SYSTEM OVERLOAD?

The 2015 PLA Force Reduction, Military-Locality Relations, and the Potential for Social Instability

By Ma Chengkun and John Chen

n September 3, 2015, Chinese Communist Party (CCP) General Secretary and Central Military Commission (CMC) Chairman Xi Jinping announced a reduction in the overall size of the People's Liberation Army (PLA) from 2.3 million personnel to 2 million, a reduction of about 11 percent of the military's end strength.¹ The announcement was followed by a Work Conference on Central Military Commission Reform [zhongyang junwei gaige gongzuo huiyi, 中央军委改革工作会议] in which Xi initiated his military reform plan.² A flurry of organizational and structural reforms to the PLA soon followed, and continues apace today.

The reforms were to be implemented in three main stages. First, top leadership and management organs of the PLA were to be reorganized and the joint operations command structure reformed before the end of 2015. Next, changes in force structure and size, along with reforms to the military education system and the People's Armed Police, were to be implemented before the end of 2017. Finally, the above reforms, along with changes to the policy system and civil-military integration, were to be adjusted, advanced, optimized, and completed from 2017 to 2020.³

To those ends, the Ministry of National Defense announced that the reduction of 300,000 personnel from the PLA would be completed by the end of 2017.⁴ Broadly speaking, Xi's reform directives explicitly included rationalizing the structure and organization of the military force, reducing numbers of administrative and noncombat personnel, and adjusting and improving the ratio of different services.⁵ The troop reduction was widely interpreted as a means of implementing these overarching directives. Noncombat billets are likely to be targeted for elimination, and PLA interlocutors have suggested that the ratios of navy and air force personnel will increase relative to their army counterparts.⁶

Downsizing 300,000 PLA personnel while simultaneously upending and reorganizing the operational and administrative components of the military would inevitably bring considerable turmoil and dislocation. Xi's downsizing policy also forced Chinese society to absorb and reintegrate a substantial portion of these 300,000 personnel in the span of approximately 2 years. At a minimum, any failure or inefficiency in accommodating these personnel and their families could jeopardize the pace and effectiveness of the military reforms; at worst, neglect or poor execution of the downsizing could lead to potentially regime-threatening social instability.

The risks of a botched troop reduction were not lost on the Xi regime. Xi himself has consistently reiterated the importance of properly reintegrating downsized military personnel back into Chinese society, and he has emphasized the work of veteran administration and support at the central government level to forestall dissatisfaction from downsized personnel.⁷

This chapter argues that although force reductions are especially fraught for the local governments responsible for accommodating veterans, the effort will ultimately be successful due to a number of countervailing forces in play during this latest reduction effort. These offsetting forces range from the benevolent encouragement of veteran entrepreneurship to the more ominous specter of Xi's ongoing anti-corruption campaign, and most importantly, the supremacy of party rule over any potential legal, economic, and political contradictions. The announcement in March 2018

that the troop reduction was "basically complete" supports this judgement, while the establishment of a new Ministry of Veterans Affairs [tuiyi junren shiwu bu,退役军人事务部] speaks to the military-locality tensions and conflicts of interest that had to be managed and overcome in the process.8

The chapter proceeds in four parts. The first section gives a brief historical overview of military-locality relations and documents changes in relations that have increasingly pushed the burdens of troop reductions and personnel resettlement onto local governments. The second section describes key parts of the military-locality administrative system and the legal regulations overseeing the 2015–2017 troop reduction. The third section explores political, economic, and legal issues that complicate force reduction efforts, and describes the intermittent protests by dissatisfied veterans that have resulted from past complications. The chapter concludes with an examination of several countervailing considerations and various factors unique to the Xi era that are likely to offset the difficulties of the reduction, albeit at the expense of strains in military-locality relations.

Evolving Military-Locality Relations

The PLA's modern-day efforts to reduce its end strength are dependent on good relations with the localities that must absorb the burden of troop reductions. Military-locality relations in the years before Deng Xiaoping's late 1970s reforms focused primarily on providing moral and material support to the PLA and its predecessors. After Deng's reforms began to take hold, however, the realities of China's emerging market economy began to substantially increase pressure on localities charged with handling troop reductions. These difficulties have extended to the present day.

Early Military-Locality Relations

The PLA has a long history of drawing support from the people, dating back to the 1927 founding of its predecessor military organization, the Chinese Workers' and Peasants' Red Army [zhongguo gongnong hongjun,中国工农红军]. In the years leading up to 1949, interactions between the

military and the people, referred to as "military-locality relations" or "double support work" [shuangyong gongzuo, 双拥工作] by the Communist Party, initially emphasized preferential treatment for Red Army soldiers and their dependents in order to increase recruitment and political and logistical support for the Communist cause, and later expanded to demobilization and mobilization efforts.9

The resolution of the First Red Army Representative Assembly [minxi di yi ci gongnong bing daibiao dahui xuanyan ji jueyian, 闽西第一次工农兵代表大会宣言及决议案], held in Fujian in March 1930, provided a monthly stipend to Red Army soldiers and called for CCP members to shape the societal atmosphere to improve the social position of the Red Army. This treatment was later extended to Red Army dependents in 1934: the CCP 2nd National Soviet Assembly adopted the Resolution on Preferential Treatment of Red Army Dependents [zhongguo gongchangdang zhongyang weiyuanhui, zhonghua suweiai gongheguo renmin weiyuanhui guanyu youdai hongjun jiashu de jueding,中国共产党中央委员会、中华苏维埃共和国人民委员会关于优待红军家属的决定], emphasizing the necessity of extending this resolution into a social movement for the purpose of strengthening the combat determination of the Red Army and encouraging more people to join the forces. 11

The founding of the People's Republic of China (PRC) in 1949 introduced demobilization of military personnel as a major new task for military-locality relations. Military victory over the Kuomintang on the mainland precipitated a pressing need to reduce the size of the PLA, which led to an initial force reduction in March 1950. Newly anointed PRC officials set up governing and administrative infrastructure according to socialist ideology for national development. Early centrally planned mechanisms for resettling and reintegrating demobilized soldiers in their hometowns provoked relatively little controversy between the military and various localities because the interests of central and local governments often overlapped—for instance, the PLA needed to shed personnel, and local governments needed labor.

Mao Zedong's decision to send PLA troops to the Korean War abruptly upended the initial process of demobilization and sent defense mobilization to the top of the priority list of military-locality issues. On December 2, 1950, the Central Government Interior Affairs Ministry and General Political Department of the People's Revolutionary Military Commission issued "Instructions for Supporting Policy and Loving the People and Initiating Movement of Supporting Military Personnel and Their Dependents" [guanyu xinjiu nianguan kaizhan yongzheng aimin he yongjunyoushu yundong de zhishi, 关于新旧年关开展拥政爱民和拥军优属运动的指示], formally establishing a mechanism of interaction for local governments to mobilize logistics and recruitment support for the army. This was the first official directive by the Chinese government codifying a mechanism for mobilization efforts from the Chinese population.

Defense mobilization, preferential treatment for military personnel and their dependents, and resettlement of demobilized military personnel remained the core issues of military-locality relations until 1979, along with a strong emphasis on maintaining popular support for the military. The provision of preferential benefits to soldiers and codification of mobilization efforts were supplemented by patriotic parades and ceremonies organized by local governments on significant days for the PLA. The main responsibility for military-locality interaction fell largely on the people, who were charged with showing their respect and support for military personnel.

Popular moral support for the military belied the comparatively underdeveloped nature of demobilization mechanisms. After the PRC was founded in 1949, the government kept the military permanently mobilized as it continually perceived serious hostility from the international community. Under these circumstances, the PLA had little chance to transform itself from a revolutionary force organized mainly by rural citizens into a regular army with regular conscription and a demobilization mechanism. Time in service was not well defined. Personnel could remain in the military until they decided to leave or the military believed they were too old to continue service. While mobilization mechanisms relied heavily on

popular local support, demobilization mechanisms remained comparatively underdeveloped.

Reform and Opening Up, Military Modernization, and Military-Locality Relations, 1979—Present

China's leaders initially sought to maintain existing military-locality relations even as Deng Xiaoping's 1979 reform and opening up [gaige kaifang, 改革开放] shifted the direction of the national zeitgeist from revolution to peaceful development. The December 14, 1979, "Notice to Enhance the Glorious Tradition of Supporting Military Personnel and Dependents, Supporting Policy and Loving the People, and Further Strengthening Military-People Unity" [guanyu fayang yongjunyoushu, yongzheng aimin de guangrong chuantong, jinyibu jiaqiang junmin tuanjie de tongzhi, 关于 发扬拥军优属, 拥政爱民的光荣传统, 进一步加强军民团结的通知] exemplified this extension of the status quo and confirmed existing mechanisms of military-locality interaction.¹⁴

In the early 1980s, however, China's program of defense modernization presented a new major challenge to military-locality relations. Deng announced a force reduction plan in June 1985 that would trim 1 million military personnel from the PLA as part of a broader defense modernization and cost reduction effort. The announcement of the massive troop reduction was followed soon by a notice placing the responsibility of resettling demobilized personnel at the top of the priority list for localities. The July 27, 1985, "Notice on Respecting the Military and Actively Supporting Military Reform and Construction" [guanyu zunzhong, aihu jundui jiji zhichi jundui gaige he jianshe de tongzhi, 关于尊重,爱护军队积极支持军队改革和建设的通知] elevated resettlement [anzhi, 安置] for demobilized PLA personnel as the most important task that localities could undertake to support the reforms. 16

At first, local governments were usually able to resettle demobilized PLA personnel into corresponding high- or low-level positions. Local governments had more billets available than the central government and

proved able to accommodate demobilized personnel one way or another. Officers were offered local government positions roughly equal to their former military grade and became civilian officials; enlisted personnel, for whom the local government had no resettlement responsibility, were nonetheless often pointed toward lower level grassroots labor units to forestall potential unemployment.

As Deng's economic reforms accelerated, however, China's transition to a market economy made military resettlement much more difficult. Market pressures for organizational and financial reform in government sectors to reduce personnel spending and improve government efficiency made it increasingly difficult to accommodate demobilized PLA personnel. Local governments, given wide latitude to implement their own reforms, began privatizing state-owned enterprises, reducing redundant billets, laying off underperforming employees, or at least slowing the hiring of new personnel. The remaining collectively run government enterprises were hit especially hard, facing stiff competition from foreign and foreign-invested competitors.

This rush to privatize state-owned enterprises disenfranchised demobilized PLA personnel. Newly privatized enterprises began to shirk their responsibilities to resettle and retrain veterans in their drive to compete in the marketplace. The 1993 "Notice Concerning Problems of Enterprises Canceling Worker Identification Boundaries and Fully Implementing the Labor Contract System" [guanyu qiye quxiao gongren shenfen jiexian shixing quan yuan laodong hetong zhi ruogan wenti de yijian de tongzhi, 关于企业取消工人身份界限实行全员劳动合同制若干问题的意见的通知] was one such example; the notice allowed enterprises to cancel the national cadre identity of former military cadres in order to establish more normal, efficient personnel systems within the enterprise.¹⁷ It also freed enterprises from the burden of subsidies, as well as medical and social insurance for these military cadres, all of which had been promised by the government when they left the military.

In an attempt to respond to reports of shirking, the central government promulgated a series of legal and organizational measures intended to

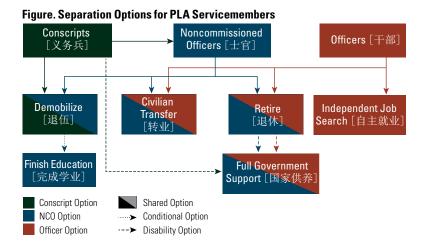
ensure better military-locality relations. A National Double Support Work Leading Group [quanguo shuangyong gongzuo lingdao xiaozu,全国双用工作领导小组] was established in 1991 by the State Council and CMC to coordinate and unify the work of provincial, county, city, and municipal Double Support Offices [shuangyong bangongshi, 双用办公室].¹8 To further clarify regulations regarding the treatment of separated officers, the State Council and CMC issued the Provisional Measures for Resettling Transferred Officers [jundui zuanye ganbu anzhi zanxing banfa, 军队转业干部安置暂行办法] in 2001. These measures remain in force today as the primary reference document governing the treatment of demobilized, retired, or downsized PLA personnel; the measures have been supplemented by additional laws codifying the treatment of enlisted personnel. The administrative organs and the legal regulations guiding the resettlement of PLA personnel are covered in detail in the following section.

Administrative and Legal Mechanisms for Force Reduction

As the 2015 PLA personnel reduction has proceeded, several details about troop reduction have surfaced. Half of the downsized personnel are reportedly officers, ¹⁹ and generally speaking, administrative and command billets have been reduced. ²⁰ For the most part, these discharged personnel will have a number of separation options available according to a collection of laws passed and overseen by two main organizations of the State Council. This section examines key components of the separation process, giving an overview of the legal mechanisms and organizations responsible for accommodating discharged PLA personnel.

Resettlement and Separation Options

Soldiers leaving the PLA have a number of separation options available to them according to their grade and time in service. ²¹ Resettlement and separation options for conscripts, noncommissioned officers (NCOs), and officers are governed by a variety of relevant laws discussed in the text and figures below. ²²



Conscripts (义务兵). As late as 2007, conscripts appeared to have only one main option for separation from the PLA. They could choose to simply be released from service [tuiwu, 退伍] after their 2-year service commitment with no government obligation to provide job placement, or they could decide to extend their term of service and become NCOs, after which they would enjoy the separation benefits and options described in the next section. Those who chose to leave have traditionally returned home and continued their old way of life.²³

Conscripts that left after fulfilling their service obligation were entitled to certain benefits, including a small resettlement allowance and assistance in job-hunting. However, these entitlements had often been ignored or doled out unevenly across China, sparking complaints and aggravating civil-military tensions. ²⁴ Dissatisfaction with inconsistent disbursement of benefits led the central government to codify the benefits available for discharged conscripts. The most obvious changes are manifested in 2011 revisions to the Military Service Law [zhonghua renmin gongheguo bingyifa, 中华人民共和国兵役法] and Enlisted Personnel Resettlement Regulations [tuiyi shibing anzhi tiaoli, 退役士兵安置条例], which declared conscripts eligible for a one-time independent subsidy [zizhu jiuye yicixing tuiyijin, 自主就业一次性退役金], in which

they would look for a job themselves and collect a one-time subsidy from the military. As of September 2015, demobilized conscripts also receive a one-time demobilization subsidy [tuiwu buzhufei, 退伍补助费], a one-time healthcare subsidy [tuiwu yiliao buzhufei, 退伍医疗补助费], a subsidy consisting of next month's allowance [lidui xiayue jintie, 离队下月津贴], prorated living expenses for the month they leave [lidui dangyue shengyu tian huoshi fei, 离队当月剩余天伙食费], and living expenses for the month after demobilization [lidui xiayue huoshifei, 离队下月伙食费], among additional healthcare and retirement subsidies. 26

Noncommissioned Officers (士官). NCOs enjoy more separation options and benefits than conscripts. As of 2007, enlisted personnel who had served up to 6 years beyond their initial 2-year conscription period were considered junior NCOs [chuji shiguan, 初级士官] and were eligible only for demobilization [tuiwu, 退伍]. NCOs who had served between 8 and 16 years beyond their initial 2-year conscription period were referred to as mid-level NCOs [zhongji shiguan,中级士官] and were eligible for transfer to civilian state positions [zhuanye, 转业] after 10 years of total service. Senior-level NCOs [gaoji shiguan, 高级士官], or NCOs who had served at least 14 years beyond their conscription period, were eligible to retire [tuixiu, 退休] after 30 years of total service.²⁷

Major changes to discharge and resettlement policy enacted in 2011 expanded resettlement options and simplified separation benefits. Revisions to the Military Service Law outlined five major separation and resettlement options: independent job-searching [zizhu jiuye,自主就业]; government job placement [anpai gongzuo, 安排工作], also known as civilian transfer [zhuanye, 转业]; full retirement [tuixiu, 退休]; government support [gongyang, 供养]; and completion of education [jixu wancheng xueye, 继续完成学业]. The 2011 revision to the Enlisted Personnel Resettlement Regulations simplified eligibility rules for separation benefits: NCOs who had served less than 12 years would receive essentially the same benefits as conscripts, including the same one-time independent job-searching subsidy per year of service from the military, along with possible further financial

subsidies from local provincial and municipal governments.²⁹ NCOs who had served more than 12 years were eligible for government job placement (also known as resettlement),³⁰ while those who had served at least 30 years, were disabled in war or public service, were 55 years or older, or had to retire for health reasons were eligible for full retirement or government support.³¹

Officers (干部). Officers have the most options available for separation from the PLA and enjoy greater benefits than either enlisted soldiers or conscripts.³² Officers are required to apply for separation from the PLA. Of those whose applications are accepted, officers who have served for 30 years are eligible for full retirement. Division leader grade officers with less than 30 years of service and officers at the battalion leader grade or lower with less than 20 years of service are to be transferred to civilian state employment. Battalion and regiment leader grade officers who have served between 20 and 30 years are allowed either to accept a transfer to a civilian job or to accept a partial pension while they independently seek employment in the private sector [zizhu zeye, 自主择业].³³

Officers transferred to civilian positions are entitled to the same levels of pay and benefits they would have earned at their duty grade level in the PLA,³⁴ and their years in military service count toward retirement at their civilian positions.³⁵ Civilian transfers also collect subsidies for living expenses [shenghuo buzhufei, 生活补助费] and home settlement [anjia buzhufei, 安家补助费].³⁶ Officers who choose to independently seek employment accept an 80 percent pension that persists unless they accept a job in the government sector.³⁷ They are also eligible for a job-search subsidy [zizhu zeye buzhufei, 自主择业补助费] on top of the living expenses and home settlement subsidies offered to civilian transfers.³⁸ Officers that retire collect full pensions and are eligible for a number of allowances, including one-time payments for living expenses and home settlement,³⁹ along with housing, healthcare, and other benefits.⁴⁰

Most officers leaving the PLA must return to the location of their original household registration [hukou, $\dot{P}\Box$]. Some consideration is made for the locations of spouses or parents,⁴¹ although the policy does not

elaborate on who makes the decision. Those leaving under the auspices of independent job-searching, as well as aviation and naval officers who have served 10 or more years, are also allowed a degree of flexibility in resettlement. Discharged officers can also be placed in other regions as needed. Some officers may simply be transferred to locations as needed rather than transferred home, especially to government regions in central and western China "eagerly hunting for talented people."

Full Government Support (国家供养). A special discharge option is full government support [guojia gongyang, 国家供养] for all military personnel who are disabled in public service and includes considerable disability compensation payments based on the level and type of disability. Disabilities are classified on a scale of severity from Levels 1 to 10 (1 is the most severe) and sorted by combat, work, or illness disabilities. Personnel with disability ratings from Level 1 to Level 4 are eligible for full government support and receive substantial compensation payments in addition to health care and housing allowances.⁴⁵

Key Trends. Changes in the PLA's separation and resettlement processes since the last major troop reduction in 2003 can be characterized in three main ways.

First, conscripts have increasingly enjoyed greater benefits for their service, and as the PLA continues to seek more college-educated personnel, it will feel compelled to better enforce existing demobilization policy and improve the conscript demobilization package by providing more generous benefits. The 2011 revisions to discharge policy afforded much greater financial assistance to conscripts by opening up independent job selection to a group that was simply demobilized and returned home in the past. Some demobilized conscripts ostensibly leave the force with marketable job skills and useful certifications such as a driver's license, ⁴⁶ although their employment prospects are in doubt in an economy that increasingly values higher skilled workers. The PLA faces no shortage of available conscripts, ⁴⁷ but in recent years it has been forced to relax physical standards to attract better educated personnel. ⁴⁸ As it continues to compete with the private

sector for college-educated personnel, the PLA will have little choice but to continue increasing expenditures on demobilized conscripts as one way to attract desired talent.

Second, the PLA has placed increasing emphasis on higher education as a separation pathway, especially for its enlisted and noncommissioned personnel. This is evident in the various incremental revisions to NCO discharge and resettlement policies. Starting in 2011, NCOs who have been discharged for longer than a year, have tested into a full-time higher education program, and are participating in independent job-searching are also entitled to a yearly tuition subsidy of up to 6,000 RMB (roughly \$942 USD in 2018) 49—a figure that was adjusted upward in 2014 to 8,000 RMB (\$1,257) a year for undergraduate programs and 12,000 RMB (\$1,885) a year for graduate programs. 50 Discharged enlisted personnel who choose independent job selection are also entitled to attend local government vocational education for up to 2 years at no cost. 51

Third, the civilian transfer process for officers has become increasingly competitive. Though the burden of resettling transferred officers is the legal responsibility of local governments⁵² and rejecting officers is not allowed,⁵³ there appears to be a priority order for the best positions. Division and regiment leader grade officers eligible for civilian transfer must undergo an evaluation process [kaohe, 考核] that assigns civilian positions based on moral virtue, grade, military rank, time in service, specialty skills, hardship duty, and military commendations. Eligible officers at the battalion leader grade or lower would undergo the above evaluation process and an additional testing process [kaoshi, 考试] administered by the receiving province, consisting of a written test and an in-person interview.⁵⁴ The competitive nature of civilian transfers has generated considerable anxiety over transfer prospects.⁵⁵

Separation and resettlement mechanisms have changed over time according to various needs and pressures. The PLA's desire for college-educated personnel precipitated an increase in benefits for demobilized conscripts, while the looming expense and difficulty of finding jobs for NCOs

led officials to highlight education as an increasingly important pathway for discharged troops. The opacity of the officer civilian transfer process prompted officials to clarify the process in an attempt to defuse criticism from the affected group. In each case, the PLA and the relevant civilian agencies have taken deliberate steps to address a need or a potential problem.

Resettlement Organizations

The task of reintegrating PLA personnel into Chinese civil society falls to a pair of State Council small groups [xiaozu, 小组] comprised of various agency officials with relevant roles. These national-level small groups nominally oversee a larger nationwide ecosystem of corresponding provincial, county, and municipal groups responsible for disbursing a variety of benefits to discharged PLA personnel, ranging from placement in civilian government-arranged jobs to lump sum pension and buyout payments. Although the exact bifurcation of responsibilities remains unclear, generally speaking the State Council Military Cadre Transfer and Resettlement Work Small Group is responsible for transferring military officers to civilian government jobs, while the National Double Support Work Leading Small Group handles the resettlement of retiring military personnel and civilian cadres [wenzhi ganbu, 文职干部].

Resettlement and Transfer Work. The organization primarily responsible for transferring military personnel to civilian government jobs is the State Council Military Cadre Transfer and Resettlement Work Small Group [guowuyuan jundui zhuanye ganbu anzhi gongzuo xiaozu, 国务院军队转业干部安置工作小组]. This group is headed by the director of the Ministry of Human Resources and Social Security [renli ziyuan shehui baozhang bu, 人力资源社会保障部]⁵⁶ and has typically been comprised of members from the former General Political Department, Ministry of Public Security, Ministry of Civil Affairs, and several other government, party, and military organizations.⁵⁷

PLA Service		Maior Associated Donestite
Separation Mechanism	Eligibility	Major Associated Benefits
Demobilize [退伍]	Conscripts; NCOs with less than 12 years of service	One-time demobilization subsidy (4,500 RMB per year of service); one-time independent job-searching subsidy (2,000 RMB); one-time healthcare subsidy; pro-rated last month's living expenses; following month's living expenses (750 RMB)
Finish Education [完成学业]	NCOs demobilized more than a year ago who have tested into a full-time higher education program and are independently job searching	Tuition subsidy: 8,000 RMB per year for undergraduate programs; 12,000 RMB per year for graduate programs; up to 2 years of free access to local government vocational education
Civilian Transfer [转业]	NCOs with more than 12 years of service; division-leader grade officers with less than 30 years of service; battalion-leader grade officers or lower with less than 20 years of service	Salary equivalent to pay level at time of discharge; years in military service count toward civilian retirement; living expenses subsidy: none for less than 8 years of service; 3 months salary for 8 to 9 years of service; additional 1 month salary for each year of service beyond 9, up to 16 years; home settlement subsidy: 4 months salary for 14 years of service or less; additional halfmonth salary for each year of service beyond 15 years
Independent Job Search [自主择业]	Battalion and regiment leader grade officers with more than 20 but less than 30 years of service	Monthly pension payment worth 80 percent of monthly salary; job search subsidy: 1 month salary for every year of service under 15 years; additional 1.5 month salary for each year of service beyond 16 years; same living expenses and home settlement subsidies as civilian transfers
Retire [退休]	NCOs and officers at the age of 55 or with 30 or more years of service	Full monthly pension; one-time living expenses subsidy: 4 months salary; home settlement subsidy: 8 months salary for troops returning to rural areas; 6 months salary for troops retuning to cities
Full Government Support [国家供养]	Conscripts, NCOs, and officers disabled in public service	Health care, caretaking, and housing allowances; annual compensation payments corresponding to disability level and type, ranging from 5,000 to 52,000 RMB

Key: NCO: noncommissioned officer; RMB: renminbi.

The General Office of the Transfer and Resettlement Small Group [guowuyuan jundui zhuanye ganbu anzhi gongzuo xiaozu bangongshi, 国务院军队转业干部安置工作小组办公室], also known as the Military Officer Transfer Resettlement Department [junguan zhuanye anzhisi,军官转业安置司], carries out most of the actual work of resettling transferred officers to civilian government roles at the national level. Specifically, the General Office plans military cadre transfer resettlement, trains and educates on policy and resettlement plans, makes adjustments to the resettlement system, and handles Beijing-area transfer resettlements. The organization is also partly responsible for resolving problems that arise with transfers to industries, and manages independent job-searching services [zizhu zeye, 自主择业]. The national level small group oversees the work of local provincial, county, and municipal leading small groups that undertake the same transfer resettlement tasks as the General Office.

Double Support Work System. The administrative system officially responsible for coordinating overall military-locality relations is headed by the National Double Support Work Leading Small Group (NDSWLSG) [quanguo shuangyong gongzuo lingdao xiaozu, 全国双用工作领导小组], operating under the authority of the CCP Central Committee, State Council, and CMC.⁶⁰ Led by a vice premier, the NDSWLSG is made up of 7 deputy directors and 31 members representing a wide variety of government, party, and military organizations, including the political work departments of the four former PLA general departments and the People's Armed Police.⁶¹

The General Office of the NDSWLSG [quanguo shuangyong gongzuo lingdao xiaozu bangongshi, 全国双用工作领导小组办公室] is charged with disseminating information to and liaising with provincial, county, and municipal Double Support Offices [shuangyongban, 双拥办], 62 which are typically situated under the authority of local civil affairs departments. 63 The General Office has two subordinate groups: the Secretariat [mishuzu, 秘书组], charged with organizing and coordinating meetings and communication between national and local Double Support Offices, and the Policy

Research Group [zhengce yanjiu zu, 政策研究组], responsible for drafting reports and publications of the NDSWLSG.⁶⁴

The NDSWLSG is responsible for resettling certain types of discharged military personnel. The director of the Special Care Resettlement Bureau [youfu anzhi ju, 优抚安置局] of the Ministry of Civil Affairs (MCA) [minzhengbu, 民政部] is a member of the NDSWLSG,65 and the bureau is responsible for the resettlement of discharged enlisted personnel [tuiyi shibing, 退役士兵] demobilized cadre [fuyuan ganbu, 复员干部], retired military cadre [jundui li tuixiu ganbu, 军队离退休干部], and retired non-military staff [wu junji tuixiu tuizhi zhigong, 无军籍退休退职职工].66 The bureau's subordinate units include a Comprehensive Office [zonghe chu, 综合处] and a Policy and Law Office [zhengce fagui chu, 政策法规处]. Both are affiliated with the Secretariat and Policy Research Group of the General Office of the NDSWLSG, respectively.67

Overall, the Ministry of Civil Affairs and the PLA's CMC Political Work Department are the primary loci of responsibility for double support work, with a heavy emphasis on resettlement of military personnel. The director and deputy director of the MCA occupied two of the seven NDSWLSG deputy director positions in 2013, and the MCA deputy director was dual-hatted as the head of the General Office of the NDSWLSG. Two of the three deputy directors of the General Office hailed from the CMC Political Work Department Mass Work Office [zong zhengzhi bu qunzhong gongzuo bangongshi, 总政治部群众工作办公室]; the third was the deputy director of the Special Care Resettlement Bureau of the MCA. 68

Broader Characteristics. At the national level, the composition of these small groups suggests that a variety of agencies have important equities in managing resettlement and separation of PLA personnel. Several agencies have representatives present as members of both small groups, specifically the Ministry of Human Resources and Social Security, CCP Central Organization Department, political departments of the various former PLA general departments, and ministries and administrations for national development and reform, finance, education, housing, taxation, and industry and commerce.⁶⁹

Many of the participating organizations in both the Double Support and Resettlement LSGs have other primary functions, and the rotational nature of LSG membership extends to both national- and local-level LSGs. The overwhelming majority of members in both groups are deputy directors of their respective "home" organizations, serving on the groups as part of a rotational assignment; a few are assistants to directors. ⁷⁰ New rosters with different members are announced every 4 to 5 years.

While the responsibilities at the national level seem clear, the lines of responsibility are not always so at the local level. Both double support work and resettlement work are the responsibilities of local civil affairs departments, but it is not clear if double support work includes resettlement, or if double support work and resettlement are considered separate tasks under separate units. The NDSWLSG considers resettlement to be within its purview, describing resettlement work as a critical part of double support work. Some provinces include resettlement and transfer work under the auspices of double support work. Several cities, however, direct "double support work" at active military personnel and their dependents, and consider double support work to be distinct from resettlement work.

Problems with Resettlement

While the codification of preferential treatment and job placement for discharged PLA personnel represented a concerted attempt to formalize a discharge and separation process, the effort has suffered from complications. A lack of standardization in converting military grades to civilian equivalents has led to complaints about resettlement, and restrictive legal measures limit the options of local governments. At a macro level, the localities charged with resettling PLA personnel into civilian jobs face political and economic pressures that profoundly undercut their ability to complete this task quickly and efficiently.

Complications

The lack of a standardized conversion between military and civilian grades has spawned widespread complaints that personnel resettlement differs

across provinces. While the Provisional Measures for Resettling Transferred Officers stipulates that military officers should be emplaced into positions of equal grade,74 the measures do not specify what the corresponding civilian grades are. According to one PLA officer, the military uses a system based on 15 grades and equivalent civilian systems have 11 or 12 grades.⁷⁵ Although there is discussion about unifying the two systems, as of 2017, the conversion from military to civilian grades varied from province to province.76 Problems with resettling regiment and division grade officers are particularly acute.⁷⁷ In the past, many regiment and division grade officers would have readily found arranged employment in local government billets as dictated by the State Council, typically as county mayors [xianzhang, 县 长], office heads [chuzhang, 处长], administration heads [juzhang, 局长], or department heads [tingzhang, 万长]. 78 As more regiment and division grade officers left the PLA across multiple troop reductions, however, local governments struggled to accommodate all of these personnel at the dictated civilian grade level. Instead, local governments began backsliding on these assignments, sometimes failing to assign discharged personnel to civilian positions or assigning them to lesser sinecures as a way to fulfill their obligation. Discharged regiment and deputy regiment grade officers continue to face this problem: many are currently being forced to accept lower grade positions while working their way up the civilian promotion ladder to positions to which they should have already been legally entitled.⁷⁹

Local governments, however, do not have full authority to assign discharged PLA personnel to whichever positions they wish; their autonomy is restricted by laws passed to reform China's civil service. The 2005 Civil Servant Law [gongwu yuanfa, 公务员法] states that all non-leadership positions lower than senior section member [zhuren keyuan, 主任科员] must be filled using open examination, strict testing, and equal competition to select the most qualified candidates. Article 25 of the same law states that civil service positions will be "filled within the limits of the authorized size" and when there are "vacancies of corresponding posts to be filled up."81 Structurally, this means that local government positions at the township

[xiang, 2] level and below are subject to open examination and fair competition practices and cannot be simply assigned to discharged military personnel; all billets must be filled according to set, existing vacancies, severely restricting the ability of local governments to create positions for discharged PLA personnel.

Broader efforts to streamline and reform the administrative elements of local and national governments, along with corresponding efforts to reduce military administrative billets, have also greatly complicated the resettlement and accommodation of discharged PLA personnel. Accelerated reform efforts in both the PLA and in local governments have upset patronage networks and "iron rice bowls" that previously provided for military cadres and government officials.

Breaking Military and Government Iron Rice Bowls

The recent PLA reorganization has focused on slimming down noncombat and administrative organs, upending the PLA's iron rice bowl and resulting in a surplus of discharged PLA personnel who must be offered civilian positions commensurate to their military grade. ⁸³ In the past, unit commanders often extended the military careers of officers who did not win promotion to increasingly competitive command track positions in combat units by transferring them to administrative or noncombat billets. This process was especially common for division and regiment grade officers and helped commanders avoid embarrassing personnel downsizings that would weaken their fiefdoms. These billets are now being reduced en masse, resulting in a large number of less-qualified discharged division and regiment grade officers who must be accommodated by local governments.

In the past, local governments responded to the ballooning number of discharged military personnel by creating civilian billets with little substantial responsibility to accommodate additional troop reductions. Today, however, local governments face a mandate to slim down their administrative organs—the same ones that would ordinarily provide civil service billets for demobilized or discharged PLA personnel. §4 Local governments

often have little recourse left but to offer lower grade positions, register these veterans and ask them to wait, or hope veterans accept buyouts to participate in independent job-searching.

The pressure to slim down both civilian and military administrative positions has created significant difficulties in finding appropriate positions for field grade officers at the division- and regiment grade levels. The resettlement of these officers is one of the most difficult problems in personnel resettlement and has been amplified by the lack of a standardized conversion between military and civilian grades, leading to widespread complaints that personnel resettlement differs across provinces. Egiment and deputy regiment grade officers, among others, have often been forced to accept lower grade positions while working their way up the civilian promotion ladder to positions they may have already been legally entitled to. Egiment

The Effects of Market Reforms and Economic Adjustment

China's shift toward a market economy has also profoundly reduced the ability and willingness of localities to accommodate discharged PLA personnel. In the past, state-owned enterprises (SOEs) were to accommodate discharged personnel into positions in industry and commerce, but increasing privatization and market liberalization have incentivized these companies to shirk their responsibilities to veterans. Some economic reforms, like the 1993 Notice Concerning Problems of Enterprises Canceling Worker Identification Boundaries and Fully Implementing the Labor Contract System [guanyu qiye quxiao gongren shenfen jiexian shixing quan yuan laodong hetong zhi ruogan wenti de yijian de tongzhi, 关于企业取消工人身份界限实行全员劳动合同制若干问题的意见的通知] not only were meant to create more efficient and competitive personnel systems in stateowned industries,⁸⁷ but also allowed enterprises to cancel the national cadre identity of these former military cadres, freeing the companies from the burden of medical and social insurance.

The ultimate result of this privatization for enterprises was organizational reform, large-scale layoffs, and veteran dissatisfaction. Newly

unemployed military veterans were told that the enterprise had already become a private business, so SOEs had no responsibility for their subsidies and medical care promised by the government. Local governments claimed they had fulfilled their obligation to veterans by finding them jobs, and the military viewed these veterans as civilians and ultimately refused to intercede on their behalf.

Economic readjustment and rebalancing are slated to accelerate under Xi Jinping, leaving localities with an even more daunting task ahead of them. The government is embarking on "structural reforms" to reduce overcapacity in the steel and coal sectors, potentially shedding millions of jobs, many in the economically depressed Northeastern rust belt. 88 The sweeping pace and scope of the anticipated economic reforms have prompted officials to promise that China can handle the economic adjustments; 89 the government quickly announced that it would earmark some 100 billion RMB (roughly \$15.7 billion USD in 2018) to offset pending unemployment. 90 Nonetheless, local governments will likely be hard pressed to find appropriate jobs for discharged military personnel amid the upheaval caused by the latest tranche of economic reforms.

Overall, local governments are under increasing pressure to accommodate PLA personnel leaving the military, but their viable options for doing so are dwindling. Problems with resettlement policy and restrictive legal measures limit the ability of local governments to handle the most recent troop reduction quickly and without incident. When combined with the effects of accelerating reform in military, civil, and economic sectors, the processes of resettlement and dispensing preferential treatment for PLA veterans look set to significantly increase military-locality tensions and potentially create problems for the regime.

Protests

Many of the problems described above have resulted in increasingly visible protests by disenfranchised PLA veterans in the last 15 years. In April 2005, more than 1,600 discharged military personnel came from 20 provinces

to hold a peaceful sit-in demonstration in Tiananmen Square, where they protested their unemployment even though they were supposed to receive corresponding jobs after they left the military. Protests continued as market reforms deepened after Hu Jintao's inauguration. In 2007, more than 1,000 discharged military members clashed with the police in Heilongjiang, with several injured and arrested. Hunan, more than 300 discharged personnel protested in front of a provincial government building, prompting the local government to use special police forces to suppress the demonstration.

The Central Military Commission responded to these protests by increasing subsidies for these former cadres, but the situation did not improve because protestors had already been stripped of their national cadre identities by local SOEs. In March 2008, roughly 6,000 discharged military cadres signed a petition to show their disapproval of the situation. This petition appealed to the central government to recover their cadre identity and associated subsidies, medical, and social insurances. Protests continued into 2009, as hundreds of former cadres demonstrated and petitioned members of the local Shandong government assembly and asked the government to recover their cadre identity and to implement the resettlement policy of the central government. Although the local government suppressed this demonstration, a larger protest occurred only 6 months later.

The potential for troop reduction to create social instability is probably the single weightiest concern for the party. Authorities appear to have ample reason for wariness: veterans complain that state-owned companies often renege on promised benefits and local officials embezzle funds meant for veterans, and reports of protests have increased in the last year. As many as 4,000 veterans assembled at the offices of the CMC in July 2016 to call for the full payment of benefits. Another protest in October 2016 brought hundreds of veterans to the CMC headquarters building in Beijing, followed by another in early January 2017.

Troop reduction will inevitably increase tensions between local governments and the central government and the PLA. Official media writings

acknowledge these difficulties, noting that local governments will bear the heaviest burden of finding jobs for transferred officers and emphasizing the importance of alleviating this pressure. The requirement that downsized personnel return to their home provinces virtually ensures that the troop reduction will impact Chinese provinces unevenly, as local governments in economically depressed regions of China will be charged with finding jobs for discharged personnel who likely joined the military in greater numbers to escape poor economic prospects. This could be harder if the PLA decides to cut large numbers of higher-ranking officers, who are entitled to scarce high-paying jobs.

Troop Reduction in the Xi Jinping Era

In spite of the organizations and regulations put in place to manage the separation of 300,000 military personnel from the PLA, the 2015 troop reduction has almost certainly encountered political, economic, and legal headwinds. The local governments that would otherwise accept discharged PLA personnel as civil servants face a political mandate to slim down their administrative ranks that has intensified as Xi Jinping's anti-corruption campaign continues apace. Large SOEs, previously major employers of discharged PLA personnel, face a similar political zeitgeist compounded on two sides by statist pressures for strong economic performance and market pressures wrought by privatization and free market competition. To make matters worse, the organizations responsible for resettlement are typically low on the pecking order, and legal mechanisms ensuring preferential treatment for discharged military personnel conflict with legislation designed to reform government civil service. At first glance, the 2015 troop reduction is likely to seriously disrupt military-locality relations thanks to these political, economic, and legal obstacles—recent suggestions that the deadline for force reductions will be extended until 2020 likely prove as much. 103

Nevertheless, the party's worst fears about a troop reduction gone wrong are unlikely to come to pass in the era of Xi. Though the potential implications for social instability are serious, a number of considerations

are likely to mitigate the problems of the ongoing troop reduction. Expertise gained from past troop reductions, general demographic characteristics of the downsizing, and the government's active efforts to strengthen supervision of veterans' affairs may help attenuate the difficulties of the current reduction effort. A number of countervailing forces unique to Xi Jinping's rule may temper objections and force cooperation, including recent initiatives for entrepreneurship, Xi's ongoing anti-corruption campaign, and the ultimate supremacy of party rule over the rule of law. On balance, the party will likely successfully reduce the size of the PLA without threats to its rule, even at the cost of greater tension in military-locality relations.

Countervailing Considerations

The PLA and Chinese government have extensive experience managing troop downsizing, implementing at least 11 large force reductions since 1949. Past reductions have been much larger and were accomplished in part by transferring personnel to the People's Armed Police. 104 Recent reduction efforts were similar in size, scale, and method to the current downsizing: the 1997 troop reduction cut 500,000 troops in 3 years, and the most recent troop reduction in 2003 downsized 200,000 troops in 2 years. 105 Though historical experience is no guarantee that Chinese authorities will successfully navigate the ongoing downsizing, both the PLA and relevant civil authorities have gained substantial insight into the possible problems associated with large troop reductions.

The demographics of the latest reduction may be less problematic than it initially appears. Though dissatisfied veterans might pose a political risk for China's leaders, they may constitute a relatively small percentage of discharged soldiers. Officers transferred to civilian jobs should be mollified by a position with equivalent pay and benefits, while retired officers can expect extensive benefits and a full pension. The biggest losers of the downsizing will be those officers who choose independent job-searching but subsequently have difficulty finding work on their own. Statistics from 2014, however, indicate that only 22.5 percent of the discharged officers

choose independent job-searching, 106 amounting to an estimated 11,600 to 13,000 officers per year during the downsizing. This is no small figure, but authorities have already stepped up efforts to help these officers find employment by organizing conferences, giving classes, and teaching entrepreneurship skills. 107

The transfer of PLA personnel to state-owned enterprises may also prove less painful than speculated. Statistics from past years suggest that only 1.5 to 2 percent of eligible officers are placed into SOEs, ¹⁰⁸ roughly equivalent to 1,160 officers per year for the current troop reduction. Past economic reforms split SOEs into public and commercial categories, with several "strategic" industries kept under strict government control that will face a strong mandate to find jobs for eligible discharged PLA personnel. ¹⁰⁹ Though the percentage of enlisted personnel transferred to SOEs is unknown, the government has reportedly made accommodation for enlisted personnel, announcing that 5 percent of jobs at SOEs would be reserved for discharged soldiers. ¹¹⁰

While recent protests by PLA veterans have made for splashy headlines, these protestors are likely less of a threat to regime stability than reports indicate. Many of the demonstrators in these protests were older veterans from past conflicts like the 1979 Sino-Vietnamese War, for whom the primary concern is pension and benefits, not employment and resettlement.¹¹¹ These protesters are more likely to be placated by appropriate disbursement of subsidies and pose a less difficult logistical problem for local governments.

At a higher administrative level, the central government and PLA have undertaken several steps meant to strengthen supervision of veterans' affairs and eliminate corruption in the system. An October 2015 report indicated the PLA is considering establishing an independent body responsible for veterans' affairs. The PLA's recent organizational reforms dismantled the four general departments that previously handled veterans' affairs for themselves and placed the newly formed Organ Affairs General Management Bureau [zhongyang junwei jiguan shiwu guanli zongju, 中央军委机关事务管理总

局] in charge of veterans' affairs under direct CMC supervision.¹¹⁴ Changes in resettlement and separation policy have expanded and codified benefits for discharged soldiers, and current policy allows the central government to simply assign officers to jobs outside their home province if necessary.¹¹⁵ Pronouncements from the highest levels of China's leadership warn against contravention of demobilization and resettlement policy.¹¹⁶

The Chinese government has also demonstrated a tacit willingness to extend deadlines in order to forestall any potential future disruptions brought on by the troop reduction. PLA officers have suggested that the original deadline for reductions will be extended from the end of 2017 until 2020, giving more time for the relevant parties to arrange for the downsizing and subsequent treatment of discharged personnel. While the deadline extension is an indicator of the difficulties inherent in trimming the PLA's end strength, it is also undoubtedly intended to relieve pressure on both PLA commanders charged with making reductions and the local governments tasked with providing benefits to discharged personnel.

Countervailing Factors in the Xi Era

Although the convergence of political, economic, and legal obstacles depicts bleak prospects for a smooth PLA personnel reduction, a variety of countervailing factors suggests that the reduction will nonetheless be successfully implemented. For instance, the various party and government organs charged with accommodating discharged PLA personnel will encourage less burdensome alternative separation paths for them. Xi Jinping's anti-corruption campaign will punish some military personnel and leave them ineligible for preferential treatment, while cowing others into foregoing aggressive efforts to secure their full benefits. Xi's recent consolidation of power at the 19th Party Congress is likely to steer governance away from institutionalization and rule of law and further toward party supremacy and personalized rule by Xi himself, making it less likely that legal barriers and local concerns will truly stand in the way of swiftly executing troop reduction and resettlement efforts that have Xi's backing.

Alternative Separation Options. Higher education, independent job-searching, and entrepreneurship initiatives benefiting discharged soldiers are increasingly attractive for the local governments and SOEs already hard pressed to accommodate former military personnel. Higher education bonuses and reduced pensions for independent job-searchers are ultimately much less expensive and easier to arrange than retirement with full pensions or transfer to civilian billets. Chinese authorities are placing a stronger emphasis on these separation options. Military authorities have already stepped up efforts to help officers find employment by organizing conferences, giving classes, and teaching entrepreneurship skills; provincial human resources offices have added more classes to improve entrepreneurship ability for discharged soldiers. Provincial civilian and military organizations responsible for the troop reduction have begun holding ceremonies for soldiers who leave the PLA to obtain higher education.

These separation options benefit multiple stakeholders in the discharge and resettlement processes and may alleviate the burden on localities charged with accommodating discharged soldiers. The military is able to jettison the personnel it no longer wants, and discharged PLA personnel are able to secure some benefits while pursuing futures in the private sector. Hard-pressed local authorities are absolved of resettlement obligations beyond a buyout payment for veterans who chose independent job-searching; they are similarly absolved of further obligations for personnel who choose to pursue higher education. Neither of these options are as expensive as retirement or civilian transfer, and nominally, neither option explicitly excludes PLA personnel that may have been charged with corruption. At scale, these alternative separation options could have benefits for the central government's effort to rebalance the economy; each veteran who starts a business is one less veteran on the payroll of a local government or state-owned enterprise.

The Anti-Corruption Campaign. Should education bonuses and entrepreneurship classes fail to satisfy the demands of PLA veterans, Xi's anti-corruption campaign adds a powerful coercive tool to the central

government's toolkit for implementing the troop reduction on Xi's terms. The anti-corruption campaign has accelerated at an extraordinary pace since 2013, with 4,024 officers above lieutenant colonel punished since 2013¹²² and 4,885 officers punished in 2016 alone. At least 13,000 military officers have been punished since the campaign began in 2012. According to article 13, section 2, of the *Provisional Measures for Resettling Transferred Officers*, regiment grade officers and below who have committed a crime are not eligible for resettlement benefits; anyone convicted of a crime is likewise ineligible for civil service jobs of any kind. While some of these officers may remain in PLA service and are not part of the latest troop reduction, those who leave the PLA will not enjoy preferential treatment from the party.

The anti-corruption campaign also has a strong coercive and deterrent effect on military personnel and local government officials who have not officially been convicted of corruption. Many of the administrative and noncombat military organizations facing personnel reductions were hotbeds of corruption given their frequent interaction with commercial industry and civilian business. The specter of guilt and criminal charges withheld is likely to be compelling enough to force corrupt military personnel to leave the PLA without claiming the veterans' resettlement and benefits owed by the government. Even the hint of prosecution for corruption may have cowed Xi's political opposition into compliance before the 19th Party Congress; a similar dynamic will likely hold true for both the military personnel leaving the PLA and the local governments and SOEs charged with accommodating the discharged personnel. PLA veterans may be more willing to accept less than they are due rather than make complaints that risk triggering a corruption investigation.

Coercion and silencing effects aside, the national scope of the anti-corruption campaign may also free up civilian billets for discharged PLA personnel who do not have the black mark of corruption charges on their records. Local government officials and SOE leaders are not immune from the anti-corruption campaign; indeed, the campaign has thus far ensnared

nearly 100,000 higher officials since it began in 2012, and the "tigers and flies" nature of the effort has targeted local officials as well. ¹²⁶ Some of these recently vacated positions may be open for discharged PLA personnel.

Xi Ascendant: A More Compliant Governing Apparatus? Xi's consolidation of power at the top of the CCP will lead to a party that is more compliant and more likely to override legal mechanisms of resettlement should the need arise. Most agree that China is a country under "ruled by law" rather than "rule of law," despite attempts to portray China as the latter. In other words, China's highest governing authorities, namely Xi and the CCP, may be more inclined than ever to adjust, override, contravene, or outright ignore existing law if the troop reduction threatens their rule.

Xi's anti-corruption campaign and subsequent coronation as core leader of the CCP hint at an increasing unity of command throughout the party that controls all aspects of the Chinese state and government. Given the party's longstanding emphasis on its control of the military and the military's continued allegiance to protecting the party, ¹²⁸ central party leaders will not look kindly upon laws or local officials that restrict their ability to extend preferential treatment to PLA veterans. Military-locality relations will undoubtedly be strained by the troop reduction, but the well-worn maxim that the party comes before all else in China is likely even more true under Xi's consolidated rule than in years past. This centralization of power and emphasis on party rule will likely override local difficulties in accommodating PLA veterans.

Conclusion

The People's Liberation Army and relevant civilian agencies were well aware of the potential negative impact the force reduction could have on morale and social stability and have worked hard to anticipate and ameliorate problems from past force reductions. Expanding and increasing benefits to demobilized conscripts, providing more exit opportunities to NCOs in the form of education stipends, and clarifying the civilian transfer process for officers all represent calculated efforts by the Chinese government to

soften the negative impact of force reductions on discharged soldiers. The government announced in March 2018 that the force reduction was "basically complete," although some PLA officers have privately suggested that the force reduction process could extend beyond the originally announced 2017 deadline until 2020.¹²⁹

Nonetheless, the troop reduction significantly strained military-locality relations. Tensions were likely most aggravated in the localities hit hardest by the economic downturn that face underfunded mandates to find jobs for discharged PLA personnel. Still, the success of the force reduction indicates that challenges such as increased costs are serious but solvable: the government would likely find the monetary resources needed to make separation and pension payments if serious threats to social stability emerged. Furthermore, recent veteran protests appear to be aimed at eliciting central government pressure to rectify local injustices and protect veterans' rights, rather than directing dissatisfaction at the CCP and central government. 130 If social instability rises to a level that requires suppression, the Chinese internal security apparatus has amply demonstrated its ability to stifle any substantial disruption of social stability, applying its expertise most recently against veteran protesters in 2015.¹³¹ The party's ability to control, co-opt, coerce, or otherwise suppress dissent is well documented by past incidents and verified by the party's continued rule.

The biggest challenge in any force reduction lies in finding civilian positions for discharged soldiers in poorer parts of China. Failure on this front could exacerbate tensions between the PLA and local governments, and more importantly, between the PLA and a party obliged to care for its military. However, this challenge does not seem to have posed a severe threat to party rule since the PLA and Chinese government were well positioned to mitigate the difficulties that arose from the force reduction. The claim that the force reduction is basically complete suggests that the challenges were manageable.

In March 2018, the Chinese government responded to the issues that emerged in the force reduction by establishing a new Ministry of Veterans Affairs to "to maintain the legitimate rights and interests of the military personnel and their families, strengthen the building of the service and support system for veterans, build and optimize a concentrated, integrated, and well-defined service and support system for veterans, so as to make the military a better respected career in China." The ministry is intended partly to serve as an advocate for veterans and to press local governments to meet their responsibilities. However, it is unclear whether this new organization will be successful in overcoming the inherent conflicts in interest between the military and local governments.

This chapter is based on a conference paper prepared for the 2016 CAPS-RAND-National Defense University People's Liberation Army Conference and a two-part article published by the Jamestown Foundation's *China Brief.* See Ma Chengkun, "Xi Jinping's Military Reform and Military Locality Relations," November 18–19, 2016; John Chen, "Downsizing the PLA, Part 1: Military Discharge and Resettlement Policy, Past and Present," *China Brief* 16, no. 16, October 26, 2016, available at https://jamestown.org/program/downsizing-pla-part-1-military-discharge-resettlement-policy-past-present/; and John Chen, "Downsizing the PLA, Part 2: The Potential for Social Instability," *China Brief* 16, no. 17, November 11, 2016, available at https://jamestown.org/program/downsizing-pla-part-2-military-discharge-resettlement-policy-past-present/.

Notes

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- ²² For a seminal treatment of Chinese demobilization policies in the open literature, see Maryanne Kivlehan-Wise, "Demobilization and Resettlement: The Challenge of Downsizing the People's Liberation Army," in *Civil-Military Relations in Today's China*, ed. David M. Finkelstein and Kristen Gunness (Armonk, NY: M.E. Sharpe, 2007).
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- ³⁰ See article 29, "Enlisted Personnel Resettlement Regulations."
- ³¹ Ibid., article 41.
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 - 35 Ibid., chapter 5, article 37.
- 36 See table for details, which summarizes information from "Two Hundred Questions on Living Expenses Policy for Officers and Men" [官兵生活待遇政策 200问], Ministry of National Defense of the People's Republic of China, March 11, 2015, available at <www.mod.gov.cn/policy/2015-03/11/content_4574146.htm>.
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 - ¹¹⁷ Information from PLA officers, November and December 2017.

- 118 See table for details.
- 119 For examples, see Chen and Li, "Navy and Ministry of Human Resources Hold Joint Training Class on Independent Job Selection, Job Searching, and Entrepreneurship"; and Leng Xinggao and Li Bingfeng [冷兴高, 李兵峰], "Rocket Force Organization Job Search and Entrepreneurship Classes Help Independent Job Search and Civilian Transfer Military Cadre Enter the 'Sea of Commerce'" [火箭军组织就业创业培训为自主择业军转干部融入"商海"搭桥], Xinhua, August 31, 2017, available at http://news.xinhuanet.com/mil/2017-08/31/c_1121579275.htm.
- 120 See Yunnan Provincial Office of Human Resources and Social Security, "Notice Regarding Holding Entrepreneurship Training Courses for Independent Job-Searching Military Cadre" [关于举办自主择业军转干部创新创业能力提高培训班的通知], Yunnan Human Resources and Social Security Network, December 14, 2016, available at <www.ynhrss.gov.cn/NewsView.aspx?NewsID=20437&ClassID=558>.
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- ¹²² Zhao Lei, "Scores of PLA Officers Punished," *China Daily* (Beijing), January 30, 3015, available at http://usa.chinadaily.com.cn/china/2015-01/30/content_19444889.htm.
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- ¹²⁵ For the relevant prohibition in the *Provisional Measures*, see chap. 2, art. 13, sec. 2. For the corresponding prohibitions in civil servant law, see art. 24 of "Civil Servant Law of the People's Republic of China."
- ¹²⁶ "Robber Barons, Beware: A Crackdown on Corruption Has Spread Anxiety among China's Business Elite," *The Economist*, October 22, 2015, available at <www.economist.com/news/china/21676814-crackdown-corruption-has-spread-anxiety-among-chinas-business-elite-robber-barons-beware>.

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- ¹²⁸ For a discussion of the relationship between the party and PLA, see James C. Mulvenon, "China: Conditional Compliance" in *Coercion and Governance: The Declining Political Role of the Military in Asia*, ed. Muthiah Alagappa (Stanford: Stanford University Press, 2001).
- "Defense Ministry's Regular Press Conference on March 29," *China Military Online*, March 30, 2018, available at http://english.chinamil.com.cn/view/2018-03/30/content_7987841.htm.
- $^{130}\,$ Qu, "More Than 4,000 Demobilized Soldiers Gather at the Central Military Commission Holding Banners to Protect Their Rights."
- ¹³¹ More recent reports have indicated that some veteran activists have been taken away by security services. See Chan, "Why Former Chinese Soldiers Are Skeptical about Xi Jinping's Promise of Better Treatment."
 - ¹³² "Defense Ministry's Regular Press Conference on March 29."

Appendix

	Comparison of National-Level Working Groups Responsible for Military-Locality and Demobilization, 2008					
Military Cadre Transfer and Resettlement Work Small Group		National Double Support Work Leading Small Group				
State Council	Director, Ministry of Human Resources and Social Security [人 力资源社会保障部部长]*	Vice Premier, State Council [国务院副总理]*	State Council			
State Council	Deputy Director, Ministry of Human Resources and Social Security [人 力资源社会保障部副部长]**	Director, Ministry of Civil Affairs [民政部部长]**	State Council			
PLA	Assistant to Director of General Political Department [总政治部主任助理]**	Deputy Director, CCP General Office [中央办公厅副主任]**	CCP			
CCP	Deputy Director, Central Organization Department [中央组织部副部长]	Deputy Director, Central Organization Department [中央组织部副部长]**	CCP			
CCP	Deputy Director, Propaganda Department [中央宣传部副部长]	Assistant Secretary General, State Council [国务院副秘书长]**	State Council			
CCP	Deputy Director, State Commission Office for Public Sector Reform [中 央编办副主任]	Deputy Director, Propaganda Department [中央宣传部副部长]**	CCP			
State Council	Assistant Secretary General, State Council [国务院副秘书长]	Deputy Director, Ministry of Civil Affairs [民政部副部长]**	State Council			
State Council	Deputy Director, National Development and Reform Commission [发展改革委副主任]	Deputy Director, National Development and Reform Commission [发展改革委副主任]	State Council			
State Council	Deputy Director, Ministry of Education [教育部副部长]	Deputy Director, Ministry of Education [教育部副部长]	State Council			
State Council	Deputy Director, Ministry of Public Security [公安部副部长]	Deputy Director, Ministry of Science and Technology [科技部 副部长]	State Council			
State Council	Deputy Director, Ministry of Civil Affairs [民政部副部长]	Deputy Director, Ministry of Industry and Information Technology [工业和信息化部副部长]	State Council			
State Council	Deputy Director, Ministry of Finance [财政部副部长]	Deputy Director, Ethnic Affairs Commission [国家民委副主任]	State Council			
State Council	Deputy Director, Ministry of Housing and Urban-Rural Development [住房城乡建设部副部长]	Director, Political Department, Ministry of Public Security [公安部政治部主任]	State Council			

Comparison of National-Level Working Groups Responsible for Military-Locality and Demobilization, 2008						
Military Cadre Transfer and Resettlement Work Small Group		National Double Support Work Leading Small Group				
State Council	Assistant to Director, People's Bank of China [人民银行行长助理]	Deputy Director, Ministry of Justice [司法部副部长]	State Council			
State Council	Deputy Director, Administration of Taxation [税务总局副局长]	Deputy Director, Ministry of Finance [财政部副部长]	State Council			
State Council	Deputy Director, Administration for Industry and Commerce [工商总局副局长]	Deputy Director, Ministry of Human Resources and Social Security [人力资源社会保障部副部长]	State Council			
State Council	Deputy Director, Administration of Press, Publication, Radio, Film, and Television [广电总局副局长]	Member, Party Committee, Ministry of Land and Resources [国土资源部党组成员]	State Council			
PLA	Political Commissar, General Logistics Department [总后勤部 政治委员]	Deputy Director, Ministry of Housing and Urban-Rural Development [住房城乡建设部副部长]	State Council			
PAP	Director, Political Department [武警部队政治部主任]	Deputy Director, Ministry of Transport [交通运输部副部长]	State Council			
PLA	Deputy Director, General Political Department Cadre Department [总 政治部干部部副部长]	Deputy Director, Ministry of Railways [铁道部副部长]	State Council			
State Council	Deputy Director-General, Ministry of Human Resources and Social Security [人力资源社会保障部 副司长]	Deputy Director, Ministry of Water Resources [水利部副部长]	State Council			
		Deputy Director, Ministry of Agriculture [农业部副部长]	State Council			
		Deputy Director, Ministry of Commerce [商务部部长助理]	State Council			
		Deputy Director, Ministry of Culture [文化部副部长]	State Council			
		Deputy Director, Ministry of Health [卫生部副部长]	State Council			
		Deputy Director, State-Owned Assets Supervision and Administration Commission [国资委副主任]	State Council			
		Deputy Director, Administration of Taxation [税务总局副局长]	State Council			

Comparison of National-Level Working Groups Responsible for Military-Locality and Demobilization, 2008					
Military Cadre Transfer and Resettlement Work Small Group	Resettlement National Double Support Work Leading Small Group				
	Deputy Director, Administration for Industry and Commerce [工商总局副局长]	State Council			
	Deputy Director, Administration of Press, Publication, Radio, Film, and Television [广电总局副局长]	State Council			
	Director, General Staff Department Political Department [总参谋部政治部主任]	PLA			
	Director, General Political Department Mass Work Office [总政治部群众工作办公室主任]	PLA			
	Director, General Logistics Department Political Department [总后勤部政治部主任]	PLA			
	Director, General Armaments Department Political Department [总装备部政治部主任]	PLA			
	Deputy Political Commissar, People's Armed Police [武警部队副政治委员]	PAP			
	Vice Chairman, All-China Federation of Trade Unions [全国总工会副主席、书记处书记]	NG0			
	Secretary, Central Secretariat, Communist Youth League [共青团中央书记处书记]	CCP			
	Vice Chairman, All-China Women's Federation [全国妇联副主席、书记处书记]	NGO			
	Vice Chairman, All-China Federation of Industry and Commerce [全国工商联副主席]	CCP			
	Director, Ministry of Civil Affairs Special Care and Resettlement Bureau [民政部优抚安置局局长]	State Council			

Notes: Heads [zu zhang, 组长] of these two groups are denoted with one asterisk; deputy heads [fu zu zhang, 副组长] have two asterisks. Positions in red are common to both groups, but few of the actual personnel are dual-hatted with positions in both groups. All information is sourced from the 2008 rosters, which is the last year both rosters could be found. See State Council of the People's Republic of China, "Personnel Adjustment for State Council Military Cadre Transfer and Resettlement Work Small Group" [国务院军队转业干部安置工作小组组成人员调整], Liaoning

Provincial People's Government Report, available at <www.ln.gov.cn/zfxx/lnsrmzfgb/2008/d9q/gwybgtwj/200806/t20080602_219353.html>; and Duan Hongjie, ed., "State Council General Office and CMC General Office Notice on Adjustment of Personnel in National Double Support Work Leading Small Group" [国务院办公厅中央军委办公厅关于调整全国拥军优属拥政爱民工作领导小组组成人员的通知], Jilin Provincial People's Government, available at <www.jl.gov.cn/zw/xxgk/jlgb/2008/200809/200809GBF/200812/t20081228_2275705.html>.