

Securing China: An Assessment of Xi's Military Reforms

Understanding China's military reforms and analysing their efficacy in furthering national security objectives.

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Executive Summary

China's President Xi Jinping announced landmark military reforms in late 2015. The reforms aim to convert the People's Liberation Army (PLA) into a world-class force by 2050, that can achieve China's national security objectives.

This document identifies seven broad areas of the PLA reforms and assesses their implementation. These include:

- Organisational Changes in the CMC
- Changes in the Force Structure
- Financial Allocation & Weapons Acquisition
- Weapons Allocation across Commands
- Changes in Training Regimes
- Military Education
- Veterans Affairs Management

This document further analyses the efficacy of reforms in enhancing Chinese Party-state's capacity to achieve stated national security objectives.

The assessment concludes that the reforms have helped further China's national security interests. They have enhanced the political control over the PLA, the quality and deployment of weapons, goal-oriented financial allocation, capacity for joint action and combat readiness. However, when assessed in the context of specific objectives, the PLA still faces key shortcomings.

Section I: What are the reforms that the PLA is undergoing?



Initiation of Reforms

Despite the PLA reforms being high on the agenda for Xi, it took him over three years after assuming the power to formally initiate the reform process. The broad goal is to ensure that the PLA emerges as a world-class force by 2050.

- After assuming charge as the Chairman of the Central Military Commission (CMC) in 2012, Xi instituted a leading small group on military reforms in 2014. (Wuthnow & Saunders, 2017).

- In September 2015, Xi made the first major announcement hinting at broader reforms. He declared that the PLA would cut its number of personnel by 300,000 in the years ahead. (Allen, Blasko & Corbett, 2016). That was followed by an announcement of an impending shake-up at the November 2015 CMC working conference. The restructuring was formalised on January 1, 2016, with the release of a CMC document, ‘*Opinion on Deepening National Defence and Military Reform*,’ which outlined the rationale for reforms.

-It stated that the reforms intend to remove the “institutional obstacles, structural contradictions and policy problems” and aimed at modernising the PLA’s organisational structure to “further unleash its combat effectiveness.” (Defense Department Network, 2016).



Classification of Reform Measures

This assessment classifies the broad range of military reforms initiated by the Chinese leadership into seven categories.

1. Organisational Changes in the CMC

- 1.1 Bureaucratic Restructuring
- 1.2 CMC's Jurisdiction Extended to PAP
- 1.3 CMC's Central Committee Downsized

2. Changes in the Force Structure

- 2.1 Creation of 3 New Forces
- 2.2 Formation of Theatre Commands
- 2.3 Force Reduction
- 2.4 Force Restructuring

3. Financial Allocation & Weapons Acquisition

4. Weapons Allocation across Commands

5. Changes in the Training Regime

6. Military Education: Institutional & Curriculum Changes

7. Veterans Affairs Management



I. Organisational Changes in the CMC

A significant aspect of China's military reforms has been the restructuring of the CMC. This has entailed breaking down powerful departments into smaller units, reconstituting the central committee and expanding CMC control over forces that it didn't command unilaterally.

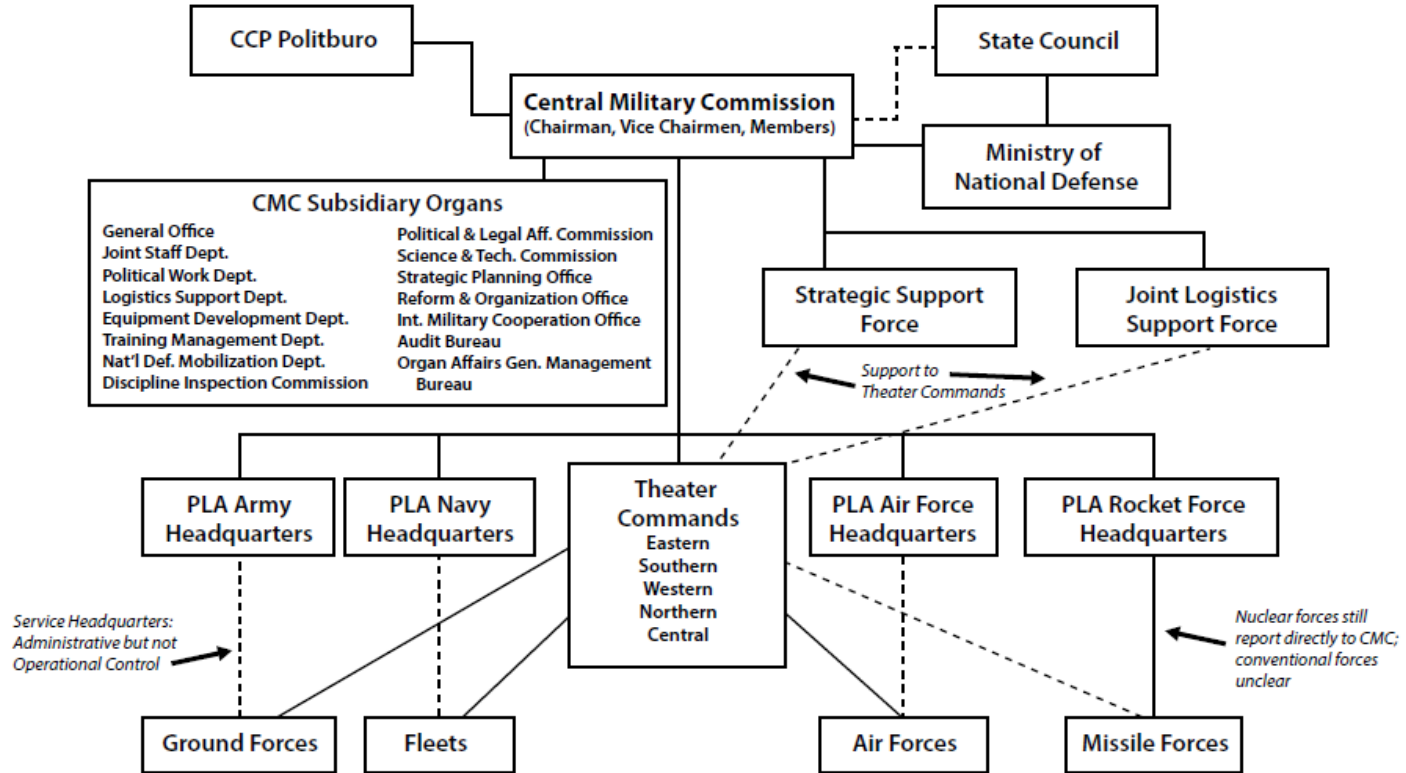
Bureaucratic Restructuring: The CMC's 4 general departments—the General Staff Department (GSD), General Political Department (GPD), General Logistics Department (GLD), and General Armament Department (GAD)—were disbanded in favour of 15 smaller functional departments, commissions and offices. This was done to enhance oversight and control, given increasing concerns over corruption and lack of coordination among these departments. (Wuthnow & Saunders, 2019).

CMC's Jurisdiction extended to PAP: The People's Armed Police (PAP) and coast guard were moved under the CMC's command in December 2017. Earlier, the PAP and coast guard were under the dual command of the State Council and CMC. The PAP's missions were re-defined to cover internal security, maritime security and supporting the PLA in times of war. (Boyd & Nouwens, 2019).

CMC's Central Committee Downsized: Xi began his second term as CMC chairman by downsizing the Central Committee from 11 to 7 members. The three service commanders and heads of GAD and GLD lost their seats, while the CMC's discipline inspection commission director was brought on board. (Wuthnow & Saunders, 2019).

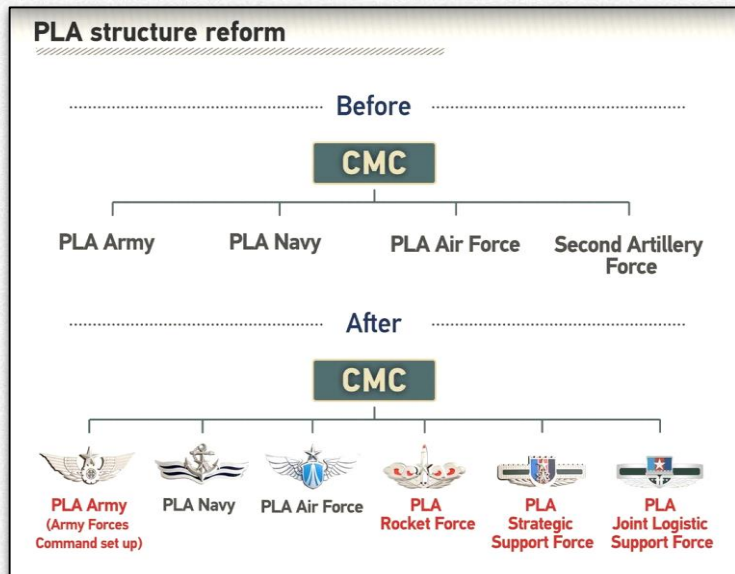


PLA's New Structure





II. Changes in the Force Structure



Creation of 3 New Forces:

- The Second Artillery Corps was renamed as the Rocket Force (PLARF) and upgraded to full-service status. This force is responsible for China's conventional and nuclear land-based missiles. (Chase, 2018).
- China created the Strategic Support Force (PLASSF) to establish synergies between space, cyber, and electronic warfare. (Costello & McReynolds, 2018).
- The Joint Logistics Support Force (JLSF) was created to provide strategic and operational logistics support to the new joint theatre commands. (Luce & Richter, 2019).

Source: China's Ministry of National Defence



II. Changes in the Force Structure

Creation of Theatre Commands

In February 2016, China scrapped the Military Regions (MR) system, establishing five new Theatre Commands.

MRs were largely administrative units, dominated by ground forces and with no wartime operational control. (Burke & Chan, 2019)

TCs were freed from administrative roles and given operational wartime responsibilities. The administrative work, after reforms, was allotted to the CMC, and the services were mandated to focus on force building. (Burke & Chan, 2019)

Each theatre was made responsible for certain geographies. The aim was to improve joint operations capability and make the PLA a more combat-ready force.

Hitherto ground forces had dominated MRs. Formation of TCs and establishment of separate army headquarters at national and theatre levels was done to reduce the PLA's land-centric focus and bring all services on the same pedestal for planning and strategy. (Burke & Chan, 2019)



Source: China's Ministry of National Defence



II. Changes in the Force Structure

Services	Number of Personnel	
	2015	2019
Ground Forces	16,00,000	9,75,000
Navy	2,35,000	2,50,000
Air Force	3,98,000	3,95,000
Rocket Force	1,00,000	1,20,000
SSF	N/A	1,45,000
Other	N/A	1,50,000
Total Active Personnel	23,33,000	20,35,000
Paramilitary	6,60,000	6,60,000
Reserve	5,10,000	5,10,000

Source: Military Balance, 2015-2019.

Force Reduction

On 3 September 2015, Xi announced the downsizing of 300,000 personnel from the PLA and CMC.

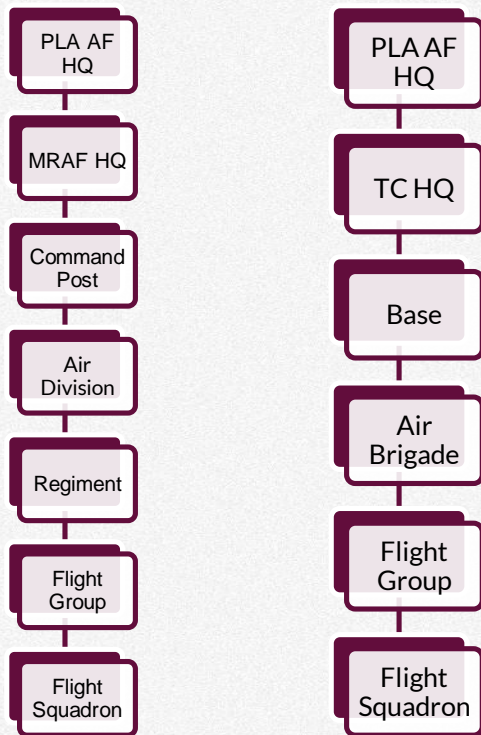
The focus was on reducing the number of personnel in the ground forces, which constituted almost 70 per cent of PLA personnel in 2015.

This was in line with the 2015 Defence White Paper, which demanded that the PLA abandon its traditional land-centric mentality. (State Council, 2019).

Thus, by the end of 2018, for the first time since 1949, the army's share in the PLA dropped below 50 per cent. In contrast, there was a slight increase in the navy and a minor drop for the air force personnel.



II. Changes in the Force Structure



Source: (Trevethan, 2018).

Force Restructuring

As part of the reforms, each service carried out internal restructuring to enhance mobility and combat agility.

On the left is an example of the changes in the PLA Air Force. The PLAAF moved from a division-regiment structure to a base-brigade structure for fighters and ground attack units. These were placed into the newly configured bases under the five TCs. Besides fighter divisions, the PLAAF also organised UAVs, flight test and training bases and transition divisions into a brigade structure (Trevethan, 2018).

Similarly, the PLA Ground Forces also continued to convert its group division-regiment structures to brigade-battalion structures. In Xi's tenure, it disbanded five of its 18 Group Armies to form 13 army groups, which were reassigned to five TCs. Finally, the PLA Navy is expanding the size of its Marine Corps. (Chen, 2019). This force is expected to triple in size by 2020 and distributed across all three fleets.



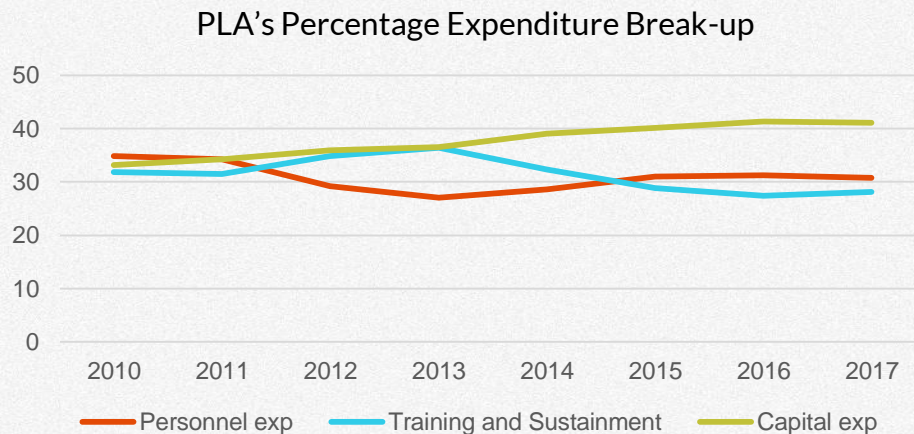
III. Financial Allocation & Weapons Acquisition

Years	Total Defence Expenditure (USD billion)
2012	106.05
2013	120.49
2014	134.57
2015	145.71
2016	146.85
2017	154.32

Source: Defence White Paper, 2019

China's defence expenditure increased from \$ 106.05 billion to \$154.32 billion from 2012 to 2017. (State Council, 2019)

From 2012, capital expenditure has emerged as the largest part of China's defence spending. From 2015 onwards, it constituted over 40 per cent of total defence spending. (State Council, 2019)



Source: Defence White Paper 2019



III. Financial Allocation & Weapons Acquisition

Analysing PLA's finances, types and number of new weapons acquired by the three conventional services over the past five years, it is observed that PLAN and PLAAF are the two biggest beneficiaries of the modernisation drive.

Select Example of PLAN's Far Seas Focus

PLAN has increasingly focussed on developing larger vessels like aircraft carriers and destroyers, along with modernising its submarine force and multi-mission surface fleet and developing amphibious capabilities. This suggests greater far seas focus and entails heavy capital expenditure.

For instance, official statements suggest that PLAN is looking to commission eight Type 055 cruisers. Each of these is to cost approximately \$852 million over a period of 3 years (the construction time of ship).* So out of the capital expenditure of \$52.55, \$58.18 and \$60.69 billion from 2014-16, \$300 million were utilised on a single Type 055 destroyer each year.**

Select Example of PLAAF's Next-Gen Jets

Similarly, PLAAF seeks to become a “strategic air force” by developing long-range and stealth capabilities and inducting 4th and 5th generation aircraft. The key program in this context is the development of the J-20.

While data on the number of these jets being developed is unclear, the most that have been displayed together at one time is 7 J-20s. Given that the estimated cost per unit for the J-20 is approximately \$110 million, excluding R&D expenses estimated at \$4.4 billion***, this entails at least \$770 million being spent from 2011 to 2017.****



IV. Weapons Allocation across Commands

Data suggests that there has been a subtle change in the allocation of weapons and force deployment under the new theatre command system. This appears to be based on careful calibration of threat perception and responsibilities allocated to each theatre command.

Select Examples of Allocation

Naval Bomber Deployments: Three of the five TCs have a maritime focus. However, only two of them - the Southern and Eastern TCs - have been equipped with naval bomber regiments. This suggests deployment based on security imperatives and threat perception. Another example is the development of Type 071 Landing Platform Docks for amphibious warfare for the Eastern TC, given its focus on Taiwan. *****

Tanks & Howitzers for PLAGF: In the first week of January 2020, PLAGF conducted exercises with the newly commissioned Type 15 light battle tanks and 155 MM mounted howitzers on the Tibetan Plateau. (Dasgupta, 2020). The Type 15 is one of the lightest tanks in the world and enhances combat capabilities in challenging topographies.



V. Changes in Training Regimes

Under Xi Jinping, the PLA's approach to training has undergone significant changes. The three big takeaways include greater focus on realistic combat training, expansion of drills with foreign militaries and use of new technologies and AI.

As far back as 2006, then CMC Chairman Hu Jintao had highlighted the weaknesses in the PLA's ability to win wars in informatised conditions and carry out broader "historic missions." (Blasko, 2019). Official statements reiterated this concern over the years, also questioning the ability of cadres to command modern war.

Starting from 2014, a number of steps have been taken to address these weaknesses. First, a dedicated blue force was established in 2014 with personnel from 195th Mechanised Infantry Brigade. (Logan, 2017). This force would compete more vigorously against the PLA equivalent red teams during training.

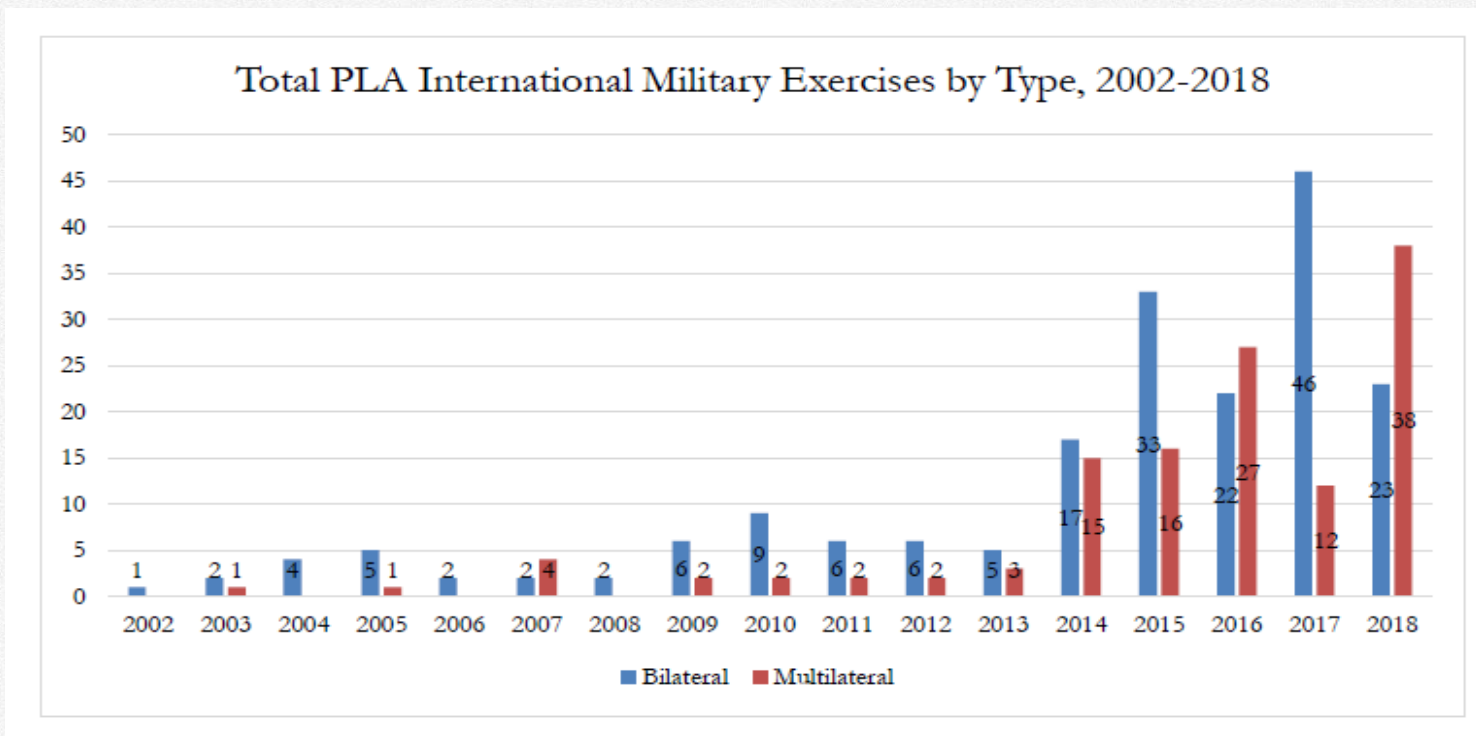
Then, in 2017, the CMC initiated the annual Stride exercises at Zhurihe and annual Firepower exercises at Qingtongxia with the scaled-up blue army. (Logan, 2017). This was done to enhance the competitiveness and intensity of training.

The same year saw the convening of the first national Artificial Intelligence and Wargaming Forum. Since then, AI-based wargaming has become a regular affair for the PLA. (Kania, 2019).

Officially, these steps were backed by the 2018 Outline of Military Training and Evaluation, which formalised the focus on realistic conditions for training.



The PLA also increased its participation in combined exercises with the foreign militaries, including multilateral exercises since 2014.



Source: (Saunders & Shyy, 2019)



VI. Military Education: Institutional & Curriculum Changes

There are three key drivers that have led to changes in China's military education system. (Lin, 2018). First, Xi has sought to tighten political control over the armed forces, leveraging education to enhance loyalty. Second, the departmental restructuring discussed above created the Training and Administration Department under the CMC. This is expected to crack down on corruption and enhance professionalism. Third, there has been a greater focus on building specialised academies to train individual service members. At the same time, other institutes are expanding cross-service training programs to improve interoperability and jointness.

VII. Veterans Affairs Management

Force reduction and increased focus on capital expenditure have led to greater concern among PLA veterans, resulting in repeated protests. Responding to this, Xi's administration has hiked pay scales, pensions and living subsidies. These hikes have been staggered and targeted at specific groups of veterans. In addition, a new Ministry of Veterans Affairs was established in April 2018 to administer the benefits for 57 million veterans. These changes are likely to have a significant impact on the composition of China's defence spending going forward.

Section II: Are PLA reforms moving China closer to achieving national security objectives?



National Security Objectives

This section evaluates the efficacy of the reforms outlined earlier in enhancing the Chinese State's capacity to achieve stated and revealed national security objectives. The objectives listed here have been identified based on Chinese defence white papers and speeches by key leaders.

- Deter Aggression & Safeguard Political Security
- Reunify Taiwan
- Safeguard Sovereignty & Territorial Integrity
- Develop A2/AD Capabilities & Dominate the Western Pacific
- Win Informatised local Wars
- Secure and Safeguard Overseas Interests
- Make the PLA Combat-ready
- Safeguard Security Interests in the Outer Space, Electromagnetic and Cyberspace



No.	Objective	Applicable Reforms	Our Analysis
1.	Deter Aggression & Safeguard Political Security	<ul style="list-style-type: none">• Organisational changes in the CMC• Changes in the force structure• Weapons allocation across commands• Military education• Changes in the training regime	CMC and PLA restructuring and changes in military education have helped establish greater Party control over the forces while enhancing professionalism. New weapons development also suggests a strategic systems focus, implying that the homeland is far more secure than earlier.
2.	'Reunification' with Taiwan	<ul style="list-style-type: none">• Organisational changes in the CMC• Changes in the force structure• Financial allocation & weapons acquisition• Weapons allocation across command• Changes in the training regime	The creation of ETC has enabled focused capacity development, in case China decides to use the force for "reunification." The number of joint drills and exercises, surrounding Taiwan, have increased. The formation of the PLASSF has likely improved cyber warfare capacity. The reforms have enhanced China's coercive capabilities but the political cost of the use of force, particularly given the potential of US intervention, remains extremely high.



No.	Objective	Applicable Reforms	Our Analysis
3.	Safeguard China's Sovereign Territory: Land and Sea	<ul style="list-style-type: none">• Organisational changes in the CMC• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands• Changes in the training regime	<p>Carving out dedicated military districts and bringing PAP under the CMC has ensured greater control in Xinjiang and Tibet.</p> <p>China has also developed significant capabilities in the South China Sea by militarisation of artificial islands and deployment of submarines, surface to air missiles, LPDs and marine brigades.</p> <p>Yet, border disputes with India and Bhutan remain difficult. And exercising sovereignty over territories in South and East China seas requires political solutions, which remain a challenge.</p>



No.	Objective	Applicable Reforms	Our Analysis
4.	Develop A2/AD & Dominate the Western Pacific Region	<ul style="list-style-type: none">• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands• Changes in the training regime	<p>Investing in sea denial tools like submarines, SAMs, anti-ship ballistic missiles, naval mines, corvettes, ASW and EW aircraft has enhanced China's A2/AD capabilities.</p> <p>Increased focus on building aircraft carriers and destroyers indicate a shift in focus towards sea control capabilities.</p> <p>This remains a work in progress, and despite China's naval advancement, the US will remain a key, if not the dominant player in the Western Pacific.</p>



No.	Objective	Applicable Reforms	Our Analysis
5.	Win Informatised Local Wars	<ul style="list-style-type: none">• Organisational Changes in the CMC• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands• Changes in the training regime• Military Education	<p>Three specific changes have strengthened the PLA's capacity to achieve this objective, i.e., improved naval capacity, creation of the PLARF and PLASSF and establishment of a new Science and Technology Commission and Military Science Research Steering Committee.</p> <p>What's also helped is the development of precision and smart weapons along with unmanned aerial and underwater vehicles.</p> <p>With that said, it must be noted that the PLA continues to be an untested force, having fought its last war against Vietnam in 1979.</p>



No.	Objective	Applicable Reforms	Our Analysis
6.	Secure and Safeguard Overseas Interest	<ul style="list-style-type: none">• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands• Changes in the training regime	<p>Assessing PLA weapons modernisation & defence expenditure, it is clear that the focus is to develop a blue water navy and strategic air force capacity.</p> <p>For instance, PLAN now has an outpost in Djibouti and expanded Marine Corps. PLAAF is moving from territorial air defence to long-ranged offensive and defensive operations. Both services have also increased the number of overseas military drills with partners.</p> <p>These changes are indicative of China's transition from a regional to a global power. Yet challenges remain. For example, China's lacks basing support and its ability to project power in IOR or the West Asia remains questionable.</p>



No.	Objective	Applicable Reforms	Our Analysis
7.	Making the PLA Combat-ready for the Future	<ul style="list-style-type: none">• Organisational Changes in the CMC• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands• Changes in the training regime• Military Education	<p>Concerns over the PLA's combat readiness have led to a shift in military education and training, with a focus on ensuring political integrity and enhancing professionalism.</p> <p>The number of military exercises have dramatically increased to compensate for the lack of wartime experience.</p> <p>The PLA has established a permanent blue force for scaled-up exercises and institutionalised AI-based wargaming. Yet, this cannot be a substitute for actual combat experience.</p>



No.	Objective	Applicable Reforms	Our Analysis
8.	Safeguard China's Security Interest in the Outer space, Electromagnetic and Cyberspace	<ul style="list-style-type: none">• Changes in the force structure• Financial allocation and weapons acquisition• Weapons allocation across commands	<p>The formation of PLASSF, RF and the new science and technology commission and committee reflects China's intent to enhance space, electromagnetic and cyber warfare capabilities.</p> <p>Improved capabilities of PLARF are visible from the inventory of newer missiles and launchers that it has commissioned in the last few years.</p> <p>However, given lack of data on the SSF's capacities and activities, assessing the progress of this objective is difficult.</p>

Section III: Conclusion



Conclusion

The assessment concludes that the reforms have helped further China's national security interests. But the PLA still faces major shortcomings in emerging as a world-class force.

President Xi Jinping wants to convert the PLA into a world-class force by 2050. To ensure this, he has initiated sweeping reforms. These include changes to the CMC, bureaucratic and force structures, more efficient allocation of resources, development of long-range weapons, changes in training and focus on new domains of space and cyber warfare.

The reforms have helped further China's national security interests, however, when assessed in the context of specific objectives, there remains much to be desired.

- The homeland, due to improved force capabilities, is far more secure, but the ability to project power overseas is extremely limited.
- The PLA now has greater ability to contain domestic turmoil and project power in the disputed territories. But, the cost of using force to conclude the territorial disputes in China's favour remains extremely high.
- Increased military drills, improved military education and enhanced force structure have likely improved efficiency, but combat-readiness remains to be tested.



Notes

* The price estimates are based on the work of Daniel Caldwell et al., “China’s Dreadnought? The PLA Navy’s Type 055 Cruiser and Its Implications for the Future of Maritime Security Environment,” p. 5.

** Conversion from Yuan to dollar based on yearly opening exchange rates. <https://www.macrotrends.net/2575/us-dollar-yuan-exchange-rate-historical-chart>

*** The price estimates are based on the work of Liu Zhen, “J-20 vs F-22: how China’s Chengdu J-20 ‘Powerful Dragon’ compares with US’ Lockheed Martin F-22 Raptor,” in SCMP.

**** Conversion from Yuan to dollar based on yearly opening exchange rates. <https://www.macrotrends.net/2575/us-dollar-yuan-exchange-rate-historical-chart>

***** Comparative analysis based on the data compiled from multiple issues of The Military Balance.



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