

THE CHALLENGES OF CHINA'S “ACTIVE DEFENCE” STRATEGY

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ABSTRACT

Xi Jinping's “Chinese Dream” has a military component: the “Active Defence” strategy. This strategy is implemented through an extremely defensive posture towards China's eastern neighbours, in a context of exacerbated rivalry with the United States.

Deterrence is the cornerstone of this policy. The Party-state actively supports the national defence industry. The modernisation of the People's Liberation Army (PLA) naval force was launched ten years ago alongside a “decoupling” strategy, designed to separate American interests from those of their allies in the Pacific Ocean.

Xi Jinping's “Active Defence” strategy has considerably heightened tensions in Asia in the past four years. Beijing's newly demonstrated ambivalence in the nuclear field raises questions over its no-first-use principle for nuclear weapons, inviolable up until now. The victory of the Democratic Progressive Party at the presidential election in Taiwan in 2016 has also reawakened the spectre of Taiwan's separation, which remains China's primary threat to national integrity.

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INTRODUCTION

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In China's latest White Paper on Defence, published in 2015, a pillar of Deng Xiaoping's military strategy, the notion of "Active Defence", has reappeared. This step backwards may seem surprising, after Jiang Zemin and Hu Jintao encouraged new guidelines to be drafted for military preparation, namely on the imperative of "winning local wars in high-technology conditions" and "new historic missions for the People's Liberation Army" (i.e. participating in operations other than war), respectively. Today, the major trend in China is the sustained mobilisation of resources to ensure the country is equipped for effective deterrence.

Xi Jinping is using recent changes to China's strategic environment and the constant increase of the resources available to the People's Liberation Army (PLA) to further his "Chinese Dream" ideology. Rather than a dream for an egalitarian Chinese society, this ideology aims to make China a stakeholder in world affairs. It is a two-sided discourse. On the one hand, the Silk Road project aims to increase exchanges by land and sea between China and its western façade, stretching all the way to Europe. On the other, China practices an extremely defensive posture towards its eastern neighbours, to a backdrop of exacerbated rivalry with the United States.

To emphasise his ambitions, Xi Jinping places this policy in the context of the country's history. When he took office, he explicitly rooted the ideology of the "Chinese Dream" in China's military defeat in the Opium Wars in 1842.¹ After this war, the five biggest Chinese ports were opened to extraterritoriality, to the benefit of Great Britain. For a century, these ports were under foreign administration, depriving the country of the benefits of international trade. Reminding China of this defeat, the President paints a picture of the country being in a critical situation: that of the victim that needs to get back on its feet. This discourse gives the PLA the necessary justification to implement "Active Defence". The expression "Active Defence"², which is not a new concept, means that China will not attack first but stands ready to respond. The analyses put forward hereafter highlight the issues arising from this strategy.

The preparation required by the concept of "Active Defence" is essential: it is not simply military preparation, but more generally the planned development of an industrial and technological defence base. For the past thirty years, according to Alanna Krolkowski (research fellow at Hertie School of Governance in Berlin), it has grown in scope and complexity. Since Deng Xiaoping, the Party-state has supported the development of the aviation, aerospace, nuclear and shipbuilding industries for both civilian and military purposes. When Beijing launched a serious technologies research and development programme, it made sure the defence industries were benefiting from its applications. Managing and maintaining this now-established base remains a government priority.

From a strictly military perspective, the major transformation underway in the past ten years is the accelerated modernisation of the Chinese navy, which will enable the PLA to deploy to the open seas. The new PLA navy is accompanied by a "decoupling" strategy that aims to dissociate American interests from those of their allies in the Pacific Ocean, according to Corentin Brustlein (head of the [Security Studies Centre](#) at IFRI). While China is refusing to participate in any multilateral negotiation on the South China Sea following the decision handed down by the Permanent Court of Arbitration in July 2016, understanding the decoupling it is carrying out in the Pacific Ocean is crucial to understanding the region's equilibrium.

Another significant strategy change is the ambivalence that Beijing has taken to cultivating in the nuclear field under Xi Jinping, which also stokes tensions in Asia. Nicola Leveringhaus (senior lecturer at King's College in London) describes the various dimensions of this ambivalence: not only does it affect the formulation of military strategy, but also the ongoing reconfiguration of the forces which began in January 2016.³ Leveringhaus sees the recent changes in China's nuclear policy as the expression of a hardening of Chinese perception of its neighbouring strategic environment, from the American nuclear umbrella to Russian nuclear modernisation, including provocation by North Korea.

Finally, it is useful to remember that despite an apparent extension of what China calls its core interests (i.e. the elements that make up national sovereignty), Beijing's priority in terms of most pressing threats is the possibility of Taiwanese separatism. The issue came to the fore once more with the election of Tsai Ing-wen as President of Taiwan in January 2016. Jean-Pierre Cabestan (Professor at Hong Kong Baptist University) explains that the political leaders on both sides of the Taiwan Strait must bolster their efforts to maintain an uncertain status quo.

ADVANCES IN CHINA'S DEFENSE INDUSTRIES: INSTITUTIONALIZATION, SPECIALIZATION, AND PROFESSIONALIZATION

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Introduction

Technological advances in China's defense industries have exceeded the expectations of many international observers. These advances are evident not only in a string of technology demonstrations, but even in the deployment of new systems and the military's successful operation of these tools against more sophisticated targets or adversaries. Today, the domestic state-owned defense industries make a significant contribution to the country's military modernization, a process that is bringing the People's Liberation Army (PLA) into the league of the world's most advanced forces. To be sure, the progress in China's defense-industrial output remains mixed. Some sectors and programs are far more successful than others. In spite of this variation, a general trend of sustained – and even accelerating – progress is apparent.

The most fundamental factor propelling China's defense-industrial advance has been the significantly growing budget for military modernization and, specifically, the portion spent on upgrading equipment through purchases from domestic manufacturers. Steady and robust demand for the defense industries' goods has been critical to their success. This actual and expected demand, realized today but also setting targets for decades to come, makes possible investments in research and development, in new facilities, and in advanced production methods – all improvements that foster innovation.

Spending has been complemented by several less striking, yet just as important, long-term transformations in China's defense-industrial establishment. Three of these transformations are the focus of this brief: the institutionalization of the defense science and technology (S&T) establishment; the specialization of its distinct functional and sectoral elements; and the professionalization of its workforce. Together, over the past 30 to 40 years, these gradual changes have been indispensable ingredients in the advance of China's defense industries. These transformations have allowed the defense S&T establishment to make better and better use of the resources available to it and to more effectively seize the opportunities presented by the PLA's comprehensive technological upgrading.

China's Ten State-Owned Defense-Industrial Groups by Main Sector of activity

Aircraft manufacture	Aviation Industry Corporation of China (AVIC; 中国航空工业集团公司)
Aerospace and missile manufacture	China Aerospace Science and Technology Corporation (CASC; 中国航天科技集团公司)
	China Aerospace Science and Industry Corporation (CASIC; 中国航天科工集团公司)
Nuclear technology manufacture	China National Nuclear Corporation (CNNC; 中国核工业集团公司)
	China Nuclear Engineering and Construction Corporation (CNECC; 中国核工业建设集团公司)
Shipbuilding	China State Shipbuilding Corporation (CSSC; 中国船舶工业集团公司)
	China Shipbuilding Industry Corp. (CSIC; 中国船舶重工集团公司)
Electronics manufacture	China Electronics Technology Enterprise (CETC; 中国电子科技集团公司)
Ordnance manufacture	China North Industries Group Corporation (CNGC or NORINCO; 中国兵器工业集团公司/兵器工业集团公司)
	China South Industries Group Corporation (CSG; 中国兵器装备集团公司/兵器装备集团公司)

Institutionalization

'Institutionalization' refers to the process of developing relatively stable, rule-bound, and formal organizations and processes for the design and implementation of policies and programs. Since the 1980s, China's defense S&T establishment has evolved from a space of ad hoc and highly politicized decision making and activity to one now characterized by stable mechanisms for developing and implementing major long-term strategies and, within them, medium- and short-term policies and programs. This transformation has included at least four elements.

Programmatic stability. Program adoption, funding, implementation, and day-to-day operation are more predictable and coherent than in the past, an outcome that reflects the growing sophistication of policymaking and program management.

Upward channeling of expert advice. Formal conduits now allow the advice of technical experts to reach non-technical decision makers more reliably. Designed to feed into policymaking, these channels have improved decision making across the S&T system.

Harmonized supervision of defense and non-defense firms. Since 2008, state economic planning and reform entities supervise defense firms more similarly to other strategic state-owned enterprises and aim to coordinate the development of the defense industries with the rest of the economy.

Improved interface between manufacturers and end-users. The defense establishment has worked toward improving communication and feedback between equipment manufacturers in industry and the end-users of this equipment in the military services, a step expected to improve technology development.

Specialization

New research and development initiatives have proliferated throughout the defense-industrial system since the late 1990s. In the form of diverse programs, funds, regional development pushes, and the building of institutions and facilities, these initiatives have mushroomed across every major segment of S&T that bears upon defense. The state now funds research and development projects in almost every significant area of S&T. This development marks a sharp contrast from as recently as the early 1990s, when program advocates struggled to persuade leaders that their projects were worth scarce public resources.

Since those leaner years, three main changes have grown apparent.

Programmatic specialization. Structures for the adoption and implementation of policies and programs have grown to include more specialized units covering a broad range of areas of defense S&T.

Corporate (re)specialization. After expanding across a vast range of commercial products in the earlier reform periods, defense-industrial groups have most recently refocused their organization and units back on their core competencies in select technologies.

Regional specialization. Central, regional, and local governments are fostering the development of hubs or cluster economies dedicated to particular technology sectors or products.

Professionalization

A precondition to the modernization of the defense industries has been the professionalization of the defense S&T workforce. Under Mao, elite scientists and engineers, often wielding significant individual influence, led programs and sometimes created them from scratch. For several decades, however, their efforts were subject to abruptly shifting political winds. Programs enjoyed funding and support or faced fiscal neglect and even termination as they fell in and out of favor with non-technical decision makers. Since the 1980s, however, structures at the higher echelons of this workforce have undergone three gradual changes that have improved leadership and program management, allowing the system to give full play to the technical talents of the generation of young scientists and engineers who have entered this domain since the 2000s.

De-politicization. The most egregious forms of interference by leaders in specific S&T program activities out of political motives, as opposed to technical or otherwise programmatic reasons, have been eliminated.

De-personalization. Whereas personal connections to leaders were a precondition for the adoption and survival of programs in the past, today they are an asset, but no longer a necessity. Nonetheless, the current administration lavishes great personal attention on defense S&T work units through visits and speeches.

Routinization. As it applies to personnel-related processes, this trend is observable in the more orderly succession of leaders in given roles, but also extends to other activities. This evolution reduces many of the frictions associated with a less predictable system.

Conclusion

The three broad processes of institutionalization, specialization, and professionalization appear likely to persist into the future, barring any unforeseen changes to the resource allocations underpinning the defense industries' success. The proliferation and development of institutions dedicated to S&T modernization with potential implications for China's defense has been considerable. Moving ahead, these different sectoral and industrial strategies beg the question of how these efforts will interact with each other. Will linkages between the different sectors emerge to support their development or will these fragmented efforts interfere with each other? As the coordinating and oversight institutions become more sophisticated, the system as a whole may grow more rigid. Can such a system manage complexity and adjust to external shocks, such as an economic downturn? The strengths of this system, as well as counter-vailing forces within it, will become apparent in the coming years.

THE CHINESE NAVY IN 2030 AND THE PURSUIT OF STRATEGIC DECOUPLING

Corentin Brustlein

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The Chinese People's Liberation Army (PLA) Navy is today committed to remarkably sustained capability development. Current efforts to develop shipbuilding, R&D, and to gain operational experience on distant theatres may be used to further more or less ambitious strategies. These strategies might be aimed at regional interdiction, defending sea lines of communication, ensuring a global naval presence to expand diplomatic influence and even local or long-range force projection.⁴

Regardless of the combination of objectives pursued by Beijing and those specifically assigned to the Chinese navy, an important dimension of China's strategic assertion involves pushing back American influence in Asia. Through its ability to render American presence in the region more risky to maintain in peacetime and more difficult to support and strengthen in wartime, Beijing has found a way to restore the balance of power in Asia by cutting off crucial support for its local rivals and potential adversaries.⁵ To do this, China must try and dissociate the United States' efforts and forces from those of their local allies – Japan, South Korea and Taiwan in particular. This decoupling might be sought at the political-strategic level by helping divergences emerge within the alliance in terms of commitment thresholds, types of responses, level of efforts, etc. At the operational level, decoupling could be achieved by hindering the ability of allied forces to operate jointly and isolating theatres of operations and deployments from each other (Mediterranean, Middle East, Pacific East, and Pacific West) in order to reduce the ability to dramatically shift efforts from one theatre to another during a crisis.

Strategic decoupling and operational dissociation are therefore not ends in themselves, but a method enabling the Chinese forces to exploit their comparative advantage despite American conventional superiority in order to achieve a desired strategic outcome. These comparative advantages are above all the result of the relative proximity of their bases and investments made in potentially levelling niche capabilities (mostly long-range missiles, cyber and electronic warfare). The ability to dissociate actors and isolate theatres is crucial for Beijing, in order to maintain a favourable balance of forces long enough to convert initial operational gains into lasting strategic effects.

Several current developments in China's doctrine and capabilities appear to be fully directed towards strategic decoupling: (1) An anti-access/area denial posture aimed at reducing a major interventionist power's freedom of action in and to the theatre of operations; (2) strengthening the ability to achieve surprise, which temporarily tips the balance of forces and seeks to convert initial gain into a sustainable advantage; (3) finally, China is pursuing the capacity to control escalation opposite the United States.

A Chinese decoupling strategy that aims to reduce the credibility of US extended deterrence is based on general principles that guide the Chinese posture as a whole (increase the volume and resilience of Chinese nuclear forces, strengthen the Chinese reconnaissance-strike complex against ground and naval targets, challenge US superiority in the electromagnetic domain, etc.), and which take various forms for the PLA Navy.

Nuclear weapons have a major role in a decoupling strategy – they were among the first concerns for Europeans when they feared decoupling during the Cold War in the face of a growing and more survivable Soviet nuclear arsenal. However, the specific contribution of the Chinese navy to this focused effort is limited by numerous constraints that appear hard to lift between now and 2030. The first steps in order to establish a high degree of credibility for the Chinese ballistic missile submarine fleet opposite the United States would be the successful conduct of deterrent patrols by Chinese SSBNs, and then their permanent presence at sea. Above all, this would require China to find a way for these SSBNs to strike US territory - either by increasing the range of the JL-2 SLBM or its successor and by operating from a bastion in the South China Sea, or by conducting permanent deterrent patrols over 4,500 kilometres to the east of the Hainan homeport. While one cannot exclude the possibility of such steps being reached by 2030, it is clear, however, that this is not the most likely path and that the Chinese leadership will simultaneously pursue less risky options, such as MIRVing its DF-5B and DF-41 ICBMs.

In the conventional realm, on the contrary, the Chinese navy would play a central role in a decoupling strategy. In particular, this involves strengthening regional and local interdiction capabilities, now referred to in the United States as A2/AD (anti-access/area denial), although the PLAN line of efforts would not be limited to this action.

During the 1990s and 2000s, China modernised its surface fleet's air defence.⁶ Challenging American air superiority is a clear priority for China⁷, and naval air defence strengthens the ability of a fleet to operate autonomously in a conflict environment, when far removed from the protection provided by ground-based air defence (namely the S-300 and its Chinese version, the HQ-9). Long-range surface-to-air capabilities, centred on the HHQ-9ER SAM, are set to become standard in the Chinese fleet in the next two decades. The addition of increasingly powerful radar and the ability of combat systems to take cues from remote sensors (UAVs, long-range maritime patrol aircraft, possibly operating from future aircraft carriers) should in the long term enable the Chinese fleet to ensure its own multilayered naval air protection, covering large areas, and constraining US freedom of action in critical areas of the region. Other PLAN efforts to protect its surface fleet include designing ships with reduced radar signature (in particular the *Luyang III* destroyer) and equipped with defensive electronic warfare suites⁸.

The Chinese navy is also working to integrate, for offensive purposes, air, space and naval platforms within a resilient C4ISR network, effective at long range. This network should fulfil the missions of a strategic, operational and tactical reconnaissance complex, such as early warning, over-the-horizon (OTH) detection, targeting, navigation and guidance, battle damage assessment, decentralised sensor-to-shooter loops, etc. The Chinese long-range surveillance network relies on a variety of capabilities⁹: OTH radar, a constellation of satellites for oceanographic surveillance, electro-optic (EO) imagery and synthetic aperture radar (SAR), electronic intelligence and early warning; active and passive ISR sensors on manned (Y-8¹⁰ maritime patrol and ISR aircraft) and unmanned air platforms. While there are many diverse and sustained efforts, there is still a long way to go before these components are fully integrated and can guarantee complete performance in a war situation in the face of adverse countermeasures and initiatives.

This long-range C4ISR system is meant to feed a wide range of sea-based anti-ship and ground strike capabilities that also follow a triple process of diversification, sophistication and quantitative expansion: the number of platforms (surface ships, submarines, naval air force manned and unmanned platforms) capable of launching anti-ship missiles is constantly growing, and the strike systems are faster, follow more complex trajectories and carry increasingly sophisticated electronic countermeasures (for example, the YJ-18).¹¹ The same holds true in the field of ground strikes from the sea: although the Navy has a limited role in comparison to the PLA's Rocket Force (formerly known as Second Artillery Corps), short-range capabilities are already fielded, and the Navy's aim is to expand its options of discriminate conventional strikes, possibly by developing a navy version of the DH-10 cruise missile.

To conclude, a decoupling strategy holds the potential to weaken the credibility of the US extended deterrence posture in Asia Pacific. The more China boosts varied capability developments and is able to integrate them within a coherent whole (in terms of C2, employment concept, and operational fluidity), which is far from certain, the greater its chance of becoming a formidable obstacle to US forces operating in the region. As the Chinese Navy grows stronger, the balance of power will be likely to change and affect Chinese, Japanese and South Korean assessments and perceptions of the political and operational strength of the tie that binds the US to their regional allies. In doing so, the strategic stability of the region could be powerfully and durably affected, raising the risk of provocation, accidents and escalation.

DEVELOPMENTS IN CHINA'S NUCLEAR POLICY

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China has recently announced a number of changes to its nuclear weapons posture, including a re-branding of its nuclear forces and the testing of new strategic technologies. So, why these changes now, and what do they mean for regional and global security?

One can roughly identify three types of changes currently underway in Chinese nuclear policy:

1. Posture. Changes in posture have been underway for a number of years, but have become more visible under current Chinese President Xi Jinping. For instance, there is increased ambiguity over No-First-Use (NFU), a unilateral pledge that has been in place since China became a nuclear armed country in 1964. NFU did not appear in China's Defence White Paper in 2013. Although in subsequent papers China has re-affirmed NFU, the omission in 2013 can be regarded as a deliberate move to bolster ambiguity. In addition, Chinese military writings from the Academy of Military Sciences since 2013 have revived the idea of launch-on-warning (LOW).

2. Technology. China has been modernizing its small nuclear forces for over a decade. The focus of this modernization has been making land missiles more mobile, and developing, for the first time, effective nuclear armed submarines. Given China's low technological base relative to other major nuclear armed states, this modernization makes sense. Nonetheless, two recent developments have caused a stir. The first is the development and possible deployment of multiple warheads (MIRVs). In the 2015 US annual report on Chinese power, the Pentagon revived an old claim that China is intent upon placing MIRVs on DF-5A land missiles and the new DF-41 missile. The second technology of concern is the testing, in 2015 and 2016, of advanced conventional technology, namely hypersonic glide technology.

3. Command. In December 2015, China re-named its nuclear force the Second Artillery Corps to the PLA Rocket Force (PLARF). The PLARF has also been upgraded – it is now a force, with equal status to the PLA (army), PLAN (navy) and PLAAF (air force). A third force, the PLA Strategic Support Force, has also been established, though less is known about this force – some Chinese commenters have suggested it will support cyber/space missions, as well as the PLARF.

Do these changes matter?

Of the above, changes in command structure represent a long over-due professionalization of the nuclear service. The new PLA Strategic Support Force, rather than the PLARF, might be the one to watch: it represents, arguably, a broader effort in China towards integrated deterrence, combining nuclear weapons with advanced conventional capabilities as well as offensively orientated space and cyber technologies.

The introduction of multiple warheads and new conventional technology question the long-standing defensive nature of China's nuclear forces. That said, there has long been speculation around China developing MIRVs, and the DF-41 missile. Moreover, China is not unique in pursuing this technology: Russia and the United States have MIRVs. For their part, hypersonic vehicles could carry a nuclear or conventional warhead (and China hasn't made clear what it will do), making the missile faster, and harder to detect. Both the US and Russia are actively developing hypersonic technology.

Changes to the alert status of China's nuclear forces should concern us the most. It's not the first time Chinese strategists are talking about LOW – discussions took place in the 1980s and 1990s. However, given that China does not have experience of maintaining a nuclear deterrent on high-alert (all its missiles are de-alerted), this would require a change in operational procedure. More generally, this status heightens the risk of accidents and escalation in a crisis.

What is behind these changes?

The drivers for Chinese nuclear calculations have not drastically changed under Xi Jinping. China's nuclear policy remains largely reactive to the United States and what the Americans do in Asia vis-à-vis missile defence. From China's perspective, the US is seeking nuclear superiority as well as the ability to neutralise China's deterrent without using nuclear weaponry.

A series of indirect threats also shape China's nuclear thinking. The first one is North Korea, because Beijing no longer has significant leverage over Pyongyang. Having a provocative nuclear-armed state next door reinforces the need for China to have a survivable and safe nuclear deterrent. Japan is another reason for China's nuclear choices. If North Korea eventually tests a deliverable nuclear weapon, China might be less reassured that the US nuclear umbrella (especially a Trump led US umbrella) is enough to satisfy Abe's Japan. Even Russia is a concern for China, given President Putin's major nuclear modernization plans. Lastly, China is seeing new deterrent roles for its nuclear weapons in regional level conventional crises, such as the South China Sea, where China is nuclearizing this crisis by deploying nuclear armed submarines in the sea, and Terminal High Altitude Area Defense missile sites on its man-made islands.

Internal drivers matter too. An important question to ask is whether changes in China's nuclear policy would have occurred under former Chinese President Hu Jintao. The answer is mixed. The introduction of certain technologies would have occurred as these take time to develop. However, the re-branding of China's nuclear forces and the deliberate ambiguity over NFU in the last two years can be understood as political acts by Xi Jinping not only to re-calibrate China's strategic position regionally and globally but also as a message internally to the PLA and public opinion that Xi will be a strong military leader, unlike his predecessor (in 2007, Hu was reportedly unaware of an anti-satellite missile test conducted by the PLA).

Looking ahead, China will likely continue to make slight changes to its capabilities and posture, so as to preserve its small retaliatory capability. But China does not want to start an arms race with the United States. Instead, Xi Jinping will maintain ambiguity over the circumstances under which China would contemplate the use of nuclear force – namely whether NFU and de-alerting are still in place.

REAWAKENING TENSIONS IN THE TAIWAN STRAIT

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Tsai Ing-wen, Taiwan's new independence-leaning president, assumed office on 20 May 2016. Her presidency caused an immediate deterioration of relations between the island, de facto independent and now democratic, and the People's Republic of China (PRC), which claims ownership of it. Does this mean that military tensions will rise in the Taiwan Strait? While relations between Beijing and Washington grow more difficult, the answer is far from being clear. However, it is fair to say that relations between the two sides of the strait are destined to deteriorate.

The worsening of relations is evident: on 25 June, Beijing announced that its unofficial channels of communication with Taipei – which had developed since 1992 via the intermediary of two non-state organisations¹² – were suspended as long as Ms Tsai and her government did not recognise the principle of “one China”. For the Progressive Democratic Party (DPP), which today controls both the presidency and the Taiwanese parliament, Taiwan is independent from the PRC, its official name is the Republic of China (ROC) and its future can only be decided by its own citizens.

Ms Tsai has nonetheless made concessions to Beijing: she declared that she would respect the ROC constitution and all agreements signed with China, in particular those signed under the presidency of her predecessor Ma Ying-jeou (2008-2016). She also recognised that in 1992, Taipei and Beijing conducted negotiations to establish a channel of communication based on “mutual understanding”. However, for domestic policy reasons, she did not go further and refrained from endorsing the so-called “1992 consensus”, an expression coined by the KMT in 2000 and instantly claimed by Beijing, in an attempt to impose the “one China” principle on the newly elected and DPP-supported President Chen Shui-

bian (2000-2008).

Of course, working relationships between the two unofficial organisations continue at a lower level, since the one to two million Taiwanese living in China and the four million Chinese tourists that visit Taiwan each year need various services (certificates, document authentication). In the international organisations where Taiwan has an observer status, such as the World Health Assembly which is attached to the World Health Organisation, the delegates of both Chinas continue to cohabit and even meet, although this is under the aegis of “one China”.

However, the policy of “rapprochement” initiated by Ma has been criticised by Ms Tsai and the majority of the Taiwanese people, particularly since the 2014 Sunflower Movement which openly contested it. The Taiwanese president wants to reduce the island’s economic dependence on China and relaunch a trade policy that boosts relations with Southeast Asia and South Asia. Beijing, meanwhile, has increased pressure on the new Taipei authorities: since January 2016, the number of Chinese tourists arriving in Taiwan dropped by 20% and students by 30%. In March 2016, two months after Ms Tsai’s election, China put an end to the “diplomatic truce” verbally agreed with Ma in 2008 and established diplomatic relations with Gambia. Other allies of Taipei could follow, such as Panama or Paraguay, two countries with which Beijing would have no difficulty in restoring good relations if it expressed the desire to do so. For example, in December 2016, Sao Tome and Principe switched relations and normalized with the PRC.

Meanwhile, Ms Tsai’s hope to strengthen the Taiwanese defence industry and launch construction of diesel submarines promised by American president George W. Bush in 2001 is likely to arouse Xi Jinping’s suspicions over her intentions. To this aim, she appointed General Feng Shih-kuan, former owner of the now-privatised aeronautic industry company, as Minister of Defence. Just like Beijing, the Taipei government strongly expressed its disapproval of the arbitration decision handed down by the International Tribunal in The Hague at the request of the Philippines. This decision reduces the island of Taiping (Itu Aba), which it controls in the Spratlys, to a mere “rock” and deprives it of any exclusive economic zone. However, Ms Tsai cannot go too far in cooperating with the PRC since she intends to advocate Taiwanese cooperation with Japan and the ASEAN. But it is the strengthening of strategic coordination between Taipei and Washington that concerns Beijing most. While Ma remained silent on President Obama’s Asia pivot, Ms Tsai and the DPP seem more willing to cooperate. Donald Trump’s telephone conversation with Ms. Tsai in early December 2016 following his election signals a closer partnership between Taipei and Washington.

Nonetheless, there are many constraints on the new Taiwanese government that will impinge on its room to manoeuvre in the coming years; these constraints are likely to reduce the sources of tension between the two sides of the Taiwan Strait.

The first constraint is economic: Taiwanese growth for 2016 will be less than 1%, whereas the key objectives announced by Ms Tsai during her electoral campaign were reviving the economy and raising the standard of living. It will therefore be difficult for her to modify this state of affairs while turning her back on China, even if Chinese growth has slowed down. The Taiwanese business environment needs a stable and peaceful relationship with the mainland and will not hesitate to put pressure on the government if the situation in the Strait significantly deteriorates.

The KMT has closer ties with the business world than the DPP and has already increased its pressure on the government to persuade it to relax its position, even if in the foreseeable future this party remains too weak and divided to offer a real and credible alternative to Ms Tsai’s administration.

Lastly, being opposed to China on several theatres already, specifically in the South and East China Seas as well as the Korean peninsula, the United States wants to keep the Taiwan situation under control, to avoid worsening its already difficult relations with the PRC. President Trump has introduced uncertainty about US’ “one China” policy, but it remains to be seen whether he can really change the current framework of Washington’s non-official but close relations with Taipei.

Could these many constraints also encourage Beijing to relax its position? The answer is most likely no, and it is even less likely following Trump’s election. Xi Jinping will undoubtedly be busy on other fronts, both external and domestic, in the coming years. As long as President Tsai avoids taking ill-timed initiatives, like her indirect predecessor, she is guaranteed American support. Consequently, relations between Taiwan and China are at high risk of remaining mediocre, but tensions are unlikely to be as high as during the presidency of Chen Shui-bian, unless of course Trump decides to go all the way and renormalise with Taipei.

Notes

- ¹ Xi Jinping, "Achieving rejuvenation is the dream of the Chinese people", in Xi Jinping, 2014, *The Governance of China*, Foreign Languages Press.
- ² Expression used in the [latest Chinese White Paper on Defence](#), 2015.
- ³ For more information on this reconfiguration, see Juliette Genevaz, "[Reforming the People's Liberation Army: a key element in the renewal of the Chinese state](#)", IRSEM Research Paper no.29, August 2016.
- ⁴ For an overview of possible ambitions, see Yves-Heng Lim, "[Les orientations de la modernisation navale chinoise](#)", *Politique étrangère*, 1/2011, p. 171-181.
- ⁵ See Brad Roberts, *The Case for U.S. Nuclear Weapons in the 21st Century*, Stanford University Press, 2016, p. 160-175.
- ⁶ *The People's Liberation Army Navy: A Modern Navy with Chinese Characteristics*, Office of Naval Intelligence, 2009, p. 18.
- ⁷ For an overview of recent (and anticipated) developments in surface-to-air threat, see Corentin Brustlein *et al.*, *La suprématie aérienne en péril. Menaces et contre-stratégies à l'horizon 2030*, La Documentation française, 2014, p. 73-88.
- ⁸ "China – Jane's World Navies", *Jane's IHS Group*, 22 July 2015; Annual Report to Congress – *Military and Security Developments Involving the People's Republic of China 2015*, Washington DC, Department of Defense, 2015, p. 38.
- ⁹ Ian Easton, *China's Evolving Reconnaissance-Strike Capabilities. Implications for the U.S.-Japan Alliance*, Project 2049 Institute, 2014, p. 9-15 ; Eric Heginbotham E. *et al.*, *The U.S.-China Military Scorecard. Forces, Geography, and the Evolving Balance of Power, 1996-2017*, RAND, 2015, p. 154-165.
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- ¹¹ Michael Pilger, "[China's New YJ-18 Anti-Ship Cruise Missile: Capabilities and Implications for U.S. Forces in the Western Pacific](#)", *U.S.-China Economic and Security Review Commission*, 28 October 2015.
- ¹² The Association for relations between the two banks, in China, and the Foundation for relations across the strait, in Taiwan.

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