POWER

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china story
yearbook: power

australian centre on
china in the world

press
2018年，无论如何观之，中华人民共和国都迎来其史上最盛之时，并已成为当今世上最强大的国家之一。虽然其经济面对严峻挑战，包括与美国一路持续的“贸易战”，但仍然系世界第二大。而其一带一路计划，更在形塑几个大陆间经济统合的路径与影响。在国家政策、资源投放与企业创发的配合之下，中共也发展成一环球“科技势力”。其剑指于2049年－即中共立国百年之际－成为环球科技的领袖。此亦大有成功的可能。

本书︽中国故事年鉴︾：权势威力研究此党国政权各种兼济其刚、柔与锐实力的方式，以给读者认识种种力量如何威行于中国与海外。中共的国民固然已长期与政权的影响争持，但现在散落各地的华人以至其他方众都益发被摄于其势力之下。正如本书之前的系列，我们将显要的发展进程置于历史的脉络之中，并采经济与政治无从与文化、历史及社会分开。本︽年鉴︾为该年的大事与趋向作深入浅出的分析。
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INTRODUCTION

Warning: Uninterruptible power supply
Source: Matt & Bea Mason, Flickr
On 18 December 2018, Xi Jinping, the most powerful man in an increasingly powerful People’s Republic of China (PRC), marked the fortieth anniversary of the Reform Era with a speech reaffirming China’s commitment to the path of economic reform and opening up to the outside world. Describing the reforms as a ‘great reawakening’ of the Chinese Communist Party (CCP), Xi credited the Party, of which he is the chairman, with ‘the most profound and the greatest social transformation in Chinese history’.

The speech was peppered with phrases for power, from ‘irresistible and magnificent power’ 勢不可挡的磅礴力量 to ‘modern socialist powerful nation’ 社会主义现代化强国. There are many words and phrases for power in Chinese, each with its own unique history and significance. That significance changes from place to place and time to time — in Taiwan and Hong Kong, for example, a ‘person from a powerful nation’ 强国人 can be an ironic or satirical reference to mainlanders, especially those who are boorish or don’t follow local rules and customs. The four characters on the cover, which can be combined either left to right or top to bottom to form phrases indicating various kinds of power, don’t even begin to exhaust the
vocabulary of power, as seen in a number of contributions to this Year- 
book (see Paul J. Farrelly’s essay in the opening forum ‘Powerful Words, 
Powerful People’ and the chapters by Michael Schimmelpfennig, ‘Immu-
nity to Temptation — “Power” in Chinese Language’, and Gloria Davies, 
‘Talking (Up) Power’).

Power has many definitions. These include the ability or capacity 
to do certain things or behave in a certain manner; physical strength or 
prowess that in national terms can be military or economic, for example; 
personal or institutional authority; a large quantity of something; and en-
ergy. It can be a verb as well as a noun, meaning to supply something with 
energy or to move with great speed or force.

In 2018, mainland China was, by most measures, more powerful than 
at any other time in its modern history and one of the most powerful coun-
tries in the world. Its economy, while facing serious challenges, including 
from the ongoing ‘trade war’ with the US, still ranked as the second largest 
in the world. A deft combination of policy, investment, and entrepreneur-
ship has also turned it into a global ‘techno-power’, and it aims, with a good 
chance of success, at becoming a global science and technology leader by 
2049, the one-hundredth anniversary of the People’s Republic. (See An-
drew Kennedy’s chapter ‘Technology: Rapid Ascent and Global Backlash’, 
and Natalie Köhle’s forum on the controversial medical experimentation 
possibly leading to the world’s first human head transplant.) Its military 
continued its course of rapid modernisation, beginning construction on a 
large-scale pier at its first overseas base in Djibouti (see Zhang Jian’s chap-
ter on China’s progress ‘Towards a “World-Class” Military’, and the forum 
by Olivia Shen on ‘China’s Base in Djibouti: Who’s Got the Power?’). Its 
investments in Africa and elsewhere, particularly in areas earmarked for 
the Belt and Road Initiative, though often controversial, continued to ex-
pand (as discussed in Beyongo Mukete Dynamic’s chapter on ‘China’s Pow-
er in Africa: Rhetoric and Reality’, and forum essays on Cambodia by Ivan 
Franceschini, Alibaba in South-East Asia by Qian Linliang, and Chinese 
mining interests in Ghana by Nicholas Loubere). China also increased its
involvement in the international refugee protection regime, becoming one of the world’s most ‘potentially influential actors’, according to the forum by Song Lili.

Xi’s December speech made it abundantly clear that China’s path to becoming globally strong and powerful could only possibly be achieved under the banner of his own leadership, wisdom, and thought on Socialism with Chinese Characteristics — a term mentioned twenty-eight times in the speech. While this was less than the seventy-five times he mentioned it in his first major speech as PRC President back in 2012 (discussed in Jane Golley’s chapter in the 2013 Yearbook), it has become increasingly evident that during his reign, the state will triumph over the market if and when he, or the Party, deems that necessary. This can be seen in Ben Hillman’s chapter on ‘the state advancing and the private sector retreating’ 国进民退, and in Carolyn Cartier’s chapter on the extensive state planning that underpins urban development — giving ‘anthropomorphic’ cities a power all of their own.

Such empowerment has not been granted to some of China’s most impoverished rural citizens, providing a clear example of where the state has instead retreated and the private sector advanced, with mixed results. Chen Mengxue looks at the relationship between town and country, wealth and poverty, and the future of the delivery of health services in China in her forum ‘Towards a Healthier Future’. As Xi noted in his speech, quoting Comrade Deng Xiaoping 邓小平: ‘Poverty is not socialism. We must catch up with the times. This is the purpose of reform’. Xi will need to get the balance between state and market right if he truly wants Deng to be proven right on this point.

Xi also took the opportunity in his speech to remind the world that ‘no one is in the position to dictate to the Chinese people what should and should not be done’. The Party had the right and duty to ‘control all tasks’, he said. But there were some things, of course, that the Party simply did not have the power to control on its own. The trade war that US President Donald Trump had been threatening began in earnest on 22 January with
him imposing tariffs worth US$8.5 billion on imported solar panels and US$1.8 billion on washing machines. By March, Trump had authorised tariffs of twenty-five per cent and ten per cent on steel and aluminium, and, by 1 April, the PRC began retaliating with tariffs affecting US$3 billion of American goods. And on it went, with US tariffs on Chinese imports skyrocketing to reach US$200 billion by September, when China’s retaliatory tariffs on US imports reached US$60 billion. The ninety-day ‘truce’ reached by the leaders of the two superpowers in Buenos Aires in December amounted to an agreement to halt further escalation of tariffs, with negotiations on the final deal ongoing — not the agreement that Xi Jinping would have wished for in a world in which he was in complete control.

**Power Walking**

Taiwan and Hong Kong, meanwhile, continued to feel both direct and indirect pressure from Beijing in 2018; in this *Yearbook* we focus on Taiwan (in forums by Mark Harrison and Graeme Read), and how global ‘tectonic forces’ have influenced power politics there in some surprising ways, resembling a kind of ‘politics with Taiwanese characteristics’ that is distinctly more democratic than the PRC’s. See pp.xxii–xxiii for an infographic of things that were banned in Hong Kong in 2018.
Taiwan and Hong Kong were not the only places feeling the pressure of China’s growing power in 2018. Despite Xi’s insistence in his December speech that ‘Chinese development will never constitute a threat to any other country’, international concern that it was using its power to influence the politics and policies of other countries, from Australia to Zimbabwe, grew as well (see David Brophy’s chapter on Australia’s China debate and also Beyongo Mukete Dynamic’s chapter on China’s power in Africa).

In December, Canadian authorities detained Huawei Chief Financial Officer Meng Wanzhou 孟晚舟: the US wants her extradited to the US to face criminal charges for alleged dealings with Iran. John Demers, the head of the US Justice Department’s National Security division insisted the warrant was based on years of investigation and not politics — Trump undercut this with a suggestion he might intervene to help boost a deal with China. But Demers, speaking on Bloomberg TV, said that the US had been very patient with Huawei and others despite China adopting what he described as a ‘rob, replicate and replace approach to economic development’. Over the next three weeks, Chinese authorities arrested three unrelated Canadians in what seemed like a politically motivated retaliation.

Beijing’s soft power, perhaps not surprisingly, lagged in 2018, with the PRC dropping a few places to number twenty-seven on the Global Soft Power 30 index; in cultural soft power, it fared better at number nine, but was still down one from the previous year (see Linda Jaivin’s forum ‘Soft Power, Hard Times’).

**Power Giveth and Power Taketh Away**

Star power couldn’t save internationally famous Chinese film actress Fan Bingbing 范冰冰 from the consequences of tax fraud. She was ‘disappeared’ in June and then reappeared in October, contrite and owing the Chinese government some US$97 million. Her first act back on social media was to criticise pro-independence statements made by a Taiwanese winner at the Golden Horse Awards in November. Another surprise
disappearance was that of Interpol’s first Chinese president, Meng Hongwei 孟宏伟, a former vice-minister of security, who sent his wife an emoji of a knife to let her know that he was in danger, after returning unexpectedly to China on 25 September. He is currently in detention under investigation for taking bribes. Xi has made fighting corruption in the Party and government a hallmark of his rule — and a bulwark of both his and the Party’s legitimacy in power (see Tobias Smith’s forum on China’s new national supervisory commission), designed to up the ante on tackling corruption.

One of power’s greatest objectives is its own maintenance. In his speech, Xi stated that the first lesson of the last four decades of reform was that ‘the Party’s leadership over all tasks must be adhered to, and the Party’s leadership must be incessantly strengthened and improved’. That includes the power to determine how to read the Marxist canon: in 2018, self-identified Marxist students on university campuses were ‘disappeared’ for activism on the part of workers’ rights (see William Sima’s forum on ‘Passing Marx’); Party power also trumped ‘Girl Power’ in 2018 (the title of Jane Golley’s chapter). The power of God was also no match for the power of the Party, with religions coming under increasing pressure to ‘Sinicise’ (discussed in a forum by Xie Shengjin and Paul J. Farrelly, ‘Raising the Flag: Loving Religions, Loving the State’) — and in the second half of the year, even the Pope genuflected after a manner, agreeing to share with the Party-state the authority to appoint Chinese Catholic bishops (see Paul J. Farrelly’s forum on ‘Rapprochement with the Vatican’). Nowhere did the Party wield the sharp end of its power
more forcefully in 2018 than Xinjiang, consigning an unknown number of Muslim Uyghurs — reportedly hundreds of thousands, or even millions — to punitive ‘re-education centres’ from which few have thus far emerged, and ramping up policing and surveillance throughout the ‘autonomous region’, even forcing Muslim Uyghur families to host Han Chinese who monitor what goes on and what is said in their own homes (the topic of Gerry Groot’s chapter this year).

**Power Lifting**

Xi’s own power, already formidable, grew even greater in 2018, weathering media and other speculation that China had reached ‘peak Xi’. In March, the National People’s Congress (NPC) confirmed his reappointment and, as signalled late the previous year, abolished the ‘two-term rule’ that had been in place since Deng’s time to ensure that no single leader would rule indefinitely as Mao had done, and with devastating consequences. No one at the NPC actually said that, of course, but rather noted that the rule had never been part of the actual Constitution. It has been some time since there has even been public discussion of the Party’s 1981 declaration that Mao had been ‘seventy per cent right and thirty per cent wrong’; the Party under Xi has used its power to suppress not just internal dissent but any discussion of history that does not accord with its own, selective telling and interpretation of events. It is little wonder that some are asking ‘Is Xi the new Chairman Mao?’, the opening to Bryce Kositz’s forum on two of the most powerful men in the PRC’s history.
There are still those brave enough to speak up about abuses of power, however. In 2018, no one did so as eloquently as Tsinghua University law professor Xu Zhangrun 许章润, who wrote a scathing essay called ‘Imminent Hopes, Imminent Fears: A Beijing Jeremiad’, which went viral in July. Xu begins with the point that ‘people throughout China — including the entire bureaucratic class — are feeling a sense of uncertainty, a mounting anxiety in relation both to the direction the country is taking as well as in regard to their own personal security’. He then expounds on the CCP’s attack on the personal freedoms of ‘absolutely powerless’ Chinese citizens and the lack of political reforms, asking questions such as ‘Will you be bankrupted if you happen to fall foul of one of the Power-Holders?’ Geremie R. Barmé, who translated three of Xu’s essays in China Heritage, commented that

Xu Zhangrun’s powerful plea is not a simple work of ‘dissent’, as the term is generally understood in the sense of samizdat protest literature. Given the unease within China’s elites today, its implications are also of a different order from liberal pro-Western ‘dissident writing’. Xu has issued a challenge from the intellectual and cultural heart of China 文化中国 to the political heart of the Communist Party.

For the time being, however, Xi and the Party are firmly in control of the narrative, and the ‘political heart’ of the Party does not look like softening any time soon.

*  

As Darren Lim and Victor Ferguson point out in their forum on ‘Power in Chinese Foreign Policy’, ‘the pathways to power are numerous, diverse, and complex’. This is also evident in James Reilly’s forum on China’s diplomacy in North Korea, and indeed in many of the topics covered in this book. In presenting the constituent elements of power as embodied by the Chinese state, we hope readers develop a sense of how it has developed and is deployed, both in China and abroad. As with previous editions of
the China Story Yearbook, here we place important developments in the context of themes that are unfolding over periods of time much longer than one year, and adopt a cross-disciplinary approach. We believe that such things as the discourse around popular television shows (seen in Zhou Yun’s discussion of the hit TV historical drama series of 2018, The Story of Yanxi Palace 延禧攻略), for example, may be as illuminating as official rhetoric in 2018. In the final forum in the book, Peter Connolly looks at the relationship between blockbuster films and reality, reflected in the growing need and desire of Chinese citizens for protection overseas. This is just one of the diverse reflections in this Yearbook, which explores from myriad angles how the nature of Chinese power manifested in 2018.

Acknowledgements

This is the seventh book in the China Story Yearbook series, initiated by the Australian Centre on China in the World (CIW) at The Australian National University (ANU). Our ongoing reference to ‘The China Story’ 中国的故事 reflects the principle of CIW’s Founding Director, Emeritus Professor Geremie R. Barmé: that China’s story is not just as it is portrayed by the Chinese Communist Party, but should also be seen from the diverse perspectives of a multitude of others who are dedicated understanding the complexities of China through its language, history, culture, politics, economics, society and, most importantly, its people.

As with all preceding books in the series, this Yearbook is a collaborative effort that brings together scholars from across the globe, but concentrated in — or with connections to — Australia. The co-editors of the China Story Yearbook 2017: Prosperity, Jane Golley and Linda Jaivin, independently came up with the ‘power’ theme for this year — before beginning a brainstorming session with the two new editors, Paul J. Farrelly and Sharon Strange. From this point, we solicited authors to write on the range of topics found in the contents of this book, and were, time and again, thrilled with the quality of material that came our way. We wish to express
our genuine gratitude to all those have contributed to this *Yearbook*, and to doing it with such aplomb. We also thank Lindy Allen for copyediting the book, and two anonymous referees for taking the time to read and comment on it prior to publication.

**The Cover Image**

The characters in the centre of this *Yearbook*'s cover are 权势威力. The four characters on the cover can be combined either left to right (权势 and 威力), top to bottom (权威 and 威力), or diagonally (权利 and 威势). All combinations form phrases indicating various kinds of power. For more information on the etymologies of these characters, see Chapter 1 ‘Immunity to Temptation — “Power” in Chinese Language, pp.14–24.

The book cover has been designed to echo *Quotations from Chairman Mao Zedong* 毛主席语录, more commonly known as Mao’s *Little Red Book*. Most editions were published with a printed red vinyl cover and were pocket size so that they could be used at any time for easy practice, learning, and application.

The imagery on the front cover all depicts symbols of power used by the People’s Republic of China in its state propaganda.

The building in the centre is Tiananmen — the southernmost gate of the sprawling 72-hectare Forbidden City in Beijing. Due to its historical significance, Tiananmen appears on the National Emblem of the People’s Republic of China. Xi Jinping and other Chinese leaders stand on its rostrum to view military parades, give speeches, and meet with foreign dignitaries.
A hammer and sickle appear above Tiananmen. It was first used in the Russian Revolution to symbolise proletarian solidarity. Since 28 April 1942, the Communist Party of China (CCP) has used them as its symbol.

The five stars are taken from China’s flag, also known as the Five-starred Red Flag. It was officially adopted on 1 October 1949. The largest star is said to represent the CCP; the four smaller stars connote the social classes of the Chinese people (the proletariat, the peasants, the petty bourgeoisie, and the ‘patriotic capitalists.’) Other explanations of the stars’ symbolism suggest that the large star may stand for China and the smaller stars for its many ethnic groups.

Clouds are associated with the celestial realm. Multi-coloured clouds are associated with good fortune. From at least the Zhou dynasty (circa. 1046–221BCE), cloud motifs were cast on bronze ritual vessels; they later appeared on furniture, porcelain, jewellery, and clothing. They are often used in literary metaphor. More recently, in 2008, a cloud design was used on the Beijing Olympic torch.

The circle and star motif comes from the ceiling of the Auditorium of Ten Thousand People in the Great Hall of the People. The Great Hall of the People is the political hub of Beijing. It is used for legislative and ceremonial activities. It was here, in March 2018, that Xi Jinping and the rest of China’s legislature unanimously voted to remove the presidential and vice-presidential two-term limits.
November
The venue hosting Chinese-born British writer (and Hong Kong permanent resident) Ma Jian 馬建 cancels his event for the Hong Kong International Literary Festival. After receiving assurances that Ma would not promote his personal political interests, the event proceeded.

November
An exhibition featuring the work of Chinese-Australian artist Badiucan 巴蒂克安 is cancelled by the organisers — the Hong Kong Free Press, Amnesty International and Reporters Without Borders — following ‘threats made by the Chinese authorities relating to the artist.’

October
Former Financial Times editor Victor Mallet is denied a work visa. No reason is given, but the Foreign Correspondents’ Club surmises it is in response to his August interview of then-convenor of the Hong Kong National Party, Andy Chan Ho-tin 陳浩天. In November, Mallet is denied a tourist visa.

October
E-cigarettes, an alternative to conventional tobacco smoking methods, are banned.
January
Legislators vote to phase out the sale of ivory by 2021. Hong Kong is the world's largest ivory market.

July
Japanese author Haruki Murakami's new novel *Killing Commendatore* is removed from display at the Hong Kong Book Fair due to 'indecency'. It is sold in bookstores with a wrapper and warning and only those over 18 can borrow it from public libraries.

September
The pro-independence Hong Kong National Party 民族黨 is banned for posing a threat to national security.

September
The American warship USS *Wasp* is banned from docking in Hong Kong. It was, however, allowed to dock there in November.
China's Belt and Road Initiative
A global infrastructure network
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
- SILK ROAD ECONOMIC BELT
- MARITIME SILK ROAD
- ECONOMIC CORRIDOR

- Existing
- Planned/under construction

- OIL PIPELINE
- GAS PIPELINE
- RAILROADS
- PORT

FORUM
ON 10 APRIL 2018, Xi Jinping gave a speech at the closing ceremony of the annual Boao Forum for Asia, China’s geopolitical forum for global elites. Having expressed his desire for China to work with other nations in addressing the world’s challenges, towards the end of his speech he noted:

In the New Era, the Chinese people will continue to constantly strive to become stronger ziqiang buxi 自强不息

Xi often uses the idiom ziqiang buxi, commonly translated as ‘self-improvement’. In a speech in Rwanda in July, he referred to the citizens there as also having ‘ceaselessly self-strengthened’ (translated in the official English version as ‘unremitting efforts’). We translate it as ‘constantly strive to become stronger’ to better encapsulate the full meaning of the original Chinese text, which alludes to self-strengthening, self-renewal, and national and personal self-improvement — a striving to become ever more powerful.

The expression ziqiang buxi comes from one of the earliest extant Chinese texts, the Book of Changes, or I Ching 易经, the first versions of which appeared around 1000 BCE. The Book of Changes is still used in divination and it has influenced thousands of years of literature and philosophy, in-
cluding political philosophy. Ziqiang buxi appears in the commentary surrounding the first hexagram, 乾: 天行健，君子以自強不息, and can be translated as: ‘The action of heaven is strong and dynamic. In the same manner, the noble man never ceases to strengthen himself’.² Another translation, by John Minford, is: ‘Strong is the Movement of Heaven/ Tirelessly/ The True Gentleman/ Tempers himself’.³ There are so many possible interpretations of the Book of Changes’ pithy and allusive commentaries that they have remained relevant throughout the millennia, taking on meanings suitable for successive eras. Xi’s 2018 reference, which implies the continued strengthening of the nation, echoes the use of the expression by a number of reform-minded intellectuals in the nineteenth-century Qing court. In the wake of the devastation of the Opium Wars and the Taiping Rebellion, they argued that China needed to ‘self-strengthen’, by learning from powerful foreign nations, especially about military technology and strategy.⁴ China’s ‘Self-Strengthening Movement’ 自强运动 lasted from 1861 to 1895.

The motto of Xi’s alma mater, the prestigious Tsinghua University, which
was founded at the start of the Republican period in 1911, implores students to ‘ceaselessly self-strengthen’. The second line of the motto, drawn from the second hexagram in the Book of Changes, kun 坤, reads ‘with great virtue one can take charge of the world’ 厚德载物. The motto comes from a speech given at the university in 1914 by Liang Qichao 梁启超 (1873–1924), who had recently returned from exile after the ill-fated Hundred Days of Reform in 1895. By using ‘constantly self-strengthen’, Xi consciously (or perhaps, even, unconsciously) places himself in an intellectual lineage of modern reformers and institutions, while demonstrating his bona fides as a student of Chinese history. The extant to which China will successfully continue to strengthen in Xi’s New Era will have far-reaching implications.
Constantly Strive to Become Stronger
Paul J. Farrelly

CHINA STORY YEARBOOK
Power
Mao and Xi: Story of the Man, Story of the People
Bryce Kositz
IS XI JINPING the new Chairman Mao? Now that the Chinese Communist Party (CCP) has eliminated the two-term limit for the leader of the People’s Republic of China, there’s nothing to stop Xi from serving as leader-for-life — despite official denials that he intends to do so. Like Mao Zedong, Xi has carefully crafted a narrative of his personal history to legitimise his power and policies. Both Mao and Xi built a story, or mythos, about their lives that positioned themselves as the representative of the nation as a whole, with their personal struggles being depicted as identical to those of China.

Mao told his version of his story to American journalist Edgar Snow, who published his account, *Red Star Over China*, in 1937. As he described it to Snow, each period of his life followed
a similar pattern: Mao recognised right from wrong and was punished for pointing it out, but after gathering allies to fight with him, he and his ideas eventually emerged victorious. Mao’s narrative of his life story reflected China’s struggle for independence from the foreign powers that had established their power over it since the 1839–42 Opium War. He struggled with his highly traditional father to educate himself in new, Western topics including Marxism. He persevered and struggled with enemies outside the Party and rivals within it, until he won the right to lead the CCP, which was fighting against both the Japanese and Chiang Kai-shek’s Nationalist government. His personal struggle embodied that of the Party; Mao’s victory was that of the Party — and China itself.

The son of Mao’s comrade Xi Zhongxun, Xi Jinping was sent to work in the rural area of Liangjiahe in Shaanxi during the Cultural Revolution before eventually climbing the ranks to become General Secretary of the CCP in 2012. His preferred narrative is that of the ‘man of the people’ who achieved power and prominence while remaining grounded in the realities of China’s least privileged citizens. It can be summed up by the closing sentence of a short, autobiographical work: ‘No matter where I go, I will always be a son of the loess lands 黄土地’. Similarly, he described his work as provincial governor in Zhejiang by saying, ‘I have seen nearly all of Zhejiang’s mountains and waters … and personally experienced the state and characteristics of Zhejiang and all its counties’. Xi presents himself as China’s son, revolutionary by birth, humble by experience, and rising to power through hard work: a mirror of China’s progress over his lifetime. During his first visit to the US as General Secretary, Xi even returned to a town in Iowa that he had visited during an agricultural survey in 1985 to reconnect with ‘old friends’. So, not only is he connected to all the Chinese people,
Xi also has friends abroad — an important point for an outward-looking China. These friends in Iowa, moreover, reinforce Xi’s story about remaining grounded in the struggles of the least privileged, even as China asserts itself globally.

Both Mao and Xi spoke sparingly about their personal histories and only during the early years of their political career, thereafter letting their allies elaborate on their stories for them. Of his interview with Mao, Edgar Snow remarked that, ‘During Mao’s recollections of his past I noticed that an auditor at least as interested as myself was Ho Tze-nien [He Zizhen] — his wife. Many of the facts he told about himself and the Communist movement she had evidently never heard before’. Snow’s interview of Mao is one of the only records of Mao discussing his personal life. Xi, likewise, has spoken little about his life and only during the early years of his political career, largely in the single-page autobiographical work, written in 1998, quoted above.

Most importantly, Xi Jinping and Mao Zedong both used their personal stories to define the story of China for their times, legitimise their policies, and control political discourse. As seen through the prism of the official narrative, Mao’s personal struggle for recognition within the CCP stood in for the history of China from the beginning of its loss of national independence in the 1840 Opium War; the story of all Chinese history since 1840 condensed down into the story of one man — Mao. Mao thus predicted that, just as he had gained control of CCP to fix the problems within the Party, so would his power within China solve its national problems. This legitimised his power over the Party and explained the necessity of his policies of resistance and collectivisation.

Xi’s story about rising through the ranks of the Party while remaining in touch with all levels of society similarly projects a narrative of China’s retention of its revolutionary ideals after 1949. The story portrays Xi, and the Chinese nation as, having learned the revolutionary morality of the Mao era, using these inherited values to guide the modern economy — thus the importance of his campaign against corruption, for example. Xi, moreover, likens his own rise to personal power within the Party to his plans for China to rise in prominence and power on the world stage, ensuring that all its people can attain the China dream in the process. Like Mao Zedong, if he has to take a lifetime to achieve these national goals, he will.
IMMUNITY TO TEMPTATION —
‘POWER’ IN CHINESE LANGUAGE
Michael Schimmelpfennig
ACCORDING TO PLATO, only he who does not want power is fit to hold it. According to Laozi 老子, he ‘who overcomes others is strong 有力 and he who overcomes himself is mighty’ 强.¹ The Han dynasty commentator Heshang Gong 河上公 (200–150 BCE) understood Laozi to mean that for overcoming others, the type of power one needed was military force or strength 威力, whereas the kind of strength derived from power over one’s own ‘lusts and desires’ was superior and even made a man invincible.
While Plato is concerned with limiting the excesses of power, Laozi, at least in the understanding of the Han commentator, defines the preconditions for absolute power as immunity to temptation. Laozi’s formula became a central idea of kingly rule within Legalist thought — the philosophy embraced by the emperor Qin Shi Huang, founder of the Qin dynasty in 221 BCE.

The evolution of ideas and language around the notion of ‘power’ that led to today’s most common term for power, *quanli* [權力 in simplified characters], is remarkable: and not only for the continuity between Laozi’s ancient idea of absolute power and the political agenda of Xi Jinping.

**Early Terms and Ideas**

The character *li* 力 means ‘strength’ or ‘force’. Popular etymology conceives the character as depicting a muscled arm. More recent archaeological finds and palaeographic comparisons indicate that the character more likely depicts a farm implement similar to a plough. The character has become part of the modern compound for ‘physical force’, ‘strength’ or ‘ability’ (*liliang* 力量), which is also a kind of power. The character *qiang* 強 (*强 in simplified characters) means ‘mighty’, ‘powerful’, or ‘to force’. Originally, it designated the larvae of the corn-weevil (*qiang* 彊), which was used as a homophone for ‘strong’. Today, it appears in expressions such as ‘brute force’ 強力, a ‘strong’ or ‘powerful’ state 強国, and in formulas such as ‘strengthen the state and enrich the people’ 強國富民. This is an inversion of a proverb dating back to 81 BCE, recorded in the *Discourses on Salt and Iron* 鹽鐵論, which argued for taxation: ‘In a state made rich the people become strong’ 國富民強.²

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² Source: chinesetimeschool.com

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The character 力 is a pictograph of a plough: the upper part, which curves at the bottom, is the wooden handle, and the lower part is its iron head.
Wei 威, which, in combination with li, implies military strength or force, means ‘imposing’, ‘impressive’, or ‘majestic’. It appeared frequently in ancient Chinese texts to describe strong rulers or military leaders. The modern Chinese compound weili 威力 extends its meaning to ‘power’ or ‘might’ as embodied or executed by a person.

Among other ancient terms expressing the power of a person are shen 神 and yan 严, the first referring to a supernatural or divinely sanctioned authority, the second to both the power that grows from authority and the reverence such authority deserves. Another character, de 德, is commonly rendered as virtue. It denotes a toolset of qualities for successful government only certain rulers are imbued with. Yet one quotation from the Confucian Analects illustrates its relation to power: ‘The Master said, “Governing with virtue can be compared to being the Pole Star; it remains in its place yet receives the homage of the myriad lesser stars”’.

Then there is shi 势 (势 in simplified characters), of which li 力 is the carrier of meaning. In military texts, shi may denote the strategic advantage one army has over another by occupying the high ground, or the ‘power of position’. We accept persons of a certain social standing, education, or institutional affiliation are invested with this kind of power, yet it remains unclear what triggers our submission to their authority. For Legalist thinker Han Feizi 韩非子 (279–233 BCE) shi refers to the phenomenon by which some people can enforce their will on others because of the social role they occupy. In his view, the power of position is distinct from
Immunity to Temptation — ‘Power’ in Chinese Language

Michael Schimmelpfennig

dé (virtue), since without shì a ruler possessing only virtue lacks the ability to enforce his power.

A final ancient term that is relevant here is quan 權 (權 in simplified characters), which originally referred to weights. The traditional Chinese weighing device is a steelyard — a handheld balance beam, with a weighing dish at one end, and a sliding weight on a string that can be moved along it at the other. Quan thus implies ‘leverage’, and by extension, ‘political leverage’. Another Daoist philosopher, Zhuangzi 莊子, referred to both senses of quan when he observed that ‘whoever is partial to power will not share its handle with others’ 親權者不能與人柄?

A New Term for an Old Idea?

The most common contemporary Chinese compound word for power, quanli 权力, has been used from the Han dynasty onwards, but appeared rather infrequently in ancient times. It first occurred four times in an early Western Han work attributed to an advisor to Liu Bang 劉邦, the founding emperor of the Han dynasty (r. 202–195 BCE). This suggests that the political reset after the fall of the Qin dynasty created a need for a new or at least modified terminology of power. The advisor Jia Yi 賈誡 (200–168 BCE) warned the new emperor that his decree to entitle some of his former comrades in arms to their own land would alter their behaviour: it ‘has furthered their weight quan, increased their strength li, and made them develop untamed minds that can hardly be made to follow’. Jia Yi is mainly concerned with the behaviour of these vassals:

When clothing [of higher ranks] is imitated, it is called contending for precedence; when generous favours [proper to superiors] are imitated, it is called contending for reward; when the weight and [executive] strength [of higher ranks] quanli are imitated this is called contending for might.
In the view of the historian of early Chinese political thought, Charles Sanft, Jia Yi’s point is that in a system imbued with hierarchical significance, to unduly claim the privileges of a higher rank is an act of aggression.\textsuperscript{10} Such imitation can also indicate an imminent power struggle.

Comparing both of Jia Yi’s admonishments shows that the one expression, \textit{quanli}, denotes two different aspects of power: the weight a person gains by taking up a rank within a feudal hierarchy, and the executive reach or leverage his position entails.

An annotation in the influential commentary of the Song philosopher Zhu Xi 朱熹 (1130–1200 CE) to the Confucian \textit{Analects} suggests a meaning for \textit{quanli} that oscillates between physical strength, brute force, and power. Zhu refers to Yi 羿, the legendary archer, and Ao 堯, said to have the strength to tow boats. Both tried to usurp their rulers’ positions, and were killed as a result. Zhu describes them as examples of ‘those who possessed power \textit{quanli} in that age’ 當世有權力者.\textsuperscript{11} Zhu Xi’s use of \textit{quanli} is decidedly negative.

The current meaning of \textit{quanli} as power appears to be a creation of the nineteenth century. The German historian Reinhart Koselleck has named
the time between 1750 and 1850 the ‘saddle period’; it was then that industrial development forced the rising nations of Europe to redefine their political vocabulary to suit the requirements of modernity. In China, the aftermath of two Opium Wars, including the forceful opening of coastal cities to foreign trade, spurred a comparable process of the modernisation of language, including of the vocabulary of power.

A flurry of glossaries and Chinese–English dictionaries appeared from the 1870s onwards. The modernisation process of Japan preceded that of China, and provided Chinese intellectuals studying there with translations for new ideas conveniently rendered in Chinese characters, called kanji, that were re-imported into the Chinese lexicon.

The chart on the right provides a list of works in order of publication that address the notion of power by using the term quan. Works from the nineteenth century show a wide variety of expressions for ‘power’ involving quan as well as combinations of characters mentioned above — yet the expression quanli is rarely used. There is not enough information to determine the role, if any, that Japanese may have played in furthering the usage of quanli. In any case, quanli came into wider use beginning in the early twentieth century, and the newly introduced bilingual dictionaries translated it as power.

The Language of ‘Power’ in China Today

The three-hour report delivered by Xi Jinping to the Nineteenth National Congress in October 2017 (for further details, see Chapter 1 ‘The Nineteenth Party Congress: Here Comes the Future’, the China Story Yearbook 2017: Prosperity, pp.18–26) laid out a road map for the ‘New Era’ of China becoming a world power. In the words of Jiang Shigong 强世功, renowned legal scholar and professor at Peking University, Xi’s address is the core text for understanding the Xi Jinping era and the CCP’s mission over the next thirty years. Xi’s speech presents a variety of expressions of power
LIST OF WORKS IN ORDER OF PUBLICATION THAT ADDRESS THE NOTION OF POWER BY USING THE TERM QUAN

• 1844 大權 power over major issues (y) Haiguo tuzhi
• 1852 政權 political power (y) Zengguang Haiguo tuzhi
• 1879 權力 power (y) Lundun yu Bali riji
• 1884 權勢 power (n) Tetsugaku jii (Japan)
• 1884 權威 power (n) Tetsugaku jii (Japan)
• 1894 權分 division of power (y) Shengshi weiyan
• 1894 權利 power (y) Shengshi weiyan
• 1893 政柄 political power (y) Faguo zhengbing ji
• 1895 權力 power (y) Shengshi weiyan
• 1895 權勢 power and influence (y) Zengguang haiguo tuzhi
• 1895 權勢 power and influence (y) Shengshi weiyan
• 1903 權力平均主義 balance of power doctrine (y) Guoji sifa (Japan)
• 1903 政權 political power (y) Zhongguo zhuanzhi zhengti jinhuashi lun
• 1905 大權 monarchical power (y) Kaocha zhengzhi riji
• 1905 權力 power (y) Chushi jiuguo riji
• 1907 權力 power (y) Hanyi falü jingji cidian (Japan)
• 1907 官制權 administrative power (y) Hanyi falü jingji cidian (Japan)
• 1909? 權力 power (y) hengshi weiyan houbian
• 1911 大權 power (y) Putong baike xin da cidwian
• 1912 權力平衡 balance of power (n) Tetsugaku jii (Japan)
• 1912 權力平衡 balance of power (n) Ying Hua da cidian
• 1913 權力 power (n) Chinese New Terms and Expressions
• 1913 權力 power (y) Hanyi riben falü jingji
• 1913 政權 political power (n) Chinese New Terms and Expressions
• 1916 政權 political power (n) English-Chinese Dictionary of Standard Chinese
• 1922 權力 power (n) A Mandarin-Romanized Dictionary of Chinese

* (y) translation added by current author; (n) translation included in original publication
used in political speech today. In addition, it facilitates understanding of the signals some of these new terms send for China's current and future aspirations.

Expressions that appear in the official translation of Xi’s speech as some variant of the English word ‘power’ (as well as ‘strength’, ‘ability’, ‘energy’, ‘influence’, and other related terms) include a range of compounds involving four characters for strength, \(\text{li 力}\); might, \(\text{qiang 强}\); weight or power, \(\text{quan 权}\), and a few others. The people, for instance, are the ‘fundamental force’ 根本力量 that determine the Party’s and the country’s future. This is a Party that ‘always remains a powerful leadership core’ 始终成为坚强领导核心, ‘exercises power in the interest of the people’ 执政为民, increases ‘China’s economic power’ 经济实力 and ‘composite national strength’ 综合国力 with its ‘ability to innovate’ 创造力, its ‘power to unite’ 凝聚力, and its ‘energy to fight’ 战斗力. While China still dreams of ‘building a stronger military dream’ 强军梦, it has increased its ‘international influence’ 国际影响力, its ‘ability to inspire’ 感召力, and its ‘power to shape’ 塑造力. By 2035, China’s ‘soft power’ 软实力 will have grown much stronger, Chinese culture will have ‘greater appeal’ 影响力, and China, grounded in twenty-first century Marxism, will emanate ‘a more compelling power of truth’ 有说服力的真理力量.

Compound expressions that contain \(\text{quan 权}\) often leave out \(\text{li 力}\) for the sake of brevity. They share a strong emphasis on executive powers or agency: China’s ‘sovereignty’ 主权 shall be safeguarded but Cold War mentality and ‘power politics’ 强权政治 — Xi’s reference to Donald Trump — shall be rejected. The principle of ‘one country, two systems’ shall be unwaveringly upheld through overall ‘jurisdiction’ 管治权 over Hong Kong and Macao while granting a high degree of ‘autonomy’ 自治权 to both regions. The development of crime prevention and control systems shall be accelerated to protect ‘personal rights’ 人身权, ‘property rights’ 财产权, and the ‘right to dignity’ 人格权. To expand orderly political participation, legal protection for ‘human rights’ 人权 shall be strengthened and institutions of democracy at the primary level — actually a policy to crush the
impact large clans have on local village governments — will improve the people’s ‘right to be informed’ 知情权, ‘to participate’ 参与权, ‘to be heard’ 表达权, and ‘to oversee’ 监督权.\textsuperscript{16}

Setting aside the paradoxical nature of some of the above pairings, such as upholding ‘jurisdiction’ to grant autonomy, or protecting personal rights through accelerated development of control systems, most expressions in Xi’s speech bespeak two related agendas: the increase of power in the sense of global influence, and the increase of control within and beyond the mainland.

The attempt to control is most evident in Xi Jinping’s anti-corruption campaign — one of his key agendas since coming to power in 2012. This agenda is evident from the large number of cadres at all levels that have been persecuted, and also in the recent expansion of the campaign to oversee all public servants through the establishment of the State Supervisory Commission in March 2018 (see Chapter 1 Forum ‘Power Surge: China’s New National Supervisory Commission’, pp.31–33), the introduction of new legislation including the State Supervision Law 国家监察法 also in March, the issuing of revised Regulations for Disciplinary Measures 纪律处分条列 in August, and the Central Committee’s eleventh study session of the Institutional Reform of State Supervision in December 2018.

The debate whether Xi is genuinely convinced of the need to eradicate corruption or whether this campaign essentially serves the consolidation of his power by purging possible opponents continues. While those convinced of Xi’s genuine motives point out that prosecution did not exclude members associated with the camp of Xi’s mentor, Jiang Zemin,\textsuperscript{17} their opponents see the establishment of parallel organisations including the State Supervisory Commission that act above the law and are equipped with more powers than the Supreme Court as clear indicators of Xi’s efforts to consolidate power.\textsuperscript{18} Cases of trumped up corruption charges or reports of the attempts by six high-ranking Party members to overthrow Xi suggest that the President does not act entirely from conviction.\textsuperscript{19} Whatever Xi’s ulterior motives are, it is evident that widespread corruption within
the Party has not only undermined the credibility of the CCP but has also undermined the Party’s control on all levels of politics, administration, and economy. If we conceive Xi’s anti-corruption campaign to be at least partly founded on this awareness, his continuous efforts to erase what Laozi called ‘lusts and desires’ — that is, corruptive behaviour among CCP members and, since March 2018, among the entire administration — have two aims: to render cadres and officials immune to temptation, and, as a consequence, to further consolidate the power of the CCP and its present leader. It is here where the conceptions of absolute power of the ancient thinker Laozi and Xi Jinping converge.
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
- Railroad
- Port
- Gas Pipeline
- Oil Pipeline
- Silk Road Economic Belt
- Maritime Silk Road Economic Corridor

Existing Planned/under construction
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
SILK ROAD ECONOMIC BELT
MARITIME SILK ROAD
ECONOMIC CORRIDOR

Existing
Planned/under construction

OIL PIPELINE
GAS PIPELINE
RAILROADS
PORT
ABSOLUTE POWER CORRUPTS ABSOLUTELY

Power Surge: China’s New National Supervisory Commission

· TOBIAS SMITH
Power Surge: China’s New National Supervisory Commission

Tobias Smith
POWER SURGE: CHINA’S NEW NATIONAL SUPERVISORY COMMISSION

Tobias Smith

DURING XI JINPING’s first term in office, his flagship anti-corruption drive roiled through the Party; in his second term, it is reshaping the state. In March 2018, the National People’s Congress (NPC) established the National Supervisory Commission (NSC) — a massive new anti-corruption body — and introduced the Supervision Law of the People’s Republic of China to regulate it. The new NSC is a powerhouse. It reports directly to the NPC, making it a co-equal branch of government with the judiciary, the Supreme’s People’s Procuratorate, and the State Council.

The Supervision Law concentrates power in the NSC by consolidating anti-corruption work that had previously been parcelled out among multiple state and Party agencies. On the state side, these include the Procuratorate, the State Council, and the National Bureau of Corruption Prevention. Many of the duties of state agencies have been folded into the NSC. On the Party side, the Central Commission for Discipline and Inspection (CCDI) formerly spearheaded anti-corruption efforts. The Party-led CCDI remains intact, but it now works hand-in-glove with the NSC.

Critics argue that the Supervisory Law removes the legal circuit breakers that are used to partially regulate anti-corruption power. Previously, state anti-corruption bodies nominally adhered to administrative and criminal law. Meanwhile, the Chinese Communist Party (CCP) enforced discipline
through an extralegal political channel, which allowed the CCDI to use fearsome detention measures known as shuanggui 双规.1

The new Supervision Law crosses the state and Party wires. It provides the NSC with a new investigative power — liuzhi 留置 (retention in custody) — that is remarkably similar to shuanggui. Liuzhi allows the NSC to hold a suspect in custody for six months without counsel or a hearing. Unlike the previous Party-enforced measure, it has been enacted. But this law stands in direct legal tension with due process protections laid out in China’s Criminal Procedure Law, China’s Constitution, and international law.2 So, while the new Supervisory Law formally reroutes anti-corruption power through legal circuits, it damages those circuits as well.

The Supervision Law extends the grid of anti-corruption powers over more Chinese citizens than ever before. The CCDI already had the power to investigate and detain Party members, but only about eighty per cent of civil servants are in the CCP.3 The NSC now has jurisdiction over state actors who are not Party members as well. Its mandate is to investigate public employees and ‘relevant personnel’ including not only officials, but also managers at state-owned enterprises, people engaged in management in public education, scientific research, culture, health care, and sports, and ‘other personnel who perform public duties in accordance with the law’.

While the NSC is a behemoth, its amalgam of state and Party power might ironically prove that the whole is less than the sum of its parts. From the state’s perspective, some of the NSC’s authority is sapped from other agencies. For example, the Procuratorate, a major state power player, stands to lose out. Previously, a corruption case investigated by the Party required re-investigation by the Procuratorate before charges were laid. The new law strips it of that mandate. While this change is officially billed as reducing administrative duplication, it also reduces the Procuratorate’s power. Anti-corruption personnel are also being transferred to the NSC, despite resistance from the Procuratorate.4

From the Party’s perspective, the Supervision Law is one of a number of reforms that increase political dominion over formal state governance, targeting public employees and CCP members alike for elevated scrutiny and discipline. But it is not clear that this will increase Party power over time. The CCP has enjoyed surprising
longevity — a fact that may owe to the innovation of a hyphenated Party-state, in which the hyphen delineating politics and administration makes the compound durable; as Party and state merge, both may become more fragile.

While critics worry that the NSC signals even more centralised power under the Xi administration, the formation of the NSC may instead highlight the surprising powerlessness of Beijing against local interests. The central government’s concern that corruption undermines legitimacy is not always shared by local governments. And it is local government that is most powerful on the ground in China. This problem is not new. The balance of power between central and local administrators is arguably the most enduring historical challenge of Chinese statecraft. Unable to restrain corruption using local government hierarchies, administrations from late imperial China to the present have turned to external overseers — such as the Censorate in the Ming dynasty, the Control Yuan under the Republic, and the NSC today — as top-down workarounds. While these overseers may have had some short-term success, none has fixed the structural divide between local and central interests that is at the root of the issue.

The formation of the NSC seems to indicate a surge of power away from the law, towards the Party and the centre, but it remains unclear whether this power will flow as predicted, and whether the circuits can handle the load; too much power all at once may cause a power outage, or, even worse, burn down the house.
TALKING (UP) POWER

Gloria Davies
ON 2 MARCH 2018, *Amazing China* — a ninety-minute, state-funded documentary film — opened in movie theatres across China. The film begins with footage of Xi Jinping from a press conference on 15 November 2012, when he had just been appointed as the Chinese Communist Party’s (CCP) General Secretary. To the accompaniment of a rousing symphonic score, we see Xi promising, on behalf of his fellow-Politburo members, ‘to attend to our duties day and night with diligence, and strive to deliver a satisfactory answer sheet to history and the people’. As the music builds, the film cuts to a scene of children playing outdoors, followed by images of a mother and her young son, smiling as they give a thumbs-up sign with both hands, then individual smiling workers, and then a group of happy students waving with their hands raised, each making a peace sign, as the narrator intones: ‘Five years have passed. More than 1.3 billion Chinese citizens have received an answer sheet of this kind.’

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*Chairman of Everything* Xi Jinping
The remainder of the film is devoted to showcasing the nation’s many major achievements since Xi took power. It focusses on high-tech industries such as China’s 5G mobile technology, the deep-water drilling rig Blue Whale 2, and the construction in Guizhou of the Five-hundred-Metre Aperture Spherical Radio Telescope (known as FAST), the rig and telescope being the largest of their kind in the world. Amazing China, with its dazzling images, high-definition graphics, and high-quality sound, reflects the sophistication of Party propaganda under Xi. It was no accident that the release of this celebratory film coincided with the annual gathering in Beijing of delegates to the National People’s Congress (NPC) and the Chinese People’s Political Consultative Conference (CPPCC). Known colloquially as the Two Sessions 两会, these meetings of China’s legislature (the NPC) and the Party’s highest advisory body (the CPPCC) ran from 3 to 20 March.

A week into the Two Sessions, on 9 March, Xinhua reported that Amazing China had become China’s ‘all-time highest-grossing documentary’. Other state media sources also praised the film. The national broadcaster CCTV reported on 11 March that the film had generated ‘a tide of favourable comments by people from all walks of life and delegates to the Two Sessions’. Yet, in mid-April, the Party’s Central Propaganda Department issued instructions for theatre screenings and online distribution of the film to cease.
State censorship ensured that, at least within China, speculations about this unexplained about-face did not circulate widely. Outside China, however, online commentators linked the film’s withdrawal to the onset of the US–China ‘trade war’, following the imposition of the first US tariffs on a range of Chinese products in late March. Several of these commentators singled out the ban that the US Commerce Department had imposed on Chinese telecom company ZTE on 16 April, preventing ZTE from buying essential components and software from its US suppliers. (This ban was lifted on 7 June).

Amazing China presents ZTE (founded in 1985 and formerly known as Zhongxing Telecommunication Engineering Corporation) as a shining example of the nation’s technological prowess. The US ban, by contrast, revealed the extent of ZTE’s reliance on US-made technology. On 17 April, one day after the ban was imposed, ZTE announced it had ceased ‘major operating activities’. Trading in the company’s shares was suspended and the resulting loss of investor confidence, together with growing uncertainty about China’s trade relations with the US, affected the development plans of two other major Chinese telecom companies — Huawei and Xiaomi. On the Q&A platform Pin-cong, one commentator wrote that the problem with ZTE’s prominence in the film was that ‘while people may be indifferent to politics, they care greatly about their hard-earned money’. This commentator averred that the film was pulled for the following reason: if people who were already ‘angry and anxious’ because ZTE’s misfortunes had caused them to lose money were to watch ZTE being lauded in Amazing China, ‘their indifference would likely turn into an angry political reaction’.

In an interview with Voice of America’s Chinese-language service on 23 April, the Beijing-based social critic and historian Zhang Lifan observed that news of the film’s withdrawal might have been overstated as he was still able to access it online. However, what was indisputable was that ‘the film has not ceased to be parodied and pilloried’. Amazing China is a loose translation. The film’s Chinese title, Lihai le, wode guo 厉害了, 我的国, means ‘How formidable you’ve become, my country’. Zhang noted that wise-cracking netizens had offered the sim-
ilar-sounding alternative title, *Ni hai le wode guo* 你害了我的国, meaning ‘You’ve destroyed my country’. Zhang said, ‘Naturally, those who have done the destroying know who they are’.

The film’s Chinese title is a riff on the online expression, *lihai le, wode ge* 厉害了，我的哥, meaning ‘You’re the best, bro’ and used by Chinese-speaking gamers to commend an extraordinary or unbeatable player. However, the word *lihai* 厉害 has ambivalent connotations. Depending on context, *lihai* can mean that a person is ‘highly capable’, even ‘formidable’, or alternatively ‘harsh’, ‘severe’, or ‘ruthless’. When *lihai* is used to describe an incident, situation, or natural phenomenon (for instance, a fight or a storm), an alcoholic beverage or personal experience (such as of hunger or grief), it highlights the extreme nature or intensity of the thing in question.

The ambivalence of *lihai* owes to the second character, *hai* 害, which carries a range of negative connotations. Used as a noun, *hai* means ‘evil’, ‘disaster’, or ‘trouble’, and, as a verb, it means to ‘destroy’, ‘endanger’, ‘injure’, or ‘kill’. The alternative title Zhang mentioned, *Ni hai le wode guo*, plays on these connotations of *hai*. Similarly, the gamers’ expression can also be used sardonically to mean, ‘So you think you’re the best, bro?’ In changing *wode ge* 我的哥 (my brother) to *wode guo* 我的国 (my country), the film’s producers evidently did not consider the parodic potential of their chosen title.

‘Being Prepared for All Contingencies’

An alertness to power as double-edged is implicit in the word *lihai*. People who rise to power quickly are described as *lihai*. People who are *lihai* are wary of rivals who may be equally or even more *lihai* than them. When
Xi Jinping addressed senior Communist Party officials on 5 January 2018, the first day of a four-day workshop on ‘Studying and Implementing the Spirit of the Nineteenth National Party Congress’ in Beijing, he urged his audience to be vigilant against unforeseen dangers. Xi did not use lihai to describe China’s economic might. Instead, he spoke more circumspectly of China having arrived at ‘a time of great promise and historic opportunity’ in which ‘the overall situation for its further development is good but one cannot expect plain sailing as we move forward’. Xi elaborated:

The greater our achievements are, the more cautious we must become, as if we were walking on thin ice, and the more prepared we must be for danger. We absolutely cannot afford to make strategic mistakes or allow disruptions to occur. We face a volatile international situation and find ourselves in complex and sensitive surroundings as we shoulder the arduous and demanding responsibility of ensuring stable reform and development. We must thus pre-empt risks and have masterful ways at our disposal for dealing with and resolving risks and challenges.... We must continue to advance our great struggle, which has acquired many new historical characteristics, and be prepared to overcome all difficulties and obstacles. We will go forward boldly, guided by the noble goals that our Party has established.

Xi used an eight-character premodern expression to sum up what he meant: ‘Make it the normal practice of our state to be prepared for all contingencies’ 备豫不虞, 为国常道. This quotation, taken from a Tang-era book on statecraft by the scholar-official Wu Jing 吴兢 (670–749) titled Essentials of the Good Government of the Zhenguan Era 贞观政要, quickly became a key Party slogan. It soon appeared in dozens of articles in China’s state-run media.
Chinese historians have traditionally and to this day represented the Zhenguan 贞观 era (627–649) of the second Tang emperor Taizong’s reign (r. 626–649) as a ‘Prosperous Age’ 盛世 in which people enjoyed an abundance of food; trade and cultural activities flourished; and the empire was at peace. The expression ‘Governance during Zhenguan’ 贞观之治 is synonymous with ‘good government’. By quoting from Essentials of the Good Government of the Zhenguan Era, Xi Jinping is implicitly comparing his newly declared New Era 新时代 to that of the Zhenguan era. Endymion Wilkinson describes this Tang-era classic on statecraft as:

A collection of anecdotes and conversations between the emperor and his ministers that gives an idealised picture of government at a crucial moment in the establishment of Tang power.... During the Yuan and Qing, emperors received lectures on it as part of their education and the same was true of the rulers of Japan, Korea, and other nearby kingdoms until the early twentieth century.10

Among those who lauded Xi’s use of this Tang dynasty expression was Yang Chaoming 杨朝明, Director of the Confucius Research Institute of China in Qufu, Shandong province — the birthplace of Confucius. Twelve days after Xi’s speech, Yang published an essay-length exegesis in the leading Party newspaper of ideas, Guangming Daily, in which he explained the meanings of the eight characters and their origins in early Chinese texts. He noted that the appearance of the second character 豫 yu (preparedness) as a hexagram in the nearly three-thousand-year-old Chinese classic, the Book of Changes 易经, indicates that the Chinese have always valued the idea of being prepared and that it is thus an enduring Chinese trait. As Yang puts it:

‘Being prepared for all contingencies’ is hence a kind of spirit and an ability. From [the time of the legendary sage rulers] Yao and Shun to the present, successive generations of Chinese have paid attention to
‘reverence’. In statecraft, one is required to ‘revere virtue to protect the people’. Individuals must have the mettle to make something of their lives and constantly seek to strengthen themselves. All these exemplify what ‘being prepared’ [備豫] means.11

Accentuate the Positive

The increasingly severe tariffs that US President Donald Trump’s administration imposed on China from March onwards presented an enormous challenge for Xi and his administration. Because the value of Chinese exports to the US are more than quadruple that of US exports to China, the Chinese government is constrained in its ability to resolve the problems caused by the tariffs. Nonetheless, it has the power to block its citizens’ access to bad news concerning the tariffs and rising tensions between China and the US. By June 2018, the Party’s Central Propaganda Department (CPD) had formulated a strategy both for shaping mainland media coverage of the trade war and suppressing what it perceived as unfavourable international media reports.

On 29 June, the CPD issued a set of instructions to mainland media outlets requiring them to strictly follow the government’s lead in reporting.
The media are to echo the statements made by Vice Premier Liu He 刘鹤, China’s chief trade negotiator. They must present the US as waging ‘a war against China’s rise’. As the outcome of this trade war depends on ‘which one holds out to the end,’ the CPD instructed, ‘we absolutely must not show any hesitation or softness’ 看谁能坚持到底，绝不能手软嘴软. Moreover, the media ‘must not attack Trump’s vulgarity, so as to avoid starting a war of insults’. The Department also issued two general directives:

Economic achievements and new developments must be given prominence. This will show that our economy has improved at a steady pace as planned. Place important economic reports on prominent pages. Timing is of the essence. Interviews must be sought from academic experts who have been recommended by the various departments. Information published on websites, Weibo and WeChat accounts must be well coordinated so that we present a picture of strength in our online propaganda.

Above all, do not mention ‘Made in China 2025’. There will be consequences if you do.  

This injunction against ‘Made in China 2025’ was consistent with the withdrawal of Amazing China. The Made in China 2025 initiative had been introduced to develop precisely the same varieties of Chinese high-tech manufacturing that the film had praised Xi’s administration for having achieved ‘amazingly’ quickly. Launched by Premier Li Keqiang in 2015, Made in China 2025 is an ambitious ten-year plan to turn China into a global leader in information technology; robotics; the production of aerospace, aeronautical, agricultural, maritime, and new-energy equipment; and ‘green’ cars as well as nanomaterials, biopharmaceuticals, and new medical products.  

The economic setbacks caused by incremental US tariffs on Chinese goods, coupled with growing international concern over China’s coercive
influence abroad, including interference in other countries’ domestic politics, have, evidently, led Party leaders and senior propaganda officials to tone down talk of Chinese might and technological prowess. They are also aware that in the digital age their ability to suppress inconvenient information is relatively limited. The CPD’s directives (including the one of 29 June mentioned earlier) are regularly leaked and published on the US-based website *China Digital News*, in Chinese and English translation. Readers outside China can easily find out what is being blocked in China at any given time. Within China, however, censorship, together with the threat of penalties, has proven sufficiently effective in coercing media to comply with the CPD’s directives.

Unlike a multi-party democratic system where, ideally, policy and law are shaped by contestation and cooperation among the elected representatives of rival political parties, China’s one-Party system operates on the presumption that the Party knows best what the people need. Censorship and propaganda have, thus, always remained essential tools of social and political control for the CCP. While censorship prevents open challenges to the Party’s policies and actions, propaganda inducts people into how the Party wants them to think.

A September 2018 study by Damien Ma and Neil Thomas of recent propaganda work under Xi indicates that it has intensified such that ‘there will be less internal debate over the interpretation of high-level directives, less bureaucratic resistance to central policy preferences, and easier recourse to shut down publications and silence troublemakers’. Ma and Thomas highlight an important difference between Xi’s approach to propaganda and that of Hu Jintao and Jiang Zemin. Whereas his predecessors had allowed some local decision-making by state agencies on cultural and media matters, Xi has concentrated these decision-making powers in the CPD.

From the start of the Reform and Opening Up process in 1978, a key reform had been the development of Party and state institutions into separate yet interlinked agencies of government. Under Xi, these parallel
Party and state bureaucracies have been reorganised or merged to enhance the Party leadership’s control over different areas of government, ranging from market and media supervision, through management of the environment and natural resources, to the implementation of ‘socialist rule of law’. Party theorists, many of whom are also academics, have vigorously defended this development. Essays with titles such as ‘To Uphold and Strengthen the Party’s Comprehensive Leadership is Both Logically Necessary and Practically Indispensable’ present the type of message Xi’s administration sees as positive, and draw on a Party slogan promoted since 2017.15

We can only speculate about the extent to which people accept and believe such messages. However, what is certain is that publications lauding Xi and the Party’s ‘comprehensive leadership’ have become increasingly common in mainland public and academic culture. This is as good an indication as any that the Xi-led Party’s aggressive efforts at censorship and propaganda are achieving some results.

The Anxieties of ‘Homo Xinensis’

In January 2018, Jiang Shigong, a well-known legal scholar at Peking University’s Law School, published a masterful account of Party thinking that attracted local and international attention.16 Jiang is an eloquent interpreter of the present-day CCP’s ‘guiding thought’ (inaugurated at the CCP Congress in October 2017 as ‘Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era’). Echoing and elaborating on Xi’s October 2017 report, Jiang wrote that the ‘Xi Jinping Era’ had propelled China into ‘a new historical period’ and opened ‘a new political space’, enabling the nation to enter the fourth stage of its progress since the founding of the CCP in 1921: that of China ‘becoming powerful’ 强起来. (The three earlier stages were: ‘realising the great leap from ... autocratic politics to popular democracy’, 1921–49; ‘standing up’, 1949–77; and ‘getting rich’, 1978–2012). Jiang explained that this way of periodising modern
Chinese history is analogous to how ‘illustrious figures in Chinese political history like founding emperors Qin Shi Huang [r.247–220 BCE], Han Wudi [r.141–87 BCE], Tang Taizong [r.626–49 CE] or Song Taizu [r.960–76 CE]’ have been historiised. These were people who ‘because of the historical space they opened up through their actions ... created political time, thereby furnishing the coordinates by which future generations demarcated historical periods.’

Jiang is a model academic in Xi Jinping’s China and an apt example of what Geremie Barmé has parodically referred to as ‘Homo Xinensis’ — people who eulogise Xi Jinping and do the Party’s bidding, and whose careers have benefitted from doing so. Yet, as the sudden reversals that befell Amazing China and Made in China 2025 from April to June 2018 made clear, even singing Xi’s praise and assertively promoting the ‘Xi Jinping Era’ can be fraught with complications.

In early July 2018, the People’s Daily published an unusual series of opinion pieces titled ‘Three Critiques of Writing in a Hyperbolic and Boastful Style’ 三评浮夸自大文风. In his translation of these pieces, Barmé has noted that their publication in the CCP’s ‘official media organ’ meant that, they would have most probably been written under the guidance of the Party’s Propaganda Department and this is why independent online commentary was particularly scathing: critics of the critiques immediately lambasted the articles and pointed out that as the Party propaganda system was the main source of media hyperbole and bombast, such editorial finger-wagging deserved nothing but contempt.

While publications critical of Xi and the CPD (or that lament the increasingly restrictive mainland political environment) have appeared only
outside China, they are accessible to concerned and engaged members of the mainland reading public when they travel overseas or through one or another form of proxy access within China. Of these critiques, a lengthy essay published in July 2018 by Tsinghua University legal scholar Xu Zhangrun 许章润 has attracted significant attention outside China, and, surreptitiously, in China as well. Xu expressed ‘eight fears’ and ‘eight hopes’ for China under Xi. Of the increasingly repressive policies pursued by Xi’s administration, he wrote that they risked turning China into ‘little more than a cultural backwater of intellectual dwarfs’. Unlike Jiang, who lauds Xi for propelling China toward greater power, Xu laments that under Xi, ‘the engine of reform’ has ‘been idling for the last few years’ and warns: ‘if it isn’t used to propel us forward, we will go into reverse’.20

A growing number of online commentators share Xu’s fear of China’s ‘return to totalitarianism’. In an interview with the Chinese-language edition of the Financial Times in July 2018, the Beijing-based independent scholar and social commentator Rong Jian 荣剑 remarked that ‘totalitarian’ is an inaccurate description. He pointed out that ‘apart from political rights and the right of speech’, most Chinese citizens today enjoy ‘several basic rights such as those of personal freedom and property’ and because these ‘are subject to legal protection’, they ‘can thus be said to objectively exist as part of China’s civil society’.21

The Party’s increased control over all aspects of government is not necessarily a sign of power. China’s present Party leaders may regard the intensification of censorship and propaganda as necessary for sustaining one-party rule. Yet in a society that has long outgrown the totalitarian politics and command economy of the Maoist era, these coercive practices may backfire. The preoccupation of Xi’s administration with ‘being prepared for all contingencies’, when set against its self-congratulatory talk of China ‘becoming powerful’ under Xi, betrays an unshakeable anxiety about the continuing legitimacy of CCP rule.
'Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era' — The People's Daily's attempt to visualise the Chinese president's doctrine is a complex colour-coded 'mind map'

Source: scmp.com
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network
Power in Chinese Foreign Policy
Darren Lim and Victor Ferguson
WITH CHINA HAVING the world’s second largest economy, increasingly sophisticated armed forces, deepening networks of foreign relations, and prominent participation in international institutions, discussions of its foreign policy increasingly involve the consideration of ‘power’. Yet ‘power’ can mean many things in the Chinese context. It may refer to China’s identity in international politics: variously a ‘rising power’, a ‘partial power’, and a ‘potential superpower’. It may describe the means or resources through which Beijing pursues its foreign policy objectives: including ‘military power’, ‘economic power’ or, increasingly, ‘technological power’. The pursuit of ‘power’ may even constitute China’s ultimate goal in world politics.

The pathways to power are numerous, diverse, and complex. As an example, consider the two-day APEC summit held in Papua New Guinea in November 2018. This illustrated the multiple ways in which Chinese diplomacy may have affected events: the soaring rhetoric of Xi’s speech, allegedly controversial negotiating tactics by the Chinese delegation, lucrative deals for certain South Pacific nations but not others, and the ultimate failure of participants to agree on a joint communiqué.

This forum offers a conceptual framework for analysing power in Chinese foreign policy, including in instances such as we saw at APEC. Employing a simple and widely used definition of the English word power, roughly equivalent to quánlì 权力 (see Chapter 1 ‘Immunity to Temptation — “Power” in Chinese Language’, pp.14-24) we identify five discrete pathways states can take to exercise power in...
Power in Chinese Foreign Policy
Darren Lim and Victor Ferguson

phasises that power is relational and strongly conditioned by the context of attempts by one state to influence another, including the identity of the target(s) and the matter(s) over which influence is sought. Devoid of context, the mere possession of resources is not a reliable measure of an actor’s ability to change others’ behaviour. While China’s resources — military, economic, and otherwise — are growing, this does not automatically mean Beijing enjoys a commensurately enhanced ability to change others’ behaviour. The statement ‘China is becoming more powerful’ says little about over whom, and to do what.

The Concept of Power

While power is defined and conceptualised in numerous ways, for the practical purpose of evaluating foreign policy successes, we use Robert Dahl’s intuitive idea that ‘A has power over B to the extent that [they] can get B to do something that B would not otherwise do’. This definition rejects the idea of power as an attribute determined by a state’s possession of tangible and intangible resources. Rather, it emphasises that power is relational and strongly conditioned by the context of attempts by one state to influence another, including the identity of the target(s) and the matter(s) over which influence is sought. Devoid of context, the mere possession of resources is not a reliable measure of an actor’s ability to change others’ behaviour. While China’s resources — military, economic, and otherwise — are growing, this does not automatically mean Beijing enjoys a commensurately enhanced ability to change others’ behaviour. The statement ‘China is becoming more powerful’ says little about over whom, and to do what.
Five Pathways to Power in Chinese Foreign Policy

**Coercion**

Coercion takes place where China imposes (or threatens) costs on a target to change its behaviour. Coercion seeks to manipulate a target’s decision-making calculus such that the costs of resisting the demand (and protecting its interest in dispute) outweigh the benefits. While typically associated with military force, China uses a variety of instruments to coerce others.

One prominent example is informal economic sanctions. When South Korea agreed to jointly deploy a US-supplied Terminal High-Altitude Area Defense (THAAD) missile defence system in July 2016, China curtailed the import of certain Korean goods and services, restricted outbound group tourism to Korea, and disrupted the operations of key Korean firms on the mainland. (For more on this, see *China Story Yearbook 2017: Prosperity*, Chapter 3 ‘North Korea: A Year of Crisis’, pp.83–93.) Combined, these measures were estimated to shave 0.4 per cent off South Korea’s economic growth in 2017. The purpose of inflicting these economic costs appeared to be to push Seoul to reverse the THAAD decision; however, Beijing appears to have had limited success so far.

**Bargaining**

Bargaining power is exercised through voluntary exchange, where a state exchanges (or offers to exchange) something of value with the target. A straightforward case would be the provision of (usually economic) benefits in a direct *quid pro quo* for a policy concession. For example, Beijing exercises bargaining power to isolate Taiwan diplomatically — in 2018 the Dominican Republic, Burkina Faso, and El Salvador severed ties with Taipei, reportedly in exchange for economic benefits from Beijing. The Belt and Road Initiative similarly involves deals where recipients offer concessions that privilege Chinese firms, or may yield strategic advantages, in exchange for infrastructure loans.

**Agenda setting**

Agenda setting occurs where a state is able to shape the parameters of what is legitimate or feasible for other states to do within a specific institutional framework or issue area. A state may decide, for example, both the
substance of and procedure for discussions within international forums. For example, as chair of the 2018 Shanghai Cooperation Organisation summit in Qingdao, Beijing set both the topics for discussion and the framework for how they would be discussed in service of its own priorities.16

On a broader level, a state may go so far as to create or shape the rules, practices, norms, and institutions that govern inter-state relations. China’s creation of the Asian Infrastructure Investment Bank, for example, may facilitate the reshaping of certain rules, and, accordingly, the behaviour of others, in the field of multilateral development financing.17

**Persuasion**

Persuasion is the use of communication to alter beliefs about what is true, right, or appropriate.18 It relies on the provision of information about empirical facts or normative principles and how they relate to a target’s interests. If successful, this method can cause others to perceive their interests as being in line with those of the persuading actor.

Throughout the 1990s and 2000s, through public, diplomatic, and other channels, the Chinese government has consistently provided information about its capabilities, development trajectory, and strategic intentions to South-East Asian states concerned about China’s rise.19 The goal has been to minimise concerns about the ‘China threat’ and encourage greater engagement with Beijing.

**Attraction**

Attraction, commonly termed ‘soft power’, operates where a target’s beliefs and, possibly, actions change to become more aligned with the attracting state’s preferences due to admiration or a desire to emulate. It is the ability to make targets ‘want what you want’.20 Many factors might contribute to a state’s ‘attractiveness’, such as its culture, policies, and domestic institutions.21 (See Chapter 8 Forum ‘Soft Power, Hard Times’, pp. 237–241.)

In 2007, president Hu Jintao 胡锦涛 called for greater investment in ‘soft power’. Beijing has spent billions supporting initiatives to cultivate positive perceptions of China abroad, including educational and cultural exchanges; the staging of cultural exhibitions and concerts; inserts and supplements in foreign-language news
outlets; and educational programs including more than 500 Confucius Institutes. Yet China’s greatest source of attraction may be its post-Mao economic model, which raised hundreds of millions out of poverty and potentially provides a template for other developing nations to emulate.

Conclusion

Distinguishing the pathways through which China can exercise power helps elucidate a newer concept used to describe aspects of China’s foreign policy behaviour: ‘sharp power’. Initially described as the strategy whereby states sow discord or silence criticism by ‘manipulating or poisoning the information’ that reaches target audiences, it has also been defined as the use of ‘subversion, bullying and pressure...to promote self-censorship’, and even a ‘shorthand for information warfare’. While discussion of the concept is united by a concern about the vulnerability of open, democratic societies to such influence, its parameters are somewhat unclear.

Our framework views sharp power less as a new and unique form of influence, but rather as the coordinated use of existing means to achieve particular objectives — deterring criticism and promoting a positive narrative. Threatening to restrict access to the Chinese market for an Australian publisher of a book critical of China is coercion; making payments or donations to politicians in exchange for support of Chinese policies is bargaining; and obtaining financial interests in media organisations to limit critical coverage is a form of negative persuasion, because it denies communication that might alter beliefs. Together, these constitute ‘sharp power’. For state or other actors interested in countering it, they need to understand the different pathways through which it works in the first place.
China's Korea Diplomacy
James Reilly
WHEN 2018 DAWNED OVER the Korean peninsula, the prospects for peace looked dim. Following North Korea’s sixth nuclear test on 3 September 2017, US President Donald Trump warned that ‘all options are on the table’, threatening the Democratic Republic of North Korea (DPRK) with ‘fire and fury’. On New Year’s Day, North Korean leader Kim Jong-un responded sharply: ‘The US should know that the button for nuclear weapons is on my table’.

Yet just weeks later, Kim Jong-un sent his younger sister, Kim Yo-jong, to attend the Winter Olympics opening ceremony in South Korea, where she shined alongside the determinedly dour visage of US Vice-President Mike Pence. On 27 April, Republic of Korea President Moon Jae-in met Kim Jong-un on the southern side of the truce village of Panmunjom. Their ‘Panmunjom Declaration’ announced their intent to formally end the Korean War. Less than a month later, they met again on Panmunjom’s northern half, laying the groundwork for President Moon’s historic September 2018 visit.
to North Korea. North–South summity also facilitated the first-ever meeting between a sitting US president and a North Korean leader — held in Singapore on 12 June.

By September, Kim’s dance card began to fill up. President Putin issued an open invitation to visit Russia. Trump began seeking a second meeting, while Japanese Prime Minister Shinzo Abe announced he wanted to visit Pyongyang soon to ‘break the shell of mistrust’.

To many observers, China was being left behind. ‘The White House stunned Beijing’ with the Singapore summit, two US journalists with NBC News suggested. ‘Fearing a loss of influence with its often recalcitrant ally, China invited Kim to three successive summits in China, in March, May and June.’

Such arguments, although widely accepted among Western observers, misunderstand Beijing’s strategic priorities, ignore China’s proactive diplomacy, and vastly underestimate Chinese influence with North Korea.

**China’s Priorities**

Beijing has long sought to discourage Pyongyang’s pursuit of nuclear weapons while promoting regime stability, border security, and economic reforms. Pyongyang’s efforts to bolster diplomatic ties and reduce security tensions with the US and South Korea advance these goals by reinforcing regime stability and encouraging economic reform and openness, while eroding its justifications for nuclear weapons.

More broadly, Pyongyang’s diplomatic engagement undermines the US’s justification for its military presence in South Korea, including some 28,000 US soldiers and the recently deployed Terminal High Altitude Area Defense (THAAD) missile defence system. US–North Korean rapprochement would also undermine US criticism of China’s enforcement of UN sanctions on the DPRK (North Korea), easing this reputational cost for Beijing.

Xi Jinping hardly fears a loss of influence: China has been and will remain the most important economic, strategic, and diplomatic partner for the DPRK. Despite persistent North Korean unease at the country’s extreme economic dependence upon China — a key motivator for Kim’s wider diplomatic forays — South Korea and the US remain existential threats to the DPRK regime. And that puts China in prime position for pursuing its own agenda on the troubled peninsula.
Chinese Diplomacy

Beijing’s diplomatic activism began with the ‘freeze for freeze’ proposal (see China Story Yearbook 2017: Prosperity, Chapter 3 ‘North Korea: A Year of Crisis’, pp.83–93), first announced by Foreign Minister Wang Yi 王毅 in March 2017:

China proposes that, as a first step, the DPRK suspend its missile and nuclear activities in exchange for a halt of the large-scale US–ROK exercises. This suspension-for-suspension can help us break out of the security dilemma and bring the parties back to the negotiating table. Then we can follow the dual-track approach of de-nuclearising the peninsula on the one hand and establishing a peace mechanism on the other.3

In July, Pyongyang offered its support for Beijing’s initiative.4 In August, China, joined by Russia, reiterated its proposal at UN Security Council meetings. By January 2018, the International Crisis Group had declared China’s ‘freeze for freeze’ to be ‘the most viable and realistic, if unsatisfactory, option for parallel de-escalation’.5

In support of this initiative, Xi Jinping invited Kim to Beijing in March 2018 — Kim’s first overseas trip as the DPRK’s Supreme Leader — where they pledged to retain close, high-level communication, while Xi endorsed Kim’s plans to meet with Trump. After the Panmunjom summit, Kim returned to China, meeting Xi in Dalian on 7 May, where Xi praised the recent Korean Workers’ Party statement announcing ‘the suspension of nuclear tests and intercontinental ballistic missile tests and the abandonment of the northern nuclear testing ground’.6

Following Pyongyang’s pledge, Trump fulfilled his side of the bargain, promising in Singapore that ‘we will be stopping the war games’ temporarily, describing US–ROK military exercises as ‘very provocative’.7 Beijing quickly praised his pledge, declaring: ‘the China-proposed “suspension for suspension” initiative has been
materialised and now the situation is also moving forward in the direction of Beijing’s “dual-track” approach.\(^8\)

Kim soon returned to Beijing, where Xi praised Kim’s ‘major decision to shift the focus to economic construction’.\(^9\)

To encourage this shift, Xi began to loosen the purse strings. By June, Chinese flights to Pyongyang and group tours had resumed after a hiatus of several months. Customs inspections on cross-border trade eased slightly, as Beijing issued an aid shipment of fertiliser, just in time for the spring planting season.\(^10\)

Although Pyongyang remains reluctant to forgo its nuclear weapons program, Kim’s proactive diplomacy vindicates Beijing’s longstanding emphasis on economic development — a strategy neatly captured by Professor Gong Yutao 宫玉涛 in late 2016:

> If North Korea’s economic adjustment measures can have a significant impact in improving its domestic economy, this will stabilise internal governance and increase the leadership’s confidence in their ability to ensure national security while reducing their fears of external threats. This will enhance their willingness to engage with the outside, including improving relations with South Korea and the US, leading to greater stability on the Korean peninsula, with positive implications for China’s own security.\(^11\)

In sum, the dramatic developments on the Korean peninsula in 2018 reveal not an erosion of Chinese influence, but rather point to the diverse means by which Beijing is increasingly able to deploy its economic power to shape its external strategic environment.
TECHNOLOGY: RAPID ASCENT AND GLOBAL BACKLASH

Andrew Kennedy
IN THE REALM OF technological innovation, China has arrived. China has launched manned space flights, constructed the world’s largest radio telescope, and sent the world’s first quantum-communications satellite into space, among other achievements in recent years. Its pursuit of ‘innovation-led development’ — including such schemes as the ‘Made in China 2025’ program (for more on this, see Chapter 2 ‘Talking (Up) Power’) and the Internet Plus initiative — promise more accomplishments to come. President Xi Jinping wants China to become one of the world’s most innovative countries by 2020 and a leading global science and technology power by 2049.
In 2018, however, China’s grand ambitions came face to face with dramatic changes in the outside world. In the US, the Trump administration spearheaded a series of higher tariffs and tighter technology controls, prompting former Treasury secretary Hank Paulson to warn of a looming ‘Economic Iron Curtain’ between the US and China. In Europe and Asia, other developed countries are taking a hard look at their collaborations with China as well. Whatever happens in the end with the US-China ‘trade war’, China’s relationships with the world’s traditional technology powers are clearly changing. China can no longer rely as heavily on engagement with the outside world to drive its technological development.

Rapid Ascent

To understand China’s rise as a technology power, first consider the country’s stunning increase in research and development (R&D) spending. In 2017, China’s total R&D spending reached an estimated 1.75 trillion yuan (US$445 billion in purchasing power parity terms) — a seventy per cent increase in the figure for 2012. China now stands as the second-largest investor in R&D worldwide, after the US, which spent an estimated US$538 billion in 2017. China invests 2.1 per cent of its GDP in R&D — more than many European countries but still short of the United States (2.7 per cent), Japan (3.3 per cent), and South Korea (4.2 per cent). Most of China’s R&D spending (78 per cent in 2017) comes from business — both state and privately owned.

China is also working hard to attract high-tech talent from overseas. In 2003, the Chinese Communist Party Politburo created the Central Coordinating Group on Talent (CCGT). In 2008, the CCGT launched the Thousand Talents Program and other initiatives to attract promising scientists, engineers, and entrepreneurs, particularly from within the Chinese diaspora, to work in China. By 2016, more than 6,000 individuals had registered to return under the Thousand Talents program — far in excess of the initial goal of 2,000 over ten years.
This combination of money and talent is paying off. China’s meteoric rise in the world of scientific publishing is particularly impressive. To be sure, scientific journals have retracted an alarming number of articles by Chinese scientists in recent decades due to plagiarism, fraudulent research, and faked peer review. In 2017, for example, the journal *Tumor Biology* decided to retract 107 articles published by Chinese authors. More generally, however, China’s rise in basic science is quite impressive. The annually updated Nature Index records the institutional affiliations of scholars publishing in the most prestigious scientific journals around the world. US-based scientists continue to publish more articles in these journals than those of any other country, giving the US the highest score of any country in the index. Since 2012, however, China’s score has risen from twenty-four to forty-six per cent of the US score — a remarkable jump in just six years (see Figure 1 above). About half of China’s publications are in chemistry, but Chinese scientists are also publishing strongly in physical and life sciences as well. China’s top five institutions producing scientific research, according to the index, are the Chinese Academy of Sciences, Peking University, Tsinghua University, Nanjing University, and the University of Science and Technology of China.
Some Chinese firms have emerged as impressive high-tech players as well. The information and communication technology giant Huawei is among the world’s leaders in terms of total R&D spending, and it invests twenty to thirty per cent of its R&D spending in more ambitious ‘research and innovation’ projects. Two of China’s Internet companies — Tencent and Alibaba — now rank among the world’s top ten companies in terms of market capitalisation. More generally, Chinese Internet firms have proven more adept at integrating the online and offline worlds, compared with their US counterparts, partly because China leads the world in the adoption of mobile payment technology. Other Chinese firms have proven extremely adept at ‘efficiency-based’ innovation — improving product design, production processes, and supply-chain management to lower costs and reduce time to market.

China’s leaders are far from content with the progress to date. Launched in 2015, the ‘Made in China 2025’ (MIC2025) program aims to catapult China into next-generation manufacturing through the use of intelligent robots, wireless sensor networks, and integrated software processes. It prioritises ten high-tech sectors in particular:

- next generation information technology
- high-end computerised machines and robots
- space and aviation
- maritime equipment and high-tech ships
- advanced railway transportation equipment
- new energy and energy-saving vehicles
- electrical equipment
- agricultural machines
- new materials
- biopharmaceuticals and high-tech medical devices.

In 2017, China’s State Council launched a plan to make the country the ‘world’s primary artificial intelligence (AI) innovation centre’ by 2030.
Towards this end, Baidu will focus on self-driving vehicles, Alibaba on smart cities, Tencent on health, and iFlytek on voice technology. For now, the US is still the world leader in AI: it has most of the world’s leading experts, specialised computing hardware, and a good supply of raw data on which algorithms can be trained. Yet China is a formidable challenger. Extensive government support, cutthroat domestic competition, and an astoundingly rich supply of data propel China’s AI sector. PricewaterhouseCoopers bullishly projects that AI will add US$15.7 trillion to the world economy by 2030, including US$7 trillion in China and US$3.7 trillion in North America.⁷

China’s rising profile in science and technology could powerfully boost the country’s military capabilities over time. The People’s Liberation Army (PLA) collaborates with China’s universities and civilian firms in areas that range from robotics to cutting edge materials. This investment in ‘military-civil fusion’ has developed rapidly. By March 2016, China’s military was working with more than 1,000 civilian Chinese firms to develop and produce equipment for the armed forces.⁸ The AI race is seen as particularly important. The PLA now pursues not only ‘informatisation’ but also ‘intelligentisation’. This is evident in the military’s work on a range of AI applications, including in the fields of intelligent and autonomous unmanned systems; war-gaming, simulation, and training; data fusion, information processing, and intelligence analysis; and command and decision-making support.⁹
Not So Fast

For all of China’s progress in recent years, a range of problems continue to hold the country back. The Chinese government is not shy about ‘picking winners’, for example, pressuring firms to focus on specific technologies and favouring some firms over others. Huawei aside, however, China’s state-favoured firms generally have a poor track record when it comes to technological upgrading, at least in information technology. With easy access to finance and the government procurement market, some of these firms hesitate to shoulder the costs and risks of cutting-edge innovation. And when they try, their inefficiency makes it difficult for them to succeed. The telecommunications company ZTE, for example, which was briefly banned from buying US technology by the US Department of Commerce in 2018, generally relies on the government procurement market to stay afloat. (For more information on ZTE, see Chapter 2 ‘Talking (Up) Power’.) Another example is the computer firm Lenovo. Founded by members of the Chinese Academy of Science’s Institute of Computing Technology, the firm has relied on acquisitions rather than its own internal capabilities to compete in global markets. 10

Chinese firms also tend to lag behind their foreign counterparts in generating revenue from new products. In 2016, foreign firms operating in China generated on average twenty-one per cent of their revenue from new products. Domestic firms generated only thirteen per cent. And while some of China’s leading technology firms have become large and prominent, China’s share of the world’s top one hundred companies (in terms of market capitalisation) barely changed between 2009 and 2018, rising from eleven to twelve per cent. US firms’ share in 2018 remained a remarkable fifty-four per cent.

China’s tightening political controls are also a problem for its science and technology sector. In recent years, censorship of ideas and resources, and closer policing of political attitudes among university faculty members have generated concern. 11 At a meeting of China’s elite scientists in
2016, one stated that Internet controls were imposing ‘very great losses’ on Chinese science.\textsuperscript{12} Despite this and other expressions of concern, China’s leaders have continued to tighten their control over the Internet, including the banning of non-licensed virtual private networks in March 2018.

On the positive side, in 2014 the government launched a much-needed effort to overhaul the national R&D funding system. Before that, the central government administered R&D funding through more than thirty different agencies, which supervised roughly one hundred different programs. The State Council announced that central government funding would be consolidated into five streams; these were all essentially in place by early 2017. Other reforms target the day-to-day challenges facing Chinese scientists, including regulations surrounding project management and opportunities to do part-time work for companies. Even so, the scientific community has not welcomed all the reforms. The State Council’s decision in 2018 to place the well-regarded National Natural Science Foundation of China under the supervision of the Ministry of Science Technology, for example, has generated concern that the former will enjoy less autonomy in funding decisions.\textsuperscript{13}

To be sure, one can point to China’s remarkable rise in the ‘Global Innovation Index’ as evidence that the country is doing well overall. By 2018,
China ranked eighteenth in the index, not far behind South Korea (twelfth) and Japan (thirteenth). Nonetheless, purely quantitative measures can be misleading. China still struggles to translate innovation inputs into innovation outputs in an efficient way — something indices like this one can miss. In addition, while the number of patents granted within China has soared, the standards applied are lower than in developed countries. And while China-based inventors can point to an increasing number of patents in Europe and the United States as well, many of these belong to foreign multinationals that do R&D in China.\textsuperscript{14}

In short, China’s emergence as a techno-power is impressive in many regards, but the country continues to face a range of serious challenges. And a new challenge is now emerging: growing constraints on high-tech collaboration and commerce with other countries.

**Peeved Partners**

China’s rise as a high-tech power stems in many ways from its extensive cooperation with the outside world. While the number of Chinese students going abroad has increased markedly in recent years, the number returning has risen even faster: from thirty-one per cent of outbound students in 2007 to around eighty per cent today, with China’s booming tech industry an important attraction.\textsuperscript{15} Collaboration with foreign scientists has boomed as well: Chinese scientists and engineers published nearly 44,000 articles with US collaborators alone in 2016, eclipsing traditional US partners including the United Kingdom (25,858) and Germany (21,584).\textsuperscript{16} Foreign R&D centres in China are also making an important contribution. In Beijing, for example, Microsoft Research Asia has trained an estimated 5,000 Chinese AI researchers, including individuals who are now executives at leading Chinese Internet and tech firms including Baidu, Alibaba, Tencent, and Huawei.\textsuperscript{17} Some of China’s most successful firms, including Alibaba, have benefitted from extensive international financing. Chinese technology firms are themselves actively investing overseas, becoming important players in Silicon Valley and the like.
Despite the collaborations, cross-seeding, and partnerships, China’s high-tech policies and ambitions are now a source of serious tension with the developed world — particularly (but not only) the United States. The MIC2025 program has generated particular concern with its call for seventy per cent ‘self-sufficiency’ in core components and basic materials in priority high-tech sectors by 2025. This presents a clear challenge to traditional high-tech manufacturers including Japan, Germany, and South Korea. In the US, meanwhile, when the Office of the US Trade Representative released its report on China’s trade practices in March 2018, it mentioned MIC2025 an astounding 112 times. Trump’s first set of tariffs on Chinese exports, enacted shortly thereafter, targetted the sectors prioritised in MIC2025.

A number of developed countries have also started tightening restrictions on Chinese high-tech investments. In 2018, for example, the US Congress expanded the jurisdiction and funding of the Committee on Foreign Investment in the United States. In addition, new legislation requires executive agencies to identify and control undefined ‘emerging and foundational technologies’, which could constrain US investments overseas. In Europe, Germany has taken a tougher line on Chinese investments, particularly in high-tech sectors, after a Chinese appliance maker acquired the German robotics firm Kuka in 2016. With an eye on China, Germany and France are now pushing for tighter investment screening across the EU. Japan and the United Kingdom have tightened their screening processes as well.
Worries about Chinese industrial espionage are also part of the story. In 2015, the US and China agreed that neither government would ‘conduct or knowingly support cyber-enabled theft of intellectual property, including trade secrets or other confidential business information, with the intent of providing competitive advantages to companies or commercial sectors’. The G20 subsequently endorsed this prohibition on commercial espionage, which was reflected in other bilateral agreements with China. China’s cyber-enabled theft of IP appeared to decline for a period of time, although military reforms and anti-corruption efforts likely played a part in this as well. In 2018, however, there was increasing evidence that China was flouting these agreements, providing added justification for the Trump administration’s tariffs on Chinese exports.

Worries about industrial espionage, and technology transfer more generally, are also chilling academic exchanges between China and the outside world. In February 2018, FBI Director Christopher Wray said Chinese espionage posed a ‘whole-of-society threat’ and that ‘non-traditional collectors’ of intelligence, including professors, scientists, and students, were exploiting the open environment at US universities. The Trump administration subsequently considered banning all Chinese students from US universities. Thus far it has only taken more limited measures, such as shortening the duration of visas for Chinese students in some high-tech
fields. In Australia, meanwhile, Defence officials have proposed an expansion of technology controls at universities, prompting a swift backlash from the higher education sector.

China, of course, is capable of hitting back. China has responded to US tariff increases in 2018 with its own measures. It could also go further and treat the subsidiaries of leading US technology firms in China more roughly than it has so far, though this could play into the hands of those in the US government who favour economic ‘decoupling’ with China. China has also drafted its own export control law, which authorises retaliatory measures against any country that subjects China to discriminatory export control measures.

It remains unclear what the impact of these various tensions and measures will be. China has already built up considerable momentum in its quest to become a powerhouse of innovation. The US, meanwhile, has bumbled its pressure campaign by acting unilaterally rather than in concert with allies that share many of its concerns. More generally, the Trump administration’s apparent interest in decoupling with China, particularly by uprooting high-tech supply chains, will require sustained effort and collaboration with other countries. But it remains to be seen whether this will materialise.

What is clear is that China can no longer count on the level of international exchange and collaboration it has enjoyed in the technology sphere in the past. China’s rise as a techno-power will continue, but Beijing could well find it a lonelier ascent in the future.
CHINA’S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
- SILK ROAD ECONOMIC BELT
- MARITIME SILK ROAD
- ECONOMIC CORRIDOR

Existing
- RAILROADS
- PORT

Planned/under construction
- GAS PIPELINE
- OIL PIPELINE
- RAILROADS
- PORT
THE POWER OF MONEY

Calling the Tunes in Cambodia
· IVAN FRANCESCHINI

Buying Power: Alibaba in South-East Asia
· QIAN LINLIANG
Calling the Tunes in Cambodia

Ivan Franceschini
CALLING THE TUNES IN CAMBODIA

Ivan Franceschini

Then marching music began playing out of the loudspeakers. It reminded me of music I had heard on Radio Peking, very stylised and Chinese, with a heavy regular beat and cymbal-and-gong flourishes finishing out the phrases ... It was the ugliest music I had ever heard. Imagine, if you can, what it was like for us to trudge along the crowded boulevard under the hot sun while a piercing nasal voice sang ‘The Red Flag of the Revolution is Flying Over Liberated Phnom Penh’ ... It was all very discouraging. Forced to leave our homes, rifles firing over our heads and terrible music too.

— Haing S. Ngor, Survival in the Killing Fields

IT IS WITH THESE WORDS that the late gynaecologist-turned-actor Haing Ngor, a survivor of the Khmer Rouge regime, describes that day in April 1975 when the victorious revolutionaries forced the whole population of Phnom Penh out of the city. The Chinese tunes he heard were only the latest testament of a close relationship between China and Cambodia that spanned several centuries. It is not a coincidence that one of the most influential sources of everyday life in the Angkorian empire is an account written by Zhou Daguan 周达观, a Chinese envoy who spent one year at the court of King Indravarman III at the end of the thirteenth century. Just five years before the events described by Haing Ngor, in March 1970, King Sihanouk — who had just been ousted in a coup d’état — was in Beijing when he decided to throw his weight behind a hitherto little-known Marxist group.
that he himself had previously derisively labelled ‘Khmer Rouge’. His endorsement changed the course of Cambodian history. Throughout the years of Pol Pot’s Democratic Kampuchea (1975–1979), the Chinese government proved a staunch ally of the regime, helping to mould its political ideology and providing foreign aid and technical support. The relationship was so tight that when, at the end of 1978, Vietnam invaded Cambodia to put an end to the Khmer Rouge, China went so far as to retaliate with a disastrous incursion into Vietnamese territory.

Almost forty years after the Vietnamese debacle, China continues to play a major role in steering Cambodian politics. Beginning in mid-2017, with the national elections of July 2018 in sight, Prime Minister Hun Sen launched a crackdown against political adversaries, independent media, and civil society. While in the past he showed some restraint due to the political pressure coming from foreign donors and international criticism, nowadays he shrugs off widespread international condemnation by citing China’s unwavering support. For instance, after the dissolution of the main political opposition party, when the United States government announced the intention to cut funding for the 2018 elections and threatened sanctions, he boasted that China would make up for it and taunted that the US is ‘afraid that China is taking its seat’.

Garment factory in Cambodia
Source: André van der Stouwe, Flickr
China’s Foreign Ministry responded: ‘China supports the Cambodian side’s efforts to protect political stability and achieve economic development, and believes the Cambodian government can lead the people to deal with domestic and foreign challenges, and will smoothly hold elections next year’. When Hun Sen’s ruling party predictably obtained a landslide victory at those elections, securing all 125 seats in the national parliament, the Chinese authorities were among the first to send their congratulations.

As Sabina Lawreniuk has recently argued in the Made in China Journal, Cambodia shed any democratic credentials a long time ago; the Cambodian authorities have a notorious track record of human rights violations and undemocratic behaviour reaching back well into the 1990s. While this is undoubtedly true, China’s role in this latest authoritarian turn in Cambodia still deserves scrutiny. China needs Cambodia in order to wield influence within ASEAN and affect the bloc’s stance on contentious issues such as disputes on the South China Sea. Beijing’s rising influence in the country is conveyed through a massive amount of funding. According to data from the Cambodian government, in the first half of 2018, Chinese investment in the kingdom was worth US$5 billion — making China the biggest investor in the country. The stakes are so high that in September 2018, at a roundtable meeting with Chinese business executives, Hun Sen personally offered to ‘safeguard the interests of all Chinese firms in Cambodia’, while highlighting his government’s proposals for more concessional loans from China to build the kingdom’s infrastructure.

Investment in infrastructure is key to China’s involvement in South-East Asia. Xi Jinping’s Belt and Road Initiative (BRI) 一带一路 entails a massive injection of Chinese funding into infrastructural projects such as highways, railways, and dams. To date, BRI’s signature project in Cambodia remains the Sihanoukville Special Economic Zone (SSEZ), established by two state-backed companies in 2008, five years before the launch of BRI. In 2017, the industrial park hosted more than one hundred firms and employed 16,000 workers, with expansion plans calling for 300 companies and 100,000 employees by 2020, a significant number if we consider that Cambodia’s entire garment, textile and footwear sector currently employs around one million workers.
The SSEZ comprises mostly Chinese-owned garment and footwear factories with an almost entirely Cambodian front-line workforce managed by Chinese managers. To make it more enticing to potential investors, companies in the SSEZ are exempted from worries about the threat of labour activism. While Cambodia nominally allows union pluralism, SSEZ factory owners have what Gavan Blau of the American Centre for International Labor Solidarity calls ‘a coordinated strategy of labour disempowerment and exploitation’. Not only do the factories hire workers on short-term contracts of three to six months — a situation increasingly common throughout Cambodia’s garment sector — but owners regularly blacklist unruly workers who attempt to organise unions or express discontent, circulating their photos and details to other managers in the SSEZ.

Beyond the SSEZ, Sihanoukville has recently attracted much media attention because of its Sinicisation. What until a couple of years ago was a sleepy town is now a bustling city full of construction sites described as ‘bursting with Chinese casinos, massage parlors, hotels, restaurants,
and citizens’. Today, up to twenty per cent of the population is Chinese. While landowners and landlords have profited, many local people and business owners unable to afford the rising rents and living costs have been pushed to the margins or forced to leave altogether. Faced with repeated complaints of money laundering, illegal gambling, and human trafficking associated with the flood of Chinese money and workers, the Cambodian government launched a task force in February 2018 to address such problems. Meanwhile, similar concerns related to Chinese investment and tourism are growing in other parts of Cambodia, in particular in the tourist towns of Siem Reap and Kampot.

The Chinese melodies resonating in Cambodia today are a far cry from that ‘ugliest music’ that haunted Haing Ngor back in 1975. However, Beijing’s power to call the tune in Cambodia is predicated on continued financial strength and growth. It remains to be seen how China will cope with the current economic downturn and the fall-out from the ‘trade war’ with the US. As the Chinese leaders start once again to preach self-subsistence and look inward to weather the storm, Cambodia might have to rethink its allegiances once again.
IN FEBRUARY 2018, China’s e-commerce giant Alibaba invested US$2 billion in Lazada — a South-East Asian online shopping platform with a major presence in Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. Already Lazada’s major shareholder (since 2016), Alibaba installed Lucy Peng, one of its cofounders, as the company’s CEO. Alibaba’s spokesperson said this latest move was part of the giant’s effort to ‘accelerate e-commerce development in South-East Asia and deepen Lazada’s integration into the Alibaba ecosystem’.1 That same month, its Alibaba Cloud opened a data centre in Indonesia. Whether this is an expansion of influence that consciously parallels China’s growing economic and geopolitical power, or simply clever business, is one question raised by Alibaba’s continued rise.

Towards the end of 2017, The New York Times reported that Alibaba has a long lead over Amazon across South-East Asia. It has achieved this by building up both its hard infrastructure (such as transfer centres) and soft infrastructure (such as its online payment systems), and through cooperating with local businesses and government agencies. For instance, Lazada contracts local post offices in Vietnam to take customer returns and give cash refunds. In Malaysia, customers can collect the goods they purchase online from lockers at 7-Eleven stores. In the Philippines, Lazada uses petrol stations as transfer centres where delivery personnel pick up goods for cus-
These new platforms included Ezbuy, SGshop, Oops.sg, and Peek, which worked as purchasing agents, making money by charging local customers an intermediary fee. As online shopping became increasingly popular, local independent e-platforms (Lazada is one example) and transnational e-platforms (such as Amazon) entered the market. Later Chinese e-commerce giant Alibaba bought into Lazada.

Chinese and Western media have widely reported on Alibaba’s business expansion in South-East Asia — a region with a population of more than 630 million. Huxiu.com, a Chinese Internet media company, suggested that by investing in Lazada, Jack Ma’s ambition was to make it a popular e-platform like Taobao for the region. Lazada was founded by Rocket Internet in Singapore in 2012, and has since grown to become the largest e-platform across the whole region. Alibaba tweaked Lazada’s algorithms and transplanted other business ideas and technologies after the takeover. It also initiated an online payment system similar to Alipay and built a more efficient delivery system.

Alibaba’s influence in South-East Asia is reflected not only in its own expanding business, but also in how local customers. By contrast, Amazon confines its business to modern cities such as Singapore. My interest in Alibaba and Lazada’s growth was piqued in 2017, when I sat through twenty minutes of advertisements preceding the main feature at a cinema in Singapore. One advertisement that was repeated three times caught my attention. The advertiser, LiveUp, is a membership program launched by Lazada that helps Singaporean customers buy good-quality products from China via Alibaba’s online shopping platform Taobao.

Subsequent interviews revealed the extent to which Chinese e-platforms spurred the development of e-commerce in Singapore. The first people to become obsessed with online shopping there were Chinese migrants, who began arriving in the mid-2000s. They were already familiar with Taobao, which had become the most popular e-platform in China just one year after its launch in 2003. Because Taobao only had a Chinese-language version and did not provide transnational delivery services at that time, some local businesspeople established e-platforms linking to Taobao, translating its web pages for non-Chinese users, and organising shipping.
e-commerce companies have modelled themselves on it. IT workers for competing e-platforms in Singapore told me that they often imitated Taobao’s design: one said her job was to report on Taobao’s updates daily so her colleagues could copy them. Taobao had recently added a live-stream function, which triggered an explosive growth in the volume of transactions as it integrated the ‘Internet celebrity economy’ into e-commerce. On it, Chinese Internet celebrities either opened their own e-shops or advertised those of others, wearing their clothes or accessories, or giving distinctive makeup or fashion tips. The interviewee said her company was planning a similar live stream that would feature Thai Internet celebrities.

A Singaporean government think tank has suggested that Singaporean e-commerce companies should ‘copy the Chinese e-commerce model first and innovate second’. The city-state government has reportedly urged Nanyang Technological University (NTU) to cooperate with Alibaba Group in fostering local e-commerce talents. Alibaba also wants to take advantage of the country’s world-leading education system and strong talent pool. On 3 September 2018, the company launched a postgraduate program with NTU: PhD students will study at both NTU campus and Alibaba’s research facilities in China. They will benefit from access to large data samples and business scenarios from Alibaba. In initiating this new program, the two parties seek to
identify and nurture the next generation of talents in computer science and information technology for the two countries.6

Alibaba has the potential to contribute to industrial and technological upgrading, infrastructure building and job provision in South-East Asia, just as it has in parts of China.7 At the same time, Alibaba, like other transnational corporations, has moved to South-East Asia in search of profit. And to maximise this profit, it will seek to sustain its monopoly power.

Its suppression of local purchasing agents in Singapore provides one indication of this power play. In late 2017, Alibaba froze thousands of accounts that Ezbuy had been using to place local customers’ orders on Taobao. It accused Ezbuy of scalping, for which it threatened to penalise. In fact, these purchasing accounts had been in use for several years without Alibaba previously raising any objection.8 Alibaba’s attack on Ezbuy may well have been to clear the path for Lazada.9

Jack Ma once mentioned that he saw Alibaba’s international business expansion as being in direct support of what is now called the Belt and Road Initiative — suggesting that there is indeed a conscious parallel with Beijing’s grand plans.10 The giant’s pursuit of the e-commerce market in South-East Asia has also provided an illuminating example of how Chinese business elites construct and manage their power within an increasingly China-led world economy. Regardless, Alibaba’s ambitions will indelibly shape the future of the e-commerce industry in South-East Asia and beyond.
Internment and Indoctrination — Xi’s ‘New Era’
Gerry Groot
INTERNMENT AND INDOCTRINATION — XI’S ‘NEW ERA’ IN XINJIANG

Gerry Groot
ON 21 NOVEMBER 2018, Radio Free Asia announced that a court in the Xinjiang Uyghur Autonomous Region (XUAR) had sentenced Abdughapar Abdurusul, a prominent Uyghur businessman and philanthropist, to death. His ‘crime’ was to have made an unsanctioned Hajj pilgrimage to Mecca rather than joining an officially sanctioned group. His wife and eldest son were also detained and dozens of his associates were taken into custody. Later, rumours spread that his wife had died in custody. No one knows what has happened to the couple’s other children.
Making the pilgrimage to Mecca is considered one of the Five Pillars of Islam, and the duty of every Muslim. To the Party-state, however, this ordinary act counts as evidence of religious ‘extremism’. Aburusul’s wife, son and acquaintances were presumed guilty by association. Unfortunately, this is not an isolated case.

On the pretence of eliminating ‘extremism’, the Party-state is attempting to stamp out religious practice and enforce assimilation on China’s Muslim minorities, including the Uyghurs, Kazakhs, Kyrgyz, and Hui. Its methods include ‘re-education’ within a large and rapidly expanding system of so-called ‘vocational-education facilities’ and prisons, forcing ordinary Uyghurs to house Han Chinese in their homes (and sometimes even their beds), and intensifying efforts to secularise Xinjiang society.

According to the United Nations Committee on the Elimination of Racial Discrimination, which met in August, around one million Uyghurs and others have disappeared into these camps with no clarity about when they might be released. One Committee member, Gay McDougal, estimated the
number at two million. Family members left behind are subject to intrusive and rising levels of surveillance. Children left behind have gone to the homes of relatives if they are lucky, or state orphanages.

What is happening in Xinjiang represents a significant departure from previous policies of relative accommodation of religious and ethnic differences that have been a key part of United Front work in the Reform Era.

**The Background**

This slow-motion humanitarian disaster has long and complex roots. Ever since the eighteenth-century emperor Qianlong conquered the Silk Road lands to China’s north-west and called it Xinjiang (新疆, New Frontier), sporadic rebellions have broken out against Beijing’s rule. At 1.6 million square kilometres, Xinjiang accounts for about one-sixth of China’s territory, and its rich resources and strategic location mean Beijing has no intention of ever letting it go (it has borders with India, Pakistan, Afghanistan, Tajikistan, Kyrgyzstan, Kazakhstan, Russia, and Mongolia). Uyghurs, once the majority, now make up about forty-six per cent of the population, following decades of the state’s ‘encouragement’ of Han Chinese immigration. Ever since America launched its War on Terror in 2001, the Chinese Communist Party (CCP) has sought to link any unrest amongst China’s Muslim minorities with foreign radical Islamist movements, and some Uyghurs have indeed gone abroad to fight in Syria. However, there is little if any evidence of such radical influence occurring within Xinjiang itself.

This provides background to the current claims of the CCP that it must take radical measures to counter the Three Evils: separatism, terrorism, and religious extremism.

What is happening today has its more immediate genesis in June 2009, when violence at a factory in Guangdong province left two young Uyghur men dead at the hands of Han co-workers. This led to communal attacks in Urumqi, Xinjiang’s capital, the following month, which left almost two
hundred dead among both Han Chinese, the original targets of attacks, as well as Uyghurs, who died at the hands of Han mobs.

These incidents left a legacy of bitterness on both sides. One of the solutions proposed by the CCP was to promote ‘inter-ethnic mingling’ 交融, such as by rewarding intermarriage. Another was an even greater emphasis on Stability Maintenance 维稳, ramping up security across the province. Still, there was sporadic serious violence, both in Xinjiang and elsewhere in the following years. In October 2013, a Uyghur drove a car with his wife and mother towards Tiananmen gate, ploughing through crowds, killing two Filipino tourists, and injuring thirty-eight others. The East Turkestan Islamic Movement claimed responsibility for that terrorist attack. On 1 March 2014, a group of eight Uyghur men and women attacked passengers at Kunming Railway Station with knives, killing thirty-one and injuring another 140. Two months later, on 30 April, a combined knife attack and bombing at Urumqi Railway Station killed three and injured seventy-nine. That attack followed directly on the heels of a visit to the region by Xi Jinping, who was only recently installed as CCP General Secretary; it was, therefore, particularly symbolic. The most dramatic case was in late 2015, when security forces cornered dozens of Uyghur men in the Tianshan Mountains. They had earlier attacked a coalmine killing dozens of Han-Chinese miners. Troops used flamethrowers on the attackers hiding in a cave and shot those escaping. Only one attacker survived.

In March 2017, Xi called for a ‘Great Wall of Steel’ 钢铁长城 to ‘safeguard national unity, ethnic solidarity and social stability’. In August the previous year, he had already appointed Chen Quanguo 陈全国 to the position of CCP Secretary of the XUAR. Chen came to Xinjiang from the Tibet Autonomous Region, where, as Party Secretary, he had developed a new model of intensive policing and ‘grid surveillance’ 网格化管理 involving ‘convenience police stations’ 便民警务站. His other innovations included the ‘double-linked household management system’, by which different households were held responsible for each other’s actions as part of a broader Three-dimensional [Social Stability] Preventive Control System.
立体化社会治安防控体系. Chen’s watch over Tibet saw the effective elimination of self-immolation protests, which impressed Xi. He then became the first Party Secretary to have served in both areas. Chen applied the methods of intensive policing and grid surveillance developed in Tibet to Xinjiang and its Muslim populations. Scholars such as Adrian Zenz and others have tracked the expansion of the XUAR as a security state using satellite photos as well as information gleaned from websites advertising jobs, and tenders for supplies and construction. These reveal a rapid expansion in the number of security personnel, such as Special Police Units, deployed in the region. In 2016, nearly 32,000 positions were advertised, many to fill the new convenience police stations.¹

While this Japanese-inspired method, so-called ‘zero distance service’ 让服务零距离, is presented as convenient for citizens who need help, its main purpose is to facilitate surveillance and enable rapid response to any problems. A network of hundreds of thousands of cameras and sensors, aided by China’s increasingly sophisticated Artificial Intelligence capabilities, aims to give security forces the power to identify and track every
individual. Police also regularly subject Uyghurs and Kazakhs to random searches and investigate the apps and contacts on their phones. Police can also monitor households via QR codes attached next to the door of every home. At the slightest hint of any problem, suspects are taken away for interrogation or internment.

The principle of preventive policing encourages officials to be suspicious, hyper-vigilant, and proactive; they can be punished if any perceived laxity on their part later turns out to have enabled any sort of incident. Since 2017, security forces have been told to also be on the lookout for at least forty-eight suspicious signs alerting them to extremist tendencies by Muslims. An unauthorised Hajj, as in the case of Abdughapar Abdurusul, is an example of a suspicious act. Others can be as simple as owning a tent, praying, arguing with officials, or having ‘too many’ children. Culpable ‘non-actions’ can include not drinking alcohol, not smoking, not shaving, or not allowing officials to take one’s DNA (see the table opposite for the full list). Not surprisingly, the number of detained citizens has grown rapidly since 2017 as authorities have continued and intensified their Strike Hard Campaign Against Violent Terrorism (launched in 2014).

Determining the number of detention centres and detainees has proved difficult. As noted, the UN Committee on the Elimination of Racial Discrimination assessed estimates of between one and two million detained. Such numbers are not surprising in light of the ease with which individuals can be seen to have committed an offence as well as pressure on local security forces to meet quotas of suspicious persons — as revealed by a guard at one prison.

The CCP, which originally refused to acknowledge even the existence of the camps, denies that the number of detainees is that high. But official Chinese statistics for 2017 reveal that arrests in Xinjiang accounted for twenty-one per cent of all arrests nationwide that year, despite the XUAR having only 1.5 per cent of the country’s population. This increase has coincided with Chen’s appointment.
## FORTY-EIGHT SUSPICIOUS SIGNS OF EXTREMIST TENDENCIES

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<td>Owning a tent</td>
<td>Telling others not to swear</td>
<td>Speaking with someone who has travelled abroad</td>
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<tr>
<td>Owning welding equipment</td>
<td>Telling others not to sin</td>
<td>Having travelled abroad yourself</td>
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<td>Owning extra food</td>
<td>Eating breakfast before the sun comes up</td>
<td>Merely knowing someone who has travelled abroad</td>
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<td>Owning a compass</td>
<td>Arguing with an official</td>
<td>Publicly stating that China is inferior to some other country</td>
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<td>Owning multiple knives</td>
<td>Sending a petition that complains about local officials</td>
<td>Having too many children</td>
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<td>Abstaining from alcohol</td>
<td>Not allowing officials to sleep in your bed, eat your food, and live in your house</td>
<td>Having a VPN</td>
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<td>Abstaining from cigarettes</td>
<td>Not having your government ID on your person</td>
<td>Having WhatsApp</td>
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<td>Wailing, publicly grieving, or otherwise acting sad when your parents die</td>
<td>Not letting officials take your DNA</td>
<td>Watching a video filmed abroad</td>
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<td>Wearing a scarf in the presence of the Chinese flag</td>
<td>Wearing a hijab (if you are under 45)</td>
<td>Going to a mosque</td>
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<td>Praying</td>
<td>Fasting</td>
<td>Listening to a religious lecture</td>
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<td>Not letting officials scan your irises</td>
<td>Not letting officials download everything you have on your phone</td>
<td>Not making voice recordings to give to officials</td>
</tr>
<tr>
<td>Speaking your native language in school</td>
<td>Speaking your native language in government work groups</td>
<td>Speaking with someone abroad (via Skype, WeChat, etc.)</td>
</tr>
<tr>
<td>Wearing a shirt with Arabic lettered writing on it</td>
<td>Having a full beard</td>
<td>Wearing any clothes with religious iconography</td>
</tr>
<tr>
<td>Not attending mandatory propaganda classes</td>
<td>Not attending mandatory flag-raising ceremonies</td>
<td>Not attending public struggle sessions</td>
</tr>
<tr>
<td>Refusing to denounce your family members or yourself in these public struggle sessions</td>
<td>Trying to kill yourself when detained by the police</td>
<td>Trying to kill yourself when in the education camps</td>
</tr>
<tr>
<td>Performing a traditional funeral</td>
<td>Inviting multiple families to your house without registering with the police department</td>
<td>Being related to anyone who has done any of the above</td>
</tr>
</tbody>
</table>
The detention centres consist of a rapidly growing network of jails, pre-existing Re-education Through Labour 劳动教养 camps (officially abolished in 2013, see the China Story Yearbook 2014: Shared Destiny, Chapter 6 ‘The Sword of Discipline and the Dagger of Justice’, pp.262–283), and new and refurbished facilities. The latter include factories and old Party schools. Satellite imagery reveals the existence of scores of new detention centres; Adrian Zenz’s research indicates that new facilities are being established at all levels from townships to cities — some 1,200 in all. By the end of 2018, there was conclusive evidence for the existence of almost two hundred large-scale detention centres, with some, such as the one at Dabancheng, having capacity for at least ten thousand people.4

On 9 October 2018, the XUAR government issued an important set of regulations that retrospectively created a quasi-legal framework for the internments. Seven days later, Xinhua newsagency used an interview with Xinjiang Governor Shorhat Zakir to announce that: ‘... Xinjiang has launched a vocational education and training program according to the law. Its purpose is to get rid of the environment and soil that breeds terrorism and religious extremism and stop violent terrorist activities from happening’.

In the space of weeks, conscious of international concern about ‘concentration camps’ and human rights violations, the CCP went from denying that any such camps existed to justifying them as crucial for its fight against the Three Evils, and portraying them as centres for ‘vocational’ training, Mandarin language education, and instruction in law and citizenship. This education, according to Zakir, addresses the ‘root causes’ of the region’s extremism problems. All this was dressed in the language of law and promoted as reflecting the will of ‘the People’. The same day, a television report showed purportedly happy Uyghur recipients of this education in a camp in Hetian. No foreign reporters or scholars have been allowed access to any of the camps, nor interviews with any of those interned.

‘Liu Guang’, a Chinese guard who anonymously revealed the ‘transformation through education’ at his camp described four supervisory cat-
egories: lenient, ordinary, strict, and enforced. The detainees are subject to rigorous controls, demands to ‘reform’ and regular assessments: those who ‘make progress’ are treated more leniently, and a ‘score’ of ninety-five out of one hundred means the possibility of a monthly visit from family members, although even those who have achieved perfect scores in Mandarin remained incarcerated. Those who have failed to show contrition or learn Mandarin were sentenced to anything from five to thirty years in a detention centre. If there are not enough Uyghurs to fill local quotas, they haul in Han Chinese converts to Islam. Belying claims of being education facilities, guards in the zone of ‘enforced supervision’ are required to be fully armed, carry batons, and wear stab-proof vests.5

The relatively few internees who have been released report brutality, abuse, mistreatment, overcrowding, poor sanitation, and inadequate food and water. In their extensive overview of the happenings in Xinjiang, Eradicating Ideological Viruses, Human Rights Watch reported the regular use of torture including, sleep deprivation, beatings, and suspension from the ceiling.6

Testifying in Washington after her release, Mihrigul Tursun described not only being shaved and sat in a ‘tiger chair’ — a metal seat in which a prisoner’s hands and feet are shackled, unable to move’ — but also having a strange helmet with electrodes placed on her head, through which she
received electric shocks. She described being forced to take unidentified medications, and many of her female inmates ceased menstruating, possibly as a result. Tursun claimed that during her three months’ incarceration nine of her fellow inmates died. Among tenders unearthed by Radio Free Asia were some for the construction of crematoria.

Many towns and villages in Xinjiang have lost a substantial proportion of their Uyghur and Kazakh populations, including nearly all their working-age males, to the camps. Those left behind may be forced to house Han-Chinese officials and other ‘big sisters’ and ‘big brothers’. This is the third and seemingly most intensive such wave of ‘homestays’ since 2014 under the slogan: ‘Visit the People, Benefit the People and Bring Together the Hearts of the People’ 访民情、惠民生、聚民心. The guests are tasked with personifying the care of the state for local people’s welfare, teach them Chinese culture and language, and watching out for any suspicious behaviour or attitudes. If necessary, they can test their assigned family’s attitudes by offering cigarettes, beer, and non-Halal items, including pork.

Any indications of Islamic sensitivities must be reported. They specifically target children as sources of information regarding the family’s values and religiosity. Darren Byler’s fieldwork documents both the naiveté of some of these ‘new family members’ and the effectiveness of the Party-state’s penetration of private life.

The state is destroying the physical Islamic heritage of Xinjiang as well, demolishing mosques and tearing down signs at Halal restaurants. The remaining mosques have few worshippers as locals fear to be seen in them. Within schools, universities, government offices, and companies, separate eating facilities for Muslims have disappeared.

The Party-state is also targeting the corps of Uyghur intellectuals and officials who once helped it to manage the province and train the ranks of their successors. One after another, once-trusted and respected Uyghurs and others, already a tiny minority in a Han-dominated system, have been sacked, arrested, detained, or disappeared. The reasons range from forced confessions from those already detained to the need to fill quotas to simple
paranoia on the part of their Han colleagues. Queser Qeyum, the editor of a state-run magazine, committed suicide rather than be detained.9

The terror unfolding in Xinjiang has had significant repercussions abroad. There is barely a Uyghur family in Australia or elsewhere left unaffected by the detentions and disappearances that have occurred in recent years. And because contact with family or others living overseas is also classed as suspicious, many expatriate Uyghurs are under considerable stress. They fear that discussing the plight of their family back in China could make things worse for them and have repercussions for themselves. At the same time, they hope that raising the issue might result in more information becoming available on the missing or the release of those held.

**Xi Jinping’s Not-So-New ‘New Era’**

While the crisis in Xinjiang only came to media attention outside of China in 2018, dramatic changes in religious and ethnic policy have been underway for several years. Xi Jinping’s fear for the future of China, based on his understandings of the collapse of the Soviet Union, is probably the most important driver of these changes. Xi and other party leaders worry incessantly about the rise of ethno-national and religious consciousness that is outside of CCP control and that derives succour and inspiration from abroad. This latest drive against Islam coincides with the Party-state stepping up attempts to force Christians to sever relations with believers abroad and ‘Sinicise’ their services, architecture, and even their theology, as well as their encouragement of flag-raising ceremonies in Taoist temples (see Chapter 4 Forum ‘Raising the Flag: Loving Religion, Loving the State’, pp.117–120). But the crackdown in Xinjiang is by far the most extensive and brutal.

Current efforts to destroy the Islamic cultural base of Uyghur and Kazakh identity represent the end of long-standing debates within China about the direction of religious and nationality policy. Old-school national
minority theorists such as Ma Rong 马戎 advocated a moderate shift towards discussing minorities as ethnic rather than national groups. They have clearly lost out to hard-line theorists such as Hu Lianhe 胡联合 and Hu Angang 胡鞍钢, who advocate the active suppression of ethnic elites such as Abdughapar Abdurusul and the scholar and moderate commentator Ilham Tohti (sentenced to life imprisonment in 2009). According to the latter view, the existence of anyone of influence from within Uyghur and other minority communities, no matter how moderate their views, can pave the way for separatist movements, and, therefore, need to be stopped in their tracks.

The apparent ascendancy of the hardliners signals the end of United Front policy in place since the beginning of the Reform Era in the late-1970s. Until about 2014, tensions over Islamic traditions, such as Muslims insisting on Halal food in the workplace or observing Ramadan, would often have been sorted out by upholding respect for religious sensitivities. No more. In 2018, insisting on Halal food is grounds for arrest for religious extremism.
Since coming to power, Xi Jinping has proclaimed that his rule signifies a ‘New Era’ for China. It is certainly a new era for Xinjiang and United Front policy. It remains to be seen if forced secularisation and coercive assimilation have any better chance of succeeding in Xi’s era than when the CCP tried similar policies previously — as in the 1950s and during the Cultural Revolution (1966–1976). The failure of those policies led to the post-Mao reforms that Xi seems intent on undoing. Even the advantages of high-tech surveillance and security do not guarantee success — if success is not simply defined as the creation of a prison state. And just as in those earlier periods, the human cost of the attempt will be enormous and last for generations. As for the surveillance and security systems, including grid policing, some observers have suggested that this may be rolled out in other parts of China in the future. A New Era indeed.

Finally, as implied already, foreign governments are also indirectly involved in the happenings in Xinjiang, often by virtue of having Uyghurs as citizens or migrants, such as in Australia. Any government that proclaims the importance of human rights should be extremely concerned. In Australia, the government and politicians have been remarkably quiet despite growing press coverage of the scale and nature of the detentions. The most prominent voice criticising the CCP’s actions has been the Republican, Marco Rubio in the United States, but despite growing anti-China sentiment, the Uyghur issue has yet to break through. Most disconcertingly, it is the muted response from Muslim nations that is most surprising. Despite a growing awareness in such countries, only in Malaysia and Indonesia has protest been significant. Malaysia’s refusal in October to repatriate a group of Uyghurs, ‘Because they had done nothing wrong’, stands out for its bluntness. We can only hope that all nations, Muslim and non-Muslim alike, find the courage to make similar calls.
China’s Belt and Road Initiative

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Raising the Flag: Loving Religion, Loving the State
· XIE SHENGJIN and PAUL J. FARRELLY

Rapprochement with the Vatican
· PAUL J. FARRELLY
ON THE MORNING of 20 August 2018, the priests of Tianshifu, a Daoist temple in Longhushan, Yingtan prefecture, Jiangxi province, carried out the first ever national flag-raising ceremony in their temple square. A vice-mayor of Yingtan presided over the ceremony. Also present were the local head of the United Front Work Department (UFWD), the abbot of Tianshifu (who happens to be a vice-chairman of the Political Consultative Conference of Yingtan Prefecture), local governmental officials responsible for religious affairs, and all Daoist clerics under the leadership of the Longhushan Daoist Association. In late September, when Xie Shengjin was doing fieldwork at Longhushan, several Tianshifu priests told him that they were glad to participate in this ceremony and felt proud to play a role in promoting patriotism.

Tianshifu is one of the most influential Daoist temples in China. Daoism has comprised two main schools since the late fourteenth century: Orthodox Unity (Zhengyi 正一) and Complete Perfection (Quanzhen 全真). Priests of the Orthodox Unity school can marry and live a worldly life, while those of the Complete Perfection school are supposed to pursue an ascetic life in monasteries. Official records state that there are about 48,000 Daoist priests affiliated with temples nationwide (although this number does not take into consideration the many priests who are unaffiliated with a temple). In the early 1990s, the state lifted a decades-long ban on the ordination...
of Orthodox Unity priests, but only for Tianshifu — the only institution in China to hold this right during the Ming and Qing dynasties (1368–1911). Followers of Daoism and, especially, Orthodox Unity priests, thus regard it as the home of Orthodox Unity.

The highly symbolic flag-raising ceremony intended to show ordinary followers of Daoism, as well as Orthodox Unity priests in general, that the Tianshifu priests were willing to do United Front work under the guidance of the UFWD, an organ of the Chinese Communist Party (CCP), to which it reports directly. Among other things, the UFWD is tasked with uniting patriotic groups and individuals, especially elite figures, within religious communities. (See Chapter 4 ‘Internment and Indoctrination — Xi’s “New Era” in Xinjiang’, pp.98–111).

The Daoist priests of the Orthodox Unity school have been particularly willing participants in United Front efforts as, they have argued, doing so does not violate Daoist doctrine. Instead, it is a pragmatic concession to state power that allows them to perform rituals and thereby earn an income. Unlike the transcendental goals of other religions, such as enlightenment or entering heaven, many of these priests are materially focussed on this life. Furthermore, loyalty to the country is one of nine precepts prescribed by state-affiliated Daoist organisations and to which an officially ordained Daoist cleric should adhere (this precept evolved from an imperial-era requirement to be loyal to the emperor).  

Reports from Chinese media noted that beginning in August 2018 other
influential Daoist and Han Buddhist temples across China also raised the national flag on their grounds for the first time, including the world-famous Shaolin temple. The State Administration for Religious Affairs worked with the UFWD to arrange and promote these events.

Chinese officials have advocated the principle of Sinicising religion since Xi Jinping emphasised it at the National Religious Work Conference in April 2016. The principle is that followers of all religions in China should identify their own interests with that of the state and refrain from harming the national interest (as it is defined by the CCP government). This reads as a clear warning to Tibetan Buddhists and Xinjiang Muslims in particular, not to embrace ‘splittism’ (that is, a challenge to the perceived territorial integrity of the PRC).

Since the early 1950s, when it imposed ‘socialist transformation’ on religious practice in China, the CCP has demanded that religious practitioners be ‘patriotic’, which has mainly meant accepting that there are no higher authorities than the CCP itself — such as the Dalai Lama or the Pope. Under the principle of Sinicising religion, religious practitioners must place their political identity as a Chinese citizen above their religious identity, embracing not only the Party’s rule, but also its appeals to nationalism.

This is because nationalism is a fundamental tool used by the CCP to bolster the legitimacy of its regime. In the Mao era, the Party relied primarily on communist ideology to legitimise its rule. After the reform period began in 1978, it increasingly relied on its role in developing the
economy and improving standards of living across the country. After the protests of 1989, when students and others began demanding democracy as well, the Party launched its Patriotic Education Campaign, directed at the whole of society; under Xi's leadership nationalism has taken a more prominent place than ever. The recent slowdown of economic growth, along with growing awareness of social problems such as environmental pollution, food safety, and educational inequality, has raised the levels of dissatisfaction with the Party's management of the country. The Party has seized upon nationalistic pride as a powerful tool to inspire and unite society and silence dissent. (See Chapter 2 'Talking (Up) Power', pp.36–49 and Chapter 10 Forum 'Protecting Citizens Overseas: The Policy, the Power, and Now the Movie ...', pp.319–324.) This is as true in the religious sphere as it is in lay society.

In Xinjiang and Tibet, the Party's religious policies aim at preventing Islam and Tibetan Buddhism from becoming symbols that 'splittists' can use to mobilise forces intent on undermining its rule. There were no reports of flag-raising ceremonies in religious sites in Xinjiang or Tibet this year, and very few in Catholic and Protestant sites elsewhere, suggesting the Party may believe this is not the most effective way to engage with these communities. However, with Daoism and Han Buddhism — which have deep roots in Chinese culture — it seems the Party feels more confident about the positive role religion can play in realising the nationalist goals embedded in the China Dream.
Rapprochement with the Vatican
Paul J. Farrelly
IN SEPTEMBER 2018, after several years of rapprochement, the Vatican signed a provisional agreement with the People’s Republic of China’s government to share authority in the appointment of Chinese Catholic bishops. For nearly all of the People’s Republic of China’s (PRC) history, the Catholic Church in China has been divided into two: the state-affiliated Catholic Patriotic Church and an underground church that only recognises the authority of the Vatican. Rome has not recognised bishops appointed by the Patriotic Church, and vice versa. One rare example of dual recognition was the 2012 consecration of Thaddeus Ma Daqin 马达钦 as coadjutor/auxiliary bishop in Shanghai. However, Ma quickly resigned from the Patriotic Church — he was placed under house arrest, while the Shanghai seminary and diocesan publisher closed and local priests and nuns were sent to ‘re-education classes’ the following year.¹

While as of March 2019 the details of the new agreement were still yet to be revealed, it is expected that the Chinese government, in consultation with local bishops and parishioners, will propose bishops to the Vatican for ordination. Pope Francis now recognises seven bishops appointed by the state. A brief statement from the Vatican announcing the agreement noted: ‘Pope Francis hopes that, with these decisions, a new process may begin that will allow the wounds of the past to be overcome, leading to the full communion of all Chinese Catholics’.² This new arrangement would influence the
The Catholic Church’s history in China far predates that of the Chinese Communist Party (CCP). While not the first Catholic missionary to China, the Jesuit Matteo Ricci (1552–1610) is among the most famous, and helped ensure a Jesuit presence in the Ming and Qing courts. The Jesuits were accommodating of Chinese customs, including Confucian rites such as those around ancestor worship — a position at odds with other denominations — including the Dominicans, who considered the Confucian rites paganistic and incompatible with Catholicism. After Pope Clement XI issued a papal bull in 1715 condemning the Confucian rituals as incompatible with Catholicism, the emperor Kangxi banned the preaching of Catholicism. Jesuits, however, retained their special place in the court as artists, and technical and scientific advisors. Kangxi’s son and successor Yongzheng, who banned Catholicism altogether, still appreciated the talent of Italian Jesuit artist Giuseppe Castiglione. Yongzheng’s son and successor Qianlong, had Jesuits design the famed Western Palaces
of his treasured summer palace, the Yuanmingyuan 圆明园 (Garden of Perfection and Light).

In 1842, after their victory in the first Opium War, and in addition to the trade concessions they forced on the Qing, France and Britain demanded that the court legalise Christianity and grant missionaries the freedom to proselytise. In the second Opium War, the French and British burnt and sacked the Yuanmingyuan. The fallen columns and other ruins of the Jesuits’ Western Palace became, and remain today, a potent symbol for the imperialist humiliation of China in the nineteenth century; that those buildings were designed by Jesuits generally does not enter this narrative.

When highly superstitious peasant rebels began mobilising across north China to defend the Qing against the foreign enemy, calling themselves the Righteous and Harmonious Fists 义和拳 — more commonly known as Boxers in English — they murdered Chinese Christians, and Protestant and Catholic missionaries, before laying siege to the foreign legations of Beijing in 1900. The Vatican and the Republic of China established diplomatic relations in 1942, and missionaries remained in China until 1951, when the new CCP government expelled them and established the Patriotic Church. This led to a rapid boost in numbers in Taiwan when the Nationalist government escaped there, where the church still claims around 300,000 adherents, with a strong presence in certain indigenous communities.

Following the September 2018 announcement, Cardinal Joseph Zen Ze-kuin 陳日君, Bishop Emeritus of Hong Kong, argued, ‘The Chinese government will succeed in eliminating the underground church with the help of the Vatican. Now that it is strengthening its suppression of religions, how could you think this will lead to a good agreement?’³ Cardinal Zen later questioned whether newly recognised former underground bishops would have any autonomy once affiliated with the state church and doubted the Pope’s understanding of the CCP.⁴ Perhaps sensing that its only European diplomatic ally might be about to shift allegiances, in October the government in Taipei invited the Pope to visit Taiwan, but he is yet to accept.⁵

At the core of this issue is authority: how can the Catholic Church cede to the atheist CCP its right to recognise and appoint bishops? The Party-state has ordered the demolition of numer-
ous ‘underground’ churches in recent years; in November 2018, it was reported that four underground Catholic priests in Hebei had been arrested for refusing to join the Patriotic Church and put in custody for ‘indoctrination’.6

Pope Francis and his advisors may be pragmatically seeking an accord with the CCP so as to express his care for all China’s Catholics and establish the church’s own legitimacy within the PRC’s borders. The current pontiff is not afraid of deviating from certain Vatican traditions and *rapprochement* with the CCP could be a small step in the Vatican’s centuries-long mission to spread Catholicism in China. Just as Matteo Ricci sought to make Catholicism palatable to the Ming and emphasise its harmony with Chinese traditions, so, too the Vatican of today could be seeking to re-Sinicise itself in order, ultimately, to increase its presence and influence in China.
GIRL POWER
Jane Golley
FOR ANYONE WITH EVEN the slightest inclination towards feminism — that is, a belief in equal opportunity and rights for women and men — 2018 was a year in which good news was very hard to find.
In April, Human Rights Watch (HRW) released a report entitled *Only Men Need Apply: Gender Discrimination in Job Advertisements in China*,¹ which analysed over 36,000 job advertisements posted in China between 2013 and 2018. Among their findings, nineteen per cent of national civil service jobs advertised in 2018 specified ‘men only’, ‘men preferred’ or ‘suitable for men’, compared with just one that preferred women applicants, at the National Bureau of Statistics, for a job requiring ‘long-term communication with villagers’. A whopping fifty-five per cent of jobs at the Ministry of Public Security in 2017 were for ‘men only’. Many advertisements in both the state and private sectors required female applicants to be married with children, or to satisfy requirements for height, weight, and other ‘pleasing’ attributes that had nothing to do with the job itself. A case study of e-commerce giant Alibaba revealed a post on the company’s official Weibo account aimed at prospective (presumably male) employees touting all the ‘beautiful girls’ and ‘goddesses’ who, as co-workers, would be: ‘smart and competent at work and charming and alluring in life. They are independent but not proud, sensitive but not melodramatic’.

¹ *Only Men Need Apply: Gender Discrimination in Job Advertisements in China*
The HRW report concluded that: ‘These job ads reflect traditional and deeply discriminatory views: that women are less physically, intellectually and psychologically capable than men; that women are their families’ primary sources of child care and thus unable to be fully committed to their jobs or will eventually leave full-time paid employment to have a family; and that accommodating maternity leave is unacceptably inconvenient or costly for the company or agency’. Its key recommendations to the Chinese government included ending gender-specific job advertisements for civil servants, strengthening anti-discrimination laws in hiring, and proactively enforcing company compliance with those laws.

It is likely these recommendations fell on deaf ears. Throughout 2018, the Chinese government continued to tighten its censorship of feminist ideas and activism — including its attempt to crush China’s #MeToo movement, and the permanent closure of Weibo’s most prominent feminist account, Feminist Voices, on International Women’s Day (8 March). The media reported on the opening of several New Era Women’s Schools, designed to help women prepare for domestic roles, by learning ‘how to dress, pour tea, and sit just so’ (with bellies held in and legs together!). And then came revelations that the government was contemplating taxing childless couples and rewarding those that have two children — moves that would bring China’s population control into a new era indeed.

Taking on all of these issues and more, Leta Hong Fincher’s second book on gender inequality in China, Betraying Big Brother: the Feminist Awakening in China, was released in September. While the subtitle suggests some cause for optimism, the content reveals a pessimistic state of affairs resonant with the book’s Orwellian title. Hong Fincher’s depiction of a Chinese Communist Party (CCP) that ‘aggressively perpetuates gender norms and reduces women to their roles as dutiful wives, mothers and baby breeders in the home, in order to minimise social unrest and give birth to future generations of skilled workers’ leads her to conclude that: ‘China’s all-male rulers have decided that the systematic subjugation of women is essential to maintaining Communist Party survival. As this
battle for party survival becomes even more intense, the crackdown on feminism and women’s rights — indeed, on all of civil society — is likely to intensify.’ Not exactly music to any feminist’s ears.

**Holding up Half the Sky?**

There have been marked improvements in the socioeconomic status of Chinese women since the establishment of the People’s Republic of China in 1949, compared with a millennia-long history and culture that awarded economic and political power and social authority to males. During the Maoist era (1949–1976), agricultural collectivisation, the Great Leap Forward, and the Cultural Revolution brought millions of Chinese women into the productive sphere, where their labour was considered essential for socialist construction; the Party required them, quoting the slogan of the day, to ‘hold up half the sky’. The All-China Women’s Federation (ACWF) was established in 1949 to protect women’s rights and represent their interests. The Marriage Law, introduced in 1950, abolished arranged marriages, concubinage, and the purchasing of child brides, while the principle of gender equality was written into China’s Constitution in 1954, entitling women to ‘equal pay for equal work’. The Communist revolution didn’t work entirely in women’s favour during this period — they tended to suffer the double burden of working hard for the state while maintaining their traditional domestic duties. But there were steps in the right direction.

In the post-Mao era, successive leaders, including Xi Jinping, have affirmed China’s commitment to ‘the basic national policy of equality between men and women’. Yet in 2018, China ranked as the most gender-imbalanced country in the world, underpinned by a rising male sex ratio at birth from the mid-1980s onwards, when (illegal) pre-natal gender tests and sex-selective abortion became widespread. The ratio peaked at 121.4 boys per hundred girls in 2004, compared with a global norm
of 106:100. As a result, China’s working-age population in 2018 (defined as 15–60 years for men, and 15–55 for women) comprised 480 million men and just 411 million women.\(^5\)

It’s pretty hard to hold up half the sky when you account for significantly less than half the working population. It’s even harder when gender discrimination in the workforce is as pervasive as it is in China today. Many economists expected that market-oriented reforms would prompt a reduction in gender discrimination — because discriminating against anyone is not an efficient thing to do — but that has not been the case. In urban China, despite a narrowing of the gender gap in education in recent years, to the point where young urban Chinese women now ‘out-educate’ their male contemporaries,\(^6\) there has been no narrowing of the gender gap in pay: instead, it has increased since the mid 1990s. Studies show that this is largely because of discrimination rather than differences in skills, talent, or occupational choices.\(^7\) In rural China, girls do not get as much education as boys, and the gap in earnings is even greater.\(^8\)

China’s integration into global markets has also reinforced gender inequality in the workplace. Women are more likely to work in low-wage export-oriented manufacturing sectors than in high-wage foreign firms and joint ventures. In the late 1990s, when a state-owned enterprise laid off workers in a bid to become more efficient, women were disproportionately affected. Those who became self-employed tended to find work in the least financially rewarding sectors, including as cleaners, cooks, nannies, or street peddlers — some of which have taken on gendered
titles such as ‘cleaning aunty’ 保洁阿姨 and ‘cooking aunty’ 做饭阿姨. These factors have exacerbated the earnings gap among low-income men and women in particular.9

Compounding these factors, female participation in the labour market has fallen due to the growing pressure on women to look after the home and family.10 One study claims that the gender pay gap in urban China comes down to the fact that working women put in an average of thirty-six hours of housework a week versus eighteen for men.11 Married women and mothers face the most significant disadvantages in the labour market as a result (and having two children will only increase their burden).

My own recent research, with Zhou Yixiao from Curtin University and Wang Meiyan from the Chinese Academy of Social Sciences, confirms just how problematic gender inequality in income has become.12 Using the Survey of Women’s Social Status (2010) — a survey jointly sponsored by the ACWF and China’s National Bureau of Statistics — we examine the factors that determine the annual earnings of around 16,000 individuals across the country. We find that gender is the most important contributor to inequality in earnings — above one’s father’s occupation and education, hukou (urban residency) status at birth, and region of birth. Simply put, this means that being born a boy gives someone greater advantage than, for example, being the child of an educated professional, or being born with residency in the country’s richest cities. This suggests that gender inequality is an even more intransigent a problem than the urban–rural, regional, and socioeconomic divides that characterise China today.

Gender inequities are just as striking in the political realm. During the 1980s and 1990s, women accounted for one third of Communist Party members; by 2017 only one in four Party members was female.13 Not only are Party members more likely to be promoted and paid more: according to one team of economists, income-related rewards for Party members have risen over time — contradicting their expectations (again) that the reverse would be true because of market-oriented reforms.14 At the top, it is even worse: the Politburo of the Central Committee of the
CCP, the twenty-five most powerful members of the Party, includes just one woman — Sun Chunlan 孙春兰 — and has not had more than two at the same time since 1977. The Politburo Standing Committee, which comprises the country's seven most powerful people, has always been male only. According to Li Cheng of the Brookings Institution, on the eve of the Nineteenth Party Congress in 2017 there was not a single woman serving as a provincial or municipal Party secretary — considered a pre-requisite for gaining a Politburo seat in the future. Li does not anticipate a more gender-balanced power structure emerging in Chinese politics any time soon.

The circumstances described above help explain the deterioration in China's global rankings for gender equality over the last decade. The World Economic Forum’s Global Gender Gap Index measures country-level gender gaps based on a range of indicators summarised in four sub-indexes: Economic Participation and Opportunity (including female-to-male ratios in labour force participation and earnings); Educational Attainment (including ratios in literacy and school enrolment rates); Health and Survival (sex ratios at birth and female-to-male life expectancy); and Political Empowerment (including ratios of women to men in parliament and at ministerial level). Out of 144 countries in 2016, China ranked at 99 overall — down from 63 a decade earlier. This placed it well below the Philippines (at number 7), as well as Mongolia (58), Vietnam (65), and Thailand, Bangladesh, and India, although notably above its neighbours Japan (111) and Korea (116). Given the fact that China has been moving up on so many other measures, including GDP, GDP per capita, and educational attainments overall, these gender trends are all the more worrying.
Women in Xi’s ‘New Era’

In his address to the Global Leaders Meeting on Gender Equality and Women’s Empowerment in September 2015, Xi Jinping put forward four propositions for promoting global gender equality: ‘ensuring that women share equally in the achievements of development’ 确保妇女平等分享发展成果, actively protecting women’s rights and interests, eliminating violence and ‘out-dated mentalities and customs’ 落后观念和陈规旧俗 inhibiting women’s development, and fostering a favourable international environment for gender equality.16

But, there is little to suggest that Xi Jinping is pursuing his own propositions seriously within China, let alone globally. It was also in 2015 that at least ten Chinese women — including five now known as the Feminist Five17 — spent International Women’s Day in police custody for planning to protest against sexual harassment on public transport. The Feminist Five spent thirty-seven days in detention before being released on bail to await trial — meaning that they were subjected to surveillance, restrictions, and investigations for up to one year (and, it turns out, well beyond that). They had made global headlines in 2012 with their ‘Bald Sisters’ head-shaving campaign protesting against gender discrimination in university admissions; their Occupy Men’s Toilets movement advocating for more female public toilets; and their protests against domestic violence, for which they dressed in wedding gowns splashed with red paint. (See the China Story Yearbook 2015: Pollution, Chapter 2 ‘The Fog of Law’, p.79 and Information Window ‘Feminist Five’, p.81.)

In a more recent example, in January 2018, Luo Xixi 罗茜茜, a Beijing University alumna now resident in the US, posted on Weibo about the sexual harassment she had suffered years earlier from her PhD supervisor Chen Xiaowu 陈小武.18 The post, which explicitly referenced the #MeToo movement, attracted more than four million views and tens of thousands of ‘likes’ and, by mid-January, the university had removed Chen
from his teaching posts and placed him under investigation. Hundreds of other women quickly followed suit with their own grievances, calling for investigations into allegations of sexual abuse in spheres including academia and the media. Rather than responding with promises to crack down on sexual harassment, the Chinese authorities instead blocked the terms ‘sexual harassment’ and ‘#MeToo’ on Chinese online media platforms — a ban that some got around by using the homophonous nonsense phrase *mitu*  米兔, literally ‘rice bunny’ or its emoticon equivalent.

Throughout 2018, China’s ‘rice bunny’ movement continued to mobilise support in the face of ongoing efforts to suppress discussion of sexual harassment issues, suggesting that men far more powerful than university professors feared they could be next in the firing line. For millions of women in China, according to the *Financial Times*, the movement ‘represents a defiant response to sexual harassment, gender inequality and the Chinese authorities’. Leta Hong Fincher, likewise, gives some cause for hope for the ‘emergence of a broader feminist awakening that is beginning to transform women in cities across China’.

However, the state has increased surveillance of feminist activists and continues to crackdown on activism, as *Betraying Big Brother* covers in excruciating detail. At the same time, President Xi has stepped up his campaign to ‘reinforce traditional family values’, urging ‘the people to integrate their personal family dreams with the Chinese dream of national rejuvenation’.
on the All China Women’s Federation website in 2016 were calls for the ‘creation of conditions for the healthy growth of the next generation’ and for people (presumably not men) to be ‘encouraged to fulfil their familial responsibilities and cultivate their conduct in the home to enhance the status of family-based old age care’. The ACWF had already propagated a similar message through its Most Beautiful Family Campaign, launched in 2015. One of the ‘model families’ honoured by Xi Jinping under this campaign was that of Liu Ying — a woman celebrated for the fact that all six of her in-laws were happy with how she had treated them over the past three decades. (Her husband had been raised by foster parents after his birth parents divorced; both remarried.) The Federation’s promotion of the ideal woman being one who pleases her in-laws has much stronger echoes of Confucian patriarchal values than of the female militia fighters and ‘iron women’ of Cultural Revolution propaganda — even if the reality of the Mao era never quite matched the image.

The ACWF defined and propagated the disparaging term ‘leftover women’ in 2007, for women who are still unmarried and childless in their late twenties. Hong Fincher has commented that: ‘... the peculiarity of a Women’s Federation that contributes to bolstering male supremacy is matched only by the ways that the country’s official Labor Federation often serves more to control than empower workers’. Universities are also incorporating Xi’s New Era values for women into their teaching agendas. One example of this is the New Era Women’s School at Zhenjiang College in Jiangsu province, established in March 2018 in partnership with the ACWF. According to its head, the school is designed to help women compete in the job market, but also to prepare them for domestic roles because ‘Women’s family role is more important now’. A number of similar schools have appeared since, including the Kunyu Women’s School — a partnership between Hebei University and the local ACWF branch. Human Rights Watch China Director Sophie Richardson is emphatic that ‘China’s state-run organisation on gender
equality [ACWF] is promoting a damaging narrative about women’s subservience in an attempt to fix social issues’.26

One of the ‘social issues’ that supposedly needs fixing is that of the declining population, and the apparent failing of young couples to respond to the Two-Child Policy introduced on 1 January 2016, by having a second child. The number of births actually declined from 17.86 million births in 2016 and is projected to fall below 15.23 million in 2018. In the China Story Yearbook 2016: Control, I explained why having more babies is not the best solution to China’s population challenges (including the rapidly ageing population that Xi Jinping seems to want Chinese women to stay at home and care for), nor its economic ones (including slowing GDP and labour force growth). Well-educated, ambitious women — no matter how many babies they choose to have — coupled with better child- and elderly-care facilities to free up women for productive employment would make far more sense.

But neither Xi Jinping nor many young Chinese women appear to see it this way. If You are the One is a Chinese dating show that provides (heavily scripted but still fascinating) insights into the machinations of modern-day matchmaking in China. In one particularly memorable episode from 2018, the one girl who still had her light on for the final male contestant was given an opportunity to ask one last question before deciding whether to leave with him and win a romantic holiday to the Aegean
Sea, and possibly life happily ever after. She asked: ‘Once your wife has had her first baby, will you be able to support her so that she never has to return to work?’ He nervously pondered before replying: ‘I don’t think my earnings will be sufficient for that’. She abruptly turned off her light, and the young man was left alone.

**Pushing Boundaries**

In 2017, Li Maizi 李麦子 (real name Li Tingting 李婷婷), one of the Feminist Five, wrote an International Women’s Day piece for *The Guardian*, in which she reflected on whether there was any hope for the Chinese feminist movement. She cited some signs of progress, including the ACWF newspaper *China Women’s News* urging Chinese media to stop using the term ‘leftover women’ in 2017, which Li called ‘a remarkable shift that I believe can be credited to feminist activism’. Li concluded by stating that ‘The Beijing government continues to push back the boundaries of acceptable resistance to the point where there is little room left, but at least women’s issues are being discussed. That’s why there is hope for feminism in China.’

In July 2018, Li posted a lengthy essay on WeChat, explaining how the #MeToo movement ‘illustrates the power of feminism’s challenge to the patriarchy’. On 31 October, Tu Youqin 徒有琴 a female student at the Central Conservatory of Music in Beijing, posted a song titled ‘Scumbag Men of the Celestial Empire’ on Sina Weibo. In this Chinese rendition of
the famous ‘Cell Block Tango’ from the musical *Chicago*, Tu recounts the experiences of six (fictitious) women from across China, including one who is beaten by her husband with his saxophone, and another whose husband suffocates their third daughter for 2,000 yuan, paid by neighbours who want a wife in the afterlife for their dead baby son. It doesn’t end well for any of the men, as those familiar with ‘Cell Block Tango’ will know — which may explain why the Weibo post lasted only one day before being removed. But at least these stories are being heard elsewhere in the world, including by more than 55,000 viewers on YouTube within the first week of the song’s release. China’s powerful men are clearly worried by such activism; the rest of the world is watching. And that is a sign of ‘girl power’, right there.
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network
CHINA’S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
SILK ROAD ECONOMIC BELT
MARITIME SILK ROAD
ECONOMIC CORRIDOR

Existing
Planned/under construction

OIL PIPELINE
GAS PIPELINE
RAILROADS
PORT
POWER AND THE PATRIARCHY

*The Story of Yanxi Palace*

- ZHOU YUN
The Story of Yanxi Palace
Zhou Yun
THE STORY OF YANXI PALACE
Zhou Yun

The Story of Yanxi Palace is a historical period drama that gained astonishing popularity in the northern summer of 2018 — with over 14.5 billion online views since its release on the streaming platform iQiyi. The story is set during the reign of the Qing emperor Qianlong (1735–1796), a fictional tale of revenge about one of his concubines, Wei Yingluo 魏璎珞, posthumously known as Empress Xiaoyichun 孝儀純, and mother of the succeeding Emperor Jiaqing.

This historical reimagining of court intrigue features seemingly authentic, fabulous costumes and elegant hair accessories; some of the craft skills that went into their making are listed as Intangible Cultural Heritage in Jiangsu province. The vivid portrayal of imperial life through fashion, makeup, and hairstyles distinguished the show from many other imperial palace dramas that spend a huge amount of money on big-name stars but do not put as much effort into visual authenticity.

The Story of Yanxi Palace had its critics. Feminists argued that the protagonist is not so much a female fighter against an unbalanced structure of gendered power as a dependent of the authority of the patriarchal system. Social liberals attacked the show for revelling in the brutality of patriarchal power politics, and for depicting the female body as capital in the struggle for power, as well as a means for manipulating power.

Despite these criticisms, the fast-paced, 70-episode serial was well received by mainstream viewers. Its gen-
re is one that is an eternal favourite with female viewers in China — power struggles within the imperial inner court. To ascend the power ladder of Qianlong’s inner court, concubines are depicted backstabbing each other and otherwise plotting to win the emperor’s favour. Only by approaching the political throne are the women empowered with any kind of authority. Yet the heroine Wei Yingluo is not a mere passive subject of the patriarchy. Her mindset is more modern in that she consciously negotiates with, and sometimes challenges the existing power structure. Her determination to seek revenge for her sister, who is raped by the emperor’s brother and later killed by the brother’s mother, results in her fighting those in power. In her revenge, she seizes every opportunity to undermine her enemies and sometimes even denounces their evil deeds to their face, despite their high-ranking positions.

Wei’s story deeply resonated with its predominantly female audience. She enters the court as a maid but eventually defeats all her enemies to become a high-ranking imperial concubine. As evidenced on Weibo and other social media platforms, a large number of urban women who struggle for better work opportunities identified with her solo struggle to climb the socioeconomic ladder and negotiate a society structured around wealth-based status and male power and privilege. Wei’s diligence and ultimate success encourages the serial’s female fans to pursue their dreams.

Although the drama pits Wei against a powerful clique of evil-doers, she is not depicted as an inherently no-
ble moral figure like the empress, who is constrained by feminine virtues of self-sacrifice and disciplined silence. Wei, by contrast, is a hot-tempered woman who stands no nonsense. In the drama, virtues and ideals die along with the empress. Wei replaces them with a powerful sense of individual entitlement.

The competition for survival in the inner court also has echoes for women in today’s competitive and insecure workplaces, which are governed by cut-throat capitalist values rather than so-called ‘traditional virtues’, and many of which are guilty of practices that objectify the female body (see for example the opening paragraph of the ‘Girl Power’ chapter in this volume). Female viewers may find inspiration in Wei’s philosophy of life. Examples much quoted in social media include her lines: ‘People are kind in nature, but they should learn to defend themselves’；‘Beat the snake where it hurts. To revenge on someone, the best way is to wrest what she wants the most’；‘Confront soldiers with generals and stem water with earth. One needs to take whatever measures are called for. If one lives under constant worry and fear, what a feeble life it is!’ Wei’s continual triumphs clearly inspired the drama’s female audience, although one of the show’s key aspects — female-to-female competition — is hardly a triumph for feminism.
Australia's China Debate in 2018
David Brophy
AUSTRALIA’S CHINA DEBATE IN 2018

David Brophy
FOR SOME TIME NOW, Australia’s foreign policy establishment has contemplated how best to navigate the rivalry between the US and China, and debated whether or not Australia would one day have to choose between the two. Participants in this ‘old’ China debate might have disagreed on the timeline of China’s rise, or the likelihood of serious conflict between our defence partner and our trading partner, but there was a degree of consensus as to the parameters of the question. By the end of 2017, though, a string of highly visible imbroglios had seen a ‘new’ China debate take centre stage: one side arguing that there was widespread Chinese Party-state interference in Australian affairs; the other accusing the first of sensationalism, even racism. Throughout 2018, some of the basic facts about China’s presence in, and intentions towards, Australia seemed up for grabs. The ‘China question’ had become a much more polarised, and polarising one.
In this new landscape, conventional political lines have tended to blur. Hawkish narratives of Chinese expansionism occasionally draw support from those whose primary concern is with the parlous state of human rights in China. Those anxious to prevent a resurgence of anti-Chinese xenophobia sometimes find themselves taking the same side of a point as corporate actors, whose priority is to moderate criticism of the People’s Republic of China (PRC) and get on with profiting from its vast economy. The government’s attack on (now retired) Australian Labor Party (ALP) senator Sam Dastyari in 2017 (see the China Story Yearbook 2016: Control, Chapter 8 ‘Making the World Safe (For China)’, pp.278–293) set a new precedent in the instrumentalisation of China anxieties for domestic political gain. Yet despite the Liberal Party flirting with similar rhetoric at points in 2018, the debate has yet to take on an obviously partisan colouring, and divisions within Australia’s two major parties on the China question seem as pertinent as those that exist between them.

Former prime minister Malcolm Turnbull’s turn towards a more confrontational stance on China is commonly attributed to impetus from the Department of Defence and intelligence agencies. A classified inter-agency inquiry, led by one-time Beijing correspondent John Garnaut, was probably the source of some of the claims about Chinese Party-state interference in Australian affairs that filtered into the media in 2017.¹ In 2018, without naming specific countries, Australian Security Intelligence Organisation Director-General Duncan Lewis maintained that foreign interference was occurring ‘at unprecedented scale’ in Australia.² A prominent source of specific warnings has been the Australian Strategic Policy Institute (ASPI), which in October published a study of security risks arising from collaboration between university researchers and Chinese scientists affiliated to the People’s Liberation Army.³

On the other side of the think-tank divide, former foreign minister and NSW premier Bob Carr’s Australia-China Relations Institute (ACRI) at the University of Technology Sydney has issued reports stressing the benefits of engagement with China, and questioning sensational claims of Chinese interference.⁴ Former Australian ambassador to China, Stephen
FitzGerald, and Linda Jakobson, who heads China Matters (a not-for-profit entity dedicated to analysing policy perspectives on China’s rise), were similarly critical of Turnbull’s China diplomacy, arguing that business leaders and politicians should formulate a consistent ‘China narrative’ to guide Australian officialdom in a more China-centric world. In the corporate sphere, Fortescue Metals CEO Andrew Forrest made no secret of his desire to restore the pre-Turnbull status quo. At a dinner event in March he complained that the debate was ‘fuel[ing] distrust, paranoia and a loss of respect’. Although some Chinese-Australian scholars have involved themselves in this discussion, ethnic Chinese community groups have made few public interventions. The Australian Values Alliance, a small network of PRC dissidents, campaigns against Confucius Institutes and pro-PRC cultural activities, as do media organisations linked to the persecuted Falun Gong. Bodies aligned with Beijing, such as the Australian Council for the Peaceful Reunification of China, have tended to stay out of the fray. For its part, the Chinese embassy has limited its public commentary to warnings against adopting a ‘Cold War mentality’ towards the PRC.
Loud Response to Silent Invasion

Australia’s ‘old’ China debate carried on in 2018. Defence analyst Hugh White’s late-2017 Quarterly Essay *Without America* reprised his by-now familiar critique of the view that Australia didn’t have to choose between China and the US, but this time with a more pessimistic prognosis: that the US’s relative decline in Asia was terminal, and Australia would simply have to accommodate to the new reality.7 (See also White’s chapter ‘China’s Power, the United States, and the Future of Australia’ in the *China Story Yearbook 2017: Prosperity.*) A series of American China specialists replied in the next issue, insisting that the US had the will, and policy know-how to preserve its dominance in Asia, but White stuck to his guns: ‘there is no sign, from their critiques of my essay, that the key people in Washington who would have to design and develop this new policy understand the nature or the scale of the task’. Turning to the ‘new’ China debate, White acknowledged that Chinese influence was ‘a very real problem’, but criticised the government’s exploitation of the issue ‘to conjure threatening images of China in the hope of encouraging people to buy its argument that we can and must rely on America to shield us from it’.8

For White, the long-term viability of this reliance on the US was still the question on which Australians should focus. But this question was soon to be sidelined by a book arguing that China’s rise was a threat not simply to Australia’s interests, but to its very sovereignty, leaving us no choice but to join the US in resisting it. Clive Hamilton’s *Silent Invasion*, released in February, painted a series of disparate issues surrounding China’s role in Australia as part of a grand conspiracy by the Chinese Communist Party (CCP) to reduce Australia to vassal status. (An earlier subtitle for the book was *How China is Turning Australia into a Puppet State.*)9 The book made a splash as much for its claims — few of which were new — as for the narrative surrounding its publication. With multiple lawsuits before the courts from earlier ABC and *Sydney Morning Herald* ‘Chinese influence’ reportage, the legal team at Hamilton’s original publisher, Allen & Unwin, were cautious towards the book. Despite the absence of any ex-
licit threats, Hamilton cried censorship, claiming that Allen & Unwin had been intimidated by Beijing, and he eventually took the *Silent Invasion* to the small independent publisher Hardie Grant.

Best known for his commentary on climate change, Hamilton’s left-leaning sympathies were reflected in the book’s critique of corporate influence on Australian policy-making. But much of his rhetoric was drawn straight from the Cold War right, positioning Australia as a key battleground in a ‘global war between democracy and the new totalitarianism’. In a style reminiscent of McCarthy-era attacks on scholars and China-hands who were scapegoated for the failure of US policy in post-war China, *Silent Invasion* thrust the question of loyalty to the centre of Australia’s China debate. Hugh White got off lightly as a ‘capitulationist’, in comparison to a lengthy denunciation of ‘Beijing Bob’ Carr and ACRI, ‘whose ultimate objective is to advance the CCP’s influence in Australian policy and political circles’. Hamilton fingered a ‘China club’ of policy advisers, among them ANU economist Peter Drysdale, who, in 2016, delivered ‘perhaps the most dangerous advice an Australian government has ever received’, by arguing that Australia should not discriminate against Chinese investment. Most of Australia’s China scholars could not be relied on for their analysis, Hamilton argued, because they were ‘policing themselves so as to stay on the right side of the CCP’s legion of watchers’.

*Silent Invasion* received mostly critical reviews, starting with my own in the *Australian Review of Books*. Then-race discrimination commissioner Tim Soutphommasane said that the book’s language ‘smacks of The Yellow Peril revisited’. ALP heavyweights hit back
against claims that China was corrupting their party, with former prime minister Paul Keating deriding Hamilton as a ‘nincompoop’. The Chinese state media was similarly dismissive, publishing a photo of *Silent Invasion* sitting in a toilet bowl. Occupying more of a middle ground position, Sinologist Geremie R. Barmé endorsed Hamilton’s objectives, though not his execution, writing: ‘A book like *Silent Invasion* has been a long time coming; unfortunately, it happens to be this book’. A supportive Rory Medcalf, head of The Australian National University’s National Security College, went into bat against Hamilton’s critics, crediting him with doing Australia ‘a long-term service’. In *The Australian*, Paul Monk praised the book as ‘lucid and important’.

*Silent Invasion* divided progressive opinion, particularly inside the Australian Greens, a party that combines a critical stance on Beijing’s domestic repression and foreign public diplomacy initiatives (such as the Confucius Institutes), with a strong anti-racist platform. David Shoebridge, a figure from the left of the NSW branch, was scheduled to launch *Silent Invasion* in the state parliament, but withdrew in the face of criticism from anti-racist activists. Into his place stepped his factional rival from the right, Justin Field, who, in launching the book, conveyed an endorsement of it from Christine Milne, former federal parliamentary leader of the Greens.

At the other end of the political spectrum, the book required much less soul searching. Far-right nationalists in the Australia First Party welcomed *Silent Invasion*, while criticising the author’s pro-US proclivities. Conservative pundits who had long reviled Clive Hamilton for his advocacy on climate change now embraced his stance on China. On Sky News, Hamilton told Miranda Devine that Labor had been ‘to large measure captured by Chinese interests,’ and cautioned Andrew Bolt of the ‘significant proportion of the Chinese-Australian population that is very patriotic, not to Australia, but to the People’s Republic of China’. Bolt clicked his tongue. ‘Well, that could one day prove to be a most awkward dilemma for us’, he replied.
Australia’s Foreign Interference Laws

The debate surrounding *Silent Invasion* merged with that surrounding a package of new legislation, including an update to espionage offences, and a scheme to register individuals seeking to influence Australian politics on behalf of a foreign principal. Malcolm Turnbull announced these laws in late 2017, in the midst of a tense by-election campaign in Bennelong in north Sydney, an electorate home to a sizable Chinese-Australian community. In so doing he proclaimed in Chinese that ‘the Australian people have stood up,’ cribbing what he evidently believed to be a phrase from Mao Zedong’s speech at the end of the Chinese Civil War (a mistake on the part of his speech writer).

Hamilton and his *Silent Invasion* collaborator Alex Joske were among those who made submissions endorsing the draft laws. Critics of the legislation included lawyers and human rights activists worried about their implications for civil liberties, and charities such as Greenpeace that would be hit hard by new restrictions on foreign donations. A group of Australian China scholars weighed in with a joint submission arguing that the laws endangered intellectual freedom, and that exaggerated claims of Chinese influence had poisoned the political climate. The submission elicited an immediate response from a second group of scholars and commentators, insisting that the debate had remained within acceptable bounds, and that it was necessary to ‘normalise’ the new discourse on China.

In June, Attorney-General Christian Porter responded to criticisms of the legislation with a second and final round of amendments, satisfying some, but by no means all, of the critics. Horse-trading at the Parliamentary Joint Committee on Intelligence and Security secured ALP support for the laws, but the minor parties and independents were unanimous in opposing them. The Greens pointed out that by only restricting foreign donations, the laws would not prevent the type of donations (that is, from local ‘agents of influence’) that had featured in the Dastyari scandal of 2017.
Anxious to shepherd the laws through, Porter insisted that they were necessary to safeguard an upcoming round of by-elections, which, he implied, would otherwise be at risk from Chinese interference. Having invoked the spectre of electoral interference to pass the laws, the Attorney-General then did the same to speed their implementation. With a federal election looming in 2019, Porter announced that new requirements to register a relationship with a foreign principal would take effect from 10 December. On that day, the Attorney-General also acquired the power to issue a ‘transparency notice’, designating someone a foreign agent. The legislation thus gives considerable ammunition to those who hope to expose ‘agents of influence’ in Australian society, though it remains to be seen if, and how, its provisions will be enforced.

A Transpacific Partnership?

Scaremongering around Australia’s electoral system fed on a new-found sense of vulnerability in Western democracies, exemplified most strikingly in the outcry towards Russian interference in the US elections. On key occasions, Australian politicians, along with prominent visitors from the US, cited ‘Russiagate’ as part of the justification for a tough new approach to Beijing. In 2017, and again in 2018, Barack Obama’s chief of national security, James Clapper, visited Australia, and in his speeches he likened

Australia–China relations in 2018: resetting the reset?
Photo: Vincent Xu, Flickr
China’s actions in Australia to Russia’s role in the 2016 American elections. Hilary Clinton drew similar comparisons on her Australian speaking tour in May. Not surprisingly, for some in Australia, Washington’s response to ‘Russiagate’ therefore provided a guide in tackling Australia’s ‘Chinagate’. In a piece for Foreign Affairs in March, John Garnaut encouraged Australian intelligence agencies to ‘borrow from the playbook of Special Prosecutor Robert Mueller and use the prosecution process as an opportunity to advance public education’.

The borrowing was not all one way. Australia’s new narrative of Chinese influence was, in turn, well received in defence and intelligence circles in the US. In late 2017, the Congressional Executive Committee on China (CECC) identified a ‘national crisis’ in Australia in its hearing on ‘Exporting Authoritarianism with Chinese Characteristics’. Following the release of Silent Invasion, Clive Hamilton toured North America, where he met with intelligence agencies, testified at the CECC, and spoke to hawkish Washington think-tanks such as the Center for Strategic and Budgetary Assessments. His message: ‘Russia is not the big threat, China is the big threat’. Although some China experts in the US were aware that Australians were divided on the issue, the prevailing message resounding through the US foreign policy community was that Beijing had ‘made deep inroads into local and national politics’ in Australia.

For ‘Chinagate’ believers, Washington’s interest in the Australian case was evidence of our important frontline role in resisting Chinese aggression. A more sceptical interpretation would situate this trans-Pacific exchange in Australia’s long history of sub-imperial lobbying — showing our relevance to Washington and thereby anchoring the US in our region. Shadow Minister for Defence Richard Marles spelled out the task in a speech he gave in Washington in May: to ‘demonstrate to them that we can help share the burden of strategic thought in the Indo-Pacific ...’ so as to ‘retain the American presence we need in the East Asian Time Zone’.

One particularly irksome sign of America’s neglect of Australia had been the absence of a US ambassador in Canberra since 2016. Australia’s
China hawks were, therefore, looking forward to welcoming Trump’s 2017 appointment to the position, Admiral Harry Harris from Pacific Command in Hawaii. The mood turned to disappointment in April 2018, when Harris was redirected to South Korea. The position remained vacant until November, when Trump installed long-term Republican insider Arthur B. Culvahouse Jr.

**State Politics and the Chinese State**

Few new stories about covert Chinese influence in Australia hit the headlines in 2018, though Beijing’s overt influence made itself felt on issues large and small. On the local level, a PRC vice-consul requested the removal of a Taiwanese flag from a work of public art in Rockhampton, sparking outrage. Meanwhile, a series of communications from Beijing ultimately led Australia to call off talks with Taiwan’s Democratic Progressive Party administration on a new free trade pact.

For a while, it seemed that the political party taking claims of Chinese subversion most seriously was the Australian Greens. In Tasmania, the Greens first issued warnings that the 3,185-acre Cambria Green holiday resort, a joint venture with a PRC company, was part of a CCP plot to secure territory in Tasmania as a launching pad for its ambitions towards Antarctica. (The Glamorgan Spring Bay Council voted narrowly to approve the development in late November 2018.) The party also cited ‘extremely credible evidence’ that Beijing intended to interfere in the forthcoming state elections, pointing the finger at Hobart council candidate Tang Yongbei, who had briefly been a member of the Australian Council for the Peaceful Reunification of China and done volunteer work for the local PRC consulate. On this basis, critics insinuated that she was an operative for the CCP’s United Front office, although the only concrete evidence they cited of ‘interference’ was the fact that Tang encouraged non-citizen residents to enrol to vote — a right they enjoy in Tasmania. In the end, she received a paltry 1.12 per cent of the vote.
Similar anxieties involving Chinese investment emerged in Victoria in mid-November, when the Liberal Party attacked ALP Premier Daniel Andrews for signing a memorandum of understanding (MoU) with China to collaborate on its Belt and Road Initiative. Complaining that the MoU was signed without Canberra’s foreknowledge, critics cast particular suspicion on a Chinese-Australian advisor to Premier Andrews, who also served as a consultant for the Shenzhen Association of Australia. On election night, ALP stalwart and Australia China Business Council president John Brumby intimated that Chinese-Australian resentment at such slurs may have contributed to the huge swing against the Liberals in Melbourne’s eastern suburbs.

**Resetting the Reset?**

By the time he secured his new foreign interference laws, Malcolm Turnbull’s enthusiasm for decrying Chinese activities was cooling. In a speech that would be described as a ‘reset’ at the University of New South Wales in August, Turnbull highlighted the importance of scientific collaboration with the PRC (in which UNSW leads the country), and his own family connections to China. Beijing seemed to take the hint, and ended an eighteen-month long freeze on ministerial-level talks, paving the way for first the trade minister, and then the foreign minister, to visit China in November.

Turnbull’s carefully worded speech allowed for multiple interpretations, itself a sign that he was reverting to earlier norms and Australia’s traditionally more ambiguous rhetoric on China. ACRI saw in the speech a welcome turn away from the hostile posturing of previous months.
Mandarin-speaking former prime minister Kevin Rudd, for his part, thought the PM had gone too far, accusing him of betraying Australian interests with a ‘grovelling mea culpa’ to Beijing. Meanwhile, Rory Medcalf described it as a skilful articulation of the ‘new normal’ of heightened vigilance.

The deliberate multivalence of Turnbull’s speech allows us to only speculate as to his motives at this time. A Hoover Institute report claimed that Turnbull’s move to ease tensions was a product of pressure from China and ‘powerful domestic lobbying groups’, but the PM’s calculations must have also extended to the triangular relationship with the US. Many believe that 2017’s anti-Chinese turn was to some degree a response to Donald Trump’s promise to put ‘America first’, and deprioritise US alliances in Asia. Anxious to prevent any such retrenchment on the part of its ally and patron, Australia issued loud warnings about the growing Chinese threat. By the middle of 2018, Washington was making similar noises: the FBI had identified China as a ‘whole of society threat’ to the US, and Vice-President Pence was rattling the sabre with bellicose rhetoric. At this point, Canberra may have felt that its own tough talk had served its purpose, and Australia could tone it down. Alternatively, Turnbull may have decided that America was unlikely to follow through on its rhetoric, and Australia risked isolating itself in a region where everyone else was hedging between China and the US.
Whatever the case, as 2018 drew to a close, Australia’s diplomatic balancing act looked as unstable as ever. Having deposed Malcolm Turnbull, one of incoming Prime Minister Scott Morrison’s first acts was to announce the ‘Pacific pivot’ — a package of infrastructure loans to Pacific nations, along with new defence collaborations — designed to thwart Chinese influence on Australia’s ‘family’ in our own ‘backyard’. A few days later in Singapore, Morrison reprised the mantra that Australia would not take sides between China and the US, insisting that he was ‘getting on with business with China’. The following week, he announced that Australia would collaborate with the US to revive the Manus Island naval base in Papua New Guinea — a move with the obvious aim of obstructing Chinese encroachment in the Pacific.

Australia’s discourse on China was sliding back into a familiar rut, and the opposition ALP wasn’t offering anything by way of alternative. In a speech in October, party leader Bill Shorten said that Labor rejected ‘strategic denial of others’ as a goal, but then claimed the Manus Island base as Labor’s own policy. Although it likes to position itself as being more Asia savvy than its Coalition rivals, the ALP’s vision for the future of the region is no less militaristic, calling for more US marines in Darwin, and US warships to dock in Western Australia.38

The political class’s bipartisan support for a military response to China’s rise puts paid to claims that Beijing’s political interference has eroded Australia’s long-standing commitment to Washington’s pre-eminence in Asia. But the deeper anxiety driving exaggerated claims about the current state of PRC influence in Australia is not without foundation: if US–China conflict intensifies, Beijing may well seek to exacerbate the contradictions between Australia’s pro-US posture and its dependence on Chinese trade, and exert pressure in new ways. Notwithstanding the validity of some of the specific accusations, the recent preoccupation with domestic influence peddling has obscured the need for a more thorough discussion of Australia’s place in the world and its options. Should that situation persist, the Australian public may find itself ill-prepared for a future crisis in our region.
China’s Belt and Road Initiative

A global infrastructure network

LEGEND
RAILROADS
PORT
GAS PIPELINE
OIL PIPELINE

Existing/Planned/under construction
POLITICS WITH TAIWANESE CHARACTERISTICS

Disenchantment in Taiwan
- MARK HARRISON

Sharp Power, Youth Power, and the New Politics in Taiwan
- GRAEME READ
Disenchantment in Taiwan
Mark Harrison
When Taiwan’s President Tsai Ing-wen 蔡英文 came to power in a landslide election victory in January 2016, her supporters viewed her victory as expressing a truth about Taiwan being a progressive society. Tsai campaigned in support of indigenous reconciliation, same-sex marriage, and social equality. She had addressed her campaign rhetoric at Taiwan’s young people and spoken of economic opportunities in a globalised economy. Tsai’s win also went against the tide of right-wing populism that has beset many democratic polities. For her supporters, especially young urban professionals, Tsai’s win signalled the indelible commitment within Taiwanese society to social progress and to coming to terms with Taiwan’s authoritarian past through openness and dialogue.

In her first year, Tsai’s government enacted policies that carried forward these progressive aspirations. These included an apology to Taiwan’s indigenous peoples for four hundred years of dispossession, and the establishment of a Truth and Reconciliation Commission to examine the legacy of political violence in Taiwan under martial law from 1949 to 1987. Tsai’s government also enjoyed a strengthening economy in the first year, with GDP growth in 2017 at 2.8 per cent — double the 2016 figure.

But in 2018, despite the positive economic news and the implementation of some of the government’s social agenda, her government’s fortunes waned. Tsai Ing-wen’s personal approval rating, which was as high as seventy per cent in the months after...
Disenchantment in Taiwan
Mark Harrison

ruled in 2017 that the current laws were unlawful. Furthermore, with a DPP majority in the legislature, the government also pushed through deeply unpopular changes to Taiwan’s labour laws, loosening rules on working hours and holidays, and exposing itself to accusations of hypocrisy and complicity with corporate interests. Perennial issues like energy policy and pension reform have also damaged the government, as they did the previous government of Ma Ying-jeou. For the urban supporters who carried Tsai to victory, especially in the north of Taiwan, these failures have proved particularly disaffecting.

However, as the government’s standing has fallen in the polls, the opposition KMT is yet to show that it has returned to a credible position at the national level. Its local election successes were a corrective after its crushing defeats in the local and municipal elections in 2014, and again at the presidential and legislative elections in 2016, and despite Han Kuo-yu’s win in the south, it has no standout candidate for the 2020 presidential election and remains mired in internal division and low national polling numbers.

The political disaffection with Tsai and the DPP could be put down...
to normal mid-term blues for a government with a mixed record in any liberal democracy. Similarly, for the opposition KMT, coming back from the lows of 2016 could take another election cycle.

But Taiwan is not, of course, a normal liberal democracy. An electorate that swings between extremes of hope and disillusionment has become a perennial feature of Taiwanese politics in the democratic era, and this expresses deeper concerns in the electorate about Taiwan’s uncertain place in the geopolitical order.

Tectonic forces have been shifting in the region. Under Xi Jinping, the People’s Republic of China (PRC) has asserted China’s global status and power through the Belt and Road Initiative, United Front work, and much else, testing politicians and policy-makers around the world. Until recently, the world had enthusiastically accepted the PRC as an emerging market, rising power, and driver of global economic growth. Xi Jinping’s ambitions for a ‘New Era’ of Communist modernisation, however, tests many of the fundamental precepts of the global neoliberal order in which European and US political and corporate power have set out the rules.

At the same time, the US, under Donald Trump, has revived its traditions of nativism and isolationism. It has undermined or upended many of the institutions, conventions, and received truths about the world order that had welcomed China’s entry into the global economy in the first decades of reform.

Taiwan has long sat on the fault lines of US and Chinese power in the region. As both superpowers seek to
remake themselves, and remake the world order in the process, Taiwan has been shaken by the shifting ground.

Beijing has ramped up efforts to limit Taiwan’s international space and standing. In retaliation for Taiwan’s election of a DPP president who openly resists its political pressure, Beijing ended the so-called diplomatic truce with Taipei that prevailed under the previous KMT government, which had been more accommodating towards the mainland. Beijing has been prevailing on Taiwan’s remaining diplomatic allies to officially recognise the People’s Republic. In 2018, El Salvador joined Burkina Faso and the Dominican Republic in switching recognition to the PRC, adding to Sao Tome and Principe and Panama, who switched in 2017.

The Trump administration, meanwhile, has been notably supportive of Taiwan. The US Taiwan Travel Act, passed into law in 2018, encourages visits by senior US government figures to Taiwan. As a result, a stream of US politicians and government officials have been travelling to Taiwan and meeting with the president. In August, on her way to visit two diplomatic allies in Latin America, Paraguay and Belize, Tsai enjoyed a two-day stopover in the US. She spent time in Los Angeles and then Houston, where she met members of one of America’s largest overseas Taiwanese communities, and also toured NASA’s Johnson Space Center. Beijing protested to Washington that the visit was a breach of the one-China policy. The US State Department spokesperson Heather Nauert said simply that the US policy on Taiwan had not changed and that ‘the United States remains committed to our US one-China policy based on the three joint communiqués under the Taiwan Relations Act’. She noted that Tsai’s stopover was ‘largely undertaken out of consideration for the safety and comfort of those travellers.’

Such incidents remind Taiwanese voters of their place as a proxy for US–China relations. Beijing and the US are
engaged in a zero-sum game of photo opportunities, military manoeuvres, and hard policy over the Taiwan issue. Around the world, politicians and policy-makers schedule visits and meetings that signal their own position on Taiwan, and, by implication, whose side they take between the US and China.

Taiwan’s status as a hapless pawn in the great power politics of the region is a long-standing theme in Taiwanese accounts of their political history. It informs the distinctive tone of much modern Taiwanese cultural and public discourse. Taiwanese artists, writers, and filmmakers have long captured the uniqueness of life in Taiwan with a bittersweet tone that expresses the sense of powerlessness in the face of greater forces.

It also has the effect of vitiating their democratic politics. Recognising the power that Washington and Beijing have in determining Taiwan’s future diminishes the liberal democratic ideal of a sovereign people exercising their deliberative choices through elections and the policy-making of their chosen representatives. The poor polling for both the Tsai government and the opposition KMT is a tacit acknowledgement of the limits of executive power in Taiwan and the impossible balance that a Taiwanese president must strike between the democratic aspirations of voters and the vicissitudes of geopolitics.

President Tsai’s support is weakening as she attempts this impossible balancing act. She joins all her democratically elected predecessors from both sides of politics — Ma Ying-jeou 馬英九, Chen Shui-bian 陳水扁, and Lee Teng-hui 李登輝 — in a struggle against voter dissatisfaction and disappointment that derives in good part from forces beyond her control.

Geopolitics affects the changing fortunes of its politicians. But it also informs the dogged commitment of the Taiwanese to the ideal of democracy, woven so thoroughly now into the fabric of Taiwanese identity, and the enduring hold on their imaginations of the distinctiveness of their island society. While voters may be disaffected by Taiwan’s noisy and partisan politics, this sense of distinctiveness continues to shape their political aspirations and hopes for their island home. Beijing, for all its pressure and belligerence, has failed to weaken these hopes.
Sharp Power, Youth Power, and the New Politics in Taiwan

Graeme Read
IN 2018, the People’s Republic of China (PRC) stepped up efforts to isolate Taiwan and hinder its quest for international recognition. Three countries formerly maintaining full diplomatic relations with the Republic of China (ROC) — the Dominican Republic, Burkino Faso, and El Salvador — broke these ties to establish them with the PRC, reducing Taiwan’s political allies to just seventeen worldwide. Not just a matter of chequebook diplomacy, this represents a spike in Beijing’s application of ‘sharp power’ — a term coined in a National Endowment for Democracy report in 2017, and discussed in detail in chapter 2 of the report.

Sharp power signifies influence that ‘pierces, penetrates, or perforates the political and information environments in the targeted countries’, particularly that deployed by authoritarian regimes to enforce their objectives abroad.

In the case of Taiwan, China’s growing use of sharp power can be traced to the 2016 election of Tsai Ing-wen’s 蔡英文 Democratic Progressive Party (DPP) government. The DPP won both executive and legislative power, crystallising popular dissatisfaction with the pro-China Kuomintang (KMT) government. At the same time, ‘third force’ minor parties rose to prominence, presenting alternatives to Taiwan’s two-party politics. In 2018, these parties, fuelled by young activists’ disillusionment with establishment politics, prepared for the November elections and the chance to embed the politics of ‘youth power’ into local political structures.
The Sunflower Student Movement 太陽花學運 of 2014, during which students occupied the Legislative Yuan and forced the government to suspend the Cross-Strait Service Trade Agreement, was a critical moment for Taiwan’s civil society. (see the China Story Yearbook 2014: Shared Destiny, Forum ‘Occupy Taiwan’, pp.136–145). Activists proved they could effectively mobilise and deploy ‘people power’ outside either of the two major parties. From this movement emerged what is now the third-largest parliamentary party: the New Power Party (NPP). The NPP — cofounded by heavy metal vocalist, former chair of Amnesty International Taiwan, and independence activist Freddy Lim 林昶佐 — explicitly presented itself as the direct successor of the youth activist movement, heralding a new era of politics and youth power that sought to transform Taiwan’s government into one more responsive to the people’s needs and wishes.

Since the 2016 elections, the NPP has distanced itself from the DPP, with which it once cooperated against their common enemy, the KMT. Throughout 2018, the NPP broke with DPP platforms in both parliament and public. While the DPP was Taiwan’s original opposition party, with roots in martial law-era activism, it has since become more moderate and no longer explicitly advocates Taiwanese independence. On paper, the NPP’s reformist agenda and liberal-democratic values are similar to those of the DPP. But the NPP attracts both independence advocates and social activists disillusioned by the DPP. The NPP advocates progressive democracy fused with localisation: rendering Taiwan a ‘normal’ sovereign country, reconciling with injustices of an authoritarian past, and deepening transparent and participatory democracy.

In early January 2018, five NPP legislators staged a hunger strike to protest the DPP’s proposed amendments to the Labour Standards Act to remove protective stipulations regarding workers’ time off and rest periods. They accused the DPP of being beholden to business interests at the expense of its working base. The KMT stood with the NPP in criticising the governing DPP, disconcerting some of the NPP’s hardcore anti-KMT supporters. The NPP also criticised the DPP for inaction on marriage equality, after the Constitutional Court ruled current marriage laws invalid in 2017. The NPP nevertheless supported the DPP government’s proposed pension re-
forms, to the ire of KMT-aligned vested interests. The Party thus demonstrated an issue-based approach to policy, rather than falling into an anti-KMT coalition with the DPP. Willing to challenge both major parties on issues of national identity and social welfare, the NPP positioned itself as being more idealistic than the pragmatic DPP.

The district elections in November coincided with several referendums following a revision of the Referendum Act that took effect in January. The new Act significantly reduced thresholds required to propose a national ballot and the minimum voter turnout for a valid referendum. The minimum voting age for referendums was also lowered to eighteen. A referendum was first proposed by Thomas Liao Wen-I during the 1940s KMT era as a means of enacting Taiwanese self-determination, and further accompanied the rise of activism in the 1980s and democratisation in the 1990s. Rather than resolving the question of Taiwan’s sovereignty, however, referendums largely became tools of KMT–DPP electioneering. The majority have failed to secure minimum voter turnouts, thanks to the parties putting up simultaneous,
competing proposals, as well as calls for boycotts. Importantly, this year’s referendums were not deployed by either major party but by activists as means of direct political participation. Approximately half of the proposed referendums aimed to resolve some aspect of marriage equality. Supported by the NPP, activist groupings and individuals from the major parties, civil society is revitalising referendums as a tool of democratisation.

The changes to Taiwan’s Referendum Act have lowered barriers to popular political participation in an era of youth power. Following the Sunflower Movement, a young generation of activists working from both within parliament and through civil society organisations are reframing politics as the concern of every citizen and not just the stomping grounds of privileged families and established organisations. Where the KMT opposed same-sex marriage and the DPP faltered, the NPP championed the cause.

So what exactly is new about the New Power Party? In a sense, the spiritual successor of the DPP, it represents a new generation of Taiwanese activists. Although the same-sex marriage referendums were voted down and the DPP lost significant ground in the 2018 elections, the NPP nevertheless won 16 council seats. Part of the continuing processes of localisation and democratisation, the NPP articulates ‘natural independence’, advocating for a generation of Taiwanese young people who embrace local identity and want to realign politics with the grassroots. Working in tandem with a generational shift towards Taiwan-centrism as the new socio-cultural norm, new politics delegitimises the political hegemony of the two parties, the DPP and its ‘pan-green’ allies versus the KMT and its ‘pan-blue’ supporters. Advocates of this new politics assume the contest over national identity has already been decided, and that there is a need for new thinking in the political sphere. Whether the NPP can maintain its momentum and revolutionise Taiwan’s political system yet remains to be seen.
CHINA'S POWER IN AFRICA:
RHETORIC AND REALITY
Beyongo Mukete Dynamic
ON 3 SEPTEMBER 2018, President Xi Jinping delivered a short and rousing speech at the opening ceremony of the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). The speech focussed on the ‘common interests’ and ‘shared vision’ of China and Africa, and their mutual responsibility to champion peace and development through ‘brotherly’ cooperation, and ‘win-win’ solutions.
President Xi emphasised the roles played by Chinese firms and capital in solving Africa’s infrastructure and industrialisation problems. He also announced that China will provide African countries with US$60 billion between 2019 and 2021, in addition to $US60 billion promised during the Johannesburg FOCAC Summit in 2015, to address infrastructural, trade and investment, manufacturing, health, and education needs across the continent.

After over four decades of unprecedented economic growth, China has gone from being a relatively minor economic and diplomatic player in Africa to the region’s largest trade and investment partner. The most common view outside of China (including in parts of Africa) is that China is a neo-coloniser or neo-imperialist, epitomised by headlines such as: ‘China’s Ugly Exploitation of Africa — and Africans’ (from The Daily Beast), ‘How China has created a new slave empire in Africa’ (Daily Mail), and ‘China in Africa — The new Imperialist?’ (The New Yorker).

Neocolonial interpretations of China’s activities in Africa focus on how it uses money to ‘buy influence’ across the continent. However, China uses another important tool to seek influence: the narrative of ‘com-
mon interest’ or ‘convergence of interests’. Exploring how China uses both money and rhetoric to seek influence in Africa can help us move beyond the neocolonial debate to a more nuanced understanding of Sino-African relations — with Zambia and Ethiopia being cases in point. And is Sino-African relations all win-win, as China’s official rhetoric would have us believe?

**Respect, Love, and Support**

The Chinese Communist Party (CCP) has a long history in Africa. After World War II, growing movements for independence across the African continent were sometimes met by harsh anti-decolonisation policies from colonial masters, for example the French in Algeria. Young anti-colonial fighters found a friend in CCP chairman Mao Zedong 毛泽东, who had positioned China as the leader of the ‘Third World’. Mao provided military assistance in the form of intelligence, weapons, training, and finance to anti-colonial rebels in Algeria, Angola, Guinea Bissau, Mozambique, and Zimbabwe. This gained him respect among many young African nationalists.

In May 1955, in a fiery anti-imperialist speech at the Bandung Conference in Indonesia, Chinese premier Zhou Enlai 周恩来 told African and Asian leaders that industrialisation was the *sine qua non* for independence and stability. He said that acknowledging their ‘shared destiny’ through economic and diplomatic cooperation would allow them to industrialise while endorsing the principle of non-interference in each other’s internal affairs.

Under Mao, China provided financial and other material aid to a number of African countries including Zambia, Tanzania, and Guinea. China built the TanZam railway between 1970 and 1975 and established numerous ‘Friendship’-branded projects in Zambia and Guinea. Beijing’s efforts paid off: in 1971, the People’s Republic of China gained its seat at the United Nations thanks to the support of many African countries.
The death of Mao in September 1976, and Zhou Enlai earlier that year, led to a gradual change in China’s domestic and foreign policies. After Deng Xiaoping 邓小平 assumed the leadership in 1978, he refocused China’s foreign policy away from ideology and towards the economic benefits of bilateral relationships. Premier Zhao Ziyang’s 赵紫阳 ten-nation tour in 1982 set the basis for new China–Africa economic, diplomatic, and cultural relations, taking in countries that shared similar ideologies to China, but also those that did not.11

Domestically, between 1978 and 1994, the Chinese government introduced reforms to improve the efficiency of its state-owned enterprises (SOEs) and established special economic zones (SEZs) in China’s coastal areas. It also created the Industrial and Commercial of Bank (ICBC) and the Export-Import Bank of China, charging them with supporting the Party-state’s policies on industry, foreign trade, diplomacy, and the economy. SOEs, SEZs, and state-owned banks all play a crucial role in China’s quest for influence in Africa in the twenty-first century.

Deng’s reforms triggered a period of rapid economic growth in China, averaging over ten per cent per annum through to the early twenty-first century. As China’s economy grew, its consumption of natural resources also increased rapidly, making China the world’s largest net importer of petroleum and other liquid fuels by 2013. In addition, labour costs, which had previously given China its cost advantage over other developing countries, rose, forcing some Chinese companies to search for lower cost production sites abroad. This culminated in the introduction of the ‘Go Global’ 走出去战略 policy in early 2000, which encouraged Chinese companies to invest abroad, acquire strategic resources, and gain a foothold in overseas markets.12 With its rich endowments of natural resources, a youthful population, and a desperate need for finance to meet infrastructural challenges, Africa seemed the perfect choice for Chinese companies seeking to ‘Go Global’.

In 2000, at the first FOCAC summit in Beijing, president and Party chairman Jiang Zemin 江泽民 told four African heads of states and other
participants that: ‘the Chinese people and the African people both treasure independence, love peace and long for development and they are both important forces for world peace and common development’. At the third FOCAC summit in 2006, Jiang’s successor, Hu Jintao 胡锦涛, announced a raft of economic measures to achieve the ‘common interests’ outlined by Jiang, including US$15 billion for investment, industrialisation, and the construction of vital infrastructure in Africa by Chinese companies.

Xi Jinping’s speech at the 2018 Beijing summit blended the ‘common interest’ narrative with the usual monetary incentives. He spoke of a long history and a ‘shared future’ between the 1.3 billion Chinese and 1.2 billion Africans, stating: ‘We respect Africa, love Africa, and support Africa’. With so much benevolence, what could possibly go wrong?

The ‘China of Africa’: Chinese Capital and Ethiopian Economic Revival

In 1991, the Ethiopian People’s Revolutionary Democratic Front (EPRDF) overthrew the Communist regime led by Mengistu Haile Mariam. The leader of EPRDF, Meles Zenawi, promoted a market-oriented economy; enacted new labour, industrial, and investment laws; and liberalised Ethio-
Ethiopia’s currency exchange regime. Zenawi’s goal was to transform Ethiopia’s agrarian economy into an industrial one. Ethiopia’s per capita GDP was just US$390 in 1991 — making it one of the poorest countries in the world at that time. The Ethiopian government followed China’s lead in making the state a key player in the country’s economy, while also relying on foreign direct investment as a source of capital and expertise.  

In October 1995, facing criticism from the west over the EPRDF’s authoritarian, anti-democratic policies, Meles Zenawi visited China ‘to learn from China’s practice of market-led socialism and agricultural development’. Jiang Zemin reciprocated with a visit in May 1996. While Ethiopia was looking for capital, China sought diplomatic support and access to emerging African markets. Ai Ping, Chinese ambassador to Ethiopia from 2001–2004, noted in 2005 that: ‘[Ethiopia] plays a very unique and important role in both the sub-region [the Horn of Africa] and the continent as a whole’. Ethiopia also hosts the headquarters of the African Union, which plays a strategic role in African economic and foreign policy. Meles Zenawi said in 2006 at the FOCAC summit in Beijing, that contrary to Western media views of China in Africa as ‘The Looting Machine’ ‘China is not looting Africa ... [and the] Chinese transformation disproved the pessimistic attitude that ‘if you are poor once, you are likely to be poor forever’.

Chinese shoe-manufacturing company Huajian’s factory in Ethiopia
Source: UNIDO, Flickr
With Western democracies hesitant to invest in an increasingly authoritarian Ethiopia, Chinese firms became key players in the development of the country’s infrastructure, energy, and manufacturing. In 2006, China’s Ministry of Commerce announced a plan to build six economic zones in five African countries. Qiyuan, a privately owned Chinese steel-manufacturing company, expressed interest in building an SEZ in Dukem, Oromia state, thirty kilometres from Addis Ababa.

Despite financial challenges during its early years, the Eastern Industrial Zone (EIZ), as it is now called, is considered one of Ethiopia’s economic success stories. In 2011, the giant Chinese shoe-manufacturing company, Huajian, which makes shoes for international brands such as Guess, Calvin Klein, and Ivanka Trump, opened a factory in the EIZ. The company, in partnership with the China-Africa Development Fund, a private equity facility promoting Chinese investment in the continent, has promised to invest US$2 billion in Ethiopia before 2022. By 2017, according to Sherry Zhang, the General Manager of Huajian, the company was employing 4,200 Ethiopians. The EIZ is a good example of how Chinese capital can promote manufacturing in Ethiopia while allowing Chinese companies access to cheap labour and land.

China also finances key energy projects in Ethiopia. In 2006, the Ethiopian government signed a contract with Italian company Salini Impregilo to build a 1,870 megawatt hydroelectric dam. Although the African Development Bank and the World Bank denied funding for the dam in the face of protests from environmental groups, the Ethiopian government viewed the project as crucial for addressing the country’s poor electricity supply: the dam was projected to increase Ethiopia’s energy capacity by eighty-five per cent. The ICBC stepped up to provide US$400 million to complete the controversial project.

China has built several other dams in Ethiopia, including the Tekeze hydroelectric dam and the Gibe II and IV dams. Because of these and other investments, Ethiopia is now a net electricity exporter, with the cheapest electricity supply prices in sub-Saharan Africa. The country will earn
US$250 million from electricity exports in 2019 — a figure projected to reach US$1 billion by 2023.28

At the same time, these investments have exacerbated Ethiopia’s debt problems. China has reportedly lent over US$14.1 billion to Ethiopia since 2000.29 In early 2018, the International Monetary Fund (IMF) raised Ethiopia’s debt distress level to ‘high’.30 In September 2018, reporters at Reuters quoted the Chinese mission to the African Union in Addis Ababa: ‘The intensifying repayment risks from the Ethiopian government’s debt reaching 59 per cent of GDP is worrying investors’.31 As the Financial Times put it in June 2018, even some Chinese diplomats in Addis Ababa agreed that China had loaned too much.32

Yet Chinese capital has helped make Ethiopia one of Africa’s fastest growing economies, averaging more than eight per cent GDP growth in the last two decades, as well as a viable manufacturing hub for top foreign manufacturers. In May of 2018, Bloomberg published an article titled ‘Ethiopia Already Is the “China of Africa”’, with the lede: ‘They share fast growth, a strong national history and a sense that the future will be great’.33 Unless, as the article points out, a debt crisis does not destroy the economy first.

Ethiopian officials, meanwhile, continued to lavish praise on China for its contribution to the country’s development. During a meeting with Xi Jinping in Beijing in September 2018, Prime Minister Abiy Ahmed called China ‘a reliable friend’ whose ‘precious assistance’ had been crucial to Ethiopia’s economic restructuring and development.34

**China in Zambia: Infrastructure for Resources?**

Zambia gained independence from the United Kingdom in October 1964. A year later, it was among the first African countries to establish diplomatic ties with China. Seven months after that, in response to Zambia’s condemnation of the Unilateral Declaration of Independence in Rhodesia
(now Zimbabwe), Ian Smith’s Rhodesian government cut Zambia’s access to the sea by blocking the Rhodesian railway line that connects Zambia to Beitbridge, South Africa, through Harare, Zimbabwe.35

This led Zambia’s first president, Kenneth Kaunda, and his Tanzanian counterpart, Julius Nyerere, to welcome, in April 1967, Beijing’s offer to fund a US$405 million railway linking Zambia’s resource-rich Copperbelt to the Tanzanian seaport of Dar es Salaam.36 China agreed to build the 1,860km single-track line, now called the TanZam, Uhuru, or TAZARA Railway, completing the project in 1975. Chinese leaders today refer to the TAZARA as the foundation for a ‘new’ Sino-Zambian relations that put economics first.37

Poor management of its copper resources by successive governments combined with fluctuations in international copper prices, however, to make the country one of the poorest in the world by the mid-eighties. In 1990, under the auspices of the World Bank and IMF, the Zambian government started privatising its loss-making state-owned copper mining companies, selling to mainly foreign multinational companies.38 A Chinese SOE, China Non-Ferrous Metal Mining Company (CNMC), was the first to buy a copper mine — the Chambishi Copper Smelter — under the privatisation scheme. The company bought the mine in 1998 for US$20 million through its subsidiary Non-Ferrous China Africa (NFCA).39

According to China–Africa expert Christina Alves, NFCA approached the Zambian government in 2004 with the idea of building an SEZ within CNMC’s mining licence area in Chambishi.40 In 2006, China’s Ministry of Commerce approved NFCA’s bid to build the Zambia-China Economic &
Trade Cooperation Zone — Zambia’s first Multi-Facility Economic Zone. This was also China’s first economic zone in Africa. Alves has argued: ‘The project emerged from converging interests on both sides: China’s interest in Zambia’s copper reservoirs and Lusaka’s desire to develop a manufacturing base around its mining sector’. Both Chinese and Zambian elites cite this project to support Beijing’s narrative of win-win partnerships.

In 2017, Zambia was Africa’s second-largest producer of copper, behind the Democratic Republic of Congo. Despite several Zambian governments exploring ways to diversify the country’s economy, copper still accounted for sixty-three per cent of its foreign exchange earnings as of 2017. Yet almost three out of four Zambians lived on less than US$3.20 a day. Zambia faces pressing social and economic problems, such as poor electricity supply, with the state-owned ZESCO (Zambia Electricity Supply Corporation) unable to provide full-time electricity supply to most parts of Zambia, including the capital, Lusaka.

In Zambia, as in Ethiopia, the Chinese government has stepped in to invest in energy production. In November 2015, the Zambian government initiated the construction of a 750 megawatt hydroelectric power station on the Kafue River in the southern Chikankata district, ninety kilometres from Lusaka. The Kafue Gorge Lower will become the country’s third
biggest hydropower station and will cost US$2 billion at its scheduled 2019 completion. SINOZAM, the company building the hydropower station, is owned by the Chinese state-owned hydropower engineering and construction company Sinohydro. China Export-Import Bank and the ICBC will provide fifty per cent of the funding for the project through Sinohydro; ZESCO and CAD Fund are providing the rest. The Zambian government intends for the dam to help solve Zambia’s electricity problems, as well as generate foreign revenue through exports of electricity to neighbouring countries.

Notwithstanding the positive contribution Chinese capital has had on Zambia’s economy, particularly in funding vital infrastructure, critics point to a mounting debt crisis, as in Ethiopia, on 3 September 2018, while the Zambian President, Edgar Lungu, was meeting with other African heads of state and Xi Jinping at the Beijing FOCAC summit, the British newspaper *Africa Confidential* published a sensational story on the detrimental impact of Chinese loans on Zambia. According to the newspaper, the Zambian government spends US$500 million of the public budget financing Chinese loans at the expense of much needed social and economic development programs. The article describes Chinese loans as a ‘cunning’ device used by Beijing to indebt poor countries and gain control over their strategic assets. It claims that China has used Zambia’s debt to gain ownership of ZESCO and Zambia’s National Broadcasting Corporation.

The article reflects widespread perceptions about China in Africa. But, as Deborah Bräutigam points out so clearly in her book *Will China Feed Africa?*, such media stories should be taken with ‘a grain of salt’. For example, this article claimed that over seventy-four per cent of Zambia’s debt is owed to China. However, Zambia’s Minister of Finance Margaret Manakatwe, stated in response to the article that Zambia’s total foreign debt accruing to China is actually less than one-quarter of the country’s total debt, adding that ‘The Zambian Government has not offered any state-owned enterprise to any lender as collateral for any borrowing’.

In Beijing in March 2015, President Lungu told Xi Jinping that China’s ‘win-win partnership with Africa and its sincere and valuable support for
Zambia’s independence as well as its economic and social development ... [has] won the hearts of the [Zambian] people’. But he didn’t speak for all hearts.

Zambians are not just passive recipients of Chinese aid and investment. In 2005, after an explosion in a Chinese mine in Chambishi killed fifty-two Zambians, there were protests in 2006, and the Zambian government responded by strengthening its workplace safety and labour standards. Non-governmental organisations (NGOs) in Zambia also step in where the government has failed. I have written in my doctoral thesis how, after unearthing evidence that NFCA and its subsidiary Chambishi Copper Smelter (as well as Western companies) were flouting Zambia’s environmental standards, environmental NGOs, Citizens for Better Environment, and the Zambia Institute for Environmental Management pushed both the Zambian government and Chinese companies to improve their environmental standards and regulations. The point is that Chinese (and other foreign) investment is certainly not always ‘win-win’ for all Zambia, but both the Zambian government and its citizens do have agency in dealing with contentious issues as they arise.

**Conclusion**

The massive transformation that has occurred domestically in the past four decades, combined with Beijing’s decision to ‘Go Global’ since the turn of this millennium, have made China a global financer of foreign investment and infrastructure projects. In Africa, China has built roads, railways, bridges, dams, SEZs, and the African Union Headquarters to gain access to the region’s growing markets and vast energy and other resources, as well as to cement strong cultural and diplomatic relations. But it is not just about money. Both the journalistic and academic literature on Sino-African relations tends to overlook the appeal of China’s Africa narrative of ‘common interest’, partnership’, and ‘friendship’. 
Beijing’s ability to marshal both narrative and financial resources to gain influence in Africa is yielding good results for China, at least in the case of Zambia and Ethiopia. Both Zambian and Ethiopian leaders have expressed ‘sincere gratitude’ for China’s contribution to their countries’ development.

Serious questions remain, however, about the short-term and longer term consequences of these contributions, including the burden of debt and imbalances in trade. Some Chinese companies (and Western ones as well) stand accused, too, of poor treatment of workers and lax environmental standards. Much will depend on how African governments evolve their own regulatory and legal institutions, and facilitate the agency of their citizens to address these problems. The case of Zambia gives some cause for optimism in this regard.
CHINA’S BELT AND ROAD INITIATIVE

A global infrastructure network
WHO'S IN CHARGE HERE?

China’s Base in Djibouti: Who’s Got the Power?
  · OLIVIA SHEN

Chinese Engagement in Africa: Fragmented Power and Ghanaian Gold
  · NICHOLAS LOUBERE
China’s Base in Djibouti: Who’s Got the Power?
BIG THINGS ARE happening in the tiny African nation of Djibouti. A poor country roughly the size of Belgium, Djibouti sits on the Gulf of Aden — a critical corridor for international shipping and security operations in an important but unstable neighbourhood. With few other natural assets besides its location, and twenty-three percent of its population living in extreme poverty, Djibouti has turned to renting land to foreign armies of various flags to generate income. It hosts no less than eight foreign military forces — France, Italy, Japan, Germany, Spain, Saudi Arabia, the United States, and China.

China’s establishment of its first overseas base in Djibouti in 2017 made international headlines. Djibouti has received billions of dollars in finance from China in recent years, fuelling concerns about ‘rogue aid’ (a term to describe non-transparent and self-interested aid to the developing world) and debt traps that could cripple Djibouti’s development.

Similar concerns have been raised about China’s activities in the Pacific. In January 2018, Australia’s then minister for international development, Concetta Fierravanti-Wells, ignited a diplomatic row when she criticised China for building ‘white elephants’, ‘useless buildings’, and ‘roads to nowhere’ in the Pacific. In April, rumours that China was in negotiations for a military base in Vanuatu prompted accusations that the true aim of Beijing’s largesse in the Pacific — more than USD$1.7 billion invested since 2006 — was to gain a military foothold in the region.
Yet alarmist narratives about ‘rogue aid’, whether in the Pacific or Africa, ignore the geoeconomic underpinnings of China’s aid program. China is adept at converting development-minded investment dollars into geopolitical power and influence. While Western donors, whatever their underlying motivations, have traditionally adopted a language of altruism when speaking of aid, China’s leadership speaks of ‘equality and mutual benefit’ 平等互利 — a ‘win-win’ philosophy that has been the bedrock of China’s foreign policy and aid agenda in Africa and elsewhere since the 1970s.4

China’s base in Djibouti is a perfect example. It is a strategic launching pad for the ‘protection of distant seas’ 远海护卫 — an official doctrine of China’s naval strategy from 2015. It describes the navy’s responsibility to secure access to vital seas lanes and protect Chinese citizens and investments abroad.5 The Djibouti base helps to safeguard US$1 billion worth of Chinese exports to Europe and five million barrels of crude oil imports, most of which pass through the Gulf of Aden. It also supports China’s peacekeeping and counter-piracy missions, and would enable the evacuation of any of the estimated one million Chinese living in the Middle East and Africa, should the need arise.6

On Djibouti’s side of the ledger, Chinese assistance is supporting its ambitions to become ‘the Singapore of Africa’.7 China’s lease for the base will earn Djibouti US$20 million per year over twenty years. Other forms of assistance not ostensibly tied to basing

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rights also sweeten the deal. China has pledged an estimated US$14 billion for infrastructure development since 2015, including for railways, airports, and ports. Chinese firms are also building and financing the Djibouti International Free Trade Zone (DIFTZ) — set to be the largest in Africa.

Chinese grants finance projects including schools, hospitals, libraries, childcare centres, and sports facilities. Yet not all Chinese money flowing into Djibouti can be categorised as ‘aid’. What China pays for its Djibouti base is rent. China expects its investment in the DIFTZ to be profitable, particularly for its state-owned operator, China Merchants Group. As for Chinese infrastructure loans, some have been offered at concessional rates while others are commercial loans with more stringent conditions.

This combination of aid with more commercially oriented financing is a key feature of China’s geoeconomic playbook. China deliberately mixes aid, direct investment, service contracts, labour cooperation, and trade deals to maximise the viability and flexibility of its assistance. China is uniquely placed to deploy a wider range of economic tools because of its government’s ability to control outbound investment and direct its state-owned enterprises and development banks to cultivate strategic partners.

As China’s economic might grows, so too does its asymmetric power relationship with other countries. In just two years, Djibouti’s public debt has ballooned from fifty to eighty-five per cent of GDP, and is expected to reach 87.5 per cent of GDP in 2018 — more than double the average for

Chinese-financed Ethiopia–Djibouti water pipeline
Source: YouTube
low-income economies. Chinese loans for an Ethiopia–Djibouti water pipeline and railway alone amount to half of Djibouti’s annual GDP. Despite warnings from the International Monetary Fund (IMF) that Djibouti will struggle to service its massive debts, the country continues to borrow from China. Other development banks and donors have been reluctant to finance Djibouti’s infrastructure needs. In 2016, Chinese loans to Djibouti were about twice the combined value of loans from the World Bank, the African Development Bank, Arab countries, the European Union, and other funders.11

Djibouti’s President, Ismail Omar Guelleh, says warnings about debt traps do not change the practical realities of Djibouti’s economic calculation:

The IMF has dispatched no less than three missions to tell us not to sign with China under the pretext of excessive indebtedness. What did it offer us in exchange? Nothing. Between this allegedly virtuous nothing and the development of vital infrastructures, my decision was quickly made.12

Djibouti’s future is now more tied to China than to any other partner that operates a base in its territory. Debt could leave it beholden to China and compromise its ability to accommodate other foreign military bases. China’s promises of development assistance may prove hollow, with only ten per cent of the US$14 billion it has pledged for infrastructure investment actually committed. But Djibouti has few choices. And that means in the win-win situation between Djibouti and China, China could well win more.
Chinese Engagement in Africa: Fragmented Power and Ghanaian Gold
Nicholas Loubere
China’s expanding presence in Africa is a topic of great interest — and often consternation — in African and non-African countries alike. Western news outlets in particular have spent considerable energy reporting on China’s increasing influence and power on the African continent, with commentators suggesting that China is playing a strategic game to displace Western hegemony. \(^1\) Chinese President Xi Jinping’s flagship Belt and Road Initiative (BRI) has become more concrete and expanded rapidly in recent years — now including projects in 71 countries and investments totalling more than US$210 billion. \(^2\) At the same time, reporting on China in Africa has increasingly taken a more urgent tone, replete with dire warnings of debt-trap development and new colonialism with Chinese characteristics. \(^3\) The dominant narrative in foreign media depicts China’s presence in Africa (and, by implication, elsewhere) as ominous — a vision that sociologist Ching Kwan Lee has termed ‘the spectre of global China’. \(^4\)

This narrative presupposes a monolithic China unwaveringly pushing forward a unified and coherent global strategy and accords with other common views of the all-encompassing, top-down power of the Chinese Party-state. While this narrative may be useful for selling newspapers, and is rooted in the undeniable fact that China has become more powerful
on the world stage, it fails to capture the complex behaviour and history of ‘global China’. Historically, China’s global presence has been a bottom-up and spontaneous affair, characterised by waves of migration sparked by economic opportunity abroad (gold mining, for example) or disturbances at home (the violence of the nineteenth-century Taiping Rebellion for instance), and facilitated by networks at the village or town level. This has resulted in Chinese communities worldwide that have tended to pursue their own interests, rather than those of ‘China’ writ large.

Even where Chinese people and industries have moved into Africa today in conjunction with the goals of the Chinese state, they generally fit this mould rather than one of a coherent and centrally directed engagement. Studies on Chinese communities in Africa have often found that ‘the Chinese in Africa’ are far from a united group that takes direct orders from their government. Instead, most of China’s involvement with African economies and peoples is shaped by fragmented and divergent groups of Chinese people, many being small-scale entrepreneurs, who have little communication with each other, and even less with representatives of the Chinese government. They are also operating in a vast and highly diverse continent, making it virtually impossible to generalise about their experiences or the outcomes of their activities.\(^5\)

An illustrative example of the diversified, spontaneous, and uncoordinated Chinese involvement in Africa is the ongoing gold rush in Ghana. Starting from around 2006, between 50,000 and 70,000 residents of a single, officially designated ‘poverty-stricken county’ in the Guangxi Zhuang Autonomous Region began migrating to rural Ghana to engage in alluvial gold mining.\(^6\) These fortune seekers have no connection to, or sanction from, the Chinese government, even at the local level. Rather, this mass migration is an outgrowth of the primary local vocation — the unceasing search for alluvial gold mining opportunities locally in Guangxi, elsewhere in China, and, when there is no gold to be had closer to home, globally. While many of the migrants are poor, they pool resources and borrow capital — from both formal and informal sources — to buy airfares and finance the other expenses related to their quests for gold. The county’s history of engaging in alluvial gold mining is long enough
that it has now become both part of the local identity, and an important aspect of the local economy. There are two factories producing technologically advanced dredging equipment in the county. These machines are purchased by local miners and shipped to Ghana and elsewhere in the world.7

The arrival of tens of thousands of Chinese nationals on tourist visas mining for gold — despite laws passed in 2006 specifying that only Ghanaians are permitted to engage in this activity — has fundamentally transformed local economic and political conditions in some parts of Ghana, and back in China as well. Like gold rushes throughout history, this event has produced booms with new markets, and shifted local constellations of power. Some of the Chinese miners have become extremely rich. They employ both Chinese and Ghanaian workers, and sell gold to local middlemen who transfer funds directly to accounts back in China. Successful miners generally form partnerships with local entrepreneurs, tribal leaders, and government officials once they arrive in Ghana and identify a potentially lucrative mining location. They have then funnelled money (often corruptly) into local pockets, both reinforcing existing power structures, and shifting power and influence to people who previously had none.8 Successful miners and their families have been able to invest in businesses and real estate in first-tier cities and become part of the emerging cohort of wealthy Chinese urbanites.

The gold rush has also caused new fractures and fissures within Ghana’s society and high politics. Tensions have arisen between individual Ghanaian and Chinese people, as well as between Accra, the Ghanaian capital, and Beijing. The introduction of new technology to scale up the extraction of gold has resulted in a host of deleterious environmental impacts — rendering fields barren, contaminating drinking water, and ultimately destroying the livelihoods of many poor and margin-
al Ghanaians. This has resulted in significant backlash against the miners, including armed conflict leading to injuries and even death. It has also elicited a formal government response, with former president Mahama forming a taskforce of military and police officers to raid mining camps and deport illegal miners in 2013. Since then, there has been a series of attempts to push the Chinese miners out of the country through arrests, deportations, and the destruction of equipment. In early 2017, the Ghanaian government imposed a full moratorium on alluvial mining for both foreigners and locals; this was still in place in 2018.

The ongoing gold rush in Ghana is a major drawcard for Chinese miners looking to get rich quick. Source: Sprott Global Research, Flickr

Meanwhile, the Chinese miners demand official assistance whenever there is a crackdown, forcing Chinese officials to walk a tightrope: assisting their citizens while urging them to stop engaging in illegal behaviour that damages the image of China in Africa.

Ultimately, the Chinese gold rush in Ghana, like so many stories of China in Africa, does not fit the narrative of a powerful monolithic Chinese state. It is, instead, the story of dispersed and fragmented power relations characterised by relatively marginal groups engaging with each other in spaces marked by postcolonial geographies, neoliberal globalisation, and new mobilities — all under the spectre of an increasingly global China.
Towards a World Class Military: Reforming the PLA under Xi Jinping

Zhang Jian
TOWARDS A ‘WORLD CLASS’ MILITARY: REFORMING THE PLA UNDER XI JINPING

Zhang Jian
ON 1 AUGUST 2018, the People’s Liberation Army (PLA) celebrated its ninety-first birthday. From its humble beginnings as a peasant army, the PLA has become one of the most powerful armed forces in the world. Under Xi Jinping’s 习近平 watch, the Chinese military has greatly accelerated the drive towards modernisation that started under Deng Xiaoping 邓小平 in 1978. In 2016, the PLA embarked on the most sweeping and radical military reforms in the history of the People’s Republic of China (PRC). Three years on, it is a good time to take stock of both the PLA’s achievements and the challenges it faces in its transformation to a ‘world class’ military.
In early March 2018, at the annual assembly of the National People’s Congress (NPC), China announced that its defence budget would increase by 8.1 per cent, taking total defence spending in 2018 to 1.1 trillion yuan (US$175 billion) — second only to the United States, which would spend US$692 billion in the 2018 fiscal year. Despite China’s weakening economic growth, this was the largest increase in three years, following a rise of 7.5 per cent in 2016 and seven per cent in 2017. In his report to the NPC, Premier Li Keqiang 李克强 stated that ‘faced with profound changes in the national security environment, we must treat the Party’s goal of building stronger armed forces for the New Era as our guide’ and ‘stick to the Chinese path in strengthening our armed forces’ so as to ‘firmly and resolutely safeguard national sovereignty, security, and development interests’.

The NPC meeting also approved the establishment of a new Ministry of Veterans Affairs (MVA) amid an overall downsizing of the Central Government, which saw the number of ministerial-level bodies being cut by eight and vice-ministerial level ones by seven. This overhaul of the Central Government not only sought to improve administrative efficiency, but also reflected shifting policy priorities. For example, in contrast to the establishment of new agencies such as the MVA, the once powerful National Health and Family Planning Commission was dismantled due to
the relaxation of China’s population control policy. According to China’s official Xinhua News Agency, the creation of the MVA was intended to ‘protect the legitimate rights and interests of military personnel and their families’ and ‘make military service an occupation that enjoys public respect’. Being a member of the PLA was a socially privileged occupation during the Maoist era, when its soldiers not only enjoyed high social esteem as Party-advocated role models for society, but also had access to preferential welfare benefits and post-service career opportunities that were not available to the ordinary people. However, this changed in the post-Mao reform era. With the marketisation of the Chinese economy providing many new opportunities for social advancement and wealth creation, not only has the social status of military personnel declined significantly, but also the re-employment of demobilised military personnel has become an increasingly challenging social problem, making military service a much less esteemed occupation than before. The creation of the MVA reflects the Chinese government’s unprecedented effort to reverse the trend.

On 12 April, President Xi Jinping personally presided over a massive Chinese naval parade held in the South China Sea — the largest display of naval power in the history of the PRC. The parade involved 48 modern surface and underwater warships; 76 advanced military aircrafts; more than 10,000 troops; and China’s first aircraft carrier battle group, the Liaoning. Xi delivered a speech after the parade, declaring that ‘in the course of the struggle for the great rejuvenation of the Chinese nation, we have never had such a pressing need to build a strong navy’. Official Chinese media reported that more than half of the modern warships displayed in the parade had come into service since 2012, when Xi first became Party chairman and state president.
The PLA has been engaged in a sustained modernisation program for more than three decades. Since Xi came to power, however, the pace and scope of military modernisation has intensified and broadened substantially. Seeing a ‘strong military dream’ 强军梦 as an indispensable part of his ‘China Dream’ 中国梦 of national rejuvenation, Xi has made strengthening China’s military power a top policy priority.

‘A New Historical Starting Point’

On 24 November 2015, at a three-day Central Military Commission (CMC) working conference on military reform, Xi announced the most radical and comprehensive reform program of the PLA since 1949, asserting that ‘with China currently being at the crucial stage of progressing from a large country to a strong power, the building of national defence and the military is at a new historical starting point’.4

Following Xi’s announcement, on 1 January 2016, the CMC released its ‘Opinion on Deepening National Defence and Military Reform’ 《关于深化国防和军队改革的意见》. It stated that the new reform program sought to remove the ‘institutional obstacles, structural contradictions and policy problems’ that had thwarted the development of China’s national defence and military power. Central to the reform is modernising the PLA’s organisational structure to ‘further unleash its combat effectiveness’.

The agenda for reform in the Opinion covered almost every aspect of PLA affairs, including: the military leadership system; joint operations command structure; the scale, structure, and composition of the military forces; military training, education, and recruitment; policy; integration of civilian and military defence R&D and industry; restructuring the People’s Armed Police; and the military legal system. The Opinion demanded that, by 2020, the PLA should make ‘breakthrough progress’ in restructuring its leadership system and joint operations command system, and achieve ‘significant progress’ in optimising the scale and structure of its forces,
improving its system of policy-making, and deepening civil–military integration.

The fundamental goal of the reform program, as stated in the CMC's Opinion, is to build a strong national defence and a powerful military, compatible with China's international status and national security and development interests, so as to provide 'rock-solid power guarantee' for the 'realisation of the two centenary goals' and the China Dream of the great rejuvenation of the Chinese nation. Inspecting a military parade on 30 July 2017 — the day before the PLA's ninetieth anniversary — Xi declared that: 'Today, we are closer to the goal of the great rejuvenation of the Chinese nation than any other time in history, and we need to build a strong people's military more than any other time in history'.

The importance of military modernisation was further highlighted in Xi's Nineteenth Party Congress report in 2017, in which he devoted a full section to the subject of military reform and national defence modernisation. Urging that the military 'must be up to shouldering the missions and tasks of the New Era entrusted to them by the Party and the people', Xi announced that the PLA should complete mechanisation and make major progress in informationisation by 2020, achieve basic completion of the modernisation of the national defence and armed forces by 2035, and be 'fully transformed' into a 'world-class' military by the middle of the twenty-first century.

To Fight and Win

The reforms implemented under Xi Jinping have achieved fundamental, even revolutionary, changes to systems in place for nearly seven decades. Most significant of these has been the complete overhaul of the PLA's leadership system at the top level. Under what was dubbed ‘above-the-neck’ reform, four previously powerful, colossal CMC General Departments — the General Staff Department, General Political Depart-
Towards a ‘World Class’ Military: Reforming the PLA under Xi Jinping
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ment, General Logistics Department, and General Armaments Department — were dissolved and replaced by fifteen smaller but more functionally specific departments, commissions, and offices.

The restructuring concentrates power in the CMC itself and, in particular, its chairman — Xi himself. The powerful and clumsy departments had previously run PLA affairs in an increasingly and, to the top brass, unacceptably autonomous manner. Under the new arrangement, the CMC and its chairman take more direct charge of PLA affairs. The dissolved departments were also largely army-dominated institutions unsuitable for guiding modern joint operations. This is most clearly illustrated by the replacement of the General Staff Department, which was primarily an army institution, with a new CMC Joint Staff Department, which consists of staff from all services.

The second major radical change is the establishment of a two-level joint combat operation command system befitting the needs of modern warfare. At the regional level, five new joint Theatre Commands (TCs) replace seven Military Regions (MRs). The Central, Northern, Eastern, Southern, and Western TCs will command joint combat operations during wartime in their geographic areas. There are two critical differences between the new TCs and the old MRs. First, while the MRs were largely in charge of army units, with little authority over other services, the TCs enjoy absolute operational command over all services within their jurisdictions. Second, whereas the MRs had wide-ranging administrative responsibilities including military training and force development, the TCs’s sole responsibility is to command joint operations in combat, leaving force building and other administrative duties to the respective services.

At the central level, a new CMC Joint Operations Command Centre now acts as the highest commanding authority of the PLA operations, both at war and during peacetime. Xi himself holds the position of the Commander-in-Chief of the Joint Operations Command Centre, supported by the newly established Joint Staff Department.
The reforms have also fundamentally changed the roles of individual PLA services. The services are now essentially administrative, focusing on peacetime force development, training, and capability building. In 2018, the PLA had a new command and control system defined by the principle of ‘the Central Military Commission in charge of overall military affairs, Theatre Commands in charge of wartime joint operations, and services in charge of force development’ 军委管总, 战区主战, 军种主建.

**Lean and Powerful**

In addition to the radical restructuring discussed above, the last three years have seen significant changes made to the scale and structure of the Chinese military. The goal is to transform the PLA from a military of quantity to one of quality, and from a manpower-intensive to a technology-intensive military.

These changes move the PLA further away from the ‘Big Army’ 大陆军 mentality inherited from the Maoist era, which has been dominant since 1949. The establishment of a separate PLA Army headquarters brings the Army into equal status with other services. The Second Artillery Corps (China’s missile and nuclear force), meanwhile, has risen to the status of
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an independent service — the PLA Rocket Force — which stands alongside the Army, Navy, and Air Force. A new Strategic Support Force (with a service-equivalent status, though not formally a separate service) provides integrated cyberspace, space, and electronic-magnetic warfare support for joint operations. Finally, the newly established Joint Logistics Support Force will provide efficient, central coordination covering the previously fragmented service and military region-based logistical support systems.

The PLA has also demobilised 300,000 personnel since 2016 — reducing the number of troops and personnel from 2.3 million to two million — mostly from the ground forces. In 2018, for the first time since 1949, the army’s share in the PLA has dropped below fifty per cent, while those of the Navy, Air Force, and Rocket Force have expanded. This reflects the CMC’s assessment of China’s changing security environment; the increasing importance of the maritime, space, and cyber domains in (possible) future wars; and the need to defend China’s expanding overseas interests.

China’s last Defence White Paper, in 2015, called on the PLA to abandon its ‘traditional mentality’ of attaching more importance to land than sea, noting that ‘great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests’. It stated explicitly that ‘in line with the evolving form of war and national security situation’, China would focus on preparing to win ‘informationised local wars’ and ‘maritime military struggles’.

The reduction in forces also reduces the proportion of non-combat personnel through the amalgamation and dissolution of various administrative agencies, military arts and cultural units, and educational institutions. Significantly, the reform also demands that by the end of 2018 the PLA should stop all so-called ‘Paid for Services’ 有偿服务 provided to the general public. The PLA entered into the business sector when China’s economic reforms started in 1978, in part driven by the low defence budget at the time. However, in 1998, under then Chinese leader, Jiang Zemin 江泽民, the military was banned from most of its business activities, due to grave concerns of rampant corruption associated with those activities.
However, military-run institutions such as hospitals, schools, hotels, publishing-houses, and cultural and sports units, have been allowed to continue to provide some fifteen types of Paid for Services to the general public. The latest reforms push for a complete divestiture of the PLA from any of these remaining commercial activities, with the dual aims of focusing the military's attention on improving its fighting capability and preventing corruption.

**Still under Party Command**

While improving the PLA’s combat capability for contemporary warfare has been a top priority over the last three years, for Xi Jinping, strengthening the Party’s and his own personal control over the military is an equal, if not more important agenda. The Party (not the state) has commanded the military since the Red Army days. (The Chinese Workers’ and Peasants’ Red Army was founded in 1927; the ‘Red Army’ was formally renamed the People’s Liberation Army in 1948 during the Party-led war to liberate the country from the ‘anti-revolution’ nationalist government.) Modernisation and reform have not changed this fact: the PLA’s first and foremost mission is to serve the interests of the Party. The latest military reforms under Xi take this to a whole new level.

In his report to the Nineteenth Party Congress, beyond talking about building the PLA into a world-class military, Xi also stressed the importance of strengthening the Party’s work within the PLA. He instructed the PLA to carry out a political education program focussed on ‘passing on
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the red gene’ 传承红色基因. In June 2018, the CMC released the ‘Guideline on Implementing the Program of Passing on Red Gene’, describing it as a ‘strategic task’ for the New Era. The Guideline asserted that the education program should focus on ‘forcefully building [the PLA’s] absolute loyalty with regard to safeguarding the Core of the Party [Xi Jinping] and obeying the Party’s commands’.

The reforms since 2016 have substantially strengthened Xi’s personal control over the military by placing unprecedented emphasis on the CMC Chairman Responsibility System 军委主席负责制. The system has been in place since 1982, when Deng Xiaoping held the position, and has been enforced to various degrees under different leaders since then. In particular, under Xi’s predecessor, Hu Jintao 胡锦涛, senior military leaders such as former deputy CMC chairmen Guo Boxiong 郭伯雄 and Xu Caihou 徐才厚 enjoyed a high degree of autonomy, largely making the position of CMC chairman that of nominal Commander-in-Chief. Since 2016, Xi Jinping has emphatically enforced the Chairman’s Responsibility System as a central element of the reform, giving himself direct control over military affairs.
Writing in the PLA Daily in 2016, Lieutenant General Fan Xiaojun 范骁骏, who would become Political Commissar of the Northern Theatre Command in 2017, asserted that for the PLA, the unreserved implementation of the CMC Chairman’s Responsibility System represented the ‘greatest loyalty, the most pressing political task and most unbending iron discipline’.

In February 2018, the CMC distributed ‘A Reader on the CMC Chairman Responsibility System’ to the whole PLA, asking all members, and especially the senior military leaders, to deepen their awareness of the System and implement it unswervingly.

The reforms have also introduced other new institutional measures to strengthen the Party’s control over the military. These include the elevation of the status of the CMC’s Discipline Inspection Commission. The chief of the Commission is now a member of the powerful CMC, with a status higher than that of the service chiefs and heads of most CMC departments. The move was intended to strengthen the Party’s ability to combat rampant corruption within the military. In late 2017, the Commission’s investigations led to the removal of two of the most senior PLA officers from their positions (Fang Fenghui 房峰辉, founding chief of the CMC’s Joint Staff Department, and Zhang Yang 张阳, founding chief of the CMC’s Political Work Department 军委政治工作部), due to corruption charges. Zhang reportedly committed suicide during the investigation.

Challenges Ahead

Three years after Xi’s announcement of the most radical military reform program in the PRC’s history, the PLA has undergone a revolutionary transformation. Given the nature, scale, and speed of the changes, it is not surprising that by the middle of 2017 Xi praised the reforms for taking ‘historical steps’, making a ‘historical breakthrough’; and achieving ‘historical accomplishments’. Xi’s personal involvement and firm resolve in the process has undoubtedly been critical to the radical transformation of the PLA.
The PLA still must overcome enormous hurdles to become a truly world class military on par with that of the United States. Despite decades of efforts to modernise, it still substantially lags behind its US counterpart in military technology, combat capabilities, overseas reach, and military alliance networks, among other things. The PLA has not engaged in a major conflict since the Sino-Vietnam border war in 1979, and lacks experience of modern joint operations in combat. While the organisational changes are impressive, the efficacy and effectiveness of the new PLA Command and Control system remains untested.

But China’s current military power matters less than its potential for growth and the country’s ambitions. For one thing, while the US currently outspends China on defence by a big margin, Australia’s 2016 Defence White Paper forecast that by 2035, China would be the world’s biggest spender on defence. Whether or not this comes to pass, the modernisation of the military is sure to remain a top priority for the Chinese leadership for decades to come. This is because, for the Chinese leadership under Xi, a strong military is not just a means to ensure China’s rise, but an end in itself that symbolises China’s advance to the centre of the world stage.
CHINA'S BELT AND ROAD INITIATIVE

A global infrastructure network
CHINA’S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
- SILK ROAD ECONOMIC BELT
- MARITIME SILK ROAD
- ECONOMIC CORRIDOR

Existing
Planned/under construction

OIL PIPELINE
GAS PIPELINE
RAILROADS
PORT
SOFTLY DOES IT

Soft Power, Hard Times
  · LINDA JAIVIN

Sinology as Spectacle
  · PAUL J. FARRELLY

Passing Marx
  · WILLIAM SIMA
IN AUGUST 2018, China’s outward-looking press, including the Global Times and the China Daily, wanted the world to know all about one Chinese artist, Shu Yong 舒勇, whose Belt and Road Initiative-themed travelling exhibition Global Tour of Golden Bridge on Silk Road opened that month in Florence. It may be true, as the website of the Galerie Urs Meile (Beijing-Lucerne) proclaims, that Shu, who has long cultivated the image of the maverick, ‘stirs up trouble’ by ‘playing games with the government, enterprises and the media’. These days, however, Shu appears to be painting a straight Party line. The China Daily quoted him saying of his installation Golden Bridge on Silk Road that it ‘symbolizes our hope for joint cooperation within the framework of the Initiative, the creation of a global community with a common destiny and shared interests’.1

SOFT POWER, HARD TIMES
Linda Jaivin

Golden Bridge on Silk Road
Source: CGTN, Twitter
Another Chinese artist, Ai Weiwei, was making the news in August as well, when Beijing authorities demolished his studio, without warning, while he was in Germany. The lease had expired, and re-development of the entire district was on the cards. Yet the failure to give notice, resulting in damage to work that was stored there, fits a pattern of official harassment directed at the artist since he began his unwelcome investigations into the corruption-related deaths of some 5,000 children in the 2008 Sichuan earthquake.

In 2007, Ai Weiwei and Shu Yong had, in fact, been collaborators, with Ai curating a series of exhibitions by Shu Yong at the Imperial City of Beijing gallery. Ai was then enough of a persona grata to have been invited to help design the stadium for the 2008 Beijing Olympics (the ‘Birds Nest’). By the following year, the two artists’ paths had diverged. Ai created a monumental installation of children’s backpacks in Munich to commemorate the earthquake victims, while Shu celebrated the People’s Republic of China’s sixtieth anniversary with the performance piece Ten Thousand People in Red Dress Sing the National Anthem 一万多人身着红衣高唱国歌. Ai’s persona switched to non grata, while the long-haired Shu became the artist-rebel even a Communist Party could love.
The Party-state would dearly like everyone else to love Shu more, and Ai Weiwei less. Yet if you Google Shu Yong’s Florence opening in English, only a tiny handful of links appear: one to the *Global Times* and another, somewhat mysteriously, to the Chinese-language site of Macau’s Wynn casino. Searching the news for Ai Weiwei’s studio demolition, by contrast, produces more than a dozen pages of links to reports and videos in international media, art and architectural journals, and the webpages of human rights organisations such as PEN. Considered together with ongoing simmering controversies around the world about Confucius Institutes on university campuses and United Front activities in general, it sometimes seemed that in 2018, Chinese cultural soft power could not catch a break.

But beyond the headlines, China was using its culture in myriad ways to woo the world — from staging impressive exhibitions of imperial artefacts in Saudi Arabia and Salem, Massachusetts, and crowd-pleasing folk art from Hebei in Brussels, to festivals and celebrations such as Mexico City’s Beijing Cultural and Creative Week in June.

David Shambaugh of the Brookings Institution has estimated China’s official ‘public diplomacy’ budget (which includes educational, media, and other investments as well as cultural programs) to be about US$10 billion a year — about five times that of the US. And yet despite this massive spending, and even despite Trump — the first American president to appeal the country’s allies as much as its enemies, the Soft Power 30 index in 2018 ranked the US at number 4 and China at 27 — down 2 places from the year before.2

In his contribution to the 2018 *Soft Power 30 Report*, Zhang Yiwu 张颐武, of Peking University, suggests that China would be better off focusing its soft power efforts on developing countries in Asia, Africa, and Latin America, where the market for cultural products is less ‘saturated’ than in the US and Europe, for example. He also questions the prioritisation of ‘classical and elite’ cultural forms in official promotions. Noting the role that pop culture plays in American and South Korean soft power, China ought also, he says, do more to promote its pop and even celebrity culture overseas.3

Chinese television shows and dramas, including the *Story of Yanxi Palace* 延禧攻略 (see Chapter 5 Forum ‘The
Story of Yanxi Palace’, pp.149–151), are indeed growing audiences in places as diverse as Pakistan and Tanzania. The Chinese–American coproduction The Meg, starring Chinese actress Li Bing-bing 李冰冰, meanwhile, topped the US box office on its opening weekend in August. Hollywood, historically on the job for American soft power, is itself now moonlighting for China.

Crazy Rich Asians is another story: condemned by a China Daily opinion writer Phillip J. Cunningham as ‘a white-bread film that follows tired old Western tropes’, and ‘exploration of crazy money [that] makes money look good’, Cunningham extols the made-in-China production and summer hit Hello Mr Billionaire. Despite having ‘a ridiculously convoluted plot riddled with holes big enough to drive a high-speed train through’, he asserts it is ‘edgier’, and that it ‘feels real and sings free’.

The new super-ministry for Culture and Tourism, created in early 2018, did not appear to approve of many artists ‘singing free’. It continued to ramp up censorship and controls over all aspects of Chinese art, pop culture, and intellectual life, on and offline, with a fresh push against ‘vulgar’ 粗俗 content, politically sensitive themes and celebrity culture. Responding to a letter from eight elderly artist-educators, including 99-year-old Mao portraitist Zhou Lingzhao 周令钊, meanwhile, supreme leader Xi Jinping 习近平 reminded China’s art academies of their mission to produce artists...
devoted to the ‘building of socialism’. How that plays out for the Chinese art world remains to be seen. But a heavily censored, and politically directed culture that is strongly nationalistic and inadequately self-reflexive is unlikely to advance China’s powers of cultural attraction.

China also scored a soft power own goal when the officially sponsored, nationally broadcast 2018 Spring Festival Gala featured a skit starring a Chinese actress in black-face and padded posterior and an African man in a monkey costume. As Andrew McCormick of Columbia University pointed out in *The Diplomat*, it’s hardly the first time ‘that China had offended along racial lines’. After critical reports appeared in Kenyan media, a Chinese embassy spokesperson in Nairobi complained that the Kenyans were simply following the lead of the scandalised Western press: ‘Kenyan people should have their own judgement’. This tone-deaf response only ensured that the controversy simmered on.

Chinese officialdom may be confounded and even angered by how China’s internal cultural affairs, from the knocking down of an artist’s studio to a tactless skit on television, can affect their nation’s ability to project cultural soft power. Yet, as the US Council on Foreign Relations observed more generally in its February report ‘China’s Big Bet on Soft Power’, ‘Ultimately, China’s tightening authoritarian political system is the biggest obstacle to the positive image the country and government yearn for’. Money can’t buy you love.
In May 2018, I participated in the Young Sinologist Program in Chongqing. On the last morning of the university exchange portion of the program, my lecturer sat me down in front of his computer to watch the recently released ninety-minute documentary Amazing China (see Chapter 2 ‘Talking (Up) Power’, pp.36–49). Sitting through the film’s relentless praise of the technological advances, scientific and industrial development, military modernisation, and success at alleviating poverty that has happened under Xi Jinping, what really struck me was its enthusiasm for the country’s cultural industry. I had attended a lecture on China’s cultural industry at the Young Sinologist Program in Xi’an the year before, and this deepened my curiosity about the cultural industry’s role in China’s growing soft power initiatives. Amazing China introduces the topic with an excerpt from Xi’s speech at the Nineteenth National Congress of the Communist Party of China in October 2017: ‘Cultural confidence is the most basic, the most profound, and the most enduring force of a nation and a people’s development’.

The Young Sinologist Program put that cultural confidence on display. In Dunhuang and Chongqing, we were treated to two historical spectacles directed by Wang Chaoge, co-director with Zhang Yimou of the 2008 Beijing Olympic Games opening ceremony. Wang’s large-scale multimedia performances in custom-built arenas, as well as a separate show on a similar scale about the...
Three Kingdoms period (220–280 AD), were simultaneously mesmerising and mawkish. Their jaw-dropping audio-visuals and stagecraft reflected the cultural confidence of which Xi spoke. The shows were designed to impress both domestic audiences and international guests with their technological ingenuity. On a subtler level, they offer a rereading of China’s past that harmonises with the CCP’s goals, emphasising qualities of redemption and resilience. The abundance of bright lights and deft choreography in these shows is an effective way of turning elements of China’s history and culture into a marketable product to bolster patriotic pride at home and foster admiration internationally — what is commonly called soft power.

Even when Chinese soft power efforts appear kitsch or ham-fisted (look up ‘This is China in Rap’ for an example), they reveal much about how the Party wants China to be understood abroad. The three-week Young Sinologist Program itself is part of China’s soft power drive and a manifestation of Chinese cultural confidence. The Ministry of Culture of the People’s Republic of China and the Chinese Academy of Social Sciences launched the program in 2014. By 2018, the number of participating cities had grown to include Beijing, Shanghai, Chongqing, Xi’an, and Guangdong, and this list will expand again in 2019; well over a hundred scholars attend each year. Each city hosts the Young Sinologist Program once a year, with participants staying in and around that metropolis. The programs I attended comprised a mix of lectures, field trips, excursions to local historical sites, and some tourism, with organisers seemingly given scope to tailor the schedule to take advantage of local expertise and facilities.

Of the twenty-five participants at each event, I was the only Australian (and one of few participants with English as a first language). Russia and India provided the largest number of attendees, and the former Soviet republics were also well represented in these all-expenses-paid extravaganzas, which a small army of support staff ensures run smoothly. The Young Sinologist Program focusses its participants’ attention on the awe-inspiring spectacle of China’s transformation: its rise to global economic, military, and political prominence as both the proud heir to an ancient civilisation and the harbinger of high-tech modernity. The participants themselves become part of the show. An ever-present media
team captures images of nearly every activity and prepares profiles of participants that are broadcast across numerous digital platforms. The smiling faces and glowing endorsements of these foreign friends create an image of an attractive China that is meant to be envied by the rest of the world. Participants are exposed to the spectacle of modern China and, in turn, become part of this very spectacle, intended for domestic consumption.

The programs I attended began with three days of lectures by local academics and Party figures. Weekends featured field trips: the Terracotta Warriors in Xi’an, a Three Gorges boat cruise in Chongqing. In Xi’an, they divided us into groups depending on our interests. My group spent a week visiting a range of government offices, factories, and start-up incubators at Xi’an’s high-tech district. The program was less flexible in Chongqing, where all participants were assigned a professor at a local university to work with. Ostensibly, we were to research a topic that we supplied to our hosts prior to coming. However, in Chongqing some of my colleagues reported that their professors encouraged them to choose a new topic — the Belt and Road Initiative, for example. From Xi’an, we attended the Second Silk Road Cultural Expo in Dunhuang, where we met the Minister for Culture, Luo Shugang 洛树刚. In Chongqing we were required to perform in a closing gala — the women participants were assigned to recite Mao Zedong’s 1936 poem ‘Snow’ 沁园春·雪. Upon returning home, all participants were to write a research report of at least 3,000 words that would be published in an edited volume. The China Social Sciences Press published the essays of the 2016 programs in Beijing and Shanghai, with these
presented to 2017 participants and available to purchase online (at the time of printing, my September 2017 contribution still had not been printed, ostensibly due to sensitive topics such as religion, which I wrote about).

What does the Young Sinologist Program tell us about power in China? The Chinese Communist Party (CCP) is not just attempting to impress participants with the sparkling techno-modernity of urban China. It wants to inculcate burgeoning leaders in the field of China studies with politically orthodox views of history and the dominant Han culture — these are the ideological foundation for the approved narrative of China’s rich past and inevitable rise. It is a demonstration of cultural confidence at work, and an attempt to draw young foreigners into China’s sphere of influence, including through the establishment of guanxi 关系 networks (social networks and influential relationships that facilitate business and other dealings), linking them closely with trusted Chinese academics and officials: the CCP binds foreigner to foreigner, and foreigner to China. The Young Sinology Program is the latest chapter in a long history of foreigners being treated with
hospitality and presented with an airbrushed picture of Chinese society and history.

Despite the all-encompassing nature of the Young Sinologist Program, in which work, study, and play are all organised by the Chinese hosts, there remain limited opportunities for participants to access alternate narratives. It is possible to experience this program in such a way as to derive a more nuanced, critical, and polyphonic reading of China. The program provides young scholars with the type of access to local academics and government officials that is necessary for a robust engagement with China. While these conversations may only sometimes seem to push the boundaries of the Party line, ultimately they are best taken as interpretations of the orthodox point of view on a particular topic; it necessary to go deeper and augment official views with sources that are not beholden to Party thought. Meeting with these academics and officials provides an intimate experience of how China generates and projects soft power, including through expressions of cultural confidence. While many of the young scholars were cautious about offending their hosts, some engaged critically with the ideas presented and appraised the Program (and China’s soft power efforts more generally) in an open and wide-ranging way. Where the Chinese state directly appropriates the images and expertise of these young scholars to further its ideological agenda, this may have the adverse effect of leading those scholars to question the Party-state’s seemingly altruistic motives in inviting them there in the first place. It certainly alerts them to the need, when assessing the CCP’s narratives of ‘amazing China’, to distinguish between what is presented as real and reality itself. Becoming part of the spectacle of power is a lesson in how that power is constructed and useful in learning how to productively engage with it in other contexts.
ON 5 MAY 2018, the bicentenary of Karl Marx’s birth, a bronze statue of the philosopher was unveiled at his birthplace, Trier, in south-west Germany. The Chinese government had funded the statue; Wu Weishan 吴为山, head of the National Art Museum of China 中国美术馆, designed it. Wu is the sculptor behind the bronze statues of ghoulish refugees lining the entrance to Nanjing’s Massacre Memorial Hall 南京大屠杀遇难同胞纪念馆, as well as the giant Confucius that was installed at Tiananmen Square in January 2011 to torrents of public ridicule, and subsequently removed overnight in April 2011 without explanation. Wu is flexible: Confucian one minute, Marxist the next. Wu’s Marx at Trier symbolises a renewal of state Marxism under Xi Jinping 习近平, and its promotion overseas — in this case, with the collaboration of the Trier city council.

After debate and consultation with the community, Trier’s city council approved the Chinese statue by forty-two to eleven votes in March 2017. Andreas Ludwig of the Christian Democratic Union, who voted for the statue, explained why it passed, and the reason had nothing to do with ideology — ‘150,000 Chinese tourists visit Trier every year, and there could be many more’, he said. Reiner Marz of the Greens was among those opposed to the statue. To accept the gift, he said, ‘would be to honour the donor, and the Chinese Communist Party is not worth the honour’. Other councillors, along with many in the community, were concerned that Wu’s proposed 6.3-me-
The statue would overpower Simeonstiftplatz, Trier’s medieval town square. They preferred a life-sized rendition of an early, humanist Marx, on Brückenstraße — a narrow street that houses his birthplace.

What was unveiled in May represented a slight compromise: a 5.5-metre Marx in the old town square, in Wu Weishan’s original design. ‘In measuring a philosopher’s value’, Wu declared at the unveiling ceremony, ‘we must ultimately look at how history has judged him, and [this statue] of Marx in mid-stride signifies that his thought is constantly developing’.

German dignitaries downplayed concerns about Marx’s historical legacy. They ignored a petition from PEN, the international writers association defending freedom of expression, to defer the unveiling until the poet Liu Xia — the widow of the Nobel Peace Laureate Liu Xiaobo, who died in custody in 2017 — was released from house arrest in Beijing and allowed to seek medical treatment in Germany. (She arrived in Germany two months later.) Malu Dreyer, premier of the state of Rhineland-Palatinate, which encompasses Trier, thanked China for the ‘gesture of friendship’. She declared that the statue created a ‘space for exchange and interaction’. Trier’s mayor Wolfram Leibe stated that ‘our democracy is about engaging in public discussion, and that is exactly what is happening here’.

In China, however, the statue was a grace note during a year in which the
Party-state put renewed emphasis on Marxism — or rather, on a Marxism tailored to augment Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, now the governing ideology of the Party-state. Historians of intellectual thought Timothy Cheek and David Ownby describe Xi’s Marxist revival as being bereft of any of emancipatory impulse; it is merely an attempt to re-inculcate Leninist self-regulation within the Party after decades of atrophy and ill-discipline. At the same time, it draws the German thinker into a nationalistic historical narrative of ‘redemption from humiliation by foreign powers’, and claims the Chinese Communist Party, after the apparent failure of Marxism in Russia and Eastern Europe, to be the true custodian of Marxism in the twenty-first century.6

On the China Central Television (CCTV) talk show Voice 开讲啦, Wu Weishan lied that the Germans had ‘said all along that [my statue] was exactly what they had envisaged’ for Trier; he even implied that the federal Bundestag had approved it directly. He then launched into a patriotic rave about his Nanjing massacre statues, declaring that as well as telling ‘Chinese stories’ of greatness — as epitomised in his Marx statue — it is also important to ‘tell the world our stories of national humiliation’ 国耻.7

For the bicentenary celebrations of Marx in Beijing, Xi Jinping urged Party cadres gathered at the Great Hall of the People to ‘keep studying and implementing Marxism, continue drawing upon its scientific wisdom and theoretical power ... [to] uphold and develop Socialism with Chinese Characteristics in the New Era, and to ensure that the ship of the Great Rejuvenation of the Chinese People moves correctly forward against the waves’.8 At Peking University the same week, Xi historicised his ‘New Era’ as the latest stage in China’s rejuvenation, which had begun with the May Fourth Movement in 1919, led by students of Peking University.9

Many of these students were influenced by Li Dazhao 李大钊 — a former university librarian and co-founder of the Chinese Communist Party. Li, who was hanged by a Beijing warlord government in 1927, is celebrated as an early martyr for communism, and the statue of Li at Peking University continues to inspire Marxist student activists. Throughout 2018, student activists
clashed with authorities, for decrying what they perceive as a decline of Marxist-Leninist and Maoist governance in Xi Jinping’s China, and for their public solidarity with factory workers in Shenzhen.

In July, workers at the Shenzhen Jasic Technology company were arrested after protesting their dismissal by the company. Initially, with backing from the All-China Federation of Trade Unions (ACFTU) 中华全国总工会, they had attempted to form an independent labour union, gaining nearly one hundred applicants from a labour force of about 1,000. But their efforts were blocked when ACFTU withdrew its support, and the Jasic management created a separate union body stacked with candidates who were not elected by the workers. Thirty Jasic workers were detained on 27 July for ‘picking quarrels and causing trouble’ 寻衅滋事.10
In early August, the Jasic Workers Solidarity Group was formed, consisting primarily of Marxist university students, operating from an overseas-registered website and Twitter account. Throughout August, students flocked to Shenzhen to join the workers’ ongoing protests. In an event they dubbed the ‘24 August Violent Clean-up Incident’ 暴力清场事件, dozens were arrested in a police raid at their hideout in Huizhou, near Shenzhen. Marxist student chapters at Peking University, Renmin University, Nanjing University, and other centres of higher education continued to face crackdowns over the following months.

‘Do our authorities even have the face to stand in front of Li Dazhao’s statue?’, asked the Jasic Workers’ Solidarity Group, after the university refused to release surveillance footage that might have shown Zhang Shengye — a Marxist student activist — being dragged into a car on 11 November. They compared the university’s obfuscation to that of Hu Shi 胡适 — the pro-Nationalist (Kuomintang) president of Peking University during the Chinese civil war. After the rape of a female student by two American marines in December 1946, Hu, worried that the incident would add fuel to anti-American left-wing protests, had declared it ‘a matter for the courts to decide’. A US Navy court infamously acquitted the marines.

Visiting the university in late 2018, I found that of all the numerous statues of famous figures that dot the campus — including Miguel de Cervantes, and Cai Yuanpei 蔡元培, who was Peking University’s president in the 1920s and 30s — only Li Dazhao’s was overlooked by a surveillance camera. The camera had been installed some time soon after my arrival in early November, and was still there when I left in mid-December. On 2 December, the Jasic Workers Solidarity Group marked one hundred days since the 24 August Clean-up. University activists and citizens, along with dozens of staff and students from Cornell University — the university had severed a research exchange program with Renmin University in protest against the crackdowns — sent in videos and group photographs in expression of solidarity. As of the time of writing, a total of thirty-two Jasic workers and their Marxist student supporters remained in detention. This is the reality of Marxism in Xi Jinping’s China.
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THE NOTION THAT A CITY is powerful relies on some kind of anthropomorphism. A city is not a thing itself that constitutes and wields power. It lies on a map, inert and lifeless, staring back at us and rhetorically imploring, am I important? How big is my dot? Capital cities are always more important on the map: they get the star, like Beijing. Yet in a recent Party announcement about leading places in China, Beijing did not feature at all. Only three appeared — Shenzhen, Shanghai Pudong, and Xiongan 雄安 — and one of these, Xiongan, in Hebei province, is only just planned. (See the China Story Yearbook 2017: Prosperity, Chapter 6 ‘Magic Cities, Future Dreams — Urban Contradictions’, pp.188–205.) Nevertheless, in April 2018 the Chinese Communist Party (CCP) Central Committee and State Council issued a joint announcement ‘in the name of Comrade Xi Jinping as the core’ to confirm its leading importance, affirming that ‘Xi Jinping has personally planned, personally decided, and personal promoted’ the construction of Xiongan as ‘a national model for promoting high-quality development’.1
Xiongan is the latest planned city in China to be symbolically attached to the prevailing paramount leader. The founding of the city of Shenzhen, which includes the first and most successful special economic zone (SEZ), is directly linked to Deng Xiaoping 邓小平, who led reform and opening up after 1978. When China opened up to the world economy, it was a selective opening up: SEZs were established in Guangdong and Fujian provinces, followed by a select group of coastal cities and coastal regions. Shenzhen led the way, catalysed by capital flows from Hong Kong. The role of Shenzhen is so significant in anchoring the reform economy that it is difficult to imagine the path of China’s export-oriented industrialisation without it. A decade later, in 1990, Deng Xiaoping envisioned the Pudong New Area — a new economic district for Shanghai. He practically apologised to the people of Shanghai for making them wait ten years to rebuild it. Now, Pudong includes the national financial district, marked by Shanghai Tower — the tallest building in China. Shanghai Pudong developed as a central government project under the leadership of Jiang Zemin 江泽民, who succeeded Deng Xiaoping.
The Party narrative of Xiongan foregrounds its significance as if reprising the reform model of Shanghai Pudong and Shenzhen: ‘It is another new administrative area of national significance after the Shenzhen Special Economic Zone and the Shanghai Pudong New Area. It is a millennial plan and a national event’. Shanghai Pudong and Shenzhen are just two of more than 500 new urban areas in China and one hundred urban administrative divisions with populations of larger than one million. But they are national projects that link to the world economy. Comparing Xiongan with Pudong and Shenzhen implies that Xiongan will also play a similarly significant local–global role for the Beijing region.

Recent announcements about Xiongan reveal how the Party-state constructs, in both discursive and material ways, dynamic places of power in relation to Party leadership. Likening Xiongan to Shanghai Pudong and Shenzhen signals to the world China’s commitment to continuing economic growth. Its heralding of Xi’s leadership places Xiongan at the leading edge of Party-state commitments. Much more than a technocratic project, the location of Xiongan and its planned characteristics symbolise new ideas about the future of cities in China. The location of Xiongan in north China, south-west of Beijing in Hebei province, demonstrates commitment to redressing uneven development among the coastal regions. It also demonstrates the power of exclusion by ignoring two prominent cities of the reform era at the level of Beijing and Shanghai in the urban system — Chongqing and Tianjin. The narrative of Xiongan pointedly belongs to the New Era of Xi Jinping thought that was formally incorporated into the Party Constitution at the Nineteenth Party Congress in 2017.

The Hebei Xiongan Outline Plan

Following the lead of the English-language Xinhua report of 21 April, ‘China Publishes Master Plan for Xiongan New Area’, various international media, including The Telegraph (UK) and the Straits Times (Singapore),
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quoted the publication of the master plan. The international news cycle typically follows the lead of China’s state media — but the headline was incorrect. The Chinese government did not release the ‘master plan’总体规划 for Xiongan; it released the ‘outline plan’规划纲要. The outline plan constitutes a report on the project’s scale and scope including strategic rationale, guiding ideology in the terms of Party thought, and construction and development objectives. It serves as the foundation on which master plans are to be based, which will necessarily appear incrementally because the Xiongan area, at 2,000km², covering three counties, exceeds the scope of any single master plan.

The Hebei Xiongan New Area Outline Plan河北雄安新区规划纲要 is attributed to the Beijing-Tianjin-Hebei Collaborative Development Leading Group Office. It is not a normal planning office but a specially formed group with select membership ‘under the Party Central Committee with Comrade Xi Jinping as the core’. The foreword to the Outline Plan states that Xiongan will become ‘a national model for promoting high quality development in a new era’, whose implementation, ‘by the middle of the century, will become a significant part of the world-class Beijing-Tianjin-Hebei city cluster, effectively performing Beijing’s non-capital functions and providing a Chinese solution to “big city malaise”’. It will become a relocation site for education, health, and government institutions whose activities do not require them to be in the centre of Beijing. Xiongan is to be, in this sense, a ‘spillover’ city that will contribute to rebalancing settlement in the capital region.
The Outline Plan is interesting because, in ten chapters, it narrates principles and values of modernisation and development for the New Era — a vision much broader than the construction of Xiongan itself. It begins with general requirements for a city in accordance with the renewed vision of Socialism with Chinese characteristics. In the New Era, the city will represent the shift from the stage of high-speed growth to the stage of high-quality development. Stylistically, the Outline Plan resembles the historical practice of seeking to discern ‘logic’ and ‘order’ or 理 through the ‘investigation of things’ 格物 in order to ‘extend knowledge’ or 致知.

For instance, the process depends on identifying and selecting from best practices in urban environmental management worldwide to adapt them for implementation in Xiongan. The new city will adopt ‘modern information and environmental protection technologies for a green low-carbon, smart and efficient, environmentally friendly, and livable environment with high-quality public services’. Xiongan will thus become ‘an innovative development demonstration zone’ that models new standards for national high-quality urban development in the New Era.

The Outline Plan treats Xiongan as a key part of the Beijing–Tianjin region — the Jing-Jin-Ji region. Chapter One of the Outline Plan envisions Xiongan as the ‘Beijing city sub-center’ that will become a ‘new model for optimizing development in densely populated areas’. It introduces the ‘two wings of Hebei’, in which Xiongan is only the southern wing in the larger transformation of the Beijing-Tianjin-Hebei capital region. It also covers project-specific construction for the 2022 Beijing Winter Olympics in Zhangbei in the province’s north-west, bordering Zhangjiakou — a historic prefecture-level city known as the gateway to both Mongolia and Beijing.

Like all general Party-state documents, the Xiongan Outline Plan refers to theory and policy endorsed by multiple Party offices and government ministries. Borrowing language and principles from the New-type Urbanisation Plan (2014–2020), it emphasises improvement of the ‘people’s livelihood’; promotes ‘ecological civilisation’ as laid out in the Na-
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Each chapter of the Xiongan Outline Plan articulates multiple goals. Chapter Two calls for construction of ‘new urban-rural relations’, which will implement goals of the ‘New-type Urbanisation Plan’ and protect arable land. Chapter Three combines Chinese heritage design with low-rise development to incorporate the protection of ancient monuments, revolutionary sites, and local culture in towns and villages. Chapter Four commits to the restoration of the Baiyangdian wetland (See the China Story Yearbook 2017: Prosperity, Chapter 6 ‘Magic Cities, Future Dreams — Urban Contradictions’, pp.193–195) and its establishment as a national park. Chapter Five specifies development of a high-technology digital city with 5G-network commercialisation for information security technology and a ‘self-controllable cyberspace security industry’. Chapter Six outlines standards for social services including education, health, and housing, with an emphasis on urban–rural integrated services and affordable housing. Chapter Seven describes an integrated transport network including ‘four vertical and two horizontal’ high-speed railways that will connect Xiongan to Beijing and Tianjin in addition to Shijiazhuang (the capital of Hebei province), as well as seven new expressways. (The Xiongan link to the new Beijing Daxing International Airport, or ‘second’ Beijing airport, is projected to open in 2019.) Chapter Eight mandates the construction of a green low-carbon city, and integrated water management infrastructure for the water-short capital region. It also covers the social credit system and its ‘big data’ platform for ‘a full-time, global, integrated network security decision-making system’, incorporating advances in artificial intelligence. Chapter Nine, on ‘building a modern urban security system’, draws on the ‘overall national security concept’ for disaster prevention, integrating standards for ‘peacetime and warfare’ including air defence, with details of disaster shelters and evacuation routes on the ground. It incorporates water and energy security in addition to drug and food...
security. Chapter Ten outlines commitment to strengthening planning implementation, supervision, and evaluation of Party and government work, as well as fiscal reforms and the establishment of individual income tax. It concludes with a focus on coordinated development for the unprecedented trans-territorial group of three administrative jurisdictions — Hebei, Beijing, and Tianjin, or Jing-Jin-Ji.

**Land and Plan: Reverse!**

Despite the official narrative comparing Xiongan with Shanghai Pudong and Shenzhen, realities of Xiongan point to fundamental differences, beginning with their basic dimensions. Pudong and Shenzhen began on relatively small sites and grew by extension through changes to the administrative divisions. Before 2009, Pudong district was 533km², includ-
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The area of Liujiazui — the site of the high-rise financial district. In 2009, the central government approved the merger of Nanhui — a former county on Pudong’s southern boundary — more than doubling Pudong’s size to 1,210 km². Greater Pudong, which includes Shanghai Pudong International Airport and Shanghai Disneyland, constructed during the mid-2010s, is about two-thirds the size of Xiongan (2,000 km²). The Shenzhen
SEZ, which was opened in 1980, also expanded in stages. ‘Shenzhen’ names both the prefectural city and the SEZ within it, which tends to generate confusion between the two. Before 2010, the Shenzhen SEZ was only 396km\(^2\). The area of the SEZ expanded nearly five times to 1,953km\(^2\) in 2010 alone. That year, on 1 July, an official ceremony marked its expansion, attended by Guangdong provincial and central government leaders.\(^4\) It now covers an area about the same size as that allocated to Xiongan, but was, for three decades, significantly smaller.

There are many reasons why Shanghai Pudong and Shenzhen developed in stages. One is the administrative division reform ‘changing counties to cities’ that the Ministry of Civil Affairs announced in 1983. The reform reclassified rural counties as urban jurisdictions, which allowed cities to lease land for real estate development. Marketisation of land leaseholds in China started in the second half of the 1980s in Shenzhen, but the emerging market became subject to negotiation — that is, local governments negotiated directly with investors at below-market rates. The ensuing urban development is called land-based urbanisation because land became the major source of capital in the process. Fortunes were made in the moment when land was released from state control for urban construction.

In contrast, the central government’s approach to Xiongan establishes in advance its final size through the amalgamation of three counties — Xiongxian, Rongchen, and Anxin— to form Xiongan New Area. It is only categorically analogous to the Pudong New Area, the first New Area 新区, in the Chinese system of administrative divisions. New Areas are a special category of the administrative division at the national level — they receive economic development support from the central government — typically financial transfers, to realise their targetted goals.

So, why is Xiongan so big? By marking out Xiongan’s total area in advance, the state has effectively asserted its power to control and supervise the development process, including the disposition of land. After many years of land grabs and ‘negotiated’ land transfers in China, the national land protection regime has become strictly enforced in most areas.
In Xiongan, the state may control and assign land use rather than allow it to be marketised for leasing and real estate development. This would allow revival of the system of land allocation, which would accord with the rhetoric of Xi Jinping’s New Era and the comeback of socialist-style central planning. Unlike Pudong, which is a district located in a larger city, the size of Xiongan indicates a new city. If public housing and the state sector become dominant in Xiongan, combined with environmental sustainability and data systems security, Xiongan will become the showcase for a twenty-first century ‘green’ stability city for new Socialism with Chinese Characteristics.

City as Metonym — and Antonym — of Power

The ideological language of socialism for the New Era also characterises portrayals of Xiongan. The attachment of Xi to Xiongan is the latest iteration in a long history of Chinese leaders standing at the forefront of symbolic national construction projects. Outstanding historical examples are Mao’s 1959 ‘Ten Great Buildings’ 十大建筑 that commemorated the tenth anniversary of the People’s Republic of China, which included the Great Hall of the People; Beijing Railway Station; and the Three Gorges Dam, first
proposed by Sun Yat-sen 孙中山 in 1919, formally launched by Deng Xiaoping in 1992 (but also considered by Mao).

Party history credits Deng with the successful development of Shenzhen, and Jiang Zemin with the growth of Shanghai Pudong. Shenzhen represents market reform in the 1980s, while Pudong represents the rebuilding of Shanghai in the 1990s — China under reform opened from south to north. During the Hu Jintao 胡锦涛 era (2002–2012), the leadership promoted projects in Tianjin — notably, the development of a ‘new Manhattan’ financial centre at Yujiapu, located in the Tianjin Binhai New Area. Binhai, the second official New Area, at 2,270km², is larger than Xiongan by close to 300km². As the Hu Jintao era was drawing to a close, Tianjin boasted the highest GDP growth rate among province-level administrative divisions (which include Beijing, Tianjin, Shanghai, and Chongqing). Yet its stimulus-financed construction boom has turned the Tianjin financial district into one of China’s most prominent ‘ghost towns’. During the building boom, Tianjin’s GDP rose but its debts mounted as floor space in the new built environment remained vacant. Now, Tianjin is the most heavily indebted city government in China.⁶

A so-called ghost town in China is not an abandoned or moribund urban area (as the name might suggest), but, rather, the result of a city government constructing ‘pre-demand’ infrastructure. Yet true financial centres — like those in London, Tokyo, Hong Kong, New York, and Sydney — are highly localised; they are not the result of a ‘build it and they will come’ mentality.

A related problem for Tianjin has been its unsustainable GDP growth. Throughout the 2000s, Tianjin recorded high GDP growth, and from 2010–2012 it had the highest growth among province-level administrative divisions. In apparent response to losing its place in the rankings, Tianjin subsequently inflated — and later downgraded — its 2016 GDP statistics, reporting at the end of 2017 that it was one-third lower than originally reported. Official announcement of the discovery followed the expulsion from the Party and sentencing of the former mayor
of Tianjin, Huang Xingguo 黄兴国, to twelve years’ imprisonment on corruption charges in 2017. Between 2012 and 2017, Tianjin went from the top of the GDP growth chart to the bottom — registering just 1.9 per cent in the first quarter of 2018. Now, in the new mode of promoting transparency in statistical reporting, Tianjin has become an official site of experimentation for finding solutions to local government debt.

Returning to Xiongan, the capacity to change the space of three counties to establish a massive ‘new area’ lies in the political power to order and control the construction of a new urban-economic core — adding a large dot to the map. The official discourse about Xiongan, by including Shenzhen and Shanghai Pudong, but not Tianjin, also represents the Party-state’s power over the narrative: not only about what places will be upheld as models but also whose leadership warrants continuing accolade. Tianjin is not the only major city left off the list of exemplars. Chongqing, in western China, is also absent. Where cities equate with positive Party leadership and enduring authority, Chongqing, like Tianjin, cannot feature with Shanghai Pudong and Shenzhen, because its past, under the leadership of Bo Xilai 薄熙来, ended in ignominy. (See the China Story Yearbook 2012: Red Rising, Red Eclipse, Chapter 10 ‘Red Eclipse’, pp.266–285.)

What unites the histories of these cities in China is not their ambitions, nor their successes and failings. Instead, what unites them is how the Party leadership has represented their changing conditions in relation to its own assessments of the future and reassessments of the past. In The Burning Forest, Simon Leys identifies ‘the falsification of the past, and the alteration of reality’ through dynamic political narratives that contribute to framing how power intensifies and ‘moves’ through myriad contexts, whether statistical mis/representations, grand plans, exhibitions, or revisionist accounts. One prominent material realisation of power in contemporary China is the city in the image of the Party-state.

This dynamic, and its relationship to how leaders’ roles in urban development are portrayed, was well illustrated in 2018 in exhibitions
devoted to the fortieth anniversary of reform mounted in museums in Beijing and Shenzhen. Unprecedentedly, they highlighted the role of Xi Jinping’s father, Xi Zhongxun 习仲勋 — governor of Guangdong from 1979–1981 — in the establishment of Shenzhen. At the National Museum of Art in Beijing, the exhibit *Spring Tide at the Pearl River: A National Exhibition of Works of Fine Art to Commemorate the 40th Anniversary of Reform and Opening Up* 大潮起珠江——庆祝改革开放40周年全国美术作品展, which opened in July, foregrounds photographs of Xi Jinping and Xi Zhongxun.⁹

The new Shekou Museum of China’s Reform and Opening in Shenzhen went one step further. It closed unexpectedly for ‘upgrading’ in June and reopened in August, having replaced a bas relief sculpture featuring Deng Xiaoping with a quotation by Xi Jinping. Uniformly, the honour and acclaim for central government initiatives credits the paramount leader or chairman of the CCP — the one under whose authority the project was initiated. Altering the official history of Shenzhen to credit Xi’s father is one thing; but the replacement of Deng’s image with Xi’s rhetoric is a startling departure from what is normative Party practice — as if reframing the timeline of the entire reform era as Xi’s New Era.
CHINA'S BELT AND ROAD INITIATIVE

A global infrastructure network
CHINA’S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
SILK ROAD ECONOMIC BELT
MARITIME SILK ROAD
ECONOMIC CORRIDOR

Existing
Planned/under construction

OIL PIPELINE
GAS PIPELINE
RAILROADS
PORT
(IM)MORTALITY

Power over Life and Death
· NATALIE KÖHLE

Towards a Healthier Future
· CHEN MENGXUE
Harbin. November 2017. Sergio Canavero and Ren Xiaoping announced that the world’s first human head transplant was ‘imminent’. They had just completed an eighteen-hour rehearsal on two human cadavers, and now claimed to be ready for the real deal: the transplant of a human head from a living person with a degenerative disease onto a healthy, but brain-dead, donor body.¹

Ren — a US-educated Chinese orthopaedic surgeon, was part of the team that performed the first hand transplant in Louisville in 1999. Canavero, an Italian, and former neurosurgeon at the university of Turin, is the more controversial, maverick persona of the team. In addition to many respected scientific publications, he published *Immortal: Why CONSCIOUSNESS is NOT in the BRAIN*, which seeks to prove the existence of an eternal soul on the basis of near death experience, as well as two guides on seducing women. He also drops flippant references to Stalin or the Nazi doctor Josef Mengele.
Ren and Canavero see the head transplant, formally known as cephalosomatic anastomosis, as the logical next step in the trajectory of transplant surgery. They regard as their intellectual ancestors the Soviet surgeon Vladimir Demikhov, who on a number of occasions experimented with grafting the head and limbs of one dog onto another host dog in the 1950s, and the American Robert White, who performed monkey head transplants in the 1970s — and became the target of massive criticism by animal rightists and ethicists.

The consensus in the scientific community is that such an operation is still light years ahead of current skills and capabilities, and not backed up by sufficient, peer-reviewed research. Its success would hinge on the surgeons’ ability to connect the spinal cords of two different bodies, joining millions of nerves that are responsible for motor function and sensation. It would also depend on the unproven capacity of the human brain to adjust to — and gain control over — a new body and a new nervous system without suffering debilitating pain or going mad.2

So far, Ren and Canavero have transplanted the heads of numerous lab mice and one monkey, and they have also severed and subsequently mended the spinal cords of several dogs. Amazingly, some of the mice and dogs regained motor functions to some extent. Yet neuroscientists have yet to succeed in mending injured or severed spinal cords within a singular human
body, and Canavero and Ren have not proven that it is possible to preserve the mobility of a primate following a head transplant.

That said, Emeritus Professor of Neurosurgery at UCLA and editor-in-chief of Surgical Neurology International (SNI) James I. Ausman referred to Canavero and Ren’s project as a ‘quantum leap in Medical Science’, and praised them for having done ‘a superb job of establishing the foundation for this operation to proceed’ in a curious editorial for SNI. SNI is also the journal that features an entire section on ‘Head and Spinal Cord Transplantation’, in which most of the research on head transplant surgery, including the report on the recent trial run on two human cadavers, is published — edited by Canavero and Ren!

A recent issue of the American Journal of Bioethics — Neuroscience (AJOB Neuroscience), devoted entirely to a discussion of the project, was unanimously critical of it. Arthur Kaplan, head of medical ethics at the New York University medical school, expressed the general consensus of Western bio- and neuro-ethicists when he stated that the proposed head transplant was ‘both rotten scientifically and lousy ethically’. It poses daunting questions pertaining to personal identity including the legal definition of a person.

Ren and Canavero’s project hinges on the assumption that a person is defined by his (or her) brain. Research on the enteric nervous system (ENS) and the microbiome has brought this cerebro-centric view of personhood into question. The ENS is the second-largest nervous system in the body — often described as a ‘second brain’ in the gut. The microbiome is an ecological com-
Community of microorganisms including bacteria, fungi, and viruses that live inside the human organism, with a composition that is unique to each person. Recent research suggests that the ENS and the microbiome may be significantly responsible for an individual’s personality traits. Hence the hybrid to emerge from the head transplant could end up with competing personalities. They will also inherit the donor body’s gestures and movements, as well as most of his or her diseases.

Bioethicists have posed other questions as well. Some are relatively academic: if the recipient of the body transplant was married prior to the operation, would their spouse be breaking the marriage contract by having sex with them? Other observations are more practical: if the hybrid person subsequently has children, they would genetically be the children of the body donor. If the body donor previously had children, or other prior civil or contractual obligations or criminal liabilities, new legal definitions would need to be worked out to ascertain that the hybrid would not be accountable for them.

An added concern is posed by the historical lack of transparency regarding the sourcing of organ donors — and, by implication, donor cadavers — in China, the country that has hosted, funded, and authorised Canavero and Ren’s research toward the world’s first head transplant. China has a history of harvesting organs from condemned prisoners. Considerable reforms have been achieved since the state rolled out a nationwide voluntary organ donation system in 2013, and officially prohibited the use of organs from executed criminals in 2015. Noting that transplant patients need to take immunosuppressant drugs for life, a Washington Post investigation concluded that China’s consumption of immunosuppressants is roughly in line with the number of transplants of voluntarily donated organs it says it carries out. Allegations of prisoners continuing to be eligible for ‘voluntary’ organ donation persist. But former deputy health minister Huang Jiefu — an Australian-trained renal transplant surgeon and honorary professor at Sydney University’s medical school from 2008–2014, now in charge of the national commission overseeing the overhaul of the country’s organ donation system — insists that there is zero tolerance for such practices now, admitting that they may still continue to be carried out illegally here and there.
It is clear that Canavero and Ren could not carry out their research in Europe or the United States; the project would simply never get past a bioethics committee. They have responded to the criticism of their venture in AJOB Neuroscience, pointing out that their project is merely a final point in the trajectory of transplant surgery. While transplant surgeons Joseph Murray and Christiaan Barnard, who performed the world’s first kidney and heart transplants in 1954 and 1967 respectively, were subject to similar onslaughts of ethical and scientific criticism, the procedures pioneered by them are fairly standard today. Canavero and Ren further note the historically and culturally situated nature of Judaeo-Christian bioethics, claiming that there is a ‘cognitive rift’ between Western ethics and ‘pragmatic’ Chinese philosophy, or even ‘[t]he Chinese mind, which is problem-solving and speculation (and schoolyard squabble) averse’.11 In Canavero’s words: ‘Western bioethicists needed to stop patronising the world’.12 Adding that their ‘experimentation has been copious’ but that they have chosen to only make it available to relevant Chinese authorities, instead of sharing it with the international scientific community: ‘Since the West stubbornly refuses to look at the facts, there is no point in sharing innovative technology with other foreign parties’.13

Ren and Canavero’s portrayal of China as a country free of the shackles of ethical traditions that would hamper scientific enquiry betrays their ignorance. For one, there is no lack of material for constructing arguments against human head transplants in China’s philosophical and religious traditions, and there are Chinese ethicists who have applied themselves to that task.14 Moreover, the ethical guidelines that are in place in China, do not — at least on paper — differ substantially from international conventions.15 Indeed, Ren and Canavero’s project has also met with scepticism and objections from within China, voiced by medical ethicists at Peking University, and even Huang Jiefu himself.16

And yet, it is undeniable that in its bid for global leadership in biomedical research, China has kept crossing contentious lines: on 24 January 2018, the Nonhuman Primate Research Facility of the Chinese Academy of Social Sciences Institute of Neurosciences, Shanghai, reported having cloned two macaque monkeys, using the same technique that produced
Dolly the sheep. These monkeys are the first primates ever to be cloned, and signify a breakthrough in a technical barrier that brings humanity yet one step closer to the possibility of human clones. On 26 November 2018, American-trained Chinese scientist He Jiankui 贺建奎 shocked the world by revealing that he was responsible for the birth of the world’s first gene-edited babies in Shenzhen — twin girls whose DNA he modified with a tool called CRISPR-Cas9 in order to make them resistant to HIV. Shortly after, on 23 January 2019, the Institute of Neuroscience of the Chinese Academy of Social Sciences, Shanghai reported the birth of five CRISPR gene-edited macaque monkey clones — an ethical minefield combining the cloning of nonhuman primates with the application of CRISPR technology, creating a cohort of genetically altered monkeys with identical DNA to be used in laboratory research.

Considered dangerous for humans, CRISPR-Cas9 is also the tool that allows editing out the genes of pigs that trigger immune response in humans and to inactivate porcine endogenous viruses (PERVs) in the pig genome. These edits pave the way for so-called xenotransplants — that is, pig organs transplanted into human organisms. On 10 August 2017, scientists working for the Cambridge biotech start-up eGenesis (cofounded in 2015 by George Church — Harvard Medical School Professor and Core Faculty Member of Harvard’s Wyss Institute for Biologically Inspired Engineering — and his former doctoral student Yang Luhan 杨璐菡) reported the birth of 37 PERV-free baby pigs in China. They belong to
a breed of miniature pigs with organs just the right size for transplanting into human recipients. China is already home to the world’s biggest pig cloning farms, which are associated with a national xenotransplantation project involving ten research units and is funded by the central government. According to an informant to the *South China Morning Post* who wishes to remain anonymous, China is producing about 1,000 cloned piglets a year, with trials of pig organ implantation into primates ongoing. Xenotransplant scientists are presently waiting for the green light to commence clinical trials on transplanting pig organs into humans.

In view of all this, it appears that Canavero and Ren were not far off the mark in contending that ‘[t]he People’s Republic of China (PRC) is committed to achieving superpower status on all levels, including biomedical research. Chinese scientists are already leading in the field of gene editing, and the PRC is set to overtake the US as the foremost transplant country in the world by 2020; it also plans the first pig organ transplants by that date’. What we are seeing in China right now is the implementation of a global science, an early intimation of the challenges and possibilities for the future of humanity writ large. Bioethicists and medical doctors in China and the West would do well to collaborate in developing a shared ethical framework to set the parameters in which future experiments can take place.
IN THE SUMMER OF 2018, the movie *Dying to Survive* 已不是药神 stormed China’s domestic box office and sparked public discussion about the accessibility of medical treatment in China. The movie, which some film critics called ‘China’s *Dallas Buyers’ Club*’, is based on the true story of a leukemia patient smuggling in cheap anti-cancer drugs from India to help impoverished fellow patients who could not afford the expensive medication offered by Chinese hospitals. In the film, the smuggler is a divorced seller of Indian health supplements who does not have cancer himself. Within two weeks of opening in July, it had already become one of the highest grossing films in the history of Chinese cinema. The story resonated with Chinese people as it depicted how quickly even a middle-income family could be dragged into poverty by medical bills, and how being struck by illness and poverty at the same time can be devastating.

The timing of the movie’s release coincided with a series of actions by the Chinese government to lower the price of cancer drugs. It removed the tariff on imported cancer medication on 1 May 2018 and reduced the VAT (value-added tax) from seventeen per cent to three per cent. (The majority of anti-cancer drugs on the Chinese market are manufactured by US and European pharmaceutical companies.) Shortly after the movie’s premiere, the newly established Chinese National Medical Insurance Bureau summoned representatives from ten foreign and eight domestic pharmaceutical com-
Policies and Priorities

In recent years, the Chinese government has made public health a central policy priority. At the Nineteenth National Congress of the Chinese Communist Party (CCP), President Xi Jinping announced the Healthy China initiative, which aspires to provide full life-cycle health services to Chinese people, promote healthy lifestyles, and modernise hospital management (including making all public hospitals non-profit by 2020). As Xi said at the 2016 National Health Conference held in Beijing in August 2016, ‘Prosperity for all is impossible without health for all’. Indeed, good population health is the prerequisite for development, as poor health hinders both individual and national development by reducing productivity, and inequity in health status and accessibility of health services may lead to social frictions and unrest.

Along with economic indices such as GDP and GNP, population health is an important indication of a country’s level of development. In the past four decades, much improvement has been made in China’s population health. Data from the World Bank and the UN released in 2018 shows that aver-
age life expectancy in China increased from 65.5 years in 1978 to 76.3 years in 2016, while the national infant mortality rate (IMR) declined from 55 per 1,000 live births in 1977 to eight per 1,000 live births in 2017. (In Japan, by way of comparison, life expectancy in 2016 was 84.2 years and the IMR was two per 1,000 live births in 2017; while in Nigeria, life expectancy was 55.2 in 2016 and IMR was 65 per 1,000 live births in 2017.)

However, within China there are still large urban–rural disparities in health outcomes and access to health services. In 2015, the rural IMR in China was 9.6 per 1,000 live births, more than twice as high as the urban IMR of 4.7. The rural population lags behind their urban counterparts from an epidemiological perspective as well. The urban population today mainly suffers from degenerative diseases and lifestyle-related diseases including strokes, heart failure, and cancer, while the rural population, particularly in western China, still suffers from infectious and parasitic diseases, as well as respiratory and digestive ailments that can be prevented through better sanitary conditions and diet.

The inequality in health is rooted in unbalanced regional development and inequality in people’s socioeconomic status. Poverty and limited access to public health resources are inextricably linked to poor health outcomes, due to crowded living conditions, malnutrition, lack of access to clean water and sanitation, and vulnerability to extremes of temperature and weather. The poor are often exposed to greater risks from their living and working environments too, as they usually have limited options in life. Worse still, once the poor become ill, the high cost of medical treatment can prevent them from getting proper treatment and achieving full recovery. The loss of potential earnings from taking time off work, and even losing employment due to illness, can destroy the savings of even a moderately well-off family.

**Historical Background**

Public health service and welfare are important factors that influence population health. When the People’s Republic of China was founded in 1949, people living in rural areas had scarce access to medical resources. In 1951, the central government encouraged health workers and epidemic prevention personnel in villages to pro-
vide basic healthcare to local villagers. By 1957, according to the World Health Organisation, there were some 200,000 village doctors in China.

In 1968, two years into the Cultural Revolution, Chairman Mao Zedong 毛泽东 introduced the Barefoot Doctors 赤脚医生 program, which provided several months of minimal medical training at county-level hospitals to 1.5 million healthcare workers who were originally second school graduates or farmers with some medical knowledge. As part of the Rural Co-operative Medical Scheme (RCMS) 农村合作医疗计划, funding for barefoot doctors' wages, medicines, and medical instruments came from the commune's collective welfare fund, as well as local farmers' contributions (about 0.5 to two per cent of their annual income).

The barefoot doctors provided basic medical care and education about disease prevention to the approximately eighty-two per cent of the Chinese population that lived in rural areas at that time. The system modelled a practical approach to primary healthcare for other low-income countries in the world. According to data from the World Bank, China's average life expectancy increased from 43.7 years in 1950 to 66.4 years in 1979. Both the RCMS and the system of barefoot doctors collapsed with the economic and administrative reforms implemented in the agricultural sector in China in the 1980s, including the end of the commune system. But in the meantime, the government did not implement any new rural medical insurance schemes to replace the RCMS and barefoot doctors system.

From the 1990s into the early 2000s, the majority of people living in rural areas (96.3 per cent in 1993 and 87.32 per cent in 1998) were not covered by any form of national health insurance scheme, and were responsible for all their healthcare costs. At around the same time, the drastic decreases in government subsidies for the public health sector and subsequent marketisation of public health facilities turned them into profit-seeking entities. The government began to allow drug prices to be set above cost, approving hospitals and other health facilities to earn a fifteen per cent profit margin to help their financial survival. The cost of medical treatment started to rise disproportionately to income gains, and rural families with patients were negatively affected, some even dragged back into poverty by medical bills.

To address these and numerous other issues, in 2002 the government...
initiated the New Rural Co-operative Medical Scheme (NRCMS). It improved medical insurance coverage in the rural population: by 2015, 670 million, or 98.8 per cent of the rural population were covered by the NRCMS. However, the absence of a national health insurance scheme in the rural sector from the 1990s to the early 2000s continues to have a profound influence on rural population health outcomes.

Realities

Though the NRCMS has been established to reduce the financial burden of medical cost for the rural population, great disparities persist in the distribution of medical resources and access to healthcare between urban and rural populations in China. According to the National Bureau of Statistics, the number of hospital beds per 1,000 people in the rural areas was 1.35 in 2017 — far below the national average of 5.72. In the remote areas, there may be only one or two doctors to serve a community of thousands, and in some counties, half of the villages have no doctors at all.

Many village doctors today are original barefoot doctors or their offspring. They typically work in small, shabby, and poorly equipped clinics, and spend hours hiking, sometimes over mountain paths, to make home visits. Some supplement their fees through pharmaceutical sales, or moonlight selling groceries, for example, to make ends meet. Although the
central government has subsidised the salaries of village doctors since 2016, but the funds are administered by local governments and doctors from many places have complained that the local governments do not always pass on the funds, tying up the process of applying for them in red tape. Data from the National Health and Family Planning Commission shows that the number of village doctors has continued to decline since 2011.8

The population of village doctors is also rapidly ageing. Few medical students are drawn to the rural medical workforce with its harsh working conditions and low salaries. With the rapid ageing of China’s rural population and rising demand for medical care, the dwindling number of village doctors will share a much heavier burden in the foreseeable future.

In the past, the government had the power to assign graduates to work in remote areas, but that is no longer the case. Instead, from 2010, the Ministry of Health initiated a scholarship program to fund the education of around 6,000 medical students nationwide each year on the condition that they agree to work in clinics in remote rural areas after graduation.

The unbalanced distribution of medical resources also places extra
burdens on the town hospitals. Rural patients who cannot be cured in their small village clinics (which provide very basic medical care) may have to travel for hours or even days to get to the nearest hospital. In many cities and towns across the nation, it is extremely difficult to get an appointment with hospital doctors — queues are long, and even patients with more serious problems can wait for days or months for a hospital bed to become available, so that they can be admitted as an inpatient. Many doctors in these large hospitals are overwhelmed by their heavy workloads; many have to work sixty to eighty hours each week. These pressures, felt by both sides, has led to a nationwide deterioration of doctor–patient relationships, and the past decade has seen frequent reports of violence against doctors. The problems caused by a weak rural healthcare system are spilling over into the urban sector to become a potential threat to China’s overall public health system.

Policy-makers are beginning to act to address this crisis. Poverty eradication and population health improvement were mentioned as two important goals for national development at the Nineteenth National Congress of the CCP. In recent years, President Xi Jinping made clear the intention to eliminate poverty in China by 2020 and to ensure equity in access to healthcare can be basically achieved by 2030. The Health China 2030 initiative proposed in 2016 set 17 goals, 169 targets, and named 231 initial indicators in public health as milestones to be achieved in 2030. It is the first medium- and long-term national strategic plan in the health sector since the country’s founding in 1949.

Eliminating Poverty: The Prerequisite to Health

Forty years ago, over 80 per cent of China’s population, then 770 million, lived under the national poverty line. In 2017, 30.46 million people in the rural area lived under the poverty line, which accounts for about 3 per cent of the total population. By lifting over 700 million people out of poverty in the past 4 decades, China has contributed more than any other country to global poverty reduction and the achievement of the first of the UN’s Millennium Development Goals — the eradication of extreme poverty and hunger.

In the past thirty years, the government has revised the poverty
threshold almost every year: from 206 yuan (annual income) in 1985 to over 3,000 yuan in 2017. Central and local governments have invested trillions of yuan towards the eradication of poverty; the government’s special fund for poverty reduction reached 106 billion yuan in 2018. Investments were made in infrastructure, such as road and water conservancy projects, and subsidising healthcare and education. In some places, local governments promoted the development of tourism and other business by making available low-interest microloans in state-owned development banks for villagers to build their own small businesses and even sell local goods online to benefit from China’s e-commerce boom.

Simply raising the living standards of people in rural areas and improving the accessibility of health services reduce the morbidity rates of preventable diseases and improve people’s health. Yet hard work remains ahead for China to eradicate poverty. Among the forty-three million people living below the national poverty line, including in urban areas, ten million suffer from disabilities; they have even fewer resources and far more barriers to lifting themselves out of poverty. Just as poverty engenders poor health, poor health engenders poverty, creating a vicious cycle, exacerbated by the insufficient supply of healthcare services and the dearth of healthcare workers in the poorest regions. The inequality in health, rooted in income, wealth, and socioeconomic status in general, is certain to cause social friction and spark moral debates and soul searching in the foreseeable future. The popularity of Dying to Survive shows that this issue is one close to people’s hearts. The related problems of more equitable healthcare delivery and poverty alleviation need to be redressed before China can become a truly great global power.
The State Advances, the Private Sector Retreats

Ben Hillman
THE STATE ADVANCES,
THE PRIVATE SECTOR RETREATS

Ben Hillman
IN THE LATTER PART OF 2018, China’s State President and Communist Party (CCP) General Secretary Xi Jinping 习近平 made a series of widely reported public statements about Party support for the private sector. He appeared on television in an interview alongside Politburo member, Vice-Premier Liu He 刘鹤 — a key architect of China’s current set of economic and financial policies — and convened what Hong Kong’s South China Morning Post described as an ‘unprecedented forum’ to hear the views of business representatives.¹ The Party, Xi reassured his audience, placed equal importance on private enterprises and state-owned enterprises (SOEs).
State media called Xi’s media blitz an ‘anti-anxiety pill’, an antidote to a growing sense of unease among China’s business community about the rapid expansion of SOEs at the expense of the private sector. An online essay published by former investment banker Wu Xiaoping 吴小平 in September 2018 had added to entrepreneurs’ alarm by suggesting that having helped advance China’s economy, the private sector should now fade away.\(^2\) Even though online commentators poured ridicule on the essay, the viral attention it received was a reminder that in China, where the state wields much of its power through direct control of economic activity, private enterprise can still feel ideologically vulnerable. Anti-private business sentiment has been on the rise in recent years, not only on the fringe of policy debate, but also in the corridors of power. A growing chorus of leftist intellectuals have called time on private business. Earlier in the year, Zhou Xincheng 周新城 — a professor of Marxism at the Renmin University of China — wrote in the Party theoretical journal *Qizhi* 旗帜 that ‘Communists can sum up their theory in one sentence — eliminate private ownership’.\(^3\)
In 2018, China celebrated the fortieth anniversary of economic reform and an ‘open door’ to the outside world 改革开放 — the policy shift that began turning the country from an impoverished economic backwater into the global economic powerhouse that it is today. Central to the economic reforms was the enabling of private enterprise. One of the first reforms was to allow farmers to sell surplus produce on the open market. Village and collective enterprises soon emerged and larger industrial corporations eventually followed. Private enterprise has become an increasingly important part of China’s growth story for the past forty years, contributing to an estimated sixty per cent of GDP growth and generating ninety per cent of new jobs in 2017.\(^4\) According to CCP ideology, however, a successful private sector is not the endgame for economic policy, but a stage in the country’s progress toward communism. Party theorists under Deng Xiaoping 邓小平 justified the economic reforms by arguing that China was at an early stage of socialism and needed to adopt market policies to boost economic growth before a more egalitarian socialist society could be created — a theory that became known as Socialism with Chinese Characteristics 中国特色社会主义.

Since coming to power, Xi Jinping has reaffirmed the centrality of Party ideology, rebranding it Socialism with Chinese Characteristics for a New Era 新时代中国特色社会主义. Some of the elements of Xi’s New Era are already apparent. Politically, China has become more authoritarian. Xi has overseen a strengthening of the Party and the state apparatus through which he and the Party wield power. Political opponents and dissenters have received harsh treatment. Obedience is demanded of civil society and academia. As many as a million Uyghurs and Turkic Muslims have been incarcerated in ‘re-education’ camps to purge them of loyalties and values external to official ideology.\(^5\) (See Chapter 4 ‘Internment and Indoctrination — Xi’s “New Era” in Xinjiang’, pp.98–111.) In the economic realm, Xi’s policies have strengthened state control of the economy by empowering SOEs, which has diminished the value of private firms — a phenomenon popularly expressed as ‘the state advances, and the private sector retreats’
国进民退. In 2018, private sector profits were down twenty-two per cent year on year — their biggest decline since 1978. By contrast, SOE profits were up seventeen per cent in the first ten months of the year. This development is a major reversal of the trend of the past three decades, during which time private firms’ return on assets has been consistently higher — as much as triple — than that of state-controlled firms.

‘What Good is Your Money?’

Shortly after Xi made his morale-boosting remarks, I met with local entrepreneurs in Yunnan, in south-west China. At a dinner with local businessmen, some of whom I had known for many years, Xi’s remarks were the subject of lively debate. My fellow diners agreed that conditions for the private sector, such as access to finance and government contracts, were the worst in living memory, and that this was a result of Xi’s preference for SOE-led economic growth. The diners did not agree, however, whether Xi’s more recent, reassuring remarks signalled a favourable policy shift.

‘The problem is that the Centre always says what you want to hear, but there’s a big gap between what they say and what they do’, remarked the owner of a small construction firm. ‘Yes, well at least they’re saying it’, said another. ‘So I guess the comments are progress of sorts.’ Others spoke of ongoing mistrust of business, quoting old sayings that disparage business such as ‘if it’s not crooked, it’s not business’ 无奸不商. They linked it to both Confucian values, which placed the merchant below everyone but soldiers in the social hierarchy as well as ideology, and the power differential in China’s politics-in-command economy. As one of them put it, ‘what good is your money if a low-level Party cadre can halt your activities with a stroke of a pen?’

After years of special treatment for SOEs, it appears that China’s economic policy has reached the same critical juncture as in the early 1990s, when the Party lunged to the left in response to the crisis in 1989, after
people took to the streets first to protest corruption and then to demand democracy and a free press before the army’s violent suppression of the movement. As the Party-state moved to assert control over the private social and economic activity that they perceived had led to the chaos, it took paramount leader Deng Xiaoping’s trip to the Shenzhen Special Economic Zone (SEZ) in 1992 — a historic trip now popularly referred to as Deng’s Southern Tour — to reassert the Party’s support for economic reform and an ‘open door’ to the outside world. A pro-business official at the table that night predicted that 2018, forty years after the start of the reform era, would be remembered as the year in which China’s leaders either confirmed their commitment to economic liberalisation or decided that state capitalism was their preferred path for economic development.

In the Yunnan locality where the dinner took place, the local economic situation was dire. Over the past two decades, tourism had taken over from mining as Yunnan’s main economic driver, allowing private enterprise to flourish and outpace the SOEs that had previously dominated the local economy. In Zhongdian — a county in Diqing Tibetan Autonomous Prefecture that changed its name to Shangri-la in 2001 — local authorities offered tax breaks and other concessions to tourism-related enterprises. One firm helped the county develop and promote a circuit of scenic spots, including a gorge along the upper reaches of the Yangtze River, a series of
The State Advances, the Private Sector Retreats

Ben Hillman

limestone terraces, and a turquoise-blue lake ringed by forest. At each site, the company managed visitor access, making improvements to paths and steps, and erecting ticket gates to collect entrance fees. In return for an agreed annual rent to the county government, the company collected and kept all the revenue from ticket sales.8

Tourism began driving rapid economic growth in Yunnan province. Between 2006 and 2016 the value of the province’s hotel and catering industry increased by 600 per cent, from AU$1.6 billion to AU$9.6 billion.9 In Shangri-la, local entrepreneurs, sometimes in partnership with outside investors, built hotels and guesthouses in the town centre. Hundreds of townsfolk opened small shops and eateries. Others developed new products such as local herbal medicines and dried meats to sell to tourists. One local Tibetan man made a fast fortune by selling locally produced Tibetan knives; he proudly displayed his newfound wealth by driving the first Hummer to hit the county’s streets.

The county government established an SEZ along its southern border, close to the bigger and more prosperous city of Lijiang. Low taxes, cheap land, and abundant hydropower attracted new private enterprises, including a barley wine distillery and food processing plants. A growing number of tourists, and government expenditure kept the economy pumping.

As Beijing began investing more in regional infrastructure, opportunities for private business increased. Big construction firms moved in from outside the region, but local subcontractors sprung up, too. When I first visited Shangri-la in the early 2000s, one of the richest men in town was the Tibetan owner of a concrete factory who had not attended school past the fourth grade. The region’s private sector expanded rapidly during the 2000s, generating jobs that were often difficult to fill.10 (See my Forum ‘Shangri-la and the Curse of Xi Jinping’ in the China Story Yearbook 2017: Prosperity, pp.71–75, for more details.) In the early days of tourism development, the best jobs were taken by Han Chinese, but opportunities eventually spread to ethnic Tibetans and other groups.11
Cleaning Up

The private sector boom rolled on until Xi came to power in 2012. Xi’s anti-corruption campaign hit hard as extravagant local government spending, including on state-sponsored travel, was reigned in, and the local gift economy shrank. These developments, and a crackdown on dodgy tour operators in 2015, dealt a major blow to the local tourism industry. Yunnan had become notorious for cut-price holiday packages, which unscrupulous operators often sold below actual cost to unsuspecting tourists, in the expectation that profits would be recouped from commissions delivered by shopping centres selling souvenirs and local produce set up along highways for the specific purpose of syphoning cash from tour groups.

In Diqing, a lucrative way to extract cash from tourists was to sell them local herbal remedies such as the prized caterpillar fungus, literally worth more than its weight in gold. The scams here are similar to those in many other parts of China. As tourists are ushered into the roadside warehouses, a fake shopper known as a *tuo* 托 would appear, and, speaking in the group’s native dialect, exclaim the value and quality of the fungus being sold. The *tuo* would order a large quantity, the group’s guide might...
add that this was the best place to buy the prized herb, and the tuo would then encourage the shoppers to have the fungus ground into a powder for easier transport and preservation. During the grinding process, the shop assistant would substitute different, less valuable herbs. The local operators, including the guides, would then make their profits from shopping commissions and rip-offs.

Following an incognito trip to the province’s tourism hot spots in 2015, Yu Fan 余繁, the Yunnan Deputy Party Secretary responsible for tourism, recommended urgent action to clean up the travel business. The Provincial Governor, Ruan Chengfa 阮成发, issued an order to close all such souvenir warehouses. In the words of one travel guide I spoke to, provincial officials succeeded, ‘a little too well’. The rip-off joints were effectively shut down, but instead of changing their business models, they simply moved to the neighbouring provinces of Guanxi and Guizhou, where standards were as lax as they had previously been in Yunnan.

As visitor numbers declined, hotels and restaurants started going bust. Private owners of ticketed attractions sought to offload their assets. The only buyers were cash-flushed SOEs. The Yunnan Tourism Investment Company swooped on Shangri-la’s top attractions, including Tiger Leaping Gorge and the Snub-nosed Monkey Reserve in neighbouring Weixi County. Diqing’s regional tourism investment company purchased the Balegezong Gorge, a premier tourist attraction, only to on-sell it to the bigger investment company owned by Yunnan province itself. As one local businessman observed: ‘it’s like watching fish being eaten by bigger and bigger fish’.

**The Big Fish**

In the past few years of studying economic development in the south-west, I have observed the SOE juggernaut re-establish the state’s predominant position in the local economy. Energised by easy access to cheap capital
and Xi Jinping’s pro-SOE policies, local or provincial-level investment companies, originally established to fund investment projects in line with Party policies, quickly expanded, setting up subsidiaries and buying up assets. In Diqing, the Yunnan Construction and Investment Holding Group, the City Construction Investment Company, the Yunnan Energy Investment Company, and the Yunnan Cultural Industries Investment Company all seem to have sprung up overnight, with their shiny new offices in the centre of Shangri-la’s expanding town. Within a few years, these SOEs have become major players in the regional economy.

As economic conditions worsened for private businesses, they turned to banks for loans, but were often refused — the SOEs having hoovered up local banks’ available capital. Under Xi, banks across China have tightened their lending standards — especially when it comes to private firms. As one ex-local banker told me,

> These days, if you lend a businessman money and he defaults, you will be suspected of corruption and investigated. If you lend an SOE money and it can’t meet repayments, the leaders will arrange for countless extensions. If the SOE defaults it’s nothing more than an internal administrative problem. The bank won’t be blamed. So why would banks lend to private firms when SOEs are so hungry for capital?

Chinese banks typically require private firms to pay a deposit of equal value to the loan amount or provide collateral of up to four or five times the value of the loan. As in other parts of China, some firms use equity (stock) in their company as collateral, forfeiting ownership if they default. Through such defaults, SOEs across China have been able to buy private firms and their assets on the cheap.

One hotel owner I spoke to had mortgaged his house to secure a business loan, estimating his house to be worth more than double the loan amount. He was further required to demonstrate sufficient cash flow to meet scheduled repayments. Other local business owners were unable to
meet such stringent bank requirements and were thus denied loans, forcing them to either sell up or turn to private money lenders. Private money lenders, often connected to organised crime, are ubiquitous in China. As my hotelier friend told me, ‘I can make a phone call today and get a bag of cash delivered tomorrow. It will cost me twenty to thirty per cent in interest. I don’t want to do this if I can avoid it. If I can’t make repayments I’d be in big trouble.’ In the past few years, as many as four Diqing business owners who were unable to repay debts, including a restaurateur I knew personally, committed suicide.

In response to the economic downturn, the central government has pulled the fiscal stimulus levers, providing grants for infrastructure and rural development. In Diqing, work began on a railway in 2014 and on a 200-kilometre above-ground freeway in 2017 (both scheduled for completion in 2020). But local entrepreneurs say that the fiscal stimulus provided little respite for the private sector because the benefits mostly went to SOEs. As one prefecture official explained, ‘SOEs are winning the contracts because the government thinks they are low risk. The contracts are subject to less scrutiny, and if something goes wrong it can be fixed politically. When government funds take time to arrive, the SOEs can borrow against the contracts and start work immediately.’ The Yunnan Construction and Investment Holding Group, founded only in 2016, now dwarfs other enterprises in Diqing. It holds the freeway and railway contracts, worth a combined total value of 100 billion yuan (AU$22 billion), and also spent a staggering 1.2 billion yuan (AU$250 million) to build the world’s largest stupa at the entrance to the town. In late 2018, the company began digging the founda-
tions for an enormous expansion of Shangri-la’s old town centre, doubling the size of the recently constructed ‘old’ town.

There’s another reason for the rise of SOE-led development. Under Xi, the Party Organisation Bureau — the agency responsible for vetting and promoting key Party officials — has strengthened the practice of rotating officials between regions. This practice dates back to dynastic times, and was intended to inhibit graft by preventing officials from getting too close to the people in their jurisdiction; for this reason, too, mandarins were not allowed to serve in their home towns. Party secretaries used to be local residents. This is less likely these days. Local cadres are no longer so closely connected to the political and economic networks through which spoils might be shared. According to a former official at the local Department of Commerce, ‘rather than deal with local economic interests, outsider Party secretaries are more likely to bring in SOEs’.

Local entrepreneurs can still pick up subcontracting work from SOEs, but their profits were squeezed to such an extent that it is not worth it. And SOEs are expanding so rapidly they are moving into spheres of economic activity that had once been the exclusive domain of the private sector — for example, boutique hotels and resorts. Their resources and political connections have made SOEs formidable competitors. One hotelier told me he had been fined a large sum by the police because a staff member had made a mistake when entering a foreign guest’s passport number into the police-controlled online guest registration system. He maintained that no SOE-run hotel would have been subjected to such a fine.

Who Will Advance, and Who Will Retreat?

In the face of such pressures, some local businessmen have decided to retire, investing their money in stocks and mutual funds. In other parts of China, some entrepreneurs would prefer to invest abroad, but capital controls have made this difficult.
‘By far the best option for many businesspeople is to sell to an SOE or enter into a partnership with an SOE’, my local government informant asserted. When I asked him about Xi’s pro-business reassurances, he said, ‘it is going to take much more than promises’. He suggested that local governments, banks, and SOEs would need to change their behaviour, with local Party bosses made responsible for the survival of the private sector. ‘Over the next twelve months, we will see whether the Party intends to reverse the policy of “the state advances, and the private sector retreats”.’

I reminded him of his earlier remark about the Party having come to a crossroads similar to that it faced in 1992 when Deng embarked on his Southern Tour. Perhaps Xi might similarly choose the path of liberalisation. ‘I don’t think so,’ he responded. ‘The SOEs have become a very powerful tool for the Party. But in China you never know what will happen.’
With Great Power Comes Great Responsibility
CHINA'S BELT AND ROAD INITIATIVE

A global infrastructure network including:

- Railroad
- Port
- Gas pipeline
- Oil pipeline

Existing, Planned, Under construction
CHINA'S BELT AND ROAD INITIATIVE
A global infrastructure network

LEGEND
- SILK ROAD ECONOMIC BELT
- MARITIME SILK ROAD
- ECONOMIC CORRIDOR

Existing
- OIL PIPELINE
- GAS PIPELINE
- RAILROADS
- PORT

Planned/under construction
- RAILROADS
- PORT
WITH GREAT POWER COMES GREAT RESPONSIBILITY

The Power of Giving: China Deepens Involvement in Refugee Affairs
· SONG LILI

Protecting Citizens Overseas: The Policy, the Power, and now the Movie ...
· PETER CONNOLLY
The Power of Giving: China Deepens Involvement in Refugee Affairs

Song Li

Song Li
At the beginning of 2018, there were 68.5 million displaced people worldwide, including 25.4 million refugees — the highest number in the sixty-eight-year history of the Office of the United Nations High Commissioner for Refugees (UNHCR). In June 2018, the UN published the final draft of the Global Compact on Refugees — a follow-up on the New York Declaration for Refugees and Migrants that was unanimously adopted by 193 states at the UN Leaders’ Summit for Refugees and Migrants in 2016. The UN General Assembly adopted the Global Compact on 17 December 2018, the US and Hungary being the only states having voted against it.

In August 2018, the US reduced its contribution to the United Nations Relief and Works Agency for Palestinian Refugees in the Near East — the UN agency mandated to support the five million Palestinian refugees in the Middle East — by eighty per cent. The US is the largest donor and most influential actor in the international refugee protection regime, but, under President Trump, it has reduced its commitments to helping refugees generally; in September, Trump announced that he would cap the refugee intake in 2019 at 30,000, down from 110,000 when he took office.

As in other areas where the US is in retreat, China has stepped forward. China’s involvement in the international refugee protection system increased notably in 2018. China acceded to the 1951 Refugee Convention and the 1967 Refugee Protocol in 1982. But it has long been perceived mainly
China has generally maintained a low profile as a refugee-generating country, and has demonstrated interest in greater involvement in refugee affairs. Leading scholars in refugee studies have noted that China is one of the most potentially influential actors in the international refugee protection regime.1 Having pledged to provide additional funds to aid international refugee assistance efforts at the 2016 UN Summit for Refugees and Migrants and the 2017 Belt and Road Forum for International Cooperation, in 2018, China funded an unprecedented number of refugee aid projects in Asia and Africa, and gave much publicity to its refugee aid as well. This included:

2. US$2 million for a program that upgraded essential services at Syrian refugee camps in the Kurdistan region of Iraq, through the UNHCR.
3. Funding for the rehabilitation of a community center for Palestinian refugees in Baghdad, through the UNHCR.
4. US$2 million for the provision of food and other materials to refuges in Ethiopia, through the World Food Programme (WFP).
5. US$6 million to aid refugees and drought-affected people in Ethiopia, through the WFP.
6. US$1 million to Syrian and Iraqi refugees in Iran, through the WFP.

China is also emerging as a destination and transit country, and has generally maintained a low profile as a refugee-generating country, and has demonstrated interest in greater involvement in refugee affairs. Leading scholars in refugee studies have noted that China is one of the most potentially influential actors in the international refugee protection regime.1 Having pledged to provide additional funds to aid international refugee assistance efforts at the 2016 UN Summit for Refugees and Migrants and the 2017 Belt and Road Forum for International Cooperation, in 2018, China funded an unprecedented number of refugee aid projects in Asia and Africa, and gave much publicity to its refugee aid as well. This included:

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6. US$1 million to Syrian and Iraqi refugees in Iran, through the WFP.
US$1.5 million to Syrian refugees in Jordan, through the WFP

US$500,000 to Syrian refugees in Lebanon, through the WFP

About US$500,000 for the safeguard of food security at refugee camps in Zimbabwe, through the WFP

Offering to provide further humanitarian assistance, including emergency material aid and construction of facilities, to Rohingya refugees in Bangladesh.

The fact that China made public pledges to fund refugee assistance projects and formed partnership with various international organisations to channel Chinese aid suggests a desire to be seen by the international community as an active contributor to the international refugee protection regime. This represents a shift from its previous low-key approach. At the 2017 Belt and Road Forum for International Cooperation, President Xi promised to provide US$1 billion to international organisations for refugee-related projects in Asia and Africa, so China’s monetary aid to refugees is likely to grow in the coming years.

Besides humanitarian assistance, in 2018, China continued with its offer to mediate between Bangladesh and Myanmar on Rohingya refugees. It had already proposed a three-phase solution to the Rohingya refugee crisis in September 2017. This is one of the few occasions where China has actively sought to play the role of mediator, as the principle of non-interference has long been a cornerstone of Chinese foreign policy.

As pointed out by international and Chinese commentators, several factors have probably contributed to China’s deepening involvement in the international refugee protection system. First, China has an interest in the stability of countries along the Belt and Road, especially where there are growing Chinese investments, which includes Bangladesh. Second, China’s increasing involvement is consistent with its perceived ambition to position itself as a provider of public services and solutions to global problems.

Third, the international community, especially the UNHCR, the European Union, Germany, Malaysia, and Bangladesh, has actively sought to engage China in issues around refugee protection.

China’s treatment of refugees and asylum seekers within China is another story. As of October 2018, the Chinese government does not process
refugee claims, provides very limited financial support to refugees identified by the UNHCR, and does not allow them to work.18 Refugee advocates also criticise China’s reluctance to grant the UNHCR access to North Korean escapees and displaced ethnic Kokangs and Kachins from Myanmar. If China aspires to establish itself as a solution provider in global refugee affairs, it will have to convince the international community that it upholds the core principles of refugee protection, including the principle of non-refoulement.

China may not be purely altruistic in its funding for international refugee protection. Yet its external refugee policies are set to make a major contribution to refugee welfare. Through constructive dialogue and strategic partnerships, the international community may be able to engage China even more deeply in the future in this matter of great global concern.
Protecting Citizens Overseas: The Policy, the Power and now the Movie. …
Peter Connolly
The increasing number of Chinese citizens living, working, and travelling abroad has created an obligation for the People’s Republic of China (PRC) to protect them. The Chinese leadership had previously accepted that, in most cases, other powers would evacuate Chinese citizens along with their own from situations of unrest abroad. But this has changed in the last decade, leading to new policies and capabilities which have in turn generated new expectations among the Chinese population. This phenomenon can be explained as the response of a rising power needing to protect its people and interests overseas as its influence expands. It could also be seen as a justification for the projection of power to underwrite China’s growing stake in world affairs. A recent and highly nationalistic genre of Chinese movies uses the former to explain the latter, in a clear move to establish such operations by the People’s Liberation Army (PLA) as ‘the new normal’ for both domestic and international audiences. 

Policy and Precedent

China’s 1982 Constitution expresses the state’s intention to protect its people and interests abroad. But it didn’t have the capacity to enforce its policy of Overseas Citizen Protection 海外公民保护 until this century. The stimulus for change arrived in 2004, when fourteen Chinese workers were killed in Afghanistan and Pakistan. The domestic uproar caused the Chinese Commu...
nist Party (CCP) to acknowledge that large numbers of Chinese were living in high-risk environments overseas.¹

As a study by the Stockholm Peace Research Institute (SIPRI) reveals, China started to conduct small-scale evacuations using non-military means to extract citizens in times of crisis or disaster from the Solomon Islands, Timor-Leste, Tonga, and Lebanon in 2006; Chad and Thailand in 2008; and Haiti and Kyrgyzstan in 2010.² Prior to this, the only evacuations of note had been from Indonesia in the mid-1960s and Kuwait in 1990. The largest Chinese evacuations to date occurred in 2011, during the Arab Spring uprisings, when China retrieved 1,800 citizens from Egypt, 2,000 from Syria, and 35,860 from Libya, along with 9,000 from Japan after the Tohoku earthquake. According to SIPRI, the 48,000 Chinese evacuated in 2011 equalled more than five times the total number evacuated between 1980 and 2010.

The evacuation from Libya was the first to significantly involve the PLA, largely in a coordination role, with limited assistance from the PLA Air Force and the PLA Navy. This operation saw 35,860 overseas Chinese evacuated over twelve days using seventy-four civilian aircraft, fourteen ships, and approximately one hundred buses.³ This gave China’s military reason to purchase more amphibious and airlift capability for contingencies where civilian charter would not be possible, such as in land-locked countries or higher threat environments.⁴

The evacuation from Yemen in 2015, carried out exclusively by the
military, was the first time the Chinese navy had evacuated citizens of other countries as well. Between 30 March and 2 April 2015, the naval command diverted a Chinese flotilla of three PLA Navy vessels from a counter-piracy mission in the Gulf of Aden to the port of Aden. They evacuated 629 Chinese nationals and 279 foreign citizens from fifteen other nations to Djibouti. Chinese observers viewed the operation as a successful demonstration of the navy’s new rapid-reaction capabilities, developed through missions in the Gulf of Aden and off the Somali coast.

Capability and Expectation

As China’s state and non-state overseas interests have grown, so have the military’s ability to protect them and the expectations of an expanding, social media-savvy middle class that it will. The geostrategic requirements of Xi Jinping’s Belt and Road Initiative are reflected in China’s Military Strategy 2015, which required the PLA to develop a force structure able to ‘protect the security of strategic Sea Lines of Communication and overseas interests’. Accordingly, the Central Military Commission decided to expand the PLA Marine Corps from 20,000 to 100,000, with many stationed overseas. A significant portion of these marines will be based at China’s first declared overseas military bases, in the port of Obock in Djibouti, and more are likely to be based at Gwadar in Pakistan. They will protect Chinese oil imports from the Middle East at strategic nodes along the Belt and Road.

The Marine Corps and bases are part of China’s strategy of ‘far seas

Platforms that Chinese Marines could use for evacuation operations: a PLA Navy Type 071 ‘Yuzhao’ Class Amphibious Transport Dock, which carries four Type 726 ‘Yuyi’ Class Hovercraft

Source: Asi Times, Flickr
Protecting Citizens Overseas: The Policy, the Power, and now the Movie …

Peter Connolly

protection' 远海护卫, which requires the navy to safeguard overseas interests, including resources, strategic sea lanes, overseas citizens, investments, and commercial entities. It has led to the development of a blue-water navy capable of operating globally with aircraft carriers and amphibious capabilities.12

A New Movie Genre13

As China’s security posture and foreign policy become more assertive, stories about evacuation operations communicate these capabilities to the Chinese population and to the world. The 2017 blockbuster Wolf Warrior II 战狼II, set in an unidentified war-torn African country (in a loose reference to the Libyan evacuations of 2011), became Chinese cinema’s highest earning film ever. It tells the story of a Chinese special forces soldier who comes out of retirement to fight Western mercenaries and facilitate the evacuation of a group of distressed Chinese.14

China’s official foreign policy is that of non-interference in other nations’ affairs. The movie’s tagline suggests the very opposite: ‘Whoever offends China will be killed no matter how far away the target is’ 犯我中华者虽远必诛.15 The final frame of the movie reinforces the expectation that China will use its power to protect its increasing interests abroad. On the back cover of a PRC passport, the following is written in Chinese characters: ‘Citizens of the Peoples’ Republic of China: When you are in danger overseas, don’t give up! Remember, behind you, there is a powerful motherland’ 中国人民共和国人民：当你在海外遭遇危险，不要放弃！请记住，在你身后，又一个强大的祖国.16

In 2018, the movie Operation Red Sea 红海行动, directed by Hong Kong filmmaker Dante Lam, was presented in Chinese cinemas as part of the celebrations of the ninetieth anniversary of the founding of the PLA. It depicted an even more dubious representation of a Chinese evacuation operation (apparently based on the evacuation from Yemen in 2015). The movie tells the implausible tale of a team of eight Chinese ‘Sea Dragon’ Marines who are deployed into the desert of a fictional African country (‘Yewaire’) during a coup d’état in search of one Chinese hostage, creating an impressive trail of destruction, engaging in a tank battle, and leaving some of their team killed in action.17 The real evacuation from Yemen in 2015 saw around 900 evacu-
ees being loaded onto three PLA Navy ships in the shortest time possible. To my knowledge, this occurred without any combat, which is obviously the preferred outcome in such missions.

The movie apparently sought to be more realistic and less jingoistic than its immediate predecessors. It is certainly more violent. Professor Song Geng of the University of Hong Kong noted that ‘Some of the fans of the film have no experience of going abroad. The film caters to the fantasy of the common people as China’s economic power rises ... [they are] longing for the renegotiation of China’s place in the world.’ Film critic Guo Songmin was less impressed: ‘Frankly speaking, in these several movies, China has imagined itself as another US’.

The PLA has had no significant combat experience since the Sino-Vietnamese war of 1979, and this is viewed as a vulnerability by the PLA. Such films provide a counter-narrative of combat readiness to address this sensitivity. Recent Chinese war movies also showcase some of the PLA’s latest military equipment. The Chinese Navy provided significant assistance to the filmmakers of Operation Red Sea, including the use of a frigate and an
amphibious ship. The Army provided similar support for *Wolf Warrior 2*, as did the Airforce for *Sky Hunter* 空天猎. Chinese naval expert Li Jie believes that these movies aim to ‘generate pride in the nation’.22

**So What?**

As the PLA’s capability to project force and protect Chinese citizens overseas continues to grow, so does the Party’s readiness to use the policy of Overseas Citizen Protection, and the Chinese people’s expectation that they will do so. As China’s global interests, diaspora and footprint continue to expand, this may result in unexpected frictions when Overseas Citizen Protection is applied to situations outside China’s traditional core interests.

One example would be a recurrence of the anti-Chinese riots experienced in Tonga and the Solomon Islands in 2006, and Papua New Guinea in 2009. Significant numbers of overseas Chinese are often at risk in Melanesia, where traditional partners (such as Australia, New Zealand, or the United States) expect to provide evacuation forces and, if necessary, stabilisation support. Without adequate preparation, clear communication, and shared understanding, an evacuation operation by the PLA in the South Pacific could contribute to, or generate, unintended consequences. Such a development could be disadvantageous to the host nation, its traditional partners, and China. This concept has been described elsewhere as ‘accidental friction’.23
The following outline chronology covers some of the key events discussed in this book.

2018

1 January: China prohibits the importation of twenty-four types of waste material; a further sixteen types, including motors and wire are banned from 31 December 2018, forcing other countries who had relied on China to do their recycling to look elsewhere for solutions.

9 January: Continuing a crackdown on unauthorised worship, the People’s Armed Police destroy the Golden Lampstand Church 金灯台教堂 in Linfen, Shanxi. Built with US$3 million in donations, the church served a congregation of 50,000.

20 January: China-born Swedish citizen and Hong Kong publisher Gui Minhai 桂敏海, first taken to China from Thailand in 2015 and later under house arrest in China, is detained and ‘disappeared’ a second time while travelling on a train from Shanghai to Beijing with two Swedish diplomats.

4 February: China effectively bans all cryptocurrency trading. In March, the Governor of the People’s Bank of China calls the growth of digital currency ‘technologically inevitable’.
6 February: After public outcry in China, Mercedes Benz apologises for sharing a quotation from the Dalai Lama on its Instagram feed: ‘Look at situations from all angles, and you will become more open’.

1 March: US President Donald Trump announces tariffs on China.

11 March: China’s National People’s Congress votes to remove term limits on the Chinese presidency. Xi Jinping no longer has to retire in 2022 at the end of his second term.

16 March: Trump signs the Taiwan Travel Act, which ‘encourages visits between officials of the United States and Taiwan at all levels’. Beijing accuses the Act of violating the one-China principle. Taiwan president Tsai Ing-wen 蔡英文 visits parts of the US later in the year, inciting Beijing’s fury.

19 March: The government dissolves the Ministry of Culture and merges it with the former National Tourism Administration to create the Ministry of Culture and Tourism. Also in March, the government abolishes the five-year-old State Administration of Press, Publication, Radio, Film and Television, placing responsibility for all of these areas directly under control of the Propaganda Department of the Central Committee of the Chinese Communist Party.

23 March: US steel and aluminium tariffs go into effect (25 per cent on steel for countries that imported US$10.2 billion, such as China). Certain countries, such as Australia, are given temporary exemptions.

26 March: Kim Jong-un, leader of the Democratic People’s Republic of Korea, arrives by train in Beijing to meet with Xi Jinping. The pair hold further talks in Dalian (7–8 May) and again in Beijing (19 June).

2 April: China imposes tariffs on US products worth US$2.4 billion, such as aluminium waste and some primary produce.

2 April: China’s first prototype space station, launched in September 2011 as part of its plan to build a manned space station by 2022, re-enters the earth’s atmosphere above the South Pacific.

3 April: The State Council Information Office issues the white paper China’s
Policies and Practices on Protecting Freedom of Religious Belief. It clearly states the limitations of that freedom: ‘Chinese religious groups must conduct religious activities in the Chinese context, practice core socialist values, carry forward the fine traditions of the Chinese nation, and actively explore religious thought which conforms to the reality in China’.

13 April: In a surveillance-state milestone, a fugitive is identified by facial identification software at a pop concert in Zhejiang and then arrested.

1 May: The Dominican Republic switches its diplomatic alliance from Taiwan to China. On 24 May, Burkina Faso does the same, leaving Swaziland as Taiwan’s sole diplomatic ally in Africa.

19 May: An H-6K bomber, capable of carrying supersonic cruise missiles, lands at a Chinese military base in the South China Sea for the first time.

21 May: China launches the exploratory Queqiao satellite as part of its mission to land a probe on the dark side of the moon. (The Chang’e 4 ultimately completed a soft landing there on 3 January 2019).

2 June: In Singapore, US Defence Secretary James Mattis criticises China’s militarisation of the South China Sea. Mattis visits Beijing later in June, where Xi tells him: ‘We cannot lose one inch of territory passed down by our ancestors’.

8 June: Beijing awards Russian President Vladimir Putin China’s first friendship medal.

8 June: Chinese technology firm ZTE agrees to pay a US$1 billion fine and change its board and management after the US lifts its ban on it purchasing smart phone components from US suppliers. (The two-month ban was for the violation of sanctions against selling US-made products to Iran.) Trading of ZTE shares in Hong Kong recommence a week later and they promptly plunge thirty-nine per cent.

11 June: Protests in Vietnam over concern that three new Special Economic Zones to be founded with Chinese investment may lead to Chinese control over Vietnamese territory.

4 July: Australian citizen and former Rio Tinto executive Stern Hu, sentenced to ten years in prison for bribery and commercial espionage in
a case believed to have political overtones, is released for good behaviour after nine years.

6 July: US tariffs on US$34 billion of Chinese goods commence (as announced on 15 June), as do Chinese tariffs on US$34 billion of American goods (out of a total of US$50 billion also announced on 15 June).

10 July: Liu Xia, the widow of Nobel Peace Laureate Liu Xiaobo, who died in custody in 2017, leaves Beijing for Germany. Liu had been under effective house arrest since her late husband won the Nobel Prize in 2010.

4 August: Without giving any notice, authorities begin demolishing dissident artist Ai Weiwei’s famous Beijing studio. The demolition crew damages and destroys numerous artworks. Officially, the reason is to make way for urban development.

20 August: At a joint press conference in Beijing with Premier Li Keqiang, Malaysian Prime Minister Mahathir Mohammed alludes to international concerns about China’s growing influence in trade: ‘You don’t want a situation where there’s a new version of colonialism happening because poor countries are unable to compete with rich countries in terms of just open, free trade’. Nevertheless, his visit concludes with a positive outlook for future collaboration.

21 August: El Salvador breaks diplomatic ties with Taipei to forge them with Beijing. Taiwan’s foreign minister Joseph Wu promises that ‘Taiwan will not engage in dollar nor debt-trap diplomacy with China’.

23 August: Both US and China impose US$6 billion of tariffs, completing the US$50 billion announced earlier in June and April, respectively.

23 August: Due to security concerns, the Australian government bans Huawei and ZTE from offering 5G technology in Australia. In November, New Zealand also blocks Huawei.

27 August: Didi Chuxing滴滴出行, the world’s most-used ride sharing service, suspends services after a second female passenger is raped and murdered in one calendar year. The company begins re-evaluating its business model with an eye to an initial public offering in early 2019.
3 September: Fifty-three members of the Forum on China-Africa Cooperation attend the group’s third meeting, in Beijing. The tone is positive, stressing further cooperation and mutually beneficial economic development.

13 September: China lends Venezuela US$5 billion, with the loan repayable in cash or oil.

22 September: The Vatican and Beijing sign an agreement to share responsibility in the appointment of bishops. Days later, the Pope claims that the agreement will allow ‘the orderly and harmonious growth of the Catholic community in China’.

23 September: The controversial Hong Kong link to China’s high-speed rail network opens. Passengers from West Kowloon station can reach Beijing in nine hours and Shenzhen in fifteen minutes. Mainland immigration officials are stationed inside a Hong Kong train station for the first time.

24 September: US tariffs of US$200 billion commence on Chinese imports. Half of the tariffs are on intermediate goods (such as industrial machinery) and nearly one quarter are for consumer goods. Chinese tariffs on US$60 billion of US imports also commence.

24 September: The US proposes to sell Taiwan US$330 million in arms, predominantly parts for fighter jets. There has been bipartisan support in the US for such sales since the US diplomatically recognised the PRC in 1979.

25 September: Meng Hongwei, the first Chinese president of Interpol, who had disappeared from his home in France, arrives back in China and texts his wife a knife emoji, indicating he was in danger.

4 October: US Vice-President Mike Pence criticises China and accuses it of attempting to influence US society and politics.

7 October: Meng Hongwei resigns as Interpol president. The Chinese government announces he is in detention and under investigation for taking bribes.

25 October: Japanese Prime Minister Shinzo Abe meets with Xi Jinping in Beijing. They renew their commitment to free trade, and agree to improve communication and work together on infrastructure projects in the region.
11 November: The annual online ‘Single’s Day’ shopping extravaganza sees US$30.6 billion in sales on the Alibaba platform, a new record.

17 November: Responding to pro-Taiwan independence sentiments expressed at the Golden Horse film awards in Taipei, the film star Fan Bingbing 范冰冰 shows her sixty-three million followers on Weibo a map of China that includes Taiwan and tells them that ‘China cannot lose an inch’. This is her second only public statement since her three-month detainment earlier in the year for tax evasion.

18 November: For the first time ever, the leaders attending the Asia-Pacific Economic Cooperation (APEC) forum, meeting in Papua New Guinea, are unable to agree on a written declaration. The US had proposed reforming the World Trade Organisation, and China objected. Neither side would compromise, reflecting the more general animosity between the two countries, and preventing leaders from reaching consensus.

23 November: Four Pakistani nationals are killed in an attack on the Chinese consulate in Karachi. The Balochistan Liberation Army, which is deemed a terrorist organisation by Pakistan and the US, and objects to Chinese investments in the traditional homeland of the Baloch people in Pakistan’s west, claims responsibility.

26 November: Shenzhen-based scientist He Jiankui 贺建奎 claims to have used the CRISPR-Cas9 gene-editing technology to edit the genes of twin girls so that they have a lifetime protection against HIV. His experiment is roundly condemned by ethicists and scientists, including China’s National Health Commission.

26 November: Mid-term elections in Taiwan see the ruling Democratic Progressive Party lose ground to the opposition Kuomintang, which embraces a one-China policy. An associated referendum rejects same-sex marriage, complicating efforts to legalise same-sex marriage within two years of a positive ruling by the Constitutional Court in May 2017.

1 December: Meeting at the G20 summit in Argentina, Xi Jinping and Donald Trump agree to a ninety-day truce on raising tariffs.
1 December: Meng Wangzhou, Huawei’s chief financial officer, is arrested in Vancouver. She is wanted in the US on allegations of fraud, in particular for breaking US sanctions on Iran. A *Global Times* article describes Meng’s detention as ‘basically kidnapping’; she is later released on CA$10 million (US$7.4 million) bail. Within the month, China detains Canadians including former diplomat and International Crisis Group employee, Michael Kovrig, and Michael Spavor, a businessman, in what is widely seen as politically motivated tit-for-tat.

20 December: The Asian Studies Association of Australia announces that its journal, *Asian Studies Review*, would be excluded from arts, humanities, and social science packages sold to libraries in China ‘because some of its content is deemed inappropriate to the government’. It was one of eighty-three foreign journals to face similar censorship in just three months.
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FORUM — Powerful Words, Powerful People

Constantly Strive to Become Stronger


Mao and Xi: Story of the Man, Story of the People


Chapter 1 — Immunity to Temptation — ‘Power’ in Chinese Language


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2017: Prosperity

A ‘moderately prosperous society’ with no Chinese individual left behind — that’s the vision for China set out by Chinese President Xi Jinping in a number of important speeches in 2017. ‘Moderate’ prosperity may seem like a modest goal for a country with more billionaires (609 at last count) than the US. But the ‘China Story’ is a complex one. The China Story Yearbook 2017: Prosperity surveys the important events, pronouncements, and personalities that defined 2017. It also presents a range of perspectives, from the global to the individual, the official to the unofficial, from mainland China to Hong Kong and Taiwan. Together, the stories present a richly textured portrait of a nation that in just forty years has lifted itself from universal poverty to (unequally distributed) wealth, changing itself and the world in the process.

2016: Control

‘More cosmopolitan, more lively, more global’ is how the China Daily summed up the year 2016 in China.

It was also a year of more control. The Chinese Communist Party laid down strict new rules of conduct for its members, continued to assert its dominance over everything from the Internet to the South China Sea and announced a new Five-Year Plan that Greenpeace called ‘quite possibly the most important document in the world in setting the pace of acting on climate change’.

PREVIOUS CHINA STORY YEARBOOKS
2015: Pollution
This Yearbook explores the broader ramifications of pollution in the People’s Republic for culture, society law and social activism, as well as the Internet, language, thought, and approaches to history. It looks at how it affects economic and political developments, urban change, and China’s regional and global posture. The Chinese Communist Party, led by ‘Chairman of Everything’ Xi Jinping, meanwhile, has subjected mainland society to increasingly repressive control in its new determination to rid the country of Western ‘spiritual pollutants’ while achieving cultural purification through ‘propaganda and ideological work’.

2014: Shared Destiny
The People’s Republic of China under the leadership of the Chinese Communist Party and Xi Jinping, has declared that it shares in the destiny of the countries of the Asia and Pacific region, as well as of nations that are part of an intertwined national self-interest. The China Story Yearbook 2014 takes the theme of Shared Destiny and considers it in the context of China’s current and future potential.

2013: Civilising China
As China becomes wealthier and more confident on the global stage, it also expects to be respected and accommodated as a major global force — and as a formidable civilisation. Through a survey and analysis of China’s regional posture, urban change, social activism and law, mores, the Internet, history, and thought — in which the concept of ‘civilising’ plays a prominent role — China Story Yearbook 2013 offers insights into the country today and its dreams for the future.
2012: Red Rising, Red Eclipse
The authors of Red Rising, Red Eclipse survey China’s regional posture, urban change, social activism and law, human rights and economics, the Internet, history, and thought. This inaugural China Story Yearbook offers an informed perspective on recent developments in China and provides a context for understanding ongoing issues that will resonate far beyond the Dragon Year of 2012–2013.