time Politburo member</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Strongly-linked to Jiang Zemin (and Jiang's mentor, Wang Daohan)</li> <li>▪ Unexpected promotion to PBSC demonstrates Jiang's continued level of influence and that the CCP has yet to seriously address corruption</li> </ul>
Zeng Qinghong	Member of Secretariat, Vice President (State Council)	<p>Background</p> <ul style="list-style-type: none"> <li>▪ Political basis established in Shanghai, took over as Director of the Central Committee Organization Department in 1999 (*position allows him to recruit and control factional support since he is chiefly responsible for personnel decisions)</li> <li>▪ As a princeling and protégé of Jiang's – Zeng is the principal potential challenge to Hu's power</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Jiang Zemin's alter-ego – political mastermind behind Jiang's consolidation of power</li> <li>▪ Favors power over ideology and is well-connected</li> </ul>
Huang Ju	Vice-Premier (State Council)	<p>Background</p> <ul style="list-style-type: none"> <li>▪ Former Shanghai Party boss</li> <li>▪ Unexpected selection for Standing Committee – demonstrative of Jiang's influence</li> <li>▪ Although sometimes credited for Shanghai's economic success – really attributable to former mayor Xu Kuangdi (protégé of Zhu Rongji) – consequently, Huang will likely end up with portfolio dealing with education, technology, sports and culture &gt; economics</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Jiang ally, Shanghai Faction</li> <li>▪ Will advocate cautious reform and focus on Shanghai as the 'dragon head' of the entire economy</li> </ul>

<sup>121</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and Fewsmith, Joseph, *ibid.*

Table 1. Chinese Communist Party Politburo Standing Committee Membership (concluded)

Chinese Communist Party (CCP) Politburo Standing Committee (PBSC) <sup>122</sup> Profile		
Individual	Position(s)	
Wu Guanzheng	Secretary of the Central Commission for Discipline Inspection (CCDI)	<p>Background</p> <ul style="list-style-type: none"> <li>▪ Three term provincial leader – enabled Wu to promote a number of individuals to the Central Committee and is consequently well-connected in Beijing</li> <li>▪ Selected as Director of CCDI over Luo Guan (Li Peng's only remaining supporter in the PBSC)</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Has worked with both Hu and Zheng Qinghong in the past so may be relatively independent of factional ties- → makes him a good candidate for CCDI post, which involves dealing with Party corruption issues</li> </ul>
Li Changchun		<p>Background</p> <ul style="list-style-type: none"> <li>▪ Former Secretary of the Guangdong Province</li> <li>▪ Early-on possible successor to Zhu Rongji but tainted by corruption scandals and poor economic record</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Close to Jiang – in fact, selection for PBSC based on relationship with Jiang</li> </ul>
Luo Gan		<p>Background</p> <ul style="list-style-type: none"> <li>▪ Has served as Chairman of the Central Committee for the Comprehensive Management of Public Order (chiefly responsible for the “Strike Hard” anti-crime campaign, and basically in charge of internal security and police), will likely continue as Secretary of Central Politics and Law Commission (CPLC)</li> <li>▪ Tough operator and educated in East Germany – sensitive about Western perception of China (chief spy-master)</li> </ul> <p>Political Persuasion</p> <ul style="list-style-type: none"> <li>▪ Lone Li Peng supporter on PBSC – guardian of Li Peng (will oppose any revision of Tiananmen Square verdict)</li> <li>▪ Will be chief obstacle to political reform – very skeptical of social liberalization</li> </ul>

<sup>122</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and Fewsmith, Joseph, *ibid.*

**Table 2. Chinese Communist Party Politburo Non-Standing Committee Members**  
**Chinese Communist Party (CCP) Politburo Non-Standing Committee Members**<sup>123</sup>  
**Profile**

Individual	Position(s)	Profile
Wang Zhaoguo	Vice Chairperson (10 <sup>th</sup> NPC)	<ul style="list-style-type: none"> <li>▪ Member of Hu Jintao's CYL Faction</li> </ul>
Hui Liangyu	Vice-Premier (State Council)	<ul style="list-style-type: none"> <li>▪ Served Former party secretary of Jiangsu Province</li> <li>▪ Agrarian expert – likely to focus on improving competitiveness of Chinese agriculture following WTO accession</li> <li>▪ Close with Zeng Qinghong (and by implication, Jiang ally)</li> </ul>
Wu Yi	Vice-Premier (State Council)	<ul style="list-style-type: none"> <li>▪ Most senior and well-known female cadre</li> <li>▪ Played key role in China's accession into WTO – likely to handle foreign trade and affairs, but power will likely be more limited than that of predecessor</li> <li>▪ Zhu Rongji protégé</li> </ul>
Zeng Peiyan	Vice-Premier (State Council)	<ul style="list-style-type: none"> <li>▪ Principal economic advisor to Jiang and head of the State Development and Planning Commission</li> <li>▪ Served in Chinese Embassy in Washington during 1980s</li> <li>▪ Jiang ally</li> <li>▪ No-nonsense administrator – likely to play role in industry, infrastructure and enterprise reform</li> </ul>
Zhou Yongkang	Member of Secretariat, State Councilor, Minister of Public Security	
Guo Boxiong	Vice Chairman (CMC)	<ul style="list-style-type: none"> <li>▪ Graduate of PLA Military Academy, military general</li> </ul>
Cao Gangchuan	Vice Chairman (CMC), State Councilor, Minister of National Defense, Director of PLA Armament Department	<ul style="list-style-type: none"> <li>▪ Graduate of Soviet Artillery Corps, military general</li> <li>▪ Former political commissar, publisher of Armed Forces newspaper, Executive Vice-Chairman of General Political Department</li> </ul>
Liu Qi	Member of Secretariat	
He Guoqiang	Member of Secretariat	
Liu Yunshan	Member of Secretariat	
Wang Lequan		
Zhang Lichang		

<sup>123</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and Fewsmith, Joseph, *ibid.*

**Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership (concluded)**

Chinese Communist Party (CCP) Politburo Non-Standing Committee Members <sup>124</sup> Profile	
Individual	Position(s)
Zhang Dejiang	
Chen Liangyu	
Yu Zhengsheng	
Zeng Peiyan	
Wang Gang*	Member of Secretariat

\* ALTERNATE MEMBER

<sup>124</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and Fewsmith, Joseph, *ibid.*

Table 3. State Council Membership

State Council <sup>125</sup>		Profile
Individual	Position	
Hu Jintao	President	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
Zeng Qinghong	Vice President	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
Wen Jibao	Premier	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
Huang Ju	Vice-Premier(s)	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
Wu Yi		See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
Zeng Peiyan		See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
Hui Liangyu		See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
Zhou Yongkang		See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
Cao Gangchuan	State Councilor(s)	See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
Tang Jiaxuan		<ul style="list-style-type: none"> <li>▪ Former Minister of Foreign Affairs</li> </ul>
Hua Jianmin		<ul style="list-style-type: none"> <li>▪ Former Vice Secretary and Director of the Financial and Economic Lending Group of the CPC Central Committee</li> </ul>
Chen Zhili		<ul style="list-style-type: none"> <li>▪ A woman with Shanghai roots, Former Minister of Education</li> <li>▪ Chen has a mediocre record and promotion largely tied to Jiang alliance and Shanghai “Gang of Four”</li> </ul>
Wu Bangguo	10th NPC Standing Committee Chairman	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
Jia Qinglin	10th CPPCC Chairman	See Table 1. Chinese Communist Party Politburo Standing Committee Membership

<sup>125</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and “NPC Key Individuals,” *Xinhua News Agency*—[www.china.org.cn](http://www.china.org.cn). 16-17 March 2003.

Table 4. Central Military Commission

Central Military Commission (CMC) <sup>126</sup> Profile	
Individual	Position
Jiang Zemin	Chairman
Hu Jintao	Vice Chairman
Guo Boxiong	
Cao Gangchun	
Xu Caihou	
Liang Guanglie	Member(s)
Liao Xilong	
Li Jinai	
	<ul style="list-style-type: none"> <li>▪ Outgoing President and CCP Chairman</li> </ul>
	See Table 1. Chinese Communist Party Politburo Standing Committee Membership
	See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
	See Table 2. Chinese Communist Party Politburo Non-Standing Committee Membership
	<ul style="list-style-type: none"> <li>▪ Member of the CPC Central Committee Secretariat, Director of the General Political Department of the PLA, Secretary of the Discipline Inspection Committee of the CMC</li> <li>▪ Chief of the General Staff of the PLA</li> <li>▪ Director of the PLA General Logistics Department</li> <li>▪ Director of the PLA General Armament Department</li> </ul>

<sup>126</sup> Nathan, Andrew J. and Bruce Gilley, *ibid.*; Dumbaugh, Kerry, *ibid.*; and “NPC Key Individuals,” *Xinhua News Agency*—[www.china.org.cn](http://www.china.org.cn). 16-17 March 2003.

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## GLOSSARY

CCP	Chinese Communist Party
CMC	Central Military Commission
CPPCC	Chinese People's Consultative Conference
CYL	Communist Youth League
Fourth Generation	Term used to describe the newest generation of Chinese Leadership. The leadership under Mao is largely referred to as the First Generation, that under Deng as the Second Generation, and that under Jiang the Third Generation.
NPC	National People's Congress
PBSC	Politburo Standing Committee
PLA	People's Liberation Army
PRC	People's Republic of China
SARS	Severe Acute Respiratory Syndrome
SCMC	State Central Military Commission
SDPC	State Development and Planning Commission
SETC	State Economic and Trade Commission
Shanghai Faction	Term used to describe the group of CCP cadres who originate from Shanghai and represent the interests of China's economically developed and wealthy Eastern coast. The faction is largely comprised of Jiang Zemin allies who have been affiliated with the outgoing Chairman and President since his days as Party leader in Shanghai.
SLOC	Sea Lines of Communication
State Council	The central government bureaucracy run by those officials who hold government positions sanctioned by the National People's Congress. The State Council oversees all of the government's ministries and commission.
SOE	State-Owned Enterprise
WTO	World Trade Organization

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14. ABSTRACT <p>A central component in any deterrence equation or escalation framework regarding the Taiwan question is that of the Chinese leadership's risk perception and crisis behavior. Particularly in light of the ascent of a Fourth Generation of Communist Party leadership, regime stability figures prominently into the CCP leadership's decision-making calculus. In fact, given the potential for dramatic political fallout, including the collapse of the CCP, the Chinese leadership would not have the flexibility to deescalate during a Taiwan confrontation. The leadership would prefer to resolve the issue through non-military means and perpetuate China's economic development, internal growth, and modernization. However, two factors make compromise impossible should conflict erupt. First, the PRC currently faces a period of political and socioeconomic transition that makes the regime vulnerable to instability and opposition. Second, Taiwan's close association with PRC fundamental interests and national pride mean that its loss would risk unleashing a devastating public backlash against the Party. Therefore, U.S. defense strategists should expect the PRC to pose a difficult deterrence problem should conflict erupt. A military defeat could mean the end of the Communist Party and for that reason, the CCP leadership is likely to resort to high-risk strategies to ensure its survival.</p>					
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