

SHARED DESTINY

共同命运

EDITED BY

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WITH Linda Jaivin AND Jeremy Goldkorn

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本书扼要

人类

所面对的环境、资源、政治及文化窘境，迫使仁人志士重新思索集体利益、长远关怀、共同命运。

近年中国思想界提出新天下主义，将亘古之中心思路焕然一新，以期发挥积极的现代意义；共同命运这一课题，再度把党国政治理念与新机遇融会结合。鉴此，本辑《中国的故事年鉴》借流行政论题考量中国现状及其外延潜力。

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6月

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INTRODUCTION

2014年1月

2月

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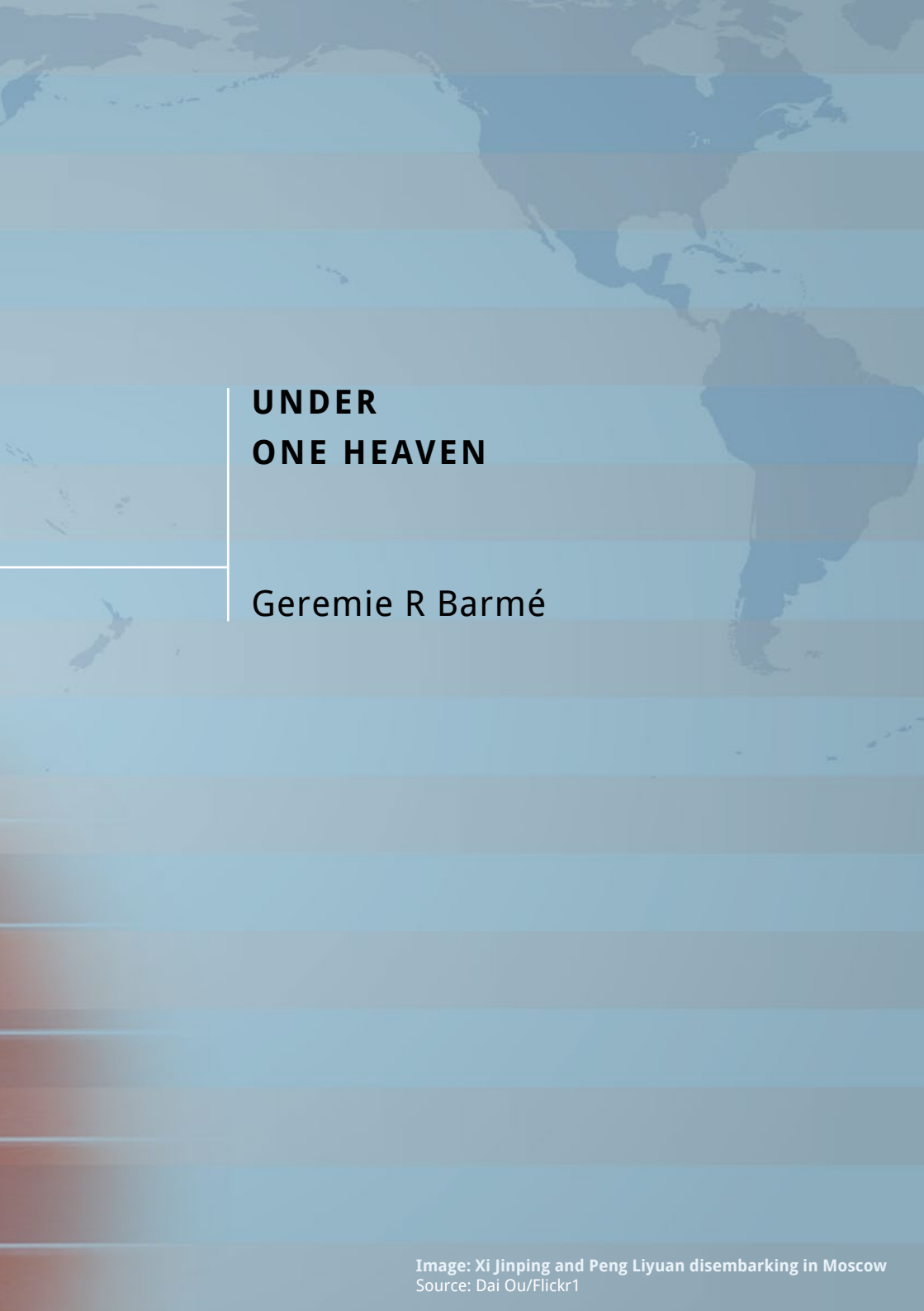
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UNDER ONE HEAVEN

Geremie R Barmé

Under One Heaven

In the *China Story Yearbook 2014: Shared Destiny*, we take as our theme a concept emphasised by Xi Jinping 习近平, the leader of China's party-state, in October 2013 when he spoke of the People's Republic being part of a Community of Shared Destiny 命运共同体, officially translated as a Community of Common Destiny. The expression featured in Chinese pronouncements from as early as 2007 when it was declared that the Mainland and Taiwan formed a Community of Shared Destiny. Addressing the issue of China's relations with the countries that surround it at the inaugural Periphery Diplomacy Work Forum held in Beijing on 24 October 2013, Xi Jinping further developed the idea when he summed up the engagement between the People's Republic and its neighbours by using a series of 'Confucian-style' one-word expressions: positive bilateral and multilateral relationships were to be based on amity 亲, sincerity 诚, mutual benefit 惠 and inclusiveness 容.

Shared Destiny has become a catchall category for the country's regional and broader global engagement at a time when the People's Repub-

Mingyun 命运, the 'Destiny' in 'Shared Destiny', by Nathan Woolley

He who does not understand fate is incapable of behaving as a gentleman ...

He who does not understand words is incapable of understanding men.

— Confucius in *The Analects*, 20.3, translated by Simon Leys

The character *ming* 命 has the meaning of 'a decree' or 'a command'. In early Chinese texts, it could also denote an act of investiture or reward directed toward a subordinate. The sense of submission attendant on this ties *ming* to the related meaning of 'fate' or 'destiny', often more specifically in the sense of the predetermined nature of life and one's allotted lifespan. The supposed moral nature of destiny gives *ming* a place in debates concerning decision, duty and the institution of proper government. This is reflected in the term *tianming* 天命, 'Mandate of Heaven', used when talking about the superior moral power of a ruler who claims legitimacy in managing human affairs. For both individuals and the state, destiny can be an expression of the Mandate of Heaven.

Yun 运 has the meaning of 'to carry' or 'to transport', but also 'to revolve' or 'to move around'. It can refer to cycles in life or the cosmos, as in the seasons or the rise and decline of dynasties. In these changes or rotating phases, *yun* also refers to the vagaries of the times, and thus to fortune, the variable and impermanent nature of luck and what it brings. The term *mingyun* 命运 thus encapsulates the various tensions between fate and luck, as well as predetermination and individual volition.

lic of China is under the leadership of a focused, powerful and articulate leader. It provides substance and diplomatic architecture to the revived concept of All-Under-Heaven or *tianxia* 天下, one which assumes a belief that China can be a moral, political and economic great power.

In the *China Story Yearbook 2013: Civilising China*, we noted the efforts by Chinese international relations thinkers to rejig dynastic-era concepts and expressions so that the Communist Party can assert uniquely ‘Chinese ideas’ in world affairs. Otherwise vainglorious attempts to promote such formulations are now backed up by immense national wealth, and they may gain some traction. The historian Wang Gungwu 王赓武 has written incisively about All-Under-Heaven in contemporary China; among his observations is the following:



Wang Gungwu
Source: Flickr1

From China's point of view, talk of a 'peaceful rise' suggests that a future rich and powerful China might seek to offer something like a modern vision of *tianxia*. This would not be linked to the ancient Chinese empire. Instead, China could be viewed as a large multinational state that accepts the framework of a modern *tianxia* based on rules of equality and sovereignty in the international system today.

... this overarching Confucian faith in universal values was useful to give the Chinese their distinctiveness. As an ideal, it somehow survived the rise and fall of dozens of empires and provided generations of literati down to many modern intellectuals with a sense of cultural unity till this day.

Worrying about China

But there is anxiety associated with *tianxia* and its Shared Destiny as well. These grand notions do not address the many concrete problems associated with the pace and direction of the country's reforms, about which many

Chinese analysts expressed frustration in the lead-up to Xi Jinping's investiture as the head of China's party-state and army in 2012–2013. In essays and long analytical works they raised concerns about the perceived policy malaise of the Hu Jintao 胡锦涛 – Wen Jiabao 温家宝 decade of 2002–2013. They wanted the new leadership to confront the need to transform further the country's political and economic systems, address pressing social issues, take an active role in the information revolution and be decisive in improving the regional and global standing of the People's Republic.

In the late 1980s, as a decade of China's Reform and Open Door policies began to remake the country, anxieties over social change, economic inequalities, environmental degradation, weakness on the global stage and a sclerotic political system generated the first major wave of post-Mao 'crisis consciousness' 忧患意识, or what Gloria Davies calls 'worrying about China'. As the events of 1989 and beyond would prove, people had good reason to be worried. Even during the excitement and popular mood of national self-congratulation in the lead-up to the 2008 Beijing Olympics, a new wave of 'China worry' was sweeping the People's Republic.

Both publicly and privately, commentators expressed doubts about the ability of the political class — the leaders of the Chinese Communist Party — to deal with the vast array of challenges that China faced as a major world economy and potential world power: were they even moving China in the right direction? As in so many earlier eras, the second decade of the twenty-first century sees Chinese thinkers 'worrying about China': its scale, its problems and its future. At the same time, more than ever before, these issues have a global impact. Whether with regard to the environment, social change, political movements or economic growth, what happens in China is of growing concern to people everywhere.

Among the many critics who painted the Hu–Wen decade as lacklustre, there were those who wanted a stronger Communist Party, one with more purpose and capable of taking action against endemic corruption and the moral decline caused by the commercialisation of both the economy and society. Some were nationalists who opposed 'pro-Western influences' that

PUBLIC APPEARANCE, by Geremie R Barmé

In March 2014, President Xi Jinping and China's First Lady, Peng Liyuan 彭丽媛, embarked on a series of state visits, including to Belgium. Peng, who previously enjoyed a successful career as a singer, is known for her personal style and engaging manner. She was particularly prominent during the couple's European tour for her wardrobe.

'First Lady Diplomacy' and the dress of leaders' wives have a chequered history in the People's Republic. Wang Guangmei 王光美, wife of president Liu Shaoqi 刘少奇, attracted considerable attention when she wore a white cheong-sam/*qipao* and a pearl necklace during a state visit to Indonesia in April 1963. A few years later, she was subjected to cruel parody by Red Guards in the Cultural Revolution and suffered public humiliation by being dressed in a mock cheong-sam and made to wear a necklace made out of ping-pong balls during a mass denunciation rally.

Jiang Qing 江青, Mao Zedong's wife and paragon of the Cultural Revolution, was known for her austere style of dress. She even had a hand in designing a 'national costume' 国服 for women in 1974 to parallel the 'Mao suit' (known in Chinese as the Sun Yat-sen or 'Zhongshan suit' 中山装).

The wives of party-state leaders have enjoyed a renewed public profile since Deng Xiaoping 邓小平, then among other things Chairman of the Central Military Commission, visited the US in 1979 with his wife, Zhuo Lin 卓琳. It was Jiang Zemin 江泽民, however, China's president and party leader from 1989 to 2002, who formalised First Lady Diplomacy, even though his wife, and that of his successor Hu Jintao 胡锦涛, left little impression on international audiences.

Peng Liyuan is the first leader's spouse since Jiang Qing to make a fashion statement and, in the March 2014 trip to Belgium, she appeared in a heavily embroidered traditional-style ensemble. For his part, Xi Jinping wore a reimagined Zhongshan suit, the four pockets of the Mao jacket being replaced by two pockets and a concealed pocket on the chest with a Western-style pocket square. The Chinese media extolled the First Couple for sporting 'Diplomatic Lovers' Wear' 外交情侣装.



China's President Xi Jinping and his wife Peng Liyuan in formal wear during their visit to Belgium

Photo: press.cn

encouraged the dangerous rise of civil society. Their views were countered by those who hoped that a change in leadership would usher in a period of extensive political and legal reforms, greater official accountability and media openness. Still others believed that a program of limited reforms managed by a strong party was the best hope for China's future. In our two previous *China Story Yearbooks*, we outlined many of these hopes, and their fates, be they for a revival of Mao-era austerity, mass politics and ideological control or for constitutional reform and new limits on the Party's power. But whatever their ideological bent, and whether those who worry about China worry from within or without, they are all aware that the solutions will relate, one way or another, to China's Shared Destiny with the rest of the world.

The Prosperous Age

Even as the latest wave of 'crisis consciousness' was cresting, the rising standard of living and unprecedented level of general prosperity also fostered an opposite sense — this one heartily embraced by the party-state — that China had entered a *shengshi* 盛世, a 'Prosperous Age', or an 'Age of Harmonious Prosperity' 和谐盛世. In 2005, during the Central Chinese TV Spring Festival Gala 春节联欢晚会 — the most watched television event in the Chinese calendar and an annual moment of celebratory, national cultural unity — one of the featured dance performances was called 'Grand Celebration of the Prosperous Age' 盛世大联欢. Two years later, the Taiwanese historian and writer Li Ao 李敖 declared in a speech at Tsinghua University in Beijing that China was enjoying its first true Prosperous Age *shengshi* 盛世 since the Han 汉 and Tang 唐 dynasties. (Ever the contrarian, Li pointedly overlooked the zenith of the Qing 清 period, 1644–1911, commonly recognised as the third great *shengshi* of Chinese history.) Also in 2007, the nationally famous singer Song Zuying 宋祖英 sang in a paean to the Seventeenth Congress of the



Taiwanese writer Li Ao
Source: Flickr1

Party that China was now ‘Walking Towards an Harmonious Prosperous Age’ 走向和谐盛世.

Yet as applied to the ‘golden ages’ of the Han, Tang and Qing dynasties, *shengshi* refers to universally acknowledged periods of remarkable social grace, political rectitude and cultural richness. The self-proclaimed Prosperous Age of today’s People’s Republic has been nearly a century in the making; its achievement is far more contentious.

The following semi-official statement provides a shorthand, popular definition of the term ‘Prosperous Age’ as it is presently used in the People’s Republic:



Song Zuying
Source: Flickr1

A nation can be said to be enjoying a Prosperous Age when it has realised certain achievements both in terms of its domestic affairs and international politics.

Internally it features economic prosperity, scientific and technological advancement, intellectual creativity and cultural efflorescence; internationally it features military might; booming trade and considerable influence.

The general definition of a Prosperous Age includes the following measures:

- Unparalleled military strength
- Unsurpassed economic prosperity
- Unsullied political life
- Unprecedented scientific and technological advancement, and
- Unprecedented international exchanges.

盛世，即一个国家内政外交均有建树时的状况：

内政方面：经济繁荣，科技发达，思想活跃，文化昌盛；

外交方面：军事强大，贸易繁荣，影响力大等等。

盛世的界定，一般来说为以下标准：

军事空前强大
经济空前繁荣
政治空前清明
科技空前发达
对外交流空前活跃

Common sense would suggest that to declare a particular period or an era — especially one of rapid socio-cultural change — to be a Golden or Prosperous Age before it is over is ill-advised. (It also begs the question whether frenetic economic activity is the *ne plus ultra* of human endeavour.) Heroic figures, pivotal historical moments, crises and ‘tipping-points’ are usually far clearer in retrospect. In China’s modern history, however, both governments and individuals have been hasty to announce and hail enlightenments, renaissances and revivals. The current mood is exuberant albeit anxious.

Leading the China Dream

Upon assuming the position of General Secretary of the Communist Party in November 2012, Xi Jinping announced the *leitmotif* of what is expected to be the decade of his rule. It was the ‘China Dream’ 中国梦. Unlike the American Dream, the China Dream was less about individual aspiration than the dream of an economically, socially, politically, militarily and culturally revitalised Chinese nation. It is a dream that has been dreamt in China since the late-nineteenth century.

The speed with which Xi not only took the reins of power covering the Party, the state and the military surprised many observers both inside and outside China, as did his rapid establishment of supra-governmental bodies called Leading Small Groups 领导小组 to oversee his agenda in a range of policy areas.

Such groups, large and small, short-term and semi-permanent, have waxed and waned over the years. However, there is a history in post-1949 China of strong leaders establishing their own Leading Small Groups to

push through change in the face of bureaucratic inertia or opposition. In the mid-1960s, Party chairman Mao Zedong 毛泽东 established a Central Cultural Revolution Leading Group 中央文革领导小组 to dismember both party and state mechanisms that he perceived as obstructing his radical socio-political agenda; he wanted the group to reinvigorate the revolution and crush bureaucratic obfuscation. As a result, by the early 1970s, the Party and the state were in such disarray that Mao had to bring Deng Xiaoping 邓小平, a man who had early on fallen foul of his Cultural Revolution Leading Group but a capable bureaucratic manager, back from obscurity to help run the country.

Deng himself established a series of leadership-like groups to formulate and implement policies for a country damaged by so many years of political extremism, educational collapse and administrative malaise. Although Deng was purged again in 1976, he returned to power and became the first major leader of the post-Mao era. The bureaucrats he had employed in leadership groups to rebuild a functioning state from the rubble of the Cultural Revolution would eventually guide the country into the new era of Reform and Opening Up inaugurated in late 1978. These achievements were documented in great (if highly fictionalised) detail in the forty-eight-hour docu-drama, *Deng Xiaoping During the Historical Transition* 历史转折中的邓小平. The series aired throughout China in August 2014 to commemorate the 110th anniversary of Deng's birth and to celebrate his achievements in turning the country away from Maoist ideology and launching the reforms that continue to transform the Communist Party-led People's Republic of China.

Directed by Wu Ziniu 吴子牛, a member of the once avant-garde Fifth Generation of Chinese film-makers, the series also extolled the establishment of China's first Special Economic Zone in Shenzhen under what it showed to be the far-sighted and sagacious leadership of Xi Zhongxun 习仲勋, an ally



Director of *Deng Xiaoping During the Historical Transition*, Wu Ziniu
Source: scol.com



Xi Jinping's father, Xi Zhongxun

Source: molihua.org

of Deng Xiaoping — and the father of Xi Jinping, China's new paramount leader.

Deng, in his day, worked hard to dismantle the personality cult of Mao Zedong, and to ensure through the forging of an ethos of collective leadership that new mini-Maos would not appear. The party-state leaders who followed generally adhered to that approach (even if Deng himself enjoyed an extraordinary level of one-man power until his demise in 1997). Xi Jinping, however, appears to be going in the opposite direction. In titular terms alone, he has amassed more titles and formal powers than any leader in the five generations of party leadership since the 1940s *including* Mao. He may well have more titles than any ruler of China since the Qing dynasty's Qianlong 乾隆 emperor in the eighteenth century, one whose Prosperous Age Xi Jinping and his cohort are said to have realised and are planning to surpass. He is now effectively head of ten party-state bodies, from the Party and army, as well as the People's Republic itself, to seven small leading groups. Only two years into power 'Big Daddy Xi' 习大大, as the official media has taken to calling him, had become China's CoE, 'Chairman of Everything'.

Yet speculation remains rife as to Xi's motivations, and whether his neutering of large swathes of the state bureaucracy (the nemesis at times of powerful predecessors such as Mao, and Deng as well) did not narrow policy options, and damage crucial institutional support in the median- to long-term.

One among Many

Why has Xi Jinping acted with such pressing haste to amass power, impose his will on the system and encourage something reminiscent of a personality cult? And why is the mainland media presenting him more as *primus* than China's *primus inter pares*? He is omnipresent: making speeches; posing for photographs with soldiers, workers, foreign leaders; demon-

Chairman of Everything

Xi Jinping was appointed General Secretary of the Party's Central Committee in November 2012. He assumed top state leadership roles, as President of the People's Republic and Chairman of the Central Military Commission, the following March.

He currently heads a number of smaller decision-making bodies within the Central Committee. The Central Leading Group for Financial and Economic Affairs has traditionally been led by the General Secretary since Zhao Ziyang 赵紫阳 took office, but Xi's leadership was only publicly revealed on 13 June 2014, when the Xinhua News Agency 新华通讯社, which had already broken with tradition by publishing multiple reports on the group's traditionally closed-door meetings that year, printed an article that provided titles for Xi and Deputy-Director Li Keqiang 李克强.

As General Secretary, Xi also assumed leadership of the Central Leading Group for Taiwan Affairs, as well as the Central Leading Group for Foreign Affairs and its congruent sister organisation, the Central Leading Group on National Security.

In November 2013, the Third Plenum of the Party's Central Committee established the Central National Security Commission (CNSC) to consolidate decision-making on national security issues, a decision that Foreign Ministry spokesman Qin Gang 秦刚 said 'should make terrorists, extremists, and separatists nervous.' The Politburo appointed Xi Jinping to head up the CNSC on 24 January 2014.

Three additional leading groups were formed in the wake of the Third Plenum and its emphasis on deepening reform. The Central Leading Group for All-Around Deepening Reform, established in December 2013, the Central Leading Group for Internet Security and Informatization, established in February 2014, and the Central Leading Group for Deepening Reform on National Defense, established in March 2014, are all led by Xi.

- General Secretary of the Party's Central Committee 中共中央总书记
- President of China 国家主席
- Chairman of the Party's Central Military Commission (党、国) 中央军委主席
- Head of Central Leading Group for Financial and Economic Affairs 中央财经领导小组
- Head of Central Leading Group for Taiwan Affairs 中央对台工作领导小组
- Head of Central Leading Group for Foreign Affairs (head of sister organisation, the Central Leading Group on National Security) 中央外事工作领导小组 (中央国家安全工作领导小组)
- Chairman of Central National Security Commission 中央国家安全委员会
- Head of Central Leading Group for All-Around Deepening Reform 中央全面深化改革领导小组



Chinese President and Chairman of the Central Military Commission Xi Jinping visits the troops in Fujian province, on 30 July 2014. The visit came just days before Army Day, which falls on 1 August and marks the founding of the People's Liberation Army (PLA)

Photo: Li Gang/Xinhua



China's First Lady Peng Liyuan and Xi Jinping arrive in Moscow in March 2013

Source: Dai Ou/Flickr1

strating his 'common touch' by showing up (relatively) unannounced in neighbourhoods and cheap restaurants. Official commentators analyse and praise his language for its erudition and canny use of classical quotations, the state-run press holds up his celebrity-singer wife Peng Liyuan 彭丽媛 as a fashion icon and model of Chinese womanhood. The propaganda onslaught behind Xi's popu-

larity is savvy and social media-friendly. His elucubrations are already enshrined as the fifth milestone in the Party's body of theory as 'Xi Jinping's Series of Important Speeches' 习近平系列重要讲话; and there is even a mobile phone app named Study Xi 学习 to facilitate people who want to delve into his wisdom on the fly and follow his official itinerary.

In February 1956, the Soviet leader Nikita Khrushchev denounced the Cult of the Individual (or Personality Cult) that had thrived under the then recently deceased general secretary of the Party and premier Joseph Stalin. Khrushchev included in his condemnation such features of the cult as the repeated use of quotations from Stalin's speeches and sayings that were used by bureaucrats as justifications for political action, the crushing of all forms of opposition by the secret police, an exaggeration of the role of the leader in Party history, the production of songs, entertainments and other public declarations of loyalty and adoration of the leader and so on. Some might reason that under Xi Jinping China is not witnessing a revived personality cult, indeed, the popularity of Big Daddy Xi still lacks the hysteria and adulation achieved by the Mao cult in the 1960s, but signs of what German thinkers once called the *Führerprinzip* (a belief that certain

gifted men are born to rule; that they deserve unswerving loyalty; and, that they take absolute responsibility for their leadership) are in evidence. This is hardly surprising in a country where the Crown Jurist of the Third Reich Carl

Schmitt enjoys considerable prestige among left-leaning thinkers.

As we noted in our *China Story Yearbook 2013: Civilising China*, Xi Jinping says China must learn to tell The China Story better. But under his dispensation, in an increasingly ideologically policed China, there is an unsettling possibility that everyone may have to repeat the same story. In recent years, independent creative writing and reportage has flourished in China, so it is hardly surprising that now the pumped up decibels of the official China Dream as well as the crafted China Story of the party-state threaten to drown out the recent polyphony of the country's online graphomaniacs.

Will such renewed attempts to replace the many with the one enjoy success? It is worth noting that Xi has led the Communist Party's Politburo in a number of study sessions devoted to Dialectical Materialism; it is equally sobering to recall what Simon Leys (the pen name of Pierre Ryckmans, the Australian-Belgian Sinologist who passed away in August 2014) said about this underpinning theory of the Marxist-Leninist state a quarter of a century ago (notwithstanding Slavoj Žižek's dogged burlesque defence of an ideal Marxism-Leninism):

Dialectics is the jolly art that enables the Supreme Leader never to make mistakes — for even if he did the wrong thing, he did it at the right time, which makes it right for him to have been wrong, whereas the Enemy, even if he did the right thing, did it at the wrong time, which makes it wrong for him to have been right.



A street poster in Shanghai promoting 'The China Dream'

Source: flickr.com/hj223

XI AT THE HELM: AN ITINERARY, BY AIDEN XIA 夏克余

2012

7–11 December: Tour of the South

Xi Jinping's first major appearance as General Secretary of the Communist Party is during a tour of Shenzhen, Zhuhai, Foshan and Guangzhou, following in the footsteps of reformist leader Deng Xiaoping and in the imperial Ming and Qing tradition known as a Tour of the South 南巡. Xi commits to further reform and opening up. He also visits military troops and the Internet giant Tencent's Shenzhen headquarters.

29–30 December: Impoverished villages in Fuping county, Hebei province

Xi is photographed sitting cross-legged on a *kang* 炕 (traditional rural northern Chinese fire-heated bed) talking with villagers.

2013

2–5 February: Villages and Communities in Gansu Province

Xi promises to improve living conditions in China's less developed northwest, home to many non-Han peoples.

22–30 March: Russia, Tanzania, South Africa and Republic of Congo (Brazzaville)

Xi's first foreign tour as president is a nine-day state visit to four countries. The choice of countries suggests Xi's aspirations in the diplomatic sphere are to develop a counterweight to US and European influence. During the tour, Xi attends the fifth BRICS (Brazil, Russia, India, China and South Africa) summit in Durban, South Africa. In both Russia and Africa he speaks of communities of shared destiny.

31 May–6 June: Trinidad and Tobago, Costa Rica and Mexico

State visits to talk trade and natural resources.

7–8 June: USA

Xi visits US President Barack Obama on holiday at the Sunnylands private estate near Palm Springs, California, for two days of informal talks.

11–12 July: Xibaipo, Hebei

Xi makes a symbolic visit to a (rebuilt) former revolutionary base and popular 'Red tourism' site. He urges China to ensure that 'the colour of Red China will never change'.

28 August: Aircraft Carrier, Liaoning Province

Xi visits the *Liaoning*, China's only aircraft carrier, which is still undergoing testing and crew training, at its base in the northeastern province of Liaoning.

3–13 September: Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and St Petersburg, Russia

Xi breaks from a tour of central Asian countries to attend the G20 summit in St Petersburg. He also attends the Shanghai Cooperation Organisation summit in Bishkek, Kyrgyzstan. In Astana, Kazakhstan, Xi proposes a Silk Road economic belt across central Asia.

2–8 October: Malaysia and Indonesia

Xi courts Malaysia with a huge trade pact and closer military ties. He also visits Indonesia and attends the APEC Summit in Nusa Dua, on Bali island.

28 December: Beijing, Steamed Buns

Xi queues for a simple meal of steamed buns 包子 in a branch of a low-end, state-owned Beijing restaurant chain. Photographs and video footage of the event go viral on the Chinese Internet.

2014

6–8 February: Sochi Winter Olympics

Xi is an enthusiastic guest at the Winter Games.

25 February: Walking around Beijing hutongs in the Smog

After five days of heavy smog in Beijing, Xi is photographed walking around some of the city's *hutong* alleys and talking with residents without a face-mask. State media headlines and social media promote the images under the rubric 'breathing together, sharing one destiny'.

22 March–1 April: Netherlands, France, Germany, and Belgium

On state visits to four European countries, Xi attends the third Nuclear Security Summit in The Hague and a G7 meeting on the side.

27–30 April: Xinjiang

Xi vows to 'strike first' against terrorism during a visit to the Xinjiang Uyghur Autonomous Region, which he calls China's 'frontline of terror'. State media quotes him saying that China must 'make terrorists become like rats scurrying across a street as everybody shouts "beat them!" ' He visits a village and a school near Kashgar, chats with Uyghurs, inspects troops and watches military training.

20–21 May: Shanghai CICE Meeting and Russia Gas Deal

Xi meets Russian President Vladimir Putin in Shanghai where they attend the Fourth Conference on Interaction and Confidence-Building Measures in Asia and oversee the signing of a thirty-year gas deal between China and Russia estimated to be worth US\$400 billion.

3–4 July: South Korea

Xi leads a delegation to South Korea including representatives from more than one hundred Chinese companies including Baidu and Alibaba.

13–23 July: Greece, Brazil, Argentina, Venezuela and Cuba

En route to Brazil, Xi stops over on Rhodes Island to meet the Greek Prime Minister and discuss their countries' deepening ties. In Brazil, Xi attends the sixth BRICS summit in Fortaleza and spends three days with Putin and other BRICS presidents.

30 July: Troops in Fujian Province

Xi visits troops stationed in Fuzhou, Fujian province, a key military location across the straits from Taiwan. Xi vows to strike hard against corruption in the military ahead of the eighty-seventh anniversary of the founding of the PLA on 1 August.

21–22 August: People's Republic of Mongolia

During a two-day state visit to Mongolia, Xi agrees to give Mongolia access to China's northern ports and the two countries agree to double annual bilateral trade.

12–19 September: Tajikistan, The Maldives, Sri Lanka and India

Xi attends the Shanghai Cooperation Organisation summit in Dushanbe, meeting Putin before the summit opens. Other countries in the group are Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Xi then proceeds on a South Asian tour, with the final stop his first state visit to India.

In previous years, when China's many stories proliferated, 'crisis consciousness writers', including Deng Yuwen 邓聿文 and Rong Jian 荣剑, enumerated lists of ten problems facing China. Here we posit our own Ten Reasons for Chairman Xi's unseemly haste since taking the reins of power:

1. Chinese leaders have long identified the first two decades of the new millennium as a period of strategic opportunity 战略机遇期 during which regional conditions and the global balance of power enable China best to advance its interests.
2. Given his history as a cadre working at various local, provincial and central levels of the government Xi Jinping is more aware of the profound systemic crises facing China than those around him.
3. He is riding a wave of support for change and popular goodwill to pursue an evolving agenda that aims to strengthen party-state rule and enhance China's regional and global standing.
4. He faces international market and political pressures that are compelling China to confront and deal with some of its most pressing economic and social problems, in particular the crucial next stage in the transformation of the Chinese economy.
5. His status as a member of the Red 'princelings', or revolutionary *nomenklatura*, encourages the personal self-belief if not hubris that his mission is to restore the position of the Communist Party as China's salvation. Believing in the theory that history is created by 'Great Men', he considers himself *l'homme providentiel* whose destiny is to lead the nation and the masses — a kind of secular Messiah complex.
6. Unless he can sideline sclerotic or obstructive forces and elements of the system, he knows he will not achieve these goals.



Deng Yuwen (top); Rong Jian (bottom)
Source: news.takungpao.com (top);
dhnews.zjol.com.cn (bottom)

7. He is aware of the seriousness of the public crisis of confidence in the Party engendered by decades of rampant corruption.
8. He is sincere in his belief in the Marxist–Leninist–Maoist worldview, which is tempered by a form of revived Confucian statecraft that is popularly known as ‘imperial thinking’ 帝王思想.
9. Resistance to reform (including of corrupt practices) by the bureaucracy can only be countered by the consolidation of power.
10. The consensus among his fellow leaders that China needs a strong figurehead to forge a path ahead further empowers him.

In the process of expanding his power, Xi and his Politburo colleagues were handed a windfall when, in early 2012, the Chongqing security boss Wang Lijun 王立军, said to be in fear of his life after falling out with the city’s powerful Party Secretary Bo Xilai 薄熙来 and his (as it turned out) homicidal wife, Gu Kailai 谷开来, fled to Chengdu to seek asylum at the American Consulate. These bizarre events gave the incoming leadership a chance to purge a potentially dangerous (and popular) political rival all in the name of dealing with corruption and the abuse of power. Following the consolidation of his power, Xi proceeded to undertake a gradual elimination of prominent party and army leaders implicated in corrupt dealings (some would note that it was surprising that, given their prominent role in central politics, neither he nor his predecessor, Hu Jintao, had effectively addressed the problem before). By September 2014, some forty-eight high-level Communist Party cadres, military officials and party-state bureaucrats (that is, those ranked at deputy provincial or ministerial level or above 副省、副部、副军级以上干部) had been swept up in the post-Eighteenth Party Congress anti-corruption campaign led by Xi and Wang Qishan 王岐山, Secretary of the Party’s Central Commission for Discipline Inspection. The highest level targets of the purge were the Hu–Wen-era Party Politburo member Zhou Yongkang 周永康 and the People’s Liberation Army (PLA) General Xu Caihou 徐才厚. As this *Yearbook*



PLA General Xu Caihou
Source: tw.aboluowang.com

was going to press, Zhou was sentenced to life in jail for bribery and revealing state secrets (terminal cancer allowed Xu to escape prosecution).

Tigers Too Big to Cage

It is noteworthy that all forty-eight ‘Tigers’ 老虎, that is high-level corrupt officials, are reportedly from ‘commoner’ 平民 families with peasant or similarly humble origins. None came from the ranks of Xi’s peers, the ‘Red Second Generation’ 红二代 — children of the Communist Party founders from the Yan’an era through to the early People’s Republic. Neither were they of the ‘Office-holders’ Second Generation’ 官二代 — the children of members of the first generation of high-level cadres (then defined as above Rank Thirteen in the Twenty-four Rank Cadre System 二十四级干部制) and members of the inaugural National People’s Congress and the National People’s Political Consultative Committee in 1954. (Although Bo Xilai belonged to the Red Second Generation and was a Politburo member, he fell foul of the system *before* Xi Jinping launched his campaign to kill tigers and swat flies.)

And so while an impressive number of the progeny of the Party’s gentry are rumoured to be implicated in corrupt practices, they appear to have enjoyed a ‘soft landing’ in the anti-corruption campaign: being discreetly relocated, shunted into early retirement or quietly ‘redeployed’. It’s all very comfy: business as usual.

What has been rather more unexpected, however, is that after nearly two years of the campaign, members of the privileged families of the party-state went on the record to state why they are above the grimy business of corruption. Members of this group have been of interest to The China Story Project for some years, and they featured in ‘Red Eclipse’, the conclusion to our *China Story Yearbook 2012: Red Rising, Red Eclipse*. In the closed system of China’s party-state these seemingly defunct members of the ageing party gentry, their fellows and their families should not

be underestimated; they cannot be dismissed, as some would have it, as marginal figures or has-beens. Nor is it wise to overlook the fury that their hauteur and unthinking air of superiority provokes among those members of the bureaucracy without such lofty connections, or among China's aspirational classes more generally.

In particular, members of the Red Second Generation, along with optimists of various backgrounds, privately argue that Xi Jinping has amassed power as a stopgap measure to enable him to deal with fractious Party colleagues. Among other things, and to assuage hardline attitudes at senior levels, he has conceded to repressive policies across the board of a kind not seen since the early months of Jiang Zemin's 江泽民 decade of tenure from 1989. Over time, and with the inauguration of a new Politburo in 2017, it is reasoned, Xi will reveal his reformist agenda and guide China towards a major political transition. 'Gorbachev Dreaming' of this kind has offered respite for wishful thinkers for a quarter of a century. It continues to kindle hope even among some of the most hopeless.

Sagacious Revivalism

For the *nomenklatura*, the notions of All-Under-Heaven and Shared Destiny underpin the role of the Party in the state; they see these ideas as closely aligned with the Marxist–Leninist–Maoist ideology that justifies the Party's leading role. While the formulation Shared Destiny might be relatively new, party thinkers have always emphasised that the Party gives political expression to a community of shared aspirations and values. In earlier eras the vanguard of this community was the revolutionary workers and peasants, and later the worker-peasant-soldier triumvirate of the Mao era. In the post-1978 reform era, Deng Xiaoping added intellectuals to the community and the Jiang Zemin decade of the 1990s folded business people and capitalists into its embrace as well. Under Hu Jintao, who led the party collective in the first decade

Tigers Explain Tigers

Ye Xiangzhen 叶向真, also known as Lingzi 凌子, Deputy Head of the All-China Confucius Academy 中华孔子学会副会长, member of the Fourth Generation of film-makers and eldest daughter of Marshall Ye Jianying 叶剑英 (one of the founders of the PLA):

The Red Second Generation witnessed the frugality and struggles of their parents' generation, the fact that they were willing to shed blood and martyr themselves for the nation. They are profoundly influenced by their fathers and, relatively speaking, are not easily corruptible.



Ye Xiangzhen. The Ye family remains one of China's most powerful in both politics and business

Photo: Sina.cn



Zhou Bingde is the niece of Zhou Enlai

Photo: powerapple.com

Zhou Bingde 周秉德, former Deputy Chief of the China News Agency and niece of former premier Zhou Enlai 周恩来:

The reason that bureaucrats from a Red Second Generation background are only very rarely involved in corruption is that they have inherited the tradition from their parents of placing the People and the Nation above all.

Tao Siliang 陶斯亮, the pre-1966 Party elder Tao Zhu's 陶铸 daughter, Deputy Director of the China Mayors' Association 中国市长协会:

Through revolution and the heritage of blood our parents bequeathed to us the Red Gene 红色基因. I don't believe that this gene will ever lose its lustre, because we will carry it forward. I'm willing to admit that I'm a Red Second Generation because that's just what I am, [a member of] the second generation of revolutionaries. It is time for us to play our natural, positive role and support General Secretary Xi Jinping in carrying out the anti-corruption campaign pursuing reform to the end.



Tao Siliang

Photo: zhhs20062006.lofter.com

Hu Muying 胡木英, the daughter of Party propagandist and writer extraordinaire Hu Qiaomu 胡乔木, and the organiser of The Children of Yan'an 北京延安儿女联谊会:

The Centre under General Secretary Xi Jinping has raised high the banners of 'Opposing the Four Winds', Anti-Corruption Pro-Frugality and Mass Line Education. These Three Banners are backed up by real action against the ill-winds and pernicious miasma that has suffused our world for many years, and he has taken the knife to both Tigers and Flies.

This is a Life and Death Struggle! I sincerely hope that our Red Second Generation will clearly recognise the [gravity of the] situation, and during this struggle firmly support and closely coordinate with our Central Committee led by General Secretary Xi Jinping so that we can contribute our meagre energies, carry on the revolutionary legacy of our fathers' generation of party members, pass on and enhance the positive energy of the past, discover and support all of society's healthy energies, not create interference by means of distracting broadsides, not create more problems than we help resolve, not believe in or spread rumours, not interfere with the strategy of the Centre and, like our fathers before us, and for the sake of the enterprise of the Party and the greater good of the People, to cast aside our individual needs, overcome our present or historical resentments and grudges, unite as one and work to make China wealthy and strong and realise the great dream of the renaissance of the Chinese nation.



'It is for real now! The breeze is blowing away the evil air,' said Hu Muying when she convened The Children of Yan'an at Spring Festival in 2014. Hu Muying is the daughter of the late Hu Qiaomu, a former politburo member and writer who served both Mao Zedong and Deng Xiaoping
Photo: dvpd.com.cn



Emulate Comrade Jiao Yulu, Comrade Mao Zedong's Good Student
Source: chineseposters.net

of the twenty-first century, the Chinese Communist Party finally became a party of 'all the people' — an expression Mao and his colleagues denounced as revisionist in the 1960s when accusing the Soviet Union of having lost its revolutionary edge. But it is just this claim, that the Party represents the interests of the 'Chinese nation' 中华民族 including all the communities and strata of Chinese society, that forms the bedrock of Party legitimacy today. A renewed emphasis on the collective, on Party probity,

on traditional values over Western norms, on quelling the boisterous Internet, repressing dissent with a vigour not seen since the post-4 June 1989 purge, uprooting the sprouts of civil society and persecuting people of conscience in every sphere, have even led some Beijing wits to call Xi Jinping's China 'West Korea' 西朝鲜.

Party education and propaganda, or 'publicity' as China's propagandists prefer to call it these days, is suffused with ideas of collective and Shared Destiny. The cover of this *Yearbook* includes many of their favourite terms in a word cloud in the shape of the Chinese character 共 'common' or 'co-joined'. From the Red Samaritan Lei Feng 雷锋 to the model martyr party member Jiao Yulu 焦裕禄, to PLA heroics, the ethos of the collective suffuses the public life of the People's Republic. The contributors

to this *Yearbook* examine this topic from various angles. Paradoxically, it was under the rubric of collectivity during the Maoist era that the greatest damage was inflicted on Chinese individuals and families. Today, China promises that its revived collective mentality, shored up by a piecemeal use of traditional political thinking, is the only way to realise national goals, even as many observers note that the collective aspirations articulated and pursued by the state will come at a high cost, perhaps making it impossible for Chinese society to become mature, modern, self-aware and politically responsible even as it becomes rich and prosperous.

In its stead, we see another Chinese leader drawing inspiration not only from modern political ideology but also from the tradition of state Confucianism to promote their vision for China. In our 2013 *Yearbook*, *Civilising China*, we noted attempts in the 1930s by the Nationalist leader Chiang Kai-shek 蔣介石 to modernise the Republic of China by employing ideas and values from the Confucian past in his New Life Movement 新生活運動. Today, Xi Jinping refers to the body of thinking and practice that was used by dynastic leaders for over two millennium to re-introduce Confucian ideas about virtue, morality, hierarchy, acceptable behaviour, social cohesion and prosperity (the countervailing elements of Confucianism that supported dissent, criticism of excessive power and humanity are quietly passed over). A punctilious Xi Jinping has also called for the institution of new state ceremonies that will intermesh with numerous new regulations regarding how public officials should comport themselves



Jiao Yulu, the model cadre
Source: chinese posters.net

and use public funds. In such pronouncements we find echoes of Chiang Kai-shek's 1943 wartime book *China's Destiny* 《中國之命運》 (most probably ghost-written by Chiang's party theorist, T'ao Hsi-sheng 陶希聖).

Prior to Chiang Kai-shek's talk of destiny, joint concerns and regional harmony, in 1940 the Japanese imperial government, which made it clear that as Asia's superior nation/race/military power/economy Japan was best placed to lead the region by expelling Western imperialism and imposing its own rule, announced that it would construct a Greater East Asia Co-prosperity Sphere 大東亞共榮圈. The sphere would realise an age-old Japanese version of the *tianxia* vision of All-Under-Heaven. In Japanese this was called *hakkō ichiu* 八紘一宇, Eight Realms Under One Rule. It is hardly surprising then that with renewed talk of creating in East Asia a harmonious region or a Community of Shared Destiny, some recall the grand rhetoric, and failed ambitions, of that earlier era.

In November 2014, Xi Jinping returned to the topic of the Community of Shared Destiny during the APEC Summit held in Beijing. As this theme becomes further embedded in Chinese official discourse, and as China more confidently engages in global governance, an abiding element of China's Maoist era — that of the collective outweighing the individual in every sphere of activity — will continue to shape the country's behaviour internally, as well as externally. While many in Asia and the Pacific may

indeed concede that they are bound by an economic shared destiny to the People's Republic, it is hardly certain that China's neighbours or trade partners will want to share entirely the increasingly confining vision of the Chinese Communist Party.



Eight Realms Under One Rule
hakkō ichiu 八紘一宇

Source: blog.goo.ne.jp/nihon-revival

China's Destiny: Quotations from Generalissimo Chiang

To make China strong and independent, it is necessary that all citizens, from the highest to the lowest, must be united in one purpose; that we rouse ourselves for thorough reform, eliminate frivolity by insisting upon honesty, and discourage indolence by upholding active endeavor. Our thinking must be realistic, our living disciplined; our duties must be performed with a sense of responsibility, and our actions must be orderly; and we must seek the truth through practical work, and progressively strive for improvement. Only in this way can China stand on a footing of equality in the Family of Nations and share the responsibility for permanent world peace and the liberation of mankind.

Our Chinese nation must crystalise into a solid, rocklike body of national defense, needless to say, no individual may enjoy the 'freedom' of a loose grain of sand. ...[I]n the relation between the individual and the state, whether during or after the war, 'individual freedom' of the type of loose grains of sand cannot be tolerated.

If China's adult citizens cannot unite on a large scale, our unity cannot long endure, and we shall experience the humiliation and shame of being 'a pan of loose sand' [一盤散沙] and be laughed at for our 'five minutes of boiling blood' [五分鐘的熱血].

If our internal affairs are unified, if the strength of our state is centralized, and if, in addition, all the citizens can join in a united effort, then China's destiny may be epitomized by the following words: 'Be sincere and united, uphold the Government and obey the law'; and in that event, China's destiny will be independence and liberty.

It has been previously stated that the inherent virtues of the Chinese people consist of the ability to endure humiliation, accept responsibility, understand thrift, and possess a sense of honor. Because the Chinese people possess these virtues, they are not afraid of strong enemies, and do not take advantage of minorities and the weak, but rather apply their traditional principle of magnanimity, and treat others as they wish to be treated themselves. For this reason they have been for thousands of years the leaders

of the people of Asia in 'preserving the perishing and sustaining those that might be destroyed', and in 'helping the weak and assisting the fallen'. As a consequence, there is no historical evidence of economic exploitation or of political domination of the peoples of Asia during the period when China was strong and prosperous; nor was there any imperialism or colonialism.

[A]fter China has become independent and strong, she will definitely not wish the sufferings she has endured to be inflicted upon other countries, and furthermore, after the overthrow of Japanese imperialism, she will not even consider assuming the mantle of Japanese imperialism with the idea of 'leading Asia'.



Nationalist Party leader Chiang Kai-shek's 1943 wartime book *China's Destiny*
Photo: bbs.tiexue.net



Chiang Kai-shek
Source: chenmodemaque.blog.163.com

The China Story Yearbook

China Story Yearbook is a project initiated by the Australian Centre on China in the World (CIW) at The Australian National University (ANU). It is part of a broad undertaking aimed at understanding The China Story 中国的故事, both as portrayed by official China, and from various other perspectives. CIW is a Commonwealth Government-ANU initiative that was announced by then Australian prime minister, the Hon Kevin Rudd MP, in April 2010 on the occasion of the Seventieth George E Morrison Lecture at ANU. The Centre was created to allow for a more holistic approach to the study of contemporary China: one that considers the forces, personalities and ideas at work in China while attempting to understand the broad spectrum of China's socio-political, economic and cultural realities. CIW encourages such an approach by supporting humanities-led research that engages actively with the social sciences. The resulting admix has, we believe, both policy relevance and value for the engaged public.

The Australian Centre on China in the World promotes a New Sinology, that is a study of China underpinned by an understanding of the disparate living traditions of Chinese thought, language and culture. Xi Jinping's China is a gift to the New Sinologist, for the world of the Chairman of Everything requires the serious student of contemporary China to be familiar with basic classical Chinese thought, history and literature, appreciate the abiding influence of Marxist-Leninist ideas and the dialectic prestidigitations of Mao Zedong Thought. Similarly, it requires an understanding of neo-liberal thinking and agendas in the guise of Socialism with Chinese Characteristics 具有中国特色的社会主义. Those who pursue narrow disciplinary approaches to China today serve well the metrics-obsessed international academy, but they may readily fail to offer greater and necessary insights into China and its place in the world.

Most of the scholars and writers whose work features in *Shared Destiny* are members of or are associated with the Australian Centre on China in the World. They survey China's regional posture, urban change, politics, social activism and law, economics, the Internet, cultural mores

and arts, history and thought during the second year of Xi Jinping's tenure as party-state leader. Their contributions cover the years 2013–2014, updated to December 2014, and offer an informed perspective on recent developments in China and what these may mean for the future.

Shared community, shared values, the imposition of collectivity — it is under such a system that difference is discriminated against, policed and coerced. The account in this *Yearbook* is a sobering one. We position our story between two plenary sessions of the Chinese Communist Party, the Third Plenum of the Eighteenth Party Congress in November 2013, which focused on economics, and which is the topic of Chapter 1 by Jane Golley, and the final chapter by Susan Trevaskes and Elisa Nesossi, which concentrates on the new legal regime under Xi Jinping, the theme of the Party's Fourth Plenum in October 2014. In Chapter 2, Richard Rigby and Brendan Taylor look more closely at Xi's foreign policy, an area which saw some major missteps in 2013 and 2014, perhaps due to what we might well call the Maoist style of Xi and his advising generals. This approach has been celebrated in the official Chinese media as a form of 'foreign policy acupuncture' 点穴外交. I would suggest that the general tactics used — action, reaction, recalibration, withdrawal — is a disruptive style that recalls Mao's famous Sixteen-character Mantra 十六字诀 on guerilla warfare: 'When the enemy advances, we retreat; when the enemy makes camp we harass; when the enemy is exhausted we fight; and, when the enemy retreats we pursue' 敌进我退, 敌驻我扰, 敌疲我打, 敌退我追. It is an approach that purposely creates an atmosphere of uncertainty and tension. To appreciate the mindset behind such a strategy students of China need to familiarise themselves with such Maoist classics as *On Guerilla Warfare* 《论游击战》 and *On Contradiction* 《矛盾论》.

Chapter 3, by Jeremy Goldkorn, looks at the cordoning of the Chinese Internet from a world wide web that proffers a community of shared information, while in Chapter 4, Gloria Davies considers how official China talks to and about itself. In Chapter 5, Carolyn Cartier examines the shared destinies of people flooding Chinese cities from the countryside and the common spaces shared by Chinese tourists and immigrants around the world.

Chapters are arranged thematically and they are interspersed with information windows that highlight particular words, issues, ideas, statistics, people and events. Forums, or ‘interstices’, expand on the contents of chapters or offer a dedicated discussion of a topic of relevance to the year. These include an overview of the classical literary and cultural references in Xi Jinping speeches by Benjamin Penny; an essay on rules that seek to codify family values, in particular filial piety, by Zou Shu Cheng 邹述丞; a look at confusing times for foreign business in China by Antony Dapiran; a meditation on the concept of the right to speak or *huayuquan* 话语权 by David Murphy; portraits of Sino-Russian and Sino-European relations by Rebecca Fabrizio; a discussion of the United Front work of the Party by Gerry Groot; the politics of protest in Taiwan by Mark Harrison; official policy on the arts by Linda Jaivin; Chinese cinema by Qian Ying 钱颖; contemporary Chinese art by Chen Shuxia 陈淑霞; Chinese families going global by Luigi Tomba, and, finally, the topic of shared air by Wuqiriletu. The Chronology at the end of the volume provides an overview of the year under discussion. Footnotes and the CIW–Danwei Archive of source materials are available online at: <http://thechinastory.org/dossier/>.

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The Cover Image

The *Yearbook* cover consists of a word cloud in the shape of the character 共 *gong*, ‘shared’, ‘collective’ or ‘common’, followed by the three other characters that make up the expression Shared Destiny 共同命运, the theme of this book.

The word cloud features expressions and official clichés that have gained purchase, or renewed currency in the Xi Jinping era. For example, the top left-hand corner of the character *gong* includes such terms as: ‘self-cultivation’ 修身, taken from the Confucian classic *The Great Learning* 《大学》; ‘breathing the same air’ 同呼吸; ‘sincerity and trust’ 诚信; and, ‘advancing together’ 共同前进. Or, in the top right-hand corner: ‘self-reliant and self-strengthening’ 自立自强; ‘exploit the public to benefit the private’ 假公济私; and, ‘mollify people from afar’ 柔远人. Other terms date from the Maoist era (1949–1978) of the People’s Republic or earlier, expressions that feature in Xi’s remarks on the Community of Shared Destiny, or in pronouncements contained in his ever-expanding ‘series of important speeches’.

As mentioned earlier, the Xi era is a boon for the New Sinologist: in today's China, party-state rule is attempting to preserve the core of the cloak-and-dagger Leninist state while its leaders tirelessly repeat Maoist dicta which are amplified by socialist-style neo-liberal policies wedded to cosmetic institutional Confucian conservatism. The *Yearbook* word cloud cover, which employs the white-on-red palette used for billboards featuring party slogans and exhortations, was designed by Markuz Wernli and succinctly reflects this exercise in the incommensurable.



Cover of the *China Story Yearbook 2014* with a word cloud, featuring expressions and official clichés in the shape of the character 共 *gong*
Artwork: Markuz Wernli

FORUM



8月

7月

6月

5月

4月

3月

2月

FORUM

2014年1月

12月

11月

10月

9月

8月

7月

6月

5月



ALL THAT IS OLD

Classic Xi Jinping: On Acquiring Moral Character

· BENJAMIN PENNY

Institutionalising Filial Piety

· ZOU SHU CHENG 邹述丞

CLASSIC XI JINPING: ON ACQUIRING MORAL CHARACTER

Benjamin Penny

In September 2013, Reuters reported ‘three independent sources’ as saying that Xi Jinping believes China is ‘losing its moral compass’ as a result of the country’s extraordinary economic growth and the national mania for making money. Xi believes that Confucianism, Buddhism and Daoism can help to provide a moral bulwark against corruption. One of Reuters’ sources claimed that Xi realises his anti-corruption campaign can only ‘cure symptoms’ while ‘reform of the political system and faiths are needed to cure the disease of corruption’.

Former president Hu Jintao had famously claimed that Confucianism would help construct a ‘harmonious society’. In diagnosing a moral illness at the heart of contemporary China

and prescribing a treatment of faith, Xi seems to go one step further. This does not herald a wholesale liberalisation of the party-state’s approach to religion. Rather, Xi reportedly said that while ‘traditional cultures will not be comprehensively popularised ... attacks on them will be avoided’. For the leader of an officially atheist ruling party to make these statements is, if true, extraordinary.

Xi’s respect, even reverence, for traditional Chinese cultural traditions (and their usefulness in the present) extends to Chinese literature and philosophy: he leavens his political essays, speeches and commentaries on contemporary society with quotations in literary Chinese from both pre-modern and ancient texts. No leader in



Xi Jinping's use of classical aphorisms as promoted by the *People's Daily*
Source: paper.people.com.cn

China has so ostentatiously drawn from the Chinese literary tradition since the People's Republic of China's first, Mao Zedong.

In May 2014, the *People's Daily* 人民日报 helpfully published six feature articles grouping Xi's chosen quotations under the headings of 'cultivating morality', 'learning', 'the virtues of officials', 'All-Under-Heaven' 天下, 'the foundations of the people' and 'the principles of government'. The *People's Daily* editor provides the source for each quotation, a translation into modern Chinese and briefly discusses its relevance to China today, with a focus on the appropriate values and behaviour of party and public officials. This first of the six feature articles, selections from which are translated here, appeared in the *People's Daily* on 8 May 2014.

The Chairman says: Xi Jinping quotes the classics

Wherever the will urges, no-
where is too far to venture:

Neither mountains nor seas can
contain it.

If there is will, no barrier can
stop it:

The best armies and toughest
armour are no defence.

*The Complete Anthology of
Aphorisms, Qing dynasty*

As if we were on the brink of a
deep gulf,

As if we were treading on thin
ice.

The Book of Songs,
Zhou dynasty,
translated by James Legge

Quoted in Xi Jinping's speech at the National Organisational Work Conference, 28 June 2013.

Commentary:

Why does one become an official? What is being an official for? Is it just to secure a job for life and profit from a steady flow of cash? Or is it to take hold of an official seal and use power for personal gain? Or is it to serve the people? One's values determine the answer to these questions. Leading cadres all face the three big questions: 'Who is it for?', 'Who can I rely on?' and 'Who am I?' Before answering these three questions, they must first ask themselves, 'Where is my will?'

Quoted in Xi Jinping's speech at the celebratory conference marking the eightieth anniversary of the establishment of the Central Party School, and the opening ceremony of the 2013 Spring Festival term, 1 March 2013.

Commentary:

When Xi Jinping quoted these words he was explaining that leading cadres of the Party should always revere the authority that is granted to them by the people and respect the confidence that is placed in them by the organisation. They should use that power with great caution and never become even the least bit lazy.

There is nothing more visible than what is secret, and nothing more manifest than what is minute. Therefore the superior man is watchful over himself, when he is alone.

The Record of Ritual
Western Han dynasty,
translated by James Legge

Quoted in Xi Jinping, ‘Seeking Out the Elevated Realm of “Watching Over Oneself When Alone” ’ from his *New Conversations in Zhejiang* 之江新语, 2007.

Commentary:

In their letters of repentance many corrupt officials say that sooner or later, after first taking a bribe, they felt ill-at-ease: this unease is the root of goodness. If they had promptly restrained their greed and guarded their good heart, they would not have slipped into the abyss. ‘Watching Over Oneself when Alone’ has been a model for people past and present. Constantly consult your conscience to see whether you feel guilt.

We consider people to be people because of speech. If a person is unable to speak, how can he be considered a person? We consider speech to be speech because of trust. If something is spoken without trust, how can it be considered speech?

The Guliang Commentary on the Spring and Autumn Annals,
Warring States period

Quoted in Xi Jinping, *Act on Real Cases, Escape from Old Models*, 2006.

Commentary:

People are social animals who relate through speech. This is what separates people from the animals. Speech enables the transmission of information. We understand each other through continuous interchange, and it is how we express confidence in each other. Trust is the foundational morality of social interaction. In reality, we come across many people who are good at making unfounded opinions sound wise, but those opinions can never be trusted as they are not grounded in reality. The more beautiful the words, the more there is an overdraft on trust.

Following goodness is like climbing a mountain, following evil is like being swept away in a landslide.

The Discourses of the States,
Warring States period

Quoted in Xi Jinping's speech at the Symposium for Outstanding Youth Delegates from All Walks of Life, 4 May 2013.

Commentary:

If people are strictly disciplined almost any problem can be overcome. But if there is no external supervision, it is very hard to overcome moral inertia and always to be aware of nurturing a good heart. If people want to abandon evil and follow good, they have to have a powerful faith in their hearts for a bulwark. They also need good teachers and helpful friends for mutual criticism. They must be strong in their resolution, and careful with the friends they make. This is especially important for young leading cadres.



Classical clichés: moon, bamboo, scrolls and scholars
Source: cpc.people.com.cn

The commander of the forces of a large state may be carried off, but the will of even a common man cannot be taken from him.

The Analects, Zhou dynasty
translated by James Legge

Quoted in Xi Jinping, 'A Discussion on Taking up a Government Post', March 1990, from *Cast off Poverty*, 1992.

Commentary:

In this crucial period of reform we often face doubts and evasions, and see people looking on from the sidelines. If leading cadres hold true to their ambitions then all obstacles can be surmounted and we can advance with courage. If not, then how will we assume the heavy responsibility of history?



To be above the power of riches and honours to make him dissipated, of poverty and mean condition to make him swerve from principle, and of power and force to make him bend.

Mencius, Warring States period,
translated by James Legge

Quoted in Xi Jinping's speech at the celebratory conference marking the eightieth anniversary of the establishment of the Central Party School, and the opening ceremony of the 2013 Spring Festival term, 1 March 2013.

Commentary:

In this new period, leading cadres are faced with many dangerous and difficult tasks, but also many temptations. To handle the easy situations without showing arrogance and the difficult situations without complaint, they must first ask themselves where 'the anchor of morality and justice' is in their hearts.

Calm the World — Classical Chinese Governance and Wisdom, a publication inspired by Xi Jinping's aphorisms, published by the *People's Daily Overseas Publishing House* in 2015
Photo: pph166.com

You may shatter rock but you
cannot take away its hardness,
you may grind cinnabar but you
cannot take away its redness.

*The Springs and Autumns
of Mister Lü, Qin dynasty*

Quoted in Xi Jinping's speech at the Meeting for Summarising the First Stage of the Mass Line Educational Campaign and Planning the Second Stage.

Commentary:

Hardness is an intrinsic quality of rock, and red is the natural colour of cinnabar. It is impossible to change these characteristics with force. Applying this to people, is it possible for leading cadres to withstand trials and tribulations in today's comprehensive deepening of reform? Faced with complex situations and all kinds of inducements they must first ask themselves, 'What are the intrinsic qualities of a Communist Party member?'

The gentleman constantly
examines himself for transgres-
sions

Kangcangzi, Tang dynasty

Quoted in Xi Jinping, 'Being a Man and Being an Official' from his *New Conversations in Zhejiang*, 2007.

Commentary:

Capable men are tolerant so they are unwilling to point out your shortcomings. Lesser men flatter you as they have a favour to ask. Relatives will submit to your whims because they cherish you. Over time, these conditions can easily give rise to an illusion of perfection. The process of cultivation must be like looking into a mirror, constantly reflecting on yourself, inspecting yourself for insufficiencies.



Cultivate the heart and regulate the body, then you will be able to govern All-Under-Heaven.

Wang Anshi, Commentary on the 'Great Plan' section of the *Book of History*, Song dynasty

Quoted in Xi Jinping, 'Being a Man and Being an Official' from his *New Conversations in Zhejiang*, 2007.

Commentary:

The Chinese understand that however exquisitely organised a political system is, it must be put into practice by real people. The cultivation level of individuals is the most basic thing. Being able to 'cultivate the heart and regulate the body' is an essential accomplishment for those in government, and a prerequisite for seeking a career as an official. Nowadays, when the central authorities employ people they pay great attention to both ability and integrity, and are primarily concerned with virtue. In this they follow practices that come directly from the wisdom of the ancients.

Remaining hard and strong after 1000 buffetings and 10,000 beatings, no matter that you are blown in all directions.

Zheng Banqiao, 'Bamboo Rocks', Qing dynasty

Quoted in Xi Jinping's speech when inspecting Peking University, 4 May 2014.

Commentary:

Bamboo grows tall even in soil that is infertile, and remains stubborn and tough when buffeted and blown around. In this new period, leading cadres face all sorts of dilemmas in reform, and all manner of temptation to make a profit. China's development faces complex international and domestic circumstances. We must base ourselves in historical conditions and contemporary realities, stay sure on our path of development, and remain confident in our ideology and institutions.

INSTITUTIONALISING FILIAL PIETY

Zou Shu Cheng 邹述丞

A drunken man surnamed Dong walked into a Chongqing police station one evening in late 2013, shouting, 'I'm denouncing my son in the name of righteousness!' 大义灭亲. His son's 'crime' was to have invited his mother, who had abandoned the family ten years earlier, to his thirtieth birthday dinner. Mr Dong had stormed out of the dinner and gone straight to the police station. He felt entitled to denounce his son for neglect because the traditional supreme Confucian virtue of 'filial piety' 孝, the responsibility of sons and daughters to respect and look after their parents, is enshrined in the amended Law of Protection of the Rights and Interests of Elderly People 老年人权益保障法, which came into effect on 1 July 2013. The 2013 law was

an amendment of the original 1996 law of the same name that identified the rights and responsibilities of older citizens. These include the responsibility of the state to provide welfare as well as social programs that utilise the expertise and knowledge of the elderly.



The burden of filial piety

Source: China Youth Newspaper, edu.163.com



Stone sculpture of a filial son, Fenggang county, Guizhou province

Source: gz.xinhuanet.com

The 2013 law states its purpose as ‘promoting the Chinese nation’s virtues of respecting the elderly, nurturing the elderly and assisting the elderly’ 弘扬中华民族敬老养老、助老的美德. Key provisions relate to the responsibility of children to their parents. The law also increases concessions on basic services, improves access to social services and pensions and encourages local governments to shoulder more of the burden of care, recognising that the long-standing one-child policy means most elderly parents in the future will only have one child to look after them.

Legal cases involving parents denouncing their children for ‘unfilial’ behaviour date back to the Qin dynasty (221–206 BCE). Fifteen major city governments based a 2013 public education campaign about the new law on the famous ‘Twenty-four Filial Acts’ 二十四孝 of the Yuan dynasty (1271–1368), exemplary and occasionally grotesque filial behaviours (a son tasting his father’s faeces to assess his health, for example) promoted through graphic representation.

Practical considerations guide today’s law. In 2013, there were more than 200 million people over the age

of sixty in China, some fifteen percent of the population. By 2030, roughly one in four Chinese will be over sixty. Widespread media speculation about a pension fund deficit created panic and led the Ministry of Human Resources and Social Security to claim in February 2014 that the fund was 400 billion yuan in surplus. Still, the case highlights some of the challenges the country faces.

Critics of the filiality law argue that the primary responsibility for aged care ought to lie with society, not individuals, many of whom may be in-

capable of looking after their parents. Although the law divvies up responsibility for caring for the elderly between individuals, local and national governments, the burden falls most heavily on those born in the 1980s and beyond. Others, including micro-bloggers, claim the law sets the bar too high, leaving most children vulnerable to accusations of being ‘unfilial’ — a complaint made about the original Yuan-dynasty precepts as well.

As for Dong, it turned out that he was only fifty-eight. His son is safe for another two years, at least legally.

Filial piety set in stone

Source: haiwai.people.com.cn



1

6月

7月

8月

9月

10月

11月

12月

2014年1月

GREAT EXPECTATIONS

Jane Golley

2月

3月

4月

5月

6月

7月

8月

9月





THIRD PLENUMS, typically held a year after the instalment of a new team of Communist Party leaders, had delivered major breakthroughs in the past. Deng Xiaoping famously initiated the process that would become known as Reform and Opening Up at the Third Plenum of the Eleventh Central Committee in December 1978. And both President Xi Jinping and Premier Li Keqiang had signalled a strong commitment to reigniting the reform process. The pressure was on.

The Resolution and the Neo-Liberal China Dream

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23

On 12 November 2013, the Third Plenum of the Eighteenth Central Committee passed a 'Resolution Concerning some Major Issues in Comprehensively Deepening Reform' (henceforth 'the Resolution'). That the Resolution assigned a 'decisive' role for the market in China's economy caused much excitement, with analysts scouring the lengthy document for evidence of how this would be achieved. Writing in the *China Leadership Monitor* in March 2014, Barry Naughton, a specialist in the Chinese economy at the University of California, San Diego, declared that the Third Plenum had 'basically fulfilled the expectations placed on it', becoming 'a milestone in a prolonged process of restoring credibility and momentum to market-oriented economic reform'.

Naughton explained that the Resolution was not a comprehensive blueprint for reform, but rather a 'vision statement plus a To-Do list'. The vision, as he saw it, emphasised 'the need to redefine the relationship between government and market, and to reduce direct government intervention in the economy'. He argued that this was reflected in many of the 'Sixty Decisions' that appear in the Resolution's sixteen sections. These included guaranteeing property rights (No. 5), fair and transparent regulation of markets (No. 9), uniform regulations for the selling of land for development in urban and rural areas (No. 11), perfecting financial market mechanisms (No. 12), accelerating the construction of free trade zones (No. 25) and implementing user-pay systems for resource and environmental management (No. 53). In each of these, and many more besides, the rhetoric of a decisive role for markets has begun to take practical shape, even if the difficult task of implementation remains.

A number of Western (and some Chinese) analysts celebrated the apparent confluence of China's reform agenda with neo-liberal ideas about how economies should be run. There appeared to be enough evidence in the Resolution to enable Daniel Rosen from the Centre for Strategic and International Studies in the United States, for example, to conclude that: 'Overall, the Plenum results present a necessary but not a sufficient



Joe Hockey at the meeting of the G20 finance ministers
Photo: cairnspost.com.au

roadmap to economic development convergent with the interests of other economies, including the United States.’

Yet there is no perfect consensus about what these interests are, despite the frequent use of language that implies there is. At a meeting of the G20 finance ministers in Washington DC in March 2014, Joe Hockey, the Treasurer of the conservative ruling Australian Liberal Party, said that all nations should be urging China to move to full deregulation and open trading of its currency, claiming that ‘*We all want it to move quicker...* ’ (my italics)

Ronald McKinnon, Emeritus Professor of International Macroeconomics at Stanford University, however, argues forcefully that exchange rate stability, not flexibility, is optimal for China. He also contends that floating the RMB would do little to improve macroeconomic problems elsewhere. For McKinnon, the possibility that the Resolution might not produce ‘dramatic breakthroughs’ on interest rates, the exchange rate and the capital account (the net change in private and public investments flowing in and out of the country), as Naughton suggests is likely, may not be such a bad thing after all.

While the Plenum provided some degree of satisfaction for the neo-liberal camp, as Daniel Rosen put it, ‘there is plenty of language in the Plenum Decisions which is less consistent with this *happy story*’ (my italics). If you read the Resolution hoping to find evidence that China is on the ‘right path’ as defined by neo-liberals, you’ll be disappointed. It isn’t.

The Resolution and China’s Political-Economic System

The first section of the Resolution lays out the guiding ideology for reform. It stresses that the process of reform and opening up is a ‘new magnificent revolution’ to ‘develop and strengthen self-confidence in the system of Socialism with Chinese Characteristics under the leadership of the Party’. The comprehensive deepening of reforms must take guidance, it insists, from Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory, as well as the Three Represents (Jiang Zemin’s theory that the Party must develop the advanced productive forces in China’s economy, promote advanced socialist, Marxism-based culture and serve the ‘People’) and Scientific Development (which emphasises balance in the construction of a Socialist Harmonious Society). It not only acknowledges the ideological contributions of all of Xi Jinping’s predecessors, but insists that they not be ignored.

The four key principles of Socialism with Chinese Characteristics are: single-party rule, public ownership of land, a dominant role for state ownership and state economic planning. All of these resonate throughout the Resolution. I do not see this ideology as being purely rhetorical. It provides a fundamental basis for understanding where China is headed.

The principle of single-party rule is not open for discussion. The document reiterates the centrality of the Party’s leadership roles in sections such as ‘Strengthening the Construction of the Socialist Democratic Political System’ (VIII), ‘Strengthening and Restricting Supervision Systems for

中国共产党第十八届中央委员会第三次全体会议



The Third Plenum of the Chinese Communist Party's Eighteenth Central Committee concludes in Beijing
Photo: Xinhua

the Operation of Power' (X) and the final section on 'Strengthening and Improving the Party's Leadership over the Comprehensive Deepening of Reform' (XVI).

This final section calls for the establishment of a Communist Party Central Leadership Small Group (LSG) for the Comprehensive Deepening of Reform, which will have responsibility for the general design, overall co-ordination and implementation of reform. This LSG model has already spread throughout the Chinese political system — the provinces, prefectures, cities and central ministries — with Xi expecting the government to take the lead in economic reform at all levels (see Introduction 'Under One Heaven', p.vi)

Naughton describes the LSG model as 'mobilising through Communist Party channels in order to ensure that the government does less'. He then comments: 'This is a peculiar approach to economic reform, and *it might not work*' (my italics). Reflecting on nearly four decades of gradual and experimental reforms that, under its rule, have generated the longest period of sustained growth in history, the Party could be forgiven for thinking that it just might.

Section II of the Resolution on 'Persisting in and Perfecting Basic Economic Institutions' explicitly calls for 'persisting in the dominant posi-

tion of public ownership'. The section lays out the range of reform measures that will be directed towards 'incessantly strengthening the vitality, control and influence of the state-owned economy'. These include establishing clearly-defined property rights, strengthening state-owned asset supervision, raising the share of state-owned income to be returned to public finances and improving company governance structures.

Public ownership of land, like state ownership of the means of production, is an anathema to neo-liberals. For the Party, however, privatisation of land is not an option. The Resolution grants greater autonomy to rural households to increase their income from land rights, so they can invest in and expand their on- and off-farm enterprises. Under the principle of 'persisting in the collective ownership of rural land', farmers will enjoy greater rights with regard to the possession, use, profit, transmission and mortgaging of land — but notably and explicitly not ownership.

Not everyone in the world finds this problematic. Peter Ho, Professor of Chinese Economy and Development at Delft University of Technology in the Netherlands, for example, maintains that China's evolving land management system stems from endogenous interactions between state and other market participants. He asserts that 'despite the lack of formality, security and transparency, land has been and still is a core driver of China's capital accumulation and development over the past decades'. Whether you accept Ho's argument or not, and regardless of the many flaws in this system (on which more below), reforms simply will not lead to full-scale private land ownership in the foreseeable future.

Finally, the entire Resolution will inform the next Five-Year Plan (to be released in 2016): it is in itself a critical component of China's state economic planning, the fourth principle of Socialism with Chinese Characteristics.

So, does the Third Plenum represent a milestone in China's reform and development of the last three and a half decades? Does a decisive role for market forces as promoted in this Plenum mean much more than the 'fundamental' role they were given in the Third Plenum of 1993? Wasn't

The Rise of Chinese Internet Finance

by Aiden Xia

One area of applied science and business where China is a world-leading innovator and early adopter of new technologies and ideas is Internet-based financial services. These range from 'wealth management products' 理财产品 to mobile phone payment systems.

Baidu 百度, Alibaba 阿里巴巴 and Tencent 腾讯 (aka the BAT companies, see Chapter 3 'The Chinese Internet: Unshared Destiny', p.106) all operate mobile phone apps by which users can send money electronically to friends, or pay taxis, restaurants and shops.

The technology and platforms are already in place for large numbers of Chinese people to use their phones as virtual wallets. The only obstacles are government regulations and the reluctance of companies and merchants to accept a new form of payment. There is enthusiasm in some quarters of the government for the innovation that technology companies will bring to finance: the big Internet companies are successfully applying for a growing range of licences that permit them to operate credit cards and other financial services. However, the very newness of the industry means regulators remain wary; for example, in March 2014, the central bank demanded Tencent and Alibaba halt their mobile payments systems, citing concerns over the security of their verification procedures. As of publication of this *Yearbook*, those payment systems are working again, but the authorities have not issued clear guidelines for such services.

The BATs also all offer online investment products that have so far yielded better interest rates than bank savings accounts. Alibaba's Yu'e Bao 余额宝, launched in 2013, was the first Internet-based fund. By June 2014, it claimed one hundred million users with 574.1 billion yuan under management. The company says most investors are under the age of thirty, and that they enjoyed an average annualised yield of 5.5 percent. The funds are friendly to small investors: some individuals invest as little as one hundred yuan. The companies invest a large part of the funds in intermediate- or long-term deposits at commercial banks to take advantage of high interest rates.

Many traditional funds that hold a portfolio of shares in listed Chinese companies have begun to offer investment packages via online marketplaces like Alibaba's Taobao. As for the Internet company products, minimum entry requirements for these are also very low.

Another category of Internet finance is peer-to-peer or P2P lending. Websites such as PPDai.com allow investors with cash to connect with individuals and small businesses who need loans.

Finally, China has a thriving market in Bitcoin. The Central Bank barred financial institutions from handling Bitcoin transactions in December 2013, ending a speculative boom by making it difficult for Chinese people to get cash into or out of the Bitcoin system. But the cryptocurrency itself is not illegal and there are still enthusiasts and startup Internet companies offering related services such as the Bitcoin marketplace BtcChina.com.



This building in Shenyang, Liaoning province, is known as the Square and Circle Mansion. It was envisioned by its Taiwan designer C Y Lee & Partners to convey the city's financial aspirations. It is in the shape of an ancient Chinese coin, known as a *bi* 币.

Photo: Aaron Sorell/Flickr

the Party's decision to reform and open up the economy from 1978 all about strengthening the role of markets anyway? The details contained in the Resolution lead Naughton to conclude that: 'In ways that we are just beginning to fathom, China in 2014 is very different from China in 2012.' For me, the continuity with the past is just as striking despite the ambitious and comprehensive reform agenda that the Resolution sets out.

My line of reasoning above is consistent with that of the political economist Christopher McNally of Chaminade University of Honolulu, who has analysed China's efforts to rebalance its political economy — which is essentially what the Third Plenum reform agenda is all about. As he notes, many observers, including Yasheng Huang 黄亚生, whom I discussed in last year's *Yearbook*, believe that only free markets can create an efficient, equitable and sustainable political economy. Yet as McNally points out:

Local Government Debt: 'No Money. Really, No Money', by Jeremy Goldkorn

China has a total of 41,636 towns and townships, fourth-level administrative units under counties and districts. Collectively, these have outstanding debts of 307 billion yuan, and owe 11.6 billion yuan in guarantees and 46.1 billion in aid payments, according to a report released by the National Audit Office in August 2014. The report also showed that 3,465 town and township governments have debt ratios (the ratio of total debt to total assets) exceeding one hundred percent.

The extent of local government debt has been in the news for some time. On 4 August, Xinhua's *Economic Information Daily* 经济参考报 described how this has become a dangerous problem. In visits to ten provinces across China, newspaper reporters discovered not only that the old practice of land-based borrowing is proving unsustainable in a cooled-down economy, but also that some local authorities, who are struggling to repay old outstanding debt, are unable to borrow more in order to deliver basic services. One reporter described hearing the head of an urban district in northern China tell a creditor: 'There's no money. Really, no money. If you don't believe me, check it out with the finance bureau.'

A development zone official in Liaoning province told the newspaper: 'Because of falling land prices, our financial revenue this year will drop by at least twenty-five percent. And we're not the worst-off — lots of places are in worse shape than us.' The newspaper named as an example a new prefecture-level city in southern China that was established just twelve years ago but was already 700 million yuan in debt by last year. One official

Instead of a singular reliance on liberalization measures, the Chinese government seems to be intent on statist solutions, including efforts to recentralize, standardize and better regulate various aspects of the political economy. This parallels earlier major reform initiatives in China that have consistently balanced liberalization measures with concerted effort to sustain and strengthen state control. I therefore argue that Chinese policies ... are highly unlikely to follow a liberal US-inspired approach, as advocated by Huang and many observers in the West. Quite to the contrary, China is pursuing a model of state capitalism.

McNally tells it how it is, rather than how he thinks it should be. He describes 'Sino-capitalism' as a hybrid political-economic system that combines socialist and capitalist principles with Western neo-liberalism, Asian developmentalism and 'Dengist gradualism' in ways that reflect Chinese

said: 'Without any money, we have to sell land, even if the price is low. If the capital chain is broken, and we're blacklisted by financial institutions, we'll be even worse off.'

Thanks to stricter lending regulations, loans are difficult to come by even for governments that are in relatively good financial shape. This is not necessarily a bad thing in the context of the 'bad loan problem'. But it is hard on local governments. As the vice-mayor of a prefecture-level city in Hunan told the newspaper: 'Bank financing is increasingly hard to get, which forces the government to spend all day searching for additional collateral... . Lots of places are being forced to use intermediary agencies with grimly high interest rates, as high as fifteen percent for short-term bridge financing. The money you get lands in the account minus interest, and the rest goes to repay the old [loans].'

To deliver services, officials revealed, county, city and district governments are levying fees, collecting excessive taxes and performing other financial trickery.

There's no easy solution in sight.



Local government debt in China has reached crisis point. Some local authorities are unable to borrow money to deliver basic services since they have old debts that they cannot afford to pay

Source: bwchinese.com

historical legacies and cultural norms. The resulting dual system is centred on the three ‘institutional spheres’ of the state, political *guanxi* networks and globalisation. It combines a top-down, state-controlled economy with a bottom-up, market-driven private economy and constitutes a unique form of ‘state-led, state-co-ordinated and state-guided capitalism’. The concept of Sino-capitalism is compatible with, but also more comprehensive than, the four principles laid out in ‘Socialism with Chinese Characteristics’. As such, it provides an excellent basis for forming realistic expectations about where China is coming from, and where it is headed.

The ‘National New-Type Urbanisation Plan’ (2014–2020)

China’s particular pattern of urbanisation — referred to as ‘Urbanisation with Chinese Characteristics’ by party officials, or what I call ‘Sino-capitalist urbanisation’ — provides further insight into the challenges facing China’s leaders in 2014 and beyond, as they try to reform the system without fundamentally changing it.

In 1949, official party ideology claimed that ‘cities would lead the countryside’ in both economic and political terms, with industry leading agriculture and workers leading peasants respectively. Initially, the Party conceded that rural–urban relations would be unavoidably exploitative and unequal. In the (unspecified) longer term, these inequalities would disappear. The introduction of the *hukou* 户口 system of household registration in the late 1950s cemented these inequalities, strictly separating Chinese people into two distinct groups — those with rural *hukou* residency and those with urban *hukou* residency. By preventing rural to urban migration, this system limited urban population growth.

Another critical feature of the Maoist economic system was the public ownership of land. All urban land was state owned. Rural collectives could possess, use and benefit from the rural land assigned to them, but could

not dispose of it. According to the first Constitution of the People's Republic (adopted in 1954), the state had the right to expropriate collectively owned rural land if it was deemed in the public interest. In the decades that followed, industrialisation proceeded without urbanisation: in 1980 just 19.4 percent of China's population lived in urban areas, even lower than the 19.7 percent in 1960, while industry's share of GDP increased from 28.3 percent to 43.9 percent over the same period.

By contrast, during the reform period, the pace of urbanisation has been dramatic: the urban population increased by 47 million in the 1980s, 110 million in the 1990s and 211 million in the 2000s. In the space of three decades, the percentage of China's population living in the cities went from 19.4 percent to 49.9 percent. The unleashing of market forces and the globalisation of China's economy have both played important roles in this, particularly in coastal provinces where rapid industrialisation has attracted millions of rural migrant workers and billions of dollars of foreign direct investment. These have fuelled export-led economic growth, while setting in motion a cumulative process of urban expansion.

By both shaping and constraining the pattern of urbanisation, the state has managed, by and large, to avoid some of the problems that have plagued other urbanising countries — such as high urban unemployment, urban poverty and urban slums. But Sino-capitalist urbanisation has also

Urban construction

Photo: Aaron Webb, Guangzhou/Flickr





created some major, unresolved problems, of which China's top leaders are well aware. In March 2014, the Central Committee and the State Council released 'The National New-type Urbanisation Plan' for 2014–2020 (henceforth 'The Plan'). Building on the directives contained in the Third Plenum and a joint report by the World Bank and the Development Research Centre of the State Council of China ('Urban China: Toward Efficient, Inclusive and Sustainable Urbanisation'), the Plan considers urbanisation key to the country's modernisation drive and at the centre of its ongoing efforts to rebalance the economy towards domestic demand.

The Plan candidly acknowledges some of the major contradictions that the reform process has created for the pattern of urbanisation to date. Chief among these is the *hukou* system, through which the state assigns or denies people the right to live legally in one place or another. This prevents rural migrant workers from integrating properly into urban areas, for without urban *hukou*, they have limited access to basic public services in education, employment, health care, pensions and housing.

Even though some 260 million migrant workers have made their way into Chinese cities in recent decades, because of the *hukou* system many of these have been 'temporary' or circular migrants, eventually returning to their rural homes to raise families or care for 'left behind' children and elderly parents. Hundreds of millions of other would-be migrants are either unable to or discouraged from migrating in the first place by their ineli-



Local governments have expropriated more than 4.2 million hectares of rural land for urban growth between 1990 and 2008

Photo: Lee Wu (Western Regions)/Flickr

gibility for urban *hukou*, despite the lure of higher wages in urban areas. The *hukou* system is therefore a major contributor to rural-urban income inequalities today. It has also limited the pace of urbanisation, which at fifty-four percent in 2013 lies well below that of other countries with similar levels of per capita income (counting only those that have permanent urban residency, the rate is even lower at just thirty-six percent).

The second major contradiction is that ‘land urbanisation’ has proceeded at a faster rate than ‘population urbanisation’. City-level governments have relied excessively on the expropriation of rural land to promote urban construction. As a result, development zones and industrial parks that cover vast areas proliferate: between 2000 and 2011, urban ‘built-up’ areas expanded by 76.4 percent, far higher than the urban population growth of 50.5 percent. This poses risks to local government finances, results in sub-optimal population densities, and significantly reduces the amount of arable land, threatening national food and ecological security.

Sociologist Sally Sargeson pushes this contradiction even further with her view that China’s urbanisation process constitutes ‘violence as development’. Her argument begins with the revenue shortfalls and economic

growth targets of local governments, which prompted them to expropriate more than 4.2 million hectares of rural land for urban growth between 1990 and 2008, making eighty-eight million villagers landless. While acknowledging that many villagers became landless by choice, Sargeson vividly depicts the various forms of ‘violence’ that have accompanied China’s urbanisation process. These range from the physical and sometimes forceful removal of people from their land to disruptions to their ‘socially-expected life course, capacity to contribute to their families, social and familial standing and self-respect’. This suggests that at least some of China’s urbanisation process has not been driven by market forces from the bottom up, but by a number of forces operating from the top down instead.

Not all rural communities have fared so badly. In ‘The Guangdong Model of Urbanisation’, the authors Him Chung and Jonathan Unger, depict village collectives that have retained collective ownership of their land by converting Mao-era socialist units into shareholding companies. The companies have capitalised on the rising value of their land, partly the result of rapid inflows of foreign direct investment into the province. While some villagers have become incredibly wealthy in the process, this



Haphazard and chaotic construction of slum-like apartment buildings
Photo: Mark Tuinier/Flickr

model is not without its problems — for example, the ‘haphazard and chaotic construction of slum-like apartment buildings’ in the hundreds of emerging ‘villages in the city’. The result has been a ‘major reassertion of collective economic initiative’, as shareholding companies juggle their multiple roles: ‘The first is as the representative

of all indigenous villages. A second is as a power broker situated between the government and the former villages, and the third is as a business firm wanting to undertake profitable activities.’ This is an excellent example of Sino-capitalist urbanisation at work, and illustrates how it differs from other models of urbanisation.

The Plan outlines a comprehensive reform agenda for better integrating urban and rural development in the future, but not in strong convergence with neo-liberal ideals. For starters, there are no plans to abolish the *hukou* system. Instead, the Plan sets a numerical target for urbanisation of sixty percent by 2020. This will involve the ‘orderly transformation’ of the rural population into ‘urbanites’ with a target of granting a total of one hundred million migrants urban *hukou* by 2020. To accomplish this goal, the Plan divides cities into four categories. In ‘fully open’ small cities and ‘orderly’ mid-size cities, there will be a relaxation of the *hukou* system to allow more people access to it, while large cities and megacities will continue to manage their *hukou* strictly as in the past. The government has no intention of leaving rural-urban migration completely to the market yet.

This is understandable given the enormity of the challenges in dealing with the largest migration flow in global history. A ‘big bang’ approach to granting urban residency to anyone who wanted it, in any city they wished to live, is not a realistic option. The pressure on cash-strapped, city-level governments would be far too great. Although new ways for them to raise funds are under way — including tax system reforms and the establishment of financial institutions to support infrastructure and housing — these will clearly take time.



260 million migrant workers have moved to Chinese cities in recent decades

Photo: Don/Flickr

Instead, *hukou* reform is likely to continue in the gradual, piecemeal and experimental way that has characterised China's long transition towards a more market-based economy. Chengdu, for example, announced a new system of land credits in 2010 that enables farmers to swap their rural land for urban housing, allowing all Chengdu citizens, including five million farmers, to move freely into the city and register as urban citizens, receiving all the benefits that go with that privilege. As Tom Miller points out in his 2012 book *China's Urban Billion*: 'If the Chengdu government is as good as its word, this would represent a huge breakthrough for *hukou* reform'.

Other experiments include the use of points systems for migrants, first introduced in Shanghai in 2004 and then in Guangdong in 2010. Migrants who achieve a certain number of points based on their employment, education and other attributes can gain an urban *hukou*. Although points systems may appear efficient, they are likely to create an underclass out of (already second-class citizens) rural Chinese who don't make the grade.

Land management reforms, meanwhile, will be directed towards stringent farmland protection and conservation, safeguarding farmers' land management rights, protecting the livelihood of farmers whose land has been requisitioned, and limiting the construction of new urban areas. Privatisation of the land is still off the agenda.

Realistic Expectations May Be the Greatest Expectations

Both the 'Resolution Concerning Some Major Issues in Comprehensively Deepening Reform' and the 'National New-Type Urbanisation Plan' indicate that the Party is well aware of the many challenges it faces in guiding China towards more balanced and sustainable growth in the decade ahead. Yet, as Yu Yongding 余永定, former Director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences,



Urbanisation in Chengdu
Photo: blichb/Flickr

pointed out: ‘Although the resolution’s general message is encouraging, a shopping list of reform objectives is not a strategic analysis of the contradictions that are undermining China’s development, let alone an action plan for responding to these contradictions. Indeed, for China’s new leadership, the successful completion of the Third Plenum is only the first step in a new long march toward a more stable, prosperous future.’ There will never be perfect consensus on just where that long march should finish, either within the ranks of the Party or beyond. Still, the policies of 2014 are not so different from the past. It is more useful to have realistic expectations about what the Xi–Li era can and will deliver, rather than great expectations that may well result in disappointment.

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MIXED ECONOMIC MESSAGES

A Confusing Year for Business

· ANTONY DAPIRAN

Huayuquan 话语权: Speak and be Heard

· DAVID MURPHY

A CONFUSING YEAR FOR BUSINESS

Antony Dapiran

TIME IN THE business world in China used to be marked by progress: each year seemed to bring more reforms, more opening up, new ventures, new possibilities. This was the case throughout the 1990s and especially in the years surrounding China's accession to the World Trade Organisation in 2001.

Recent years, however, have seen a different kind of progression. The last twelve months have featured crackdowns, high-profile government-instigated cases against foreign businesses and a sense that doing business in China is getting harder, not easier.

Yet the year had begun with much promise. In November 2013,

the first year of the new Xi Jinping administration, the Communist Party of China held its Third Plenum. The Third Plenum of each five-year Party Congress traditionally focuses on business and economics. The Third Plenum of the Eleventh Party Congress in 1978 is generally regarded as the beginning of Deng Xiaoping's Reform and Open Door policies, which changed the course of modern Chinese history. Observers who saw Xi as a reformer expected that he would take the opportunity of the Third Plenum of the Eighteenth Party Congress last November to provide new impetus to economic reform in China following the stasis of the previous decade under Hu Jintao.



Shortly before the Third Plenum in November 2013, the State Council approved the establishment of the Shanghai Free-Trade Zone (FTZ). It is the first Hong Kong-like free trade area in mainland China
Photo: 126.xingshuo.net

The Shanghai FTZ and New Hope for Reform

Shortly before the Third Plenum, the State Council approved the establishment of the Shanghai Free Trade Zone 上海自由贸易区 (FTZ), raising the hopes of the business community for further market-led reform. While *The Economist* dismissed the FTZ as a ‘damp squib’ and its policies too timid to lead to meaningful reform, influential Chinese business journalist Hu Shuli 胡舒立, writing in *Caixin* 财新, stated that its significance ‘can not be overstated’. Many of the critics of the Shanghai FTZ, including commentators in *The Economist*, *Financial Times* and *The Wall Street Journal*, underestimated both its important symbolic role, and the potentially ground-breaking nature of the reforms it embodied.

The Shanghai FTZ sent a message to foreign investors that the Hu era was over and China was open to foreign investment again. It was also a message to Xi’s political rivals, including former allies of the ousted Bo Xilai, that Xi was in charge now and that the style of economic neo-Maoism espoused by Bo and his cronies was dead, as was the ‘state advances and private enterprise recedes’ 国进民退 approach of Hu Jintao: reforms were back on top of the agenda. This helped set the scene for the Third Plenum.

The reforms proposed for the FTZ are potentially very significant, in particular the introduction of the ‘negative list’ 负面清单 system, which prohibits foreign investors from engaging in any businesses or industries on the negative list, but leaves them otherwise free to operate any other type of business within the FTZ. Some criticise this as being little different to the current ‘Foreign Investment Industrial Guidance Catalogue’ 外商投资产业指导目录 in place nationwide, which divides business sectors into ‘encouraged’, ‘restricted’ and ‘prohibited’ categories, and provides that anything not in one of those three categories is permitted.

The items on the current negative list for the FTZ are indeed entire-

ly consistent with the ‘restricted’ and ‘prohibited’ categories under the old system, forbidding foreign business to enter sectors such as Internet and telecommunication services and restricting investment in the financial and certain other sectors. To this extent, it does not allow foreign investors to do anything new. However, to dismiss the negative list on this basis alone profoundly misunderstands its significance, which is that it sets the limits of government power in China for the first time.

In developed nations, and in particular under Anglo-American legal systems such as in the US, the UK and Australia, the law follows the principle of ‘whatever is not prohibited is allowed’. However, in China, law and regulations operate on exactly the opposite underlying assumption: ‘whatever is not allowed is prohibited’. If you cannot find a legal or regulatory source giving explicit permission to do something, you cannot do it. Under this model, government power is ‘infinite’, not circumscribed by the boundaries of the written laws. There is also significant scope for administrative discretion to grant ‘special’ approvals.

This is why the negative list is such a ground-breaking development. It tips

the legal paradigm of the People’s Republic upside down, limiting the scope of government power and therefore limiting the scope of administrative discretion. To the extent that the FTZ serves as a laboratory for future reforms to be rolled out across China, this may well be its true significance.

The Third Plenum

The Third Plenum did not disappoint. Its policy statements, while vague and broadly worded, reiterated the nation’s commitment to the path of reform and opening up, and denied any possibility of a drift back to the new leftist economic policies espoused by some of Xi’s deposed rivals.

In particular, the Plenum’s emphasis on the state exercising its role in state-owned enterprises (SOEs) as a ‘shareholder’, a new policy of ‘mixed



Hu Shuli is an influential Chinese business journalist and editor-in-chief of Caixin Media
Photo: Weibo

ownership' 混合所有制 for SOEs encouraging private investment in public sector businesses and a focus on the 'decisive role' 决定性作用 of the market and market pricing mechanisms 由市场决定价格的机制 suggested an unprecedented move towards marketisation and corporatisation of the SOE sector. This renewed push for reform rendered subsequent events even more puzzling.

The Crackdown: 'Selective and Subjective Enforcement'?

The past year has seen an intensifying crackdown on foreign business operations in China. The government has targeted foreign investors in cam-

paigns against corruption, monopolies, price-fixing and other unfair trade practices, often when there are arguably worse offenders among domestic companies who have gone unpunished.

To identify just a few of the more prominent examples:

- Food safety checks have focused on foreign fast-food operators.
- US technology giants Microsoft and Qualcomm have both been subject to government raids and anti-monopoly investigations.
- Price-fixing investigations have targeted foreign automotive manufacturers, resulting in reduced prices for vehicles and spare parts.
- The government has banned SOEs from employing American management consulting firms such as McKinsey and Boston Consulting on the grounds of protecting 'state secrets'.
- Bloomberg faces continued difficulties in its business activities in China, with state-owned financial institutions delaying or cancelling orders for Bloomberg data terminals



Peter Humphrey, a Shanghai-based British private investigator, was employed by GlaxoSmithKline to identify the whistle-blower who had reported its alleged corrupt practices to the authorities. Humphrey confessed on state broadcaster CCTV to having illegally bought and sold private information on Chinese citizens
Photo: CCTV

after the company's news arm published a series of investigative reports in 2012 on the financial interests of the families of Chinese leaders.

The American Chamber of Commerce in China surveyed its members and issued a report in September 2014 charging that China was less welcoming of foreign business than before, and that foreign companies were being singled out for 'selective and subjective enforcement'. Chinese government spokespeople responded that the accusations were 'groundless and baseless' and that the Chinese government actions were 'transparent, fair and done in accordance with the law'.

The ongoing anti-corruption campaign, a flagship and extremely popular policy of Xi's administration, has also had a significant impact on foreign businesses. Some of this was expected: luxury goods companies have seen a sharp drop-off in sales, for example (see Chapter 5 'Urban, Mobile and Global', p.204). Some came as a surprise: the government has banned government officials from accepting scholarships to attend MBA programs. And as the campaign has continued, Chinese and foreign businesses have had to learn to navigate a new way of building relationships in an environ-

ment in which hospitality and gift-giving is now effectively impossible.

Sex and Drugs

All of these themes — the targeting of foreign businesses,

the anti-corruption crackdown, the lack of transparency and the unpredictable nature of the Chinese legal and regulatory system — converge in the case that has most dramatically gripped the attention of the foreign business community in China in the past year: that of UK pharmaceutical company GlaxoSmithKline (GSK).

The GSK story has all the hallmarks of an airport thriller: an internal whistle-blower raises allegations to senior management that the company is engaging in the systematic bribery of healthcare professionals in China. The whistle-blower alleges that the mastermind is the CEO of GSK's China operations, Briton Mark Reilly. The whistle-blower's claims are dismissed. Shortly afterwards, a sex video emerges of Reilly with his Chinese mistress.



Former CEO of GSK's China operations Mark Reilly was arrested for bribery of healthcare professionals
Photo: news.com.au

GSK then retains ChinaWhys, a private investigation company run by Peter Humphrey and his wife Yu Yingzeng 虞英曾, both foreign citizens, to investigate this ‘security breach’. GSK also announces that their internal investigation of the bribery allegations has found no evidence of wrongdoing.

In the second act, Chinese authorities arrest several senior GSK China executives and accuse the company of extensive bribery and corruption. They prohibit Reilly from leaving China while he ‘assists authorities in their investigations’. They also arrest Humphrey and Yu, charging them with ‘illegally obtaining private information’ relating to the whistle-blower, who may or may not be a former government relations officer at GSK with strong local party connections.

The investigation into GSK China is ongoing, and it is expected the Chinese authorities will file formal charges. The allegation is that GSK executives worked with local intermediaries such as travel agencies to organise sham conferences and to over-bill for travel, training or other expenses, which enabled the GSK executives to obtain official invoices, called *fapiao* 发票. The GSK executives used the *fapiao* to obtain cash reimbursements

from GSK, which they allegedly then paid as bribes to hospital officials and doctors to use or prescribe GSK drugs. The Chinese authorities have said that as much as US\$490 million went into such bribery over a period of five years.

In the meantime, China Central Television showed Humphrey, in prison garb, confessing to having illegally bought and sold the private information of Chinese citizens (see Forum ‘Orange as the New Black’, p.316). Humphrey and Yu were convicted and sentenced to prison in August 2014 — two years for her, two and a half for him. The court was not impressed with their argument that they were unaware that what they were doing was illegal, and that both foreign and domestic private investigation firms commonly engage in such practices.

Why GSK?

There are many ways to interpret the GSK case.

The foreign and Chinese media generally regard the case as part of the government’s attempt to clean up the country’s systemically corrupt health-care sector, using GSK to send a message to the industry as a whole to fall

into line. According to this ‘killing the rooster to frighten the monkeys’ 杀鸡惊猴 narrative, the audience is primarily domestic, and GSK is the soft foreign target that can be pursued to make a point without unduly disturbing domestic patronage networks. It is also politically expedient: it permits the government to demonstrate to the Chinese public that it is not handing any free passes to foreign companies that are misbehaving.

However, there is another narrative, for which the primary audience is global. One of the Party’s fundamental strategic objectives is to achieve status for China as a ‘great power’. Success would cement the Party’s legitimacy as China’s rightful rulers.

National power is commonly measured in terms of economic, military and cultural (or ‘soft’) power, and in all these areas China has been closing the gap with the US and other major powers. However, another aspect of power, frequently overlooked by commentators but not lost on China, is that of regulatory power.

Regulatory power is the power to regulate actors outside a state’s own borders. It is US regulatory power that has companies around the world concerned not to breach the US Foreign

Corrupt Practices Act and ensuring that their securities offerings do not breach the US Securities Act. The regulatory power of the US and the EU require companies everywhere who are contemplating mergers or acquisitions to obtain anti-trust clearances from the US Federal Trade Commission and the EU Competition Commission.

China sees the global respect paid to these regulators — and the regulatory power they exercise — and wishes to enjoy similar respect, power and influence. Seen in this context, investigations and enforcement actions against foreign businesses is not about ‘discrimination’ for the benefit of Chinese companies. Nor are such actions intended solely to score political points with the Chinese public. Rather, their purpose is to demonstrate China’s exercise of regulatory power to an international audience. There is every reason to expect continued and more muscular exercise of such power in future.

The New China Risk

There is one final lesson for foreign businesses in the GSK/ChinaWhys case. Foreign business people have, rightly or wrongly, tended to regard

themselves as enjoying a kind of immunity in China. The 'China rules' by which they operated their businesses, with a nod and a wink from local authorities over a banquet or karaoke, led some to believe that they were enjoying a continuation of the extra-territorial system of the nineteenth- and early twentieth-century 'foreign concessions', whereby China's national laws did not apply to foreigners.

This has meant that human rights in China, particularly with regard to

the operation of its justice system, was rarely personal for foreigners in China. The business community found it easy to gloss over abuses in its pursuit of profit.

Now, foreign executives are being detained, charged with breaches of laws of which they were not aware, tried in an unpredictable and non-transparent judicial system and imprisoned. Suddenly, human rights is frighteningly relevant to those doing business in the People's Republic.

HUAYUQUAN 话语权: SPEAK AND BE HEARD

David Murphy

HUAYUQUAN 话语权 is the right to speak and be heard, or to speak with authority. It is also the power to lead and guide debate, or to set the parameters of acceptable discourse. In the past few years, prominent Chinese intellectuals have adopted this second understanding of *huayuquan* to explain, with mounting urgency, how the country's lack of influence in international financial, trade, security and media institutions translates to unfair treatment in China's interactions with the world.

China's lack of *huayuquan* in global commodities markets is a particular focus of anxiety. The People's Republic has become the largest global consumer of commodities ranging from soya beans to copper. Some analysts perceive this escalating dependence on

the importation of raw materials as exacerbating China's vulnerability to exploitation. They believe foreign suppliers of these goods and their financial and government backers have used their influence over global market institutions to rig prices to China's detriment.

Much analysis published in Chinese academic journals and industry newsletters is devoted to denouncing global cartels. But there is also a growing body of commentary in China explaining how factors defining the structural architecture of global trade inherently disadvantage Chinese customers. These factors include the predominance of the US dollar as a trading currency and the influence of Western-based financial institutions on commodity indexes.

Some commentators, like Fudan University professor Huang He 黄河, contend that global financial markets, laxly regulated by Western powers, encourage speculation in commodities markets, which distorts prices at the expense of Chinese buyers.

In a 2013 article in *Foreign Affairs Commentary* 外交评论 Huang, a political economist, also accuses the dominant, English-language global media of conniving to manufacture a 'China threat'. This allegedly involves Western news organisations acting on behalf of their corporate and governmental masters, deliberately misrepresenting China's objections to unfair treatment as constituting aggressive attacks on market freedom. On these

and other topics these writers employ the concept of *huayuquan* to link the interests of Chinese firms trading in global markets with China's ability to speak and be heard by the institutions that guide global trade and commerce.

China's dependence on imported iron ore is a case in point. Huang believes that open financial markets and the free flow of capital, as well as the rapid development of Chinese futures markets would strengthen China's *huayuquan*. He blames China's disorganised and fragmented import sector and its relatively closed and immature financial sector for the raw deals he thinks China has had to put up with both when the old benchmark negotiation system set iron ore import prices and in the arrangements that

have succeeded it. In his view, for China to enjoy a *huayuquan* commensurate with its rising stake in commodities markets, the futures markets that determine global prices of iron ore and other commodities for which China is the principal buyer should be located in China. This would require Beijing to remove restrictions on the movement of capital across borders. It is one of many steps he



In this cartoon people are talking into a Weibo 微博 microphone. The caption says: 'We all have the right to speak and be heard'

Source: Zhou Hansheng/manhua365.com

believes must be taken to 'build a system that allows China to be heard globally, so that the normal demands of China can be made with its own voice'.

Others call for a more actively defensive strategy. On the same question of iron ore, for example, Jiao Yushu 焦玉书, a consultant to the China Metallurgical Mining Enterprise Association, pushes for import substitution. He believes that domestic exploration and production of iron ore 'must exceed the fifty percent threshold needed to break the global cartel'. This thinking appears to be gaining favour in policy circles. In March 2014, the State Council commissioned a plan to lift domestic iron ore production dramatically over the next ten years — despite Premier Li Keqiang's declaration of a 'war on pollution' just weeks before.

Wang Jionghui 王炯辉, a senior aide to the president of mining giant Minmetals, rejects import substitution, insisting that the costs of bringing more low-quality Chinese iron ore to market would push prices even higher. As global iron ore capacity expands, he expects that the larger international firms could 'band together to restrict production, artificially creating a constriction of supply, maintain high prices and thus seize monopoly profits'.



In this cartoon a cleaner is seen sweeping away 'rumours'

Source: opinion.people.com.cn

For Wang, the solution lies in China sourcing thirty to forty percent of its imported iron ore from what he calls 'overseas bases', mines in which there is Chinese investment. He predicts that over ten years, savings 'would exceed US\$220 billion'.

What Huang, Wang and Jiao have in common is a conviction that China's lack of *huayuquan* is a quantifiable liability. To strengthen China's *huayuquan* is to redress the injustice inherent in the global status quo. The increasing use of *huayuquan* in Chinese discussions around international trade parallels and aligns with a more robust foreign policy. The urgency with which *huayuquan* is invoked, however, comes more from a heightened sense that the lack of it imposes economic costs.

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WHOSE SHARED DESTINY?

Richard Rigby and Brendan Taylor





THE 'COMMUNITY OF SHARED DESTINY'

is not a completely new concept in Chinese foreign policy — the Communist Party first used the term in 2007 in relation to cross-Strait relations. But it is one that has gained greater prominence over the past year. A key development during this period was Xi Jinping's October 2013 keynote speech at the 'Workshop on Diplomatic Work with Neighbouring Countries' 周边国家外交工作座谈会, during which he elaborated on the 'shared destiny' theme (sometimes translated into English as 'common destiny'): it was then that the term officially entered the Chinese foreign policy lexicon.



In June 2013, presidents Obama and Xi met for a two-day informal summit at the Annenberg Retreat at Sunnylands in California

Source: The White House

China is hardly alone in embracing foreign policy concepts that lack precision. Think of then US deputy secretary of state Robert Zoellick's call on China in 2005 to become a 'responsible stakeholder' and the call of then president Hu Jintao's contemporaneous formulation for a 'harmonious world', for example, or Kevin Rudd's 2008 vision of an 'Asia-Pacific Community' and 'harmonious world'. At its heart, the concept of a 'community of shared destiny' is essentially about ensuring peace and stability in China's external strategic environment through the development of good relations with neighbouring countries. Ironically, it is difficult to recall a period, in recent history at least, where there has been such a substantial gap between Beijing's public rhetoric and what it has been doing in practice, with the result that it has alienated, alarmed and infuriated many of its neighbours.

For some commentators, the 'community of shared destiny' represents a direct response to the US 'pivot' or strategy of 're-balancing'. Yet, as recently as June 2013, hopes were high that even China and the US might have been able to work towards a 'common destiny' when presidents Xi and Barack Obama held their so-called 'Sunnylands Sum-



China's first aircraft carrier *Liaoning* went into commission on 25 September 2012. Rumours are rife that China is in the process of building a second aircraft carrier

Source: reddit.com

mit' in California. Some observers even went so far as to liken the meeting to the Mao–Nixon diplomacy of the 1970s in terms of its geopolitical significance. Ultimately, however, the outcomes of the summit were modest and relations between Beijing and Washington took on an increasingly competitive edge over the following twelve months. In December 2013, for instance, a standoff occurred in the waters of the South China Sea between an American Aegis cruiser, the USS *Cowpens*, and vessels escorting the Chinese aircraft carrier *Liaoning*. Chinese official media responses to this standoff asserted that 'Washington has to understand that Beijing has the right to grow its national defence capacity in accordance with its own legitimate demands to protect national interests'.

New Models?

Relations between Beijing and Washington became even tenser in 2014. In May, the US Justice Department took the unprecedented step of indicting five officers of the PLA from the so-called 'Unit 61398' in Shanghai, on charges of hacking into the networks of American companies dealing with aerospace, telecommunications, information technology, satellite and other sensitive

areas, also including Westinghouse Electric and US Steel Corp. The charges were largely symbolic given that the US does not have an extradition treaty with China — and in any case, China denies the army unit even exists.



PLA 'Unit 61398' has allegedly hacked into the networks of more than 140 Western firms in pursuit of corporate secrets to support the Chinese government's political and economic aims
Source: wantchinatimes.com



Wang Guanzhong
Source: hk.crntt.com:

Nevertheless, Beijing responded within hours of the indictment, denouncing the charges and calling in the US Ambassador to China, Max Baucus. One month later, the Shangri-La Dialogue — an annual Asian security summit that is a useful barometer for reading the state of relations between Beijing and Washington — displayed deepening tensions. There, PLA Deputy Chief Wang Guanzhong 王冠中 delivered ‘unscripted’ remarks describing an earlier speech by US

Defense Secretary Chuck Hagel to the gathering as ‘full of hegemony and threats’. Taken together, the rhetoric associated with another of Xi Jinping’s central foreign policy concepts, or the ‘New Model of Great Power Relations’ 新型大国关系, seems far from the reality of Sino-US relations during the previous twelve months.

A policy paper published under the auspices of the Korean-based Asan Institute for Policy Studies in March 2014 advocates applying the concept of the New Model to the Sino-Japanese relationship. However, over the past twelve months, tensions between the two historical great powers of East Asia have deepened and may even descend into conflict. In November 2013, China controversially declared a new Air Defence Identification Zone (ADIZ) 防空识别区 over the East China Sea and covering the disputed Diaoyu/Senkaku Islands. By February 2014, senior US military officials were accusing the PLA of preparing to fight a ‘short, sharp war’ against Japan designed to seize the disputed islands.

Sino-Japanese Understanding

Relations worsened in April 2014 when the Shanghai Maritime Court seized a Japanese cargo ship, *Baosteel Emotion*, in relation to an unpaid compensation claim dating back to the mid-1930s, when Japan leased two



Tensions between Beijing and Washington escalated during the course of 2014

Source: tieba.baidu.com

Silent Contest, by Jeremy Goldkorn

Silent Contest 较量无声 is a low-budget gung-ho film produced by the General Logistics Department of the PLA and the National Defence University in mid-2013. It surfaced on the Internet in October 2013 only to be deleted soon after. Set to a portentous musical score, the film decries the collapse of the Soviet Union and accuses America of undermining the rise of China through military exchanges, consular activities, non-governmental organisations (NGO) and the propagation of Western values as well as Christianity. Among others it attacks the Ford Foundation, the Fulbright Scholarship program, the Carter Center, law professor and judicial reform activist He Weifang 贺卫方, eighty-four-year-old liberal economist Mao Yushi 茅于軾, electronic music and luxury brands as all harmful to the rule of the Communist Party and China's future. The central thesis of the film is that the collapse of the Soviet Union was not caused by the end of the Cold War but rather the other way round, in other words, infiltration, ideological softening and sympathy for Western ideas destroyed the Soviet Union. Although the production date is unknown, the two-part ninety-three minute film is assumed to have been made sometime after Xi Jinping's inauguration as state leader in March 2013.

The central thesis of the film harks back to the 1950s Cold War policies of John Foster Dulles and his brother Allen Dulles, who promoted peaceful evolution as well as covert activities to undermine countries in the socialist camp.

Chinese ships and later lost them at sea. *Baosteel Emotion*'s Japanese owner, Mitsui OSK Lines Ltd, swiftly resolved the conflict by paying the US\$29 million required to secure the release of the ship. A potentially far more deadly encounter occurred in May 2014 when Chinese SU-27 fighters reportedly flew as close as thirty metres from a Japanese surveillance plane operating near the Diaoyu/Senkaku Islands, a tactic the Japanese alleged was repeated again in mid-June.



Park Guen-hye was sworn in as South Korea's first female president in 2013. She is the daughter of former South Korean President Park Chung-hee
Source: 3news.co.nz

Peninsula Matters

Over the last year Beijing has also managed to alienate two of its other key North-east Asian neighbours, South and North Korea. In the case of the South, this was somewhat puzzling given that Beijing and Seoul seemed to be drawing closer in their mutual antipathy and suspicions toward Japan. The fact that the recently elect-

ed Park Guen-hye is the first South Korean president to speak Standard Chinese fluently only reinforced this growing intimacy. Yet China's ADIZ declaration upset Seoul: it covered not just the Diaoyu/Senkaku Islands but also another set of disputed islets which the Koreans called Ieodo and the Chinese Suyan Rock. Seoul responded by expanding its own ADIZ and summoning the Chinese Defence attaché to lodge a protest. This issue reignited in May 2014 when Chinese and Russian forces staged a major joint military exercise approximately fifty kilometres from Ieodo/Suyan Rock. Seoul was further disenchanted with Beijing in May when it discovered more than 1,000 Chinese fishing vessels operating illegally in South Korean waters — a development that some commentators interpreted as China taking advantage of President Park's decision, following the *Sewol* ferry sinking disaster, to dismantle the South Korean Coast Guard.

President Xi's July 2014 visit to South Korea led to a downplaying of these tensions and also to commentary suggesting that China was intent upon driving a wedge between the United States and one of its key North-east Asian allies. This possibility was apparently not lost on senior American officials. Testifying before Congress in June, for instance, Assistant Secretary for East Asia and the Pacific Daniel Russel described Xi's visit as 'an extraordinary milestone'. The persistence of the existential North Korean threat to the South suggests that the prospects for an imminent strategic shift on Seoul's part are remote at this juncture. Indeed, polling conducted by the *Asan Institute* suggests that, while perceptions of China are warming, the US remains South Korea's most popular country and most important ally. If anything, the real historic significance of the Xi trip lay in the fact that he was the first Chinese leader to visit the South having not first visited the North.

The continued downturn in China's relations with its longstanding North Korean ally continued to surprise. A significant factor was North Korean leader Kim Jong-un's execution of Jang Sung-taek — his uncle and the reclusive regime's point man on China policy. One of Jang's crimes was reportedly his closeness with China. Beijing appeared to have been completely blindsided by this development. Then, in March 2014, reports emerged that a North Korean missile test, of which Pyongyang had failed to warn Beijing in advance, missed a commercial Chinese jetliner carrying 220 passengers by a number of minutes. In May 2014, the Japanese press reported the existence of leaked Chinese contingency plans preparing for the collapse of North Korean regime. Although Beijing vociferously denied these reports, Sino-North Korean relations grew even more strained.



Sino-North Korean relations deteriorate: In December 2013, North Korean leader Kim Jong-un ordered the execution of Jang Sung-taek — his uncle and key policy advisor on China policy

Source: Unknown

MH370, by Linda Jaivin

On 8 March 2014, the Malaysian Airlines Flight MH370 from Kuala Lumpur to Beijing lost contact with air traffic control less than an hour after its departure. The plane was carrying twelve Malaysian crew members and 227 passengers from fourteen nations — 152 of them from China. A search team organised by the Malaysian, Chinese and Australian governments, aided by Japan, the US, South Korea and Vietnam, searched from the coast of Vietnam to the Andaman Sea and the Bay of Bengal, without discovering any debris.

Relatives and friends of the missing passengers in China grew increasingly distressed and angry with the Malaysian government's handling of the affair, including its perceived lack of transparency and delays in passing on information, and staged protests. Chinese state media also voiced criticism of Malaysia, and Chinese social media flared with anti-Malaysian sentiment.

One plausible theory held that the plane was flying on autopilot, but ran out of fuel and crashed somewhere near the Australian coast — which still doesn't explain why it was on autopilot or turned away from its course in the first place. Evidence in a report by the Australian Transport Safety Bureau in late June revealed an unexplained power outage early in the flight that may have been caused by tampering from the flight deck. In late June, the Malaysian government called pilot Zaharie Shah a 'prime suspect', after investigators discovered that he had used his personal flight simulator to prac-

All at Sea

China's relations with the Philippines and Vietnam have also deteriorated badly during the last twelve months over other maritime disputes, these related to the South China Sea (which the Philippines calls the West Philippine Sea). Manila incurred Beijing's wrath in March 2014 when it proceeded, in the face of strong Chinese opposition including threatened economic sanctions, to challenge China's territorial claims in the South China Sea through a United Nations tribunal. Beijing flatly refused to take part in this arbitration process. Chinese paramilitary vessels continued to harass Filipino fishermen in the disputed areas and, in March 2014, blockaded Filipino military forces stationed at the disputed Second Thomas shoal.

Tensions similarly intensified between Beijing and Hanoi in May 2014 when the state-owned China National Offshore Oil Corporation deployed

tise journeys over the Indian Ocean. But there is no other evidence, no clear motive, and the case remains far from solved.

On 14 July, sixteen family members of victims went to the Malaysia Airlines' office in Shunyi, Beijing to demand to see official video footage of passengers boarding the flight, which the airline had

previously refused to release. The *South China Morning Post* reported that police arrived and detained all of them, and that two other female relatives of passengers alleged they were beaten by police officers 'after asking for the release of two other relatives — a father and daughter — who had been detained on a separate occasion'. The grieving families' demand is simple — in theory, at least: if the passengers are alive, they want to see them; if they are dead, they want to see the bodies.



On 25 March 2014, family members of passengers on board flight MH370 marched on the Malaysian Embassy in Beijing demanding answers from the authorities

Source: Zhang Lintao

a deep sea oil rig in the vicinity of the disputed Paracel Islands 西沙群岛, with a supporting force of at least eighty ships including military vessels. Both the Chinese and Vietnamese sides claimed that the other's ships had been ramming their own. Large-scale anti-China protests erupted in Vietnam targeting Chinese-owned businesses, causing a number of fatalities and serious injuries to Chinese nationals, and necessitating the evacuation by Beijing of more than 3,000 of its citizens.

In October 2013, meanwhile, President Xi visited Malaysia on a trip that was hailed by the Chinese media outlet Xinhua as ushering in 'a new era in Sino-Malaysian ties'. In 2014, the two countries would celebrate forty years of formal diplomatic relations. However, the mysterious disappearance of Malaysian Airlines flight MH370 with more than 150 Chinese nationals on board has strained mutual good will. China's citizens were vocal in their anger at the lack of information coming from Kuala Lum-

pur and its mishandling of the search. Their frustration was shared by the Chinese authorities, who themselves often had to rely on media reports in the absence of official communications.

A map of Beijing's South China Sea claims included in Chinese passports and depicting those claims as encompassing the Natuna waters provoked an equally hostile reaction from the Indonesian capital, Jakarta. In March 2014, Commodore Fahru Zaini, assistant deputy to the Indonesian chief security minister for defence strategic doctrine, noted that China's claim now incorporated the waters around the Natuna Islands, which are part of the Riau Islands province of Indonesia. This prompted Jakarta to beef up its military presence in the South China Sea in the weeks and months that followed.

Threats and Opportunities

Relations between China and Australia also took a tumble from the high point they enjoyed in April 2013 when the two countries established a formal 'strategic partnership'. In September of that year, the newly elected Coalition government under Tony Abbott issued a statement in conjunction with the US and Japan, as

members of the Trilateral Strategic Dialogue, expressing their opposition to the use of force to change the status quo in the East China Sea. The Australian response to China's November 2013 ADIZ declaration was even more robust (and more sharply worded than that of even the US), with Canberra summoning the Chinese Ambassador to express its displeasure. When Australian Foreign Minister Julie Bishop visited Beijing the follow week, her frowning Chinese counterpart Wang Yi 王毅 publicly rebuked her and accused Australia of 'jeopardising mutual trust' and 'affect[ing]



Sino-Australian relations worsen in 2013. Chinese Foreign Minister Wang Yi denounced Australia's criticism of China's new air defence zone established over the Diaoyu/Senkaku Islands

Source: diplomattimes.tv



The potential pipelines that will be used to deliver Russian natural gas to China under the new deal signed by Gazprom and the China National Petroleum Corporation in May 2014

Source: RT/Gazprom

Russia-China Pipeline, by Jeremy Goldkorn

On 21 May 2014, on the sidelines of the Conference on Interaction and Confidence Building in Asia (CICA), Vladimir Putin and Xi Jinping looked on as Gazprom and the China National Petroleum Corporation signed an agreement for Russia to supply natural gas to China. The deal had been under negotiation for around a decade. Putin described the thirty-year, US\$400 billion deal as 'epochal'.

For Russia and China, who have long viewed each other as ideal energy partners, the mutual benefits appeared to be clear. Russia gained a new customer for its gas at a time when its relationship with the United States and Europe had become increasingly tense in the wake of Russia's annexation of Crimea. China, meanwhile, is highly motivated to find sources of cleaner energy and the government had already pledged to more than double the country's natural gas consumption by 2020.

Gazprom CEO Alexei Miller told the media in Shanghai that the deal is Gazprom's biggest ever. Russian news agencies said the contract, calling for thirty-eight billion cubic metres of gas a year from 2018, specified a price of about US\$350 per thousand cubic metres, which is at the low end of what Gazprom currently charges export customers.

the sound growth of bilateral relations'. An April visit by Abbott to China (along with Japan and South Korea) appeared to go some way toward arresting this downward slide. With 600 business people in tow, Abbott's visit even led to speculation that long-stalled Free Trade Agreement (FTA) negotiations between China and Australia could be finalised by the end of the year. However, trilateral statements issued by Australia, Japan and the US on the sidelines of the 2014 Shangri-La Dialogue — this time in relation to the South China Sea — continued to highlight ongoing tensions in the relationship between Beijing and Canberra. Officially, Australia still sees China's rise as an opportunity rather than a threat (notwithstanding polling which indicates the majority of Australians see it as both), and the Australian Prime Minister and senior government figures continued to reiterate the importance of the bilateral relationship.

While serious people in the Australian Department of Foreign Affairs and Trade (DFAT) and the Chinese Ministry of Foreign Affairs (MFA) worked hard to stabilise relations, a farcical but unwelcome episode was provided by businessman and MP Clive Palmer, of the eponymous Palmer United Party, and his Senate colleague Jacqui Lambie (see Forum 'PUP Barking', p.90). Angered by a falling out with his Chinese business partner, Palmer declared publicly that the Chinese were 'mongrels' who 'shot their own people'. Lambie opined that Australia should double the size of its military given the threat of a 'Chinese Communist invasion'. Prime Minister Abbott and Foreign Minister Bishop were quick to condemn these remarks, and this was noted by the Chinese MFA spokesperson, while expressing China's 'strong indignation and severe condemnation' of 'Palmer's insulting remarks'. The *Global Times* was less restrained, and following some fierce words concluded that China should reappraise its view of Australia, while noting it was a distant trade partner, a destination for Chinese tourists and a place where Chinese children could learn English 'with a bit of an accent'. The episode ended with Palmer writing not one but two letters of apology to the Chinese Ambassador.

A Deal in the Making?

The only major country with which China's foreign relations do not appear to have gone backwards over the past year is Russia. Xi Jinping even chose Russia as the destination for his first foreign visit as president. During that visit he pledged



Relations between China and Russia strengthen: Presidents Putin and Xi, shown here at the 2014 APEC Summit held in Beijing. Their growing personal relationship emulates their countries' converging interests in trade, investment and geopolitics

Source: *People's Daily Online*

to President Vladimir Putin that he would 'closely coordinate [with him] on international regional affairs'. Then, in May 2014, Putin visited China, where he signed a deal that was a decade in the making for Russia to supply China with up to thirty-eight billion cubic metres of gas per year for thirty years starting in 2018.

Putin also attended the fourth summit of the CICA in Shanghai. CICA is a multilateral organisation whose most influential members are China and Russia and which is being chaired by China from 2014 to 2016. Xi used his keynote address to the 2014 CICA summit to propose a new 'Asian security concept': that Asia's problems should be solved by Asians themselves, not by external powers such as the United States. Putin's visit coincided with the aforementioned week-long military exercise between Chinese and Russian forces in the East China Sea.

Most international relations analysts outside China and Russia suggest that there is less than meets the eye to the warming of relations between Beijing and Moscow and warn against over-exaggeration. Even if one accepts that Sino-Russian relations have made some gains over the

last year, the more pressing question is why Beijing's relations with so many of its other neighbours have gone backwards.

Shared Destiny or Grand Strategy Disaster?

Not surprisingly, there is no consensus. Brad Glosserman, executive director of the Pacific Forum, Center for Strategic and International Studies in Honolulu, for instance, characterises Beijing's current foreign policy approach as a 'grand strategy disaster' driven by a desire to secure the resource and energy needs required to fuel the country's continued economic growth. Rory Medcalf of Australia's Lowy Institute for International Policy, by contrast, sees it as a 'premature power play' by a Chinese leadership that has misjudged the extent of its still growing power and influence. The Australian defence analyst Hugh White, meanwhile, attributes Chinese foreign policy over the last year to a carefully calibrated effort to test suspect US alliances and strategic partnerships with the goal of undermining American power and influence in the Western Pacific.

If the reasoning behind Chinese foreign policy behaviour remains hotly contested, its potential consequences are clearer — and unsettling. The last twelve months have seen China forcefully assert its own interests *vis-à-vis* those of its neighbours and become more isolated as a consequence, particularly as its neighbours begin to co-ordinate their strategies in response. It is true that it is still early days for President Xi's leadership. As Zhai Kun 翟崑, formerly of the China Institute of Contemporary International Relations (CICIR) has observed in an essay analysing Xi's foreign policy approach: 'it is extremely difficult for the new leaders to make correct situational judgments and balance the timing, strength and rhythm of decision-making and implementation in a dynamic and smart way. Diplomacy is an art of experience and skills are gained through long-term practice. There is much to expect in this regard.'

By the same token, Xi's actions in this and other areas are not those of a fledgling leader struggling to find his way. The heated exchanges witnessed between China and both the US and Japan at the June 2014 Shangri-La Dialogue could well be a sign of things to come. If over the coming year the gap between China's stated policies of good neighbourliness and the reality as perceived by others widens rather than narrows, the rhetoric of a 'community of shared destiny' may increasingly beg the questions: 'Whose community? Whose destiny?'

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CHINA IN THE WORLD

Sandcastles in the South China Sea

· JOANNA (YEEJUNG) YOON

Xi Goes to Modi

Latin America

· REBECCA FABRIZI

PUP Barking

· LINDA JAIVIN

Xi, Putin and the Trouble with Crimea

· REBECCA FABRIZI

China and Europe

· REBECCA FABRIZI

SANDCASTLES IN THE SOUTH CHINA SEA

Joanna (Yeejung) Yoon

ACCORDING TO WESTERN media reports and official sources in the Philippines and Vietnam, China is building artificial islands on reefs and protruding rocks in the South China Sea to bolster its territorial claims. In response to questions at a Foreign Ministry press briefing on 6 June 2014, spokesman Hong Lei 洪磊 said, 'Anything China does on any of the islands or atolls is within its sovereign rights'.



Controversially, China has been building artificial islands in the South China Sea to increase its territorial claims
Source: Philippines Foreign Ministry



This is an artist's impression of a new airport and runway on an island in the South China Sea
Source: dqt.com.cn

The Chinese have also accelerated the construction of new buildings on already inhabited islands in the area. Other media reports claim that the Chinese government is paying fishermen subsidies to live on previously uninhabited islands and installing GPS devices with emergency communication systems in fishing boats that ply disputed waters.



XI GOES TO MODI

SINCE THE ELECTORAL victory of Indian Prime Minister Narendra Modi in May 2014, China has been cultivating an amicable relationship with Asia's other giant. On a two-day state visit to India, 17–18 September 2014, Xi Jinping committed China to investing US\$20 billion in India over the next five years. Early reports had the figure at US\$100 billion, which would have dwarfed the US\$35 billion deal secured by Modi in Japan at the end of August. Nonetheless, US\$20 billion, a figure that includes both public and private investment, and will cover the construction of high-speed rail links and other infrastructure, represents a substantial increase from the US\$400 million that China has invested in India over the past decade. Bi-later-

al trade between the two countries, meanwhile, is expected to reach US\$1 trillion by 2050.

On 18 September 2014, even as officials were distributing happy-looking photos of Xi and Modi relaxing in a garden with their wives to the media, 800 Chinese soldiers crossed the Line of Actual Control (LAC) under the auspices of building a 'provincial road' in Ladakh. The LAC has separated Chinese-held land from Indian territory since the 1962 border conflict between the two nations. The violation elicited a strong response from India, which dispatched 1,500 troops to the area. The Indian media reported on the incursion while Xi was still in the country. Xi addressed an emergency meeting of the country's top military brass when he arrived back in Beijing on 21



In September 2014, Indian Prime Minister Narendra Modi hosted a visit by Xi Jinping. China has been cultivating an amicable relationship with India since Modi came to power in May 2014

Source: ptinews.com

September, sparking speculation in the foreign media that he had been unaware of the PLA troop movements. If so, the incident highlights problems in China's military chain of command.

Unsurprisingly, the two sides made no tangible progress on the sensitive issue of border agreements. If trade and investment are hotting up, state-to-state relations remain relatively cool. Issues such as India's hosting of the Dalai Lama in Dharamsala, China's strong alliance with India's rival Pakistan and on-going border conflicts have historically plagued Sino-Indian relations. Xi's visit, ground-breaking for a Chinese leader, was a small step in a new direction. That direction was perhaps confirmed at a regional meeting on Afghanistan in Beijing on 31 October, about which Ananth Krishnan writing for *India Today* noted: 'China has appeared to rethink its long-held reluctance to discuss regional concerns, particularly in New Delhi and Kabul, on cross-border terrorism emanating from Pakistan.'

Another strategic alignment with China was announced ten days earlier on 21 October, when India and twenty other countries agreed to become founding members of the China-backed Asian Infrastructure Investment Bank (AIIB), a move seen as aimed at reducing the dependence on the Western-dominated World Bank and International Monetary Fund.

LATIN AMERICA

Rebecca Fabrizi

PRESIDENT XI JINPING'S tour of Argentina, Brazil, Cuba and Venezuela in July 2014 confirmed the importance of China's foreign policy to the region once thought of as America's backyard. During the trip, Xi attended a meeting of the BRICS (Brazil, Russia, India, China and South Africa) group of emerging powers at Fortaleza, Brazil, as well as the first summit between China and the Community of Latin America and the Caribbean States (CELAC) in Brasilia, Brazil. Xi expand-



China unlocks the door to stronger relations with Latin America: railways

Source: news.sina.com.cn



The strength of China's 'Soft Power' in Latin America

Source: blog.sina.com.cn/sinolatinitis

ed China's bilateral strategic partnerships and co-operative agreements with Latin American countries during the ten-day journey. But his most pressing task was to revitalise economic relations with key trading partners in the region.

Between 2000 and 2013, trade between China and Latin America skyrocketed from US\$12 billion to over US\$261 billion, while total Chinese investment in the region is now approximately US\$65 billion. By 2016, China is likely to supplant the European Union as Latin America's second-largest trading partner after the US.

However, the pace of growth in trade has slowed in recent years, mainly due to an economic downturn in China and protectionist policies in Latin America that have stymied the flow of cheap Chinese manufactured goods into the region. Xi's visit allowed China to work through trade and investment issues with Latin American nations, especially with its biggest trading partner in the region, Brazil. Through CELAC, China has also offered up a US\$20 billion infrastructure fund to construct railways across South America, ostensibly to lower the costs of trade, just as it has done in Africa.

PUP BARKING

Linda Jaivin

ON 18 AUGUST 2014, Clive Palmer, a maverick Australian businessman, Member of Parliament and leader of the Palmer United Party (PUP), appeared on the popular and unscripted, live-to-air Australian Broadcasting Corporation show *Q&A*, in which politicians and others answer audience questions. In response to a question regarding allegations of improper electoral funding, he launched into an off-piste attack on China that clearly shocked his fellow panellists and audience members: referring to ‘Chinese mongrels’, he explained: ‘I’m saying that because they’re Communist, they shoot their own people, they haven’t got a justice system and they want to take over this country. And we’re not going to let them.’ He accused the Chinese government of wanting ‘to bring

workers here to destroy our wage system’, take over Australian ports ‘and get our resources for free... . I don’t mind standing up against the Chinese bastards and stop them from doing it’.

The Chinese response was immediate: protests in front of Parliament House in Canberra, and anger on Chinese social and official media alike. The *Global Times* 环球时报 published an op-ed calling it a ‘vicious attack’. But it saw in it a larger pattern: ‘China must be aware that Palmer’s rampant rascality serves as a symbol that Australian society has an unfriendly attitude toward China’. While acknowledging that members of the government had scrambled to condemn Palmer’s remarks, it likened them to ‘bitter remarks against China’ made ‘without any reason’ by Prime Minis-



Outspoken MP and leader of the Palmer United Party, Clive Palmer, had to write a letter of apology to the Chinese Ambassador in Australia after the comments he made on live television in August 2014

Photo: Alex Ellinghausen

ter Tony Abbott and Foreign Minister Julie Bishop. It didn't specify what these were but they undoubtedly referred to the vociferous criticisms of both China's claims and actions with regard to the disputed Diaoyu/Senkaku islands and Abbott's claim that Japan was Australia's 'best friend in Asia'.

The *Global Times* said that these 'prancing provocateurs' needed to learn the 'price they pay when they deliberately rile us' and called for China to marginalise Australia in its global strategy, including that of business. The *Global Times* concluded: 'Australia is a remote business partner, and a place where the Chinese can take a trip and learn some English. These basic understandings should be the starting points for China to re-orientate Sino-Australian relations.'

On 25 August, Palmer sent a letter to the Chinese ambassador to Australia to 'sincerely apologise for any insult to the Chinese people' and regretted any 'hurt or anguish' caused by his comments.

Palmer has been involved in a long-running and acrimonious business dispute with a Chinese company. He held rather different views in 2009, pillorying then prime minister Kevin Rudd's China policy and federal government restrictions on Chinese investment in Australia: 'Suddenly there's a great cry in Australia about Reds under the bed... . We've got the opportunity to grab that if our politicians could only be fair and treat the Chinese people and Chinese government with the dignity they deserve.'

XI, PUTIN AND THE TROUBLE WITH CRIMEA

Rebecca Fabrizi

ALTHOUGH BEIJING has a long history of falling in and out of alliances with Moscow, Xi Jinping is giving the relationship a high and positive profile. He appears to admire the Russian leader, who he has characterised as having a similar personality to his own: ‘我和您性格很相似’. He made Russia his first destination for a foreign trip after becoming president, and his first foreign visit of 2014. Additional bilateral meetings at international summits such as BRICS (the association of the major emerging economies of Brazil, Russia, India, China and South Africa), the Shanghai Cooperation Organisation 上海合作组织 and the G20, as well as Putin’s state visit to China in May 2014 mean Xi has spent more time with Putin than any other foreign head

of state. Xi’s attendance at the Winter Olympics in February in Sochi was a first for a Chinese president.

Amidst all this cosiness, the sudden Russian annexation of Crimea by referendum presented China with a conundrum. On the one hand, China’s relationship with this useful partner within the P5 (the permanent five members of the UN Security Council) is strategically important and favourable to itself. On the other, non-interference in the internal affairs of another state is a central principle of China’s foreign policy. Besides, and crucially, given its own issues with Taiwan, Tibet and Xinjiang, it does not support self-determination. The US State Department was not the only foreign observer to note the parallels.



President Xi has spent more time with Russian President Putin than any other foreign head of state

Source: Xinhua

China's official line was suitably vague: 'There are reasons for what is happening in Crimea.' It asked the parties to resolve the issue without violence, a worthy sentiment, but only possible if the Ukraine gave in. Beijing knew it had succeeded in balancing itself on the fence when both Russia and Ukraine thanked the People's Republic for its stance.

Yet, *The New York Times* reported in September that: 'Just before Russia annexed the Ukrainian region of Crimea last March, Mr. Xi called Mr. Putin and urged him to find a political settlement, according to Shi Yinhong, a professor of international relations at

Renmin University of China in Beijing.' There has been no hint of this in public. State media has even sided with Russia over the downing of Malaysia Airlines Flight 17, criticising Australia, the US and other western countries for their 'one-sided accusation'. But, as *The Times* article states, the conflict has been good for China in that it has been able to secure better terms from Russia for delayed energy deals and defence sales. As for territorial questions of precedent: the large authoritarian power got its way with limited collateral damage, and nobody was able to do much about it.

CHINA AND EUROPE

Rebecca Fabrizi

IN APRIL 2014, Xi Jinping made the first ever visit by a Chinese head of state to the European Institutions in Brussels. In a speech cum Chinese history lesson at the Collège d'Europe in Bruges, Xi called on Europeans to 'work together for all flowers of human civilization to blossom together'.

That same month, China's Ministry of Foreign Affairs issued a policy paper on the European Union (EU) titled 'Deepen the China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-Win Cooperation'. It said the partnership was important 'in China's efforts to pursue peaceful development and multi-polarity [in] the world'. It did not require a cynical reading to note that the paper distinguished the EU from the US and promoted a bilateral relationship that,

in the name of 'multi-polarity', could potentially divide the 'West' and strike a blow at US interests. Whatever the underlying thinking behind China's policies towards Europe, the EU remains China's biggest trading partner and both sides remained committed to developing that relationship.



New visa policy
Source: hiberlin.com

China's Europe policy has long been to engage with the EU and its institutions in Brussels while maintaining equally active bilateral relations with its larger member states. China likes the fact that the EU is big and rich yet has no military aspirations in Asia. But Europe has no illusions that it is China's top foreign affairs priority. China must devote considerable time and energy to handling sometimes-tetchy relations with fourteen land neighbours including Russia (see Forum 'Xi, Putin and the Trouble with Crimea', p.94), the other ASEAN nations, Japan and the US. This results in competition between member states of the EU as they vie for China's attention, challenging the cohesiveness of the EU's policy. The Chinese government encourages this competition, meting out special favours to European countries by turn, though Germany — Europe's economic powerhouse — remains a preferred partner.

In December 2013, ministers of EU member countries approved the deal struck by European Commission negotiators in August that year to end the biggest trade dispute in history: an anti-dumping case stemming from China's subsidies to solar panel producers. Chinese diplomats in the EU said

privately that Chinese bureaucrats had finally accepted that not every European issue could be worked out in Berlin. In this case, it took an hour-long telephone conversation between Premier Li and European Commission President José Manuel Barroso to pave the way for a negotiated settlement.

The year 2013 ended on a high note, with the presidents of the European Council — a forum for discussion between EU leaders — and the European Commission in Beijing for the Sixteenth EU–China Summit that was formally hosted by Premier Li Keqiang, but, unusually, included an equally long meeting with Xi Jinping. The new-style summit document included a prospectus on EU–China engagement to 2020, listing close to one hundred broad-ranging areas for co-operation. These included everything from maritime security to emissions trading schemes and exchanges in the field of low-carbon energy technologies, infrastructure development, trade and investment, food security and cultural and academic exchanges.

Although the EU treated the prospect of an FTA with circumspection, China wants an FTA and will keep the issue on the table and in the press. Despite the breadth of the 2020

‘roadmap’ and the existence of around seventy regular bilateral dialogues covering a whole spectrum of government business, for China the relationship remains primarily about trade and investment. In addition to trade, Chinese companies have been actively investing in Europe with 120 reported acquisitions in 2013 alone. The British Ambassador to China, Sebastian Wood, told Xinhua in July 2014 ‘within the space of eighteen months we have seen as much investment [in the UK] from China as we had in the previous thirty years’. Negotiations are also underway for a new bilateral investment treaty, although the Europeans want to secure the sort of access to Chinese markets that would make it worth their while. This is likely to make the negotiations difficult and protracted.

As the 2013 EU–China Summit wrapped up, Li Keqiang, to the annoyance of senior officials in Brussels, jumped on a plane to Romania for another meeting. This was with representatives of sixteen European countries, including eleven EU member states as well as Serbia, Montenegro, Albania, Bosnia and the Republic of Macedonia. Brussels had repeatedly asked both sides in this ‘summit’ not to institutionalise this



The EU is China's biggest trading partner
Source: tieba.baidu.com

arrangement, now in its second year and involving a variety of interim ministerial-level meetings. Brussels is uneasy both about the creation of such a large and unco-ordinated European Union subgroup, and the fact that the agenda of their meetings is dictated entirely by China. But it has indeed been institutionalised, as the summit for Co-operation Between China and Central and Eastern European Countries (CEEC), and will continue to meet regularly. As with the EU proper, there is real interest here on both sides in trade and investment opportunities. CEEC is also looking into the idea of a ‘Eurasian land bridge’, an economic corridor connecting China, Russia, Central Asia and Eastern Europe.

This engagement with countries that have little political leverage and

are desperate for infrastructure financing offers an easy way for China to buy into Europe on its own terms. Viktor Orban's Hungary allows ongoing, permanent residency to anyone from China willing to tie up €250,000 in Special Hungarian Government Bonds for five years. Such permanent residence, in turn, provides mobility throughout the Schengen area (all EU member countries except Bulgaria, Croatia, Cyprus, Romania, Ireland and the UK). And, a positive angle for China, but negative for the EU, is that discussion of human rights never gets onto the agenda of the meetings with the CEEC countries.

Diplomats from some of the countries involved acknowledge the risks that dealing with China in this way can undercut joint policy positions. China is offering a US\$10 billion investment fund for soft loans to the countries involved in CEEC that would be in direct conflict with EU policy. None have yet taken up the offer. At the same time, the arrangement gives each of the sixteen Heads of Government (who could not otherwise guarantee any access to the Chinese leadership) a private half-hour meeting with the Chinese premier. China may well invite others to join CEEC, or sim-

ilar groupings, in future. The People's Republic has already been putting out feelers to others, including six southern EU members (Italy, Spain, Portugal, Greece, Cyprus and Malta), who met with Chinese representatives as a group at the Food and Agriculture Organisation of the United Nations last year.

Those eleven EU countries in the CEEC arrangement maintain that the new group is useful for them because the interests of Germany, France and the UK overwhelmingly guide EU policy towards China. Nearly half of European trade with China is actually German trade; the German Chancellor Angela Merkel enjoys frequent contact with Chinese leaders. Hans Kundnani of the European Council for Foreign Relations wrote that 'Europe's future relationship with China will be determined by Germany's rapidly evolving bilateral relationship with China. The danger of this new special relationship is that it could undermine [broader] European strategic and economic interests.' In fact, there is little difference between German goals for China and overall EU policy, but the intense political engagement, with over sixty bilateral dialogues between Germany and China alone, including a full ex-

ecutive-to-executive consultation process not replicated by any other European country, leads to the risk — or at least the perception — that China will prioritise Berlin over Brussels. Li Ke-qiang's first overseas trip, in May 2013, took him to Germany, but no other EU country.

At the moment, France also enjoys high status with China. Following his attendance at the Nuclear Summit in The Hague from 24–25 March 2014, Xi Jinping visited Lyon and Paris. Putting 2008's diplomatic spats over Olympic torch relays and visits by the Dalai Lama behind them, Chinese and French leaders cordially celebrated fifty years of diplomatic relations with a strong push for increased bilateral trade and investment, reportedly signing some fifty deals with a total value of €18 billion.

As for the UK, relations were frozen for sixteen months following Prime Minister David Cameron's meeting with the Dalai Lama in London in May 2012. Although Xi did not visit London on his 2014 trip to Europe, and the UK press has reported a rift in the Cabinet over UK policy towards China, Xi and Cameron did meet in Beijing in December 2013. And in June 2014, Li Keqiang made a three-day visit to Lon-

don, where he signed deals worth £14 billion, including ones between BP and Royal Dutch Shell on the one hand, and the China National Oil Offshore Corporation on the other.

Yet political tensions remained. Ahead of Li's visit, Deputy Prime Minister Nick Clegg told the media he had no regrets about meeting the Dalai Lama and accused Beijing of 'systematic human rights abuses'. Li spoke of wanting to address 'misperceptions and ease misgivings'. Yet, shortly before the Chinese Premier arrived in London, Beijing put out a diplomatically assertive white paper that raised questions about Hong Kong's autonomy. There was no evidence that his hosts raised the issue during their meetings. The joint statement issued by both parties at the end of the visit, however, did affirm the principle of 'One Country, Two Systems' for Hong Kong enshrined in the bilateral 1984 agreement over Hong Kong's future under Chinese sovereignty.

Political frictions aside, according to the Pew Research Global Attitudes Project, some forty-eight per cent of UK citizens have a favourable attitude toward China (compared with twenty-eight percent in Germany and five percent in Japan, for instance).

London's endorsement of free trade also makes the UK a favoured investment destination for China's companies in Europe. Nearly half of the Chinese students enrolled in tertiary institutions in the EU are in the UK.

British press commentators writing about Li's visit to the UK, meanwhile, wondered why the Queen, who has barely any political role in the UK, appeared to be an important part of

the itinerary. Rumour had it that Li had threatened to cancel the trip if the Queen didn't receive him. If true, some suggested it might reveal a continued status anxiety on the part of the Chinese leadership. Or maybe it was just that if there is one thing that interests a Party apparatchik, it is a head of state who has lasted unchallenged for over sixty-two years.

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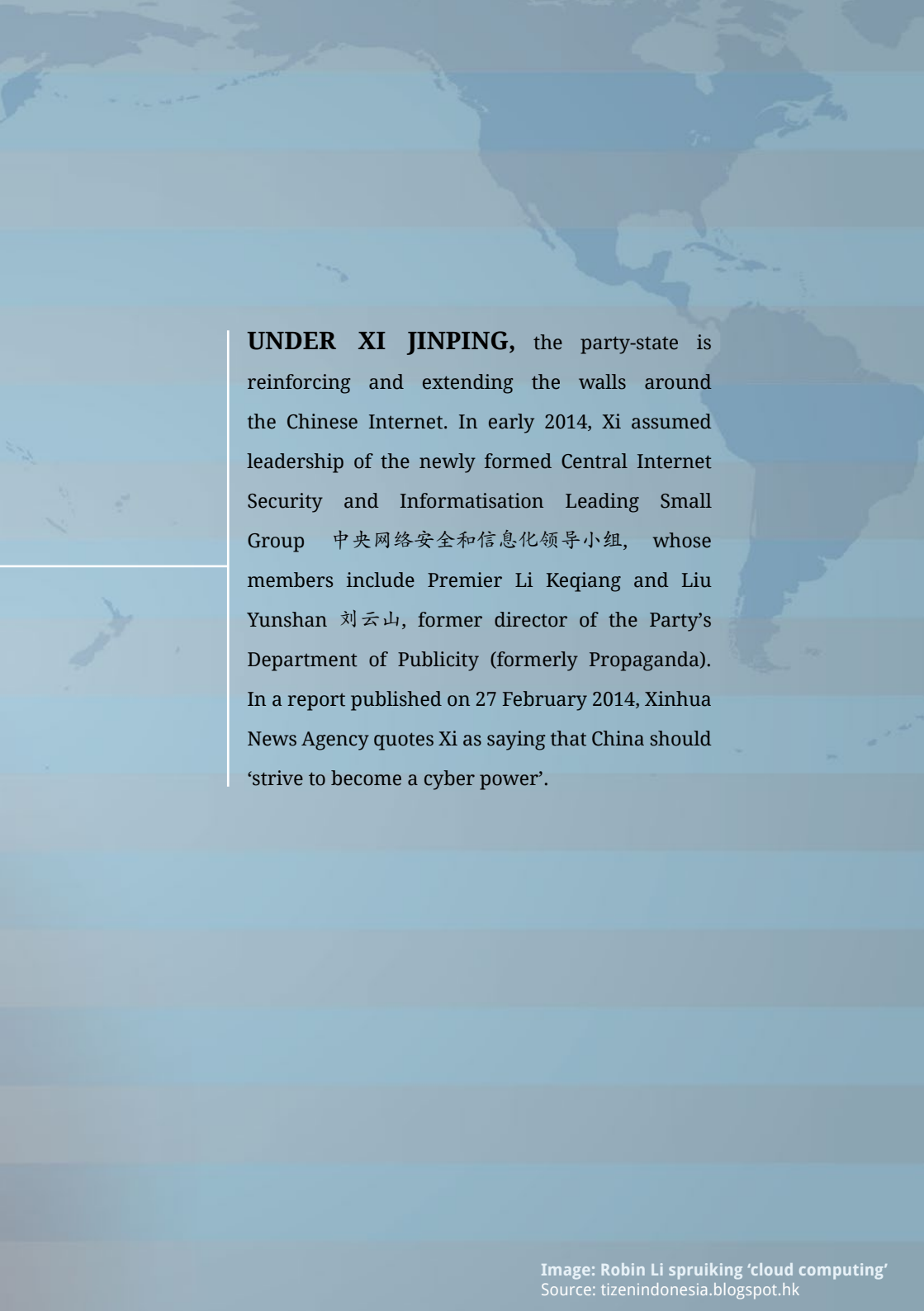
THE CHINESE INTERNET:

UNSHARED DESTINY

Jeremy Goldkorn

云计算





UNDER XI JINPING, the party-state is reinforcing and extending the walls around the Chinese Internet. In early 2014, Xi assumed leadership of the newly formed Central Internet Security and Informatisation Leading Small Group 中央网络安全和信息化领导小组, whose members include Premier Li Keqiang and Liu Yunshan 刘云山, former director of the Party's Department of Publicity (formerly Propaganda). In a report published on 27 February 2014, Xinhua News Agency quotes Xi as saying that China should 'strive to become a cyber power'.

The Garden of Earthly Delights

Let's imagine that a man, call him Mr Jin, fell asleep in Beijing in 1994 — when only small numbers of people in China were first able to access the Internet — and awoke twenty years later. The year he fell asleep, the most common answer to any enquiry at a Chinese department store was a pre-emptive '*meiyou*' 没有, literally 'none', or 'whatever it is you want, we don't have it'. If he had the right paperwork or connections and around 20,000 yuan in cash (a fortune at the time), Mr Jin might have had a mobile phone, then called a *dageda* 大哥大, a clunky brick-like object that businessmen and gangsters used ostentatiously in public. But when he woke up in 2014, Mr Jin could easily purchase a smartphone for as little as a few hundred yuan. On his phone or computer screen (a laptop or iPad isn't much more expensive than a mobile), Mr Jin would discover a veritable garden of earthly delights, a shopper's paradise where surly shop assistants had been replaced by scores of websites catering to his every possible desire and need, legal and otherwise.

On Taobao.com or JD.com, for example, with a tap of his finger, Mr Jin could purchase second-hand science fiction novels, Gucci handbags, sex toys, drones, Red Guard armbands from the Cultural Revolution, obscure industrial chemicals, organic vegetables, construction equipment, live baby rats for feeding snakes, or a cat scratch pole that resembles Vladimir Putin.

Mr Jin could also hail a taxi (offering a tip during peak hours to ensure prompt service) with the Didi Dache 滴滴打车 app on his mobile phone, pay for a Dairy Queen ice cream or send greetings to nearby strangers using WeChat 微信. Some of them might do more than just greet him back: the *Global Times* reported in January that the police had shut down twenty million WeChat accounts offering the services of prostitutes.

Open Sesame

Government statistics from June 2014 estimate that China has 630 million Internet users, around 500 million of whom connect via mobile phones. It

is the biggest Internet population in the world. The companies that serve them have become global titans: on 18 September 2014, a company called Alibaba that was founded by the former English teacher and Hangzhou native Jack Ma 马云 listed on the New York Stock Exchange, raising US\$21.8 billion from international investors, more than Facebook and General Motors in their initial public offerings.

Even before the initial public offering of shares (IPO), Alibaba was taking in money beyond the wildest dreams of the thieves in the eponymous *Arabian Nights* tale: US\$5.5 billion a year in revenue generated by a diverse range of popular services. There is the original English-language website Alibaba.com, which helps Chinese companies sell their wares to international markets; Taobao.com, an online marketplace where individuals can buy and sell, similar to eBay; and Tmall.com, an online store like Amazon. These three services dominate ecommerce in China.

Alibaba also controls Alipay, the biggest online payments firm in China — Paypal, the international leader, is a minor player in China, used mostly by the international customers of Chinese companies. Alibaba owns a large stake in Kuaidi 快递, the second of two dominant smart phone apps for hailing a cab. (Alibaba's rival Tencent, which also owns WeChat, owns more than twenty percent of Didi Dache, mentioned above.) In 2013, Alibaba became the first Chinese Internet company to launch an online wealth management product 理财产品, Yu'eobao 余额宝, which allows people to invest small amounts of money into a fund offering returns of around five percent, more than double the interest rates typically offered by Chinese banks. As of July 2014, Yu'eobao had around 500 billion yuan under management, most of it from individual investors.

Alibaba's listing on the New York Stock Exchange means that China's three biggest and most important Internet companies have all attracted foreign capital. The Chinese Internet industry often refers to this trio as BAT: B for the New York-listed search firm Baidu (often glossed as 'China's Google'), A for Alibaba and T for the Hong Kong-listed Tencent,

which made its early fortune in instant messaging and gaming, and now dominates mobile phone use with WeChat. The BATs are global in scale whether measured by market capitalisation, revenues or number of users. With the Chinese Internet population heading for what investors call one billion consumers, the share prices of the BATs have remained high throughout periods of global economic instability.

BATs on the Wing

All three BAT companies plan to invest abroad. Baidu has opened a ‘deep learning’ (artificial intelligence) lab in Silicon Valley, and hired Andrew Ng, a former Google staffer and leading researcher in artificial intelligence as its chief scientist. The company already operates a search engine in Japan (though it has yet to become a major player there) and has plans for Thai- and Arabic-language search sites, already being tested by small groups of users in Thailand and Egypt.

In early July 2014, Baidu founder and CEO Robin Li 李彦宏 was part of a delegation of 250 Chinese business people accompanying Xi Jinping on a state visit to South Korea. Li gave a speech in which he noted that China and South Korea are two out of only four countries in the world with core search engine technologies, and that China’s large Internet market and South Korea’s advanced broadband and other infrastructure meant that by working together they could gain a competitive advantage over US companies. Already, Baidu and Samsung work in close co-operation: Samsung Gear uses Baidu voice recognition technology and Samsung mobile users can access Baidu Cloud.

By 17 July, Li was in Brasilia, where Xi Jinping, who happened to be on a state visit to Brazil, and Brazilian president Dilma Rousseff launched Baidu’s Portuguese-language service at the Palacio do Planalto by pressing a computer button at the same time.

Tencent, meanwhile, is aggressively marketing WeChat throughout Africa, India, the Middle East, Latin America and Europe. In Africa, they are working in co-operation with Naspers, a South African media company



Argentine soccer star Lionel Messi is a celebrity product endorser for WeChat

founded nearly a century ago and once a key voice of official South Africa in the apartheid years, but which is now a global corporation with interests in print media, ecommerce and pay TV. Naspers owns a thirty-four percent stake in Tencent. Tencent itself holds ten percent of Digital Sky Technologies or DST, a Russian investment firm that owns significant numbers of shares in Facebook and many other global Internet firms. In 2013, Argentine soccer star Lionel Messi signed on as a celebrity product endorser for WeChat.

As for Alibaba, it perhaps remains the most ambitious of the BATs. Its founder Jack Ma wrote in a letter to investors that was released with the company's prospectus:

In the past decade, we measured ourselves by how much we changed China. In the future, we will be judged by how much progress we bring to the world.

Internet Investors and Users: Different Destinies

Not only are the BAT companies globalised in a way that is unique among Chinese industries, but the Internet is the only sector of the economy in

which state-owned enterprises have failed to capture any significant market share. By contrast, foreign capital plays a major role. Foreign institutional investors own more than forty-five percent of Baidu. Before the IPO, the largest shareholders in Alibaba were Softbank, a Japanese investment firm with thirty-four percent, and Yahoo with twenty-four percent. South Africa's Naspers is just one of several foreign institutional investors who together own more than half of Tencent.

China places many restrictions on foreign investment in Chinese Internet and media. The major Chinese Internet companies have worked around legal limitations by means of something called a 'Variable Interest Entity' (VIE). This is a legal structure dreamt up in the 1990s when the first wave of Chinese Internet companies, including Sohu, Sina, Baidu and Netease courted investment from the US. Under a VIE agreement, a Hong Kong- or foreign-registered company enters into a contract with a mainland Chinese company that wholly owns the firm's mainland operations. Typically, the founding entrepreneurs and their associates retain ownership in the company, which is bound by contract to return a share of profits to the foreign holding company.

This legal loophole allows foreign capital a large stake in what is supposed to be a protected industry. But it has some paradoxical and strange side effects, as the law also restricts the ability of mainland investors to buy overseas equities. The financial news service Bloomberg published an article titled 'Chinese gripe at being left out of Alibaba IPO' on 15 September 2014. It quoted a disgruntled would-be investor, a retired factory worker called Ms Zhou: 'I'm a little confused about why you can't invest in a Chinese company if you're Chinese,' she said. As the article comments, 'Though Chinese consumers have driven Alibaba's success, they'll largely be left out of the company's stock offering.' At least one securities analyst to whom Bloomberg spoke predicted that this situation will have to change in the future.

If investors abroad can buy shares in Alibaba while Chinese citizens like Ms Zhou cannot, similarly Brazilians, South Koreans, Japanese can use local-language Baidu search engines, while Ms Zhou and her compatriots are blocked from accessing globally popular websites such as Youtube, Facebook and online media such as *The New York Times* (see Information Window ‘The Rise of Chinese Internet Finance’, p.27). Google famously shut down their mainland search engine in 2010, citing censorship and alleging Chinese government-sponsored hacking.

Chinese Internet companies have flourished in a protected, as well as politically sensitive and highly censored environment. Although they may be popular with foreign investors, Chinese companies have had little success with ordinary Internet and mobile phone users outside of China. While Baidu can claim some significant inroads into the South Korean market, and WeChat is growing in Africa and the Middle East, it is rare to find anyone in the Anglophone world who uses a Chinese Internet service or even recognises brands like WeChat and Baidu.

Sovereignty and Cyberspace

In a report published on 27 February 2014, after having assumed leadership of the newly formed Small Group on Internet security, Xinhua News Agency quotes Xi as saying that China should ‘strive to become a cyber power’. But the article also reported the government’s worries about Internet-related threats to national security and the control of information on the Internet generally:



Liu Yunshan, a member of a newly formed Small Group on Internet security

Source: news.sohu.com

Xi called for innovative methods to spread mainstream values and stimulate positive energy while maintaining proper guidance of on-line opinions in terms of timing, intensity and impact.

‘Cyberspace should be made clean and chipper,’ Xi said.

‘No Internet safety means no national security. No informatisation means no modernisation,’ Xi said, noting that cyber information flows across countries and steers technology, funding and talents

... The meeting was also told that there must be legislative efforts to draft laws and regulations on managing information online, protection of key infrastructure facilities, and cleaning up cyberspace.

Chinese government statements on Internet controls have long cited the two concerns of national security and ‘cleaning up’ criminal, pornographic, or socially dangerous content. ‘Positive energy’ 正能量, meanwhile, is one of Xi’s favourite terms, and it refers to a concept of civic participation and constructive attitudes (see the *China Story Yearbook 2013: Civilising China*, pp.172–173). In previous years, officials discussed censorship and other controls over the Chinese Internet defensively, implying it was something that all countries did. For example, after Google announced in January 2010 that it was shutting down its servers in China, Xinhua published an article (since deleted but still available on Google’s



The ‘Godfather of the Great Firewall’, Fang Binxing
Source: zt.dahe.cn

own cache) that quoted Foreign Ministry spokeswoman Jiang Yu 姜瑜 as telling journalists: ‘The Internet is open in China, where the government always encourages its development and has created a favorable environment for its healthy development.’ The deleted article also reported Jiang saying

Major Global Websites Blocked in China, by Joanna (Yeejung) Yoon

The Great Firewall, planned and developed in the first few years after the Chinese public began to access the Web in 1995, is a *cordon sanitaire* that prevents unhealthy foreign influences from corrupting the minds of China's Internet users. From the start, it blocked websites run by banned religions and cults, those advocating Tibetan and Taiwan independence and the sites of some Western news organisations. *The New York Times* site, walled out in the 1990s, was back in by 2001, reportedly on the orders of then president Jiang Zemin. In the run up to the 2008 Olympics, the government unblocked a number of sites, some only temporarily.

In 2009, as the role social media played in the Arab Spring led to talk of Facebook and Twitter-led 'revolutions', and riots broke out in Xinjiang (where some advocates of Uyghur independence communicated via Facebook), the Great Firewall blocked Facebook, Youtube and Twitter. Since Google shut down its Chinese search server in 2010, many Google sites and services have been inaccessible. The firewall had previously barred Wikipedia but restored access in 2014 while denying access to dozens of individual articles on topics concerning recent Chinese history.

Investigations into the wealth of the families of party leaders by Bloomberg and *The New York Times* in 2012 resulted in the banning of their websites, while *The Guardian*, *The Wall Street Journal* and Reuters have all seen their websites blocked intermittently over the course of 2013 and 2014. The authorities also deny access to Taiwan- and Hong Kong-based news sites including the *Apple Daily*, *United Daily News*, *Economic Daily News*, *Kinmen Daily News*, *The Sun*, *Oriental Daily News*, *Sing Tao Daily* and *Ming Pao*.

Although it is relatively easy to 'jump over the Great Firewall' 翻墙 by using such technologies as a virtual private network, the vast majority of China's hyperactive Internet users do not use them.

that China, like other countries, regulated the Internet industry in line with its laws.

During Xi Jinping's early tenure, party rhetoric has shifted in favour of the more aggressive promotion of the idea of 'Internet sovereignty', which emphasises the authority of a nation-state to regulate cyberspace in its own unique way. The Xi administration did not coin the term. It first appeared in a government-published White Paper from 2010, which declared: 'Within Chinese territory the Internet is under the jurisdiction of Chinese sovereignty. The Internet sovereignty of China should be respected and protected.'



Lu Wei, the Director of the State Internet Information Office
Source: news.ifeng.com

On 23 June 2014, the *People's Daily* devoted a full-page spread to coverage of a forum titled 'Internet Sovereignty: A topic that cannot be avoided' 网络主权：一个不容回避的议题. The forum involved five scholars articulating and justifying the idea that all countries have the right to decide what information may spread on their own Internets. They complained that the US continued to exercise an unfair amount of power over the functioning of the Internet

globally. Among the participants was Fang Binxing 方滨兴, the former president of Beijing Post and Telecommunications University and the 'God-father of the Great Firewall' (see the *China Story Yearbook 2013: Civilising China*, Information Window 'Fang Binxing and the Great Firewall', p.326).

That same day in London, Lu Wei 鲁炜, the director of the State Internet Information Office (SIIO) and also a member of the Central Internet Security and Informatisation Leading Small Group made a ten-minute speech at the fiftieth public meeting of the Internet Corporation for Assigned Names and Numbers (ICANN), the body that controls Internet domain names, root name servers and protocols that allow computers to 'talk' to one another, enabling the Internet to work. A non-profit organisation founded in the US, until now ICANN has operated under contract to the United States Department of Commerce, as well as under the principle that the global Internet should operate free of government control.

On 14 March 2014, the American government announced that it would relinquish its position in ICANN. It asked the 'multi-stakeholder' group composed of non-profit organisations, pro-free speech groups and websites as well as governments, to come up with a new system for governing the Internet in a way that would keep it free and open. The 23 June meeting in London was the first ICANN had held since the announcement;

Lu was there to ensure China would not miss out on any future opportunities to shape its new regime. Lu, who reportedly oversaw the crackdown on critical discussion of social and political issues on Weibo 微博 that began in 2013 and the subsequent tightening of controls on WeChat (see Information Window ‘Major Global Websites Blocked in China’, p.117), had a sunny, anodyne message for the group: ‘The Internet should be for the benefit of all mankind, to improve the wellbeing for people around the world’. Lu also said ‘China has opened its doors to build a shared Internet era with countries around the world.’ He used the phrase ‘shared Internet’ no fewer than five times.

By August, Iran and other stakeholders (whose identities have not been made public) proposed new bylaws that would give government members of ICANN the defining say in its policies. As *The Wall Street Journal* pointed out in an editorial in September, what this means is that: ‘Authoritarian governments could for the first time censor the Web globally, not just in their own countries. Russia could get ICANN to withdraw Ukrainian sites. China could engineer the world-wide removal of sites supporting freedom for Hong Kong or Tibet.’ While the US Department of Commerce has downplayed concern that the system could be changed to such an extent, *The Wall Street Journal* argued that Obama had ‘underestimated the importance of Washington’s control in maintaining an open Internet — and the desire among other governments to close the Internet’.

Although Lu did not mention ‘Internet sovereignty’ in his published speech, he responded to journalists asking about who should control country-level domain names (.cn or .au for example) by saying: ‘We should respect every country’s Internet sovereignty.’ In July, Xi Jinping took up the theme on his visit to Brazil to attend a meeting of the BRICS group — the same visit where he helped launch Baidu’s Brazilian search engine. At the BRICS meeting on 17 July, Xi talked about the need for developing countries to tell their stories better in the media. Later, he made a speech to the

National Congress of Brazil calling for ‘respect of all countries’ cyberspace sovereignty’ (*China Daily* translation). Chinese state media reported the remarks on digital sovereignty in the context of the Edward Snowden revelations about National Security Agency surveillance — an issue on which Beijing, Brasilia and many other governments have aligned, suspicious of global surveillance by the American government and wary of the systems Silicon Valley has created that enable intrusive snooping.

Xi’s mention of Internet sovereignty at an international forum and its enthusiastic reporting back home entrenches the phrase as a *tifa* 提法 (for more on this term, see Chapter 4 ‘Destiny’s Mixed Metaphors’, p.150) that the Chinese government will continue to use in the coming years.

A Destiny Unshared

Internet sovereignty gives the Chinese state the legal language with which to justify any of its digital policies, including censorship of its domestic Internet. If China is free to set its own cyber laws and policies, others have no right to criticise it for censoring websites, journalists or bloggers. The government, which has steadily tightened restrictions on digital expression over the last two years, can claim it is legally justified in doing so.

Internet sovereignty also justifies the blocking of international sites. In fact, much of the discussion of Internet sovereignty in the *People’s Daily* focuses on international, cross-border flows of information, the gist being that every country should be able to control these flows like they do for other goods and services (see Information Window ‘Major Global Websites Blocked in China’, p.117).

Foreign firms are already prohibited from operating Software as a Service, whereby a company rents software stored on a remote server, in the cloud, to clients rather than selling a software package that is installed on the customers’ own computers. Although it is not stated explicitly, Internet sovereignty also excuses increased hostility towards and other lim-

Pressed and Ironed, by Joanna (Yeejung) Yoon

China-based correspondents for international news media need to hold a Press Card 常驻记者证 and a 'J1' long-term journalist visa, both of which are issued by the Ministry of Foreign Affairs. Since the 1990s, it has been relatively straightforward for established foreign news organisations to obtain these documents, and the ranks of Beijing- and Shanghai-based correspondents have swelled.

Between 1992 and 2011, the Chinese government expelled only three foreign journalists: Henrik Bork of the German daily *Frankfurter Rundschau* in 1995, accusing Bork of 'aggressive, biased' reporting and, in 1998, Juergen Kremb of Germany's *Der Spiegel* and Yukihsa Nakatsu of Japan's *Yomiuri Shimbun*, alleging that they had illegally obtained state secrets.

Then, in 2012, the ministry denied a visa extension to Melissa Chan of Al Jazeera's English TV channel. Although officials did not explain why, other journalists believed it had to do with a documentary aired by Al Jazeera on slave labour in Chinese jails.

On 29 June 2012, the financial news service Bloomberg published a story titled 'Xi Jinping Millionaire Relations Reveal Fortunes of Elite' on their website; it was blocked within hours of publication. Since then, Bloomberg has been unable to obtain journalist visas for new correspondents despite (according to *The New York Times*) self-censoring further such investigative reports into the financial holdings of Chinese officials and their families. *The Times* itself published a story titled 'Family of Wen Jiabao Holds a Hidden Fortune in China' on 25 October 2012. The Chinese government immediately blocked the paper's website. Correspondents already working for both Bloomberg and *The New York Times* have been able to renew their documents with the exception of the celebrated Chris Buckley, but the ministry has not approved any new ones. In November 2013, Paul Mooney, a veteran China reporter known for his coverage of human rights issues, was denied a visa to work at Reuters' Beijing bureau.

In May 2014, the Foreign Correspondents Club of China, which operates in China without official recognition, issued a report on working conditions for foreign journalists. Their survey of 162 foreign correspondents revealed that eighteen percent had experienced difficulties renewing their press cards or visas, twice as many as in their previous survey at the end of 2011. The report also quotes journalists who describe rough manhandling by plainclothes police, forced meetings with police who threaten not to renew journalists' visas and warn against covering news such as the twenty-fifth anniversary of the 1989 Protest Movement, the detention and telephone harassment of news assistants (who are Chinese nationals) and hacking of journalists' email accounts.

itations on foreign Internet technology firms operating in China. Citing the Snowden leaks and alleged monopolistic practices, various state media and regulators have over the past year accused IBM, Qualcomm, Apple, Symantec, Kaspersky Labs, Microsoft and Cisco of violations of Chinese law or threats to China's national security. At a press conference in Beijing on 30 October, the SIIO chief denied knowing if Facebook was blocked in China, but made the policy very clear with a statement reported by Xinhua: 'China has always been hospitable to the outside world, but I can choose who will be a guest in my home'.

One Internet or Many Internets?

On 19 May, US Attorney-General Eric H Holder Jr announced the indictment of five PLA members on charges of hacking to benefit Chinese industry. The Chinese government issued vigorous denials. But with the prominence given to the Snowden revelations in state media and party pronouncements, Internet sovereignty remains a useful concept that has been used to defend Chinese military exploitation of the Internet for both defensive and offensive purposes.

Finally, the concept of Internet sovereignty is a rhetorical tool to build a China-friendly consensus on Internet management at forums such as ICANN, as well as in BRICS, where China has significant influence. Lu Wei and Xi Jinping's itineraries and activities this year suggest that this is on the agenda. Despite Lu Wei's remarks at ICANN about 'one shared Internet', it is possible that the Internet may splinter in order for some governments, including China's, to exert top-down controls over expression and commerce. These trends would not surprise our Mr Jin who woke up in 2014: in this respect, the party-state's approach to regulating media, telecommunications and business has barely changed since he fell asleep in 1994.

The question remains of how the vision of Jack Ma, China's richest man, of a Chinese company changing the online world can coexist with the dreams of Xi Jinping, China's most powerful man, whose Internet concerns seem focused on the grim, brute work of security and stability maintenance. For how much longer will we be able to talk about the Internet in the singular, without having to specify a national identity?

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BEGGING TO DIFFER

The United Front in an Age of Shared Destiny

· GERRY GROOT

Occupy Taiwan

· MARK HARRISON

THE UNITED FRONT IN AN AGE OF SHARED DESTINY

Gerry Groot

Back in the Spotlight

Ling Jihua 令计划 had been an aspirant to the Party's top leadership before his son Ling Gu 令谷 crashed a Ferrari in Beijing in March 2012, killing himself and one of the two young women with him (see the *China Story Yearbook 2013: Civilising China*, Information Window 'Black Ferrari, Red Ferrari', p.166). In the wake of the tragedy, which raised a number of questions (including how Ling's son had been able to afford the car), Ling Jihua was removed from his post as the chief of the General Office of the Communist Party's Central Committee and appointed head of the United Front Work Department 统一战线工作部 instead.

The United Front Work Department (UFWD) is the organisation

through which the Party reaches out to many key non-party groups within and outside China in order to achieve important political goals. It also monitors sensitive constituencies and selects representatives from them who they can then incorporate into the political system. The last time the UFWD garnered any significant attention from foreign media was during the tumultuous events surrounding the 1989 student democracy movement centred on Beijing's Tiananmen Square. Yan Mingfu 阎明复, then head of the UFWD, played a key role in liaising with the students, meeting with students at UFWD Headquarters and famously offering himself up as a hostage.

The Ling Gu Ferrari incident and its aftermath had been one of the few times in recent years that the department has made international news until 6 June 2014, when Xi Jinping brought United Front work back into prominence in remarks he made at a Conference of Overseas Chinese Associations in Beijing. 'As long as the overseas Chinese are united,' declared Xi, 'they can play an irreplaceable role in realising the Chinese Dream of National Rejuvenation as they are patriotic and rich in capital, talent, resources and business connections.' He was implicitly appealing to the Chinese in Hong Kong, Taiwan and Macau, where just two days earlier there had been significant, large-scale commemorations of the deaths that resulted from the government's military crackdown on the protests in Beijing twenty-five years earlier.

What is United Front Work?

United Front work has been a key strategy of the Communist Party since the early 1920s, when some of its members joined the Nationalist Party or Kuomintang (KMT) 国民党 (see Forum 'Occupy Taiwan', p.136), ostensibly to build up the KMT but in reality

to take it over. When the Nationalists turned on the Communists in 1927, violently purging its ranks of them and attacking suspected sympathisers, the Communists suffered heavy losses. It nonetheless emerged bigger than before and with broader support, despite being confined to the remote countryside and under constant Nationalist military pressure.

From 1936, in the wake of increasing Japanese aggression, the Communist Party worked assiduously to convince urban Chinese in particular that the country's survival as a nation depended on the Nationalists joining it in an anti-Japanese 'United Front' and that it was unpatriotic for the Nationalists to prosecute its extermination campaign against the Communists when it ought to be confronting the threat of national extinction from Japan. From 1936 to 1945, when the Japanese surrendered, and from 1946 to 1949, when full-scale civil war between the Communists and the Nationalists broke out, the Communists also put great effort into building a United Front with 'fellow travellers'. These included famous intellectuals, writers, teachers, students, publishers and business people who were not necessarily themselves Communists.



'Long Live the Unity of all the People of the Nation': ethnic minorities pictured in Tiananmen Square. Yang Junsheng, 1957
Source: ycwb.com

Many of them belonged to or were influenced by the so-called democratic parties 民主党派. This 'New Democratic, Anti-Imperialist Anti-Feudal United Front' became a key to the Party's success in undermining, isolating and de-legitimising the Nationalists. The common goals of national triumph over Japan and a better future had powerful appeal. No wonder then, that after achieving victory in 1949, Mao Zedong declared United Front work one of the Party's three great secret weapons, alongside party-building and its armed forces.

After 1949, United Front work continued to be aimed at enlisting the co-operation of many of the groups outside of the Party's ideologically determined constituency of peasants, workers and soldiers. The United Front called on 'capitalists', intellectuals, prominent individuals and others to help rebuild the nation. When such allies expressed support for the Party or its policies, they influenced wider society and bolstered the Party's legitimacy and democratic credentials. Such behaviour by influential figures profoundly influenced many of the groups targeted.

After 1949, the United Front's representation of these groups and individuals became a key part of the symbolism of communist socialist democracy. It is institutionalised in the Chinese People's Political Consultative Conference (CPPCC 中国人民政治协商会议), a high-level public advisory body that meets at the same time as the National People's Congress. Unlike the Communist-dominated Congress, two thirds of the UFWD-vetted CPPCC membership are non-communists. (However, neither the Party nor the government are obliged to act on any CPPCC resolutions.)

Mao himself lost interest in United Front work after 1956, favouring confrontation and 'class struggle' over conciliation. It was nevertheless revived each time the Party had to recover from a Mao-induced crisis. At such times the Party recognised the value of the talents, voices and influence of non-party-affiliated intellectuals and others. For example, after the disastrous Great Leap Forward and three years of famine (1958–1961), the Party effected a temporary reconciliation with surviving United Front allies whom it had denounced during the Anti-Rightist Campaign of 1957; this temporary reconciliation was known

as the Second Hundred Flowers Movement of 1961–1963.

After Mao's death and the end of the Cultural Revolution in 1976, the Party revived the United Front Work Department and instructed it to rebuild links with overseas Chinese business leaders to attract much-needed foreign investment. The UFWD also tapped available surviving talent at home to help China establish its first post-1949 stock market in the 1980s. The idea for the Special Economic Zones, which played a huge role in starting China's economic reforms, for example, was first raised publicly by the Guangdong Provincial CPPCC around 1977.

During the society-wide protests of April–June 1989, many of the democratic parties and other United Front allies supported the students and even marched in demonstrations. After 4 June and the Beijing Massacre, they were quickly exonerated while other participants were punished. The new Party general secretary Jiang Zemin even implied that the Party would relax the strict controls on them and give more freedom to the CPPCC. His promises echoed key elements of democratisation proposed earlier by the deposed party leader Zhao Ziyang, which

entailed an expansion of the United Front system and greater prominence and responsibility for the CPPCC. The Communist Party was worried about its loss of legitimacy after 1989. It needed help to cope with the disruption to the economy and the damage to China's national image caused by the flight of most foreigners and the near drying-up of foreign investment. It also needed to reassure China's own new capitalists who might have been spooked by the dramatic change in political climate. But the foreigners and their money soon returned, the status quo prevailed, and the Party didn't need to make any political compromises in service of the United Front. The UFWD began to slip out of sight.

United Front Work Today

Since then, twenty-five years of rapid economic development have made China an increasingly complex society with many new interest groups and classes, as well as new social fissures. United Front work today aims to prevent the emergence of resentful interest groups such as a disaffected capitalist class. The official list of United Front targets includes those from before the reform period: the members of the eight 'democratic parties'; prominent

non-party figures; intellectuals who do not belong to the Party; representatives of ethnic and religious groups; the original (pre-1949) capitalist class; former Nationalist military personnel; people from Hong Kong, Macau and Taiwan; Taiwanese who remained in China after 1949 and Overseas Chinese including those who have moved (or returned) to China. The new groups include independent professionals such as lawyers, managers and influential figures in private- and foreign-owned businesses, Chinese who have studied or returned from abroad and Chinese immigrants in foreign countries. The UFWD attempts to harness them to the aims of the Party and prevent them from becoming a problem in the first place. The Department's work abroad extends beyond reaching out to foreign citizens of Chinese ethnic origin and recent emigrants, to trying to influence foreign nationals to accept the Communist Party's point of view on a plethora of topics.

The recent dramatic incidents of unrest, violence and terrorism in Xinjiang and Yunnan, the continuing self-immolations in Tibet and the demolition of churches in Zhejiang all point to significant failures of the United Front. Many religious people and

many Uyghurs and Tibetans do not believe the rhetoric found in recurrent United Front slogans that they are 'in the same boat' 风雨同舟 with the rest of the nation, or indeed, that the rest of the nation is committed to 'sharing weal and woe' 同甘共苦 with them.

The protests in Hong Kong, Macau and Taiwan (see Forum 'Occupy Taiwan', p.136) have targeted, explicitly or otherwise, government officials, political parties, big business and others believed to be too cosy with the Communist Party — with United Front work a key reason for these close relationships. These allies (including, according to some reports, the Triads

— the 'Chinese Mafia') have been cultivated by the UFWD largely because of their assumed influence on the wider population. Such allies may in turn benefit from their links to the Communist Party, and believe it will protect their interests. But the growing number of protests show that the United Front message is failing to resonate with many ordinary people in these places and elsewhere across China, undermining Xi Jinping's vision of a Shared Destiny. The lessons of twenty-five years ago though, warn us that that the Party has other ways of realising such ideals as 'China and Hong Kong are One Family' 中港一家亲.



Pro-Beijing protests in Hong Kong: the red banner on the tank reads 'China and Hong Kong are One Family'

Source: blog.sina.com.cn

OCCUPY TAIWAN

Mark Harrison

Heads Up

For twenty-four days in March and April 2014, student activists occupied Taiwan's parliament, the Legislative Yuan 立法院. The Sunflower Student Movement 太陽花學運, which successfully combined traditional forms of protest like the sit-in with viral campaigns on social media, captured the world's attention. Using technology such as the smartphone, the students created a politically savvy 'multi-platform' protest movement that has had a profound effect on Taiwan politics.

In recent years, the Taiwanese have coined the phrase *ditouzu* 低頭族, 'the tribe of the bowed heads', to describe young people bent over their smartphones — texting, playing games, updating their Facebook accounts, oblivious to what is going

around them. The phrase *ditouzu* expresses unease about how technology can disconnect people from society and an anxiety about whether public or civic life is even possible in a place like Taiwan today. As it turned out, smartphones (7.55 million were purchased in Taiwan in 2013 alone) helped to enable the political movements that transformed Taiwan politics and public life in 2014.

The Sunflower Student Movement's origins date back to 2010, when students from a number of universities began campaigning for students' rights on campus. Many university rules and ordinances had remained unchanged since the martial law era (1949–1987): universities retained the authority to exclude students from

courses and restrict their rights to assembly on the basis of their political beliefs. Two students in particular came to prominence: Lin Fei-fan 林飛帆 and Chen Wei-ting 陳為廷.

In 2012, these student activists extended the range of their activities beyond the campus to deal with larger issues in Taiwan's democratic system. In an alliance with journalists and other civic groups, they began a campaign against the concentration of media ownership in Taiwan. The specific target of their protests was the Want Want China Times Group 旺旺中時媒體集團. Want Want China Times 旺報 is a Taiwan media conglomerate whose editorial position, if not explicitly supportive of the People's Republic of China and the Chinese Communist Party, considers Taiwan and mainland China as a single commercial market, one whose growth is in the common interests of people on both sides of the Taiwan Strait.

In the first years of this decade, the Want Want China Times Group made a number of corporate acquisitions. From control of the China Times Group of newspapers, the company took over the major free-to-air television provider CTV and then the cable provider CTi TV. In 2012, the company

made a bid for another cable television provider, CNS. The growing concentration of media ownership by a company with such a specific editorial agenda led to the creation of the Anti-Media Monopoly Movement 反媒體壟斷運動. It targeted Want Want China Times as well as the media regulator, the National Communications Commission, and demanded legislative changes to support media diversity. Activists within the Anti-Media Monopoly Movement argued that the media had a vital mission to sustain democracy through a diversity of opinions and editorial stances. The activists carried out their campaign for diversity and better regulation of the mainstream media across a range of social media platforms such as Facebook, creating a kind of alternative commons that accorded with the democratic ideals they believed in.

The subtext of the movement, sometimes explicit, at other times implicit, was the threat to Taiwan's democracy presented by the People's Republic of China. Student activists regard this threat as both political, from China's authoritarian Communist government, and corporate, as Taiwanese commercial interests willingly set aside democratic values to observe the



Yang Yi 楊毅, spokesman for the State Council's Taiwan Affairs Office, which is responsible for setting and implementing guidelines and policies related to Taiwan
Source: chinataiwan.org

People's Republic's ideological edicts in the pursuit of profit.

By mid-2013, in response to the campaign, the National Communications Commission ruled on the Want Want China Times acquisition of CNS, and required the company to divest itself of the news programming of its other cable provider, CTi. Another deal, by which a consortium with links to Want Want China sought to acquire the Taiwan interests of the Hong Kong-based Next Media group, collapsed when the bidders walked away from the deal.

The student activists quickly moved on to different issues. In 2013, they campaigned against urban and rural development projects that would have displaced long-established communities. These included those in rural

Miaoli 苗栗 as well as the old district of Huaguang 華光 in Taipei, where KMT veterans had lived for decades since fleeing the Communists' victory on the Mainland in 1949.

By late 2013, student and community activism in Taiwan had developed a distinctive style and set of practices: the 'multi-platform' activism mentioned above. On the one hand, students used traditional direct action, such as sit-ins, to forestall the demolition of Huaguang, resulting in their forcible removal by police in a violent confrontation. On the other, they also used social media and mobile communication, including the techniques of viral marketing, to circulate information and political ideas both online and on the streets. The protests have moved from issue to issue, but in each

instance, detailed online exposition, debate, and rich image-making supported the banners and slogans of direct action.

The result has been the creation of a vigorous and dynamically engaged community. Their online debates and real-world actions show that the contest over Taiwan's political future runs much deeper than the mainstream domestic Taiwan or international media coverage would indicate.

The Sunflower Student Movement

The Sunflower Student Movement was sparked in mid-2013 when the governments of Taiwan and mainland China approved the Cross-Strait Service Trade Agreement (CSSTA).

As disquiet grew within the Legislative Yuan, the Black Island Nation Youth Alliance began to mobilise on campuses. The activists were troubled by the prospect that, without appropriate safeguards, access to education markets, financial services and the media would potentially give China leverage over Taiwan's social and cultural life. This concern expressed a deep-seated anxiety in Taiwan, a legacy of the martial law era, about the power of an unscrupulous state to

manipulate social identity, and a profound suspicion of the current motives of the KMT government in improving relations with China.

On 17 March 2014, after months of delay, and disregarding a previous agreement to conduct a clause-by-clause review of the CSSTA with the opposition Democratic Progressive Party, the KMT-led legislative committee charged with managing the debate unilaterally decided to send the agreement to the floor of the KMT-majority chamber, where it would be sure to pass. The following day, protesters, including student, civic groups and concerned citizens, began gathering outside the legislature. On the evening of 18 March, they entered the building and occupied the chamber. Nothing like this had happened before in the island's history.

Police tried to expel the students on the first night but failed. The students quickly mobilised support systems that they had developed during previous protest actions. Supporters supplied food, water, computers and mobile phones with Internet access, both to those inside the chamber and other groups gathering in the streets outside. The local media reported the occupation through their typically

partisan lenses, giving airtime to opinion-makers on one side of Taiwan's party political divide or the other to support or condemn the student activists. International media reports emphasised the anti-free trade element of the activists' concerns.

The mood among the protesters in the first week was tense, fuelled by rumours, information circulating on social media, and media speculation that there could be a strong police response. What is more, once they occupied the legislature, they were not quite sure what to do next. On the first weekend, a breakaway group of students stormed the nearby Executive Yuan, which houses the offices of the cabinet, and were violently ejected by riot police. Many were seriously injured, including one who was left in a coma for several days. The government predictably condemned the student occupiers for breaching democratic process; the students accused the government of the same.

By the second week, however, the occupation became institutionalised. The student occupiers developed a clear and focused message about the reasons for their actions and communicated it effectively through social media. Student supervisors regulated

movement in and out of the chamber. Their behaviour inside the chamber was always disciplined and controlled.

During the first week, a local florist brought a bunch of sunflowers to the legislative assembly building. The sunflowers, he said, symbolised the activists' campaign to shed light into the 'black box' of government dealing with mainland China. The movement began calling itself The Sunflower Student Movement. Yellow was added to the black of the Black Island Nation Youth Alliance, and black and yellow became the movement's colours.

Over the course of the occupation, the legislative building became the centre of a whole new array of improvised institutions, the hub of new paths of communication across Taipei and the island, and the focus of activities that brought together people from different walks of life. Part of the excitement around the occupation was the way it revealed an alternative set of political possibilities for Taiwan and transformed the relationship between the electorate and legislature.

On 30 March, hundreds of thousands of people rallied in support of the students, jamming the streets for blocks around the city centre. The massive show of public support, which

FROM THE MANUAL OF DISOBEDIENCE USED BY THE HONG KONG PROTESTORS

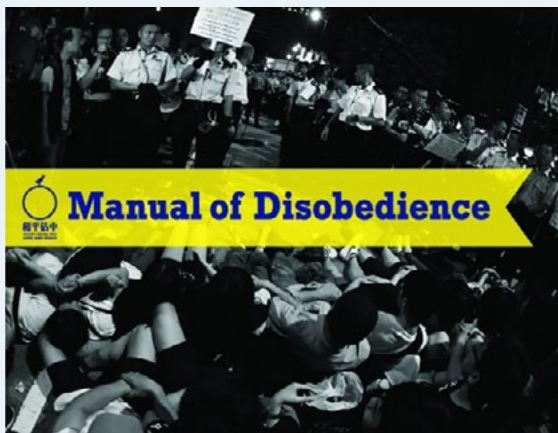
(1) Philosophy

1. Civil disobedience refers to acts of opposing injustice through refusing to comply with a law, decree or order. The participants will not resort to violence. Rather, they will proactively accept the due legal consequences. The acts have to display not only civility but also a disobedient attitude in refusing to co-operate with the unjust authorities, and to strive for societal changes through continuous protest. Genuine pacifism does not mean not to resist against evils, but to fight against evils squarely with non-violent means.
2. Using violence against violence will only intensify bias and fear, provide the government the excuse for suppression, and further empower the suppressors. Civil disobedience is to win over hatred with love. The participants should face sufferings with dignified attitude, so as to summon the conscience of the suppressors and to minimize the hatred underlying the acts of suppression. More importantly, non-violence will win over the empathy of bystanders, and expose the complete lack of legitimacy of the institutional violence applied to us by the suppressor. The self-sacrifice can arouse the awakening of the public.
3. The ultimate aim of the campaign is to establish a society embracing equality, tolerance, love and care. We fight against the unjust system, not individuals. We are not to destroy or humiliate the law enforcers, rather we are to win over their understanding and respect. Not only do we need to avoid physical confrontation, but also to avoid developing hatred in heart.
4. Occupy Central participants must strictly follow the principle of non-violence if we are to gain the understanding and support of the public. Protesters must not engage in physical or verbal conflicts with law enforcers, nor damage any public properties. When facing brutal force, you can act to protect your body but not fighting back. When facing arrest, protesters can form a human chain and lie down so as to make the arrest more difficult but not to struggle hard. Protestors should display a peaceful and rational attitude with dignity. They should keep reminding themselves to demonstrate virtues of higher standard than those of the suppressors, so as to gain the support of the society.



Occupy Central with Love and Peace is a civil disobedience movement that began in Hong Kong in September 2014. It called on protesters to block roads and paralyse Hong Kong's financial district if the Beijing and Hong Kong governments did not agree to implement universal suffrage for the chief executive election in 2017 and the Legislative Council elections in 2020

Photo: boxun.com



Occupy Central with Love and Peace advocacy group compiled a set of rules and guidelines for use during the protests

Source: oclphkenglish.wordpress.com

(2) Rules for Non-Violent Protest

1. Insist on the use of non-violence means. In the face of law enforcers and anti-Occupy Central demonstrators, never hurt anyone physically or mentally, or damage any properties.
2. Be brave in facing the authorities and accept the responsibilities of civil disobedience. Do not use any masks to cover faces.
3. Do not bring any weapons or anything that can be used as weapons.
4. When facing arrest, form a human chain and lie down to show our non-co-operation. Do not struggle hard so as to avoid injury.
5. Be bold in the face of violence. Do not try to hit back. Move to a safe place and ask for the help from the picket or medical team.
6. For the sake of consistent crowd control information, no one except designated personnel should use any loudspeakers. Do not put up any long flags or large posters that will block the views.
7. Leaders of the operation could be arrested anytime. Be prepared for changes in leadership and try to maintain good order all along.
8. Respect the decisions of OCLP. Any disagreements should only be reviewed after the operation. Avoid any action that may disrupt the operation.

accorded legitimacy to the student activists, proved a turning point with the government.

The ruling KMT seemed divided on how to respond to the protest, and at the end of the first week President Ma Ying-jeou 馬英九 gave a weak press conference in which he evaded hard questions about the occupation and the future of the trade agreement. The speaker of the Legislative Yuan, Wang Jin-pyng 王金平, a key rival to Ma in the KMT, opened negotiations with the student leadership himself. By this time, Lin Fei-fan and Chen Wei-ting had become more than just student leaders. As the faces of the occupation, they were celebrities, profiled in newspapers and on TV. Although the protesters were not unanimously in favour, the leaders agreed that they would leave the legislative assembly on 10 April. In return, the government promised a proper legislative review of the CSSTA and to set up institutional public oversight mechanisms for managing cross-Straits relations.

Despite the significant disruption caused by the protests, in the end, the parties came to a relatively peaceful resolution. Student movements in Taiwan since 2012 have generally sought to avoid confrontation with the police,

preferring rational debate and discussion in service of social justice and progress. They considered the process of negotiated settlement an expression of their democratic ideals.

Shared Destiny and the ‘Taiwan Question’

The movement showed up the weakness and isolation of the president in Taiwan. President Ma’s level of personal public approval hovers around the ten percent mark. At the same time, the authority of the office of the president in Taiwan is greatly limited by Taiwan’s geo-political relationships with China and the US. Since the first truly democratic presidential election on the island in 1996, the electoral process has been one of the pillars upon which Taiwan’s de facto sovereignty rests, and which in turn legitimises the office of the president. Yet the People’s Republic of China, both Taiwan’s chief trading partner and main security threat, considers the incorporation of the island into its territory a predestined national mission. From Beijing, Taiwan’s island story, the creation of a sovereign people through democratic principles and process, skewers China’s manifest destiny.

In his two terms in office, Ma Ying-jeou has attempted to obfuscate this problem by calling for practical, economic engagement, while avoiding the constant crises of his predecessors. A raft of new cross-strait agreements allows tourists, students and government officials to move freely across the strait and reduce barriers to trade. Ma began with the support of Chinese president Hu Jintao; Xi Jinping seems content to continue the process of institutionalising cross-strait relations as a means for realising a unified China.

The Sunflower Student Movement, which built on citizen activism and opposition to this institutionalisation, makes the governments on both sides nervous. The Chinese government reacted to the crisis mostly by ignoring it or offering platitudes about the continuing development of cross-strait ties. When the official media in China mentions the movement explicitly it has only been to condemn it and associate it with Taiwan's inde-

pendence-leaning opposition Democratic Progressive Party. The student activists, meanwhile, mostly ignored China, focusing on democratic legislative process and the ruling KMT. Two leaders of the 1989 Beijing student movement, Wu'erkaixi 吾爾開希 and Wang Dan 王丹, both of whom live in Taiwan, joined the student occupiers, entering the legislative chamber in the first week. The students were by turns welcoming and dismissive of them, their reaction a reflection of the complex nature of the movement's politics.

International opinion may see the Taiwan problem as heading towards a 'natural' resolution of the incorporation of Taiwan into the People's Republic of China through the building of cross-strait ties. Yet the emergence of a new, politically savvy, wired and connected generation of leaders and opinion-makers in Taiwan, who are anything but *ditouzu*, suggests that the 'Taiwan question' will test regional politics and security for years to come.

4

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DESTINY'S MIXED METAPHORS

Gloria Davies





IN APRIL 2014, an article titled 'The China Dream and the New Horizon of Sinicised Marxism' appeared on the *Qiushi* 求是 website run by the Chinese Communist Party's Central Committee. *Qiushi* describes itself as the Party's 'most influential and most authoritative magazine devoted to policy-making and theoretical studies' and aims to promote the Party's 'governing philosophy'. The article defined the China Dream as the 'means for bringing together the state, the nation and individuals as an organic whole'. It can do this, the article said, because it 'accentuates the intimate bond between the future and destiny of each and every person with that of the state and nation'.

In 2013, other articles in the state media tied the notion of the China Dream to the catchphrase of Shared Destiny, describing the China Dream itself as a Community of Shared Destiny (distinguishing itself from the American Dream of individual freedom). According to an earlier article published by the state news agency Xinhua, this is a community ‘in which the interests of nation and state and the interests of each and every person become intricately linked, such that when people are encouraged to establish their own ideals, they also create the conditions for everyone else to realise their ideals’.

These long-winded formulations are a product of what China’s party leaders, and the party theorists who help write their speeches, call *tifa* 提法: ‘formulations’, or correct formulas for the expression of key political or ideological concepts. Intentionally vague and circular statements, these formulations are an essential part of China’s official language because they can be made to fit a wide variety of situations. Phrases like ‘to link one’s personal future and destiny with the nation and state’s future and destiny’ are word-strings, designed for repetition, like a pledge or a mantra of intellectual fealty.

Formulations/*Tifa*

The Party’s leaders and theorists are the keepers of a language that is designed to guide people’s actions and thoughts while reinforcing the notion of one-party rule as China’s historical destiny. Many of these didactic formulations have the authority of scripture. But while the party’s rhetoricians must employ standard, revered and authoritative formulations in the Party’s lexicon, they cannot rely on repetition alone as the old formulations do not always stretch to cover new circumstances, answer fresh challenges or express refinements of ideology. In order to establish themselves as unique contributors to China’s advancement, and secure their place in history, the leaders and theorists thus seek to develop new *tifa* within the

constraints set by the diction and vocabulary of their predecessors. The way they refine the concept of Shared Destiny, for example, will determine their future place in history as well as their careers and livelihood in the present day.

In 2013–2014, as Xi Jinping’s new administration sought to rein in corruption and pollution, redress inequalities and reform the law, it cautiously updated the official language. It employed words like ‘destiny’, ‘history’ and ‘mission’ to lend Xi’s leadership an image of strength and boost the legitimacy of one-party rule.

As noted in the *China Story Yearbook 2013*, China’s former president and party general secretary Hu Jintao was prone to overuse impersonal *tifa* in his speech, for which he was widely parodied in Weibo posts that told him to ‘speak like a human being’. Xi Jinping, by contrast, initially attracted praise for being plain-spoken, part of his carefully cultivated image as a ‘man of the people’.

Rumours and Big Vs

By August 2013, when Xi showed himself to be even less tolerant of dissent than his predecessor, the praise gave way to pensive silence. That month, his administration launched a fresh, strict crackdown on online ‘rumours’ with the arrests of Charles Xue 薛必群 and Wang Gongquan 王功权, wealthy venture capitalists and microbloggers who had carved out a big presence on the Internet with their liberal views and enthusiastic support for a range of social causes. Xue and Wang were ‘Big Vs’ — a term used to describe popular microbloggers with verified (V) real-name Weibo accounts and whose followers numbered in the millions.

Hu Jintao began the campaign against ‘rumours’ in 2012 under the pretext of protecting the public from fake news, but Xi has pursued it vigorously. The detention of Xue, Wang and others, and their abject televised confessions (see Forum ‘Orange as the New Black’, p.316) showed Xi’s de-

termination to guide and contain public discourse. Although the detainees received plenty of messages of support from outside China, the Party effectively demonstrated that even 'Big Vs' posed no threat to its power. Xue had more than twelve million Weibo followers before his account was shut down and Wang 1.5 million. Their public humiliation cowed many other 'Big Vs' as well as less prominent and well-financed netizens into self-censorship and silence.

Ideology Recalibrated

For all their 'anti-rumour mongering' rhetoric, China's Party leaders are experts at using innuendo to keep people guessing and uncertain. A case in point is the address that Xi gave on 19 August 2013 to propaganda officials at the National Ideological Work Conference in Beijing (noted in our 2013 *Yearbook*), which state media reports promptly trumpeted as his 'important speech of 19 August' without revealing its detailed contents. In the weeks that followed, numerous editorials and commentaries about Xi's 'important speech' appeared in key party newspapers and websites but only broadly hinting at its content: articles in the *People's Liberation Army Daily* and *China Youth Daily* on 21 August and 26 August, for example, mentioned 'positive propaganda' and 'the struggle for public opinion'.

In November, an unverified document purporting to be a leaked transcript of the speech began circulating on the Internet. Independent commentators posting on websites hosted outside China were confident that the document was genuine because its content reflected what had been said about the speech in party publications that had appeared in the intervening months.

To date, the full official text of Xi's speech has not been made public and the authorities have neither confirmed nor denied the leaked document's authenticity. Instead, the state media has mainly quoted others talking about it: provincial propaganda chiefs, senior editors at leading

state media organisations and senior Party officials such as Cai Mingzhao 蔡名照 (director of China's State Council Information Office) and Liu Yunshan (who as leader of the Party's Central Secretariat, head of the Central Party School and a member of the Politburo Standing Committee is one of China's top seven leaders).

On 24 September 2013, Qian Gang 钱钢, Director of the China Media Project at the University of Hong Kong, published his analysis of the reporting of Xi's 'important speech'. Qian identified the term 'the struggle for public opinion' 舆论斗争 as the key to understanding the priority Xi placed on suppressing dissent. Qian noted that the term was a throwback to the early post-Mao period: it first appeared in a *People's Daily* editorial of 1980, four years after Mao's death and the end of the Cultural Revolution, when there was still raw and fierce debate over the legacies of both. Qian argued that whereas Xi's administration has previously used 'the struggle for public opinion' to justify tighter censorship to protect mainland public culture from Western 'spiritual pollution', it was now also targeting critical debate within China itself.



Qian Gang
Source: jmsc.hku.hk

Qian noted that the initial Xinhua report of 20 August 2013, which he said bore the marks of a 'rigid process of examination and authorisation', made no mention of the 'struggle for public opinion'. The term was also missing from eight subsequent *People's Daily* commentaries about Xi's speech that appeared from 21 August onwards. Yet on 24 August, the *Global Times*, the jingoistic subsidiary of *People's Daily* published an editorial titled 'The Struggle for Public Opinion', which it described as 'an unavoidable challenge to be faced head on' 舆论斗争，不能回避只能迎接的挑战.

After ten days of not mentioning the 'struggle', on 30 August 2013, the *People's Daily* published a lengthy editorial that cited Xi as explicitly calling for 'the struggle for public opinion' so as to 'effectively channel public opinion'. More lengthy articles followed in September promoting the idea. Qian viewed this carefully orchestrated revival of the term, occurring in

tandem with the crackdown on 'online rumours', as a further indication that political reform was not on Xi's agenda.

At the time of Xi's speech, one target of 'the struggle for public opinion' was Bo Xilai, the ousted Party secretary of Chongqing whose trial, held from 22 to 26 August, had engrossed the nation (see the *China Story Yearbook 2013: Civilising China*). Xi Jinping had previously supported Bo's 'Red' revival (see the *China Story Yearbook 2012: Red Rising, Red Eclipse*) and had praised his 'strike black' anti-crime campaign. By late August 2013, Bo had to be denounced as a corrupt official who deserved life imprisonment. No mention was to be made of his once-enormous popularity or Xi's former support.

From September through October, 'the struggle for public opinion' acquired a distinctive diction. The revived Mao-era term Mass Line 群众路线 was now often married to the moral posture 'with righteous confidence' 理直气壮地 to form sentences such as: 'To proceed with righteous confidence and properly carry out the Mass Line Education and Practice Campaign' 理直气壮地做好群众路线教育实践活动. Launched in June 2013, this campaign grew more intense two months later with the media offensive around Xi's 19 August speech (see the *China Story Yearbook 2012: Red Rising, Red Eclipse*, Chapter 3 'The Ideology of Law and Order', p.60).

Unsheathing the Sword

Of all the slogans associated with 'the struggle for public opinion', the most striking is 'Dare to grasp, control and unsheathe the sword' 敢抓敢管敢于亮剑 (see Chapter 6 'The Sword of Discipline and the Dagger of Justice', p.260). This phrase first appeared, without attribution, in two commentaries published on 2 September 2013 in both the *People's Daily* and *Beijing Daily* respectively. In an article published on 30 September on Deutsche Welle's Chinese-language website, the Beijing-based democracy activist Chen Ziming 陈子明 likened 'the struggle for public opinion' and 'unsheathe the sword' to Chairman Mao's strategic pairing of 'class struggle'

and ‘don’t fear poisonous weeds’ at the Party’s National Thought Work Conference in 1957 that signalled the start of the Anti-Rightist Campaign: ‘precious words dictated from on high, with a unique and mutually sustaining significance’.

Yet in 1957, ‘class struggle’ was a political theory elevated to a doctrine of mass mobilisation. ‘Poisonous weeds’ was Mao’s metaphor for dissent in the garden of

true Communism. In 2013, ‘the struggle for public opinion’ was a more nebulous idea and ‘unsheathe the sword’ 亮剑 came from a hit TV series of the same name.

The Shanghai-based entertainment company Hairun Pictures co-produced the TV series *Unsheathe the Sword* with a unit of the PLA. Set in the wartime China of the 1930s and 1940s, it was based on the novel by Du Liang, a former PLA soldier. China’s most-viewed TV series in 2005, it has enjoyed frequent reruns. The title comes from a line spoken by the show’s protagonist, Li Yunlong, a PLA general: ‘When you’re faced with a mighty foe and you know you’re not his match, you must be resolute and unsheathe your sword. If you’re cut down, become a mountain, a great mountain ridge!’

Fans of *Unsheathe the Sword* praised its unvarnished portrayal of human foibles in the time of war. As Geng Song 宋耕 and Derek Hird have written, Li, ‘depicted as a crude man with a bad temper and a foul mouth’



China's most-viewed TV series in 2005, *Unsheathe the Sword* 亮剑
Source: youku.com

was a startling departure from the revolutionary screen heroes of the Maoist period. Cunning, rebellious and fond of drink, he more closely resembled 'the knight-errant', an outlaw archetype of popular Chinese culture (epitomised in the Ming-dynasty novel *Outlaws of the Marsh*). 'Unsheathe the sword' became urban slang in 2005, signifying manly daring in the pursuit of one's goals.

Unsheathe the Sword was such a success that, on 16 November 2005, the state's China Television Art Committee and the PLA's publicity department ran a symposium on the show in the hope of finding a winning formula for future party- and nation-building ventures in popular entertainment. While the unverified transcript of Xi's speech contained the expression 'dare to grasp, to control and to unsheathe the sword', by linking it to the 'stability maintenance' campaigns against crime, corruption, dissent and terrorism he distorted its meaning. Still, those keen to show there is no need to struggle for their opinion readily adopt the Party's usage, describing Xi as having 'unsheathed his sword' when he met with US Vice-President Joe Biden to discuss China's Air Defence Identification Zone in December 2013, for example, or when he launched the probe into the corrupt affairs of China's former propaganda chief Zhou Yongkang 周永康 (see Information Window 'Big Game: Five "Tigers" ', p.266).

Back to Nature

The unverified transcript of the 19 August speech also shows Xi calling for renewed attention to the 'relationship between the nature of the Party and the nature of the people'. The 'nature of the Party' is described as 'whole-hearted service to the people' in the form of 'a Marxist political organisation that is of and for the people'. The transcript highlights the importance of Party officials not alienating the people. Understanding the 'nature of the people' means heeding the different 'ideological and cultural needs' of different groups: 'workers, peasants, PLA soldiers, cadres, intellectuals,

the elderly, the young, children’ as well as new group identities such as ‘the ant-tribe’ 蚁族 (college-educated, low-income workers living in city slums); ‘northward drifters’ 北漂 (job-seeking college graduates from the south living in Beijing); ‘returned students’ 海归 (the term is a homophone for ‘sea turtles’, referring to people with overseas qualifications); ‘unemployed returned students’ 海待 (the term sounds like ‘seaweed’); and ‘small investors’ 散户 (literally, ‘scattered households’).

As illustrated by the use of such terms, ideological work under Xi includes incorporating urban slang into the Party’s vocabulary as a concrete demonstration of the Party’s closeness to and understanding of the ‘nature of the people’. But it also requires the study of texts that include the speeches of former party leaders and new works produced by party propagandists such as *Five Hundred Years of World Socialism* (discussed below). This is ideological recalibration, as opposed to new thinking, backed up by policing ‘the struggle for public opinion’ by cracking down on ‘rumours’, for example.

We can only guess at the extent to which the crackdown on ‘rumours’ contributed to the nine percent drop in Weibo users by the end of 2013 (a loss of 27.83 million users, according to official figures). Many Weibo users migrated to Weixin (WeChat), a mobile text and voice messaging service that itself fell under close scrutiny in 2014. Although it lacks Weibo’s broad reach, Weixin nonetheless enables independent discussion of social problems by groups around the country (and abroad).

Scripting Destiny

Inequality has always dogged China’s one-party system, as unaccountable political power under Mao in the form of a revolutionary virtuocracy (to borrow Chinese politics expert Susan Shirk’s insightful phrase), then as unaccountable wealth under Deng Xiaoping and his successors in the form of a kleptocracy (to use *The New Yorker*’s former Beijing correspond-

ent Evan Osnos's description). The gap between its ideology and practice poses a challenge to the party-state. But a greater challenge comes from the fact that Chinese citizens are, in ever increasing numbers, culturally, politically, academically and socially engaged with the world beyond the control of China's rulers. Moreover, the world — including global virtual communities of shared interests, the international media, environmental and rights activists and organisations — is engaging right back.

In June 2014, both the neo-Maoist Utopia website and *Qiushi* re-posted a Weibo post by the self-styled Maoist Yin Guoming 尹国明 in which he likened public intellectuals 公知 and the democracy movement 民运 to an 'evil cult'. In China, the term 'public intellectuals' often signifies writers, academics and others who engage in public discourse that has not been sanctioned by the Party. Yin claimed that some who identified as such, or as democracy activists, had links to terrorist groups or banned religious organisations ('evil cults' in the official vocabulary) such as the controversial Church of Almighty God 全能神教会 (see Forum 'Almighty God: Murder in a McDonald's', p.304). *Qiushi* included a disclaimer saying that the views expressed were those of the author and that *Qiushi* had not verified these claims.

That *Qiushi* was prepared to publish a text it acknowledged as potentially unreliable left readers in no doubt that the Party's campaign against rumour-mongering exempted rumours that served its own purposes. Party rhetoric has become notably hostile towards 'intellectuals' 知识分子, defined as people with university qualifications in general and academics and writers in particular, from 2013. In his day, Mao had been suspicious of intellectuals, and made them a target of both the 1957 Anti-Rightist campaign and the Cultural Revolution. One of the greatest political and cultural shifts of the early post-Mao era was the 'rehabilitation' of China's intellectuals and the affirmation of their importance to a modernising and economically reforming China. In his 19 August speech, Xi said that 'to do ideological work well, the highest degree of attention must be given to the work of intellectuals'. How they fare, however, depends on how closely

they identify with Xi's Community of Shared Destiny.

As noted in the *China Story Yearbook 2013*, in the first half of 2013, the state banned discussions of constitutionalism and enumerated 'Seven Things That Should Not Be Discussed' in university courses (universal values, freedom of the press, civil society, civil rights, historical mistakes by the Party, Party-elite capitalism and judicial independence). In October 2013, Peking University terminated the appointment of Xia Yeliang 夏业良, an asso-

ciate professor of economics, on the grounds of 'poor teaching', though online many commentators alleged that he was sacked for advocating constitutionalism. Then, in December, Shanghai's East China University of Political Science and Law fired Zhang Xuezhong 张雪忠, a lecturer in the university's law school, for breaching university regulations by using the university's email system to notify colleagues of his new e-book, *New Common Sense: The Nature and Consequences of One-Party Dictatorship*. He too had defied the ban on discussing constitutionalism in class. The university accused him of 'forcibly disseminating his political views among the faculty and using his status as a teacher to spread his political views among students'. Later that month, Chen Hongguo 谌洪果 of Xi'an's Northwest University of Politics and Law stated on Weibo that the new restrictions made academic life untenable for him; he was resigning.

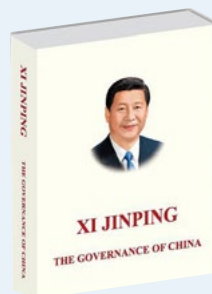
Top Ten Academic Research Topics in 2013

1. Rejuvenation of the Chinese Nation and the China Dream
2. Marxism and Distributive Justice
3. Deepening Reform Strategy
4. Big Data National Strategy
5. The Information Age and Virtual Communities
6. The Construction of New Cities and Towns under the Scientific Development Concept
7. Judicial Reform and the Establishment of Rule of Law
8. The Implications of 'New Relations between Big Powers'
9. Overseas Transmission of Chinese Contemporary Literature and Translation Research
10. Discovery and Interpretation of Historical Documents related to the Diaoyu Islands

Source: news.xinhuanet.com

LEARNING FROM XI JINPING, by Joel Martinsen

President Xi Jinping's surname occurs as the second character in the ordinary Chinese word for study, *xuexi* 学习. That term can also be read 'learn from Xi'. State media have run columns under punning headlines: 'Learn from Xi through Pictures' 学习图解, 'Big Data for Learning from Xi' 学习大数据, 'Notes on Learning from Xi' 学习笔记, and 'Learning from Xi from the Heart' 学习心得, all of which appear on the website of the *People's Daily* under the heading 'The Proper Way to Learn from Xi' 学习有方. Here are some examples:

**Yang Zhenwu on Xi Jinping**

In the 28 May 2014 edition of the *People's Daily*, editor Yang Zhenwu 杨振武 explicated a range of Xi Jinping's speeches regarding the media's responsibility to guide public opinion. Yang's explanations, recapped on the paper's website the following day in a handy text-commentary form for easy reading, covered subjects ranging from confidence in China's unique path of development, to materialism and dialectics and the appropriate methods for disseminating propaganda. Yang interpreted Xi's remark that 'Ideas and beliefs are the bones of the spirit of Party members', as a call for propaganda workers to remain steadfast in their beliefs, and discussed the importance of the 'main melody' 主旋律 and 'positive energy' 正能量 as values.

Many academics outside China praised these three outspoken individuals for standing up for academic freedom. They expressed concern about the limitations and long-term ramifications of collaborating with Chinese universities on research and teaching. In China, however, some colleagues cast aspersions on the academic credibility of the trio. Yao Yang 姚洋, an eminent economist based at Peking University, for example, told the online *Inside Higher Education* that Xia Yeliang's publications did not meet the university's research standards and that Xia was 'trying to use external forces to try to force the university to keep him'. Yao commented, 'I think that's a really bad strategy'.

By contrast, the state has awarded generous research grants to academics whose work shows the party-state's ideas, policies and slogans in a positive light. In November 2013, the Berkeley-based website *China Digital Times* (blocked in China) alerted readers to a list, announced five months

Hands: Invisible and Visible 看不见的手/看得见的手

At a Politburo meeting on 26 May concerning the government's role in market resource allocation, Xi Jinping stressed the need to use both the 'invisible' hand of the market and the 'visible' hand of the government. In its discussion of 'deepening reforms' at the time of the Third Plenum in October 2013, the *People's Daily* had called for a more effective use of 'visible hands', since 'the market only has vitality through cautious action by the government' 政府慎作为, 市场才有活力. Presaging the theme of the Fourth Plenum in October 2014, the article refers to 'letting the "visible hands" wear the "gloves" of the rule of law'.

Zero Tolerance 零容忍

Xi Jinping has called for 'zero tolerance' in a number of areas, including threats to state security (in particular, the 'three evil forces' of terrorism, separatism, and extremism), corruption, violations of party discipline, work safety infractions and repugnant behaviour by law enforcement and justice officials.

Kin in Grass Sandals 草鞋亲戚

This refers to the officials who inform the central government leadership about local conditions. Yang Yizhou 杨奕周, an official in Xiadang county, Fujian province, is the leading exemplar. In 1989, he met Xi Jinping, then party secretary of Ningde, Fujian, and became one of his closest 'kin in grass sandals'.

earlier, of the top fifty-five major grants awarded under China's National Social Science Fund. The fund is the nation's most prestigious grant scheme, and is supervised by the Party's Central Propaganda Department. The first three titles on the list were: 'Research into reinforcing confidence in the path, theory and system of Socialism with Chinese Characteristics' 坚定中国特色社会主义道路自信、理论自信、制度自信研究; 'Research on the internal logic and historical development of Socialism with Chinese Characteristics as a body of theory' 中国特色社会主义理论体系的内在逻辑与历史发展研究; and 'Research into the basic requirements for seizing new victories for Socialism with Chinese Characteristics' 夺取中国特色社会主义新胜利的基本要求研究.

In February 2014, the media widely celebrated the publication of *Five Hundred Years of World Socialism* 世界社会主义五百年, an account by party theorists of Chinese socialism within the international context. The

book, published by the Central Propaganda Department's Study Publishing House on 1 January 2014, is now required reading for all Party cadres and members. In the 'struggle for public opinion' in academic circles at least, the party-state is winning.

Mixed Metaphors

Xi Jinping has used a Community of Shared Destiny in two ways. Initially, he evoked the image of a strong and prosperous nation living happily under party rule — the 'China Dream'. Later, he extended it to describe China's foreign policy. In his speech of 25 October 2013 in Beijing at the Workshop on Diplomatic Work with Neighbouring Countries, Xi highlighted the importance of reassuring the world that 'the China Dream will combine with the aspirations of the peoples of neighbouring countries for a good life and the hopes of all for regional prosperity so that the idea of a Community of Shared Destiny can take root among our neighbours. Implicit in Xi's statement is the assumption that others must adapt their national stories and dreams to those of China.

On 24 October 2013, Xu Danei 徐达内, the Shanghai-based columnist for London's *Financial Times*, posted an article titled 'A Community of

Shared Destiny' in his online column 'Media Notes'. By sheer coincidence, on the eve of Xi's foreign policy speech, Xu used the phrase to describe a camaraderie born of hardship among Chinese journalists. He highlighted the plight of Chen Yongzhou 陈永州, a novice reporter arrested on defamation and slander charges for investigative articles he had written about the Changsha construction company Zoomlion. Chen's employer, the Guangzhou-based *New Express* 新快报, had stood



Xu Danei

Source: yo2.cn

by him. The paper ran a front-page banner headline on 23 October with the call ‘Release Him’ 请放人 under which appeared a front-page editorial defending Chen’s integrity and criticising the arbitrary use of police power in Changsha to arrest him. This unusually bold step taken by the newspaper’s senior executives had been Xu’s inspiration.



Chen Yongzhou
Source: caixin.com

Two days later, however, on 26 October, China Central Television news aired a public confession by Chen, prompting the *New Express* to publish a retraction the following day, in which the editors apologised for questioning the police investigation and ‘damaging the credibility of the press’. With Guangzhou’s third largest media organisation thus brought into line, the government continued to widen its crackdown on ‘rumours’ in the early months of 2014 (see Chapter 3 ‘The Chinese Internet: Unshared Destiny’, p.106).

The key to understanding the ‘struggle for public opinion’ is that there is no struggle. The term warns people that they disagree with the state at their peril. In 1980, Deng Xiaoping famously used the expression ‘the Hall of the Monologue’ 一言堂 to criticise Mao for monopolising party discourse. The term is a direct critique of the Cultural Revolution concept of ‘monolithic leadership’ 一元化领导, which in 1969 was formally defined as ‘putting Mao Zedong Thought in command of everything’.

In the 1980s, Deng sought to strengthen collective leadership by appointing his protégés Hu Yaobang and Zhao Ziyang to key positions while remaining all-powerful even in ‘retirement’. The reiteration of Xi’s ‘important speech of 19 August’ (and many of his other speeches since then) in commentaries, editorials and reports produced by others similarly pro-

NEW INTERNET SLANG AND MEMES

Over the past five years, many Chinese websites and newspapers, including official publications such as the *People's Daily*, have issued year-end lists of new Internet buzzwords and memes. For some reason, there were very few of these lists at the end of 2013, although the Party has created a few memes of its own and ensured their popularity through constant repetition in both news media and on digital platforms such as WeChat and Weibo. 'Big Daddy Xi' 习大大 (p.168), the China Dream 中国梦 (pp.xviii-xx) and Tigers 老虎 (pp.xxviii-xxxi) are probably the most widely used party-generated memes.

The memes below are drawn from a variety of online sources that listed phrases that became popular in 2013 and 2014.

Vulgar Tycoon or *Nouveau Riche* 土豪

The term *tuhao*, originally meaning 'local strongman', was first used online to describe Internet gamers who spent large amounts of money on in-game items to impress other players. Since late 2013, the term has described people of tremendous wealth but uncouth ways and poor taste. It has also become a teasing term of endearment among friends used when one splurges on some indulgence.

You Understand ... 你懂的

Originating in a song by the singer and comedic actor Xiao Shenyang 小沈阳, the phrase *ni dongde* soon took a life of its own as a verbal wink between two people in the know as a placeholder to disguise political or social commentary or explain its absence. Even government officials have taken it up: asked at a press conference on 2 March 2014 for details about the corruption investigation into former Politburo member Zhou Yongkang, which had not yet been formally announced, Lü Xinhua 吕新华, a spokesperson for the Chinese People's Political Consultative Conference blathered for a few minutes and then simply said, '*ni dongde*'.

Cherish What You Have 且行且珍惜

After a Weibo user exposed an extra-marital affair by actor Wen Zhang 文章, his wife Ma Yili 马伊琍 posted this response: 'Although love is easy, marriage is difficult — cherish what you have'. The last five characters 且行且珍惜 (pronounced *qie xing qie zhenxi*) became an Internet meme, spawning a slew of similar terms using the formula *qie X qie XX*, for example 'Eating is easy, losing weight is not, cherish what you eat 吃饭虽易, 减肥不易, 且吃且珍惜'.

No Zuo No Die or No 作 No Die (sometimes rendered as 不作死就不会死)

This Chinglish phrase sometimes written as *no zuo no die*; sometimes as *no 作 no die*, began as slang from the Chinese north-east. Internet users use it to mean that if you don't do something stupid in the first place, you don't have to worry about it coming back later to haunt you.

jects a picture of consensus and commitment to policies that are guided in fact by one powerful person. In this sense, Xi's emphasis on 'the struggle for public opinion' attempts to recover the prestige the Party enjoyed during the halcyon early years of 'reform and opening up' before corruption set in, and public discontent led to the massive protest movement of 1989 (see Chapter 6 'The Sword of Discipline and the Dagger of Justice', p.260, and Forum 'Xu Zhiyong and the New Citizens' Movement', p.292).

The party-state led by Xi seeks to repair the Party's relations with the people using a rhetoric that combines intimidation and cultural appeal — but not just pop cultural appeal. Xi is fond of quoting from the Chinese classics and the state media enjoys presenting him as a man of erudition (see Forum 'Classic Xi Jinping: On Acquiring Moral Character', p.4). On 8 May 2014, the overseas edition of the *People's Daily* published a full-page article, widely reproduced since, on thirteen literary allusions that Xi has used in his speeches since becoming president and party general secretary: 'Self-Cultivation through Learning: Famous Classical Quotations by Xi Jinping' 习得修身: 习近平引用的古典名句. Xi's surname 习 means to study or practise; the headline puns on this to equate Xi with learning itself.

However, puns and even the most agile rhetoric cannot solve many of the key challenges facing the party-state. In an article published on 27 March 2014 on the bilingual website *China Dialogue*, Beijing-based environmental and legal consultant Steven Andrews wrote that the Chinese government's Air Quality Index, which is less stringent than international standards, caused China's pollution to be reported 'in a misleading way, blocking public understanding and enabling official inaction'. Another example is the enforcement of the ideal of 'maintaining a unified approach' 统一口径 in news coverage, when it has often been independent investigative journalists who have exposed many serious problems, especially those related to corruption in local areas. The second half of the phrase in Chinese, 口径 (pronounced *koujing*) signifies the calibre or bore of a gun, which lends the phrase the sense of a line of matched guns all firing in unison.

The Spring and Autumn Style 春秋笔法, by Geremie R Barmé

One of the main features of New China Newspeak 新华文体 is its 'moral-evaluative' dimension. In this it builds on patterns of moral judgment used by writers in pre-modern times, be they historical, cultural or artistic judgments. For those who would use the past as a mirror to guide present actions, evaluations and moral judgments were crucial.

It is the concern of many students of things Chinese (be they in or outside China) that the yawning gap between reality and rhetoric should, in the long run, make things untenable, or lead to some massive revision or collapse of the vestigial ideological power of the party-state. Taking a sideways glance at the parallels between Soviet and Chinese socialism, however, and if we remain mindful of the lessons that have been learnt from the Soviet collapse, one could say that party-state rule in China has created a range of appealing and abiding ideological simulacra. To date these have incorporated cultural alternatives and opponents in a 'postmodern pastiche' of the kind originally described in the Russian philosopher Mikhail Epstein's work on the former Soviet ideological landscape. This kind of pastiche has also been commented on (and denounced) by China's own New Left and retro-Maoists.

In his work on relativistic patterns in totalitarian thinking, Mikhail Epstein analysed totalitarianism as 'a specific postmodern model that came to replace the modernist ideological stance elaborated in earlier Marxism'. He argued that the use of what he called 'descriptive-evaluative' words, that is terms that combine both descriptive and evaluative meanings or connotations — 'ideologemes' employed universally in Soviet speech — communicate not only information but also a specific ideological message, or concealed judgments that

take the form of words. Epstein's view of how ideologemes functioned in Soviet public discourse finds striking parallels in reformist-era China (1978–). In short, Epstein noted that a key to the function of ideologemes is that they can encompass both leftist and rightist concepts, embracing the spectrum of utilitarian shifts made within a totalitarian or rather a totalising system, that is a system that can incorporate and reconcile logical inconsistencies and opposing ideas.

A simple example of this can be found in the expression 'socialist market economy'. It is a term created to convey the extreme contradictions within contemporary economic realities; it is an expression that allows for an ideological underpinning to what, superficially at least, appears to have been an example of the party's retreat from its avowed state-centred Marxist-Leninist-Maoist revolutionary ideals. According



Mikhail Epstein
Source: dur.ac.uk

to Epstein, this kind of linguistic formulation is not the result of a desperate pragmatism; rather it is the reflection of the core philosophy of a politics which ‘uses leftist slogans to defeat the right, rightist slogans to defeat the left’, a politics that strives throughout to maintain its own primacy. This is a primacy that is not merely about temporal power, but one that is also about dominion in the realms of ideas and emotions.

Totalitarian speech is marked by its ability to employ ideologically laden words to weaken opposing sides while taking advantage of the resulting confusion. I would note that the Chinese language — and what is under discussion here, New China Newspeak — has a rich and venerable lexicon of words that have been converted under party-state rule to act as ‘ideologemes’. It is a lexicon that, according to tradition, was first formulated by Confucius when he purportedly edited the history of the State of Lu 鲁国, the *Spring and Autumn Annals* 春秋, judiciously selecting expressions to depict political actions in moral terms. Classical scholars claimed that the Sage thereby created a ‘Spring-and-Autumn writing style’ 春秋笔法 which relied on a vocabulary of *baobian ci* 褒贬词, or judgmental words, to praise *bao* 褒 or censure *bian* 贬 every political act and event recorded in the annals of Lu.

In modern usage, all activities beneficial to the party-state are represented by words with positive connotations 褒义词, while those that are deleterious in nature are condemned with negative verbs, nouns and adjectives 贬义词. The growth or maturation of socialist society has led to a linguistic accretion, one that incorporates Maoist doublethink of the first three decades of the People’s Republic with the patriotic parole of Reform. The general party line exists in a state of constant tension with both right and left deviations, maintaining a rhetorical and practical balance between the two. This was notably evident in the populist, and popular, ‘Sing Red Crush Black’ 唱红打黑 campaign launched in Chongqing as part of an effort to clamp down on local mafias (as well as business and bureaucratic enemies) while extolling a nationalistic-Maoism through mass choral performances. One could postulate, as Epstein does for Soviet Marxism, that ‘Socialism with Chinese Characteristics’— the theoretical formula that underwrites contemporary China — is an enigmatic and hybrid phenomenon that, ‘like postmodern pastiche... combines within itself very different ideological doctrines’.



The Spring and Autumn Annals
Source: no-1chineselearning.com

Say 'Uncle'

Yet while Xi's vision of Shared Destiny involves a tightening of central control, his administration also demonstrates a savvy approach to image management. Since the latter half of 2013, large numbers of non-official pro-Party online comments have appeared referring with casual (but respectful) familiarity to Xi Jinping as *Xi zong* 习总 ('Gen Sec Xi'), *Xi laoda* 习老大 ('Eldest Brother Xi') and even *Xi dada* 习大大 ('Uncle Xi'). Whether or not Party propagandists came up with these forms of address, the censors appear happy to allow — if not encourage — them to circulate.

A widely relayed *Southern Weekly* article of 24 April 2014 on 'appropriate uses of honorifics in officialdom' notes that standard honorifics are frequently complicated by local variations. 'Eldest brother' 老大, historically signifying the head of a martial arts clan or band of knights-errant, implies a leader among men, one who commands personal loyalty — the cardinal virtue in martial arts folklore. The friendly abbreviation of the top Party position to *zong* (more commonly used as an abbreviation for 'manager' in businesses and organisations) is used far more frequently of Xi than his predecessors. *Dada*, meaning paternal uncle, bespeaks familial affection.

These informal honorifics that elevate Xi to a folkloric hero, national manager and beloved patriarch are a new development in the sphere of ideological work. By 'unsheathing the sword', the party-state under Xi has cut through an official language hidebound by precedents to establish a Community of Shared Destiny. Yet the Chinese word for destiny, *mingyun* 命运, can also mean 'fate' (see Information Window '*Mingyun* 命运, the "Destiny" in "Shared Destiny"', p.xii).

Whereas destiny foretells a happy end, fate can progress to gloom and doom. The official interpretation of *mingyun*, however, in this case, excludes 'fate' — in the rhetoric of the party-state, destiny can only be positive.



Big Daddy Xi — 'Photoshopped' images of President Xi holding a yellow umbrella were used at various pro-democracy protests in Hong Kong. The political meme went viral on social media

Source: hkfuture2047.wordpress.com

FORUM



8月

7月

6月

5月

4月

3月

2月

FORUM

2014年1月

12月

11月

10月

9月

8月

7月

6月

5月



XI WHO MUST BE OBEYED

Big Daddy Xi on the Arts

· LINDA JAIVIN

Springtime for the Arts

· LINDA JAIVIN

China, Hollywood and Split Screens

· QIAN YING 钱颖

Looking Backward: Chinese Art in 2014

· CHEN SHUXIA 陈淑霞

A Storm in a Chicken Cup: A Burgeoning Market

· OLIVIER KRISCHER

习大大的10句文艺妙语



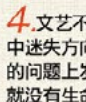
1. 低俗不是通俗，欲望不代表希望，单纯感官娱乐不等于精神快乐。



2. 文艺不能当市场的奴隶，不要沾满了铜臭气。



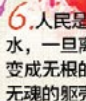
3. 文艺是时代前进的号角，最能代表一个时代的风貌，最能引领一个时代的风气。



4. 文艺不能在市场经济大潮中迷失方向，不能在为什么人的问题上发生偏差，否则文艺就没有生命力。



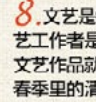
5. 文艺工作者要想有成就，就必须自觉与人民同呼吸、共命运、心连心，欢乐着人民的欢乐，忧患着人民的忧患，做人民的孺子牛。



6. 人民是文艺创作的源头活水，一旦离开人民，文艺就会变成无根的浮萍、无病的呻吟、无魂的躯壳。



7. 文艺创作方法有一百条、一千条，但最根本、最关键、最牢靠的办法是扎根人民、扎根生活。



8. 文艺是铸造灵魂的工程，文艺工作者是灵魂的工程师。好的文艺作品就应该像蓝天上的阳光、春季里的清风一样，能够启迪思想、温润心灵、陶冶人生，能够扫除颓废萎靡之风。



9. 要尊重文艺工作者的创作个性和创造性劳动，政治上充分信任，创作上热情支持，营造有利于文艺创作的良好环境。



10. 我国作家艺术家应该成为时代风气的先觉者、先行者、先倡者，通过更多有筋骨、有道德、有温度的文艺作品，书写和记录人民的伟大实践、时代的进步要求，彰显信仰之美、崇高之美。

(以上文字摘自习近平在文艺座谈会上的讲话)

BIG DADDY XI ON THE ARTS

Linda Jaivin

On 19 October 2014, the *People's Daily* published an article titled 'Ten Insightful One-Liners by Big Daddy Xi on the Arts' 习大大的10句文艺妙语, a guide to the great leader's thinking on culture. They are translated below:

- Vulgar is not the same as popular, desire doesn't represent hope and purely sensual entertainment is not equal to spiritual happiness.
- Art must not be a slave to the market; it mustn't stink of money.
- Art is the clarion call to an age to advance; it is the most representative face of an age, and is most able to guide the manners of an age.
- Art must not lose its way amongst the tides of the market economy, or its perspective on account of personal concerns and biases, or it will have no vitality.
- If literature and art workers wish to succeed, they must seek to breathe as one with the People, sharing their destiny, heart-to-heart, made happy by the People's joys and troubled by their concerns, becoming like an ox that can be led by a child.

This latter phrase is taken from a poem by the famous writer Lu Xun 鲁迅. It was further immortalised by Chairman Mao when he made reference to it in the concluding section of his 1942 speech 'Talks at the Yan'an Forum on Literature and Art'.

- The People are the wellspring of artistic creativity. If art separates itself from the People, it becomes a rootless, whining, soulless shell.
- There are hundreds of ways to do art, even thousands, but the most essential, the most key, the most reliable method is that which is rooted in the People and life.
- Art is the engineering that constructs the human soul; literature and art workers are the engineers of the human soul. Good art should be like sunshine in a blue sky or a clear breeze in springtime, able to inspire thought, calm the mind, bring contentment and eliminate degeneracy and dejection.
- We should respect the creative character and creative labour of workers in literature and art, strong political faith, enthusiastic support for creativity and the establishment of an environment in which the creative arts can thrive.
- Our writers and artists should be the first to understand the nature of the age, they should be pioneers and advocates, producing works of ever greater strength, morality and passion that record the worthy practices of the People, the progressive demands of the age and highlight the beauty of faith and nobility.

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SPRINGTIME FOR THE ARTS

Linda Jaivin

I AM SO EXCITED THAT I can't sleep.... The spring for art and literature has truly come!' Zhao Benshan 赵本山 is a much-loved Chinese actor famous for his comedy. But when the *Global Times* quoted his ecstatic response to Xi Jinping's 15 October 2014 speech on the arts, there was no sign that he was joking. Who would dare? Xi's speech has been promoted and likened to Mao Zedong's 'Talks at the Yan'an Forum on Literature and Art' of 1942, in which Mao demanded that art serve the Party, serve the People and vanquish the enemy. Xi has done the same, extolling the Stalinist idea that writers are engineers of human souls, while also addressing contemporary phenomena such as market influences and popular culture

(see Forum 'Big Daddy Xi on the Arts', p.174). He has called for Chinese artists to create 'socialist culture and art' that is 'artistically outstanding and morally inspiring'. Art must, he stressed, serve 'correct' viewpoints with regard to history, nationality and culture. It must feature, he said, 'positive energy'.

At the forum, Xi praised two young bloggers for their 'positive energy': Zhou Xiaoping 周小平 (over eleven million views) and Hua Qianfang 花千芳 (over 87,000 fans on Weibo). Among Zhou's writings is a blog post from June 2013 called 'Please Don't Be Unworthy of This Age' 请不要辜负这个时代. A paragraph towards the end of the piece may give some idea of what 'positive energy' means:

I, Zhou Xiaoping, do not deny that China has corrupt officials, prison guards, bad people, bullies and crazy people. In the same way I wouldn't deny that a beautiful woman has thickened skin on the soles of her feet, snot, bowel movements, bacteria or germs, inflammation of the mouth, swollen lymph glands, or pancreatic juices (what's more, these things make up no small proportion). But when I see a beautiful woman I still feel delight in my heart and eyes, and I still hope that I can hold her in my arms. If at the moment, you are standing to one side nattering on, saying: 'You've been brainwashed, this beautiful woman is made of the skin on her feet, snot, bowel movements, germs and viruses, inflammation of the mouth, pancreatic juices, intestines, organs and lymph, it's extremely disgusting, hurry and wake up.' I honestly don't know whether I'm blind or you're mad. If you don't do anything but natter, at most I'll just smile. But if one day, someone makes a move to eliminate this 'harmful beauty', I will certainly not stand idly by. The reason is very simple: if I failed to act, would I be a man? A man's greatest virtue is that of guarding and protecting.

Zhao Benshan was only one of a number of major, state-supported artists including the veteran painter Fan Zeng 范曾, who lavished praise on Xi's speech, much as state-supported artists have done since 1942, whether out of genuine enthusiasm or simply mindful of the price of dissent. (The writer Wang Shiwei 王实味 was the first to pay the ultimate price for dissidence, expelled from the Party in 1942 and beheaded in 1947.)



Zhou Xiaoping, a thirty-three-year-old blogger praised by Xi Jinping for his 'positive energy'
Source: 1937cn.net

Xi has expressed specific as well as general views on the arts — for example, he revealed that he hates the kind of 'weird architecture' that has come to define China's modernising cities. 'Weird architecture' presumably includes the work of international and Chinese architectural leaders such as Zaha Hadid and Ma Yansong 马岩松 (of MAD Architects) as well as numerous high-concept, low-value knockoffs

and buildings designed to look like lotuses, teapots, coins and even a piano and violin. ‘No more,’ said Xi. It’s uncertain what this diktat will mean in practice for projects already contracted or underway — or what the speech as a whole will mean for art, literature and film that is already out there but does not sing along with what the Chinese media and propaganda arms have long promoted as ‘main melody’ 主旋律 (politically on-message) art.

China is home, after all, to a flourishing counterculture that since the 1980s and the introduction of the market economy, includes independent visual artists, film makers and others who support themselves outside the state system or have used it cannily to pursue their careers. There are also many other artists working within the system (in the sense that all officially distributed films must pass the censors and published works need to do the same) who have nonetheless managed to make boundary-pushing works. For example, the directorial debut of the rock star Cui Jian 崔健 (whose songs have been banned and unbanned over nearly thirty years) *Blue Sky Bones* 蓝色骨头, which deals with the Cultural Revolution, sexuality (including homosexuality) and a corrupt media,



Galaxy Soho is a new office and retail and entertainment complex on the East Second Ring Road in Beijing. It was designed by Zaha Hadid and Ma Yansong of MAD Architects. Xi Jinping has publicly revealed that he does not like the ‘weird architecture’ of China’s modernising cities

Photo: Iwan Baan

screened in theatres nationally from October 2014.

To cite another example, Chen Qiufan’s 陈楸帆 first novel *The Waste Tide* 荒潮, which describes a dystopian near-future where, on an island built from e-waste off the Chinese coast, migrant workers battle capitalist elites and powerful local forces for control, won Best Novel in China’s Nebula Awards 星云奖 in October 2013 and *Huadi* 花地 Best Work of Science Fiction Award in March 2014, sponsored by Guangzhou’s *Yangcheng Evening News* 羊城晚报. The Women of China website noted that: ‘The novel paints



Australian-Chinese artist Guo Jian
Source: cribeyondbeijing.com

China as a conflicted nation, powerful enough to convince other countries to accept its ideologies, but not strong enough to pull its population out of poverty’.

Chen Qiufan, who was born in 1981, obliquely addressed the question of Shared Destiny when he wrote that his generation encompasses workers in Foxconn’s factories, princelings ‘who treat luxury as their birth right’, entrepreneurs pursuing dreams of wealth and college graduates who must ‘compete ruthlessly for a single clerical position’. Yet, Chen observes, the Party persists in speaking as though the ‘People’ all share a monolithic Chinese Dream: ‘Between the feeling of individual failure and the conspicuous display of national prosperity,’ Chen writes, ‘lies an unbridgeable chasm.’

How the party-state will address political heresy in the domestic cultural sphere — including how they will deal with ‘globalised’ artists and writers and the import of foreign popular culture — will become clear in the coming year. In the Mao years and through much of the Deng era as well, the authorities accused creative artists whose work offended them of ideological crimes such as ‘counter-revolution’ 反革命, ‘spiritual pollution’ 精神污染 and ‘bourgeois liberalism’ 资产阶级自由化. In more recent times, the party-state has preferred criminal to political charges. These have the potential to smear an artist’s reputation, especially within China itself, punish them financially through fines and tie them up in legal cases they can’t win. An example is how the authorities detained the artist-activist Ai Weiwei 艾未未 from 2011, charged him with tax evasion and put him under continuing surveillance. After the Australian-Chinese artist Guo Jian 郭健 created a diorama of Tiananmen Square smothered in rotting meat to commemorate the twenty-fifth anniversary of the violent suppression of the 1989 Protest Movement, the authorities detained him and then deported him on charges of visa fraud.

The consequences are generally more severe for artists with less international clout: in November 2014, for example, the independent film-maker Shen Yongping 沈勇平, who had produced an eight-episode Internet documentary on China's constitutional governance (posted in April or May 2014 through Weibo) faced trial. Police had warned him during the filming that if he went ahead with it he was going to prison. What they have charged him with, however, is engaging in 'illegal business activity'. (This came during the last week of October, when state media was singing the praises of the Fourth Plenum under Xi Jinping with

its stated focus on rule of law and constitutionalism.)

There is also a third way: in October, police detained thirteen artists in the Beijing 'artists' village' of Songzhuang on charges of 'creating trouble': all had indicated support for the pro-democracy protesters in Hong Kong on social media or were planning to attend a poetry reading in solidarity with the protests. (Human rights monitors have reported the arrests of dozens of mainland citizens who have indicated support for the Hong Kong protesters.) Reports in the foreign press at the end of October indicated that police were swarming through

Guo Jian created a diorama of Tiananmen Square smothered in rotting meat to commemorate the twenty-fifth anniversary of the 1989 Protest Movement in Beijing. The artwork was not well received by the authorities
Photo: Guo Jian



Translation: Magic, Realism

The death of the writer and Nobel Literary Laureate Gabriel Garcia Marquez at the age of eighty-seven on 17 April 2014 triggered an emotional outpouring of tributes in China. The topic even trended at second place for a while on Weibo. One of the first contemporary writers to have his books published in China in translation during the early years of the Reform era, Marquez influenced generations of readers and writers. When Mo Yan 莫言 became the first Chinese writer living in China to receive the Nobel Prize in Literature in 2012 (the exiled Gao Xingjian 高行健 won it in 2000), he acknowledged the Colombian writer's profound influence on his own work.

Chinese readers typically have access to about 14,000 new foreign titles a year. Yet the number of Chinese titles on the lists of foreign publishers is minute: in 2012, American publishers published sixteen — out of a total of 453 in translation from all non-English languages and 200,000 titles in all. Not surprisingly, it is hard to imagine a Chinese writer having anything comparable to the influence overseas that Marquez has had in China.

International awards and exposure for Chinese writers whose books have been translated into English and other languages, however, including Mo Yan, Yan Lianke 阎连科 and others, have helped to raise the profile of Chinese literary fiction in the non-Chinese-reading world. Chinese writers of genre and other commercial fiction are also beginning to make their mark: translated by Olivia Milburn, the thriller *Decoded* by the best-selling author Mai Jia 麦家, a former intelligence officer in the PLA, received positive reviews in the UK on publication there in April 2014. Ken Liu is currently translating Chen Qiufan's *The Waste Tide*. Global warming, Wikileaks and other issues may well cause readers around the world to recognise in fictional dystopias and intelligence thrillers a genuine sense of Shared Destiny.



Mo Yan was the first Chinese writer resident in China to win the Nobel Prize in Literature in 2012
Source: wb.yunnan.cn

the once-relaxed village and that many artists had closed their studios to outsiders.

The artists, for their part, can accept the Party's leadership and Xi's guidance in the kind of art they produce, or make the sort of art they

consider meaningful and important and risk the consequences, or attempt hitting what's called 'graze-edge balls' 擦边球, named for a play in ping-pong in which the ball grazes the edge of the table — technically still 'in' or legal and yet almost impossible to counter.

Or, if they have the means, they can send their art overseas.

Chen Qiufan published the essay from which the earlier quotation was taken, translated by his fellow science fiction writer Ken Liu, on the international science fiction and fantasy website Tor.com in May 2014. Writers Murong Xuecun 慕容雪村, Yu Hua 余华 and Yan Lianke 阎连科 (a finalist in the 2013 Man Booker International Prize who became the first Chinese writer to win the Franz Kafka Prize in 2014) are among those who have increasingly turned to international websites, newspapers and journals including *The New York Times*, to publish essays that cannot appear at home.

Working remotely, Ai Weiwei created a giant, site-specific installation for the infamous former island penitentiary of Alcatraz, in San Francisco Bay. It includes a colourful dragon with Twitter-bird eyes, 175 Lego rep-

resentations of prisoners of conscience from around the world and a dozen gleaming steel stools individually installed in one of the cells in Cell Block A, into which songs and speeches of protest are played (including Martin Luther King's 1967 anti-Vietnam War speech and music by the imprisoned Tibetan singer Lolo and Hopi chants representing the Native Americans incarcerated there in the nineteenth century for resisting assimilation). Guo Jian, meanwhile, went to New York in the second half of 2014 to collaborate with the American artist and Iraq War veteran Markus Erikson on an anti-war multimedia installation called *Surrender*. They asked people all over the world, especially soldiers in uniform, to send photographs of themselves with their hands up in surrender — like Ai Weiwei's Alcatraz, a rather different vision of Shared Destiny to that of Big Daddy Xi.

CHINA, HOLLYWOOD AND SPLIT SCREENS

Qian Ying 钱颖

THE FILM MARKET in China is flourishing. Whereas in 2002, Chinese cinemas sold US\$133 million worth of tickets, total box office revenues in 2013 amounted to US\$3.6 billion. In 2014, China's box office had reached US\$1.6 billion by 21 May, just 141 days into the year. Both imported and Chinese films were doing well. Among the twenty-four films that had made over US\$16 million, half were categorised as 'domestic' films, generating a total revenue of US\$670 million. The other half were foreign, mainly Hollywood films, earning US\$630 million. Protectionist policies might have contributed to the box office success of domestic films: the government only allows thirty-four foreign films to be imported annually, and the authorities have reportedly pulled successful

imported films from cinemas from time to time to create breathing space for new domestic features. In June 2014, *Transformers* opening date was pushed to exactly one day after that of the Chinese-produced romantic comedy *Break-up Guru* 分手大师, and the head of the State Film Bureau, Zhang Hongsen 张宏森, ordered cinema owners not to pull domestic features in favour of the more lucrative imported blockbusters. Despite such policies, China has already surpassed Japan to become Hollywood's largest international market.

There are hopes for further growth: among the Hollywood stars who made publicity trips to China in 2014 were Brad Pitt, Angelina Jolie and Johnny Depp. Increasingly, Hollywood films feature China-friendly plots and



Chinese-produced *The Break-up Guru*'s premiere took precedence over the opening date of *Transformers*, which was pushed back by one day

Source: Enlight Pictures Beijing

Chinese characters as a strategy for snaring one of the thirty-four annual licences. Meanwhile, co-productions have become a strategy to bypass the import quota: co-produced films fulfilling certain requirements can count as 'domestic'.

The schlocky 2012 Australian 3D film *Bait*, in which a tsunami traps shoppers and killer sharks in a mall on the Gold Coast, featured both Chinese investment and heroics by Chinese actors — and took AU\$20 million at the Chinese box office, more than any pre-

vious Australian film and more than three times as much as *Happy Feet 2*. That same year, DreamWorks Animation opened Oriental DreamWorks in Shanghai, a joint venture with three Chinese companies, to create animated and other films for China and international markets. Disney quickly followed suit, forging a partnership with the Chinese Ministry of Culture itself.

Film industries in Hong Kong and Taiwan have also benefitted from the strong mainland market. A substantial number of domestic films are co-productions with Hong Kong, including *The Monkey King* 大闹天宫, a fantasy film adaptation of the classic novel *Journey to the West* 西游记 that sat at the top of the box office in June 2014. Since 2012, import quotas for films from Taiwan have been lifted; sixteen Taiwan films made it to mainland cinemas in 2013, well up from four films in 2009. Although the media conglomerate Wanda produced *The Great Hypnotist* 催眠大师, which made RMB 250 million in box office revenue in its first twenty-one days in Chinese cinemas, both the director and the producer were from Taiwan.

Then there is non-commercial cinema. In China, non-commercial cinema may represent either the artistic

vision and socio-political agendas of an individual film-maker ('indie' film), or the state ('main melody' 主旋律 films promoting party ideals and history).

Cinema's ability to witness, analyse and mobilise society has long been central to China's cinematic tradition. Chinese film-making entered its first golden age in the 1930s, in a rapidly industrialising Shanghai divided and occupied by foreign powers, as a politically unstable nation faced the threat of Japanese invasion. In such an environment, although audiences craved diversion, or what one critic called 'ice-cream for the eyes', socially progressive writers, directors and actors considered the notion of cinema as entertainment to be frivolous and wasteful, and produced films that reflected the national crisis and promoted social and political change. With some exceptions (such as the masterful 1948 *Springtime in a Small Town* 小城之春 directed by Fei Mu 费穆) China's film culture during the Sino-Japanese War (1937–1945) and the Civil War (1946–1950) strongly favoured social realism and political engagement.

In the Mao era, heeding Lenin's dictum that cinema is the most important art, the state closely supervised and invested heavily in both

film-making and distribution, so that film-as-propaganda could reach every corner of the countryside and the frontier regions.

When the first post-Mao generation of Chinese film directors (the Fifth Generation) began making films, they worked within the state studio system; there were no other options. Their first works, including Chen Kaige's *Yellow Earth* 黄土地 (1984), Huang Jianxin's *Black Cannon Incident* 黑炮事件 (1985) and Zhang Yimou's *Red Sorghum* 红高粱 (1989), were made with low budgets and little pressure to turn a profit. With their unconventional cinematic language and bold inquiries into social and political taboos, they redefined Chinese cinema, not always with the approval of the authorities — or the movie-going masses.

In March 2014, Chinese filmmakers and audiences mourned the passing of Wu Tianming 吴天明, the popular Fourth Generation director and former head of the Xi'an Film Studio who had mentored and produced so many seminal works of the Fifth Generation. Wu's own films *Life* 人生 (1984) and *Old Well* 老井 (1987) portrayed human suffering and dignity against a backdrop of rural-urban inequality and extreme poverty.

Given this long history rich in artistic, social and political aspirations, it is no wonder that many of China's best film-makers are neither motivated nor impressed by box office success. In April 2014, the Chinese Film Directors' Guild (CFDG) created a public stir by withholding prizes for the best film and the best director in its prestigious annual award ceremony ('China's Oscars'), claiming that none of the films in competition — including huge box office hits — were good enough.

In a speech announcing the decision, Feng Xiaogang 冯小刚, a veteran film-maker and head of the CFDG jury, explained that the jury made the decision collectively 'out of artistic conscience and respect for cinema'. If, more than a decade ago, Chinese film-makers put aside their artistic ideals and made commercial films out of financial necessity, he said, it was now time to 'revive our ideals, rebuild our spirit and return to the artistic meaning of film'.

Given China's rigid system of censorship, making films according to one's ideals is far from straightforward. Sensitive topics, including the representation of homosexuality and inter-ethnic conflicts, are off limits. *A Touch of Sin* 天注定 by China's leading



Li Xiantang is a renowned independent art critic and curator
Source: Baidu

Sixth Generation film-maker Jia Zhang-ke 贾樟柯 is a study of corruption, desperation and violence based on four real-life events. Despite winning the Best Screenplay Prize at Cannes in 2013, and being critically acclaimed abroad (including in Hong Kong), the authorities indefinitely postponed its release date on the Mainland. Without a screening at home, it was not eligible for the CFDG annual awards. Some Chinese netizens speculated that CFDG's surprise announcement was an implicit protest on behalf of Jia's film.

A small number of independent films have emerged in China in the past two decades, screening in 'underground' indie film festivals and galleries, or on DVDs passed from hand

to hand. Some have achieved international exposure and distribution. But the government has intensified its crackdown on this sector in recent years. In August 2014, the police raided the office and archive of the Beijing Independent Film Festival and detained its organisers, including the prominent art curator and critic Li Xianting 栗宪庭, who was forced to sign, as a condition for his release, a document promising not to organise any film festivals in the future.

Non-Chinese film-makers hoping to exhibit in the Chinese film market must also deal with censorship. The debate over the extent to which foreign film-makers should comply with Chinese censorship has been going on for some time, especially as they are sometimes asked not only to change scenes, but the plot as well. The makers of *Skyfall*, the latest Bond movie, had to cut a scene where 007, played by Daniel Craig, kills a Chinese security guard, and alter a plot line where the villain Javier Bardem explains that being in Chinese custody had turned him into a villain. The censors also clipped thirty-eight minutes, mostly love scenes, out of *Cloud Atlas*, a film based on a David Mitchell novel that was very popular in China.

At the National People's Political Consultative Conference in March 2014, Feng Xiaogang and Jackie Chan 成龙 called on the government to relax its regime of film censorship. Expounding on the damage censorship does to the quality of cinema, Feng complained that film-makers' most creative ideas are often rejected by clueless censors. 'We often say, film is a glass of wine, it shouldn't be water or juice... . But [the censor] just wants a glass of orange juice,' Feng said. Jackie Chan spoke about the adverse effect censorship had on the box office.

In April, Oliver Stone upset his hosts at the Beijing International Film Festival by asking when China would start making films critical of Mao Zedong and the Cultural Revolution, stating that only when these taboos are lifted could true creativity emerge, which would be a basis for genuine co-production. In fact, there have been films in China critiquing the Cultural Revolution and, implicitly, Mao Zedong, such as *Troubled Laughter* 苦恼人的笑 (1979), *Black Cannon Incident* (1985) and Xie Jin's adaptation of *Hibiscus Town* 芙蓉镇 (1986). As noted above, Cui Jian, the musician who pioneered Chinese rock music in the 1980s, debuted as a director in

2014 with the film *Blue Sky Bones*, a tale of two generations of family secrets, sexual longings and the pursuit of rock music, set both in the Cultural Revolution and the present day. With hard-to-miss references to some of the Cultural Revolution's most prominent perpetrators and victims, the film experienced delays in release but eventually premiered nationwide in October. Yet Stone still had a point — there are not many cinematic treatments of the Cultural Revolution and, of those, few have challenged the official historiography. (Tian Zhuangzhuang's 田壮壮 1993 *Blue Kite* 蓝风筝 was too challenging for the authorities: they banned it

and told the director he would never make a film again. He has.)

With censorship rules unlikely to change in the short term, film-makers continue to seek acceptable ways to express the unacceptable. After going on to win the Golden Bear for Best Film in Berlin in 2014, Diao Yinan's 刁亦男 *Black Coal, Thin Ice* 白日焰火 will screen in China without major changes. The film's depiction of working-class desperation is framed by a detective crime story told in the style of film noir, a genre to which American film-makers have turned in their explorations of the darker sides of modernity — another aspect of Shared Destiny.

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LOOKING BACKWARD: CHINESE ART IN 2014

Chen Shuxia 陈淑霞

THE EXHIBITION 'Ink Art: Past as Present in Contemporary China', which opened in December 2013 at the Metropolitan Museum of Art (The Met) in New York, reflected a basic theme of the contemporary Chinese art scene in 2014: nostalgia and continuity with the past. By juxtaposing contemporary ink works in various media (including painting, photography, sculpture, installation and video) with fifth-century Buddhist sculptures from its permanent collection as well as Han-dynasty ceramics and Ming furniture, The Met attempted to place Chinese art today within its historical context.

In 2014, exhibition titles in China itself frequently featured terms such as 'ancient', 'history', 'past', 'new youth', 'childhood', 'anniversary' and 'generation'. Moreover, curators routinely

referred to classic texts and philosophy, including works by the military strategist Sunzi 孙子 and the Daoist philosopher Zhuangzi 庄子. Whether, as some claimed, this represented a literati or dilettantish escapism or a vision of a brighter future, art exhibitions in 2014 sought to re-treat, re-view, re-visit, re-evaluate, re-examine, re-contextualise, re-frame, re-invent, re-interpret and re-think the Chinese past as a strategy for making sense of an increasingly complex present.

The independent curator and art historian Martina Köppel-Yang claims that this strategy looks forward rather than backward. In her curatorial essay for the exhibition 'Advance Through Retreat' 以退为进 at the Rockbund Art Museum in Shanghai, she refers to The Met's 'Ink Art' as well as other



The late Hong Kong street artist Tsang Tsou Choi
Source: leapeleap.com

recent exhibitions such as Pi Daojian's 皮道坚 *The Origin of Dao* 原道 at the Hong Kong Museum of Art (2013). She notes 'a tendency that is gaining ever greater importance, a tendency which shows the apparent need to rediscover and reevaluate Chinese traditional media as a lingua franca'. She also notes that in the 'creation of a cultural identity of a new, self-confident, post-WTO-entry China', political and economic as well as artistic and cultural motivations are at play. Yang drew the title of her exhibition from a famous stratagem in Sun Tzu's sixth-century BCE text *The Art of War* 孙子兵法. Ostensibly a retreat to traditional methods and local aesthetics, the exhibition included works that resist the official project of reaffirming a national

cultural identity — by the 'outsider' calligraphy of the late Hong Kong street artist Tsang Tsou Choi 曾灶财, scrawled over distribution boxes and electricity poles around the streets of Kowloon, and the Cantonese collective the Yangjiang Group, which refuses to

follow established artistic rules in its practice, for example.

Beijing's newly opened privately-owned Redbrick Art Museum also reflected this broad trend in its inaugural exhibition 'Extensive Records of the Taiping Era' 太平广记, the title directly referring to a tenth-century collection of folk stories. The curatorial team, led by Gao Shiming 高士明, stressed the power of 'folk' or 'non-official' 在野 culture, and how such non-official knowledge, created by artists turned augurs, astrologers and narrators, evokes perceptions of fate, reality and uncertainty in contemporary China. The night before the exhibition, Hong Kong artist Pak Sheung Chuen 白雙全 gathered together a group of Daoist priests and held religious rituals to

attract stray ghosts. Grains of rice and joss stick ashes from their necromantic rituals were later unintentionally carried by the soles of visitors' shoes — or perhaps the invisible ghosts — into the space of other works in the show.

A number of new private museums opened across China in 2014, including Shanghai's Long Museum and Yuz Museum, both located on the West Bund and showcasing their respective owners' private art collections. In their inaugural exhibitions too, history reigned: the Long Museum opened with 'Re-View' 开今 · 借古, literally 'borrowing from the past, opening up to the present', while the title of the Yuz Museum's 'Myth/History' 天人之际, literally 'between heaven and human', quotes from a letter written by the classical historian Sima Qian 司马迁 to his friend Ren An 任安 in 93 BCE. Here Chinese history and philosophy provide a context for the discussion of current issues and the future development of Chinese art.

Three researchers from the Shanghai Museum disputed the authenticity of an eleventh-century calligraphy work on display in the Long Museum, *Gongfu Tie* 功甫贴 by Su Shi 苏轼, which the collector and museum-owner, Liu Yiqian 刘益谦 bought

at Sotheby's in New York last year. This month-long dispute exemplifies mounting tensions between state-owned museums and the emerging private sector, in which anyone with the money and interest can open their own museum. Those within the state sector and the academy have raised serious questions about the quality of institutional research in the private sector as well as issues including authenticity, management and curatorial strategies; there is also no doubt that there is tension between the worlds of officially sanctioned culture and private cultural entrepreneurship on principle and ideology.

To demonstrate its own intellectual strength and the potential for innovation within the state sector, the National Art Museum of China launched its third International Triennial of New Media Art, titled 'Thingworld' 齐物等观, in June 2014. Curator Zhang Ga 张尢 explained: 'In Chinese language, the word for "thing" is a compound of the characters East and West, a geographic stretch across the infinite space of two imaginary ends in the ancient mind. Thing is everything.' The exhibition showcased fifty-eight works by sixty-eight artists and artist collectives from twenty-two countries

and regions (for instance, Taiwan). The work included machines, robots, installations using garbage, furniture, rocks and flowers as well as new media.

Zhang Ga's curatorial essay for 'Thingworld' drew on Zhuangzi's concept of the 'equality of all things' 齐物论, another example of 'the use of the old to serve the new' in contemporary Chinese curatorial practice. At the same time, he scored some subtle ideological points by slamming the 'frivolity' of contemporary cultural debates over representation and identity, humanism and so forth in the face of man-made climate change and ecological disaster.

Anxiety about the worsening environment is reflected in the recent work of a number of Chinese artists as well as exhibitions. The Central Academy of Art in Beijing and Nanjing University consecutively hosted 'Unfold', a travelling exhibition of climate change-inspired art curated in Great Britain. The relationship between people 人 and nature-heaven 天 was also a theme in the exhibition 'Landscape: the Virtual, the Actual, the Possible?' 风景: 实像, 幻像或心像? at the private, Rem Koolhaas-designed Times Museum in Guangzhou. Implicit in

this sort of work is a sense of a better, cleaner, simpler past.

Looking backward need not be a negation of the present, of course. Like 'Ink Art', Shenzhen OCT Contemporary Art Terminal's exhibition 'From the Issue of Art to the Issue of Position: Echoes of Socialist Realism' 从艺术的问题到立场的问题: 社会主义现实主义的回响, positioned contemporary Chinese art in a historical continuity. Carol Yinghua Lu 卢迎华, who curated the exhibition in collaboration with her husband, artist Liu Ding 刘鼎, argued that Socialist Realism, both as an artistic language and an ideology, exerts lasting influence on contemporary art practice. This curatorial position challenges the conventional perception that contemporary Chinese art is rebellious towards officialdom. While this argument is not entirely new, it was ground-breaking to realise it in the form of a museum-scale exhibition.

Whether revisiting the traditional medium of ink and referencing ancient philosophy, reflecting on a rapidly changing environment or re-examining the not-so-distant Socialist Realist past, recent exhibitions of Chinese art have looked at the past to ask important questions about ownership over the future.



The Metropolitan Museum of Art's exhibition 'Ink Art' positioned contemporary Chinese art in a historical continuity

Source: metmuseum.org

A STORM IN A CHICKEN CUP: A BURGEONING MARKET

Olivier Krischer

SOTHEBY'S HAS A US\$1.6 million dollar limit per credit card transaction. So it took the Shanghainese billionaire Liu Yiqian 刘益谦 twenty-four swipes of his Amex card to purchase one of the most sought-after pieces of Chinese porcelain in the world: a Ming-dynasty teacup decorated with a delicate painting of chickens. While the payment was going through at the auction house in Hong Kong in late July 2014, Liu picked up the US\$36 million cup, poured some tea into it and took a sip. The photo of him drinking from the cup ignited a storm of criticism in China, where he was accused of vanity, vulgarity, risking damage to the cup and ostentation. 'Emperor Qianlong has used it,' he said. 'Now I've used it. I just wanted to see how it felt.'



Billionaire Liu Yiqian bought a Ming-dynasty teacup with twenty-four swipes of his Amex card in 2014

Source: bendijin.net

Liu's 'chicken cup' 鸡缸杯 is destined for display in his new private museum, the Long Museum in Shanghai (see Forum 'Looking Backward: Chinese Art in 2014', p.194). One of only nineteen such cups still in existence, this is considered the most flawless specimen. Only a few remain in private hands, and this is the only genuine, authenticated example in a Chinese collection.

It was also the most expensive piece of Chinese art sold at auction in 2014, still well above the loftiest figures in contemporary art, including Zeng Fanzhi 曾梵志, who became the most expensive living Asian artist when his painting *The Last Supper* (2001) sold at auction for US\$23.3 million in October 2013.

According to Artprice.com, a comprehensive global database of art sales, China — with combined sales topping US\$4.1 billion — remains the largest market for art, edging ahead of the US for the fourth year in a row. Artprice will soon produce its market reports in Chinese as well as in English. Despite ongoing issues of non-payment, price manipulation and authenticity, the world's largest auction houses have set up shop *in situ* — Sotheby's in Beijing, in partnership

with the state-owned Beijing GeHua Art Company, and Christie's, working solo in Shanghai.

The mainland Chinese auction houses China Guardian and Poly Auction, meanwhile, have become forces on the international scene. If still trailing well behind Sotheby's and Christie's, they rank third and fourth largest in the world in terms of total sales: China Guardian passing US\$582 million under the hammer in 2013, and Poly US\$580 million. The domestic art market in China has a long and prestigious history, despite a three-decade hiatus during the Mao era, when many fine pieces still managed to land in the private collections of connoisseurs such as Kang Sheng 康生, Mao's long-serving security and intelligence chief who was posthumously denounced as an 'extreme leftist' in league with the Gang of Four.

While Chinese contemporary art is losing some of its *circa* 2005–2011 global lustre, late-coming mainland collectors and patriotic overseas Chinese continue to buoy up their compatriots' prices. Prestige and investment motivate Chinese buyers as much as personal taste. Imperial antiques aside, there is a voracious interest in the country's modern masters, late

nineteenth- and mid-twentieth-century names like Chang Dai-Ch'ien 张大千, Qi Baishi 齐白石, Li Keran 李可染 and Xu Beihong 徐悲鸿, as well as Paris-based emigrés Zao Wou-Ki 赵无极 and Sanyu 常玉. In 2013, three Chinese artists ranked among the world's top ten for combined sales, with the leader, Chang Dai-Ch'ien, coming in third overall, with US\$291.6 million of ink paintings sold — overshadowing the likes of Gerhard Richter (No.7, US\$165.8 million) and Claude Monet (No.10, US\$137.6 million). There is also growing interest in prestige non-Chinese works, with collectors finding ready sellers in cash-strapped Europe and elsewhere. In November 2013, China's richest man, Wang Jianlin 王健林 (Wahaha), purchased a Picasso (*Claude et Paloma*, 1950) for just over US\$28 million. In China, investing in art that is high in cultural prestige, but low in political risk, has become a big business with global implications.



China's richest man in 2013 Wang Jianlin purchased a Picasso for US\$28 million

Source: wanda-group.com

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URBAN, MOBILE AND GLOBAL

Carolyn Cartier





PEOPLE IN URBAN China travel, move house and commute longer distances than ever before. They also enjoy greater opportunities to change their lifestyles or move up the social ladder. The gradual removal of historical bans imposed by the Communist Party on unauthorised movement between cities (or from the countryside to the city) as well as owning property and travelling abroad make the ease of movement — mobility — novel and exciting.

Over the past year and a half, the anti-corruption campaign has identified ‘excessive mobility’, as defined by all forms of ‘extravagance’ 铺张 or 奢靡 on the part of party and government officials, as being a danger to the wellbeing of the party-state. New prohibitions and regulations have put pressure on party and government officials to change their habits, alter their lifestyles and abandon any plans to establish a residential base overseas — in effect, to retreat from the *Zeitgeist* of mobility. This chapter considers the implications for the Shared Destiny of the Chinese in the context of movement between China and the world, particularly in relation to the Party’s seemingly stringent anti-waste regulations.

A New Austerity

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2014 | Carolyn Carter



**Rules on Party and
Government Domestic
Official Business Reception
Management**

Photo: xinxi1.yymcc.com

In November 2013, the Third Plenary Session of the Eighteenth Party Central Committee approved what are formally known as ‘Party and Government Regulations for Strict Economic Practices to Combat Waste’ 党政机关厉行节约反对浪费条例. The regulations, divided into twelve chapters and covering sixty-five items, outlined in great detail the management of government funds for everything from official travel, receptions and meetings to the use of vehicles and the renovation or construction of public buildings. This was the fourth tranche of bans and regulations issued since 2012 aimed at reforming and remoulding official conduct. They

complemented and extended the ‘Twenty-six Item Directive’ or ‘Rules on Party and Government Domestic Official Business Reception Management’ 党政机关国内公务接待管理规定 of December 2013; the January 2013 stipulations known as the ‘Cage of Regulations’ 制度的笼子; and, the December 2012 ‘Eight Rules on Official Behaviour’ 八项规定 that were a feature of *China Story Yearbook 2013*.

The new raft of regulations prescribed correct practices in mind-numbing detail and highlighted existing problems of official conduct. They targeted lavish dining out, banquets and receptions, gift-giving, publicly funded travel and the perks that go with it. The prescriptions (and proscriptions) in each and every category will slow down growth in the urban economy, especially the service industries, such as restaurants and hotels, as well as the urban environment and the experience of living in Chinese cities more generally.

Among other things, the regulations specifically prohibited: bribery in all forms, including accepting expensive gifts; hiding illegally obtained income; misusing government funds; charging non-official fees and tourism in the guise of official travel. They ban local initiatives including celebra-



The newly approved 'Party and Government Regulations for Strict Economic Practices to Combat Waste' forbade lavish dining out, banquets and receptions, gift-giving, publically funded travel and the perks that go with it
 Photo: Frank Müller/Flickr

tions of local culture and the manufacture of products that have not been approved by higher authorities. They also proscribe non-approved changes to the administrative divisions, that is, the subnational boundaries, of governing districts. They demand that officials vacate non-standard office spaces, including long-term leases in hotels, and ban the construction of large and lavish new offices. Moreover, local governments must not, as they have taken to doing on a grand scale, build flash new urban landmarks 城市地标 or large-scale plazas.

The regulations promote budget restraint, rigorous audit practices, market price-based expenditure, the market reform of official vehicle procurement, and a two-tier, central and provincial-level approval process for related decisions that had previously only needed to be approved locally. They encourage the conservation of energy and resources, including of equipment and furnishings — no need to update computer laptops to the latest model or redecorate for no good reason. Government bureaus should adopt the 'paperless office' and co-ordinate to prevent duplication of functions. Propaganda or party PR departments must 'promote the con-

cept of green, low-carbon consumption and a healthy and civilised life-style' 倡导绿色低碳消费理念和健康文明生活方式. The Party will conduct on-site disciplinary inspections — including unannounced or spontaneous inspections — and investigate tips received from the public regarding official breaches of these published rules and regulations.

Yet contradictions abound. On the one hand, the anti-corruption campaign purports to promote market competition, which means that the state should not control production and that entrepreneurs should be free to establish businesses small or large. On the other hand, it demands the standardisation of consumption practices at all levels of society. It strengthens the visible hand of the Party while simultaneously encouraging and frustrating the less visible hand of the market.

The anti-waste campaign seeks to curb dining out on the public purse. Article Twelve of the 'Twenty-six Item Directive' prohibits the consumption of shark fins, birds' nests and endangered animals, as well as spending government funds on cigarettes and liquor. The campaign also targets consumption that is beyond the public gaze, banning officials from

frequenting or belonging to private clubs (see the *China Story Yearbook 2013: Civilising China*, Information Window 'Bathtime: Clamping Down on Corruption', p.104). Inspectors have identified upscale private clubs and restaurants in public parks and heritage sites for closure and corrective action. In January 2014, the Beijing Municipal Government listed twenty-four such clubs and restaurants operating in public parks, some in dynastic-era heritage buildings, including in Beihai Park



In December 2013, Xi Jinping took his austerity program into the streets, eating at the Qingfeng Steamed Bun Outlet in Beijing's Chaoyang district, one in a chain of such restaurants
Photo: Weibo

in central Beijing. It ordered them to suspend business and ‘adjust their way of thinking’ 调整思路. The Hangzhou West Lake government also ordered luxury restaurants to close or develop new business models with moderately priced menus.

In December 2013, Xi Jinping took his austerity program into the streets, eating at the Qingfeng Steamed Bun Outlet 庆丰包子铺 in Beijing’s Chaoyang district. He appeared to have arrived alone, ordered at the counter, paid twenty-one

yuan (US\$3.50) for the meal and carried his tray to a table. Following his visit, to which the official media gave much publicity, customers flocked to the restaurant to order the ‘Chairman’s Combo’ 主席套餐, a value meal of six steamed buns, a cold green vegetable and a soup of pig’s liver and intestines. The owner, concerned with crushing competition for ‘Xi’s Seat’, removed the table at which he sat as if it were an iconic object.

Yet if the image of Xi eating at the Qingfeng Steamed Bun Outlet seems to support small-scale entrepreneurs in the market economy, the reality is somewhat different. The Qingfeng chain is a subsidiary of the Huatian Group, a state-owned conglomerate that was co-founded by Beijing’s Xicheng District Government and the State-owned Assets Supervision and Administration Commission of the State Council. The complex relationship between the state and the market results in many such examples in which private enterprise and state ownership coexist. For example, when corporations, not official bodies, sponsor banquets, the anti-waste



Xi Jinping eating a value meal subsequently dubbed the ‘Chairman’s Combo’

Photo: Weibo

regulations don't apply — yet the corporation itself may well be wholly or jointly state-owned.

Curbing Excess at Home but Not Abroad?

While aimed at bolstering the Party's legitimacy with the people and targeting official waste and corruption, the austerity campaign has also affected the relationships between political and economic elites, who together set trends in the urban consumer economy through their social relations and exchanges of favours.

Just two years ago many foreign luxury firms had planned to expand their businesses widely in China. But sales for international brands began



A French luxury goods conglomerate that owns Moët & Chandon and Louis Vuitton reported that sales growth in China had dropped from ten to twenty percent to just five percent in 2013

Photo: us.moet.com

to decrease in 2013 and by 2014 some luxury malls and international brand shops in Shanghai and Beijing had become consumer deserts. Although luxury brands continue to boost their profiles with bullish retail promotions and press releases, there is no doubt that conspicuous consumption has decreased as a result of the austerity campaign.

Yet by the first quarter of 2014, as global firms tracking luxury brands reported decreased sales in China, they noted that consumption of luxury goods by Chinese tourists overseas actually increased. In 2014, France, the home of many luxury brands, became the most favoured destination for middle-class Chinese tourists. It had already been high on the list of China's wealthy, measured as the top wealthiest twenty-five percent of the country's outbound tourists by income, who prefer it second only to

Bling Loses its Sparkle, by Joanna (Yeejung) Yoon

In 2012, China spent its way past the USA to become the biggest luxury goods market in the world, according to the *Business of Fashion* website. However, the same article notes that the growth of China's luxury market dropped to seven percent in 2012, down from more than thirty in previous years.

LVMH, a French luxury goods conglomerate that owns Möet & Chandon and Louis Vuitton, reported that sales growth in China has dropped from ten to twenty percent to just five percent in 2013. In the same period, Salvatore Ferragamo's revenue growth in Asia halved to ten percent. When the price of shoemaker Tod's shares fell seven percent, the company blamed declining demand in Asia.

While industry says the anti-corruption campaign is responsible for declining sales, changing tastes are also partly responsible: the ostentatious embrace of luxury brands by *déclassé nouveau riche* has also taken some shine off the bling for the truly well-heeled.



A lucky licence plate in China has become almost as much a status symbol as a car. Superstitious rich people spend a small fortune to purchase an auspicious plate. The luckiest number, and therefore most expensive, is eight, or *ba*, which rhymes with *fa*, the Chinese character for wealth

Photo: Patrick Streule/Flickr



Zhang Xinyu posted a photo of herself with a lavender-coloured plush bear from a lavender estate in Tasmania. Chinese tourists descended on the town *en masse* to snap up the same bear

Photo: Zhang Xinyu/Weibo

Australia, where the clean environment is the main draw.

Having seen Paris, some wealthy Chinese tourists took to pursuing the red wines of Bordeaux and Burgundy to the source, visiting the great chateaux and buying wine, or even whole cellars. Other travellers, led predominantly by women, would head south to seek out the fabled colours of Provence. These regional landscapes — from the Route des Grands Cru, Dijon to Santenay, to the lavender fields of Aix-en-Provence — have become widely known and even reproduced in China.

After the fashion model Zhang Xinyu 张馨予 posted a photo of herself with a lavender-stuffed, lavender-coloured plush bear from a lavender estate in Nabowla, Tasmania (the south-eastern island state of Australia), Chinese tourists descended on the town *en masse* to snap up the same bear — originally created as a way to deal with excess lavender. The demand grew so intense that the lavender estate limited sales to one per person. Even a Chinese quarantine services ban on the bear failed to have any immediate effect on sales.

Chinese citizens first gained the opportunity to travel outside the Mainland in the 1980s. In 1983, Hong Kong and Macao became the first places opened to Chinese tourists, but they could only travel as part of an organised tour. In 2003, in response to the SARS (Severe Acute Respiratory Syndrome, or ‘avian flu’) crisis, which caused a meltdown in Hong Kong’s tourism industry and put many businesses in peril, Hong Kong implemented an ‘individual visitor scheme’ to boost mainland tourism. China’s middle class shoppers, discouraged from buying quality goods and

WHERE THE ECONOMIC ELITE WENT IN 2013*

1. Australia
2. France
3. Dubai
4. Switzerland
5. Maldives
6. United States
7. Japan
8. Germany
9. Singapore
10. New Zealand

**Defined as the top twenty-six percent by income of 'outbound tourists'.*

*Data source: 2013 survey by FT (Financial Times) China Confidential survey of 1,227 middle income consumers in ten first- and second-tier cities.
<http://www.ftchinaconfidential.com/outbound2013>*



Australia was mainland China's most popular travel destination in 2013

Photo: Northern Territory Tourism

luxury brand products in China because import duties and consumption taxes had made them far too expensive, found the same goods in Hong Kong's shopping malls — tax free. If the individual visitor scheme introduced new possibilities for travel and consumption, it was a privilege that was unevenly distributed. Just as the first economic experiments of Deng Xiaoping's program of Reform and Opening Up were first trialled in the Special Economic Zones of Shenzhen in the south before being extended to coastal cities and finally interior provinces, from south to north and east to west, the individual visitor scheme initially allowed independent travel only to residents of certain places in Guangdong. Later, this was extended to Beijing and Shanghai. Shenzhen, on the Hong Kong border, was able uniquely to offer multiple-entry visas for Hong Kong beginning in 2009.



'Mr. 689' is the nickname Hong Kongers have given CY Leung, installed as Chief Executive of Hong Kong in 2012 with 689 votes by China's elite electoral committee. It became the unofficial symbol of the Hong Kong protests in 2014
Photo: hk.apple.nextmedia.com

During this time, the government gradually relaxed restrictions on travel by Chinese nationals to other countries. Through the 1990s, 'approved destinations' were confined to the Asia and Pacific region, with Australia and New Zealand being added to the list in 1999. Most European countries became approved destinations in 2004–2005, the United States in 2008 (by which time there were ninety-five countries on the list) and Canada in 2010. In 2013, Rwanda became the 116th country to make the list.

Exceptional Zones: Hong Kong and Macao

While mainland Chinese tourists boost the economies of their destinations, their arrival has not always been greeted with joy. In January 2014, the Hong Kong Secretary for Commerce and Development Gregory So Kam-leung 蘇錦樑 sparked public consternation when he claimed that Hong Kong, an urban area with a population of 7.2 million, could receive as many as seventy million tourists annually within three years, and up to one hundred million by 2023. In 2013, 40.8 million of the year's annual 54.3 million visitors arriving in Hong Kong came from mainland China.

WHERE MIDDLE-CLASS TOURISTS WANTED TO GO IN 2014

1. France	6. Japan
2. United Kingdom	7. United States
3. Italy	8. Singapore
4. Germany	9. South Korea
5. Hong Kong	10. Switzerland

Data source: Hurun Report 2014, People's Daily Online, retrieved 26 January 2014



Chinese tourists are buying up infant milk powder everywhere they can get it. In Hong Kong the phenomenon has resulted in widespread shortages. Hong Kong authorities have imposed a two-tin export restriction on mainland Chinese tourists

Photo: voanews.com

There had already been both media criticism of and protests against Mainlanders ('locusts') for the bad manners that some displayed and the negative impact of mainland tourism in general (see the *China Story Yearbook 2013: Civilising China*, Forum 'Civilised Tourism', p.14). In March 2014, a particularly theatrical protest saw about one hundred people wearing Cultural Revolution-style costumes, waving red flags and holding posters with the Hong Kong Chief Executive CY Leung's 梁振英 face 'photo-shopped' onto Mao Zedong's body as they shouted slogans like 'Love your country — buy Chinese products' 愛國愛國貨. In response to this popular backlash, in May 2014, the New China News Agency published a list of 'do's and don'ts' for Mainlanders planning a visit to Hong Kong. The introduction to these guidelines reminded travellers that, 'when you go somewhere, follow local custom' 入乡随俗, elaborating on differences in daily life between the Mainland and Hong Kong.

Another concern is economic. In March 2014, *The Economist* named Hong Kong number one on its new 'crony-capitalism index', by a wide margin. The index tracks economic activity susceptible to 'rent-seeking', which it defines as 'grabbing a bigger slice of the pie rather than

WHAT'S IN AND WHAT'S OUT**IN**

Eating in
Simple dishes
Spending time with family
Cars bought retail
Budget determines spending
Visits to the grassroots
Limited retinue
Short meetings
Plain wrapping
'Ordinary' facilities
Thrifty leadership
Recycle-reuse

OUT

Eating out
Exotic meats
Expending time in clubs
State-subsidised vehicles
Spending determines budget
Travel outside one's jurisdiction
Large entourages
Long conferences
Gaudy packaging
'Image' projects
Flashy conduct
Latest model

making the pie bigger', and which often involves businesses gaining advantages over competitors as a result of political connections. It cites both Hong Kong and Singapore for their 'role as *entrepôt* for shiftier neighbours'.

Local authorities are also concerned about mainland visitors engaging in practices aimed at circumventing Chinese law, including the anti-waste regulations and the anti-corruption campaign. Some visitors make fraudulent use of UnionPay cards to circumvent Chinese laws restricting the amount of foreign currency a citizen can legally take out of the country. UnionPay is China's only domestic bankcard. It is used by all banks in China and operates with the approval of the People's Bank of China. It is widely accepted by ATMs in Hong Kong and Macao.

In 2006, Macao beat Las Vegas to take the title of biggest gambling centre in the world. By 2013, official figures for gaming revenue in Macao reached an unprecedented US\$45 billion. But an estimated further US\$90 billion in unreported income, twice the official total, came from the illegal use of UnionPay cards. The most common ruse is

to pay for jewellery or other luxuries via UnionPay and then return the items for cash. The second type of fraud involves the use of handheld UnionPay terminals registered on the Mainland and smuggled into Macao in order to record transactions as domestic.

In May 2014, the unprecedented growth of UnionPay card use in Macao raised concerns in Beijing that, as reported by the *Macau Business Daily*, ‘tens of billions of yuan in illicit funds are being funnelled out of the Mainland and into casinos in direct contravention of national currency controls’. UnionPay quickly announced measures to ‘combat overseas money laundering [and] capital flight’. The Macao Monetary Authority ordered casinos and shopping malls to search out and remove all unregistered UnionPay card machines. Subsequent media reports indicate that mainland visitors still commonly use UnionPay in Macao, but casinos and shops have not been able to add new payment terminals and there is ongoing official scrutiny.

Globalisation of Capital and Residency Schemes

Ever since the Global Financial Crisis of 2007–2008, well-heeled Chinese have invested in the housing market in many of the world’s most desirable cities. Wealthy investors ‘rationally overpay’ to park capital in real estate that then routinely lies vacant. The decision to invest in property overseas is not surprising. In China, property reverts to the state after seventy years; there is no such thing as ownership in perpetuity. According to the global real estate services firm Jones Lang LaSalle, Chinese investment in real estate abroad increased by twenty-five percent in the first quarter of 2014 over the previous year to a total of US\$2.1 billion.

Among the most popular cities with cashed-up Chinese investors are those where housing is the least affordable: Hong Kong, Vancouver, Sydney, San Francisco, San Jose (Silicon Valley), Melbourne, New York, London,



‘Naked officials’: Party and government officials who send their families and suspicious fortunes to Hong Kong or Western countries, including tax havens with no extradition treaty with China, without a legitimate work-related reason

Photo: Weibo

Los Angeles and Auckland. As a result, in many of these cities there is concern that Chinese investment is pushing housing prices out of the reach of local residents. In February 2014, Canada cancelled its Immigrant Investment Program, which had some 65,000 pending applications, seventy percent of which were from China, claiming that the scheme had under-valued Canadian permanent residency.

In Australia, there have been conflicting reports on the impact of foreign investment, of which Chinese investment is a significant part, on the real estate market. The law holds that non-residents are allowed to purchase only new-build housing (thus stimulating construction), while some figures suggest that non-resident purchases also factors in the 15.4 percent rise in housing prices in Sydney and 9.2 percent rise in Melbourne over the twelve months to June 2014. A parliamentary inquiry into the effect of foreign buyers on Australian real estate prices has suggested new rules and stricter enforcement of existing rules, while reported reactions among ‘cashed-up foreign real estate investors view the existing \$85,000 fine for buying existing dwellings just a cost of doing business’.

A financial industry survey found that forty-seven percent of ‘high net worth’ individuals planned to move overseas. From the standpoint of those running the anti-corruption campaign, the problem is that Chinese investing overseas includes government officials whose incomes should not allow it. A survey by the Chinese Academy of Social Sciences revealed that half of the party and government officials at provincial and county levels were considering how to acquire foreign nationality or residency for their children. Bureaucrats whose spouses, children — and assets — have been moved abroad are called ‘naked officials’ 裸体官员, known colloquially as *luoguan* 裸官 (see Forum ‘Chinese Families Going Global?’, p.230). According to the Global Financial Integrity Group, which monitors illegal money flows, no less than US\$3 trillion had been illicitly spirited out of China in the six years to 2011.

In a 2013 speech on the drive for clean government (‘honest and clean party and government rule’ 党风廉政), Wang Qishan, head of the Cen-

WHEN IN HONG KONG: RULES FOR MAINLAND TOURISTS

DO

Keep clear of roads and avoid blocking paths

Speak softly

Refrain from bumping or pushing people

Avoid greeting people loudly from a distance

Treat service staff politely

Avoid excessive bargaining

DON'T

Drink or eat on the MTR

Smoke in a non-smoking area

Litter or spit on the ground

Cross the road against a red light

Forget to wear your seatbelt in a taxi

Ride in the first-class train carriage without paying



Mainland Chinese tourists are the subject of global criticism. The Chinese government has issued guidelines on how to travel abroad

Source: Xinhuanet.com

Source: Xinhua News Agency, 9 May 2014

tral Commission for Discipline Inspection, previewed measures to bring China's 1.18 million 'naked officials' into line. Wang identified how the problem of nepotism, like all forms of corruption, interferes with the development and operation of the market. But his observation exposes the contradiction between party-state expectations for political elites and the rational choices individuals make in the global market.

The Hong Kong Capital Investment Entrance Scheme bars applicants from China but makes an exception for Chinese nationals who have permanent residence in another country. For a fee of HK\$200,000 (US\$25,800) Hong Kong immigration agents help mainland citizens obtain residency permits in other countries with lax requirements for residency so that they can take advantage of this loophole. Of more than 17,000 mainland

WHERE CHINESE TRAVELLERS GO

Approved Destination Status agreements with China, by year.

Year	Destination
1983	Hong Kong, Macao
1988	Thailand
1990	Malaysia, Singapore
1992	Philippines
1998	South Korea
1999	Australia, New Zealand
2000	Brunei, Cambodia, Japan, Myanmar, Vietnam
2002	Egypt, Indonesia, Malta, Nepal, Turkey
2003	Croatia, Cuba, Germany, Hungary, India, Maldives, Pakistan, South Africa, Sri Lanka
2004	Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Ethiopia, Finland, France, Greece, Iceland, Ireland, Italy, Jordan, Kenya, Latvia, Liechtenstein, Lithuania, Luxembourg, Mauritius, Netherlands, Norway, Poland, Portugal, Romania, Seychelles, Slovenia, Slovakia, Spain, Sweden, Switzerland, Tanzania, Tunisia, Zambia, Zimbabwe
2005	Antigua and Barbuda, Barbados, Brazil, Chile, Fiji, Jamaica, Lao PDR, Mexico, Northern Mariana Islands, Peru, Russia, United Kingdom, Vanuatu
2006	Bahamas, Grenada, Mongolia, Tonga
2007	Andorra, Argentina, Bangladesh, Bulgaria, Uganda, Morocco, Monaco, Namibia, Venezuela, Oman, Syria
2008	French Polynesia, Israel, Taiwan, United States
2009	Cape Verde, Dominican Republic, Ecuador, Ghana, Guyana, Mali, Montenegro, Papua New Guinea, United Arab Emirates
2010	Canada, Lebanon, Federated States of Micronesia, North Korea, Uzbekistan, Serbia
2011	Iran
2012	Madagascar, Cameroon, Colombia, Samoa
2013	Rwanda

Source: Chinese National Tourism Association (www.cnta.gov.cn)

Chinese investors in the Hong Kong scheme, a group that constitutes eighty-seven percent of the total, 13,300 have residency papers from Gambia and Guinea-Bissau. In the third quarter of 2013, applicants for Hong Kong's program more than doubled from the previous year to 3,380, a record high. Officials from the People's Republic may apply with civilian mainland identity cards while maintaining household registration status and businesses in China.

Applications from mainland students to Hong Kong universities have also increased significantly, including applications from mature-age students. In the 2010s, the proportion of postgraduate students from mainland China studying at Hong Kong universities increased to more than half. In the academic year 2011–2012, out of fewer than 7,000 postgraduate students at Hong Kong universities, 4,298 were from China. By 2012–2013, the number increased to 4,586. Most pursue master's programs in business, finance, accountancy and other professional degrees. The postgraduate visa is a more economical way to obtain Hong Kong residency than the capital investment scheme. It allows graduates one year to find a job and, after another six years, the opportunity to apply for permanent residency.

After Canada cancelled its popular (and relatively low-cost) Immigrant Investment Program, similar schemes in Australia, Europe and the US became even more popular. In November 2012, Australia introduced the Significant Investor Visa, which mandated an investment of AU\$5 million in a local business or approved managed funds for those who would want to obtain permanent residency. Within a year, eighty-five percent of the applications came from mainland Chinese. In October 2014, the Australian government went even further, announcing a new 'premium' investor visa for applicants investing AU\$15 million or more in the country, who can then get permanent residence in one year.

In Europe, the direct purchase of real estate entitles the buyer to resident status in Portugal, Spain, Greece and Cyprus. In 2012, Portugal introduced a '318 Golden Visa'; this allows the granting of permanent residency after five years and EU residency after an additional one year for buyers of

real estate with a value greater than €500,000. In the first year, 248 of 400 successful applicants came from China.

In August 2014, the US State Department announced that the annual quota of investment visas for permanent residency in the United States had filled early, with Chinese investors making up eighty percent of the year's allocation. Demand from China for the US scheme exceeds that from any other country, and it increased after Canada shut down its program.

Conclusion

When the Party launches a political campaign, superficial or at least statistically evident results can be quick. But such campaigns have historically played out only in China itself. The current austerity campaign has implications for the behaviour of Chinese elites and officials in a global context. In October 2014, the Australian Federal Police revealed they were working with their Chinese counterparts to seize the assets of corrupt officials who had brought hundreds of millions of dollars of illicit earnings into Australia.

How will political and economic elites react to the new pressures for clean government in relation to the way they take up global opportunities? How will regulations set by the Party work in an era of international capital mobility? What are their implications for national loyalties, food security and environmental quality at home and abroad?

As noted elsewhere in this volume, the anti-corruption campaign ostensibly sought to clear the way for the implementation of a new wave of economic reforms. Its anti-waste directives expose and address popular outrage at official corruption and excess consumption. But it also reveals fundamental contradictions in a political-economic system in which the state embraces market discourses and desires rather than focusing on the establishment and long-term maintenance of viable market institutions.

The political campaign is unlikely to be able to rein in the new urban mobility.

Domestic and international mobility in China has increased dramatically over the past thirty years. The impending loosening and reform of the once-strict household registration system will grant legal residency status to millions of urban migrants; it will address the problems of the urban underclass and increase their potential for social mobility in China's burgeoning cities. At the same time, urban professionals are growing anxious about the future in which they share social welfare with millions of new urban citizens. New constellations of mobility make the cities of the outside world, by comparison, desirable and realistic destinations and sites of comparative possibility. The Shared Destiny of groups and classes in China extends their desire to embrace a global destiny — the ramifications of which are hard to predict.

FORUM



8月

7月

6月

5月

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CHINESE FAMILIES GOING GLOBAL?

Luigi Tomba

EARLY JUNE EACH year in China is *gaokao* 高考 season, when millions of hopeful pupils enrol in the university entrance examinations. In 2014, 9.4 million students competed for almost seven million places, a high number indeed, although not all places are equal. China's leading universities only admit the highest scoring candidates. Lower marks leave many with the choice between a mediocre higher education in China and, if they can afford it, an expensive degree in an overseas university.

With the family's fortunes at stake, parents of students crowd the temples dedicated to Confucius at this time of the year. China's new middle-class families spare no effort to ingratiate their children with China's ultimate sage. According to the *South*

China Morning Post, some even hedge their bets by praying to Mao Zedong as well. At the time of the examinations themselves in 2014, the topic '*gaokao* blessing' 高考祝福 topped the Weibo ranking with fifty-seven million posts.

The infamous pressure *gaokao* places on students, and the unavoidable disappointment some of them suffer, results increasingly in their seeking places in universities elsewhere. Over the last decade, many North American, British and Australian universities have become increasingly dependent on full fee-paying Chinese students (see Information Window 'Chinese Students Abroad', p.235). The movement of students into universities abroad is also part of the larger trend of the internationalisation of China's middle class, who desire greater ac-

cess not only to education and information but also to international name brands, holidays and property (see Chapter 5 'Urban, Mobile and Global', p.204). In 2012, *The Economist* started a 'Sinodependency Index', to map the growing global importance of Chinese consumption to the world economy.

Foreign analysts have long suggested that the globalisation of China's

middle class will also lead them to become more aware of and thus concerned about political restrictions such as those on free expression; that it will make them more interested in democracy. Yet families investing in education or other assets abroad appear more interested in consolidating their privileges and overcoming their anxieties about China's political and economic

future than in precipitating political change by challenging the regime. They may well change the world before they change China.

It is not just about travel and education. Chinese are also becoming more aware of the opportunities offered by a globalised market: a group of over 7000 mainland direct-marketing professionals recently became the largest travel party ever to enter the US. The latest annual Hurun 胡润 report on China's wealth, published in early 2014, estimates that Chinese with as-



The Times cover on 5 March 2013: The internationalisation of China's middle class, who desire greater access not only to education and information but also to international brand-names, holidays and property
Source: offbeatchina.com

sets of more than US\$1 million transferred a total of US\$465 billion out of the country in 2011 alone. Sixty-four percent of Chinese millionaires polled for the same report have either taken residence in a second country or are planning to do so.

The movement of private capital (and entrepreneurship) to foreign countries causes the domestic leadership anxiety. This can be seen in a number of measures taken by the government over the last twelve months to keep China's hard-won prosperity from bleeding over its borders. Beijing's concerns are not so much with individual consumers or China Inc.'s productive, strategic and lucrative investments. It is with the steady and seemingly uncontrollable drift of private savings to consumer-friendlier economies and the flight of capital, especially that acquired illegally by officials and the wealthiest families (see Information Window 'Naked Officials', p.236).

Corruption is only part of the story. The wealth of China's middle class and the rich is also heading overseas because it is becoming more difficult to create and accumulate wealth at home. For over two decades beginning in the 1990s, local and central govern-



In April 2014, a Hong Kong man was caught trying to cross the border into Shenzhen with US\$580,000 taped to his body. In general, travellers are only allowed to carry up to US\$5,000 when entering the mainland without submitting a declaration form

Photo: China Daily

ments openly engineered the growth of the middle class through subsidising home ownership on a broad scale, especially among employees of the public sector (some of whom would later move into the private sector). Low entry prices and cheap credit enabled this first-generation middle-class, known as the 'home-owning class' 房产阶级, to enjoy an unprecedented capacity for discretionary spending. Later, inflation in housing prices made it far harder for the next generation to purchase their own home.

The importance of home ownership for Chinese families goes well beyond the financial value of the property. A recent article in the *Guangzhou Daily* 广州日报 placed the home at the centre of a family's 'chart of social relationships' 社会关系图. Reflecting deeply held popular beliefs, the newspaper

suggested that the location and value of a property determine the opportunities families have. These include the quality of elementary schooling to which their children have access; the type of friends children and adults will make and how well-connected their social networks will be; access to health services and, most importantly according to the chart, the marriageability of the families' sons. However retrograde these motivations might appear, they undeniably help to shape the strategies of middle-class Chinese families when it comes to buying a home. And satisfying these desires in China itself is becoming increasingly difficult.

Individuals and young families in particular often struggle to gain access to the property market. The recent combination of inflated prices and restrictions on credit to rein in the housing bubble has forced many to abandon their dreams of owning property. By 2011, three first-tier Chinese cities (Beijing, Shanghai and Shenzhen) had already topped the IMF world ranking for the least affordable housing. Beijing's housing prices were already more than twenty-two times higher than the average yearly household incomes. The same indicator was 6.2 in

New York and 9.2 in Sydney, two cities where housing is considered notoriously expensive by local standards.

Urgent attempts by governments to stimulate the construction of moderately priced housing (local governments allocated US\$19 billion in 2014 for this purpose) are, for the moment, failing to make a dent. The low affordability of housing risks hurting the bottom line of local governments as well. In the first months of 2014, numerous municipalities experienced a dramatic downturn in sales of land-use rights to construction companies, one of their most important sources of public revenue. Some fast growing cities like Hangzhou, for example, recorded no sale of land rights at all in the usually peak month of May.

Low housing affordability encourages savings over consumption. This damages the prospect that the private reserves of Chinese families will help stimulate and rebalance the country's economy. Chinese families hold on to more than fifty percent of their income, against a world average of less than twenty percent. The contribution of consumption to the Chinese GDP is still only about thirty-seven percent, much lower than the world average and a sign that China's growth is still

Chinese Students Abroad, by Jeremy Goldkorn

China is the world's biggest exporter of students. More than three million Chinese travelled overseas for educational purposes between 1978 and 2013. In 2013, there were 413,900. While this represented a 3.58 percent rise over the previous year, the Chinese Ministry of Education reports that this was the first year that the growth rate declined to a single digit level after five continuous years of double digit growth. *The Chronicle of Higher Education* reported in August 2014: 'American graduate schools ... reported no rise in offers of admission to Chinese students, the first time in eight years with no growth'.

Yet the US remained Chinese students' favoured destination. According to the Ministry of Education, in the 2012–2013 school year a total of 235,597 Chinese citizens were studying there. The UK hosted a total of 56,535 Chinese students in the 2012–2013 school year and Australia 78,277, though this figure seems to include the 25,000 students reported by Chinese media to have been studying in New Zealand in 2012. Chinese media reports that another 25,346 Chinese students were enrolled in Canada in 2012. According to Eol.cn, an official education portal site, the top destinations for outward bound students are:

- USA 30%
- UK 21%
- Australia 13%
- Canada 10%
- Hong Kong 7%
- Japan 5%
- France 4%
- Germany 2%
- Singapore 2%
- South Korea 1%
- Others 5%



The USA is still the top choice for Chinese students seeking an education abroad

Source: usa.chinadaily.com.cn

Naked Officials, by Luigi Tomba

After first appearing in a popular blog in 2008, the expression 'naked official' entered everyday language. It describes party and government officials who send their families and, with them, large chunks of their suspicious fortunes to Hong Kong or Western countries, including, on occasion, tax havens with no extradition treaty with China, without a legitimate work-related reason. They acquire residency or citizenship in these places thanks to investments in real estate or local enterprises, enrolment in educational institutions or other forms of contribution to the local economies.

In January 2014, the Party named naked officials one of the major targets of its anti-corruption campaign. A central party document warned that for an official to relocate his or her family overseas would be enough to block their promotion, if not worse.

Media commentaries exposed cases of naked officials and criticised them for their 'lack of patriotism' and commitment to their duties as public servants. The media also stressed the importance of family support for the good performance of Chinese public servants. But there is no question that the real worry for the government is that any public official on a set salary who can afford to send families and patrimonies overseas is doing so with ill-gotten gains.

According to one People's Bank of China report, 18,000 officials left the country between 1995 and 2008, taking assets (whether legally or illegally acquired) valued at 800 billion yuan, and the trend has been on the rise. The assessment of Central Party School Professor Lin Zhe 林喆 as reported in *Caixin* revealed that, from 1995 to 2005, China had 1.8 million naked officials.

A prominent recent case was that of Fang Xuan 方旋, Guangzhou's deputy party secretary, who was forced to retire prematurely in May 2014, only a few weeks before his boss,

too dependent on investment despite two decades of consumption stimuli.

According to one report, the 'investable assets' held by individuals in 2012 was about eighty trillion yuan, double the amount estimated in 2008. All indications suggest that the wealthiest families hold a large portion of these cash savings — and overseas investments in property are becoming more and more attractive to them. In the predictions of the McKinsey Global Institute, Chinese family consumption

will increase from ten to twenty-seven trillion yuan annually over the next decade. As this fortune moves offshore, it also expands the ways in which the world depends on China's growth.

The amount of money flowing into the global property market alone is enough to have an effect on the receiving economies. Hong Kong was an early destination for luxury housing investments, but prices there can now exceed those of even New York, Sydney and London, especially since the Hong

Wan Qingliang 万庆良, was indicted on much worse charges of corruption. There followed a wave of demotions of officials from other cities in Guangdong province for the same reason while still others scrambled to recall their families from overseas to save their careers. The Guangdong campaign has publically identified 1,000 naked officials as a model and a warning for the rest of the country; about 900 of these have reportedly already been disciplined or demoted.

Hu Chunhua 胡春花, the recently appointed Party Secretary of Guangdong, widely seen as a front-runner for the top job in Beijing at the next transition, has been particularly zealous in his implementation of the central government's anti-corruption drive. He has introduced large scale 'democratic life meetings' 民主生活会 for officials who are party members, with criticism and self-criticism sessions inspired by Maoist practices to address the concern, first expressed by party leaders in the 1920s and 1930s, that party officials maintain a lifestyle compatible with Communist ideology.

The campaign against naked officials is 'going global' as well: 'Operation Fox Hunt' (see p.223) has reached Australia, where ninety percent of all applicants in Australia's 'Significant Investor Visa' scheme are from the People's Republic. The Australian Federal Police have agreed to collaborate with Chinese authorities to seize the assets of Chinese citizens alleged to be laundering the returns of corrupt activities into investments in Australia.



A 'naked official' returns from Canada

Photo: tehparadox.com

Kong government increased stamp duty and introduced new restrictions for non-local buyers.

Chinese investors currently purchase around twelve percent of all new residential real estate built in Australia, and are expected to invest more than AU\$44 billion in the Australian property market over the next seven years. Such investments, mainly by private families, will have a significant impact on the affordability of Australian housing. Yet any drying up

of Chinese investment would likewise cast a shadow on the sustainability of the Australian construction industry.

London, meanwhile, has seen an increase of 1,500 percent in Chinese investments in real estate from 2010 to 2013 (£54 million to £1 billion). And in 2014, the Chinese surpassed the Russians to top the buyers' list in Manhattan. Out of every one hundred foreign home buyers in the USA in 2012, eleven were Chinese, up from five percent in 2007.



Chinese investors are dramatically pushing up property prices in Australia. Joe Tan and Elsie Lua bought a three-bedroom house in the catchment area for Glen Waverley, a prestigious Secondary College in Melbourne, for AU\$1,255,000 in December 2013

Photo: Joe Armao/news.domain.com.au

Slower economic growth and housing prices at home are also pushing corporate real estate capital into more profitable markets. In the first quarter of 2014, overseas real estate investments grew by over twenty-five percent. Eighty percent of that growth was in the residential market. Many Chinese corporate real estate projects in Australia and the US, meanwhile, target private Chinese investors and families.

Analysts suggest that new regulations that allow large Chinese wealth and insurance funds to invest in real estate overseas will lead to an even greater outflow of managed private

capital into international real estate markets. The recent purchase by China's Ping An Insurance Group, the nation's second-largest insurer, of the iconic Lloyds building in London, is only the latest symbol of how much Chinese capital is affecting the new structure of global real estate markets.

Directly or indirectly, China's private wealth is having a significant impact on world consumer markets, creating opportunities along with expectations and anxiety. Chinese families often try to maximise the return on their investment in overseas education by investing in real estate at the same time, adding an element of wealth cre-

ation to the net cost of sending children to study overseas. According to one source in the last five years, the percentage of lower middle-class children sent overseas to study has moved from two to thirty-four percent of the total. Another survey suggested that the number of families who intend to send their children to study abroad is already more than forty percent, although almost half of all families (forty-seven percent) see the financial costs as prohibitive.

The overall cost of such degrees often greatly surpasses the benefits to returnees in a domestic economy increasingly saturated with graduates in mid-level positions: it doesn't always pay off in terms of better jobs or higher salaries. Faced with a drain on its talent, China struggles to lure back its overseas graduates. The government recently introduced changes to China's 'green card' system to make it easier for established Chinese professionals with an international education and foreign citizenship, as well as other foreign nationals, to live and work in China.

There has also been a recent growth in what is called 'spiritual consumption' 精神消费, a cryptic term that means the purchase of services (including health services, education and

travel) rather than goods (see Chapter 5 'Urban, Mobile and Global', p.204). Although within China itself, there has been a clampdown on the building of golf courses to preserve land for more productive uses, including agriculture, Chinese developers have become interested in golf courses in the US and Europe. In those countries, golf courses have seen a steady drop in prices and memberships since 2006. Chinese investors have stepped in to feed the increasing appetites of the new and globally mobile middle class for what under Mao was a forbidden recreational activity.

While China's wealthy are off rescuing the world's real estate markets from the financial crisis, contributing to the funding of world-class educational institutions and reviving overseas golf courses, some less-privileged Chinese families fight just to get their children into school. The recent dramatic case of Wang Guangrong 王光荣, father of four, who committed suicide in Guangzhou because he could not afford to pay the extra school fees imposed on him for a violation of the family planning policies, is a stark reminder that global mobility is far from universal among China's families.

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BUYING UP THE BLOCK

Jeremy Goldkorn

IN 2014, FOR THE first time the Chinese outnumbered all other foreign buyers of real estate in the United States, including Arabs and Russians. They tripled their investment in European property, snapped up several billion dollar projects in the UK and were reported to be driving Australia's overheated property market, where house prices grew ten percent across the country in the year to 30 June and fifteen percent in Sydney.

According to CLSA, a Hong Kong-based brokerage and investment services firm, the wave of Chinese money flowing into the Australian property market is 'phenomenal'. Claiming that roughly ten million Chinese families are interested in migrating to Australia, CLSA expects the trend to continue for at least three years. In March 2014,



Wang Jianlin is a Chinese businessman and philanthropist. He serves as the Chairman of the Dalian Wanda Group, China's largest real estate developer. He has a net worth of US\$36.6 billion

Photo: image.wanda.cn

the Bank of New Zealand reported that in 2013, one out of every four foreigners buying property in New Zealand was Chinese, a higher proportion even than Australia's.



A postcard depicting the iconic Waldorf-Astoria Hotel in New York City c.1850–1920, which was acquired by the Beijing-based Anbang Insurance Group in 2014

Source: Harper Stereograph Collection, Boston Public Library, on Flickr

Chinese buyers are already London's top foreign buyers of luxury homes, accounting for six percent of all purchases of homes worth over £1 million in 2013, according to the estate agent Knight Frank. In the US, a survey by the National Association of Realtors estimated that Chinese buyers spent US\$22 billion on residential property in the year to March 2014, up from US\$12.8 billion the year before. More than half of that was spent in California, Washington State and New York. In response, the US property website Zillow began publishing its entire property database in Chinese.

In Europe, where the focus of Chinese buyers has been on commercial real estate, Chinese buyers tripled their investment to €3.05 billion in the year to January 2014, according to Real Cap-

ital Analytics. Much of the activity was in London, which saw several flagship deals in 2014, including the insurance group China Life's purchase of a seventy percent stake in one of the Canary Wharf towers in June. The trend is likely to continue: in January, Wang Jianlin, the head of Dalian Wanda and in 2014 China's second richest man after Alibaba's Jack Ma (see Chapter 3 'The Chinese Internet: Unshared Destiny', p.106), pledged to invest £3 billion in real estate projects in the UK. On the other side of the Atlantic, US commercial real estate investments continue to attract Chinese money: the Beijing-based Anbang Insurance Group announced in early October that it had agreed to pay the Hilton hotel group US\$1.95 billion for the storied Waldorf Astoria hotel on Park Avenue.

CHINESE FAMILIES GOING GLOBAL IN POPULAR CULTURE

FOLLOWING THE END of the Cultural Revolution (1964–1978), when the first large groups of immigrants from China began to settle in the US, Canada, Australia and elsewhere, TV shows and films have documented and reflected on the motivations and challenges of emigration, a politically loaded subject.

The first to make a real splash was the highly popular 1993 twenty-one part television series *A Beijing Man in New York* 北京人在纽约, which told the story of a Beijing musician, Wang Qiming 王起明 (played by Jiang Wen 姜文), who moves to New York to pursue his dreams of fame. In one scene, Wang, who has earned his fortune but lost his values and his family, showers a blonde Caucasian prostitute with dollar bills as he has sex with her. He

tells her to say 'I love you'. The scene, and the series as a whole, sparked much discussion about the superiority/inferiority complex with which many Chinese people viewed the West and America in particular, Chinese male behaviour and notions of cultural purity and contamination.

Other TV shows and movies about this period also describe the struggle of Chinese in the US to cope with — or rebel against — their low socioeconomic status there as well as cultural clashes. The 2001 film *The Gua Sha Treatment* 刮痧 tells the story of a grandfather who gives his American-born grandson a traditional Chinese medical cure, *gua sha*, that involves scraping the skin with a hard object. But the marks on the child's skin lead people to accuse his daughter of child abuse.



Reflections on the motivations and challenges of emigration: The highly popular 1993 twenty-one part television series *A Beijing Man in New York* 北京人在纽约, tells the story of a Beijing musician, Wang Qi-Ming 王起明 who moves to New York to pursue his dreams of fame
Photo: icba.com

The twenty-five episode *New World* 新大陆, a Sino-American co-production first screened in 1995, depicted the challenges faced by the earliest migrants in the 1980s, including students working in Chinese restaurants to survive.

The 2001 *Dangerous Journey* 危险旅程 (originally titled *Tou Du Ke* 偷渡客) a twenty-six part TV series shot in China, the US and New Zealand tells the grim tale of a woman (played by Wang Ji 王姬) who becomes a 'snake-head' (people smuggler).

The most recent wave of migrants, from 2000 to the present, has largely comprised China's middle class, skilled workers and their families. Films such as *Farewell, Vancouver* 别了, 温哥华 shot in 2003 and the

2008 TV series *Couple's Time Lag* 夫妻时差 echo familiar themes of cultural maladjustment, but the characters are finally on an equal footing with their new neighbours, no longer broke or linguistically and culturally inept. In films like the hugely popular 2012 comedy *Lost in Thailand* 人再囧途之泰囧, the foreign country is an exotic locale for adventure while the 2013 romantic comedy *Finding Mr Right* 北京遇上西雅图 is set in Beijing and Seattle, to which the female protagonist Jiajia 佳佳 (played by Tang Wei 汤唯) flies to give birth to the child of her married tycoon boyfriend back in China, but falls in love with a Chinese doctor now driving a taxi in Seattle: it's complicated.

YAO MING, WILDLIFE PROTECTOR

ONE OF CHINA'S best-known celebrities, retired basketball superstar Yao Ming 姚明, has teamed up with domestic animal activists, as well as with international organisations such as WildAid, African Wildlife Foundation and Save the Elephants to campaign against the illegal wildlife trade.

Yao's environmental activism began in 2006 when he joined a WildAid campaign targeting the massive Chinese consumption of shark fin soup 鱼翅羹, a traditional delicacy in southern Chinese cuisine but that involves great cruelty to sharks and endangers their population. Coupled with an official State Council ban on the consumption of shark fin and other expensive delicacies at lavish official banquets, the efforts of Yao, along with Jackie Chan and other celebrities, have re-

sulted in a fifty to seventy percent decrease in the prices and sales of shark fins in China, according to a survey released in August 2014.

Since 2012, Yao has also used his considerable public influence to call for an end to the brutal practice of bear bile farming 熊胆. Bear bile, used in traditional Chinese medicine, is extracted from Asiatic black bears through the 'free drip' extraction method, in which farmers drill a permanent hole into the bear's abdomen and gall bladder to allow bile to be tapped — a hideously painful process. The bears are also confined in cages.

Yao now wants to persuade China's *nouveau riche* to give up the deeply rooted tradition of collecting and presenting as gifts lavishly carved elephant tusks and rhinoceros horns.



Basketball superstar Yao Ming campaigns against the illegal wildlife trade. *The End of the Wild* is a documentary that follows Yao into the heart of Africa's wildlife conservation crisis. It was first aired on CCTV in August 2014
Photo: onehourlife.com

He launched the 'Say No to Ivory' and the 'Say No to Rhino Horn' campaigns with WildAid and Save the Elephants in April 2013 and, in March 2014, during a speech at the opening session of the Chinese People's Political Consultative Conference, of which he is a member, Yao called for a Chinese government ban on ivory sales. *The End of the Wild* 野性的终结, a documentary that follows Yao into the heart of Africa's wildlife conservation crisis, aired on state broadcaster CCTV in August 2014.

SHARED AIR, SHARED DESTINY

Wuqiriletu

Breathing Together, Struggling Together

On 25 February 2014, the concentration of fine particulate matter, known as PM2.5, reached 400 micrograms per cubic metre of air in Beijing, hazardous by the standards of both the American Environmental Protection Agency and China's own air quality index system. That same smoggy day, President Xi Jinping made an unannounced visit to a lane off the popular tourist street of Nanluoguxiang in the capital, talking with the people who lived there. The news report on his visit was subtitled 'breathing the same air and sharing the common fate' 同呼吸,共命运.

A slightly different slogan, 'breathing the same air and sharing the common struggle' 同呼吸,共奋斗

was China's theme for the 2013 World Environment Day. At that time, the Ministry of Environmental Protection called on all citizens to do their part to protect the environment, and to realise the dream of a beautiful China with a blue sky, green earth and clean water.

On 10 September 2013, the State Council issued its Air Pollution Preven-



25 February 2014: Xi Jinping 'breathing the same air and sharing the common fate'

Source: talk.takungpao.com

tion Action Plan 大气污染防治行动计划 for implementation at the level of the provinces, autonomous regions and municipalities. The action plan links air quality to the health of China's citizens, economic development, social stability and the Chinese Dream. At the same time, it emphasises that it could take five years to improve the air quality in the regions of Beijing, Tianjin and Hebei province; the Yangtze River Delta and the Pearl River Delta. It may take much longer to improve the air quality in the country as a whole. The ultimate goal for Beijing is to reduce the yearly average density of fine particulate matter to sixty micrograms per cubic metre.

In order to achieve its targets, the action plan lists ten policies, referred to as the National Ten 国十条. They cover the treatment of sewage, industrial restructuring along environmental principles, technological innovation, energy structure, energy saving and environmental protection, environmental and economic management, legal supervision, regional co-operation, monitoring and early warning of pollution events, the establishment of clear lines of responsibility and the mass mobilisation of the populace. The action plan stresses the need

for broad social participation: a shared struggle to improve the quality of air that everyone breathes.

In January 2014, the Ministry of Environmental Protection and the thirty-one provinces, autonomous regions and municipalities signed 'The Air Pollution control target responsibility book' 大气污染防治目标责任书, pledging to work towards the plan's goals.

Hebei province's *Yanzhao Metropolis Daily* 燕赵都市报 called the book a good starting point — it showed goodwill and commitment. On the other hand, the paper warned that other action plans, on national housing policy, for example, had become little more than slogans. It advocated strengthening the system of accountability.

In the Same Boat 吴越同舟

Air and air pollution respect no borders. When air pollution levels rise in China, neighbouring countries are affected, particularly in the northeast. In fact, for some years airborne particulates traceable back to China have been discovered by monitoring stations as far away as California. On that same February day that Beijing PM2.5 levels reached 400, the South Korean capital Seoul reported a concentration

GOALS OF THE ACTION PLAN BY REGION

Goals		Provinces, cities, districts
Average annual reduction target of PM2.5 concentration	-25%	Beijing, Tianjin, Hebei
	-20%	Shanxi, Shandong, Shanghai, Jiangsu, Zhejiang
	-15%	Guangdong, Chongqing
	-10%	Inner Mongolia
Average annual reduction target of PM10 concentration	-15%	Henan, Shanxi, Qinghai, Xinjiang
	-12%	Gansu, Hubei
	-10%	Sichuan, Liaoning, Jilin, Hunan, Anhui, Ningxia
	-5%	Guangxi, Fujian, Jiangxi, Guizhou, Heilongjiang
	Continuous improvement	Hainan, Tibet, Yunnan

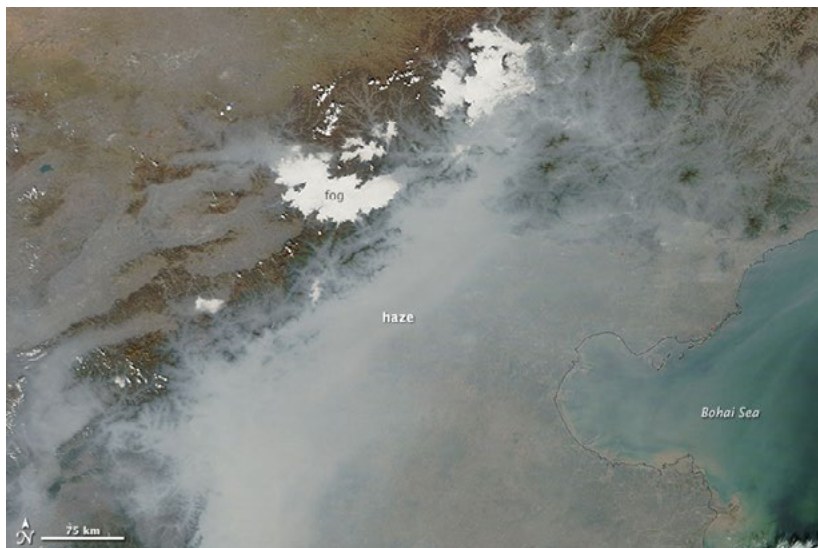
of atmospheric pollutants two to three times the usual level. According to Japan’s Ministry of the Environment, more than ten municipalities in Japan issued air pollution warnings on 26 February.

Officials from South Korea and Japan have expressed a willingness to work together with China to reduce PM2.5. Some Japanese media outlets have used the old saying ‘Wu and Yue — in the same boat’ 吴越同舟 to describe how former enemies

can put aside their points of difference to work for the common good. On 20 March 2014, environmental protection officials and atmospheric pollution experts from Japan, China and South Korea gathered in Beijing for the first time to discuss co-operative measures to control air pollution. About a month later, on 28–29 April, Daegu city in South Korea hosted the sixteenth two-day, tripartite meeting of environment ministers from China, South Korea and Japan.

South Korea had first proposed an annual meeting of environmental ministers, and it hosted the first one in 1999. The three countries take turns to host the summit. During the 2014 meeting, Li Ganjie 李干杰, China's Deputy Minister of Environmental Protection met with Yoon Seon-kyu, the Korean Minister for the Environment and Ishihara Nobuteru, the Japanese Minister to discuss issues including atmospheric pollution and climate change. Yoon Seon-kyu said that air pollution problems are already affecting people's health in the three countries.

The meeting concluded with a five-year agreement on priority areas of co-operation: air quality, biodiversity, the disposal of electronic waste, climate change, the protection of village environments and the protection of water and sea environments. The three countries also decided to hold regular meetings devoted to issues related to the atmosphere. (The first meeting had in fact already been held in March in Beijing; the second will take place in South Korea). The three countries will promote further collaboration among local governments, enterprises and research institutions,



9 October 2014: Pollution from north-eastern China blows over the Bohai Sea on its way to Korea and Japan
Source: earthobservatory.nasa.gov



Spot the difference: Beijing National Stadium ('The Bird's Nest')
 Photo: Jeffrey Kesler

and share technologies and information on controlling carbon emissions.

Ishihara Nobuteru and Yoon Seon-kyo also agreed to share information on PM2.5 levels and conduct scientific research on trans-border air pollution, encouraging China to join in. Li Ganjie, who blamed China's air pollution on long-term industrialisation, indicated that China's attitude is positive and open to three-sided or bilateral co-operation with South Korea and Japan.

A Rumour in Inner Mongolia

On 18 May 2014, a newspaper in Beijing reported that 300 polluting enterprises would move out of Beijing by October. The newspaper said that Beijing would ban twelve high-polluting industries such as lime, stone, architectural ce-

ramics, casting, forging, printing and dyeing from the city. These would move to nearby cities in Hebei, around Tianjin and in Inner Mongolia once they had upgraded their technologies to eliminate or ameliorate pollution.

The news spread fear through the communities surrounding Beijing. People worried that the industries that had polluted Beijing would now move *en masse* and un-reconstructed, to pollute their hometowns. A microblogger in Inner Mongolia who posted a protest against what he (mistakenly) described as 'three hundred polluted enterprises moving from Beijing to Inner Mongolia'. He wrote: 'An individual may be powerless, but united, our power is infinite ... our hometown is not a garbage dump! Please forward this message, friends of Inner Mongolia, so that our children can breathe

clean air. Thank you!’ Arrested for spreading rumours, the authorities sentenced the microblogger to ten days of administrative detention and a fine of 500 yuan. Inner Mongolia was keen to make clear that it was not about to share Beijing’s destiny, at least not in terms of air pollution.

‘Chindia’ 中印大同

China, the United States of America, the European Union and India are the world’s biggest contributors to global emissions, generating more than half of global greenhouse gases in 2013. Yet neither President Xi Jinping of China nor Prime Minister Narendra Modi of India were among the 120 heads of state who attended the United Nations Climate Summit held on 23 September 2014 in New York, where one of the main topics was reducing greenhouse gas emissions. Xi did, however, send Vice-Premier Zhang Gaoli 张高丽 as his special envoy.

One week before the Summit, China’s State Council approved the ‘National Climate Change Plan (2014–2020)’ 国家应对气候变化规划 (2014–2020), which pledges that by 2020 China will reduce its carbon emissions per unit of GDP by forty to forty-five percent from 2005 levels.

At the UN summit, Zhang Gaoli stressed that China is committed to working with international partners to respond actively to the challenge of climate change. Zhang promised that China would soon be announcing its post-2020 plan. Zhang also said that China would energetically promote South–South co-operation on climate change and provide US\$6 million to support the United Nations Secretary General in advancing this co-operation. Furthermore, China would double its financial support from next year with the establishment of a co-operation fund.

The Chinese government has long been critical of the domination of international negotiations on climate change by developed countries. South–South co-operation enables a strategic alliance between China and other developing or newly industrialised countries to resist what they consider to be unreasonable pressure from developed countries. In 2009, a Chinese government initiative united China, Brazil, South Africa and India in BASIC 基础四国. BASIC is a collective of newly industrialised countries committed to acting jointly on climate change. A month before the UN Climate Summit 2014, New Delhi host-



Zhang Gaoli at the United Nations Climate Summit in September 2014
Source: news.cn

ed the eighteenth BASIC Ministerial Meeting on Climate Change, which reaffirmed the importance of the principle of ‘common but differentiated responsibilities’.

A week later, Chinese Vice-Premier Zhang Gaoli met with representatives of ‘developing countries with similar positions’ 立场相近的发展中国家. Chief among these is India.

China has consistently advocated a joint strategy and a united voice for what the Chinese call *Zhong Yin datong* 中印大同 (loosely, ‘the Sino-Indian Commonwealth’) and Indian MP Jairam Ramesh has named ‘Chindia’. It is clear that the issue of air pollution is one of shared destiny with India, as it is with China’s neighbours to the northeast — and the world at large.

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THE SWORD OF DISCIPLINE AND THE DAGGER OF JUSTICE

Susan Trevaskes and Elisa Nesossi





XI JINPING AND THE PARTY leadership have been reshaping China's justice and security agendas to strengthen both the authoritarian rule of the Party and the authoritarian rule of law. They advocate what they call 'rule of law thinking' 法治思维 to rebuild public trust in the country's politico-legal institutions, which include courts, procuratorates (the institutions encompassing public investigators and prosecutors), police, national security and para-police agencies. This is a strategic shift, following a decade of *weiwēn* 维稳, or 'Stability Maintenance', a political program closely associated with the Hu Jintao–Wen Jiabao era that covers a range of politico-legal activities aimed at preventing and/or breaking up collective protests and dealing with court cases raised by individual complainants.

At the height of its use in the mid- to late 2000s, and as discussed in previous *China Story Yearbooks*, the *weiwen* program gave local courts considerable flexibility in resolving civil and administrative disputes, encouraging judicial mediation over litigation. Mediation arguably favours the interests of local government and local developers more than it does those of the complainants. This trend, often referred to as the 'localisation of justice', fostered judicial corruption and errors of justice, further fuelling the very discontent and instability that *weiwen* was meant to quell (see the *China Story Yearbook 2013: Civilising China*, Chapter 4 'Under Rule of Law', p.202).

Xi Jinping's idea of Shared Destiny within China is based on the requirement of 'unity of thought' 统一思想, especially in relation to social and political problems that may threaten stability. In promoting the rule of law, he seeks to create a strong underlying judicial and legal framework that will encourage public trust in the legal system and enhance the efficacy of the current political structure. Rebuilding the credibility of politico-legal institutions is a declared objective of reforms across the justice spectrum. The party leadership has demanded that all of China's courts, prosecution, police, national security and para-policing agencies work together towards this goal, which aims not just to ensure public security (and the security of the Party) but also to create a stable environment in which the Party can carry out its ambitious economic reform agenda.

Party-inspired 'unity of thought' is by definition largely intolerant of pluralism and dissent. This can make for a seemingly uneasy relationship with rule of law thinking: at the same time that Chinese leaders are seeking to strengthen judicial institutions to inspire popular trust in the process of law, they are cracking down on public expressions of dissent, including those that some would argue fall within the legal or constitutional rights of Chinese citizens. In late 2013, for example, the government criminalised the online spreading of rumours by including such behaviour within the definition of the crime of defamation. Arresting independently-minded public intellectuals and pro-human rights lawyers such as

Pu Zhiqiang 浦志强 in the lead-up to the twenty-fifth anniversary of the 1989 Protest Movement was also, presumably, a pre-emptive strike to discourage disunity in thought and practice over this sensitive period.

The Handle of the Dagger

Xi Jinping requires unity in practice as well as thought within the nation's justice and security agencies. As noted above, from late 2012, Xi's leadership has downplayed the 'Stability Maintenance' strategy of Hu Jintao. In late 2013 and in 2014, the Party moved to strengthen its central oversight of the administration of law and justice.

The party leadership was aware that it had to win back the hearts and minds of people whose trust in the law had been seriously eroded by political and judicial corruption, and who had become more inclined to seek justice through collective protests and petitions than through the legal system. 'Unity of thinking' on law and justice thus seeks to shift public understanding of the locale of justice from the streets back to officially regulated spaces within the legal system.

In his keynote address at the National Conference on Politico-legal Work on 8 January 2014, Xi Jinping who, as noted earlier, heads the new National Security Commission and Central Leading Group for Internet Security among other posts, declared that China's politico-legal organs need more than ever before to play a pivotal role in bringing about sustainable economic growth and social stability. Over the coming years, he said, introducing a key new metaphor, politico-legal organs will be required to act as the



The term 'the handle of the dagger' became popular after Xi Jinping used it in his keynote address at the 2014 National Conference on Politico-legal Work. The term implies a battle: a fight against corruption, dissent and terrorism

Photo: Weibo/chinadigitaltimes.net

BIG GAME: FIVE 'TIGERS', by Jeremy Goldkorn

In September 2014, former vice-chairman of the National Energy Administration Liu Tienan was dismissed from the Party for allegedly accepting 35.6 million yuan in bribes

Photo: news.163.com

Liu Tienan 刘铁男

In December 2012, just one month after Xi Jinping took over the reins of the Communist Party, Liu Tienan, former vice-chairman of the National Energy Administration, was the first big tiger to fall. Luo Changping 罗昌平, the deputy editor of the financial magazine *Caijing* 财经, used his Sina Weibo account to accuse Liu of faking his academic credentials, taking kickbacks, having a mistress — and threatening to kill her.

Liu denied the allegations. But it seemed the authorities had already placed him under investigation. The following month they detained his son for corrupt business dealings, sacked Liu from his official position in March 2013 and then arrested him in May along with his wife who was also allegedly part of his illicit schemes. At his trial in September 2014 in Langfang, Hebei, the prosecution accused Liu of taking 35.6 million yuan in bribes. He was dismissed from the Party but no sentence has been announced.

Gu Junshan 谷俊山

In March 2014, General Gu Junshan, the former deputy head of the PLA Logistics Department, faced charges of bribery, embezzlement and abuse of power. No further details were provided, but General Gu, a farmer's son from Henan province, had reportedly been at the heart of PLA corruption for many years, collecting kickbacks from military contracts and presiding over a land development racket.

General Liu Yuan 刘源, the Political Commissar of the Logistics Department and the man in charge of cleaning up corruption in the department, first tried to bring General Gu down in late 2011. At the time, he encountered significant resistance, according to *The New York Times*.



In March 2014, General Gu Junshan faced charges of bribery, embezzlement and abuse of power

Photo: wenweipo.com

Xu Caihou 徐才厚

The fall of Gu Junshan exposed an even bigger tiger: General Xu Caihou, the Vice-Chairman of the Central Military Commission (CMC), and son of factory workers from Liaoning province. It is alleged that the practice of buying and selling promotions was rife during General Xu's term on the CMC (which ended in 2013). Expelled from the Communist Party in June 2014, the onetime Politburo member would face trial for taking bribes and abusing the powers of his office, although it was not certain he will face the courts as he is reportedly critically ill with bladder cancer.

Jiang Jiemin 蒋洁敏

In June 2014, the Party expelled Jiang Jiemin, who until recently had been the chairman of China's largest state oil company, China National Petroleum Corporation, from its ranks. From March 2013, Jiang had also been the director of the state-owned Assets Supervision and Administration Commission, the body that supervises China's largest government-run businesses. He was abruptly removed from both posts six months later and disappeared into the hands of investigators. Four other senior oil executives vanished along with him at the time of writing. No charges had been laid. But it appeared that the investigations were part of the preparation for the case that would be made against the former Politburo Standing Committee member Zhou Yongkang, for Jiang was one of Zhou's prominent associates.



In June 2014, the Party expelled Jiang Jiemin, who was the chairman of China's largest state oil company

Photo: finance.sina.com.cn

Zhou Yongkang 周永康

Xi Jinping and the anti-corruption investigators have approached the biggest tiger of them all, the first Politburo Standing Committee member to face investigation in decades, with extreme caution. The son of an eel fisherman from Jiangsu province, Zhou rose through the oil industry to eventually take charge of China's security apparatus, including its law courts. Anti-corruption investigators first detained several of his key allies, including not only Jiang Jiemin, but also Li Chun Cheng 李春城, the former deputy party secretary of Sichuan, and Li Dongsheng 李东生, a former deputy public security minister.

They then began detaining members of his family, including his son Zhou Bin 周斌 and his daughter-in-law Huang Wan 黄婉. Finally, in July 2014, state media formally announced that Zhou himself was being investigated for corruption. Several state media editorials promised that Zhou was far from the last tiger in the campaign's sights.



In July 2014, former Politburo Standing Committee member Zhou Yongkang was investigated for corruption

Photo: polymerhk.com

‘dagger-handle’ of the Party 党的刀把子. This language implies a battle: a fight against corruption, dissent and terrorism. (For the etymology of



Wang Qishan serves as Secretary of the Central Commission for Discipline Inspection and is the public face of Xi Jinping's anti-corruption campaign
Photo: gbtimes.com

the term, see Chapter 4 ‘Destiny’s Mixed Metaphors’, p.146ff.)

While the Party’s leader wields the metaphorical dagger, in the words of China’s anti-corruption chief Wang Qishan, the Discipline and Inspection Commission (the internal party agency that investigates corrupt party members) wields the ‘Sword of Damocles’.

Tony Saich, a scholar whose research focuses on Chinese politics and governance, has labelled this ‘the most ambitious anti-corruption campaign since at least Mao’s days’. Some Chinese commentators describe the goal in language reminiscent of the Cultural Revolution: to ‘sweep away all monsters and demons’ 横扫一切牛鬼蛇神.

The use of Maoist rhetoric, including terminology such as ‘dagger-handle’, may seem incongruent with rule of law thinking; Mao, after all, referred to the politico-legal system as the ‘tool of the proletarian dictatorship’. The prominent Hangzhou-born commentator Qian Gang, director of the China Media Project at Hong Kong University, was among those analysts taken aback by Xi’s use of Maoist terminology. Qian distinguishes between ‘light red’ discourse such as the ‘China Dream’ and harder core ‘deep red’ Maoist terminology, noting: ‘A dagger-handle is what greets us when we open the door to 2014.’ This ‘deep-red’ metaphor informs Xi’s political approach to reform and indicates his determination to conquer entrenched socio-political problems left over from the time of Hu Jintao, who supported high-speed economic growth at any cost.

The Fourth Plenum's Rule of Law Ideology

Rule of law is now the Party's umbrella term that signifies its overall governance intentions for the next eight years. The Xi Jinping leadership seeks to build its legitimacy and to improve its legal system not by distancing the Party from the affairs of the justice system, but the very opposite. This clearly emerges from the resolutions issued after the Third and Fourth Plenums of the Eighteenth Party Congress in, respectively, November 2013 and October 2014. Both documents reiterated Xi Jinping's focus on the rule of law and the re-invigoration of the authority of the Party in Beijing.

The Party will enhance its oversight of legal and governmental institutions so that they operate within a tight 'Rule of Law Framework' 法治的框架内, as Premier Li Keqiang puts it, and implement policy from the top down. The Resolution of the Party's Fourth Plenum (CCP Central Committee Decision Concerning Some Major Questions on Comprehensively Advancing the Country in Accordance with the Law issued on 28 October 2014), states that the Party's supremacy and socialist rule of law are compatible 党的领导和社会主义法治是一致的. In fact, the document insists that the Party will now 'implement its leadership role through the rule of law' 把党的领导贯彻到以法治国.

Rule of law discourse also has an important ideological role to play. The Party intends it to guide both the thoughts and behaviour of the citizenry and their political masters alike. To this end, the Resolution introduces the idea of integrating two principles of governance: 'ruling the nation in accord with the law' 以法治国 and 'ruling the nation in accord with virtue' 以德治国. The latter intends to foster a sense of morality in Chinese society and state. At the same time, the Party intends to 'rule the nation in accord with the law' by making central, provincial and local party politico-legal committees responsible for unifying thought and action in the realm of law and politics. They are to do this by 'standardising' judicial decision-making and improving the transparency and credibility of the judicial process.

The Resolution includes mention of the Constitution because the ideological principles established in the Preamble of the Constitution explicitly give the Party the leading political role in governing China. The Preamble ostensibly places the Party above all laws and other provisions in the Constitution.

Recentralising the Nexus of Law and Politics

Xi's push for the rule of law had begun to gather pace from mid-2013 onwards, culminating in the Resolution of October 2014. A succession of statements by Xi in 2013, a series of Supreme People's Court (SPC) and the Party's Central Politico-Legal Commission (CPLC) reform announcements from July to October 2013, and the Party Congress Third Plenum Resolution of November 2013 revealed plans to 'de-localise' justice agendas and to 're-centralise' party, SPC and politico-legal power. Key phrases coming out of the Third and the Fourth Plenums included: 'transparency', 'supervision', 'institutionalisation, standardisation and proceduralisation', 'judicial openness', 'judicial independence', 'judicial fairness and credibility', 'standardising judicial decision-making' and 'preventing miscarriages of justice'.

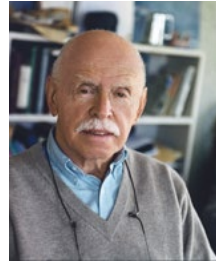
The overall focus is on promoting stronger oversight of political and judicial authorities at the local level. In July 2013, the Party's main law-and-order body, the CPLC, issued a strongly-worded directive, titled Provisions on Preventing Miscarriages of Justice 防止冤假错案, aimed at thwarting abuses of power and miscarriages of justice in local courts. The Chinese law expert Jerome Cohen describes the directive as 'stunning' in scope, and largely empty of ideological clichés. The Provisions 'go beyond the [usual] recitation of relevant norms', Cohen says, to specify how the Party expects prosecutors to supervise the work of police and judges; how judges must withstand pressure from local interests (whose main concern is likely to be maintaining social stability) during the adjudication pro-

cess; and how party politico-legal committees, which will still coordinate the work of the courts, police and prosecutors, must refrain from interfering in judicial decision-making.

The Provisions and other reform documents published in 2013 and 2014, including the new SPC five-year plan for court reform issued on 9 July 2014, indicate that the SPC has made a priority of reconfiguring central-local judicial decision-making so the centre can exercise greater control over local courts.

They list important justice reforms such as shifting responsibility for resourcing courts from the local to the provincial level. This move makes it much harder for local political authorities to threaten local judges and courts with withdrawing revenue in order to obtain favourable outcomes in administrative and civil disputes with local residents. The SPC intends to limit judicial discretion and inconsistency — especially in administrative or civil disputes that touch on social stability concerns — while enhancing transparency, including by posting judgments on court websites.

Reform documents strongly encourage courts to ‘unify’ 统一 their decision-making. To this end, the SPC has stepped up its case guidance system, promoting a number of model cases that illustrate best practice. These models enable local courts to ‘standardise’ 规范化 disparate and uneven decision-making to achieve greater consistency in adjudicating and sentencing. This will make it possible to declare with confidence that ‘similar judgments are made in similar cases’ 同案同判 across the nation: unity of thinking and action within the justice system.



Jerome A Cohen is an expert on Chinese law and an advocate of human rights in China
Photo: its.law.nyu.edu

Enhancing Judicial Accountability

The SPC employs a number of high-profile reformist judges, including its President, Zhou Qiang 周强, and Deputy President, Shen Deyong 沈德咏,

who are both keen to abandon the Stability Maintenance practices (including the ‘aggressive mediation’ detailed above) that have sullied the reputation of courts in recent years. To this end, Xi Jinping has ordered politico-legal officials to ‘carry the sword of justice and the scales of equality’. The courts must safeguard social justice and equality, while protecting people’s interests.

Three important SPC opinions promulgated in late 2013 bring into sharp relief the reforms that the SPC and the Party intend to pursue in the coming years:

- Opinion on Improving Judicial Credibility (28 October 2013)
- Opinion on Improving Judicial Transparency (21 November 2013)
- Opinion on Preventing Miscarriages of Justice (21 November 2013).

While these Opinions do not carry the same weight as law, they are nevertheless important indicators of a change in the general direction of legal development in China. The Opinion on Improving Judicial Credibility unveils the broad agendas for judicial reform. It appeals to judges to focus on ‘justice for the people’ and practical changes in the work style of the courts, as stated above: limiting judicial discretion and standardising and ‘unifying’ judicial decision-making in order to discourage venal practices that have led to the favouring of the interests of local developers and government over those of local citizens.

Among the model cases posted by the SPC in early 2014 are seven new cases relating to the ‘livelihood of the masses’. In one, the litigant sought compensation for the forced demolition of a property; another dealt with a copyright infringement case. There is also a judicial review case involving a farmer’s complaint about water pollution and another involving two men pursuing compensation for wrongful incarceration.

The Opinion on Improving Judicial Transparency announced ‘three platforms of openness’: judicial transparency in regard to trials in process; the disclosure of case results; and the disclosure of information regarding the enforcing of court verdicts. It involves providing general information

on court websites about provisions and procedures relating to litigation processes, documents, fees, risks and alternative dispute resolution mechanisms such as mediation.

The Opinion on Preventing Miscarriages of Justice, meanwhile, confirms provisions made in the revised 2012 Criminal Procedure

Law on excluding evidence obtained through torture and other illegal means. It requires judges to follow strictly legal procedures and reminds courts of appeal that they are responsible for counterchecking judgments in cases where the evidence was sketchy or the facts unclear. It also provides for senior judges to adjudicate in cases involving capital punishment. (The number of executions carried out each year remains a state secret.) The Opinion also attempts to put a halt to the trend over the last decade of courts and judges sometimes acquiescing to populist demands — especially when state officials are perceived to have provoked suspects or defendants to violent acts of revenge. The Opinion on Preventing Miscarriages of Justice declares that: ‘people’s courts ... should not make any judgments that contravene the law under the pressure of public opinion or of involved parties’ appeals, or in the name of “maintaining social stability”’.

An example is the case of Xia Junfeng 夏俊峰, an unlicensed street vendor arrested in 2009 for the murder of two *chengguan* 城管 (urban law enforcement officers). Xia alleged that the *chengguan* had beaten him and that he acted in self-defence (see Forum ‘The Execution of Street Vendor Xia Junfeng’, p.300). The SPC came under considerable popular pressure not to approve Xia’s execution but it refused to bow to public sentiment.

On the other hand, following continued public outcry over scandals involving the treatment of petitioners in ‘reprimand centres’ and ‘black



The execution of street vendor Xia Junfeng for killing two *chengguan*, urban law enforcement officers, sparked an outcry on Chinese social media sites

Photo: Xinhuanet.com

jails', in February 2014 the Party's Central Committee and the State Council introduced new guidelines for reforming and regularising the way that politico-legal institutions deal with petitioners voicing grievances against officials and calling for redress. The document stresses the importance of the rule of law in handling petition cases and expands the public channels by which petitioners may appeal to officials, including the establishment of a website that encourages virtual petitioning rather than requiring that petitioners visit government buildings in person.

Abolishing Re-education Through Labour



Tang Hui 唐慧, from Yongzhou, Hunan province, was sentenced to one and a half years of labour re-education for demanding tougher punishment for those who allegedly raped and forced her daughter into prostitution. She was released eight days later following a huge public outcry
Photo: backchina.com

The international media have highlighted the decision announced by the Third Plenum to abolish the system of Re-education Through Labour (RTL 劳动教养), the use of administrative detention that has been employed for decades to allow police and other authorities to incarcerate people for up to four years for minor crimes without the inconvenience of going through a trial. Such crimes included petty theft, prostitution and the trafficking of illegal drugs, but also religious or political dissent: for example, attending the prayer meetings of a proscribed church group or speaking out on a subject the authorities deemed unacceptable.

According to the Resolution of the Plenum, an enhanced system of 'community corrections' would replace RTL. During the last ten years, the authorities in some jurisdictions have experimented with a system of 'community corrections' 社区矫正 whereby offenders spend their sentence in community service. To date, it is still unclear how this mechanism will be used and what the procedural requirements for its application will be. The Ministry of Justice is



On 21 March 2014, a group of human rights lawyers were arrested in Jiansanjiang, Heilongjiang province, after they visited a black jail. On 25 March, six lawyers began a hunger strike outside the Qixing Detention Centre when their request to meet with the detained lawyers was refused

Photo: voanews.cn

now working toward a final draft of a new Community Corrections Law to solve these uncertainties, standardise diverse practices of ‘community correction’ around the country and to regulate this expanded institution.

The reform of RTL has also generated debate about the legality of other forms of detention, including those replacing RTL. These include the ‘custody and rehabilitation’ 收容教养 of juveniles, prostitutes and those who procure their services; ‘black jails’ 黑监狱 for petitioners who have not been charged with a crime but whom the authorities deem inconvenient or offensive; ‘criminal detention’ 拘留 for pre-trial criminal suspects and ‘residential surveillance’ 监视居住. The last was originally an alternative to pre-trial detention but is now used as a form of extra-legal house arrest for activists, their close relatives (such as the imprisoned Nobel Peace Laureate Liu Xiaobo’s 刘晓波 wife, Liu Xia 刘霞) and individuals accused of undermining stability.

Authoritarian Rule of Law in Practice

In 2014 (as in previous years), the government showed the authoritarian nature of Beijing-style rule of law when it detained or arrested a number of lawyers who have been arguing for citizens to enjoy the rights prescribed in Chinese law and the constitution as well as anti-corruption campaigners and advocates of greater political and fiscal transparency.

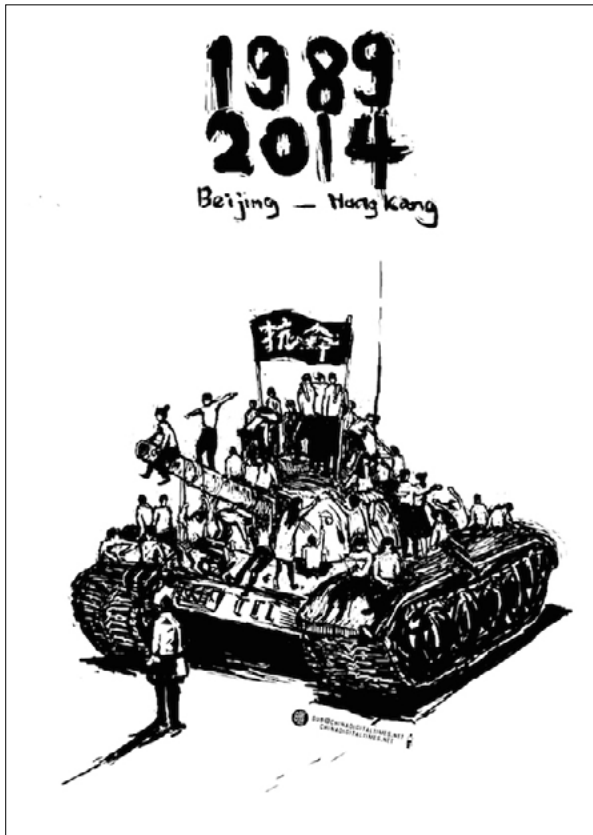
During the first half of the year, in the lead-up to the sensitive twenty-fifth anniversary of the 1989 Protest Movement and its violent suppression, the authorities imposed charges of ‘disrupting public order’ on individuals and groups to silence its critics, some pre-emptively. Among them was the lawyer Xu Zhiyong 许志永, a founder of the New Citizens’ Movement 新公民运动 (see Forum ‘Xu Zhiyong and the New Citizens’ Movement’, p.292) and one of the most high-profile human rights lawyers and activists of the last decade.



22 January 2014: Well-known human rights lawyer Xu Zhiyong was sentenced to four years in prison for breaching the 1997 Criminal Law by ‘gathering a crowd to disrupt order in a public place’

Photo: 37dts.com

On January 2014, the Beijing Number One Intermediate People’s Court sentenced Xu to four years in prison for ‘gathering a crowd to disrupt order in a public place’ 聚众扰乱公共场所秩序 according to Article 291 of the 1997 Criminal Law. The charge referred to his role in organising and calling on people to unfurl banners, distribute leaflets, attract onlookers, make a racket and obstruct police officers from enforcing the law during a series of protests in 2012 and 2013. Three months later, the Beijing Higher People’s Court upheld Xu’s guilty verdict on appeal,



On 4 June 2014, tens of thousands of people gathered in Hong Kong's Victoria Park to commemorate the twenty-fifth anniversary of the Beijing massacre. In mainland China, commemoration of the anniversary is strictly forbidden

Cartoon: Baiducaio, TAM/oclpkenglish.wordpress.com/category/news-clippings/cartoons/

sparking outrage among human rights advocates both inside and outside China.

Repression in the name of public order became more common in the months leading up to the twenty-fifth anniversary of the 1989 Protest Movement. Emblematic of Beijing's attitude towards 'disunity of thinking'

was the case of lawyer Pu Zhiqiang, detained on 5 May on suspicion of ‘picking quarrels and provoking troubles’ 寻衅滋事 (Article 293 of the Criminal Law) — in this case, he was guilty of attending a small, private commemoration of the 1989 student protest. A *Global Times* commentary published on 8 May on Pu’s detention claimed that by meeting to commemorate the Tiananmen events, the human rights lawyer had ‘clearly crossed the red line of law’.

These developments in early 2014 revealed the party-state’s new approach to quelling dissenting voices. Rather than pursue outspoken critics on charges of subverting state security, they charge them with common public order offences. The Dui Hua Foundation research group claims that the number of people charged with subversion, separatism and incitement to subvert state power decreased by twenty-one percent in 2013 to 880 individuals, while the number of those charged with disrupting public order has increased dramatically — from around 160,000 in 2005 to more



3 May 2014: A citizen journalist for the US-based website Boxun, Xiang Nanfu, is arrested and paraded on state television
Photo: CCTV



27–30 April 2014: Xi Jinping visits the Xinjiang Uyghur Autonomous Region where he vows to ‘strike first’ against terrorism

Photo: Xinhua



On 27 May 2014, fifty-five people were sentenced at a mass trial in Yili, Xinjiang Uyghur Autonomous Region. At least three people were sentenced to death. Others were jailed for murder, separatism and organising or participating in terror groups. Xinhua claimed that around 7,000 locals and officials witnessed the mass sentencing

Photo: voanews.com

than 355,000 in 2013. Other dissenters besides Pu Zhiqiang who have been charged with the seemingly innocuous offence of ‘picking quarrels and provoking troubles’ include the labour activist Lin Dong 林东 and the Boxun 博讯 journalist Xiang Nanfu 湘南富, among others.

This strategy is reminiscent of the way in which the dissident artist Ai Weiwei was dealt with in 2011: the authorities charged the outspoken critic of the Party with tax evasion. Similarly, in June 2014, they charged the Australian-Chinese artist Guo Jian with ‘visa fraud’ before deporting him to Australia. Both instances are examples of the way the party-state cynically attempts to deflect criticisms of human rights abuses by smearing the character of dissidents, implying that they were fraudsters or common criminals.

The authorities are more comfortable with pinning charges of subversion and separatism on those in the restive north-western ethnic region of Xinjiang who do not share Xi Jinping’s vision of their place in China’s Community of Shared Destiny. The robust ‘unity of thinking’ underlying

Xi Jinping's approach operates in this case, however, as a double-edged sword. As the journalist Chris Buckley noted in *The New York Times*, Xi has 'cast himself as a paternal leader devoted to improving the lives of ordinary people' and sees the assimilation policies towards the Uyghurs not as the source of discontent but as the means to its resolution.

In May, the central authorities called on the three arms of state justice — the police, the procuratorate and the courts — to coordinate their work against terrorism 暴恐主义, declaring a year-long 'People's War on Terror' (see Forum 'Terrorism and Violence in and from Xinjiang', p.308) primarily aimed at Xinjiang separatists. Within one week of this declaration of war, on 27 May, police, prosecution and judicial forces rounded up both suspects and convicted criminals and put them on display at a major public shaming rally in the city of Yili. They paraded these criminal and terrorist suspects and convicted offenders at a large public arena in

the style of the Strike Hard 严打 anti-crime campaigns of the 1980s and 1990s. The suspects received their sentences in front of over 7,000 people, including schoolchildren.

Although in the 1980s the Supreme People's Court outlawed the public parading and humiliating of convicted criminals and suspects, including by driving them through the street in trucks, an exception was apparently made for this opening salvo of the 'People's War on Terror'. The following day, the *Legal Daily* 法制报 applauded



In October 2014, fifteen suspects were driven through the streets of Yueyang, Hunan province, on the back of a truck labelled the 'Prisoner Van', before being taken to a public trial that was watched by thousands

Photo: Weibo

the public ritual: ‘These kinds of rallies are an important way for the people to see for themselves the outcomes of our efforts. They will improve the resolve of criminal justice organs (to fight the war) and will console the victims of terrorism.’

Contesting the Rule of Law

Muslim separatists and human rights advocates alike reject the idea of a Party-led rule of law. It is also clear that some in the party hierarchy, including its leftist wing, are not comfortable with the new rule of law thinking. A week before the Fourth Plenum Communiqué was announced, an article on law and politics in the Central Party School mouthpiece *Red Flag* 红旗 declared that it is not rule of law but ‘the people’s democratic dictatorship’ that must be urgently realised across the nation. ‘The Party must guarantee the fundamental interests of the labourers and masses and not substitute these interests for those who will benefit from the rule of law.’

Others have chosen more practical means of contesting Xi’s rule of law ideology. On the very day that the Fourth Plenum Communiqué was announced, another old-fashioned Maoist public sentencing rally hit the news headlines in Mao’s home province of Hunan. Authorities in Huarong county convened a joint ‘public arrest and public sentencing rally’ to put on public display sixteen suspects and eight convicted criminals, who were then placed in trucks and paraded on the streets following the outlawed practice. ‘The three heads’ (of the local police, prosecution and court) jointly organised the event to mark their local ‘strike hard’ campaign against robbery. While the event itself occurred three days before the Plenum, Hunan authorities waited until the day the Fourth Plenum Communiqué was released to broadcast the vision of the parading trucks on the television news. While social commentators and bloggers noted this ‘coincidence’, Beijing was initially silent. Three days later, Xinhua issued

an editorial in the *Beijing News* 新京报, declaring in high dudgeon tones that the event ‘proved that ruling the people is easy while ruling (local) officials is the difficult part’.

Conclusion

One constant that has been on display in the justice arena in China over the last three decades is the idea that broad national political discourses — Harmonious Society, Stability Maintenance and so on — set the context for how justice is dispensed. These political watchwords shape the way in which justice is conceptualised and practised. To this list, we can now add ‘comprehensively advancing the rule of law’, a recycled catchphrase from the Deng Xiaoping era but now with some additional ‘Xi Jinping characteristics’.

Xi Jinping’s interpretation of the rule of law includes his ability, as the head of the new National Security Commission and the Central Leading Group for Internet Security, to wield the dagger against terrorists while the Discipline and Inspection Commission under Wang Qishan wields the sword against corrupt officials.

Xi Jinping’s commitment to ‘recentralising’ justice is not some kind of ideological battle for judicial independence, nor an effort to wrest ‘law’ from the clutches of ‘politics’. His purpose is to decouple law from the dirty politics of local corruption and protectionism, and to meld it with the supposed ‘clean’ politics of central party oversight; this is what he means by governing ‘in accordance with the law’. Standardising and unifying judicial and policing practices across the legal system will indeed help improve judicial fairness and efficiency. It will also help to legitimise Xi’s administration and policies.

Yet Xi’s insistence on doing this ‘the party way’ places potentially irreconcilable, contradictory demands on the courts and other agents of

justice. It will be difficult for them to deliver 'justice for the people' while 'unifying' with the centre. Indeed, the government's requirement that the judicial organs join the battle to 'unify thinking' places the credibility of the justice system in question even as it is ridding itself of some of its most questionable historic practices.

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THE RIGHTS AND WRONGS OF THE LAW

Picking Quarrels and Provoking Trouble

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PICKING QUARRELS AND PROVOKING TROUBLE

Jeremy Goldkorn

DURING 2013–2014, the authorities increasingly used the criminal charge of ‘picking quarrels and provoking troubles’ 寻衅滋事 to detain activists, writers and dissidents, including all those listed below. Another criminal charge authorities have used against political dissidents or critics is that of ‘gathering a crowd to disrupt public order’ 聚众扰乱公共场所秩序罪, for which the noted lawyer Xu Zhiyong is currently serving a four-year prison sentence (see Forum ‘Xu Zhiyong and the New Citizens’ Movement’, p.292).

2013

14 September: Cao Shunli 曹顺利

Cao Shunli, a lawyer and rights activist, is detained at Beijing Capital Airport on her way to a human rights conference in Geneva. A month later she is formally arrested on charges of ‘picking quarrels and provoking troubles’. Despite suffering from tuberculosis, liver disease and uterine fibroids, she is denied medical help and dies in detention on 14 March 2014, two weeks short of her fifty-third birthday.



Cao Shunli, a civil rights activist, was arrested on charges of ‘picking quarrels and provoking troubles’
Photo: renminbao.com

2014**8 April: Wang Quanping** 王全平

The lawyer Wang Quanping drives to Beijing from Jiangmen city, Guangdong province to attend the trial of members of the New Citizens' Movement (see Forum 'Xu Zhiyong and the New Citizens' Movement', p.292) in a car covered with satirical slogans such as 'Citizens are welcome to disclose their assets — public servants excepted' 欢迎人民公开财产 人民公仆就免了. He is detained by plainclothes security personnel at the courtroom door and charged with 'picking quarrels and provoking troubles'.

22 April: Lin Dong 林东

Lin Dong, a prominent labour activist whose organisation helped organise strikes for social security and other benefits of some 40,000 workers at sports shoe factories in Dongguan, Guangdong province, is detained for thirty days. He is subsequently charged.

3 May: Xiang Nanfu 向南夫

A citizen journalist for the US-based website Boxun, Xiang Nanfu is put under criminal detention and paraded on

state television in a green prison vest (see Forum 'Orange as the New Black', p.316).

6 May: Pu Zhiqiang 浦志强

Pu Zhiqiang, a civil rights lawyer who gained prominence through his campaign to abolish labour camps, is detained after attending a private commemoration of the twenty-fifth anniversary of the Tiananmen Square crackdown (see Chapter 6 'The Sword of Discipline and the Dagger of Justice', p.260). One of at least four other human rights lawyers detained in May 2014 ahead of the anniversary, Pu is formally charged on 13 June.

14 September: Tie Liu 铁流

The eighty-one-year old writer, underground publisher and vehement critic of the Communist Party, Tie Liu (real name Huang Zerong 黄泽荣) is detained and accused of 'picking quarrels and provoking troubles'.



Tie Liu
Photo: rfa.org

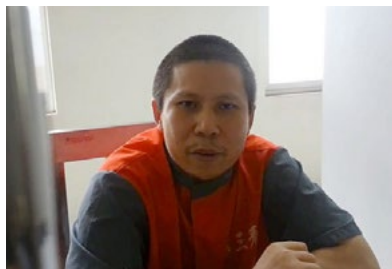
XU ZHIYONG AND THE NEW CITIZENS' MOVEMENT

Susan Trevaskes

XU ZHIYONG WAS until recently a lecturer at the Beijing University of Post and Telecommunications and is among China's best-known human rights lawyers. He was awarded a PhD in law in 2002 from Peking University under the supervision of the famous legal scholar Zhu Suli 朱苏力. In the aftermath of the Sun Zhigang 孙志刚 incident (in which Sun, a young man, was beaten to death while in police custody in Guangzhou) in 2003 he was one of the three legal scholars who wrote to the National People's Congress advocating the abolition of the system of Custody and Repatriation 收容遣送.

Together with the lawyer Teng Biao 滕彪, he founded Gongmeng 公盟 (The Open Constitution Initiative)

in 2003. Originally called the Sunshine Constitutionalism Social Science Research Centre, Gongmeng promoted the rule of law and the protection of citizens' constitutional rights. In 2009, the authorities forced the closure of Gongmeng and detained Xu on charges of tax evasion. Following his release, Xu and supporters continued advocating for the promotion and protection of human rights. They



Xu Zhiyong

Photo: news.sina.com.cn

collectively called themselves 'citizens' 公民, a term that, according to Xu, encapsulates individual autonomy, freedom and individual social responsibility.

The New Citizens' Movement emerged in May 2012 in the context of the promotion of the idea of a 'New Citizens' Spirit', a concept of citizenship that holds individuals as being rights bearers against the state. According to Xu, citizens have legal and political rights and the basic inalienable freedoms of belief, thought, expression and life. Today, the movement claims

approximately two hundred activists in thirty cities around China.

Xu was put under house arrest on 12 April 2013. He was formally detained on 16 July and arrested on 22 August that year. On 22 January 2014, the Beijing Number One Intermediate People's Court sentenced him to four years in prison for 'gathering a crowd to disrupt order in a public place' (Article 291 of the Criminal Law) in a trial of first instance. The Beijing Higher People's Court upheld the verdict on 11 April 2014.

AN OLD APPROACH TO NEW PROTESTS

Susan Trevaskes

IN THE VIEW OF the party-state's continuing sensitivity to social unrest, collective public protests remain a perceived threat to political stability. In May 2014, fearing that a proposed waste incinerator plant for Hangzhou's Yuhang district would contaminate their water supply, over 20,000 residents took part in a public protest, blocking a major highway. The following day, the local police, the procuratorate, courts and justice bureau jointly issued an 'Important Notice'



In May 2014, fearing that a proposed waste incinerator plant for Hangzhou's Yuhang district would contaminate their water supply, over 20,000 residents took part in a public protest

Photo: Shared by a protestor via takungpao (大公报)

accusing ‘criminals’ 犯罪者 and public order ‘offenders’ 违法者 of inciting others to beat up police, damage property and disturb the public order.

The notice posted photographs of the wanted trouble-makers on their list, warned of harsh punishments and urged those on the list to surrender to police in exchange for lenient treatment. By threatening people not yet convicted of an alleged crime and identifying them as criminals, the notice calls to mind the old practice of police, prosecution and courts ‘jointly handling cases’ 联合办案 and the courts ‘intervening in a case in advance’ 提前介入, as was routine during the many hard-line anti-crime campaigns of the 1980s and 1990s.

THE EXECUTION OF STREET VENDOR XIA JUNFENG

Linda Jaivin

XIA JUNFENG WAS a laid-off factory worker who sold grilled meat kebabs with his wife, Zhang Jing 张晶, in the city of Shenyang. On 16 May 2009, around ten *chengguan*, urban law enforcement officers, confronted the couple.

Chengguan, who have a reputation for brutality, have the thankless task of clearing city streets of stalls operating without a business licence, and are deeply unpopular with the public. Xia claimed it was in self-defence that he killed two and injured one with a fruit knife. But, on 11 November 2009, the Shenyang Intermediate People's Court sentenced Xia to death for manslaughter.

A two-year-long appeal by his wife and a volunteer legal team earned

the family nationwide sympathy, but the final verdict by the Liaoning Provincial People's High Court, on 9 May 2011, upheld the death sentence. The authorities informed his family only hours before giving Xia a lethal injection, on 25 September 2013, and only



Anonymous cartoon posted on Weibo criticising Xia Junfeng's execution. The background drawing was done by Xia's son

Source: executedtoday.com/tag/shenyang/



A cartoon by activist cartoonist Kuang Biao, circulated on Weibo, condemning Xia's execution

Source: executedtoday.com/tag/shenyang/

allowing them to see him for half an hour first. They refused Xia's last request to take a photograph for his then thirteen-year-old son. His execution, and the fact that the authorities apparently told the press about it before informing his family, sparked widespread outrage; for a day after the news broke, Xia's name was the most-searched-for term on Weibo.

ALMIGHTY GOD: MURDER IN A McDONALD'S

Aiden Xia

AT AROUND 9:00PM, on 28 May 2014, five people attacked and killed a woman in a McDonald's restaurant in Zhaoyuan 招远, Shandong province. A bystander filmed the murder on a mobile phone and the footage spread rapidly on the Internet. Within days, the police announced that the suspected killers were all members of the Church of Almighty God (also known as Eastern Lightning



On 21 August 2014, members of Church of Almighty God were put on trial for homicide and 'using a cult to undermine the law'. State media widely publicised the trial

Photo: Weibo/news.sohu.com

东方闪电 or The Real God 实际神), an organisation founded in 1990 by a physics teacher named Zhao Weishan 赵维山 and banned as a cult in 1995.

On 31 May, CCTV aired footage from an interview with the main culprit, Zhang Lidong 张立冬, who said that his group wanted to convert the victim, but she refused to give them her phone number. He expressed no remorse, calling the victim a 'demon' 魔鬼. Shortly after the incident, state-run media published a list of fourteen illegal cults.

On 21 August, the five suspects were put on trial in Yantai, Shandong province. All of them were accused of intentional homicide, and three of them of 'using a cult to undermine the law'. State media widely publicised the trial.

On 11 October, two of the five accused, including Zhang Lidong, received death sentences. Another received life without parole, and the remaining two accomplices received seven and ten years respectively.

TERRORISM AND VIOLENCE IN AND FROM XINJIANG

Jay Wang 王造玠

The last year has seen an unprecedented number of violent attacks in or linked to Xinjiang. These include attacks on civilians in railway stations and markets that were recorded on mobile phones and have been recognised by the international community (or at least US Secretary of State John Kerry) as terrorist attacks. The Chinese government sees these attacks as linked both to the Xinjiang independence and global jihadist movements. Below is a timeline of attacks and government responses.



28 October 2013: Five people die when Usman Hasan crashes into a crowd at Tiananmen Square
Photo: Weibo/thehindu.com

28 October 2013: Deliberate Car Crash, Tiananmen, Beijing

A man later identified as Usmen Hasan 乌斯曼·艾山 crashes an SUV into a crowd of tourists and passersby at Jinshui Bridge in Tiananmen Square, killing two bystanders along with himself and two passengers in his vehicle — his wife and mother. Thirty-eight other people are injured in what official media call the first terrorist attack in Beijing's recent history.

16 November 2013: Knife Attack, Seriqbuya 色力布亚

A violent incident in April 2013 results in the deaths of twenty-one people in Seriqbuya township near Kashgar 喀什 in Xinjiang. Authorities order a security crackdown. This prompts protests from the local Uyghur population against the harsh measures. According to Chinese media reports, on 16 November, nine Uyghur individuals, armed with knives and axes, storm the police station, and are shot dead. Two local police employees die in the attack, while another two are injured.

15 December 2013: Clash Between Police and 'Terror Gang', Kashgar

Police kill fourteen Uyghur members of what the Chinese Foreign Ministry calls a 'violent terror gang' near Kashgar; two police officers also die.

30 December 2013: Knife and Explosives Attack, Yarkand 莎车

According to regional government reports, 'nine thugs carrying knives' attack a police station, throw explosives, and set police vehicles on fire in Yarkand county near Kashgar. Eight of the attackers are shot dead and one is captured by police.

1 March 2014: Massacre of Civilians at Train Station, Kunming

At 9:20pm local time, a group of six male and two female assailants clad in all-black attire and armed with knives and cleavers rush into the ticket lobby of the Kunming Railway Station in Yunnan and indiscriminately attack civilians. The stabbing attack leaves twenty-nine civilians and four of the suspected killers dead, with one female assailant captured on the spot.



1 March 2014: Six male and two female assailants indiscriminately attack civilians with knives and cleavers at Kunming Railway Station in Yunnan. The attack leaves twenty-nine civilians and four of the suspected killers dead

Photo: Xinhua/scmp.com

Another 143 individuals (including seven police officers) are injured. On 3 March, China's Ministry of Public Security announces that an additional three suspects have been arrested.

28 April 2014: Xi Jinping Visits Police and Villages, Kashgar

On 26 April, state media report that Xi Jinping has told a Politburo study session that the Chinese public must build a 'wall of bronze and iron' to fight terrorism, and 'make terrorists become like rats scurrying across a street as everybody shouts "beat them!" '. Two days later, he visits a Kashgar police station and a Uyghur village, and watches military counter-terrorism training at a nearby base.

30 April 2014: Suicide Bombing at Railway Station, Ürümqi

At 7:10pm on the final day of a four-day tour of Xinjiang by Xi Jinping, two assailants detonate suicide bombs at the exit of the Ürümqi South Railway Station, after initially attacking passengers with knives. The attack leaves three dead and seventy-nine others injured.

15 May 2014: Police Counter-terrorism Training, Xinjiang

Following Xi Jinping's April visit to Xinjiang, China's Ministry of Public Security selects thirty specialist officers from around the country to train local police in Xinjiang on counter-terror-

ism tactics and combat skills, including the use of weapons and emergency response training.

20 May 2014: Mass Sentencing Rally Ürümqi

The Xinjiang People's Higher Court sentences thirty-nine people to prison terms of varying lengths for crimes including inciting ethnic hatred, organising terrorist groups and the illegal manufacture of guns.

22 May 2014: SUV Crash and Bomb Attack, Ürümqi

On 20 May 2014, police open fire in Aksu 阿克苏 prefecture in western Xinjiang on a crowd that has gathered to protest restrictions on religious attire. Two days later, five assailants in two SUVs fling explosives at shoppers on a busy street market in Ürümqi and run over passersby. Forty-three people are killed in the early morning attack, including four of the assailants, who die in a head-on collision between the two SUVs. More than ninety others are wounded, most of whom are elderly Han Chinese.

1 July 2014: Officials Banned From Fasting for Ramadan, Xinjiang

A number of government departments forbid Muslim civil servants from fasting during Ramadan. State-run media declare that the ban extends to party members, teachers and students, and expound upon the dangers of fasting. Such bans are not new, but state media give them special prominence this year.

28 July 2014: Mass Knife and Axe Attack, Yarkand

According to Xinhua, large groups of assailants attacked a police station and government offices in the neighbouring towns of Elixku and Huangdi in Yarkand county. Thirty-seven victims of the attack and fifty-nine of the attackers die, according to police, who arrest 215 other people. The government names Nuramat Sawut 努拉买提·萨吾提, leader of the East Turkestan Islamic Movement Uyghur separatist group as the mastermind behind the attack, and claim that the assailants had foreign assistance.

Rioting mobs converge on an open-air market and two police stations in central Xinjiang, setting off explosives that kill ten people, including two police officers, two police assistants, and six bystanders, while injuring fifty-four

others. The police response results in the deaths of forty of the attackers, who are either shot dead or take their own lives using explosives.

23 September 2014: Economics

Professor Sentenced to Life Imprisonment, Ürümqi

The Intermediate People's Court of Ürümqi sentences Ilham Tohti 伊力哈木·土赫提, a Uyghur professor of economics at Beijing's Minzu University (formerly known in English as the Nationalities University), to life imprisonment on charges of separatism

and inciting ethnic hatred. Ilham, who was detained in January, ran a Chinese language website that discussed social and economic issues facing Uyghurs and promoting Han-Uyghur dialogue.

12 October 2014: Knife and Bomb Attack on Market, Kashgar

Four Uyghur men attack a Han Chinese farmers' market in Kashgar's Maralbelxi 巴楚 county with knives and explosives, taking eighteen lives, including an unknown number of police officers. All four attackers are killed during the raid.

Knife and bomb attack on market in Kashgar
Source: Newcastle Chinatown



ORANGE AS THE NEW BLACK

Joanna (Yeejung) Yoon

Since 15 July 2013, CCTV has aired a number of confessions made by people accused but not yet convicted of a wide variety of crimes. Many appeared in orange prison uniforms (either waistcoats or jumpsuits), with others in yellow and green.

Liang Hong, 15 July 2013

Vice-President of Operations in China for pharmaceutical giant GlaxoSmith-Kline (GSK), Liang Hong 梁鸿, appeared on the primetime CCTV News 新闻联播 to confess that GSK had used bribes to expand its business in China. In September 2014, the Changsha City Intermediate People's Court (Hunan province) fined GSK three billion yuan, the highest penalty given to a foreign company to date. Liang and other senior GSK executives received sentences of two to four years for bribing non-government personnel.

Peter Humphrey and Yu Yingzeng, 27 August 2013

GSK employed Peter Humphrey, a Shanghai-based British private investigator, and his Chinese-born American wife Yu Yingzeng 虞英曾 to identify the whistle-blower who had reported its alleged corrupt practices to the authorities (see Liang Hong). Humphrey and Yu confessed on CCTV to having illegally bought and sold private information on Chinese citizens.

Charles Xue, 29 August 2013

On 12 August 2013, the chief of the State Internet Information Office, Lu Wei, attended a dinner with influential microbloggers or 'Big Vs', where he reminded them of their 'responsibilities' to society. One of the Big Vs present was Charles Xue 薛必群 (aka Xue Manzi 薛蛮子), a frequent critic of government policies. The following week, police arrested Xue for soliciting prostitutes. On 29 August, CCTV aired a video of Xue confessing to group sex (a crime in China) and an addiction to prostitutes (see the *China Story Yearbook 2013: Civilising China*, Information Window 'The Struggle Against Rumours', p.432).

On 15 September, CCTV aired a second confession from Xue in which he said that his influence on Weibo made him feel 'like an emperor', that he had abused his power, and passed on unverified information as fact. In April 2014, before the authorities laid charges, Xue was released on bail because of a medical condition.

Dong Rubin, 17 October 2013

Dong Rubin 董如彬 shot to fame in 2009 when he blogged about the death

of an inmate in a Yunnan jail. The police claimed the inmate had died playing a game of hide and seek 躲猫猫, a term which then became an Internet meme. In his October TV appearance, Dong confessed to exaggerating information for the benefit of clients of his Internet promotion business.

Chen Yongzhou, 26 October 2013

Chen Yongzhou 陈永州, a journalist, appeared on CCTV News to confess that he had been bribed to run fabricated stories about a business in Changsha, Hunan province. Fellow journalists had expressed outrage immediately after his arrest, but many went quiet after hearing Chen's confession.

Tang Xianbing and Liu Han, 21 February 2014

In 2013, Liu Han 刘汉, a mining and real estate tycoon in Sichuan province, was arrested with thirty-five other suspected gang members for murder, blackmail and other crimes. Some media reports linked him to the fallen former Chongqing Party Secretary Bo Xilai. On 21 February 2014, CCTV aired a tape showing Tang Xianbing 唐先兵, a security guard with Liu's

company, confessing to multiple murders on Liu's orders. Liu and Tang have both been handed the death sentence.

Qin Zhihui, 1 April 2014

Qin Zhihui 秦志晖 (aka Qin Huohuo 秦火火), an Internet publicity agent, appeared on CCTV News confessing to spreading rumours and fabricating stories online. He was sentenced to three years in jail on 11 April.

Xiang Nanfu, 3 May 2014

Xiang Nanfu, a freelance contributor to the US-based Chinese news website Boxun who had written on such topics as organ-harvesting and police brutality, appeared on CCTV News and confessed to writing false stories that damaged China's image.

Gao Yu, 7 May 2014

Gao Yu 高瑜, a seventy-year-old journalist, was arrested on 24 April 2014 and accused of providing an internal Party document to an overseas website (see the *China Story Yearbook 2013: Civilising China*, Forum 'Party Policies from One to Ten', p.114). In

May, CCTV broadcast blurred footage of a 'Ms Gao', a figure in orange prison clothing, expressing remorse for her actions.

Zhang Lidong, 31 May 2014

On 28 May, members of the Church of Almighty God religious cult beat a woman to death in a McDonald's restaurant in Shandong province. In his televised confession, the main culprit, Zhang Lidong, said they wanted to convert the victim, but she refused to give them her phone number (see Forum 'Almighty God: Murder in a McDonald's', p.304).



Gao Yu, a seventy-year-old journalist, was arrested on 24 April 2014 and accused of providing an internal party document to an overseas website

Photo: blogs.wsj.com

Mirzat, 21 June 2014

A man identified as Mirzat 木尔扎提 confessed to being one of three Uyghur men who had entered a mahjong parlour in Hotan city in Xinjiang and attacked patrons with axes. Mirzat said the leader of the gang had convinced him that he would go to paradise if he participated in jihad. He apologised and promised never again to involve himself in terrorist activities.

Zhang Yuan, 27 June 2014

Film director Zhang Yuan 张元 confessed to using drugs following a positive urine test earlier that month. Zhang had form, having previously appeared on CCTV in a 2008 drug bust.



Independent film director Zhang Yuan confessed to using drugs, following a positive urine test.

Photo: media.people.com.cn



Guo Meimei
Photo: CCTV/ent.qq.com

Guo Meimei, 3 August 2014

Guo Meimei 郭美美 became notorious in 2011 for flaunting her luxurious lifestyle while claiming to work for the Chinese Red Cross (see the *China Story Yearbook 2012: Red Rising, Red Eclipse*, Chapter 8 'Voices from the Blogosphere I', p.204). She remained an Internet celebrity, frequently showing off inexplicable riches. Her CCTV appearance was the first time she had been seen without her glamorous props: sans makeup and wearing an orange prison vest. She confessed to lying about her connection to the Red Cross as well as to organising illegal gambling and charging for sexual services.

Ko Chen-tung and Jaycee Chan, 18 August 2014

On 18 August, Beijing media reported that Jaycee Chan (aka Fang Zuming 房祖名), the actor and son of the Hong Kong movie star Jackie Chan, had been arrested in Beijing on drug-related charges together with Taiwanese actor Ko Chen-tung ('Kai Ko') 柯震东. That night, Ko appeared on CCTV crying and apologising to his fans for his misbehaviour. Copies of the yellow and blue vest Ko wore quickly became a trending item on the online commerce site Taobao.



Ko Chen-tung tearfully apologises on CCTV
Photo: law.southcn.com

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BRINGING ORDER TO ALL- UNDER-HEAVEN

Geremie R Barmé

Bringing Order to All-Under-Heaven

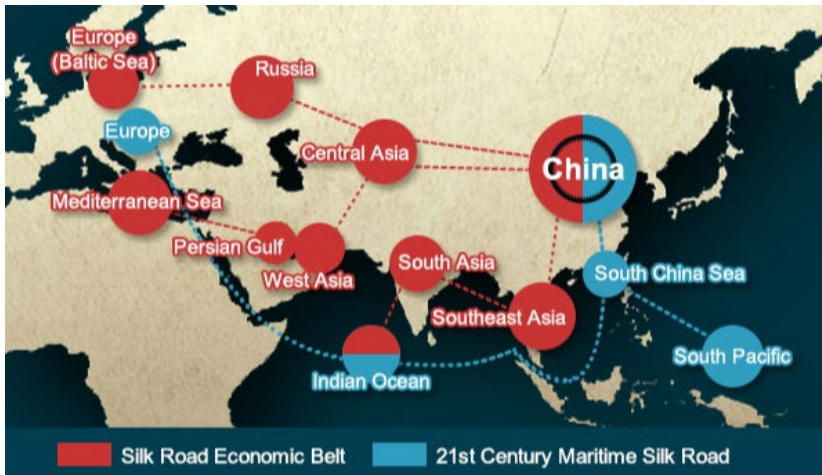
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CHINA STORY YEARBOOK | Bringing Order to All-Under-Heaven
2014 | Geremie R. Barne

Xi Jinping's formulation of the Community of Shared Destiny was a key rhetorical device used in China's regional and international policy during 2013–2014. It promised to 'operationalise' resuscitated, and long-debated ideas related to All-Under-Heaven *tianxia*, discussed in the Introduction to this volume. Non-mainland analysts and commentators generally have scant interest in Chinese party-state attempts to articulate new international relations or strategic concepts in a language that weds statist Confucian concepts with those of Marxist-Leninist modernity. Perhaps it is an affront that a derivative Marxist state lays claim to some unique approach to world affairs, even though its economic and global heft are undeniable. Status quo thinkers rarely want to make room for unorthodox approaches, especially those essayed by a one-party state that has been in an agonistic relationship with the West since the Second World War.

Nonetheless, the concept of Shared Destiny continued to enjoy Xi Jinping's endorsement; in recent years, the expression appeared no fewer than sixty-two times in the Chinese leader's statements and speeches. As we noted earlier, Shared Destiny is premised on mutuality; as Xi Jinping put it, bilateral relationships and the regional order rely on amity, sincerity, mutual benefit and inclusiveness. But China is, if nothing else, a radically pragmatic state that cloaks its needs in high-flown rhetoric and bombast. On the ground it is concerned with the practical organisation of national relationships and it pursues this with a single-minded obsession with hierarchy, structuring its concentric view of the world according to various levels of strategic relationship, each with elaborate conditions and benefits attendant upon them.

In the Maoist-era international affairs were conceptualised in terms of Three Worlds, that of the regnant superpowers, a cluster of developed nations and the riven nations of the Third World. Mao Zedong constantly mulled over the complex interplay between these spheres, calculating his strategic moves according to what he saw as fluid contradictions and advantageous opportunities for China. In the new and evolving ordering of the world as conceived by Beijing, the communities of shared destiny too



One Belt One Road: China is working with sixty nations to build a modern-day Silk Road, on land and by sea
 Source: chinadialogue.net

jostle for attention, and they demand constant cultivation, just as strategic partnerships require nurturing in the hope of real-world and long-term pay-offs.

Although the term Shared Destiny has a prominent place in Chinese discourse, over time it may well be overshadowed by the well-funded propaganda push from late 2014 to advance the newer concept of One Belt One Road 一带一路. This is a series of proffered trade and communications corridors promised to embed China further into global networks, and to allow China to bind others to what it has called its ‘locomotive of Chinese development’ 中国发展的列车.

Evening Talks at Yingtai

The year 2014 ended with blue skies for China. The cerulean vault over and crisp air of Beijing was cleared as a result of a months’ long government-directed mass campaign to reduce pollution in and around the Chinese capital. The engineering of what would be celebrated as ‘APEC Blue’ or APEC蓝 for the November 2014 APEC Summit involved the policing of factory, vehicle and domestic emissions by over 400,000 cadres in Beijing

itself, the city of Tianjin, as well as in the nearby provinces of Hebei, Shanxi, Shandong, Henan and Inner Mongolia.

The blue skies of 1–12 November provided a benign covering for another smoothly run global event in the Chinese calendar. For the world APEC 2014 was made all the more significant by the fact that it featured a major China–US Summit on the sidelines. Known as the ‘Evening Talks at Yingtai’ 瀛台夜谈 — Yingtai being the island palace at Zhongnanhai, the party-state compound in Central Beijing — the summit was regarded as a significant but similarly casual event as the June 2013 Sunnylands Summit in the US (see Chapter 2 ‘Whose Shared Destiny’, pp.60–61). The Beijing meeting between presidents Xi Jinping and Barack Obama was capped by a US–China Joint Announcement on Climate Change. A prelude to the United Nations Climate Conference to be held in Paris in late 2015, this agreement promised ambitions post-2020 actions on climate change. The formal announcement declared that:

The United States intends to achieve an economy-wide target of reducing its emissions by 26%–28% below its 200 level in 2025 and to make best efforts to reduce its emissions by 28%. China intends to achieve the peaking of CO₂ emissions around 2030 and to make best efforts to peak early and intends to increase the share of non-fossil fuels in primary energy consumption to around 20% by 2030.

There were also undertakings to increase these targets over time.

In the age of the Anthropocene, that is the global era shaped crucially by human activity, shared destiny is inextricably bound up with climate change, resource depletion and efforts at mitigation. Given the importance of pollution in China and, indeed, the near-hysterical concern that the Chinese party-state has about such nebulous polluting factors as those found in the realm of ideas, politics and culture, we will take Pollution 染 as the theme of the 2015 *China Story Yearbook*.



The Masked City

Photo: From the series 'The Masked City', by Sam Gallagher, 2014

CHRONOLOGY

The following outline chronology covers some of the key events touched on in this book.

2013

24 September: Xia Junfeng, a street vendor convicted of killing two *chengguan* (urban law enforcement officers) is executed in Shenyang, Liaoning province, despite popular support for him and widespread resentment against *chengguan*.

25 September: Li Tianyi 李天一, the seventeen-year-old son of celebrity People's Liberation Army singers Li Shuangjiang 李双江 and Meng Ge 梦鸽, is sentenced to ten years in prison for gang rape in a case that attracted widespread attention and outrage in China.

16 October: The Party's bi-monthly political theory journal *Qiushi* publishes an article strongly denouncing democracy and 'constitutionalism' (requiring the Chinese party-state to follow the Chinese constitution), part of a broader campaign against liberal thinking.

24 October: A court in Shandong province rejects the appeal of Bo Xilai, the former Chongqing party boss sentenced to life in prison for bribery, embezzlement and abuse of power.

25 October: During a speech at a conference on Diplomatic Work with

Neighbouring Countries, Xi Jinping stresses 'letting the awareness of a community of common destiny to take root in [our] neighbouring countries'. This is understood as a guiding principle for China's diplomacy with its neighbours.

28 October: A Jeep with a Xinjiang number plate and a Uyghur driver crashes into a crowd of people on Tiananmen Square, bursting into flames and killing two people and injuring forty, including foreign tourists. An audio recording published on the Siteintelgroup.com website claims responsibility on behalf of the East Turkestan Islamic Movement.

8 November: *The New York Times* reports that editors at Bloomberg News in Hong Kong chose not to run a story on ties between a wealthy businessman and China's top leadership for fear of repercussions against Bloomberg in China. Bloomberg denied censoring the story, saying that it had not been ready for publication.

12 November: The Third Plenum of the Chinese Communist Party's Eighteenth Central Committee concludes in Beijing with the release of a lengthy

communiqué laying out the latest plan for economic reform.

23 November: The Chinese government proclaims an 'Air Defence Identification Zone' over a large area of the East China Sea including the disputed Diaoyu/Senkaku Islands. Japan, Australia and the United States protest the unilateral proclamation.

2 December: China launches the Chang'e-3 嫦娥三号 lunar probe carrying the country's first moon rover.

12 December: As part of a wide-ranging campaign against corrupt practices, the State Council releases 'Regulations on Official Receptions for All Party and Government Departments' 党政机关国内公务接待管理规定, requiring all government and administrative departments to observe thirty-eight prohibitions including those against the consumption of shark fin and other luxury items.

26 December: At a symposium held in Beijing to commemorate the 120th anniversary of the birth of Mao Zedong, Party General Secretary Xi Jinping states that the Communist Party of China will forever hold high the banner of

Mao Zedong Thought. Before the symposium, Xi and China's other six top leaders visit Mao's mausoleum on Tiananmen Square and they bow three times in front of Mao's statue.

28 December: Xi Jinping turns up unannounced at a steamed bun restaurant in Beijing and buys a twenty-one-yuan set meal consisting of six pork and onion buns, pork liver stew and fried mustard greens. Despite little coverage in the official media, the news circulates widely on Weibo.

29 December: The Party's Central Committee and the State Council prohibit officials from smoking in venues where smoking is banned, and from using public funds to buy cigarettes including for use in official hospitality.

2014

23 January: The Beijing Municipal Bureau of Statistics announces that Beijing's population reached 21.15 million at the end of 2013.

26 January: Xi Jinping visits a PLA border outpost in Inner Mongolia, and the *People's Daily* publishes images of the

president sharing a meal with the soldiers.

9 February: CCTV broadcasts an investigative report showing police raiding saunas, karaoke bars and other venues associated with the sex trade in Dongguan, Guangdong province. Sixty-seven people are detained in the raid and twelve venues shut down, and a week later the Public Security Bureau warns it will not tolerate such crimes.

10 February: The first official talks between the Republic of China (Taiwan) and the People's Republic of China in sixty-five years take place at a symbolic meeting in Nanjing, the former republican capital. No national flags are displayed and the officials present wear no official or party insignia.

25 February: The Uyghur scholar and professor at the Minzu University of China in Beijing, Ilham Tohti, who had been held incommunicado since being detained in Beijing on 15 January, is formally charged with 'separatism' (advocating Xinjiang independence). In September, a court finds Tohti guilty of separatism and jails him for life and, in November, an Ürümqi court rejects his appeal and upholds his conviction.

1 March: Some ten men armed with knives, all apparently Uyghurs, kill twenty-nine people and injure more than 130 at Kunming Railway Station in Yunnan province.

18 March: In Taipei, hundreds of students and other activists occupy the Legislative Yuan, Taiwan's unicameral legislative assembly, to voice their opposition to the Cross-Strait Service Trade Agreement signed between Taiwan and Mainland China. The movement is soon dubbed The Sunflower Student Movement.

7 April: After the business magazine *Caijing* reports that the city of Baoding in Hebei province is likely to become the centre of the new Beijing–Tianjin–Hebei (or Jing-Jin-Ji 京津冀) regional agglomeration, property prices there rise by between ten and forty percent.

24 April: Gao Yu, a seventy-year-old Chinese journalist, is detained in Beijing. She is later shown on CCTV apparently confessing to having leaked state secrets to an overseas website. On 20 November, she is charged with that crime in a Beijing court where she retracts her confession, saying it was made under duress. No verdict had

been announced at the time of compiling this *Yearbook*.

30 April: After a group of men at the largest train station in Ürümqi, the capital of Xinjiang, attack bystanders with knives, a bomb explodes killing three and injuring seventy-nine.

2 May: Without consultation, China installs an oil-drilling rig in waters 120 miles from Vietnam's coast and near the Paracel Islands, which are claimed by both countries. The rig sparks a diplomatic row as well as three days of anti-China unrest in Vietnam on 13–15 May during which at least twenty-one people are killed and nearly one hundred injured. China recalls the rig on 16 July, a month earlier than scheduled.

4–11 May: Chinese Premier Li Keqiang arrives on the African continent for an official visit to Ethiopia, Nigeria, Angola and Kenya. On 5 May, he delivers a speech at the African Union Convention Centre in Addis Ababa in which he outlines his vision for a China–Africa strategic partnership.

6 May: A month before the twenty-fifth anniversary of the 1989 Beijing massacre, Pu Zhiqiang, a human rights lawyer, is detained by police on suspicion of 'causing a disturbance'. Pu is formally arrested in June and, on 21 November, Pu's lawyer reveals that Pu may face additional charges that could result in a ten-year prison sentence.

6 May: Six people are injured in a knife attack outside a railway station in Guangzhou, the third violent stabbing at a major Chinese railway station in as many months.

13 May: For the first time, female soldiers form part of China's honour guard welcoming a foreign head of state to China: in this case, the president of Turkmenistan.

19 May: US Attorney General Eric Holder charges five members of the PLA with the criminal hacking of computer systems belonging to US companies as well as a labour union in order to steal trade secrets.

21 May: After ten years of negotiations, Russia's Gazprom and China's CNPC sign a US\$400 billion gas deal for Russia to supply China with gas for thirty

years; the price China will pay for the gas remains a 'commercial secret'.

22 May: Two vehicles without licence plates plough into crowds at an open air market in Ürümqi, followed by the detonation of explosive devices, killing at least thirty-one people and injuring ninety-four.

23 May: Liu Han, a mining tycoon with ties to Zhou Yongkang, China's former security chief, is sentenced to death for organised crime in a trial in Hubei province that included thirty-five other defendants charged with 'organising, leading and participating in Mafia-like groups'.

28 May: A woman is beaten to death by five members of the Almighty God cult at a McDonald's outlet in Zhao-yuan, Shandong province. On 11 October, two members of the cult are sentenced to death for the murder, and three others are given prison sentences.

10 June: The State Council releases a white paper on the 'one country, two systems' policy, hardening Beijing's stance with regard to Hong Kong autonomy.

20 June: More than 350,000 residents in Hong Kong participate in an unofficial referendum on the Beijing-approved process by which the chief executive is selected, a poll that the Chinese government denounces as 'illegal and invalid'.

30 June: At a ceremony marking the sixtieth anniversary of the Panchsheel Treaty between China and India, Xi Jinping reiterates his assertion (first made in May 2014) that Chinese people have 'no gene for invasion or hegemony'.

30 June: A meeting of the Politburo, presided over by Xi Jinping, agrees to reform the internal investigation process. The meeting occurs after the Party expels Xu Caihou, former vice-chairman of China's Central Military Commission; Jiang Jiemin, former head of the State-Owned Assets Supervision and Administration Commission; Li Dongsheng, former vice-minister of Public Security and Wang Yongchun 王永春, former vice-general manager of the China National Petroleum Corporation for corruption.

7 July: The Weibo microblog and other social media accounts of the

outspoken writer and social critic Li Chengpeng 李承鹏, who had nearly six million followers, disappear from the Internet; it is apparently the target of a widely publicised government campaign to rein in outspoken online commentators holding officially-verified accounts with large followings, known as the 'Big Vs'.

10 July: Australian Foreign Minister Julie Bishop reportedly pledges to stand up for Australian values and 'manage for the worst' when dealing with China, which she says 'does not respect weakness'. On 14 July, an editorial in both the English and Chinese editions of the *Global Times* deride Bishop as a 'complete fool'. Bishop personally writes to Xinhua to clarify that she did not directly use the phrase 'stand up to China' in the interview.

14–23 July: Xi Jinping undertakes his second state visit to Latin America, stopping in Brazil, Argentina, Venezuela and Cuba.

15 July: Indian Prime Minister Narendra Modi meets President Xi Jinping on the sidelines of the BRICS Summit in Brazil, Modi's first summit-level interaction with China. Both sides describe

the talks as unusually substantive, which lay the foundation for a new chapter in Sino-Indian ties.

1 July: At a Sotheby's auction in Hong Kong, billionaire businessman Liu Yiqian puts in the winning bid of US\$36.3 million for an extremely rare Qianlong-era (eighteenth century) porcelain cup with a chicken motif. It was the most expensive work of Chinese art to sell at auction in 2014 up to that date — but in November, Liu set another record when he paid US\$45 million at a Christie's auction, also in Hong Kong, for a fifteenth-century Tibetan thangka (a Tibetan Buddhist painting).

21 July: The proportion of Internet users in China getting online via their smartphones reaches 83.4 percent — more than 500 million people, surpassing for the first time the proportion using desktops or laptops.

29 July: China's state media announces that Zhou Yongkang, a former member of the Chinese Communist Party's Politburo Standing Committee, is under investigation for serious disciplinary violations, ending more than a year of speculation about Zhou's fate.

29 July: Wang Weiguang 王伟光, head of the Chinese Academy of Social Sciences (CASS), states that CASS is not 'a relaxed alliance for freelancers' 自由撰稿人的松散联盟 but a frontline for the dissemination of the thinking of party leaders, scientific theory and ideology. Its top ten research grants for 2014 are all awarded to study Xi Jinping thought and ideology.

3 August: CCTV broadcasts a news story featuring the Internet celebrity Guo Meimei confessing to prostitution and gambling charges.

7 August: A new law requires real-name registration for all public accounts on instant messaging services such as the popular mobile app WeChat as part of a crackdown on online rumours, libel, pornography and violence. According to state media, Tencent had closed twenty million WeChat accounts for offering prostitution services.

14 August: Jaycee Chan, also known as Fang Zuming, the son of actor Jackie Chan, is detained after police find more than one hundred grams of marijuana at his apartment. Also detained is the Taiwanese actor Ko Chen-tung.

On 17 September, Jaycee Chan is formally charged with allowing others to take drugs at his home.

27 August: Xi Jinping meets with Le Hong Anh, special envoy of the General Secretary of the Communist Party of Vietnam, for talks in Beijing to address recent tensions in the relationship (see 2 May).

9 September: China deploys 700 soldiers in a UN peacekeeping force in South Sudan to safeguard oil fields and protect Chinese workers and installations. UN officials reveal that this is the first time that Beijing has contributed a battalion to a UN peacekeeping force.

18 September: Chinese ecommerce giant Alibaba launches the largest initial public offering in history on the New York Stock Exchange, raising US\$25 billion.

19 September: More than a year after the announcement of an investigation into the British pharmaceutical giant GlaxoSmithKline operations in China, a court in Changsha, Hunan province finds the company guilty of bribing

doctors and hospitals to promote GSK products, and fines it three billion yuan.

26 September: The University of Chicago suspends negotiations to renew its agreement to host a Confucius Institute 孔子学院. More than one hundred faculty members had signed a petition condemning the Institute's impact on academic freedom at the university. On 1 October, a second US university, Pennsylvania State, announces that it will also close its Confucius Institute.

28 September: Following a week of student strikes in Hong Kong over electoral reforms, protests spread and provoke a heavy-handed response by police, who detain several protesters.

11 October: China's Supreme People's Court issues new rulings dubbed 'anti-human flesh engine rules' intended to protect people from online persecution, but that also added another set of legal tools for 'managing' the Internet, a euphemism for government control of online public opinion.

14 October: The State Administration for Press, Publication, Radio, Film and

Television 国家广播电影电视总局 bans books by at least eight Chinese writers and scholars, including economist Mao Yushi, legal scholar Zhang Qianfan 张千帆, historian Yu Ying-shih 余英时 and columnists Xu Zhiyuan 许知远 and Xu Xiao 徐晓.

15 October: At a 'Forum on Art and Literature' in Beijing, Xi Jinping calls on Chinese artists to create 'socialist culture and art' that is 'artistically outstanding and morally inspiring' and that serves 'correct' viewpoints with regard to history, nationality and culture. He singles out patriotic blogger Zhou Xiaoping for special praise for his 'positive energy'. Commentators liken it to the 1942 speech on art and literature by Mao Zedong that guided China's cultural policies for the first three decades of the Communist era.

20-23 October: The Fourth Plenum Session of the Eighteenth Central Committee of the Chinese Communist Party convenes in Beijing. An official Central Party Communiqué is released together with a document on 'Governing the Country According to the Law'.

24 October: Representatives from twenty-one Asian nations sign an agreement to establish the Asian Infrastructure Investment Bank, a Chinese initiative that will lend money for infrastructure development in poorer parts of Asia. The US, Japan, and Australia declined to join. The bank's founding capital is US\$50 billion.

10-12 November: The twenty-sixth annual gathering of APEC leaders takes place in Beijing. Factories and government offices are shut down and car use restricted for a week, giving rise to the phrase 'APEC Blue' APEC蓝 to describe the resulting clear skies.

10 November: On the sidelines of the APEC gathering in Beijing, following an awkward handshake, Chinese President Xi Jinping and Japanese Prime Minister Abe Shinzo hold their first formal talks.

12 November: China reveals plans to establish a new bank to fund development of the 'New Silk Road', reviving intercontinental land routes and maritime links through central Asia. Four days earlier, Xi Jinping had announced

that China would invest US\$40 billion in a New Silk Road fund for infrastructure development and industrial and financial co-operation in Asia.

12 November: Presidents Xi Jinping and Barack Obama announce an ambitious bilateral agreement on climate change as well as the introduction of reciprocal ten-year, multiple entry short-stay visas for ordinary citizens.

14 November: At a joint press conference with Barack Obama following the APEC gathering, Xi Jinping responds to a question from a *New York Times* journalist on press freedom in China, defending the Chinese government's refusal to give visas to a number of foreign journalists, saying the barred journalists had only themselves to blame.

16 November: In a private exchange at Kirribilli House with the German Chancellor Angela Merkel, Prime Minister Tony Abbott admits that Australia's policies towards China are driven by two emotions: 'fear and greed'.

17 November: Following a meeting between Australian Prime Minister Tony Abbott and Xi Jinping, representatives

of China and Australia sign a 'Declaration of Intent to work towards signature of the China–Australia Free Trade Agreement'.

19–21 November: China hosts the World Internet Conference in the town of Wuzhen, Zhejiang province. Participants include the heads of all major Chinese Internet firms as well as executives from Western tech companies operating in China.

17 November: Xi Jinping addresses Australia's parliament, saying China aims to become a 'modern socialist country that is prosperous, democratic, culturally advanced and harmonious by the middle of the century'. Prime Minister Tony Abbott misunderstands the stock formulation, and says that Xi has made an unprecedented commitment to make China 'fully democratic' by 2050.

21 November: The People's Bank of China cuts interest rates, a move widely seen as an economic stimulus to offset slowing growth. One of the immediate effects of the rate cut was a boost to China's stock markets as investors rushed to move their money into shares.

25 November: The Legislative Affairs Office of China's State Council releases for public comment a draft of China's first national law against domestic violence, formally defining domestic violence as a crime and streamlining the process for obtaining restraining orders.

30 November: As violent clashes between pro-democracy protestors and police continue in Hong Kong, Beijing bars a group of British politicians from entering Hong Kong after one of them declares support for the protests.

4 December: China celebrates its first China Constitution Day 国家宪法日.

9 December: China awards the third annual Confucius Peace Prize (founded in response to the awarding of the Nobel Peace Prize to Liu Xiaobo in 2010) to Fidel Castro. Cuban students in Beijing accepted the award on behalf of their retired president. Previous recipients include Vladimir Putin and Lien Chan 連戰 (former premier of Taiwan and chairman of the Kuomintang).

11 December: Police bring a peaceful end to the seventy-five days of occupation of Hong Kong's central Admiralty district by pro-democracy protesters; the last site (in Causeway Bay) is cleared on 15 December. Protests continue, guerrilla style, with people carrying yellow umbrellas while singing Christmas carols and carrying out other actions.

13 December: China marks its first state commemoration of the Nanjing Massacre 国家公祭.

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ONLINE MATERIAL

Electronic versions of this book and supplementary materials are available for free download in a variety of formats at: www.chinastory.org. Below are some of the resources available on The China Story site:

China Story Yearbook 2014:

Shared Destiny

[thechinastory.org/yearbooks/
yearbook-2014](http://thechinastory.org/yearbooks/yearbook-2014)

China Story Yearbook 2013:

Civilising China

[thechinastory.org/yearbooks/
yearbook-2013](http://thechinastory.org/yearbooks/yearbook-2013)

China Story Yearbook 2012:

Red Rising, Red Eclipse

[thechinastory.org/yearbooks/
yearbook-2012](http://thechinastory.org/yearbooks/yearbook-2012)

Dossier

Chinese-language source materials and supplementary materials related to the Yearbooks

thechinastory.org/yearbook/dossier

The China Story Journal

The China Story Journal is a companion to the Yearbook where we publish a variety of articles, essays and enquiries throughout the year

thechinastory.org/journal

Key Intellectuals

Profiles of some of China's leading public or citizen intellectuals, men and women who are vitally involved with the ideas, debates and concerns about China's present and its future direction

[thechinastory.org/thinking-
china/-key-intellectuals](http://thechinastory.org/thinking-china/-key-intellectuals)

Index and searchable database for The China Story

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