

Your Guess Is As Good As Mine: PLA Budgets, Proposals, and Discussions at the Second Session of the 10th National People's Congress

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Introduction

The second session of the 10th National People's Congress (NPC) was held in March 2004. For observers of People's Liberation Army (PLA) politics and civilian-military relations, the annual congresses are interesting for three main reasons.¹ First, the minister of finance announces the annual central and local budgets, including the official defense budget, which with significant caveats can be used as an indicator of the pace and scope of military modernization—as well as the relative political weight of the PLA. Second, roughly 10 percent of the delegates to the NPC are active-duty military officers, and their discussions (often complaints) in plenary sessions are useful markers of intramilitary concerns. Third, the NPC often passes military-related regulations, which sometimes reveal institutional or doctrinal trends in the armed forces.

The March 2004 NPC session was marked by a return to double-digit increases in the official defense budget, new military guidance on modernization and management of the army, and the absence of any visible civil-military splits like the “two centers” debate from the NPC in March 2003. As summarized in military press editorials after the NPC, the three most important events were Wen Jiabao's government work report, the amendments to the constitution, and Jiang Zemin's speech on military affairs.²

Central Leaders' Comments on Military Affairs

In the government work report, Premier Wen Jiabao made extensive comments about the PLA.³ He approvingly cited Jiang Zemin's “five sentences” for guiding military work (“passing muster politically, possessing strong military skills, adopting a fine work style, observing strict discipline, and maintaining effective logistical support”), though he did not attribute them to Jiang by name. Wen then introduced the primary military *tifa*, or policy line: China “must actively seek to promote the revolution in military affairs with Chinese characteristics and make efforts to achieve development by leaps and bounds in national defense and armed forces modernization,” a process which must be “dominated by informationization and based on mechanization.” To achieve these goals, the premier prescribed “the principle of combining civilian and military production and letting military production reside in civilian production,” and he called for the system to “vigorously promote the reform, adjustment, and development of defense-related science, technology, and industry to enhance our capability for *independent innovation*” (emphasis added). He confirmed the planned reduction of the force—

200,000 soldiers by 2005—and called for special attention to logistics, the proficiency of the People’s Armed Police, and the reserve and militia mobilization systems.

On March 11, 2004, at a PLA delegates plenary meeting, Central Military Commission (CMC) Chairman Jiang Zemin made an important speech that clearly reaffirmed the current military *tifa*.⁴ Among his key points were a call for the PLA to “promote the revolution in military affairs with Chinese characteristics, strive to accelerate the army’s modernization process, firmly implement the principle of strictly managing the army, and constantly raise the army’s regularization [*zhengguihua*] level, so as to provide a strong and effective security guarantee for opening up a new phase in the socialist cause with Chinese characteristics.”⁵ In particular, Jiang highlighted the promotion of “the revolution in military affairs with Chinese characteristics” as a “major strategic decision” made after “a comprehensive analysis of the international strategic situation and of China’s security environment.”⁶ Later in his speech, Jiang identified the two key policies needed to achieve this revolution:

It is necessary to grasp the nature and core of informationization [*xinxihua*], and to formulate plans and promote the army’s modernization from a new starting point. And in line with the objective of building an informationized army for winning an information war, we need to actively transform our army from a mechanized and semimechanized one to an informationized one. We also need, according to the laws of informationized war and of building an informationized army, to step up promotion of the combined mechanization and informationization of the army’s armaments and equipment; constantly deepen comprehensive reforms, with structural and staffing readjustments as the main feature; promote the coordinated development of the army’s power structure; and bring about changes in the army’s basic operational forms and styles.⁷

The actual meaning of informationization was succinctly discussed in a parallel article published during the NPC.⁸ It described informationization as the “core of the revolution in military affairs with Chinese characteristics,” driven by the reality that the Chinese military, unlike the militaries of developed countries with mature mechanization, was attempting to carry out a revolution in military affairs (RMA) without having completed the mechanization phase. The PLA has concluded that “it is not necessary to completely follow the entire mechanization process of the developed countries and then carry out informationization.” Instead, the military plans to “enhance mechanization” while at the same time attempting to “speed up the pace of informationization,” following the “path of development by leaps and bounds [*kuayueshi fazhan*].” In this respect, the PLA is explicitly embracing the notion, first articulated by Gershenkron, that latecomers to modernization can take advantage of the experiences of earlier modernizers and thus skip certain stages of development. The PLA also believes that it will directly benefit from the larger information-technology revolution underway in China, and that “revamping the development of mechanized and semimechanized weapons by means of information technology is a short-cut method of achieving our army’s development by leaps and bounds.”

Jiang's second major theme, regularization and strict management of the army, clearly addresses issues of professionalism, civil-military relations, military discipline, and the role of the PLA in maintaining internal stability. Using coded language, Jiang declared that "the army must keep pace with socialist political development and civilization-building, enhance legal system-building in the army, unite the party's absolute leadership over the army by managing affairs according to law, and guide the army onto a legal track."⁹ The language constituted a striking change from the standard post-Tiananmen mantra about the party's absolute leadership over the military. The apparent desire to balance political control wielded by the party with the legal controls embodied in law and the constitution parallels many of the statist civil-military trends in China that were outlined by David Shambaugh in his recent book.¹⁰

The PLA Delegation and Major Speeches

The leadership of the PLA delegation to the NPC was officially announced on March 3, 2004, with Central Military Commission Vice Chair Guo Boxiong as the head and CMC Vice Chair and Minister of Defense Cao Gangchuan and General Political Department Director Xu Caihou as deputy heads.¹¹ The delegation itself was divided into eight groups.

At the initial PLA group meeting on March 5 to discuss the government work report, Guo Boxiong and the other delegation leaders laid out the main *tifa* for the military delegates.¹² They confirmed the overall NPC themes, including the assertion that China's reform and development have entered a new stage "centering on the great goal of comprehensively building a well-off society [*xiaokang shehui*]." The notion of "building a well-off society" is widely seen as an initiative by Hu Jintao—president of the People's Republic of China (PRC) and general secretary of the Chinese Communist Party (CCP)—and Premier Wen Jiabao to address the inequalities and distortions wrought by 20 years of coastal, urban-centered reforms.¹³

Guo Boxiong's exhortations to the PLA were specific and wide-ranging. He did not excessively praise Jiang Zemin's theory of the "three represents," describing it merely as "important thinking" in contrast to the "great banner of Deng Xiaoping Theory."¹⁴ In terms of military strategy, he called for the PLA to "actively promote the revolution in military affairs with Chinese characteristics" and "speed up the modernization and informationization of the units."¹⁵ Possible references to the United States included calls to "adapt to the development trends in the work revolution in military affairs" and "enhance our army's defensive combat capability in hi-tech conditions."¹⁶ Guo also confirmed the ongoing internal security role of the PLA, asserting that the military was responsible for providing "the strong security guarantee for comprehensively building a well-off society."¹⁷ Politically, there were no surprises, as he repeated the standard mantra about the need to "vigorously strengthen the ideological and political development of the units, ensure the party's absolute leadership over the armed forces, and ensure the firm and correct political orientation for army-building."¹⁸ In a

possible reference to ongoing problems with corruption and counterintelligence, Guo called for the PLA to “implement in depth the guidance of governing the army in a strict fashion, and resolutely correct failures to carry out orders or observe prohibitions, slackness in management, and failures to strictly enforce discipline, so as to ensure a high degree of stability and centralized unity in the units.”¹⁹

Cao, as the PLA’s chief politician, took Guo’s comments one step further, asserting that the PLA is “speeding up the revolution in military affairs and achieving leap-style development.”²⁰ He only mentioned Jiang Zemin’s theory of the three represents, conferring “guiding status” to Jiang’s “important thinking.” Interestingly, Cao mentioned the need to “strengthen national defense mobilization work” and called for adherence to “the guideline of combining peacetime and wartime use and military and civilian use and quartering soldiers among the people.” Finally, Cao was the only military leader to mention Taiwan, reiterating the stance that Beijing will “make unremitting efforts to achieve the peaceful reunification of the motherland, and at the same time . . . will resolutely oppose ‘Taiwan independence’ separatist activity in any form, and will absolutely not allow anyone to separate Taiwan from China in any way.”²¹

At the PLA deputies meeting on March 6, 2004, General Staff Department Director Liang Guanglie, General Political Department Director Xu Caihou, General Logistics Department Director Liao Xilong, and General Armaments Department Director Li Jinai reaffirmed many of the standard *tifa*, including Deng Xiaoping Theory, the “important thinking of the three represents,” Jiang Zemin’s five sentences, the dual tasks of “winning battles and not deteriorating in quality,” the advancement of “military transformation with Chinese characteristics,” and Hu Jintao and Wen Jiabao’s exhortation to build a well-off society.²² In their individual comments, all highlighted themes associated with Jiang Zemin. Liang, for one, exhorted the delegates to “gain a profound understanding of Jiang Zemin’s thinking on national defense and army-building,” and all four highlighted the guiding role of Jiang’s theory of the three represents.²³ Only Liang gave equal time to Hu and Wen’s concept of building a well-off society, while Xu and Li mentioned it just once.²⁴ Li did, though, go a bit overboard, praising the “brilliant decision making of the Central Committee of the CCP with comrade Hu Jintao as general secretary.”²⁵

The comments of the four general department heads also highlighted key themes for their particular chains of command. As the chief combat officer, Liang emphasized efficiency in modernization, particularly in light of the trade-offs with overall economic construction.²⁶ To this end, he underlined the importance of informationization, which he claimed would facilitate the PLA’s ability to “leapfrog” stages of development. Liang also repeated the new *tifa* about promoting PLA modernization from a higher starting point, which appears to be a reference to taking advantage of technology trends in the civilian sector. The chief political officer, Xu Caihou, emphasized adhering to the three represents, securing a well-off society, “fighting to win and never degenerating,” and acting in “accordance with laws.” He also introduced an interesting new political work theme of “legitimacy, standardization, and institutionalization.”²⁷ General Logistics Department Director Liao Xilong called for devoting greater attention to “real war

support in logistics preparation work”—judging logistics work by the standard of “fighting to win”—and for studying logistics under the conditions of “informationized war.”²⁸ General Armaments Department Director Li Jinai declared that the “fundamental goal” of PLA weapons and equipment development was “building informationized forces and winning informationized wars.”²⁹

Delegates’ Meetings: Themes, Proposals, and Complaints

As in years past, the interests of the delegates were wide-ranging and largely parochial, yet revealing about the state of the military. At the March 7, 2004, deputies meeting, a variety of political officers called for implementing the three represents, preparing for military struggles, improving regulations and systems, and safeguarding the rights of servicemen.³⁰ A naval commander suggested greater development of the Spratly Islands. A logistics officer called for further socialization (*shehuihua*), or outsourcing of logistics. A chief of staff of the Lanzhou Military Region advocated combining the planning of military infrastructure development with that of local infrastructure development so that “railroad, highway, airport, wharf, and other large-scale infrastructure projects can be shaped to meet military needs.”³¹ An air force commander discussed the accelerated training of pilots, while a Second Artillery officer analyzed the training of noncommissioned officers for high-tech units. And a commander of a military district called for strengthening the reserve system.

Two striking and interrelated themes from the NPC that were aired in the delegates meetings were the growing “legalization” of military affairs and constitutional reform. A post-NPC commentary summarized the former, asserting that “to manage the army strictly, we must proceed according to law, integrate the party’s absolute leadership over the army with handling matters according to law, and put army-building on the legal track.”³² Articles in *Liberation Army Daily* quoted delegates insisting that the three represents be formally enshrined in the constitution, though no one mentioned that the specific wording should include the name of Jiang Zemin.³³ Delegates also expressed unanimous support for all 13 changes in the draft amendment, including the language calling for coordinated development of material, political, and spiritual civilizations, the safeguarding of private property, respect for human rights, and revisions to the national anthem. On April 7, *Liberation Army Daily* carried a commentary article titled “Study, Implement, and Abide by Constitution.”³⁴ The article asserted the almost universal theme that the military was responsible for safeguarding the constitution, but went on to stress that the constitution was the basis for “administering the military in accordance with the law.” Later in the commentary, officers and soldiers were exhorted to “deeply understand the scientific meaning in the protection of citizens’ rights to possess and inherit legal private property” and the “government’s efforts to protect the legal rights and interests of the people and the masses.”³⁵ Lest one mistakenly conclude that the military was transferring its loyalty from the party to the people, the article then qualified the argument by asserting that officers and soldiers needed “to correctly handle the relationship between protecting private property and protecting the interests of the public,” with the latter defined as the state.³⁶

In the delegates' comments, the dog that did not bark was Taiwan. Delegates reportedly did not mention Taiwan issues and would not answer reporters' questions on the subject, as they had in years past. In a PRC-owned newspaper often used to discuss sensitive issues, a "source close to the military" was reported asserting that "the Liberation Army no longer will get entangled in a 'war of words' over Taiwan issues as in the past, but will adopt the measure of 'working more and talking less' or even 'all work and no talk' for future work in preparing for war against Taiwan."³⁷

Finally, the delegates put forward 39 legislative proposals, including 20 suggestions for enacting new laws, 8 revisions to existing laws, and 11 other issues.³⁸ Four legislative proposals were related to national defense and army-building, including a "Law on State Information Security" (put forward by 41 deputies), a "PRC Border Law" (33 deputies), a "Law on Control of the Press during Wartime" (36 deputies), and a "Law on Mobilization of Civilian-Use Ports during Wartime" (33 deputies).³⁹ In addition, four legislative proposals related to the interests of servicepeople were put forward, including a "Servicemen Insurance Law" (33 deputies), a "Law on Placement of Wounded, Sick, and Disabled Servicemen" (36 deputies), a law to guarantee wages and remuneration for servicepeople (32 deputies), and a motion calling for reform of the legal system for servicepeople's social insurance (39 deputies).⁴⁰

The Defense Budget

In a striking change from prior protocol, Minister of Finance Jin Renqing did not announce the corrected figure for the 2003 defense budget or the projected number for the 2004 budget at the 2004 NPC, but merely announced the amount of the increase in absolute (21.83 billion yuan or \$2.6 billion) and relative (11.6 percent) terms.⁴¹ Official sources related that the revised 2003 figure was "not available."⁴² The announcement marked a return to the decade-long string of double-digit percentage increases after a 9.6 percent aberration in 2003, which I attributed in *CLM 7* to a desire to avoid the annual foreign press articles about the budget increase as evidence of the Chinese military threat.⁴³ Jin asserted that the increases were necessary to "enhance the army's defensive combat capability in hi-tech conditions and arrange the outstanding expenditure [*qiaowei zhichu*] in readjusting the pay of military personnel and pensions for ex-servicemen."⁴⁴ When asked by the press whether the increase was targeted at Taiwan, Jin replied, "Of course not . . . but surely we have to get prepared," though he quickly added that he hoped the Taiwan issue could be resolved under the rubric of "one country, two systems."⁴⁵ One can reverse-engineer the revised 2003 budget figure from the provided variables (approximately 188.19 billion yuan) and thus calculate a projected 2004 budget figure of approximately 210.02 billion yuan. In an impressive display of chutzpah, *People's Daily* on March 15 ran an article criticizing "guessing" about Chinese defense spending in the foreign media, even though the guessing was compelled by the government's refusal to issue the revised and projected budget figures!

Conclusion

Despite the continuing questions about the civil-military divide between Hu Jintao and Jiang Zemin, the dominant impression of the PLA from the 2004 National People's Congress was that of a professional military. The PLA seems content to go about the quiet but serious business of modernizing itself for real war, while at the same time adapting to the larger social and political changes in the country at large.

Notes

¹ The views in this article are the author's own, and do not represent the views of the RAND Corporation or any of its wise and generous sponsors.

² Sun Yanxin, "General Political Department Issues Circular Calling on People's Liberation Army, Armed Police Forces to Conscientiously Relay, Study Spirit of Second Session of 10th National People's Congress," Xinhua News Agency, March 15, 2004.

³ All quotations in this paragraph are taken from "Report on the Work of the Government," Xinhua News Agency, March 16, 2004.

⁴ Huang Guozhu, Cao Zhi, and Xu Zhuangzhi, "Jiang Zemin, Hu Jintao, Other Central Military Commission Leaders Attend PLA Delegation's Plenary Meeting: Jiang Zemin Speaks, Stresses Need to Actively Promote Revolution in Military Affairs with Chinese Characteristics, Strive to Accelerate the Army's Modernization Process," Xinhua News Agency, March 11, 2004.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ The remainder of this paragraph is taken from Huang Guozhu, Cao Zhi, and Xu Zhuangzhi, "Speed Up the Revolution in Military Affairs with Chinese Characteristics—PLA Deputies Discuss National Defense and Armed Forces Modernization," Xinhua News Agency, March 12, 2004.

⁹ Huang Guozhu, Cao Zhi, and Xu Zhuangzhi, "Jiang Zemin, Hu Jintao, Other Central Military Commission Leaders."

¹⁰ David Shambaugh, *Modernizing China's Military* (Berkeley: University of California Press, 2003), esp. chap. 2.

¹¹ Dong Xiang, "The PLA Delegation to the NPC Has Been Set Up," *Liberation Army Daily*, March 4, 2004.

¹² Huang Guozhu, Cao Zhi, and Xu Zhuangzhi, "PLA Delegation Holds Group Discussions on Government Work Report; Guo Boxiong, Cao Gangchuan, Xu Caihou Participate in Discussion," Xinhua Domestic Service, March 5, 2004.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Cao Zhi and Xu Zhuangzhi, "Liberation Army Deputies Say during Discussions of Government Work Report: Strive to Modernize Our Military by Leaps and Bounds; Liang Guanglie, Liao Xilong, and Li Jinai Participate in Discussions," Xinhua News Agency, March 6, 2004.

²³ Ibid.

²⁴ Ibid.

²⁵ Wang Shibin, "Li Jinai Stresses Modernizing the PLA Armaments," *Jiefangjun bao*, March 8, 2004.

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- ²⁶ Dong Qiang, “Liang Guanglie Stresses Army Modernization Drive Should Start from High Starting Point,” *Jiefangjun bao*, March 8, 2004.
- ²⁷ Zhou Ben, “Xu Caihou Emphasizes the Army Should Attach Great Importance to Ideological and Political Development,” *Jiefangjun bao*, March 8, 2004.
- ²⁸ Ou Can, “Liao Xilong Emphasizes Enhancing Logistics Modernization Level and Support Capability,” *Jiefangjun bao*, March 8, 2004.
- ²⁹ Wang Shibin, “Addressing PLA Panel Discussion Held at NPC Session on 6 March, Deputy Li Jinai Urges Accelerating PLA’s Weapons, Equipment Modernization,” *Jiefangjun bao*, March 8, 2004, 1.
- ³⁰ Tang Shuifu, “PLA Delegation Holds First Plenary Session,” *Jiefangjun bao*, March 8, 2004, 1.
- ³¹ “PLA Deputies to NPC and CPPCC Meetings Discuss Military Reform, Stress Information War and New Thinking,” *Guofang bao*, March 8, 2004, 2.
- ³² “Hold Aloft the Banner and Vigorously Forge Ahead in Pioneering Manner—Warmly Congratulate Closing of Second Session of 10th National People’s Congress and Second Session of National Committee of Chinese People’s Political Consultative Conference,” *Jiefangjun bao*, March 15, 2004, 1.
- ³³ Zhou Ben, “It Is the PLA’s Common Wish to Include ‘Three Represents’ in Constitution,” *Jiefangjun bao*, March 9, 2004, and Liu Chunqing, Ding Guangyang, Wang Wei, and Dong Qiang, “Advance with the Times, Amend Constitution for the People—Notes Jotted Down at Panel Discussions Held by NPC, CPPCC National Committee Members Affiliated with the People’s Liberation Army,” *Jiefangjun bao*, March 10, 2004, 5.
- ³⁴ “Study, Implement, and Abide by Constitution,” *Jiefangjun bao*, April 7, 2004, 1.
- ³⁵ Ibid.
- ³⁶ Ibid.
- ³⁷ Han Hsiao, “‘All Work, No Talk’ in Liberation Army’s Preparation for Taiwan Strait War,” *Wen wei po*, March 6, 2004.
- ³⁸ Zhou Ben, “NPC Deputies of the Military Actively Submit Motions—A Total of 1,291 Men Jointly Submit 39 Motions,” *Jiefangjun bao*, March 14, 2004, 1.
- ³⁹ Ibid.
- ⁴⁰ Ibid.
- ⁴¹ “PRC to Increase Defense Spending by 11.6 Percent in 2004,” Xinhua News Agency, March 6, 2004.
- ⁴² “Congress Delegates Welcome China’s Planned Defense Spending Increase,” Xinhua News Agency, March 6, 2004.
- ⁴³ See <http://www.chinaleadershipmonitor.org/20033/jm.html>.
- ⁴⁴ Zhou Xiaozheng, “China Plans to Increase National Defense Spending by 11.6 Percent This Year,” Xinhua Asia-Pacific Service, March 6, 2004.
- ⁴⁵ Josephine Ma, “PLA Being Readied for Island Tension,” *South China Morning Post*, March 7, 2004, 7.