

Golley, Jane (Ed.); Jaivin, Linda (Ed.)

**Book — Published Version**

## Prosperity

China Story Yearbook 2017

**Provided in Cooperation with:**

ANU Press, The Australian National University

*Suggested Citation:* Golley, Jane (Ed.); Jaivin, Linda (Ed.) (2018) : Prosperity, China Story Yearbook 2017, ISBN 978-1-76046-203-1, ANU Press, Acton, <https://doi.org/10.22459/CSY.04.2018>

This Version is available at:

<https://hdl.handle.net/10419/233548>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by-nc-nd/4.0/>

# PROSPERITY

富

EDITED BY

Jane Golley AND Linda Jaivin

*CHINA STORY*  
*YEARBOOK 2017*

中  全球研究中心  
AUSTRALIAN CENTRE ON  
CHINA IN THE WORLD



---

PRESS



Published by ANU Press  
The Australian National University  
Acton ACT 2601, Australia  
Email: [anupress@anu.edu.au](mailto:anupress@anu.edu.au)  
This title is also available online at [press.anu.edu.au](http://press.anu.edu.au)



A catalogue record for this book is available from the National Library of Australia

ISBN(s): 9781760462024 (print)  
9781760462031 (ebook)

This title is published under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0).



The full licence terms are available at [creativecommons.org/licenses/by-nc-nd/4.0/legalcode](http://creativecommons.org/licenses/by-nc-nd/4.0/legalcode)

Design concept by Markuz Wernli; 2017 cover design and chapter openers by CRE8IVE  
Typesetting by Sharon Strange; copy editing by Lindy Allen  
Printed by Union Offset Printers, Canberra, Australia

The Australian Centre on China in the World is an initiative of the Commonwealth Government of Australia and The Australian National University

This edition © 2018 ANU Press

## 本书扼要

# 不让

任何一位中国人掉队的『小康社会』是国家主席习近平在2017年多次重要讲话里描绘的新时代中国愿景。对一个比美国拥有更多亿万富翁（最新统计为609人）的国家来说，『小康社会』乍看似乎是个谦虚的目标。然而中国的故事是错综复杂的。《中国故事年鉴2017：富》钩沉影响2017年的重大事件、舆论与人物。本书兼容全球与个人、官方与民间之声，从中国大陆到港澳台等多元视点展现当代中国现状。一个国家在飞逝的四十个春秋里从赤贫走向繁荣（尽管仍贫富不均），沧海桑田，威震四方。本年鉴以丰富隽永的故事呈现其缤纷多彩的面貌。



# Contents

## INTRODUCTION

- vi • **Money Changes Everything** · JANE GOLLEY and LINDA JAIVIN
- xxi • Acknowledgements
- xxii • The Cover Image

### FORUM · 富, 福, AND 弊

- 4 • Wine, Gods, and Morning Dew · CHEN JINGJING AND MARK STRANGE
- 8 • Toppling Liu Xiaobo · CHRISTOPHER REA

## CHAPTER 1

- 14 • **The Nineteenth Party Congress: Here Comes the Future** · BRIAN MARTIN

### FORUM · THE CULTURE OF MONEY

- 32 • Saviours and Slackers · LINDA JAIVIN
- 38 • *Ode to Joy* · WILLIAM SIMA

## CHAPTER 2

- 42 • **The Belt and Road Initiative: How to Win Friends and Influence People** · JANE GOLLEY and ADAM INGLE

### FORUM · BORDERLANDS

- 64 • When Not to Respect Your Elders · TOM CLIFF
- 70 • Shangri-la and the Curse of Xi Jinping · BEN HILLMAN
- 76 • Kangbashi: The Richest 'Ghost Town' in China · UCHRALT OTEDE

## CHAPTER 3

- 80 • **North Korea: A Year of Crisis**
  - SANG YE and RICHARD RIGBY (translated by LINDA JAIVIN)

### FORUM · POWER PLAYS

- 98 • Peripheral Trouble: The Sino-Indian Standoff · ANDREW CHUBB
- 104 • Asian Powers in Africa: Win, Win, Win, Win? · BRITTANY MORREALE

## CHAPTER 4

- 110 • **China's Power, the United States, and the Future of Australia** · HUGH WHITE

### FORUM · ALL I HAVE TO DO IS DREAM

- 130 • Dreams of Prosperity in Papua New Guinea · GRAEME SMITH
- 138 • The Chinese Dreams of Arabian Traders in Yiwu · WEN MEIZHEN
- 144 • A Shared Destiny: Dungans and the New Silk Road · ZHU YUJIE

**CHAPTER 5**

- 148 • **Precarious Wealth: The Search for Status and Security** · GERRY GROOT

FORUM · **CONSPICUOUS CONSUMPTION**

- 170 • The End of Ivory · CRAIG A. SMITH  
 176 • Feasting on Donkey Skin · NATALIE KÖHLE  
 182 • Hey Big Spender: China's Luxury Travellers · LINDA JAIVIN

**CHAPTER 6**

- 186 • **Magic Cities, Future Dreams — Urban Contradictions** · CAROLYN CARTIER

FORUM · **YOU CAN'T TAKE IT WITH YOU**

- 210 • To Give is Glorious · PAUL J. FARRELLY  
 214 • The Psycho Boom · HUANG HSUAN-YING  
 218 • Doing Well, Dying Well · BENJAMIN PENNY

**CHAPTER 7**

- 224 • **To Prosper or Perish** · GLORIA DAVIES

FORUM · **ARTIFICIAL INTELLIGENCE**

- 248 • Arguing with Robots · LORAND LASKAI

**CHAPTER 8**

- 254 • **Human Rights in the Age of Prosperity** · ELISA NESOSSÌ and IVAN FRANCESCHINI

FORUM · **THOSE LESS FORTUNATE**

- 274 • Death Penalty Reform · SUSAN TREVASKES  
 280 • Criminal Villages and Roving Crime · BØRGE BAKKEN  
 286 • Rethinking China's Agriculture · SHI XINJIE

**CHAPTER 9**

- 292 • **Prosperity and Freedom: Hong Kong's Dilemma** · ANTONY DAPIRAN

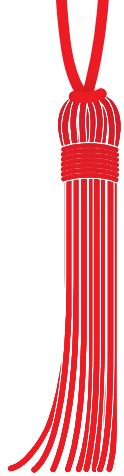
FORUM · **A COMMEMORATION AND A CELEBRATION**

- 312 • Taiwan: Seventy Years On — A Difficult Anniversary · MARK HARRISON  
 318 • Rainbow Connections · PAUL J. FARRELLY

- 322 • **CHRONOLOGY**  
 332 • **NOTES**  
 352 • **CONTRIBUTORS**

- 358 • **ONLINE MATERIAL**  
 360 • **LIST OF INFORMATION WINDOWS**  
 362 • **PREVIOUS CHINA STORY YEARBOOKS**





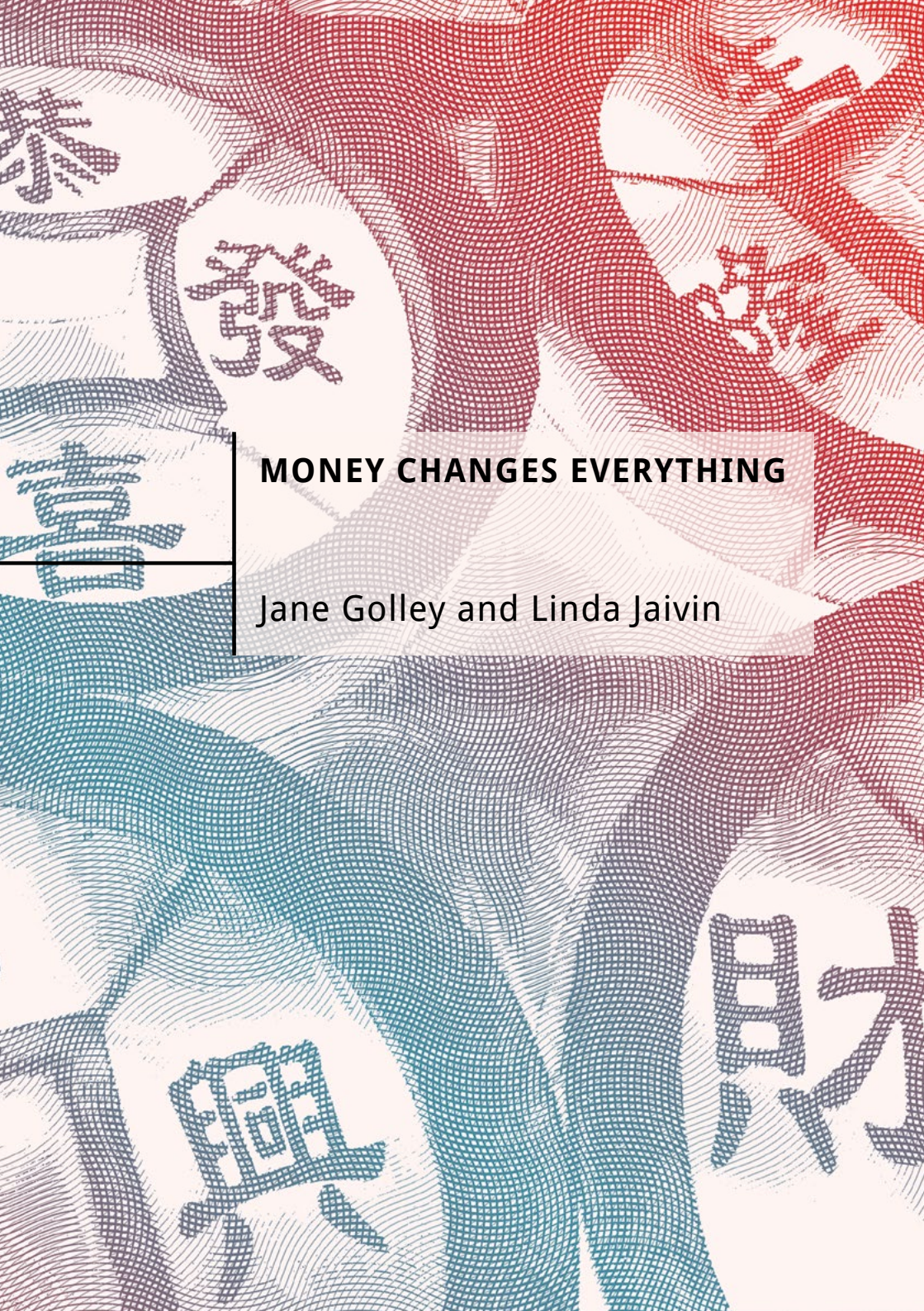




## INTRODUCTION

Money, money, money!  
Source: Shell zor, Flickr





**MONEY CHANGES EVERYTHING**

Jane Golley and Linda Jaivin



**The Donald Trump Rooster, Shanxi province**

Source: YouTube

Days before the clock ticked over into 2017, and a month before Chinese New Year, a giant statue of a rooster sprang up outside a shopping mall in China's northern Shanxi province. The statue's designer reportedly intended its egg-shaped body and distinctive golden hair to convey a message of prosperity. This message was enhanced by the rooster's unmistakable likeness to Donald Trump, the newly elected billionaire president of the United States. In what may or may not have been 'fake news', CNN reported that the 'Donald Trump Rooster' had 'taken China by storm'.

China was well on its way towards prosperity before 2017 began. But Trump's performance throughout the year — retracting America from its global commitments to free trade, foreign aid, and the environment, emphatically (and in bold type) tweeting that he would 'MAKE AMERICA GREAT AGAIN', and ruffling the feathers of even America's closet allies — was like gifting a golden egg on a golden platter to Chinese President Xi Jinping. And Xi was ready to receive it.

Prosperity was a prominent theme in a string of significant speeches delivered by President Xi during 2017. In his January speech at the World



Economic Forum in Davos, he called for a doubling of efforts to ‘enable all countries to achieve inter-connected growth and shared prosperity’.<sup>1</sup> In May, at the opening ceremony of the Belt and Road Forum for International Cooperation, he presented the Belt and Road Initiative as China’s plan for ‘common prosperity’, which would boost mutual respect, mutual learning, mutual understanding, and mutual trust.<sup>2</sup> At the Nineteenth Party Congress in October, Xi declared that the Chinese Communist Party (CCP) would deliver a ‘decisive victory’ in building a ‘moderately prosperous society’ *xiaokang shehui* 小康社会 by 2020, leaving the goal of achieving the status of a fully developed nation until 2049 — the one hundredth anniversary of the founding of the People’s Republic of China (PRC).<sup>3</sup>

The confidence of the CCP in Xi’s capacity to deliver on these pledges was evident in the decision to incorporate Xi Jinping’s Thought for the New Era of Socialism with Chinese Characteristics as a ‘guiding ideology’ in China’s constitution — the only Chinese leader since Mao Zedong to be honoured in such a way during his own life time. Xi himself confidently stated that only by following the path, theory, system, and culture of Socialism with Chinese Characteristics (his Four Confidences), would the CCP succeed in taking China beyond ‘standing up’, as it did under Mao, and growing rich, as it did under Deng. If the promises and affirmations contained in his 205-minute speech to the Party Congress can be taken at face value, 2017 marked the beginning of a new era of greatness for China — no longer a rising, but now a risen, global power.

Not everyone shared Xi’s confidence or his vision, however. As the year progressed, there was growing anxiety across the globe, and in the West in particular, about how China’s wealth and power were challenging the global status quo and the ‘rules-based order’ that was defined and led for many decades by the United States. ‘China anxiety’ in Australia reached heights not known since the Cold War era, sparked by an ABC *Four Corners* episode in June called ‘Power and Influence: The Hard Edge of China’s Soft Power’, which contained far-reaching allegations about how the Communist Party and its purported agents were taking advantage



of their rising affluence to influence Australian policy outcomes, and threaten freedom of speech in its media and academic institutions. China, our ‘best friend in Asia’ according to the 2016 Lowy Institute Poll of Australian public opinion, ranked Australia as ‘the least friendly country toward China in 2017’, the *Global Times* reported. The year 2017 marked a new era for us all, in which Chinese money did seem to change everything.

## From Billionaires to Beggars

Four decades of rapid growth had already transformed the Chinese economy into the world’s second largest when 2017 began, and, if current trends continue, it will overtake the US to become the largest by 2030. In 2017, among many other remarkable feats, Alibaba eclipsed Amazon as the world’s biggest e-commerce company, and the ride-hailing service Didi overtook Uber in market valuation. China’s artificial intelligence, genetic engineering, and other high-tech industries made significant advances, underpinned by globally competitive and innovative Chinese enterprises that would have been inconceivable even two decades ago.



Private jets are the ultimate symbol of personal wealth and social status, with Hurun’s Business Jet Owners 2017 report identifying 114 Chinese business people owning 164 private jets.

Source: YouTube

Nor could it have then been conceived that of the world's 2,257 billionaires in 2017, 609 would come from China (in first place), compared with 552 from the United States (in second).<sup>4</sup> According to the Hurun Report's China Rich List, released in October 2017, China's 2,130 richest individuals enjoy combined assets of



Xu Jiayin  
Source: Baidu

US\$2.6 trillion — a figure comparable to the GDP of the United Kingdom. China's newly anointed richest man, real estate mogul Xu Jiayin 许家印, has a net worth of US\$43 billion — falling well short of Bill Gates's fortune (at world number one) of US\$81 billion, but making Rupert Murdoch seem somewhat of a pauper with just US\$15.3 billion. The Rich List also revealed that the 200 richest members of the National People's Congress and the Chinese People's Political Consultative Congress have combined fortunes of RMB3.5 trillion, or US\$507 billion. The wealth of the richest 100, all of whom are dollar billionaires (a person with a net worth of at least one billion US dollars), increased by a whopping 64 per cent in the four years since Xi Jinping rose to power — accounting for RMB3 trillion.<sup>5</sup> If to 'get rich is glorious', as Deng Xiaoping famously claimed, then 2017 was a ridiculously glorious year, for some Chinese citizens at least.

Rapid growth has not only benefited those at the top end of China's income spectrum. In 1981, 88.3 per cent of China's population lived on less than US\$2 a day; this figure dropped to less than 6 per cent in 2017. This phenomenal accomplishment is due to the extraordinary resilience and resourcefulness of a population that has taken advantage of every opportunity provided by the scaling back of Mao's centralised command economy to lift themselves, their families and communities out of poverty and on to the road to prosperity. In the five years since Xi Jinping rose to power, a further 60 million Chinese people rose from poverty — an accomplishment Xi rightfully celebrated in his NPC address. Yet with a

population of 1.41 billion, even 6 per cent is some 84 million people. And despite close to two decades of policy effort — on paper at least — to rectify the inequalities that Deng knew his reforms would create, and to ensure that ‘all would prosper eventually’, stark income disparities exist between city and country, coastal and inland areas, men and women, and, above all, those with political connections and those without.

In his Nineteenth Party Congress address, Xi Jinping explicitly recognised this point in what he called the ‘principal contradiction’ of China’s society — unbalanced and inadequate development set against the need for people to live better lives. He also celebrated the Party’s ‘firm action’ in taking out ‘tigers’ (high-level corrupt officials), ‘swatting flies’ (low-level corrupt officials), and ‘hunting down foxes’ (corrupt officials who have absconded overseas) — while being clear that more remained to be done in the anti-corruption campaign that has become one of the hallmarks of his leadership.

Two stories from 2017 illustrate just how much has changed in China during the last four decades, and the challenges that lie ahead as Xi sets out to achieve his domestic and global goals. In April 2017, Yicai Global reported that beggars in tourist areas of Jinan, Shandong province, were using QR codes to solicit alms via mobile payment systems such as Alipay and WeChat Wallet — some were even using point of sale machines. Beyond the fact that beggars were using such modern technology to conduct their ‘transactions’ — surely only in China! — there are at least two other remarkable features of this story. The first is the news source. Yicai Global is the English-language arm of Yicai, China’s leading financial news group. Forty years ago, China did not have financial news groups, much less ‘leading’ ones. It had the Xinhua News Agency feeding tightly controlled information and opinion to the tiny handful of propaganda broadsheets such as the *People’s Daily* and the *Workers’ Daily*, and the China News Service producing similar content for overseas Chinese publications. Now, China has a number of financial news groups including one launched by Xinhua itself in 2017: the new China Fortune Media Corporation Group,

which will expand into financial services including wealth management. This may seem only natural for a country that is home to three of the world's ten largest stock exchanges in the world — Shanghai (at number four), Hong Kong (at number five), and Shenzhen (at number nine).<sup>6</sup> Wind back the clock four decades and any Communist Party official would have denied the possibility of the country even having one.

The second remarkable thing about this story is the beggars' target: Chinese tourists. They are the ones with Chinese mobile payment systems on their smartphones, and disposable wealth, a

yuan or two of which might be spared for the down and out. Forty years ago, China had virtually no domestic tourism. Only at Chinese New Year did anyone enjoy a holiday of more than one day. People needed official permission to travel and, besides, with per capita incomes of 134 yuan (US\$20) in the country, where over eighty per cent of the population lived, and 343 yuan (US\$50) in the cities, there was not much money to spare. What there was went on 'luxuries' such as meat, radios, and bicycles. Domestic tourism only got going in the 1990s, with rising incomes and more holidays. It has been on the up and up ever since. In the first half of 2017 alone, Chinese citizens made 2.53 billion trips around their own country, spending 2.17 trillion yuan — about US\$336 billion — along the way. Chinese tourists have also become major contributors to international tourism, including the luxury tourism market in diverse destinations from Paris to the Arctic.

A far more prominent story in 2017 featured Chinese billionaire Guo Wengui 郭文贵, also known as Miles Kwok. Guo made global headlines



**Chinese beggar with WeChat QR code**  
Source: Numismatic Bibliomania Society  
(NBS), Flickr

following his largely unconfirmed revelations — via tweets, YouTube and Facebook — of a web of corruption among the highest levels of the Chinese leadership. By the end of 2017, he was identifying himself an ‘exile’, ‘whistleblower’, and ‘dissident, and had applied for political asylum in the US. Meanwhile, in China, the *Global Times* was referring to him as a notorious criminal; while Xinhua news declared him to be ‘one of China’s most-wanted fugitives’. The Chinese government demanded that the US deport him back to China, following a failed attempt by Chinese security agents to escort him back there of his own accord. In the first instance, Donald Trump appeared willing to help China, but was apparently talked around by his staff, who reminded him that Guo was a member of his own Mar-a-Lago club. Among the many dramatic headlines that prompted by Guo’s dramatic situation, was one that appeared in *The Diplomat* in December, asking if he was ‘A Ticking Time Bomb For US–China Ties in the Trump Era?’

The (unfinished) story of Guo Wengui illustrates just some of the quandaries that prosperity has brought to the Chinese Communist Party. One is that in a political system in which both transparency and accountability are limited, and wealth precarious, corruption flourishes. In 2017, the Central Commission for Discipline Inspection announced that since Xi launched the anti-corruption campaign in 2013, it has punished 1.34 million lower ranking officials (‘flies’) for corruption. Among the high-level ‘tigers’ who fell from power in 2017 were Sun Zhengcai 孙政才, the Party Secretary of Chongqing and youngest member of the Politburo, and General Zhang Yang 张阳 of the Central Military Commission, who committed suicide in November, less than three months after being put under investigation for bribery. Guo, they allege, is a fox — and certainly not the only one.

A second quandary is that while the pursuit, maintenance, and enjoyment of wealth (at any level) seems to keep many of China’s people relatively content with the political system, it can also empower others to pursue change; prosperity is a double-edged sword that not only aids

control, but also threatens it. As with the story of the techno-beggars above, none of this would have been conceivable ten years ago, never mind forty.

## A (Moderately) Prosperous Age with Chinese Characteristics

Some observers might consider it unusually humble that Xi Jinping only wanted China to become a ‘moderately prosperous society’ by 2020. The earliest appearance of the phrase *xiaokang* (‘small’ and ‘health’) was in the classic *Book of Odes* 诗经 (11th–7th centuries BCE), in which it indicated a fairly basic standard of living. In Confucian thought, as developed over succeeding centuries, it also came to stand for an ideal standard of social harmony and order, political righteousness, and general economic wellbeing. Xi is not the first post-Mao leader to use the phrase — Deng Xiaoping and Jiang Zemin also cited it aspirationally — but he is the first to have the goal in sight. *Xiaokang* is indeed a more humble concept than that of a ‘Prosperous Age’ *shengshi* 盛世. The historical concept of *shengshi*, as Geremie Barmé described in the *2014 China Story Yearbook*, refers to ‘universally acknowledged periods of remarkable social grace, political rectitude and cultural richness’. If the contents of this book are anything to go by, it appears that Xi Jinping made a sensible choice — a truly prosperous age will have to wait.

That said, ‘Prosperity’ seemed an obvious choice for the *2017 China Story Yearbook*, because it so well encapsulated the multi-faceted developments in Chinese society, politics,



‘Comprehensively build a moderately prosperous society’  
Source: qstheory.cn

culture, and economy over the course of the year, as well as some of its biggest news stories. We might have chosen to represent this English term on the cover using the Chinese characters for ‘moderately prosperous’ 小康 *xiaokang*. But we instead decided to represent prosperity by two Chinese characters, 富 and 福, both of which are pronounced in Modern Chinese as ‘fu’ (one in the fourth, and the other in the second tone).

Wealth, fortune, happiness, success, opportunity, dreams, achievements, and celebrations: these are recurring themes throughout the *Yearbook*, suggesting there was plenty for Xi Jinping to feel confident about during the course of 2017. But power, control, corruption, crime, punishment, inequality, poverty, and anxiety are recurring themes as well. Together, they reveal the many complexities and conundrums surrounding China’s prosperity as it enters a new era: with far-reaching implications not only for China’s own 1.41 billion people, but for the rest of the world as well.

## Prosperity

*Prosperity* is the sixth volume in the *China Story Yearbook* series. It contains a series of nine chapters that focus on (some of) the year’s hottest topics, beginning with Brian Martin’s analysis of the Nineteenth Party Congress, which he sees as confirming President Xi’s ascendancy to a position of supreme power, and China’s emergence as a global economic and strategic power. Jane Golley and Adam Ingle examine the Belt and Road Initiative through the lens of geoeconomics, a relatively new discipline that is concerned with the interaction between economic and political power on a global scale. Sang Ye and Richard Rigby provide insights into Chinese perspectives on North Korea, while Hugh White reflects on the evolving power dynamics between China and America, and the panic this has set off in Australia — a country that has benefited so hugely from China’s rising wealth in the past. Gerry Groot describes the ‘precarious wealth’ of China’s jet-setting billionaires, and their search for status and



**The complexities and conundrums of China's prosperity will have implications for China's own 1.38 billion people and the rest of the world**

Source: Jon Bratt, Flickr

security as they navigate the Communist Party, the global economy, and a fast-news media cycle that does not always discern truth from facts. Next comes Carolyn Cartier's depiction of the contradictions underlying China's unique approach to urbanisation, seen vividly in the plans for the Xiongan New Area announced this year. Gloria Davies then contrasts the artists and writers who are flourishing in Xi's China — those who demonstrate their eagerness to study his thought — with those who have perished, most prominently Nobel laureate Liu Xiaobo 刘晓波, whose death was mourned by millions in 2017. Elisa Nesossi and Ivan Franceschini explore the deterioration of China's human rights record in 2017, a year Human Rights Watch has described as the worst since 1989. And Anthony Dapiran looks at the dilemmas facing Hong Kong in its twentieth year since returning to Chinese sovereignty — a year in which official Chinese celebrations of the anniversary were awkwardly juxtaposed with a stagnant economy, rising income inequalities, and growing anxiety about the loss of autonomy and freedom in the Special Administrative Region.



These chapters are interspersed with Information Windows that highlight particular words, issues, ideas, people, and events — for example, the unfortunate fate of Beijing’s ‘hole-in-the-wall’ businesses, by Zhang Yichi; the ultra-modern phenomenon of dockless bikes, by Gao Yu; Yang Qin’s description of the anti-corruption television series *In the Name of the People* 为人民的民意; and Nicholas Loubere’s take on the Cambridge University Press debacle and the challenges facing academic publishers in China’s lucrative market.

Chapters are complemented by a number of Forums, which expand on the contents of the chapters or discuss a topic of relevance to the *Yearbook’s* theme. Chen Jingjing and Mark Strange review the fascinating evolution of the characters 富 and 福; this is coupled with a piece by Christopher Rea, who literally/figuratively turns 福 upside down in his examination of the ‘toppling’ of Liu Xiaobo. A Forum on the ‘Culture of Money’ includes Linda Javin’s piece on the cultural confidence engendered by prosperity in 2017, on display in the patriotic smash hit film *Wolf Warrior 2* 战狼 II, and William Sima’s take on *Ode to Joy* 欢乐颂, another television hit from the year that explores the plight of ridiculously wealthy ‘left-over women’ *shengnü* 剩女. Prosperity takes on a multicultural flavour in Forum pieces about the failing dreams of Chinese migrants in Papua New Guinea, by Graeme Smith; and Arabian traders pursuing their own ‘Chinese dreams’ in the Zhejiang city of Yiwu, by Wen Meizhen. Power plays among the Asian powers — India, China, Japan, and Korea — are apparent in the pieces by Andrew Chubb and Brittany Morreale.

Tom Cliff reflects on the ‘art of not smoking’ for Uyghurs in Xinjiang, while Ben Hillman focusses on Shangri-la, where Xi Jinping’s anti-corruption campaign has brought about the demise of a once-thriving tourist industry. Uchralt Otede takes us to Kangbashi, the ‘richest ghost town in China’, and Zhu Yujie considers the shared destinies of the Dungan and Hui Muslims along the old Silk Road. We see cases of conspicuous consumption in China’s rising demand for ivory and ‘donkey hide glue’, as told by Craig Smith and Natalie Köhle respectively, along with an account

of wealthy Chinese travellers seeking ‘extreme-luxe’ experiences, by Linda Jaivin. Stories of generosity in life and death are explored by Paul Farrelly and Benjamin Penny, while the challenges of deriving happiness from wealth are evident in the rise of psychotherapy, as told by Huang Hsuan-Ying in ‘Psycho Boom’. In a Forum on ‘Those Less Fortunate’, Susan Trevaskes covers death penalty reform, Shi Xinjie considers challenges in agricultural development, and Børge Bakken depicts an underworld economy of ‘crime villages’. Lorand Laskai focusses on the Party’s latest efforts to control uncivilised Internet content — no mean feat given rapid advances in the algorithms used by online news services to give their readers what they want. We close with two stories from Taiwan — one on the contested (seventieth) anniversary of the 28 February Uprising by Mark Harrison, and the other by Paul Farrelly on the constitutional ruling to rewrite the marriage laws to include same-sex relationships — a first in Asia, calling for rainbow celebrations.

To get rich may well be glorious, but there is clearly more to prosperity than mere money!

## Acknowledgements

The *China Story Yearbook* is a project initiated by the Australian Centre on China in the World (CIW) at the Australian National University (ANU). We are interested in ‘The China story’ 中国的故事 not only as it is portrayed officially, but also from various other perspectives. It has always been the approach of the *Yearbook* to view political and economic developments as part of a greater picture that encompasses society, personalities, and culture, and that is illuminated by language and history. We are extremely grateful to Geremie Barmé, CIW’s Founding Director, for his inspiration in creating the *Yearbook* series.

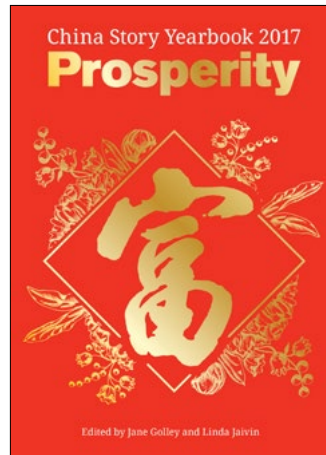
The *Yearbook* is a truly collaborative effort that begins each year with a meeting of the CIW Management Group, a collection of China scholars from across Australia who come from diverse disciplinary backgrounds,

but are each deeply engaged in the Sinophone world. An initial brainstorming of topics considered essential for any given year culminates in an agreed overarching theme for that year. From this point, the Management Team solicits contributions from a wide range of authors spanning the globe, many of them connected with CIW through our Postdoctoral fellowship and PhD programs and with the broader community of China scholars at the ANU. The editorial team of Jane Golley and Linda Jaivin are deeply grateful to the Management Group for their years of effort in building up the *China Story Yearbook* series, and to all the contributors who have brought such breadth and depth to this volume in as timely a fashion as we could have hoped for. We thank Lindy Allen for copyediting the book. Above all, we are indebted to Sharon Strange, for her tireless work in managing the entire process — from corresponding with the many authors to typesetting and design — with such grace and good cheer.

## The Cover Image

The character in the centre of this *Yearbook's* cover is *fu* 富, which has had the meaning 'prosperous' from at least the third century BCE. (For more information on the etymology of the character, see Forum 'Wine, Gods, and Morning Dew', pp.5–7.) It is written in a cursive script known in Chinese as *xingshu* 行书, or running script, which was developed as a faster way to write characters.

The book cover has been designed to look like a Chinese red envelope, or *hongbao* 红包. Red envelopes contain gifts of money which are given at social and family gatherings, such



Cover of the *China Story Yearbook 2017*  
Artwork: CRE8IVE, Canberra

as weddings and Lunar

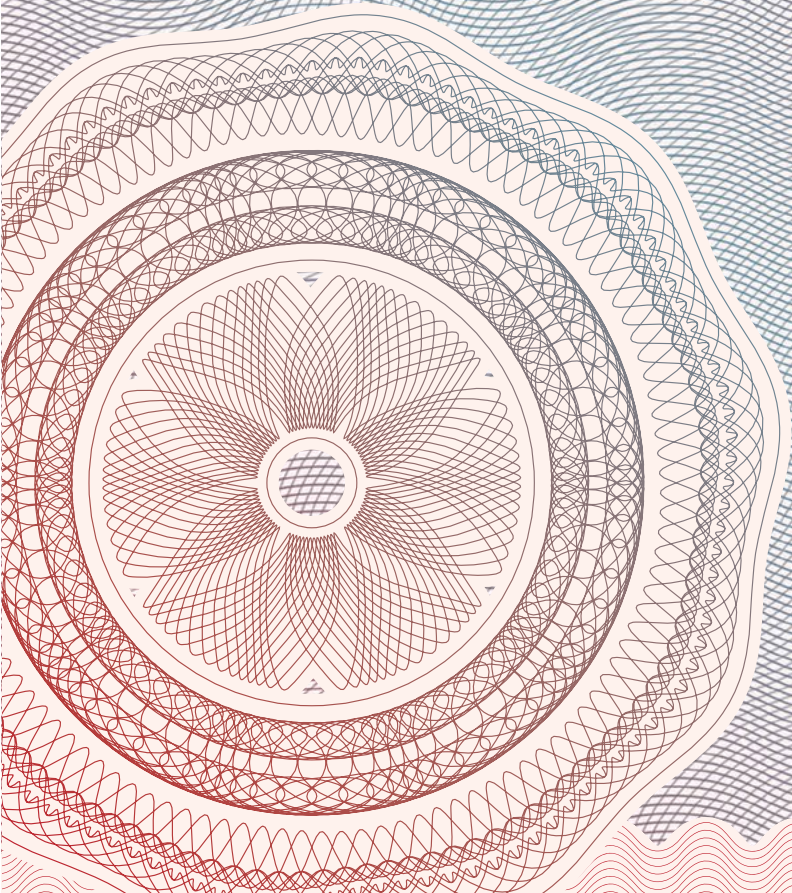
New Year. On the cover flaps of the *Yearbook*, there are two Chinese decorative knots 中国结, which symbolise good luck and prosperity. Traditionally, knots were tied using one piece of thread and are generally red or gold, which are both regarded as ‘lucky’ colours. Inside the knot, the character *fu* 福, meaning ‘good fortune’ — including in the sense of wealth — has been turned upside down. This custom is based on an aural pun: the verb 倒 — meaning to turn upside down — is a homophone of 到, to arrive. To turn prosperity upside down is to wish that prosperity will arrive. (For more on this, see Forum ‘Toppling Liu Xiaobo’, pp.9–12.)

A cascade of gold *yuanbao* or sycee 元宝 flows down the back cover. These were a form of gold ingot currency used in imperial China from the Qin dynasty. In present-day China, gold sycees remain a symbol of wealth and prosperity and are commonly depicted during the Lunar New Year festivities.





# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

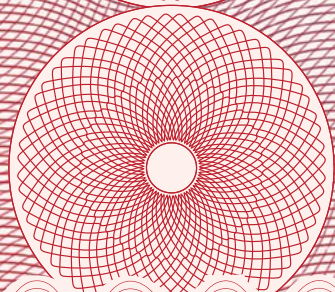
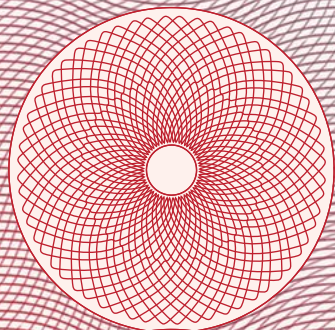
5月

6月


7月

8月

9月







富, 福, AND 巽

Wine, Gods, and Morning Dew

· CHEN JINGJING AND MARK STRANGE

Toppling Liu Xiaobo


· CHRISTOPHER REA





## WINE, GODS, AND MORNING DEW

Chen Jingjing and Mark Strange

IN ORACLE BONE inscriptions from the second millennium BC, we find the graph . Modern scholars identify it as *fu* 鬯. They understand it to represent a wine vessel, which had an important role in ancient sacrificial rituals. In these inscriptions, *fu* 鬯 is usually associated with the figure of the king in his role as chief mediator between the human and spirit worlds.

Over time, the graph appeared with different radicals, classifiers that tended to indicate semantic differences. One was the *mian* 宀 radical, representing a roof and used to connote domestic objects and activities. *Fu* 富 seems to have carried the sense of wine vessels stored indoors. Another form of the graph, *fu* 福, took the *shi* 礻 radical, associated with ritual and worship. In early documents, the two

forms were often used in similar contexts, possibly because of their graphic resemblance before the standardisation of script under Qin imperial rule (221–202 BC).

In written records from Zhou times (1046 BC–256 BC), *fu* 鬯 is increasingly associated with social and political status. This is probably because members of the Zhou royal house and its regional aristocracies used wine vessels and jars for sacrifice. In inscriptions from the fourth and third centuries BC, there is a recurring connection between the graphs *fu* 富, ‘wealth’, and *gui* 貴, ‘nobility’. The collocation *fugui* 富貴 survives to the present. In the second century AD, the author of a commentary on the canonical *Classic of Ritual* 禮記 framed his definition of *fu* 富 in terms of hereditary titles and

official salaries; by this time, wine was used as a form of official salary along with rice, silk, meat, and fruit.

As orthographic standards crystallised with the establishment of empire under the Qin, so the meanings assigned to *fu* 福 and *fu* 富 grew stable. *Fu* 福 retained early ritual connotations: it denoted blessings received from the spirit world. Under the influence of Buddhism, this meaning of the graph was adopted to refer to karmic merit generated by pious acts. In Daoism,



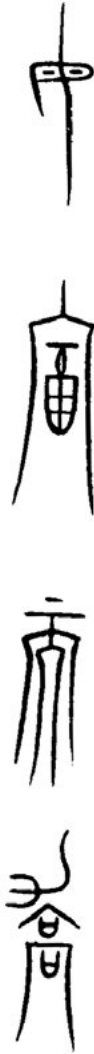
**The Star of Good Fortune, Wang Dafan, 1936**  
Source: [auction.artron.net](http://auction.artron.net)

too, it eventually found expression in the figure of the Star of Good Fortune 福星, one of three personified deities — the others were the Stars of Status and Longevity — who emerged in the Daoist pantheon from Ming times (1368–1644).

From at least the third century BC on, meanwhile, political advisors sought to ensure that the peoples of their own states would be more ‘prosperous’, *fu* 富, than those of their rivals. For example, Xunzi 荀子 (or ‘Master Xun’), a leading political thinker of the third century BC, argued in an essay that ‘the true king brings prosperity to the people, and the overlord brings prosperity to men of service’ 王者富民 霸者富士. Similar rhetoric has endured into contemporary times, and has even spread beyond Chinese borders. The leaders of Japan’s Meiji 明治 government (1868–1912) adopted as their guiding slogan ‘bring prosperity to the state and strengthen the military’, *fukoku kyōhei* 富国強兵. And when the Eighteenth National Congress of the Communist Party of China convened in 2012, it listed national ‘prosperity and strength’ 富強 first in a set of ‘core Socialist values’ 社會主義核心價值觀.

As *fu* 富 increasingly came to signify the accumulation of wealth,

power, and official status, it developed negative connotations as well. Already in the Confucian *Analects* 論語, we find an aphorism on living a frugal life: ‘prosperity and noble status acquired without propriety are to me as elusive as the passing clouds’ 不義而富且貴於我如浮雲. Also, in successive versions of a saying attributed to Laozi 老子, later considered the founding figure of Daoism and an elder contemporary of Confucius, we find an admonition that ‘if noble status and prosperity should lead to arrogance, then one will only have oneself to blame’ 貴富而驕自遺其咎. Similarly, a bronze inscription dated to 330 BC (see image on right), found in the tomb of a ruler, advised: ‘do not be arrogant on account of your prosperity’ 毋富而喬. The loss of moral integrity was already a cause for concern in a political and social environment where power and material gain were prized. Following Confucius, later writers frequently commented on the fleeting nature of prosperity and status. They likened them to flowers that blossomed but quickly faded, or to the morning dew. Prosperity also became associated with the dangers of corruption: one thirteenth-century commentator wrote that *fu* ‘means bribery’ 富賄賂也.



**Bronze inscription: ‘Do not be arrogant on account of your prosperity’ 毋富而喬**  
 Source: Zhang Shouzhong 張守中 ed., *Zhongshan wang Cuo qi wenzi bian* 中山王厝器文字編, Beijing: Zhonghua shuju, 1981, p.109



## TOPPLING LIU XIAOBO

Christopher Rea

AS THE LUNAR NEW YEAR approaches, Chinese households might paste onto their front doors a diamond of red paper with the character for ‘prosperity’ or ‘good fortune’, *fu* 福, upside down as 𠃉. This folk custom is based on an aural pun: the verb *dao* 倒 — meaning to turn upside down, invert, or topple — is a homophone of *dao* 到, to arrive. To turn prosperity upside down is to express the wish that the New Year will bring prosperity to one’s door. *Dao fu* 倒福 leads to *fu dao* 福到.



Invert 'prosperity' and it will arrive  
Source: Wikicommons

The inversion of characters conveys allegorical meanings ranging from the auspicious to the innocuous to the hostile. Joke books of the early twentieth century would invert the character for ‘laughter’ 笑 on their covers to indicate that the reader would be toppled by or bowled over with laughter 笑倒, a phrase that also appears as the title of a Ming dynasty joke collection.

On 5 August 1903, the Chinese-language Melbourne daily *The Chinese Times* 美利賓埠愛國報, following a practice common among anti-Manchu newspapers, expressed its hope that the Qing government would fall by printing the characters for Qing 清 and Empress Dowager Cixi 慈禧太后 upside down.

On 19 December 2013, Taipei’s *Apple Daily* 蘋果日報 newspaper re-



Lunar New Year's couplets reading 'Success will arrive when Ma is toppled.'  
Source: apk.tw

ported on a New Year's greeting coined by a member of the opposition in Taiwan's legislature.<sup>1</sup> The president at the time was Ma Ying-jeou 馬英九, whose surname, Ma, is the character for 'horse'. From the time of his election in 2008, the Taiwan press would routinely report that Ma's visits to constituents were 'an instant success,' punning on the idiom 'victory as soon as the horse arrives' 馬到成功. Democratic Progressive Party legislator Lee Chun-yi 李俊佗 suggested that citizens post New Year's couplets with the character Ma inverted: 'success will arrive when Ma is toppled'.

Laughter and political protest alike feed on inversion and subversion. On 18 September 2006, the cultural critic and human rights activist

Liu Xiaobo 刘晓波 wrote an essay about 'political humour in a post-totalitarian dictatorship' in which he analysed the rise of *e'gao* 恶搞.<sup>2</sup> The term refers to a culture of parody, mockery, hoaxing, and facetiousness and their various expressions in the Internet age. Over two short years, he wrote, Chinese netizens had begun *e'gao*-ing everything and anything, but especially the authoritative, the faddish, and the self-important. Liu credits the Internet with enabling this culture to flourish by radically expanding access to information. But he also traces its tone of sarcasm back to 1980s rebels such as the singer Cui Jian 崔健 and the writer Wang Shuo 王朔, both of whom appropriated and subverted the ideological language of China's Communist Party-state in their work.

Having seen its 'passions for freedom impaled on bloody bayonets' during the 1989 Tiananmen Massacre, Liu wrote, a generation turned from making defiant statements to expressing opposition through sarcasm and mockery. Wang Shuo's legacy to later generations, including the netizens of today, was a flair for merging popular slang — in his case, Beijing's urban argot — with pompous official jargon to create a new language entirely: cool,

playful, insouciant, and ironic. In doing so, he spurred the rise of a new culture of amusement.

Liu Xiaobo recognised that the *e'gao* trend had negative effects too, especially in how it fostered malice and cynicism, and saw it partly as a symptom of 'spiritual hunger and intellectual poverty at the same time'. Cynical laughter inoculates against genuine rage leading to meaningful political action; it placates and pacifies. But Liu also saw hope, observing that in places such as Czechoslovakia 'truth-telling and joke-making have worked hand-in-hand to dismantle post-totalitarian dictatorships'. A few fearless people of conscience tell the truth, while joke-makers dig away at the base of the wall of popular support for the regime. 'Without the truth-tellers, there would be no open expression of popular resistance or of moral courage; without the jokesters, the words of the truth-tellers would fall on barren ground.'

On 26 June 2017, the Liaoning Prison Administrative Bureau announced on its website that Liu, who had been awarded the 2010 Nobel Peace Prize while incarcerated under vague charges of state subversion, was suffering late-term liver cancer and

had been released on medical parole. During the following weeks, Chinese state media broadcast images of Liu receiving medical attention in hospital, smiling for the camera and assuring viewers that he was being well cared for. The diagnosis and treatment both having arrived too late, this carefully orchestrated media spectacle did not last long. Liu Xiaobo died on 13 July 2017.

Liu Xiaobo's true crime was not just his truth-telling — his advocacy of free speech, democracy, and political freedoms, or his broadcasting of collective will in *Charter 08* — but also what he shared with China's joke-tellers, namely irreverence toward a government that demands obedience from citizens and claims immunity from their



**Liu Xiaobo**  
Source: Andy Shuai, Flickr



criticism. Liu professed that he was not motivated by personal animus, that he had ‘no enemies, no hatred’; his critical writings also show that he revered no sacred cows and would inveigh against dissidents as readily as against dictators. The state’s response to Liu’s refusal to defer to power, real or symbolic — his lack of reverence — was: no clemency.

Over a decade ago, Liu recognised that the Internet was a boon to Chinese civil society. It had enhanced freedom of expression and emboldened a culture of impertinence that delighted in breaking taboos and venturing into prohibited zones of speech and thought. Individual truth-tellers might be silenced, but a collective voice is harder to tame. A viral *e’gao* campaign pitting Grass-Mud Horse 草泥马 (*caonima*) against River Crabs 河蟹 (*hexie*) — a homophonous ‘fuck-your-mother’ 操你妈 (*caonima*) against ‘[the] harmonious [society]’ 和谐 [社会] (*hexie*)

[*shehui*] — which evaded censorship for a time, was one of the many subsequent signs that he was right. By that time, early 2009, Liu had already spent months in detention in what was to be his final stint of imprisonment; he was formally arrested in June and in December sentenced to eleven years. Liu was the first Nobel Peace Prize laureate to die in custody since Carl von Ossietzky died in a Nazi prison in 1938.

A critic who understood both the power and the limits of political humour, Liu would have appreciated one irony occasioned by his horrific fate. In toppling him, the Chinese Communist Party made him an even more powerful symbol of political resistance. Death is inevitable, but not martyrdom, and this reversal of fortune has ensured that memories of Liu Xiaobo’s moral courage — and of the regime’s brutal response — will remain potent well into China’s future.







6月

7月

8月

9月

10月

11月

12月

# 1

## THE NINETEENTH PARTY CONGRESS:

## HERE COMES THE FUTURE

Brian Martin

2017年1月

2月

3月

4月

5月

6月

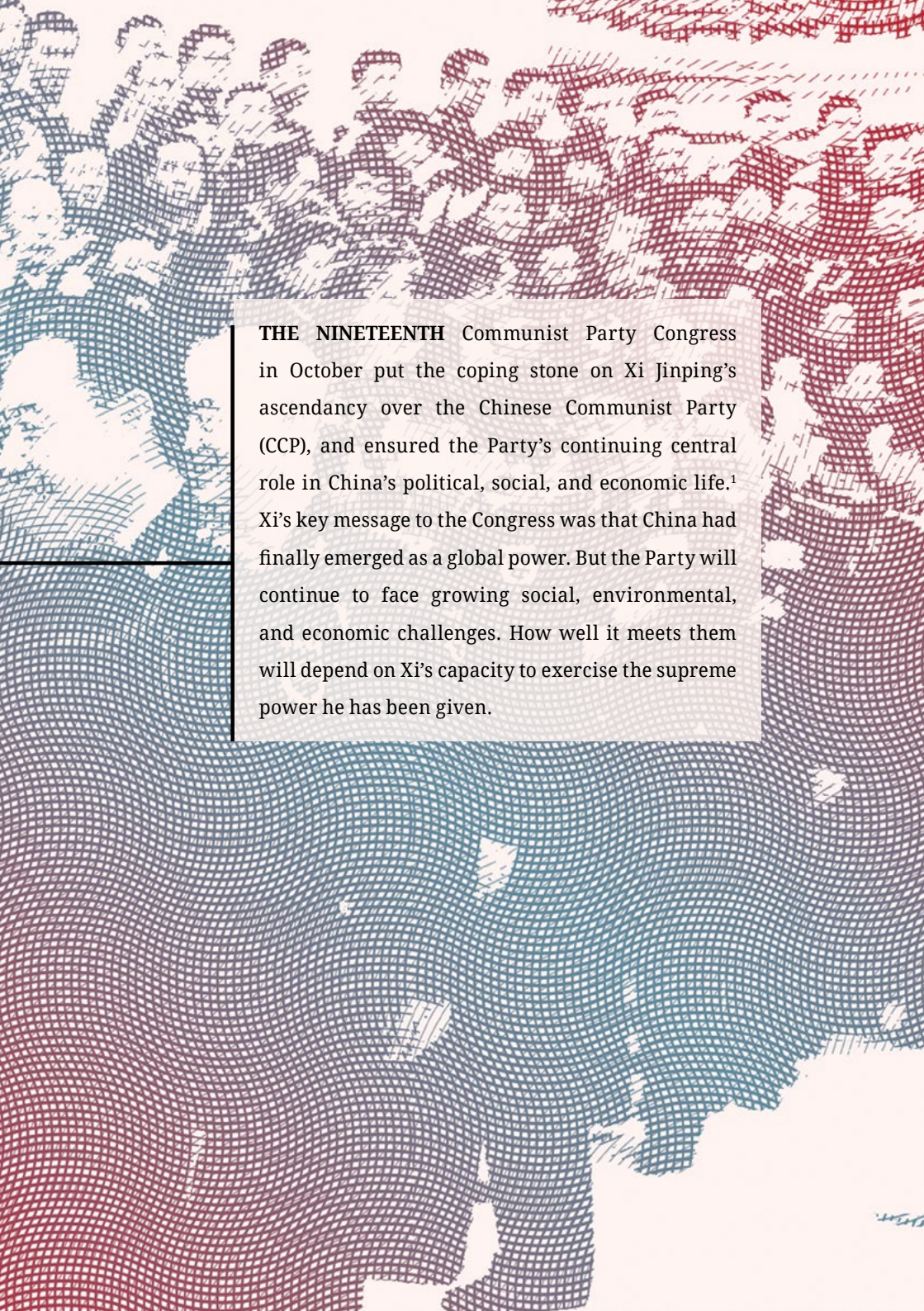
7月

8月

9月

Xi Jinping meets with senior military officers in Beijing  
Source: Xinhuanet





**THE NINETEENTH** Communist Party Congress in October put the coping stone on Xi Jinping's ascendancy over the Chinese Communist Party (CCP), and ensured the Party's continuing central role in China's political, social, and economic life.<sup>1</sup> Xi's key message to the Congress was that China had finally emerged as a global power. But the Party will continue to face growing social, environmental, and economic challenges. How well it meets them will depend on Xi's capacity to exercise the supreme power he has been given.



**Jiang Zemin**  
Source: en.kremlin.ru



**Hu Jintao**  
Source: Wikimedia Commons



**Deng Xiaoping**  
Source: Wikimedia Commons

The authoritarian Xi Jinping dominates and controls the Party, which, through the Congress, awarded him greater power than his two predecessors, Jiang Zemin 江泽民 and Hu Jintao 胡锦涛, and a status on par with Deng Xiaoping 邓小平, who led China's post-Mao transition into the era of economic reform. The Congress amended the Party constitution to add 'Xi Jinping Thought for the New Era of Socialism with Chinese Characteristics' 习近平新时代中国特色社会主义思想 as the guiding ideology for the 'New Era'. Its central message, in fourteen 'fundamental principles', is restoring China to the greatness that it lost during the 'hundred years of humiliation' that began with the Opium Wars (1839–1860) and the further depredations of Western and Japanese imperialism. The means for achieving greatness is a rejuvenated CCP, cleansed of corruption, and dedicated to its leadership of China and the advancement of China's national interests.

Xi is the first leader since Mao Zedong to have an official ideology named after him. Added to his designation in September 2016 as the 'central core' of the Party, it so comprehensively identifies Xi with the Party that any criticism of him from within the Party could be considered treason against the Party itself. It is possible to detect shades of the Maoist past in the treatment of rivals and enemies. Liu Shiyu 刘士余, chairman of the China Securities Regulatory Committee, for example, has praised Xi for

‘saving the Communist Party’ from an alleged anti-Party plot. Liu named Sun Zhengcai 孙政才, former Chongqing Party Secretary and a recent rival of Xi Jinping who was arrested and expelled from the Party several months before the Congress, as part of this anti-Party plot, linking him with former Party and military heavyweights Bo Xilai 薄熙来, Zhou Yongkang 周永康, Ling Jihua 令计划, Xu Caihou 徐才厚, and Guo Boxiong 郭伯雄. All of these men, who had enjoyed ‘high positions and great power in the party, but [who] were hugely corrupt and plotted to usurp the party’s leadership and seize state power’, are currently in prison.

The Congress endorsed an almost complete change in the members of the Politburo Standing Committee (the Party’s — and therefore China’s — supreme governing body) with only Li Keqiang 李克强, who was appointed to a second term as premier, and Xi Jinping himself as holdovers from the outgoing Standing Committee. Of the five new members, three are clearly aligned with Xi: Li Zhanshu 栗战书, Director of the CCP General Office and a long-time friend and aide to Xi who was responsible for pushing the idea of Xi as the ‘leadership core’; Wang Huning 王沪宁, Director of the CCP Policy Research Office, an academic turned party ideologist who is believed to have helped to craft Xi Jinping’s speeches, reports and even the ‘China Dream’; and Zhao Leji 赵乐际, who succeeds Wang Qishan 王岐山 in the politically sensitive role heading up China’s anti-corruption watchdog, the Central Commission for Discipline Inspection (CCDI). The remaining two, Wang Yang 汪洋 and Han Zheng 韩正, belong at least nominally to the two other informal factions: Wang, former party chief in Guangdong, to Li Keqiang’s Communist Youth League faction; and Han, former mayor and party boss of Shanghai, to Jiang Zemin’s Shanghai faction. These appointments maintain a nominal but diminished factional balance within the Standing Committee, with both the Communist Youth League faction and the Shanghai faction suffering a clear loss of political clout. Han Zheng, moreover, has moved closer to Xi Jinping in recent years and, as the new executive vice-premier, it is believed that he will keep an eye on Li Keqiang for Xi.



— Members of the Standing Committee of the Political Bureau of the CPC Central Committee —



Xi Jinping



Li Keqiang



Zhang Dejiang



Yu Zhengsheng



Liu Yunshan



Wang Qishan



Zhang Gaoli

— Members of the Political Bureau of the CPC Central Committee —

Listed in the order of the number of strokes in their surnames

  
Xi Jinping

  
Ma Kai

  
Wang Qishan

  
Wang Huning

  
Liu Yunshan

  
Liu Yandong

  
Liu Qibao

  
Xu Qiang

  
Sun Chunlan

  
Sun Zhengcai

  
Li Keqiang

  
Li Jiangou

  
Li Yuanhao

  
Wang Yang

  
Zhang Chunxian

  
Zhang Gaoli

  
Zhang Dejiang

  
Fan Changlong

  
Meng Jianzhu

  
Zhao Leji

  
Hu Chunhua

  
Yu Zhengsheng

  
Li Zhanshu

  
Gao Jiqing

  
Han Zheng

— Secretariat —

Liu Yunshan, Liu Qibao, Zhao Leji, Li Zhanshu, Du Qinglin, Zhao Hongzhu, Yang Jing (Mongolian)

— Central Military Commission —

**CHAIRMAN:** Xi Jinping  
**VICE-CHAIRMEN:** Fan Changlong, Xu Qiang  
**MEMBERS:** Chang Wanquan, Fang Fenghui, Zhang Yang, Zhao Kezhi, Zhang Youxia, Wu Shengqi, Ma Xiaobian, Wei Fenghe

— Central Commission for Discipline Inspection —

**SECRETARY:** Wang Qishan  
**DEPUTY SECRETARIES:** Zhao Hongzhu, Huang Shaokun, Li Yufu, Du Jincal, Wu Yuliang, Zhang Jun, Chen Wenqing, Wang Wei

**The make-up of China's leadership**  
 Source: *China Daily*

Xi is entering his second five-year term as Party chairman. It has previously been customary for the Party Congress that confirms the second term to reveal the chairman's designated successor. The most striking feature of the new leadership line-up is that there is no designated successor among them. All of them are essentially administrators. This has aroused the suspicion of many foreign commentators that Xi Jinping intends to ignore the customary two terms for the senior leader and go for a third in 2022. But this could encourage a backlash from other ambitious leaders who are waiting for their turn.

On the other hand, it might also be that Xi is biding his time, waiting to see how the members of the Standing Committee and the full Politburo perform. Of the fifteen new members appointed to the twenty-five member Politburo, two-thirds either worked for or have had long-standing connections to Xi Jinping. Two, in particular, deserve a mention: Chen Min'er 陈敏尔, the new Chongqing party secretary, who many foreign academic and media observers (wrongly) tipped for promotion to the Standing Committee; and Liu He 刘鹤, the Director of the Central Committee's Leading Group on Financial and Economic Affairs, who has advised Xi on economic issues, and who played a key role in drafting the economic reform blueprint endorsed by the Eighteenth Central Committee's Third Plenum. It might well be from the ranks of people like these that Xi eventually draws his successor.

Xi Jinping's speech to the Congress underscored his determination to strengthen the leadership of the country by the Party. Guided by Xi Jinping Thought, which senior academics at the Party School have declared to be 'Marxism for the twenty-first century', the Party will continue to expand its control over economic enterprises — state-owned, private, and joint ventures with foreign companies — through Party cells embedded in these organisations. At the same time, the Party will strengthen ideological instruction in China's schools and universities, in order to encourage Chinese youth to commit to the Party's values. This will be accompanied by a continuing, perhaps intensified crackdown on all forms of dissent,

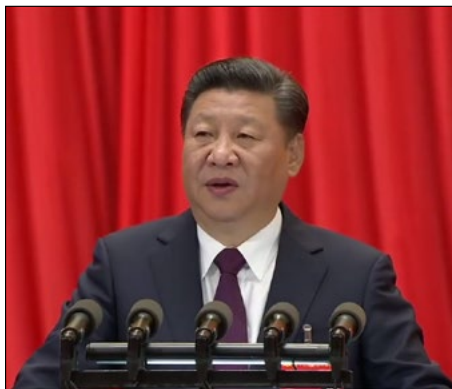
and a narrowing of the scope for intellectual discussion and debate. The appalling fate of leading intellectual dissident and Nobel Peace Prize winner, Liu Xiaobo 刘晓波, who died in custody only a few months before the Congress, sends a chilling warning to all intellectuals to conform to the Party orthodoxy or remain silent.

At the same time, Xi Jinping seeks to improve the quality of the Party's eighty-nine million members and their commitment to the values of the Party-state. He will continue with his coercive but popular anti-corruption campaign, implemented by the CCDI. The creation of supervisory commissions at all levels of Party government — national, provincial, city, and county — will strengthen and extend the supervisory functions of the CCDI. This bolstering of the CCDI's functions will ensure that it remains an essential instrument through which Xi Jinping controls the Party.

## A Better Life for the New Era

In his speech to the Congress, which lasted 205 minutes, Xi Jinping indicated that he intends to have a fundamental shaping influence on China's future. He spoke of China since 1949 having gone through two thirty-year periods, first that of Mao Zedong, which founded and consolidated an independent new China (the People's Republic), and that of Deng Xiaoping, which laid the basis for contemporary China's prosperity through economic reform and opening up to the outside world, lifting 700 million people out of poverty. Xi set out his vision for a third era to be guided by his 'Thought' in which he will restore China's greatness, drawing on both socialist and nationalist aspirations. This will be a two-stage process beginning in 2020, with the aim of achieving by 2050 'a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful'. Xi sees himself defining this 'New Era' in the same way that Mao and Deng defined the two earlier periods. They now explicitly make up a triumvirate of key leaders of the People's Republic.

Xi stressed that the Party must address the Chinese people's rising economic and environmental aspirations for a 'better life' 美好生活. It is clear that Xi sees this as the major domestic political task facing the Party, and the one on which its future credibility will depend: the principal economic and social contradiction facing China, he told the Congress, was 'between



Still from Xi's speech at the Nineteenth Party Congress  
Source: YouTube

unbalanced and inadequate development and the people's ever-growing needs for a better life'. While listing among his achievements raising over sixty million people out of poverty and creating thirteen million urban jobs since 2012, he also insisted that much still needs to be done. Poverty alleviation remained 'a formidable task', and he acknowledged the large (and increasing) disparities in income and development between urban and rural areas and between regions, as well as problems with meeting the Chinese people's needs for employment, education, healthcare, housing, and aged care. Xi's Beautiful China Initiative 美丽中国, which acknowledges the Chinese people's concern for their environment, meanwhile, addresses environmental issues, including water security and pollution, both of which have become serious political concerns as well. All of these urgent social problems pose major challenges for Xi's second term.

To successfully tackle its social and environmental problems, China needs to maintain a GDP growth rate of 6.7–6.8 per cent, and Xi indicated that the aim is for continued, moderately high growth over the next few years. He pointed to the strength of China's economy during his first term, when GDP rose from US\$8.2 trillion to US\$12.1 trillion. He also drew attention to the fact that China's economy had become the second largest in

the world, contributing thirty per cent to global economic growth (a figure confirmed by *Forbes* magazine) and, in a triumphalist flourish, noted that ‘China now leads the world in trade, outbound investment, and foreign exchange reserves’.

For all its dynamism, the Chinese economy is bedevilled by serious structural problems, the most significant being the growing debt-to-GDP ratio. According to the New York Federal Reserve, since 2005 China has accounted for fifty per cent of all new credit created globally — a huge burden for an economy that accounts for fifteen per cent of the global economy. And China’s growth continues to be funded by injections of credit from domestic sources. This ongoing expansion of China’s debt-to-GDP ratio poses some longer term risks to the economy, and is beginning to concern international financial institutions: in May 2017, the rating agency Moody’s downgraded China’s credit rating for the first time in nearly thirty years. Straight after the Party Congress, Zhou Xiaochuan 周小川, the governor of the People’s Bank of China, warned that Chinese corporate debt was so high it threatened financial stability, and called for fiscal reforms to constrain local government borrowing.

## Enter the Dragon: A Mighty China

In his speech, Xi asserted that by the middle of the twenty-first century China will have ‘emerged as a global leader in terms of comprehensive national power and international influence’. He underlined the commitment to economic globalisation and the multilateral trading system that he first made at Davos in January 2017, as well as China’s continuing adherence to the Paris climate accord. His emphasis on global governance reflects a desire to capitalise on the uncertainty produced by the nativist and anti-globalisation policies of the Trump Administration as well as a belief that the United States itself has been in long-term decline ever since the Global Financial Crisis of 2008.

As in his earlier speeches regarding the Belt and Road Initiative (discussed in Chapter 2, pp.42–59), Xi put forward China as a developmental model that ‘offers Chinese wisdom and a Chinese approach



A 'world-class military' by 2035  
Photo: Christopherwiggans, Flickr

to solving the problems facing mankind, and that other countries can emulate’. At the BRICS (Brazil, Russia, India, China, and South Africa) summit in Xiamen in September, immediately before the Congress, Xi Jinping extended an invitation to five other developing economies (Egypt, Mexico, Thailand, Tajikistan, and Guinea) to partner with BRICS. This explicitly challenges the Western developmental model and is also part of a larger implicit challenge to the Western liberal democratic order, underwritten by the US, that has underpinned the international order since 1945.

Xi adopted a similarly muscular tone with regard to the South China Sea, Hong Kong, and Taiwan. Of course, China’s earlier rejection of the United Nations Permanent Court of Arbitration’s ruling on the South China Sea dispute does not bode well for China’s global citizenship in areas where international law conflicts with its perceived national interests. Xi did not mention North-East Asia or the North Korea nuclear weapons crisis. This is currently the biggest threat to Chinese and world security. Any direct confrontation between the US and North Korea would inevitably involve China.

Another topic of the epic speech was the modernisation of the People’s Liberation Army (PLA), which Xi said would be ‘basically completed’ by 2035; by the middle of the twenty-first century, the PLA ‘will be transformed into a world-class military’. This will be the finishing touch on wide-ranging military reforms that Xi began in 2012. These involved the

recentralisation of decision-making in the Central Military Commission (CMC), which he heads, administrative reorganisation, the downsizing of the PLA, and the retirement of over fifty senior military leaders, including two formerly powerful CMC vice-chairmen. All of this has strengthened the Party's, but particularly Xi Jinping's control over the PLA as CMC chairman. In his speech, Xi reiterated the 'absolute' nature of the Party's leadership over the military. The purpose of modernising the PLA is not only to defend China's national security interests but also to be able to contest US military power in East Asia in the future.

## Xi Ascendant

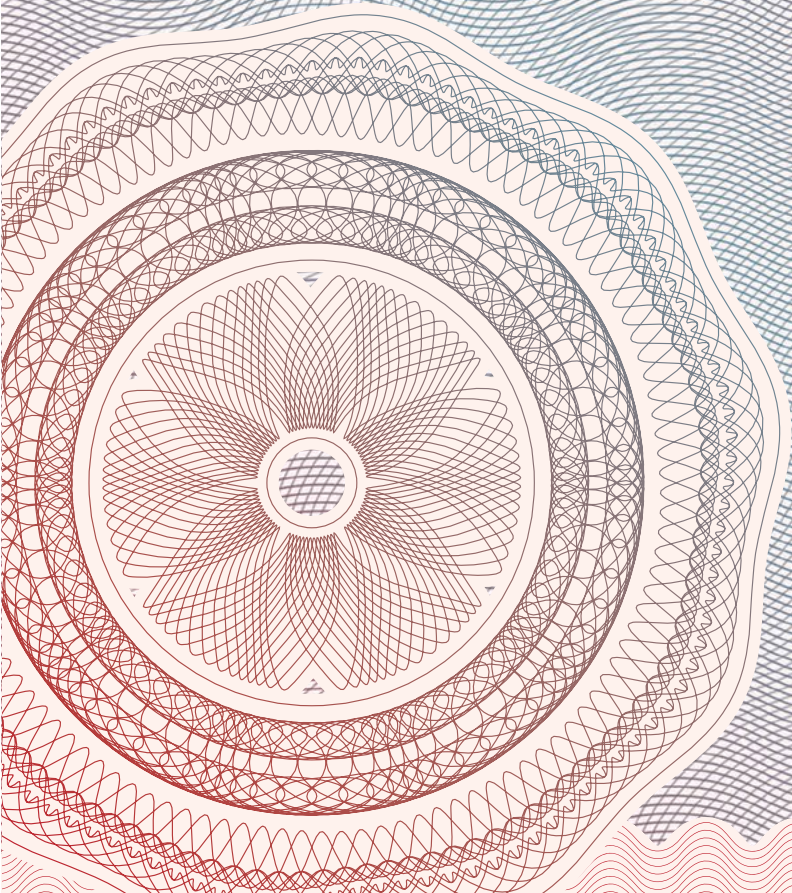
In sum, the Nineteenth Party Congress affirmed Xi Jinping's ascendancy, essentially letting him take control over China's political system, Party, and military. Xi's ability to surmount various political challenges in the run-up to the Congress and the shape of the new leadership line-up reveal how astute and formidable a politician he is. His landmark speech sketched out ambitious long-term social, economic, and environmental goals, while proposing China's development model as an alternative to that of the West. The Congress is a turning point for China, highlighting its international ambitions, including Xi's clear determination to wrest leadership in global governance from the US, and a more assertive and robust foreign policy. The global balance of power is shifting and, as Xi's speech made plain, China is rapidly emerging as a centre of global economic and strategic power.







# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

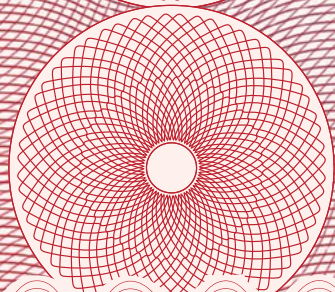
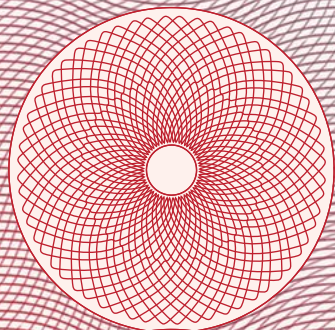
5月

6月

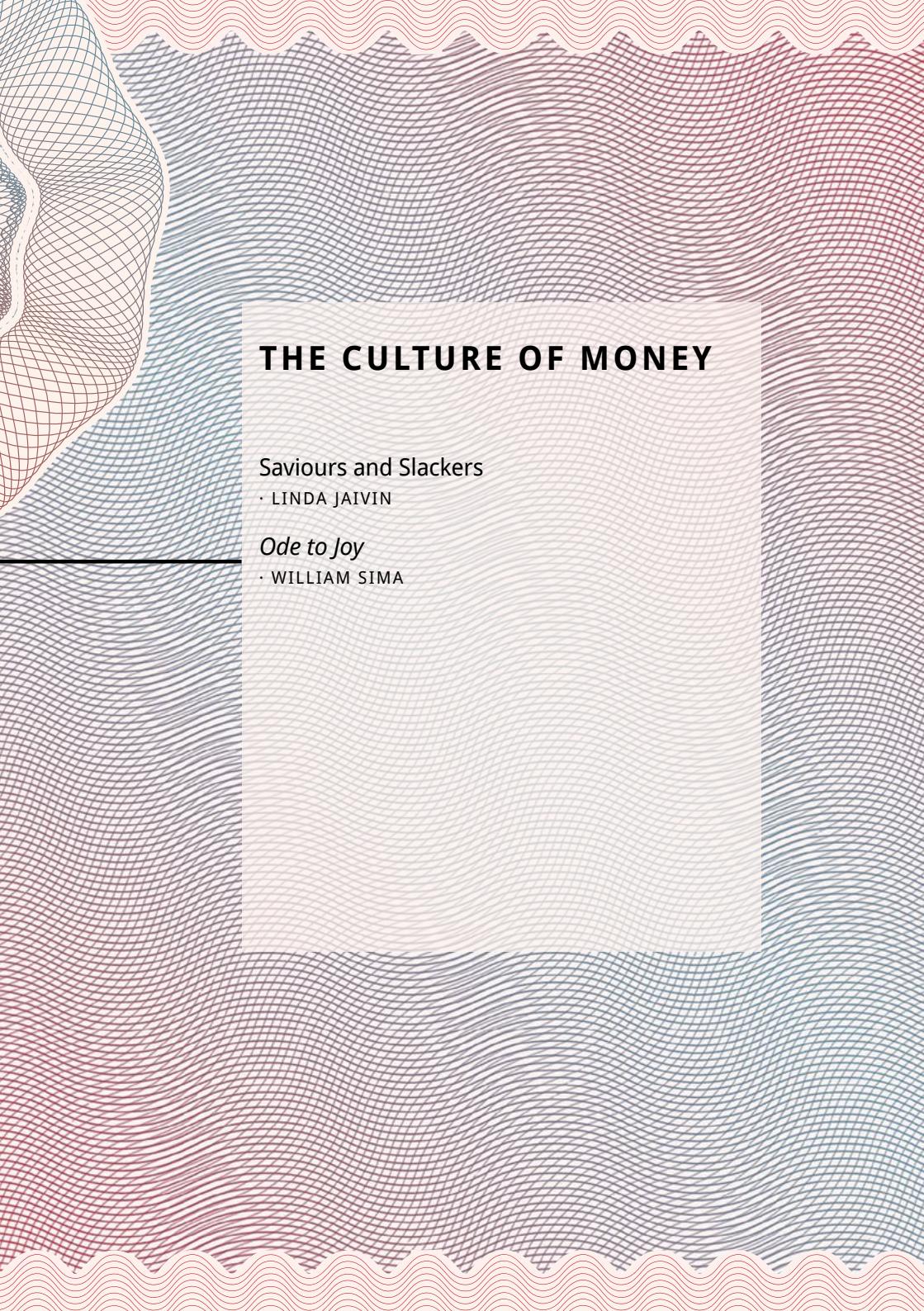
7月

8月

9月







# THE CULTURE OF MONEY

Saviours and Slackers

· LINDA JAIVIN

*Ode to Joy*

· WILLIAM SIMA



## SAVIOURS AND SLACKERS

Linda Jaivin

THE 2017 FILM *Wolf Warrior 2* 战狼 II, which is set in an unnamed African country, portrays the dramatic rescue of Chinese and African hostages from ruthless American mercenaries by a Chinese special forces operative. The film's tag line is as muscular as its director and action hero star Wu Jing 吴京: 'Whoever offends our China will be put to death' 犯我中华者, 虽远必诛. (A more literal reading would be 'whoever offends our China, no matter how far away, must be punished by death'.) Patriotism sells. Within two weeks of its late-July release, *Wolf Warrior 2*, based on the cult 2006 military novel *Bullet Hole* 弹痕 by Fenwu Yaoji 纷舞妖姬 (the pen name of Dong Qun 董群), became the highest grossing film in Chinese history. Within one month, it had taken in US\$800 million at the box office, becoming the second-highest grossing

film in any single territory worldwide after *Star Wars 7* in the United States.

Not long after the film's release, a rumour arose online that Wu Jing was a foreign-passport holder. On 7 August, the official Weibo account of the Jiangsu Police posted the Chinese passports of both the director and his wife, affirming that the whole family held Chinese citizenship, following this statement with a bouncing 'thumbs up'



Theatrical  
release poster  
for *Wolf  
Warrior 2*  
Source:  
Wikipedia

emoji. The police reminded people that the ‘malicious spread of rumours and slander’ was a crime.<sup>1</sup> It is uncertain as to whether the police were suggesting that it was slanderous to say someone held foreign citizenship. There can be a thin line between patriotic pride and anti-foreign sentiment. That line was crossed more than once in Chinese popular culture in 2017.

There is not a huge conceptual leap from the patriotic heroism of *Wolf Warrior 2* to the pimp-rolling xenophobic swagger of Chengdu rapper Xie Di 谢帝, aka ‘Fat Shady’. In his expletive-filled music video ‘Stupid Foreigners’ 瓜老外, released in July, Xie Di accuses foreigners in China of being losers who could not make it in their own countries, invites them to polish his (foreign) car and his (foreign) boots, and then beheads with a baseball bat a mannequin on which is written ‘stupid foreigners’.

New York film critic Simon Abrams, writing on rogerebert.com, said of *Wolf Warrior 2*: ‘its characters’ sense of patriotism is built on the back of racist assumptions that would, in a European or American narrative, be rightfully criticized for being part of an ugly “white saviour” power fantasy’. Noel Murray of the *Los Angeles Times* commented: ‘there is something bracing about its

patriotic fervor, which asserts that the Chinese will act in the best interests of the world’s downtrodden, while the rest of the world just exploits them’.

China’s prosperity has sparked a huge resurgence in national pride, and a growing sense of China taking its rightful place in the world. The Party-state’s carefully curated narrative of China’s rise slates all the pain and sorrow that the Chinese people have suffered over the last two centuries home to foreign exploitation, beginning with the Opium Wars of the early nineteenth century. Some fifty-three per cent of the population was born after 1976; most of them would have no idea of the suffering of previous generations at the hands of the Party itself in the decade-long Cultural Revolution, the three-year famine that preceded it, or any of the other movements later swept under the carpet of official history. Many have only known increasingly higher standards of living and ever-greater social and personal opportunity. With limited access to uncensored international discourse around such topics as China’s actions in the South China Sea, they are astonished and outraged by negative perceptions abroad of how China is managing its growing power: *Wolf Warrior*



2 and Fat Shady's lyrics are among the cultural expressions of this.

With its assertive delivery and association with bling, 'pimped rides', and all the rest, hip hop 嘻哈 appeared well suited to conveying a message of prosperity pride. Hip hop was part of China's diverse popular music scene for some years, but went mainstream in the summer of 2017 with the broadcast on the video channel iQiyi of the first episode of the music competition *The Rap of China* 中国有嘻哈 (with the prize being gold chains that spell 'RICH'). By October, *The Rap of China* had racked up billions of views.

Within a mostly anodyne scene that has produced, for example, songs about the local delicacies of the Xi'an region, a number of what you might call patriotic prosperity rappers had emerged. In 2016, the group Tianfu Shibian 天府事变 (also known as CD Rev) produced an English-language 'red rap' 红色嘻哈 called 'This is China' 听好了, 这才是中国. Singer Li Yijie 李毅杰 (who goes by the English name 'Pissy') said he wrote it as a response to Western media 'fabrications' about China and his conviction that the American government hires people in China to brainwash Chinese children into loving the US.<sup>2</sup> The lyrics boast

about China's national achievements including the space program and mobile phone payment systems. CD Rev's previous songs include 'The Force of Red' 红色力量, which refers to the president of Taiwan as the 'bitch Tsai Ing-wen', and another that addresses foreign correspondents as 'media punk ass white trash fuckers' and 'faggots from the West'. Swearing, misogyny, and homophobia are traits that Pissy's lyrics share with some of the more infamous rap songs from the US; missing is the anti-authoritarian spirit of genre-defining songs such as N.W.A.'s 'Fuck Tha Police'. Pissy's message is more 'don't fuck [with] tha' police'.

Although at the start of 2018, the Party-state decided to ban rap and hip-hop from television. Yet, the Communist Youth League had helped produce 'This is China', and Pissy widely vaunted his Party connections and support. Stating that it is important for young people (he is twenty-three) to 'step into this system', he told Reuters that the members of his group 'frequently dined with officials to exchange ideas'.<sup>3</sup> Domestic critics of 'red rap' dismiss them as typical '50-cent-ers' 五毛党 — that is, hacks paid by the Party to spout the Party line — and the Hong Kong and Taiwan media have expressed dis-



**A Ge You sofa meme**

Source: Baidu

taste for the form as well. This does not bother the red rappers, however. One article on the Chinese-language website xihachina.com responded to such critics using the English phrase: ‘Whatever’.<sup>4</sup> Despite the ban, at time of publication xihachina.com was still going and so was hip hop.

‘Whatever’ could be the slogan for another, entirely opposite genre of cultural, or rather subcultural production that rose to prominence in 2017 as well: ‘sang culture’ 丧文化. The character *sang* when pronounced in the first tone means funeral or mourning. When pronounced in the fourth tone, as it is here, it signifies to lose or have lost, as in ‘lose virtue’ 丧德, meaning degenerate; ‘lose ambition’ 丧志 or ‘lose qi’ 丧气, to have bad luck and become discouraged. *Sang* culture icons include the Netflix animated comedy *Bojack Horseman* (now banned in China) and *Catcher in the Rye*. One of the most typical expressions of *sang* culture is

through the creation of memes, including from the 1990s Chinese sitcom *I Love my Family* 我爱我家, in which comedian-actor Ge You 葛优 plays an archetypal loser, spending much of his time sprawling dishevelled and listless on a friend’s sofa.

*Sang* culture appeals on the basis of humour. But as many commentators have noted, it also expresses the futility felt by many young people in the face of barriers to social mobility and shared prosperity such as the prohibitive cost of housing as well as corruption and nepotism. Working hard, as urged by the *People’s Daily* in its response to *sang* culture, does not solve everything. Clearly onto its more subversive implications, the Party organ has labelled *sang* culture ‘ideological opium’ and linked it to crime and suicide.<sup>5</sup> But *sang* culture is also an antidote to the frenetic pace of a rampantly materialistic society that provides scant opportunity for leisure or idleness. Another exemplar of *sang* culture is a conversation in the 2016 Japanese film *Setoutsumi* セトウツミ, in which a schoolboy laments the notion that young people should always be ‘running and sweating’; he asks a question that has become a popular meme: ‘why can’t I just waste time by the river?’

## DO'S AND DON'TS, by Linda Jaivin

China's State Administration of Press, Publication, Radio, Film and Television (SAPPRFT) had a busy 2017. The following are among the year's major directives:

- China's 2,500-odd television stations must no longer broadcast shows 'focussed on entertainment' or 'with foreign elements' during primetime.



Still from SAPPRT's video shorts  
Source: YouTube

- Online video content must follow a new set of 'general rules' 通则 issued in September. These include a ban on depictions of homosexuality, which they lump together with incest and sexual assault under 'abnormal sexual behaviour' — despite homosexuality having been decriminalised in 1997 and struck off China's official list of 'mental disorders' in 2001. At the end of September, the online forum Tianya 天涯 announced the closure of its sub-discussion board 'Accompanying You Along the Road' 一路同行, which for eighteen years had been a meeting place and publishing hub for personal stories and fiction for China's LGBTQ population — due to 'external factors outside our control'.
- Mid-year, in the interest of ensuring that online video 'adheres to the correct political direction, and works hard to disseminate contemporary Chinese values', SAPPRT targeted 155 online programs as problematic; by September, 125 were permanently offline. Among them: Phoenix TV's online video services and the popular talk show *Behind the Headlines* 锵锵三人行, which for nearly twenty years had hosted lively — perhaps too lively — discussions on a range of topics.
- Even the title of the talk show *Behind the Headlines* entered the growing lexicon of banned words. These now include the use of 'boss' 老板 for Party leaders; the word 'citizens' 公民 to describe the people 民众 of Taiwan; and the use of 'foreign visit' 出访 to describe Party leaders' trips to Hong Kong and Macau (such trips are 'inspections' 视察).<sup>6</sup>
- Celebrity culture took a hit as well. The press is no longer to speak of celebrities in terms such as 'emperor of the big screen' 影帝, 'superstar' 巨星, and 'goddess' 女神. They are all now simply to be known as 'famous actors' 著名演员. The authorities shut down a number of entertainment-focussed sites and banned online promotion of ultra-luxe lifestyles.
- Go to the cinema and before the main feature you will now sit through one of four video shorts produced by SAPPRT and featuring famous actors including Jackie Chan, Li Bingbing, Angelababy, and Donnie Yen. These promote the twelve 'socialist core values', including prosperity and the 'China Dream' as well as the building of a 'moderately prosperous society'.



## ODE TO JOY

William Sima

IN THE SEASON TWO FINALE of the smash-hit sitcom *Ode to Joy* 欢乐颂, the character Fan Shengmei 樊胜美, who has struggled with financially needy parents continually pressuring her to marry, boldly declares her New Year's resolution: 'I am going to stay single and do whatever I want. I will be the fighter plane among the left-over women [*shengnü* 剩女]'

For over a decade, young Chinese women have been bludgeoned with the awful term *shengnü*, for which the closest equivalent in English is 'spinster', in state propaganda, film, and television. The message is: if you want to marry, do not be too educated or you will not be attractive to men. Marry by your mid-twenties (and marry up), be a mother at home, and a 'white collar beauty' 白领丽人 at work. It leaves

young women confronting a 'moralised female sexuality' that forces them to navigate between the extremes of the unsociable housewife, and the powerful woman 女强人 who achieves success at the expense of her feminine charm.<sup>7</sup>

*Ode to Joy* stars five unmarried, educated protagonists, aged from their early twenties to mid-thirties. This is a novel concept for Chinese TV. The *People's Daily* praised the show for its 'realism' 现实主义 in depicting the life pressures of urban women; the US-based news site SupChina called it a 'breath of fresh air' in a TV industry still dominated by propagandistic historical dramas and dynastic epics.<sup>8</sup> These still topped the 2017 TV rankings, followed by the anti-corruption drama *In the Name of the People* 人民的名义 (see

Forum ‘*In the Name of the People*’, p.155), which narrowly edged *Ode to Joy* into fifth place. But *Ode to Joy* was by far the most popular urban drama 都市剧, with the fifty-five episodes of season two garnering a total of twenty-two billion online views by the time of the 10 June finale.<sup>9</sup>

*Ode to Joy* broaches the taboo of young women remaining single in a blatant attempt to fan outrage on social media in between episodes. Each episode, in turn, is packed with enough product placement to drown out any pretense of meaningful social commentary. Products are the real stars of *Ode to Joy*: they stand for wealth, and, for those that can afford them, greater agency in love and marriage. The less wealthy characters are shown to have much less choice in such matters.

The eldest of the five neighbours is Andy 安迪, a Columbia-educated maths genius and CFO in a finance company. She is beautiful, ruthless in the boardroom, and a role model to her friends. She also drives a Porsche 911 (and numerous other luxury cars), and goes jogging in lululemon active-wear. In one episode, which gained the Sanitarium company unprecedented exposure in the Chinese market, she is seen eating imported Australian Weet-

Bix.<sup>10</sup> Andy feels no pressure to marry, but struggles in her relationships due to anxiety and fear of physical contact, resulting from an inherited mental illness. It is a confusing message, and not a particularly joyful one.

The admirable Qiu Yingying 邱莹莹, the youngest of the friends and the least well-off, lands a job at a local café and sets about revolutionising its business model through online sales. Her (affable, male) boss is delighted; her (catty, female) floor manager envious. Around the time she gets her own office, Qiu meets Ying Qin 应勤, an introverted but charming IT guy, and their relationship starts off like a dream come true. But in the most-discussed episode, Ying turns into a monster upon discovering that Qiu has lost her virginity: ‘that girl is a stain 污点’.

The two later reconcile and get engaged. In another controversial episode, Ying Qin’s traditional, middle-class parents browbeat Qiu’s laid-back working-class parents over the marriage arrangements. For this viewer, who wanted to see Ying Qin in a noose by this point, it was not a satisfying resolution.

If Qiu were wealthy, virginity would not be such an issue. It certainly is not for Qu Xiaoxiao 曲筱绡, an



**Ode to Joy 2**

Source: [dramafever.com](http://dramafever.com)

archetypal ‘young nouveau-riche’ 富二代 who flirts outrageously, works in her father’s company, and goes crying to him in his gated mansion whenever life does not go her way. By far the most loathed of *Ode to Joy*’s protagonists, she nonetheless wins the love of the dashing Dr Zhao 赵医生, and flaunts their love continually. While a discreet view of quivering bed sheets does not make *Ode to Joy* quite *Sex in the City*, to which it has been compared, the rich girl with means brings us as close as we get to material climax.

Then there is quiet, studious and hard-working Guan Ju’er 关雎尔. Despite her upper-middle class background, she has no yearning for handbags, only the right guy. This might well be Xie Tong 谢童, who has run away from a broken home to chase his dreams in Shanghai’s underground rock scene. ‘Everyone disapproves of us’, Guan tells her friends in the season finale, ‘but I know our love will survive all tests.’ If the show hopes to shake its derisive nickname, *Ode to Advertising* 广告颂, their love will be the test for season three.







6月

7月

8月

9月

10月

11月

12月

2017年1月

2月

3月

4月

5月

6月

7月

8月

9月

# 2

## **THE BELT AND ROAD INITIATIVE: HOW TO WIN FRIENDS AND INFLUENCE PEOPLE** Jane Golley and Adam Ingle





**THROUGHOUT THE 1980s**, Deng Xiaoping famously counselled Chinese Communist Party (CCP) officials that in international affairs, China must ‘bide [its] time, be good at maintaining a low profile, and never claim leadership’. Under each successive leader through to Hu Jintao (2002–2012), the CCP largely followed Deng’s counsel. In the era of President Xi Jinping, however, Chinese leadership on such global issues as free trade, emissions reductions, and the establishment of the Asian Infrastructure Investment Bank represents a strategic shift, which is epitomised by the centrepiece of Xi’s foreign policy, the Belt and Road Initiative (BRI) 一带一路. Although Xi first touted the BRI in 2013 (then known in English as One Belt One Road), it was in 2017 that the whole world took notice. China’s low-profile era is well and truly over.



A still from the music video 'The Belt and Road is How'  
Photo: YouTube

In mid-January 2017, during his keynote speech at the World Economic Forum in Davos, Switzerland, Xi pledged China's ongoing commitment to free trade, including 'open, transparent and win-win regional free trade agreements'. He adamantly rejected the 'pursuit of protectionism', which he likened to 'locking oneself in a dark room. While wind and rain may be kept outside, that dark room will also block light and air. No one will emerge as a winner in a trade war.' Xi said China was committed to 'addressing problems facing the global and regional economy, creating fresh energy for pursuing interconnected development and making the Belt and Road Initiative deliver greater benefits to people of countries involved.'<sup>1</sup>

In preparation for the inaugural Belt and Road Forum on International Cooperation in Beijing on 14–15 May, Xi took his vision for the BRI a step further. In a promotional video released on YouTube under the title of 'Why I proposed the Belt and Road', subtitled in English, Xi says he 'feels that [he] can hear the sound of the camel bells ringing in the mountains and see plumes of smoke rising over the desert'. He then voices his concerns about the future of lands that were once prosperous and bustling but whose names are now synonymous with difficulty, conflict, and crisis.

Against a CGI-enhanced backdrop of camels travelling across the desert and eagles soaring above oceans dotted with seafaring junks, Xi explains that:

The Belt and Road Initiative draws inspiration from the ancient Silk Road and aims to help realise the shared dream of people worldwide for peace and development. Shining with the wisdom from the East, it is a plan that China offers the world for seeking common prosperity and development 共同繁荣发展.<sup>2</sup>

This conceptualises BRI as the culmination of two of Xi's other favourite tropes: the 'China dream' and a 'shared destiny' (the title of the *China Story Yearbook 2014*).

In case this was not convincing enough, a second video features ukulele-playing children from many of the BRI partner countries singing 'The Belt and Road is How' (a pun on the Chinese word for good, *hao* 好). The children explain how the BRI will enable us all to share in a world of prosperity. To top it off, the *China Daily* launched its 'Bedtime Stories' campaign online, in which an American staffer at the paper explains the initiative to his young daughter to put her to sleep!<sup>3</sup>

Meanwhile, the world was waking up to a very different global order, with the election of Donald Trump as the president of the world's other largest economy. The contrast between his and Xi's visions could not have been starker. In one of Trump's first acts as president, in December 2016, he created the National Trade Council to implement the 'Buy America Hire America' program.<sup>4</sup> He did not fulfill his election promise to slap forty-five per cent tariffs on all Chinese imports (and his daughter's business continued to manufacture goods in China). But, in January, he did deliver on his promise to withdraw the US from the Trans-Pacific Partnership (TPP), the ambitious trade liberalisation initiative proposed by his predecessor, Barack Obama. Throughout the year, Trump continuously tweeted his determination to 'make America great again' and place 'America first', offer-

ing very little to assure the global community of America's commitment to any international common cause. His decision to withdraw from the Paris Agreement on Climate Change in June was a significant case in point.

## Geoconomics: Sticks and Carrots

'Geoconomics' is a useful concept for understanding Xi and Trump's two distinct approaches to the global political economy. In their 2016 book *War by Other Means: Geoconomics and Statecraft*, Robert Blackwill and Jennifer Harris, senior fellows at the US Council on Foreign Relations, define geoconomics as 'the use of economic instruments to promote and defend national interests and to produce geopolitical results; and the effects of another nation's economic actions on a country's geopolitical goals'.<sup>5</sup>

Blackwill and Harris lament the decades-long demise of the US's geo-economic strategy, in which they saw the TPP as the overriding component, 'tying together America's friends in Asia and negotiating terms of engagement between US collaborators in the Western and Eastern Hemispheres'.<sup>6</sup> Trump's TPP withdrawal no doubt dismayed Blackwill and Harris — with little to make up for it as the year unfolded.

Instead, throughout the year, Trump tweeted erratically on the subject of how the US would or could use its economic might to achieve its diplomatic goals. He focussed primarily on China's role in dealing with an increasingly recalcitrant North Korea, sometimes offering carrots and other times threatening it with sticks. For example, on 11 April, he tweeted: 'I explained to the President of China that a trade deal with the US will be far better for them if they solve the North Korean problem!' Less than five months later, on 3 September, however, he warned that 'The United States is considering, in addition to other options, stopping all trade with any country doing business with North Korea'. (See Information Window 'Trump's Tweets', pp.50–51).





**US President Donald Trump**  
Photo: Gage Skidmore, Flickr

As Blackwill put it to *The Washington Post* in April prior to Xi Jinping's US visit: 'It is very dangerous for presidents to be utterly extemporaneous in their interactions with major powers'. He observed that by contrast Xi Jinping would undoubtedly be arriving 'with a very clear set of strategic objectives and strategies'.<sup>7</sup> Likewise, in a *Foreign Policy* article in July, Jamie Fly, a senior fellow at the non-partisan American think tank the German Marshall Fund, criticised Trump's China policy as short-sighted, calling his approach to China and North Korea the 'geopolitical equivalent of tic-tac-toe'.<sup>8</sup>

The US was not the only global superpower playing geoeconomic games in 2017. Following South Korea's decision to deploy the US-supplied THAAD (Terminal High Altitude Defense) missile defence system in March, China's state media encouraged a boycott of South Korean goods, culture and tourism, inflicting high costs on the South Korean economy. This method of punishing countries for acting against its foreign policy interests is not new to China. Previous campaigns have targeted Japan, the Philippines, and Taiwan, and other countries are justifiably concerned about who might be next. This kind of behaviour will not help China win friends in the region. But the BRI just might.

## TRUMP'S CHINA TWEETS<sup>9</sup>

**17 March:** North Korea is behaving very badly. They have been 'playing' the United States for years. China has done little to help!

**13 April:** I have great confidence that China will properly deal with North Korea. If they are unable to do so, the U.S., with its allies, will! U.S.A.

**16 April:** Why would I call China a currency manipulator when they are working with us on the North Korean problem? We will see what happens!

**21 April:** China is very much the economic lifeline to North Korea so, while nothing is easy, if they want to solve the North Korean problem, they will.

**28 April:** North Korea disrespected the wishes of China & its highly respected President when it launched, though unsuccessfully, a missile today. Bad!

**5 July:** The United States made some of the worst Trade Deals in world history. Why should we continue these deals with countries that do not help us?

**5 July:** Trade between China and North Korea grew almost 40% in the first quarter. So much for China working with us — but we had to give it a try!

**29 July:** I am very disappointed in China. Our foolish past leaders have allowed them to make hundreds of billions of dollars a year in trade, yet ...

**29 July:** ... they do NOTHING for us with North Korea, just talk. We will no longer allow this to continue. China could easily solve this problem!



Trump tweets

Photo: Marco Verch, Flickr

## The Belt and Road Initiative: The Big Carrot

During the last four decades, economic growth has been the cornerstone of the CCP's legitimacy for retaining sole stewardship over the state. President Xi Jinping's 2013 statement on the 'Chinese Dream' expressed this in concrete terms by committing the Party to delivering better education, stable employment, higher incomes, greater social security, improved medical care, a healthier environment, and work satisfaction for the Chinese people. Creating a global environment favourable to continued domestic growth aligns perfectly with this goal.

**3 September:** The United States is considering, in addition to other options, stopping all trade with any country doing business with North Korea.

**25 October:** Spoke to President Xi of China to congratulate him on his extraordinary elevation. Also discussed NoKo & trade, two very important subjects!

**9 November:** In the coming months and years ahead I look forward to building an even STRONGER relationship between the United States and China.

**9 November:** I don't blame China, I blame the incompetence of past Admins for allowing China to take advantage of the U.S. on trade leading up to a point where the U.S. is losing \$100's of billions. How can you blame China for taking advantage of people that had no clue? I would've done same!

**9 November:** My meetings with President Xi Jinping were very productive on both trade and the subject of North Korea. He is a highly respected and powerful representative of his people. It was great being with him and Madame Peng Liyuan!

**15 November:** President Xi of China has stated that he is upping the sanctions against #NoKo. Said he wants them to denuclearize. Progress is being made.

**29 November:** Just spoke to President XI JINPING of China concerning the provocative actions of North Korea. Additional major sanctions will be imposed on North Korea today. This situation will be handled!

**30 November:** The Chinese Envoy, who just returned from North Korea, seems to have had no impact on Little Rocket Man. Hard to believe his people, and the military, put up with living in such horrible conditions. Russia and China condemned the launch.

**28 December:** Caught RED HANDED — very disappointed that China is allowing oil to go into North Korea. There will never be a friendly solution to the North Korea problem if this continues to happen!

And this is where the BRI comes in. It began in 2013 with two separate proposals, for a 'Silk Road Economic Belt' and a 'Twenty-first Century Maritime Silk Road' connecting under-developed border provinces with developing countries in the region. These regional partners now include sixty-four countries that cover the entire Eurasian zone, involving a diverse range of projects with an approximate value of US\$900 billion.

The initiative calls for a multi-dimensional infrastructure network including a number of economic 'corridors' (such as the China–Pakistan Economic Corridor (CPEC), China–Mongolia–Russia Economic Corridor, and the New Eurasian Continental Bridge). It will upgrade land, sea, and air transportation routes through major railway, port, and pipeline projects.

The initiative will also create mechanisms for the Five Connectivities 五通: policy dialogue, infrastructure connectivity, tariff reductions, financial support, and people-to-people exchanges across the participating countries.

In his Belt and Road Forum speech in May, President Xi iterated the global objectives of the BRI: peace, prosperity, cooperation, openness, inclusiveness, and mutual benefit. He called for the creation of an environment that will facilitate opening up and development; establish a fair, equitable, and transparent system of international trade and investment rules; and facilitate the orderly flow and allocation of resources such as labour, capital, and energy, as well as full market integration.<sup>10</sup> At October's Nineteenth Party Congress, these loosely defined ideas were introduced into the Chinese constitution, which now commits China to 'following the principle of achieving shared growth through discussion and collaboration, and pursuing the Belt and Road Initiative'.<sup>11</sup> Although China's constitution is a little more flexible than its Western counterparts, it is clear that China is all in when it comes to the BRI — the centrepiece of a long-term foreign policy strategy designed to make China (and the Chinese Communist Party) strong.

Domestically, the BRI aims to sustain China's economic development. GDP growth has decreased from 7.7 per cent in 2012 to 6.9 per cent in 2017. While no single factor is responsible for the slowdown — and indeed, while 6.9 per cent is still extraordinarily high from a global perspective — China's past growth model of exporting labour-intensive manufacturing goods has evidently run its course. Two clear signs of this are over-production by a number of China's industries, including coal, steel, and cement, along with excessive foreign exchange reserves (peaking at over US\$4 trillion in 2014, although on the decline since then). The BRI promises to solve both of these problems and kick economic growth back into high gear by cultivating new export markets for Chinese goods — including coal, steel, and cement — and new destinations for Chinese investment. It will also provide new sources of growth for the global economy, which for so long has sustained China's domestic growth.

'Chinese Dream' propaganda  
Photo: conceptual design.  
agency, Flickr



The BRI is also intended to bring both growth and economic stability to China's less-developed western regions, particularly Xinjiang and Tibet — further integrating these areas into the Chinese economy. It would transform Xinjiang into an energy corridor for Eurasia and create new opportunities to exploit its untapped resources. For Tibet, the Himalayan Economic Rim Project would connect Tibet with the Bangladesh–China–India–Myanmar Economic Corridor (BCIM), and develop border trade and economic exchange with Nepal, India, and Bhutan, with a focus on tourism, Tibetan medicine, and animal husbandry.<sup>12</sup> Shared prosperity could help to reduce ethnic tensions in these areas and calm the sporadic violence that has plagued these regions in the past, sparked by resentment of what is widely perceived as exploitative and repressive rule by the central government. So many prosperous possibilities — what could possibly go wrong?

## Wake-up Call

More than 1,500 delegates from over 130 nations, including twenty-nine heads of state and government leaders, attended the Belt and Road Forum held in Beijing in May. The grandeur of the event reflected the scale and scope of Xi Jinping's vision. In a *New York Times*' article titled 'Behind



Participants at the Belt and Road Forum, May 2017  
Photo: Wikipedia

China's \$1 trillion plan to shake up the economic order', Jane Perez and Huang Yufan surmised that:

Mr. Xi is aiming to use China's wealth and industrial know-how to create a new kind of globalization that will dispense with the rules of the aging Western-dominated institutions. The goal is to refashion the global economic order, drawing countries and companies more tightly into China's orbit.<sup>13</sup>

While Xi and other Chinese officials have stressed explicitly that this is not China's goal, it is not hard to understand why some are suspicious. The BRI will be implemented by the world's largest one-party state, which officially defines its economic system as 'Socialism with Chinese characteristics'. It plans to direct investment into state-favoured regions by predominantly state-owned firms and financed by state-controlled banks. For all its altruistic rhetoric, the BRI is clearly not entirely compatible with the current global economic order that Xi has pledged to uphold.

This point is well illustrated by the BRI's flagship project, CPEC. (See Information Window 'The China-Pakistan Economic Corridor', pp.56-57.) This project has been the greatest concern for India, the only country with a formal invitation to have boycotted the Belt and Road Summit in May. India's resistance to China's growing prominence in the region has been increasingly apparent since 2014. That year, Prime Minister Modi intro-

duced an ‘Act East’ policy, which aims to ‘strengthen strategic and economic ties with South-East Asian countries that would possibly act as a counterweight to the influence of China in the region’.<sup>14</sup>

Likewise, in 2015, Japan announced its own US\$110 billion infrastructure fund, promoting economic integration between South-East Asia and the global economy. Its east–west orientation is a deliberate counter to China’s infrastructure projects that run from north to south, seeking to integrate South-East Asia with the Chinese economy.<sup>15</sup> Also in 2015 came the Russian-led Eurasian Economic Union (EEU) — a customs union of former Soviet states with Moscow as the economic centre. The International Crisis Group observed in July 2017:

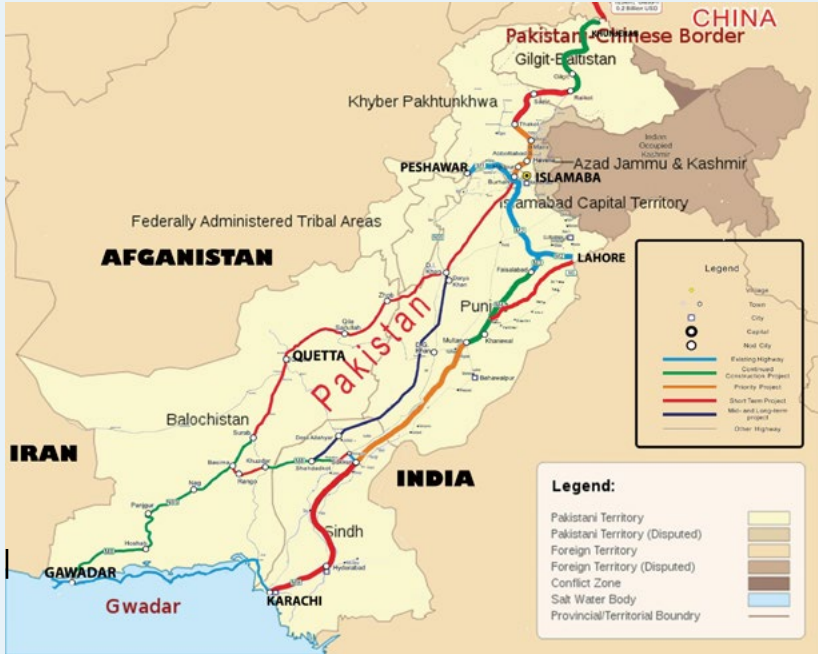
They [the BRI and the EEU] have divergent goals, but Russia and China have committed to cooperate politically and economically. Their initiatives offer investments and enhanced cooperation in a region beset by economic and political challenges. Poorly handled, however, these initiatives could encourage and entrench local behaviour that risks generating instability and conflict.<sup>18</sup>

This point goes straight to the crux of the issue. Geoeconomic rivalries between China, India, Japan, and Russia could translate into much-needed investment being channelled into less-developed countries, providing a substantial boost to global economic growth. Investments from India, Japan and Russia could also help the Asia–Pacific region rebalance away from the excessive reliance on China that many countries fear. Yet poorly coordinated projects with high levels of political and economic risk and susceptibility to corrupt dealings on either side could also exact dangerously high costs to both the source and host countries.

Preventing this latter outcome should be high on the list of Xi Jinping’s priorities in the years ahead, particularly if he remains committed to ‘making friends’ and a ‘community of shared destiny’ in the Asian



## THE CHINA–PAKISTAN ECONOMIC CORRIDOR (CPEC)<sup>16</sup>



**The China–Pakistan Economic Corridor**  
Image: Wikimedia Commons

The China–Pakistan Economic Corridor runs 2,000 kilometres from Kashgar in north-western China to Pakistan's Gwadar Port, through roads, railways, and pipelines and encompasses other specific infrastructure and agricultural projects. The US\$60 billion project will provide China secure access not only to Central Asian energy sources but also the Arabian Gulf, bypassing the Strait of Malacca and dramatically shortening the time it will take for Chinese goods to reach Africa and the Middle East.

In addition to serving as a commercial hub, Gwadar may be transformed into a safe harbour for the Chinese navy. This would allow China to project its power deep into the Gulf and Indian Ocean. In return, Pakistan expects to receive much-needed infrastructure and a reliable energy supply to alleviate its persistent power shortfalls.

Two chief financiers of CPEC, the China Development Bank (CDB) and the Exim Bank of China, are well placed to fund projects that align with Beijing's geoeconomic interests. Government policy guides the distribution of CDB and Exim loans, with state-owned enterprises (SOEs) the primary beneficiary. The Chinese government also holds a stake of at least sixty per cent of the commercial Industrial and Commercial Bank of China and can also direct it to provide loans to SOEs to benefit CPEC projects.

In addition, China aims to create favourable economic conditions for Chinese firms investing in Pakistan. Multiple special economic zones (SEZs) are being established, offering investment incentives to both Pakistani and Chinese businesses. To date, it appears that mainly Chinese firms have taken advantage of the SEZs, such as a Chinese SOE operating the Gwadar Port, which recently received permission from the Pakistani government to set up an SEZ with a forty-three-year lease.

While no direct evidence suggests that the CPEC SEZs are a product of Chinese influence designed to attract Chinese firms, China does have a tradition of establishing 'strategic' overseas SEZs, in coordination with host governments. Deborah Bräutigam and Tang Xiaoyang, who have written about China's economic statecraft and the use of SEZs,<sup>17</sup> note that the Ministry of Finance has previously financed and monitored overseas SEZs populated by Chinese firms. Past SEZ programs projected 'soft power' while increasing demand for Chinese-made machinery and encouraging the outward investment of mature Chinese firms. There is no reason to think that the strategy for CPEC SEZs will differ.

Yet the influx of Chinese firms is already stirring some trouble in their host country. According to a report by the Federation of Pakistan Chambers of Commerce and Industry, citizens of Balochistan (where the Gwadar Port is located) are concerned that Chinese workers may take their jobs. Similarly, others worry that infrastructure spending seem mainly to benefit Chinese, not Pakistani, companies as firms import equipment and technology as well as manpower from China. Reports also detail alleged violations of Pakistani laws and social customs by Chinese firms, reminiscent of longstanding problems associated with China's African investments. While Beijing is able to direct investment to Pakistan, it may lack the ability and/or will to regulate the businesses operating there, even when their actions undermine the Chinese narrative of mutually beneficial engagement.

region. There is much that he can do domestically to improve on levels of openness and transparency and to make China's state-owned enterprises and state-controlled banks compete on a more level playing field than they have in the past. Ensuring that institutions such as the Asian Infrastructure Investment Bank maintain the highest possible standards of governance will increase the likelihood that individual BRI projects succeed, with widespread benefits for the region as well.

Yet Xi Jinping — and by extension China — is not solely responsible for upholding the global economic order. Nor should he take all of the blame when certain BRI projects fail, as some are bound to do. Partner countries also need to improve their legal, regulatory, and policy frameworks to ensure that the benefits of Chinese trade and investment flow through their societies and are not just captured by political and economic elites.

One country where this challenge seems well within reach is Australia, with its relatively sound legal, regulatory, and policy frameworks, and low level of corruption compared with so many other countries on the BRI map. Yet in March 2017, the Turnbull government rejected a request made by Chinese Premier Li Keqiang (just prior to his visit to Australia) for Australia to 'formally align' its AU\$5 billion Northern Australia Infrastructure Facility with the BRI. Australia's reluctance reflects its increasingly cautious attitude towards Chinese state investment, caught as it is between a historical strategic alignment with the US and a burgeoning economic alignment with China. Yet New Zealand, facing a similar conundrum, opted into the BRI. In a world in which geoeconomic strategies are becoming increasingly important — for countries large and small — it will be worth watching how bilateral relations with China pan out for these two 'Western' economies of the Asia-Pacific region.

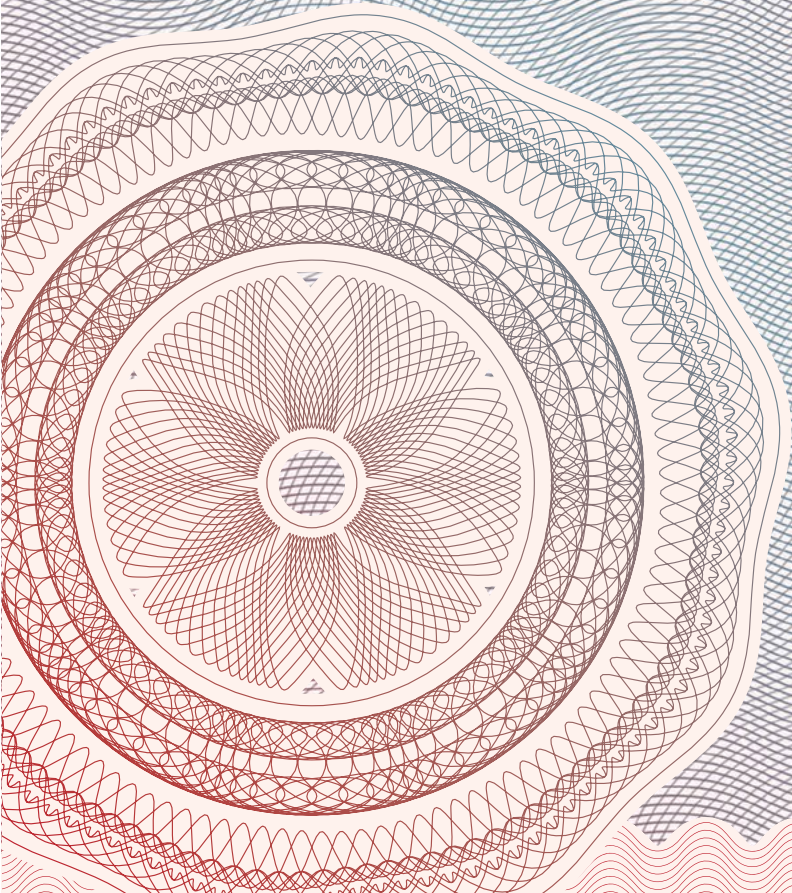
Meanwhile, Donald Trump's protectionist stance against the global economy, which targets China in particular and is solely concerned with American advantage, is conceivably a far greater threat to the international economic order than anything contained in the BRI. Beijing's warm reception of Trump in November, self-described by Trump as a 'state plus

plus' visit, and the apparent bromance between Xi and Trump has not softened America's rhetoric in the time since then. The Trump administration continues to threaten action against perceived 'economic aggression' by China — in December, initiating an anti-dumping investigation into Chinese imports of aluminium sheeting, and accusing China of undermining the international order in his administration's first national security strategy.<sup>19</sup> Indeed, Trump's first year ended with no apparent resolution to the issues that provoke America's China hawks. Despite the imposition of UN sanctions throughout the year, and China's unilateral ban on North Korean bank accounts in an effort to restrict financial flows to the regime,<sup>20</sup> the 'North Korean problem' remained just that, and there was little, if anything, to suggest that Trump's tweets helped the situation. Trump would do well to wake up to the fact that, like the US, China has many geoeconomic sticks up its sleeve. And while a 'war by other means' between the world's two superpowers would be less catastrophic than an all-out nuclear war, neither is the solution for global prosperity into the future.





# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

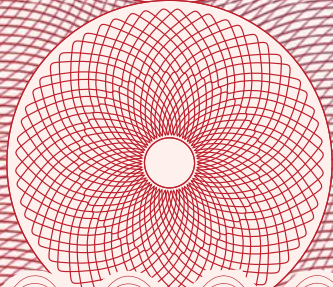
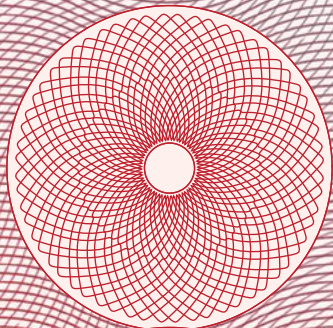
5月

6月


7月

8月

9月







# **BORDERLANDS**

**When Not to Respect Your Elders**

· TOM CLIFF

---

**Shangrila and the Curse of Xi Jinping**

· BEN HILLMAN

**Kangbashi: The Richest 'Ghost Town' in China**

· UCHRALT OTEDE



# WHEN NOT TO RESPECT YOUR ELDERS

Tom Cliff

IN MARCH 2017, a Uyghur cadre in Hetian prefecture, south Xinjiang, was demoted and publicly reprimanded for failing to smoke in front of a Uyghur elder. The *Global Times* described the rationale thus:

According to local religion (sic) customs, smoking is not allowed in front of older people or among religious people... In a sense, whether officials 'dare to' smoke in front of religious people reflects their commitment to secularization.<sup>1</sup>

A commentator quoted in the *Global Times* claimed that it was an 'isolated case'. There was no suggestion that there is any official government order that prescribes smoking in certain situations. But similar reports have ap-

peared over the past few years. Some village leaders have held beer-drinking competitions during Islamic religious festivals, for example, despite the prohibition on alcohol in Islam. Video from one such event showed middle-aged Uyghur women competing to drink 600ml of beer the fastest. Across Xinjiang, authorities have reportedly forced pious Uyghur shopowners to sell both liquor and cigarettes.<sup>2</sup>

Such incidents represent attempts by low-level officials to demonstrate their 'anti-extremist' credentials. They apply what they understand to be the 'spirit' of instructions coming from above in ways calculated to win political points. This was surely the case in the demotion-for-not-smoking incident. Officials in Hetian would have been even more eager since early January, when the Xinjiang Commission





**Uyghur family outside Tuyok village, Xinjiang**

Source: Damien Polegato, Flickr

for Discipline Inspection placed the prefectural Party Secretary, Zhang Jinbiao 张金彪, under investigation for ‘serious disciplinary breaches’ and ‘dereliction of duty’ following a fatal attack in December 2016 on a government building in the region. The Chinese authorities blamed Islamic separatists for the attack, in which five people died and three were injured. By early August, Zhang had lost his job and was declared guilty of ‘violations of political discipline’ and ‘abnormal sexual relations’, as well as ‘not exert[ing] himself in carrying out his counter-terrorism and stability maintenance responsibilities’.

Fear drives official actions at all levels in cases like these. Fear of demotion or disciplinary action prompts local officials to scramble to demonstrate their own reliability and counter-terror efforts — in this case, by devising creative ways to carry out their superiors’ absurd order to ‘secularise religion’.<sup>3</sup> Many recent incidents of violence have been sparked by the suppression of or disrespect towards Uyghur Islamic practices. Both producing and feeding off such incidents, many Han see the practice of Islam by Uyghurs as inherently threatening — and this fear is now institutionalised.

One Saturday morning in summer 2009, I was crossing Construction Bridge in Korla, a Han-majority city in Uyghur-majority south Xinjiang. Also crossing the bridge were the well-off wives of Han Chinese oil company employees, families, peddlers, kids on skateboards, and six lanes of motorised traffic. Coming in the opposite direction was a large Uyghur group — a number of burqa-clad women, at least one bearded patriarch, younger men, and children. Suddenly, during a rare break in the traffic, the group of ten or twelve people left the footpath and headed diagonally across the road towards another, very similar, group that was crossing from the other side. The two groups met in the middle of the road and stood, exchanging handshakes, blessings, and lengthy salutations, as traffic ground to a halt. Some Han Chinese passers-by stopped and observed the spectacle. Nobody was vocally upset or abusive, but I could see that for many of them the actions of the Uyghur families were at once amusing and unsettling. Many Han people have used similar stories in discussions with me to demonstrate why they consider Uyghurs a ‘backward’ 落后 people.

The Uyghur groups’ disregard for traffic rules were potentially unsettling to Han on a number of fronts. Han on-lookers may feel that any attempt to move the Uyghurs on (by traffic police, for example) might cause offence and a conflict. Adding to the tension, the conservatively dressed Uyghurs were engaged in an exchange with visible religious overtones. Finally, by blocking traffic for this performance, the Uyghur families prioritised human relationships over regulations, and Islamic cultural etiquette over the modern ideal of continuous motion — so-called ‘development’. This latter interpretation is borne out by observations in September 2017 that Chinese authorities were compelling shops and restaurants in Uyghur areas of Ürümqi to repeatedly play a ‘somber acoustic tune that promotes core Communist values’, and ‘a jolly children’s song about obeying traffic laws’.<sup>4</sup> These two songs fulfil similar functions: stressing public order, productivity, and obedience.

The Uyghurs’ actions thus posed a direct challenge to the social contract in Xinjiang. The social contract is based on the mutual interdependence of stability and development: Rising standards of living lead to greater so-



cial stability, and social stability is deemed a necessary precondition for development. Moreover, to counter the ‘Three Evil Forces’ of terrorism, separatism, and extremism — and thus maintain stability — security forces must be granted extraordinary powers. Together, the theory goes, social stability and economic development will ensure the long and peaceful rule 长治久安 of the Chinese Communist Party. State discourse claims that Chinese occupation has brought development and modernity to Xinjiang, and liberated its people from feudalism, and promises it will be even better in the future. It says to non-Han: you are indebted to us and should be grateful.<sup>5</sup>

The two civilisations, Han and Uyghur, have aspects in common, for

example, reverence for one’s parents and elders, which the Chinese call ‘filial piety’. But there are also differences, and these undermine some of the Party-state’s efforts to ‘modernise’ Xinjiang. Ironically, ten years before the demotion-for-not-smoking incident, glossy booklets distributed to every household in Korla in 2007, as part of that year’s spiritual civilisation campaign, stressed that it was uncivilised to smoke in confined public spaces and in the company of young children and women. Yet when carried out by a Uyghur in 2017, the civilised act of not smoking was instead connected first with Islam and thence with Islamic extremism, separatism, and terrorism, ultimately being construed as a threat to national security.



‘Long and Peaceful Rule’ propaganda  
Source: 58pic.com

This kind of thinking existed before the current Xinjiang Party Secretary Chen Quanguo 陈全国 took office in 2016, and it is an integral part of his approach to governing Xinjiang. 'All our work in Xinjiang,' he has declared, 'revolves around maintaining a tight grip on stability.'<sup>6</sup> Chen has since implemented a series of measures that are the most repressive and intrusive since Xinjiang was under the military rule of Wang Zhen 王震 in the early 1950s — and arguably ever. The tactics of Wang Zhen and the Nationalist and Qing governors who came before him were brutal, but less comprehensive. In the interests of security, Chen has implemented grid-style surveillance, with small police observation stations no more than 500 metres apart in key urban areas. He tripled police recruitment in 2016 (adding 31,687 new positions), and then nearly doubled that again by August 2017 (over 53,000 new positions). Carrying on with programs begun under his predecessor, Zhang Chunxian 张春贤, Chen has made it illegal to own a mobile phone that does not have a government surveillance app installed, and has greatly expanded the role of 're-education centres'. To become a candidate for incarceration and re-education, you may only need to

possess banned religious materials (including most works published overseas), have accessed foreign Internet sites, studied or travelled overseas, dress in conservative religious garb, or be Uyghur, unemployed, and between fifteen and fifty-five years old. So many Uyghurs have been taken away without warning or explanation that some smaller communities' populations are noticeably depleted. Kazakhs in Xinjiang are now subject to the same pressures.

Things are not all rosy in Han Xinjiang either. Capital infrastructure construction continues to drive GDP growth. But many developers from other parts of China who came for the largely state-financed boom are nervous about the future, and are cutting their losses and heading back to eastern China. The Special Economic Zones and border trade zones that opened with much fanfare over the past five years are today nearly desolate. In late 2016, a few Han informants furtively warned me to be careful: 'Xinjiang looks all peaceful and beautiful, but underneath, it is bubbling with dissent and violence'. Both stability and prosperity appear increasingly elusive for both the Uyghur and Han populations in Xinjiang.



# SHANGRI-LA AND THE CURSE OF XI JINPING

Ben Hillman

IN 2002, the remote Yunnan province county of Zhongdian 中甸 became instantly famous when it officially changed its name to Shangri-la 香格里拉.<sup>7</sup> The name change was the centre-piece of a new economic development strategy based on domestic tourism. The largest county in the Diqing Tibetan Autonomous Prefecture, Shangri-la was home to several ethnic groups, Tibetans, Naxi, Yi, Bai, and Han, living side by side in valleys surrounded by snow-capped mountains — a natural and cultural landscape straight out of the pages of James Hilton's *Lost Horizon*. Allured by the exotic promise of a mythical paradise, and aided by new road and air links, Chinese tourists began flocking to the rural backwater.

As arrivals rose from tens of thousands to hundreds of thousands per year, Shangri-la grew rich, with tour-

ism the key to its prosperity. Local officials began building more roads and erecting fences and ticket gates around newly designated tourist sites. They named and re-named places to make them sound more exotic: grasslands at the foot of Shika mountain became known as Blue Moon Valley, and two lakes outside town were incorporated into the new Lakes of Heavenly Arrival national park. Local authorities funded the gilding of temple rooftops within the Tibetan Buddhist monastery at the edge of town and built a new car park to accommodate tour buses.<sup>8</sup> Officials then commissioned the world's largest Tibetan Buddhist prayer wheel (*mani-chos-'khor* མ་ནི་ཚོས་འཁོར་ or *'khor* for short) to be mounted on a hill overlooking the town. Later, authorities added a giant stupa at the entrance to the city (municipal status was con-

ferred on Shangri-la in 2011 following its breakneck urban expansion). In 2017, they decided to double the size of the stupa to make it the world's largest as well.<sup>9</sup> As tourist numbers continued to swell, grand museums of local culture and history and performance theatres designed in a kitsch, pseudo-Tibetan style began to replace the town centre's drab government offices, which were relocated to purpose-built sprawling, pseudo-Tibetan complexes on the outskirts of town. Dozens, then hundreds of hotels of all types, from backpacker hostels to five-star luxury resorts, sprang up. Property

prices soared, particularly in the 'old town', which was, in fact, a complete reconstruction.<sup>10</sup>

In the early years, some local officials were concerned that the spoils of tourism would flow to a few rich investors and the outsiders they recruited to work in hospitality and other tourism-related businesses because few locals had the skills to find jobs or start new businesses in tourism. Eventually, however, there was enough money sloshing around that just about everyone benefitted. At first, locals with landholdings close to town were able to sell or rent their land at high prices



**The world's largest Tibetan prayer wheel sits above Shangri-la's new town square**

Photo: Ben Hillman

for redevelopment as tourism-based enterprises. With a little help from training projects and social enterprises, others started finding work in hotels, travel agencies, and restaurants.<sup>11</sup> There was also plenty of demand for local produce so farmers in surrounding villages, who were mostly Tibetan, began to get rich too. Shangri-la's ever-expanding streets and residential neighbourhoods started filling up with imported cars. At least two local Tibetan entrepreneurs bought Humvees (High Mobility Multipurpose Wheeled Vehicles). Soon there were also fancy restaurants, bars, and karaoke bars. Local officials dined extravagantly, fuelling a boom in upscale hotels and eateries, including Western-style steakhouses and multi-storey hotpot houses.<sup>12</sup>

And then, all of a sudden, the party stopped. From 2013, Shangri-la's bars and restaurants started to empty. The boom had turned to bust, seemingly overnight. Locals knew who to blame: the newly appointed General Secretary of the Chinese Communist Party, Xi Jinping. Xi came to power at the end of 2012 determined to clean up official corruption, including local profligacy. The Party set new guidelines for official expenditure at all

levels, beginning with entertainment and the use of government vehicles. Expenses had to be within budget, conform to strict regulations (including how many dishes were allowed to be served at official functions) and be well documented. Government officials could no longer keep their drivers waiting for them outside nightclubs until the early hours of the morning — and now even being seen to visit 'unsavoury establishments' could ruin careers. Local Party bosses 'got the memo', and official spending dried up. Businesses began to shutter. A policeman told me that all the *xiaojie* (female sex workers) had left town. (They had mostly been from poorer parts of Yunnan and Sichuan). Locals grumbled about the tough new operating environment even though many acknowledged that the policies were correct and that official spending and corruption had to be reined in.

Soon, fewer and fewer tourists came to Shangri-la. Big groups, the lifeblood of the boom, stopped completely. At first the plummet in tourist arrivals was a mystery. People wondered aloud if the general economic slowdown was to blame. But the drop-off was precipitous. Slowly, it dawned on people that Xi Jinping's policies



might be responsible for this problem, too; there was a rapid decline in the previously large number of *danwei* (work unit) tours — groups of state employees enjoying a holiday as a perk of their employment. State-owned enterprises or government bureaucracies sometimes used group tours to reward staff when they were unable to increase salaries. Shangri-la was a popular destination for the *danwei* holiday industry. *Danwei* groups were big spenders because they were not spending their own money, and tour members had plenty of spare cash to spend on souvenirs such as dried yak meat, and Tibetan medicines such as caterpillar fungus (believed to be an elixir of longevity as well as a cure for all kinds of ailments, including asthma and low libido).

Xi Jinping's regime of strict official discipline forced work units to cut

back on perks, such as holidays. As the tour groups stopped coming and hotels and restaurants began to close down, Shangri-la locals began cursing Xi Jinping. 'Xi has definitely screwed us' 搞砸了我们, a local official told me privately in the lead-up to the Nineteenth Party Congress in 2017. 'For a long time we thought the anti-corruption campaign would eventually come to an end and we could return to business as usual.' However, with Xi Jinping settling into his second term, and with anti-corruption remaining high on his agenda, it now seems that the old business models are defunct, and that money will not grow on trees any more. 'Xi has destroyed our old way of doing business,' the official told me, 'we can only wait to see what a second term of Xi Jinping will bring. Xi is promising the Chinese people a China Dream, but in Shangri-la we are worried the dream is over.'





## KANGBASHI: THE RICHEST 'GHOST TOWN' IN CHINA?

Uchralt Otede

**I**N 2010, *Time Magazine* sardonically reported that Kangbashi, in Ordos, Inner Mongolia, is 'a new Chinese city that, apart from people, has everything'.<sup>13</sup> Seven years later, Kangbashi is still working hard to attract residents. On 20 April 2017, a reporter for the *Inner Mongolia Daily* 内蒙古日报, Hao Xuelian 郝雪莲, wrote that as a gift to Inner Mongolia Autonomous Region on its seventieth anniversary, the local government of Ordos has commenced a Steppe Silk Road Cultural Scenic Area project 草原丝路文化景区项目 in Kangbashi district. This two-billion yuan project will occupy 335 hectares of what is now a green park, and will promote the development of tourism in the Kangbashi district.<sup>14</sup>

The decision to build Kangbashi district on what had been a rural village was made after Ordos's sudden ascent to wealth in 2004. Ordos's prosperity comes from its plentiful reserves of energy and mineral resources. It has one-sixth of the country's total coal reserves, its proven natural gas reserves are equivalent to one-third of the country's total, and its proven rare earth and kaolin deposits account for half of total domestic reserves. These rich underground resources have propelled an economic growth rate of nearly thirty per cent, with urban development to match. As Lian Ji 连辑, the deputy chairman of the Inner Mongolian government, proclaimed in 2009: 'China has the fastest growing economy in the world, Inner Mongolia has the fastest



**Kangbashi panorama**

Photo: Alan Leu, Flickr

growing economy in China, and Ordos has the fastest growing economy in Inner Mongolia'.<sup>15</sup>

Coal mines are the largest single source of wealth in Ordos. Each year, close to half a billion tonnes of coal are mined by around 240 enterprises, bringing in around a quarter of a billion yuan to Ordos. In 2016, per capita GDP was RMB227,700. Ordos, not surprisingly, has more 'nouveau riche' 土豪 residents than any other city in China. In 2011, the Chinese Private Capital Investment Survey Report 中国民间资本投资调研报告, jointly issued by the Ministry of Housing and Urban-Rural Development and private capital firm Go High Investment 高和投资, indicated that more than 7,000 wealthy individuals, with assets in excess of RMB100 million, lived in Ordos, as did at least 100,000 individuals with assets of over RMB10 million. According to the Hurun Report's China Rich List 2016 胡润百富榜, of the twenty-nine entrepreneurs from Inner Mongolia on the list, fifteen were from Ordos.<sup>16</sup>

Construction of Kangbashi began in 2003 to accommodate the number of outsiders flocking to Ordos and its mining boom. The new district, which had more access to water resources than Ordos, was located thirty kilometres

away from the old city/town centre. Three years after its construction, the government of Ordos moved its major agencies, schools, and hospitals to Kangbashi in the hope of giving the district greater vitality. Nevertheless, many officials and residents continued to live in the old city and commute to the new one by car, complaining that Kangbashi lacked amenities like supermarkets, clothing shops, department and other convenience stores.

As a consequence, in the early years fewer than 30,000 people lived in a city that had been built for a million; it seemed empty and desolate. Apart from street cleaners, the roads were virtually empty, and most of the residential buildings entirely dark at night. Kangbashi gained the reputation of being a ghost town. Adding to this sense were the rows of half-finished buildings: approximately five million square metres of them, fully forty-five per cent of the district's entire construction area, according to a report in 2015.<sup>17</sup> The coal industry began shrinking in 2009, dealing a major blow to Ordos's industrial base and making it difficult for the city government to continue its support for massive development projects. The flourishing of private lending has



also been problematic, as declining profits have failed to meet heavy interest burdens — rupturing the capital chain and leaving no money to finish building projects.

As a partial solution, in recent years the local government of Ordos has built thirty-four schools of various types; Kangbashi even has a branch of Beijing Normal University. The establishment of top-ranking elementary and middle schools has induced many parents to buy homes nearby. In addition, four city-level hospitals, including Ordos Central Hospital and Ordos Maternal and Child Health Hospital, have opened. To promote the purchase of new homes in Kangbashi District, the local government has also issued housing vouchers to those willing to relocate from Ordos. According to Liu Hai'e 刘海娥, an employee of the Kang-

bashi District Bureau of Housing and Construction, a total of 2,098 homes were sold throughout the district in 2016, and another 1,700 homes had been sold as of 20 June 2017.<sup>18</sup> The local government has also recently redrawn the boundaries of Kangbashi district to include only its core urban area, leaving out the area on the south bank of the Ulaanmuren River, where a large number of the empty residential buildings are located.

According to the latest government report of Kangbashi district, the population of the district reached 153,000, with an annual increase of thirty-two per cent by the end of 2016.<sup>19</sup> The original planned population of the district was one million — suggesting that it may well resemble the country's richest ghost town for some time to come.



**Housing vouchers**  
Photo: Alan Leu, Flickr

infzm.com





6月

7月

8月

9月

10月

11月

12月

2017年1月

2月

3月

4月

5月

6月

7月

8月

9月

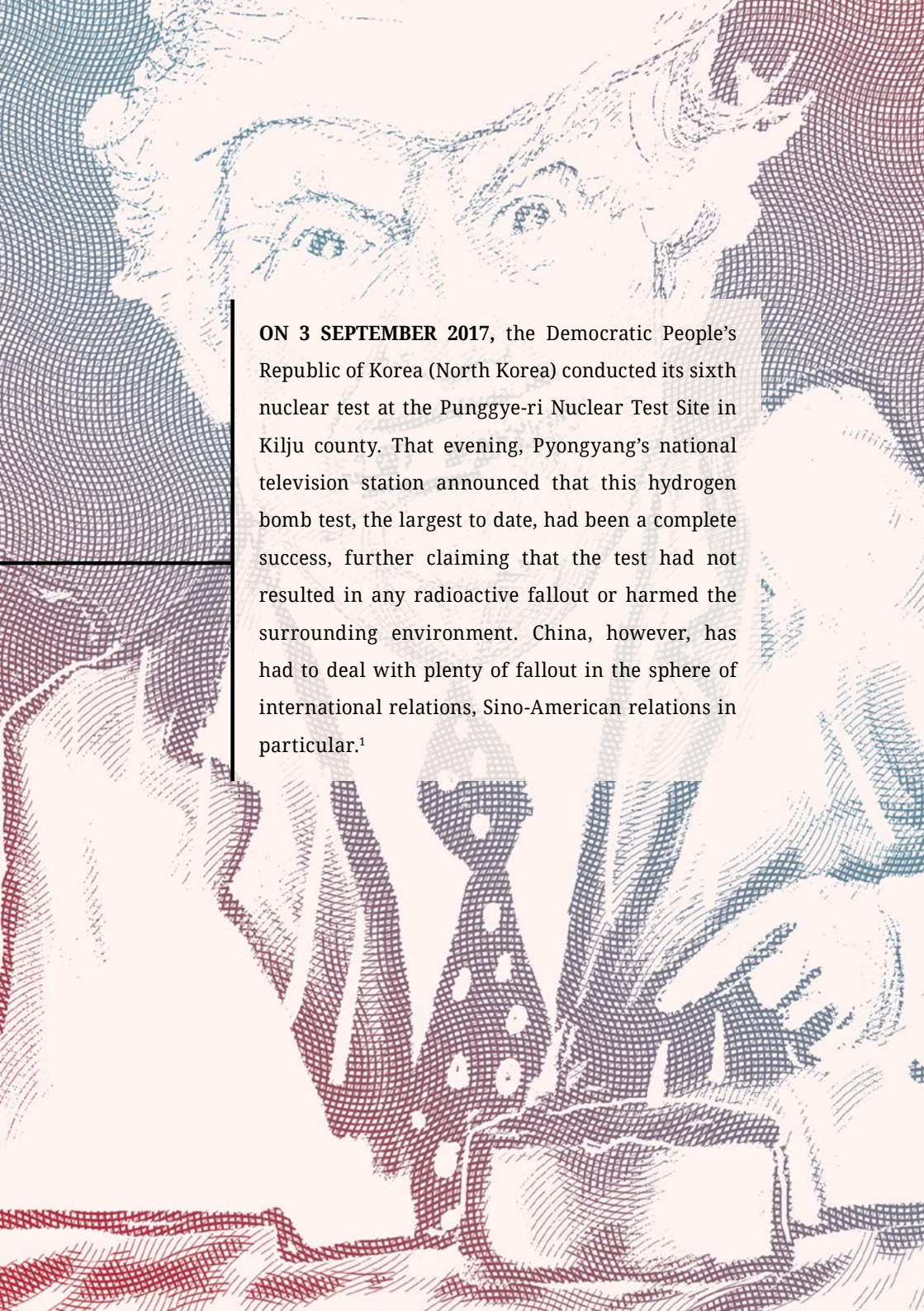
# 3

## **NORTH KOREA — A YEAR OF CRISIS**

Sang Ye and Richard Rigby  
(translated by Linda Jaivin)

**Kim Jong-un and Donald Trump**  
Source: ML Martin, Flickr





**ON 3 SEPTEMBER 2017**, the Democratic People's Republic of Korea (North Korea) conducted its sixth nuclear test at the Punggye-ri Nuclear Test Site in Kilju county. That evening, Pyongyang's national television station announced that this hydrogen bomb test, the largest to date, had been a complete success, further claiming that the test had not resulted in any radioactive fallout or harmed the surrounding environment. China, however, has had to deal with plenty of fallout in the sphere of international relations, Sino-American relations in particular.<sup>1</sup>



## A Crisis Detonates

A few months earlier, on 28 July, North Korea fired a guided missile. It flew at an altitude of 3,000 kilometres for forty-five minutes. Experts estimate a possible effective range of 10,000 kilometres, making it capable of reaching cities in the United States including Denver and Chicago. On 29 August, North Korea launched a guided missile from a site close to Pyongyang. It was the first to fly across Japanese territory, landing in the Pacific Ocean, 1,180 kilometres east of Cape Erimo. Two weeks later, it launched another guided missile along a similar trajectory, which landed in the ocean, 2,200 kilometres east of the cape. North Korea continued to conduct ever-larger nuclear tests, including of missiles it claims are capable of carrying nuclear payloads, attracting widespread international concern.

On 4 September, the United Nations Security Council convened an emergency session, unanimously passing a resolution concerning new sanctions (Resolution 2375) against North Korea one week later. The decision forbade the purchase of North Korean textiles and the sale of natural gas liquids, banned new hiring of North Korean labour, and demanded the closing of all joint enterprises with North Korea. The resolution, which was drafted by the US, originally proposed to ban all petroleum exports to North Korea, but China and Russia only agreed to setting quotas for refined petroleum: two million barrels per year from 1 January 2018.

Shen Zhihua 沈志华, a pioneering Chinese historian of the Korean War, publically urged Beijing to reassess its long-standing policies towards North Korea.<sup>2</sup> Quoting Mao Zedong's dictum 'Who are our friends? Who are our enemies? This is a question of the first importance for the revolution', he said that this was also a pressing issue for China in North-East Asia. He noted that 'Sino-Korean friendship' was no longer what it used to be, and should be seen as a holdover from the Cold War, much like the opposition to North Korea of the US, Japan, and South Korea.

Shen pointed out that stability on China's borders was crucial to the implementation of the Belt and Road Initiative. The Korean Peninsula

was not the only site of tension on China's borders: Japan, Vietnam, the Philippines, Indonesia, Burma, India, and Mongolia, he said, were all causing China anxiety. Meanwhile, the establishment of formal relations between China and South Korea in 1992 undermined the political foundation of the Sino-Korean relationship. China and North Korea had grown apart in foreign affairs, economics, and politics; the alliance had crumbled; and the short-term outlook for an improvement in relations was not good. What is more, with each North Korean atomic test, America



Shen Zhihua  
Source: Wikimedia Commons

had ramped up its military power in North-East Asia, and this, in turn, had led to North Korea carrying out another test. The result was an intensification of the cycle of North Korean atomic testing and the increase in America's military presence; this put pressure on both China and South Korea. While attending to the potential risks of a change in its North Korea policy, China needed to decide whether, if Sino-American political cooperation cannot restrain North Korea, the two countries ought to consider military cooperation as well.

Opinions like this have naturally attracted the ire of Chinese nationalists, who have accused Shen of selling out China's sworn ally and even selling out China itself. Some even claim that he might be an American spy. China's official media reported neither on Professor Shen's ideas nor the controversy around them.

Chinese Foreign Minister Wang Yi 王毅 has expressed China's firm opposition to and strong condemnation of North Korea's nuclear tests.<sup>3</sup> He has also stated that based on China's opposition to Western domination of international relations theories (which stress 'hegemonic stability' and the imposition of universal values, while diminishing individual



Wang Yi

| Source: Wikimedia Commons

sovereignty), the correct path to de-nuclearising the Korean Peninsula lies in actively constructing a new form of international relations based on win-win cooperation and negotiation. He went further to say that the choices were stark: for the situation to heat up to the point of conflict or even war, or for all sides to cool down and focus on political and diplomatic solutions to the nuclear question.

In discussion in the UN General Assembly on 21 September, Wang stated that the joint declaration and roadmap

for the de-nuclearisation of the Korean peninsula set out by the six-party talks of twelve years ago (China, US, Russia, North Korea, South Korea, and Japan) stood on the correct side of history and, therefore, would never go out of date. He said: ‘no matter how the situation develops, no matter how long it takes, and no matter what difficulties are encountered along the way, we all must hold fast to the goal of denuclearisation of the Korean peninsula, and persist in dialogue and negotiation, and firmly guard the peace and stability of the area.’

## Containing the Fallout

China strictly censors official news reports touching on the tests, as well as debate and discussion online. China Central Television stopped all reporting on the nuclear tests after 4 September. The *Global Times* wrote and then cancelled an editorial on the subject and an article published on the *People’s Daily* Weibo account was then deleted. And in the weeks following 4 September, on sites including sina.com 新浪, the phrase ‘hydrogen bomb’ 氢弹 entered the lexicon of banned ‘sensitive’ words. But Chinese

netizens have long figured out how to get around Internet controls, and the Korean nuclear issue remains a hot topic as these examples show:

We have to change the situation of Chinese people adopting the American standpoint in looking at problems... the North Korean nuclear tests are in the interest of promoting peace. With a North Korea actively opposing America on its doorstep, China has no reason to reject this.

Korea is China's bargaining chip. This kid, North Korea, tends to be disobedient, but no way would it dare to resist China, so China has an absolute right to take the initiative. China and North Korea's historical origins and practical needs are based in geopolitics... it's best not to fight any war, but if a war starts, then China's only choice is resist America and aid Korea.

The crisis on the Korean peninsula has led to America needing China's help, and this is a very good opportunity for China. China must not simply grant their wishes. We ought to tell America, if you continue your provocations in the South China Sea, China won't help you on the Korean peninsula. Let's see who blinks first! This kind of discourse would quickly be criticised as trading off Korea for the South China Sea, selling out a friend and seeking praise for it, which is both immoral and unjust. But then some would say it's the lesser of two evils, and to sell out a friend is better than to sell out your country: selling out a friend offends morality, but selling out your country offends the law.

Chinese netizens also mocked Australian Prime Minister Malcolm Turnbull's call on China to carry out a strict economic boycott of North Korea, and Foreign Minister Julie Bishop expressed hope that China would consider cutting off North Korea's supply of oil while worrying that this could prompt a trade war between China and the US. They have directed sharper abuse at the Taiwan authorities, who have both blamed North Ko-



**Australian graffiti artist Lush Sux's portraits of Donald Trump and Kim Jong-un, Vienna**  
Source: Wikimedia Commons

rea for destroying the region's peace and called on all parties not to use Taiwan as a bargaining chip.

In October 2017, the Workers' Party of Korea sent a congratulatory message to the Chinese Communist Party on the opening of the Nineteenth National Party Congress in Beijing. That evening, a researcher at the Chinese Academy of Social Sciences commented on television that this showed that while the nuclear tests had strained Sino-Korean bilateral relations, the relationship between the two ruling parties had not been adversely affected. Several days later, on the day the Congress was closing, Professor Qi Kai 戚凯 of the China and Overseas Security Research Institute of People's University wrote in a much-noted article in the *Financial Times'* Chinese language site (which is blocked in China itself) that it had been a grave error on China's part not to have stopped the rapid development of North Korea's nuclear capability.<sup>4</sup> This left China, Qi wrote, unable to either advance or retreat. China's diplomacy on the Korean peninsula was based on a vision of good relations with both North and South Korea, the emergence of a relatively prosperous North Korea, and the maintenance of China's traditional influence over North Korea. These three points would, in turn, enhance China's sway on the Korean peninsula and North-East Asian af-



fairs, and enhance its influence regarding Japan and America. There is a big gap between what is hoped for and the way things are. Chinese diplomacy around Korean nuclearisation deteriorated into paranoia more than ten years ago during the six-party negotiations — unexpectedly, these negotiations had been intended to solve concrete problems but became a contest for influence and a stage for displaying power. After the talks, to which Chinese media gave unprecedented twenty-four-hour coverage, concluded, the venue opened to visitors at one hundred yuan per ticket. Qi described all of this as part of China's craving to be seen as a major power, even if it pays for such glory by sacrificing the rationality and judgement it needs in diplomacy.

Professor Qi has written that China ought to take a few profound lessons from the question of Korean nuclearisation: that the process of becoming a great country requires taking a long-term strategic view, rational thought, and the ability to judge both strength and the chance of success.

In October, China's Ministry of Commerce requested all regions of China to carry out the United Nations' decision of 12 September within 120 days. While North Korean firms and joint ventures would be shut during that time, North Korean workers could continue working in China until their contracts are up. This included the entertainers at Beijing's Myohyangsan and other cold noodle restaurants, attendants at the hotel of the Huaxi Village Socialist New Farm, construction workers in Shenyang, and auto parts workers in Dandong.

## Fire with Fire, Freeze for Freeze

On 20 October, Choe Son-hui 崔善姬, chief of the North American department of North Korea's foreign ministry, described nuclear capability to be 'a matter of life and death' for North Korea. The country, she said, would not negotiate on this issue with the US, which simply had to peacefully co-exist with North Korea as nuclear-armed nations, or it would 'return fire with fire'. According to Russia's state news agency, *Rossiya Segodnya*, the

Russian Foreign Minister Sergei Lavrov, speaking at a non-proliferation conference in Moscow, stressed the importance of diplomacy for the resolution of the crisis, and that the most important goal was to prevent the outbreak of military conflict, lest it lead to a major catastrophe. He urged the international community to support the Russian–Chinese Roadmap for peace on the peninsula. The roadmap consists of three phases: a ‘freeze for freeze’ (North Korea to stop missile and nuclear tests in exchange for the US and Korea suspending their joint military exercises); direct diplomatic talks between Washington and Pyongyang, and Seoul and Pyongyang; and, finally, multilateral talks to ensure both regional and global security. Both Russia and China are concerned that the crisis will lead to a further build-up of American military power in their region.



**THAAD missile launch**  
Source: Wikimedia Commons

Meanwhile, the *China Daily* reported that during the period of China’s National Day and eight-day Golden Week holiday, no Chinese tour groups travelled to South Korea, which, for the last decade, has been one of Chinese tourists’ top destinations. The paper reported that this was a result of South Korea’s deployment of the Terminal High Altitude Area Defense system (THAAD). This was a well-planned protest, and not solely about THAAD.

At a regular press conference of Foreign Ministry spokesman Geng Shuang 耿爽 on 23 October, a reporter asked: ‘According to the latest trade figures released today, in the past nine months of this year, China’s trade with the DPRK raised by 3.7 per cent. China’s exports to North Korea increased by twenty-one per cent, while imports from North Korea dropped by sixteen per cent. What do these figures mean in terms of how enthusiastic China is in enforcing relevant UN Security Council resolutions?’<sup>25</sup>

Geng answered:

First of all, China has been comprehensively, accurately, earnestly and strictly implementing the DPRK-related resolutions adopted by the UN Security Council and fulfilling its due international obligations. There is no doubt about that. Second, as close neighbours, China and the DPRK maintain normal exchanges and cooperation. Third, I want to stress, as is stated in the Security Council resolutions, that measures imposed are not intended to have adverse humanitarian consequences for the civilian population of the DPRK or to affect negatively or restrict those activities, including economic activities and cooperation, food aid and humanitarian assistance, that are not prohibited by resolutions.

Geng stressed that the use of military force would only create more trouble.

## Postscript: Political Games

The XXIII Olympics Winter Games opened on 9 February 2018 in Pyeongchang. The meticulously planned opening included the dramatic entry of North and South Korean athletes together under the Korean Unification Flag. North Korea's formal head of state, the ninety-year-old Kim Yongnam travelled to Pyeongchang at Kim Jong-un's behest, along with Kim Yo-jong, Kim Jong-un's younger sister, who was the first of the Kim dynasty to step onto South Korean soil. This seemed to be a very big turning point in the resolution of the crisis. However, the real drama had taken place the day before.

On 8 February, 50,000 people, along with missile launching vehicles, took part in a military parade to mark the seventieth anniversary of North Korea's army. Kim Jong-un made a speech on the occasion, saying that the military parade was a demonstration to the outside world of North Korea's position as a military power. He declared that invaders would not take even 0.001 millimetres of territory or be allowed to harm the dignity and



**US Vice-President Mike Pence and South Korea's President Moon Jae-in at Pyeongchang 2018 Winter Olympics**  
Source: euronews, Flickr

autonomy of the sacred motherland. The army originally celebrated its foundation day on 25 April; this was the first year the date was moved to 8 February, prompting observers to speculate that it was a show of strength on the eve of the Olympics.

Also on 8 February, a sponsor of the Pyeongchang Olympics, Samsung Group, donated one of their limited-edition Winter Olympics smartphones to every athlete taking part in the games, except for those from North Korea and Iran. The reasoning was that the phones were luxury items, and therefore could not be given to citizens of two countries under economic embargoes. The Iranians and North Koreans objected, and after arbitration by the International Olympic Committee, it was decided that the Iranian athletes could have the phones, but not the North Koreans.

Several days before the opening of the Games, American Vice-President Mike Pence said that he did not rule out the possibility of meeting members of the North Korean delegation in Pyeongchang. The official newspaper of Pyongyang's ruling Workers Party, however, made it clear that its delegation did not plan to meet up with their American counterparts, that it had never asked for such a meeting, and had no intention to use the games for political purposes. By the time Pence arrived on the 8th, the line had changed: there was no chance of contact, and he had requested the South Korean government to ensure that the routes taken by the

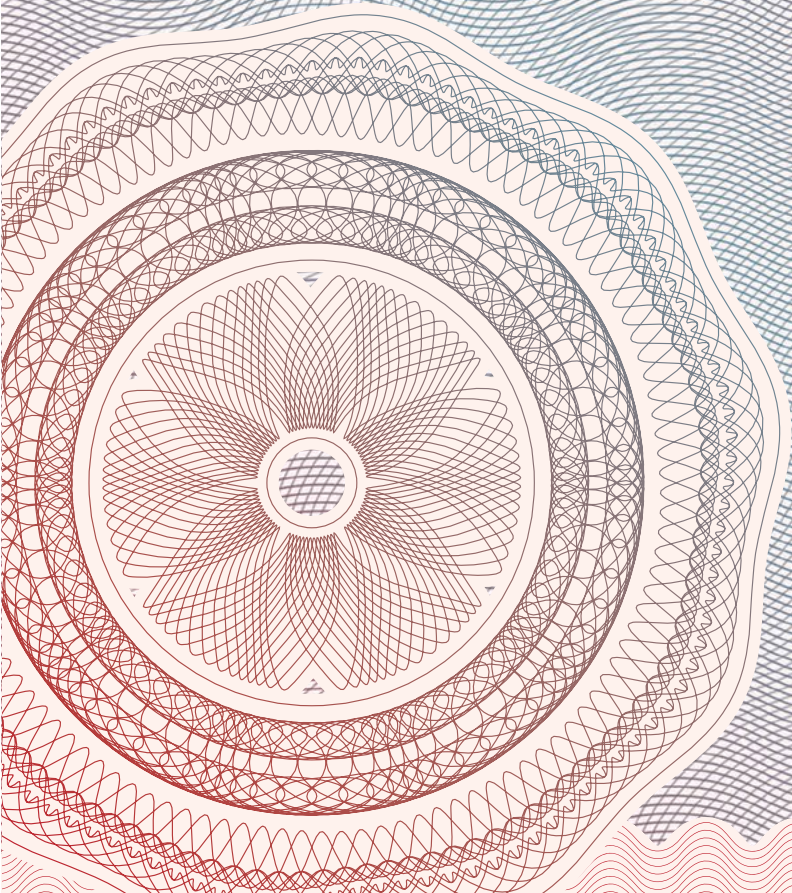
two parties would never cross. Pence's communications director later told the *Washington Post*: 'We are not going to let the North Korea propaganda machine hijack the messaging of the Olympics'.<sup>6</sup>

Chinese Foreign Minister Wang Yi, meanwhile, at a press conference in Beijing, told reporters that as the biggest neighbour of the Korean peninsula, China supported the 'positive interactions' of the two sides in Pyeongchang. He hoped this would be the first step towards the gradual establishment of dialogue and negotiation between the two Koreas. At the same time, however, he warned that they were unlikely to be able to do this, and that South Korea alone would not convince Pyongyang to denuclearise, without support and mutual efforts from all parties — meaning the six parties. The long and twisting road of the dream of peace has ended up where it began.





# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

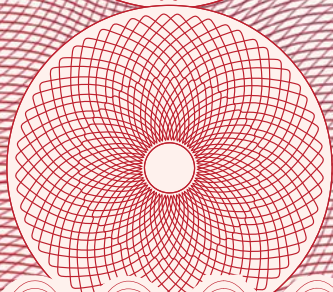
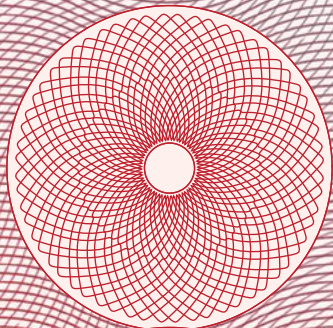
5月

6月

7月

8月

9月







## **POWER PLAYS**

**Peripheral Trouble: The Sino-Indian Standoff**

· ANDREW CHUBB

**Asian Powers in Africa: Win, Win, Win, Win?**

· BRITTANY MORREALE





# PERIPHERAL TROUBLE: THE SINO-INDIAN STANDOFF

Andrew Chubb

THE FIRST HALF OF 2017 was, for the most part, relatively quiet on China's disputed periphery. But the simultaneous mid-year standoffs that broke out on land and sea showed up some of the foreign policy implications of the transition to a New Era heralded by General Secretary Xi Jinping at the Nineteenth Party Congress: from 'standing up' to 'prospering' to 'strengthening' 从站起来、富起来到强起来。<sup>1</sup>

In a sense, Xi's declaration was a case of rhetoric catching up with reality: Beijing's more muscular policy on maritime and territorial disputes began at least a decade ago.<sup>2</sup> Indeed, Xi did not actually say when the New Era began; but, as in previous years, China's behaviour on its periphery demonstrated a firm — though not

always well-grounded — expectation that prosperity should bring with it international political clout.<sup>3</sup>

In the South China Sea, the PRC successfully pressured Vietnam to suspend drilling in a promising gas prospect within the Nine-Dash Line that depicts the PRC's ambiguous claim there. Rumours swirled that Beijing had threatened to stage an attack on a Vietnamese outpost in the Spratly Islands. But military threats were probably not even necessary, as both Vietnam's economy and its offshore energy partners have become highly dependent on China. On its maritime frontier, China's era of prosperity has already become an era of strength. But high in the Himalayas, the new-era narrative bumped up against some timeless realities of geography and perception.

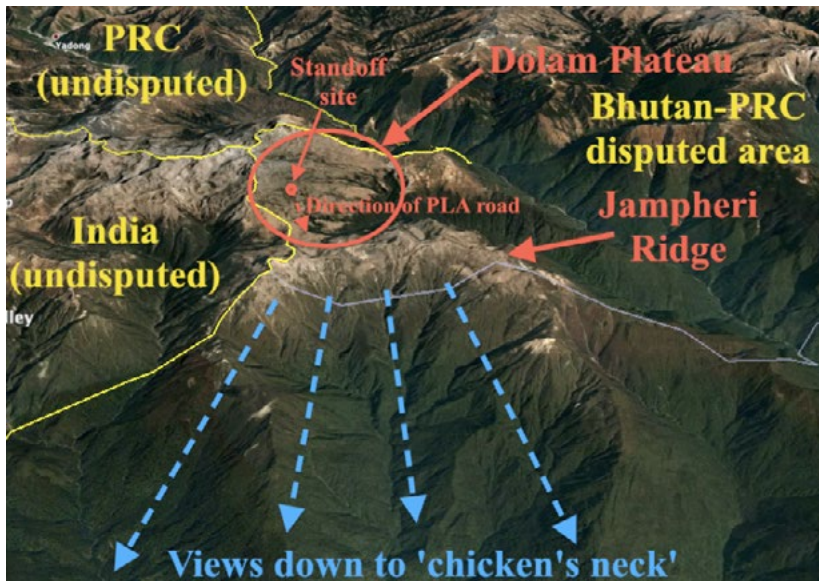
## Roads and Ridges

On 16 June, a Bhutanese patrol noticed a People's Liberation Army (PLA) construction team working on a road in territory claimed by both Bhutan and China. Authorities in the capital Thimphu promptly notified their security guarantors in New Delhi, and two days later Indian troops and bulldozers rolled across the border and pitched camp, blocking the Chinese road. The ensuing seventy-three-day standoff was the most serious confrontation between China and India for thirty years

— perhaps since the 1962 war, and certainly since India joined the nuclear club.

Ironically, what may have been China and India's most dangerous border crisis in recent times took place on territory not even claimed by both countries. Known as the Dolam Plateau, it forms part of the Doklam region, a longer stretch of Bhutanese–Chinese disputed terrain extending about forty kilometres northward.

To understand China's behaviour in the crisis, it is useful to separate it into two parts: the initial road-building



Site of the standoff: Dolam Plateau and the Jampheri Ridge  
Source: Google Earth

project, and the prolonged campaign to force India to back down.

The initial incident quite possibly involved a local misunderstanding, born of poor communications and the region's unique and complex geography, rather than central policy or military strategy.<sup>4</sup> The road the PLA sought to build would have headed in the direction of the Jampheri (Zompel-ri) Ridge, a line of cliffs with sweeping views right down to the narrow lowland plain that connects India's north-eastern provinces to the rest of the country. The fear that a road to the ridge might one day allow China to sever this topographical 'chicken's neck' explains India's bold intervention.

The Chinese side claimed the road-building project was an innocuous improvement of an existing track, aimed at compensating for years of upgrades to India's infrastructure on the other side of the border. Beijing said its personnel had even notified their counterparts in India of the planned works twice in the month leading up to the incident — a claim at least partially corroborated by Indian sources.<sup>5</sup> Controlling the Jampheri Ridge might not have been the PLA's immediate intention, but India was not keen on waiting to find out.

While the initial incident may have resulted from a misunderstanding, the subsequent standoff reflected overconfidence on the part of a prosperous Party-state entering a self-designated 'New Era' of strength. Beijing's vigorous but unrealistic efforts to force New Delhi to back down resulted in a stalemate that eventually saw China pausing its road building and India withdrawing its troops and equipment.

### **Public Pressure**

Ten days after the initial incident, China publicly accused India of 'an incursion across the China-India border'.<sup>6</sup> Three days after that, at a news conference, the Ministry of Foreign Affairs (MFA) handed out photographs showing Indian bulldozers and troops moving down the slope towards the PLA troops. This propelled the issue onto high rotation on state television, signalling to PRC citizens that the issue was an approved matter of public indignation.

Over the next two months, the MFA issued at least twenty more official comments on Doklam. On 2 August, it released a fifteen-page position paper narrating the events in detail, dismissing India's 'so-called security



Indian troops in disputed territory. Photo released by the MFA on 29 June, 2017  
Source: fmprc.gov.cn

concerns' in the area, and repeatedly demanding its immediate withdrawal from Doklam. India's Ministry of External Affairs, by comparison, issued only one public statement, responding to Beijing's accusations in a measured tone, and calling for 'utmost restraint'.<sup>7</sup>

The PRC's English-language external propaganda invoked the nationalist rage of the Chinese people in commentaries aimed at sharpening India's perception of the risks of serious escalation. 'The public's patience is running short with India's Doklam transgression', opened a 24 July *Global Times* op-ed. 'The Chinese government will not breach the fundamental will of the people and the PLA will not let the Chinese people down', vowed one

of the paper's three editorials on the topic that week. 'India should abandon the fantasy of a long-term standoff at Doklam.'<sup>8</sup>

All this suggested a belief in China that India could be forced to back down in the face of a show of strength. According to Indian news reports, this was conveyed at the scene by loudspeakers blasting out warnings that India should learn the lessons of the 1962 border war, when the PLA routed its underprepared army.<sup>9</sup> Military spokesmen in Beijing amplified the message in press briefings.

Eventually, however, the PRC had to settle for a face-saving mutual climb-down on 28 August. State media loudly hailed India's withdraw-

al, while avoiding mention of the halted road. ‘Indian side withdraws all encroaching personnel and equipment: MFA says Chinese personnel have carried out on-scene verification’, crowed the China Central Television news. ‘Defense Ministry says Chinese military on guard, resolutely defending sovereignty.’<sup>10</sup>

### **Era of Exaggeration?**

This unsuccessful attempt at coercion in the mountains suggests PRC leaders may be overestimating China’s ability to get its own way on the international stage in its New Era. This could be so for at least three reasons.

First, policymakers in Beijing, far away from the scene, probably failed to appreciate their Indian counterparts’ determination to keep the PLA off the Jampheri Ridge. The Foreign Ministry’s preemptory dismissal of India’s ‘so-called security concerns’ suggests this was the case.

Second, China acted as though wholly unaware of India’s perspec-

tive on the incident. India needed no ‘reminding’ of the lessons of 1962: this history was precisely the lens through which it was already viewing the events. Bitter memories of humiliation at the hands of Mao’s China only bolstered India’s motivation to demonstrate its resolve and regain face.<sup>11</sup>

Third, India, as a strategic competitor in the world economy, is decidedly less susceptible to the kinds of economic pressure the PRC has brought to bear on other adversaries around its periphery in recent years, such as Vietnam. India is one of the few countries in the region that has sought to counter the Belt and Road Initiative rather than welcome it. It is also seeking to deepen its ties with key PRC adversaries such as the US and Japan — and to help Vietnam and others further reduce their economic dependency on China.

In Chairman Xi’s New Era, a share in China’s prosperity has great allure. But, as in the past, the urge for self-preservation is often even stronger.





## ASIAN POWERS IN AFRICA: WIN, WIN, WIN, WIN?

Brittany Morreale

XI JINPING DESCRIBED the Belt and Road Initiative (BRI) as ‘the project of the century’ at the inaugural Belt and Road Forum for International Cooperation held in Beijing in May, promising that it would ‘herald a new type of international relations featuring win-win cooperation’.<sup>12</sup> But along with cooperation, there is competition — and when it comes to the Belt and Road’s Indo-Pacific maritime route and its designs on Africa, Japanese and Indian leaders have expressed strong reservations about Chinese security and economic architectures.

China’s interest in Africa dates back to the 1950s, when Communist Party Chairman Mao Zedong sought to inspire revolutionary movements across the Third World. Mao’s successors largely abandoned their ideolog-

ical emphasis on China’s engagement with Africa, instead framing their quest in economic and diplomatic terms. By 2009, African countries including Tanzania, Nigeria, and Sudan received nearly forty-six per cent of the PRC’s officially reported development budget (more than any other region); that year, China also surpassed the US to become the continent’s most important trading partner.<sup>13</sup> Today, African resources, including raw materials such as crude oil, metals, and timber are vital to the realisation of the ‘China Dream’. At the same time, Chinese-financed roads, railroads, and ports have helped advance Africa’s integration into the global economy. However, China’s ongoing economic realignment raises questions about the viability of high-risk Chinese investment in Africa

and the implications of mounting debt in nations such as Kenya and Nigeria.

With nearly one trillion US dollars in BRI-related infrastructure and development investments announced at the Forum comes the potential for billions more for Africa. This builds upon Xi Jinping's announcement of a US\$60 billion commitment to African development financing at the 2015 Forum on China–Africa Cooperation in Johannesburg. The Belt and Road blueprint already includes large-scale infrastructure projects such as the Addis Ababa–Djibouti railway, the Sudanese oil pipeline, and Djibouti military facility. The Chinese-financed US\$3.2 billion Nairobi–Mombasa railroad, commissioned in May 2017, is Kenya's largest infrastructure project since independence in 1963. Accordingly, Kenya has been designated as an African hub in BRI maritime route proposals by the Chinese state media. Beijing has signed agreements with several African nations, building upon a concept of coastal maritime hubs along the Eastern seaboard with infrastructure networks spanning across the continent.

But China is not the only Asian player in Africa. In 2015, Indian Prime Minister Narendra Modi promised

US\$10 billion in concessional loans and US\$600 million in grants over the next five years. Last year, Japanese Prime Minister Shinzo Abe promised US\$30 billion in public and private infrastructure investment over the next three years on top of the US\$32 billion already pledged from 2013 to 2018, putting Japanese development financing and aid to African countries on par with Chinese investment.

In May 2017, Japan and India announced their own bold vision for regional connectivity, the Asia–Africa Growth Corridor. A 2016 joint statement issued by the Japanese and Indian prime ministers stressed that 'connectivity between Asia and Africa, through realizing a free and open Indo-Pacific region, is vital to achieving prosperity of the entire region'. This corridor envisions Indo-Pacific maritime sea lanes with a central focus on Africa, integrating African economies with the powerhouses of the Asia–Pacific through policy vehicles crafted by India and Japan. With the US and Europe turning inward and focussing on domestic economic issues at the expense of foreign development agendas, China, Japan, and India are jockeying for position as leaders in environmental protection, economic development,

**Japanese Prime Minister Abe speaks at the Tokyo International Conference on African Development VI conference in Nairobi**  
Source: [japan.go.jp/ticad/opening\\_session.html](http://japan.go.jp/ticad/opening_session.html)



and global market integration in Africa and beyond.

In 1993, Japan hosted the first Tokyo International Conference on African Development (TICAD). Like China, Japan offered African states an alternative to Western development models, basing its programs on its time-tested paradigm of self-help and consultation, with an emphasis on infrastructure building. The sixth TICAD was convened in 2016, and, for the first time, in Africa itself. Its framework of African ownership and empowerment and the use of ‘forum diplomacy’ appears to have inspired China’s Forum on China–Africa Cooperation in 2000, as well as the Korea–Africa Forum and the India–Africa Forum Summit, which convened for the first time in

2006 and 2008 respectively. Following Japan’s example, forum diplomacy leverages a multi-lateral platform as the focal point to project social, political, and economic power. Through this increasingly potent mechanism, China, Japan, India, and, on a smaller scale, Korea have advanced Asian–African policy alignment and economic cooperation. It was Tokyo’s concept of an ‘Arc of Freedom and Prosperity’, first formulated by then foreign minister Taro Aso in 2006, that has evolved into the Asia–Africa Growth Corridor.

Throughout the twentieth century, India cultivated strong soft-power ties with African countries through the anti-colonial struggle, its leadership of the Non-Alignment Movement, and shared migration. Yet India, like



**Emblem of the India-Africa Forum Summit 2015**  
Source: mea.gov.in

China, was for a long time itself a recipient of economic aid, which limited its economic engagement with African countries. With India's transition from beneficiary to donor in the 2000s, Africa became a testing ground for New Delhi's foreign aid and development policies. In Africa, India has focussed on technical capacity-building by providing training for defence and UN peacekeeping personnel. In addition, New Delhi granted tens of thousands of scholarships to students from countries across Africa, including Kenya, Nigeria, and South Sudan, gaining footholds in nations also courted by China with scholarships and aid. India's Pan-Africa e-Network project is the continent's most extensive information and communications technology

project. It aims to connect all fifty-three member states of the African Union with India through a satellite and fibre-optic network. The e-network has provided ingenious solutions, such as telecasted education, and digital disease diagnosis, to improve delivery of education and medical services to many of Africa's remote communities.

### Why Africa?

There are a number of economic and diplomatic reasons for growing interest of Asian countries in Africa. First, Africa's relatively unexploited domestic markets and abundant natural resources offer the industrialised and emerging powers of Asia both inputs and outlets for continued growth. Second, in the UN General Assembly, China, India, and Japan see the African voting bloc as a critical support for achieving diplomatic goals. The bloc can help to insulate the PRC from criticism while advancing its agendas within international institutions. It is also capable of assisting Japan and India in their quest for permanent representation on the UN Security Council. Finally, Africa offers a 'neutral' testing ground where Japan, India, and China can deploy new development and



security initiatives without significant interference or repercussions from the US and Europe, or regional rivals.

For example, all three Asian nations have deployed naval forces to the Indian Ocean region to support anti-piracy missions and secure sea lanes along the Horn of Africa. Japan and China have also each established an overseas base in Djibouti as a hub for maritime security and peacekeeping efforts. Africa's insulation from the tensions and flashpoints of the Asian region, such as the East and South China Seas, allows Japan, China, and India to experiment with conflict mediation and diplomacy. For example, following the outbreak of civil war in South Sudan in 2013, Japan deployed its Self Defence Forces abroad for the first time ever. China worked with an African regional body to mediate a ceasefire in South Sudan, testing a reinterpretation of non-interference.

Africa's future is increasingly bound up with the grand visions of Asian powers. As Kenyan President

Uhuru Kenyatta said at TICAD VI on 27 and 28 August 2016:

As a continent straddling the Indian Ocean, we have access to the investment and markets of Asia ... we have come so far from the time when solutions were prescribed without the input of Africa's people.<sup>14</sup>

The recent windfall of Asian investment offers African states alternatives to traditional Western models of development and their accompanying demands. Unlike Western programs, these Asian investment projects emphasise mutually beneficial partnerships and self-reliance without the conditionality of traditional aid. In these 'partnerships', more responsibility shifts to African nations to negotiate the terms of economic cooperation with China, India, and Japan. Ultimately, competition between Asian powers and more choice in development partners and pathways benefits African states.





6月

7月

8月

9月

10月

11月

12月

2017年1月

2月

3月

4月

5月

6月

7月

8月

9月


# 4

## **CHINA'S POWER, THE UNITED STATES, AND THE FUTURE OF AUSTRALIA**

Hugh White

Turnbull selfie with Quang, Trump, and Xi  
Source: Wikimedia Commons





**2017 WAS THE YEAR** Australians started to understand that China will do a great deal more to shape their country's future than just buying its exports. They began to see that China's ambitions to transform East Asia and become the region's leading power need to be taken seriously. They began to see that China's plans to reshape the regional — and indeed global — economic order need to be taken seriously too. And they began to see that China has both the means and motivation to exercise more influence over Australia's internal affairs than any Asian country had ever done before. In other words, they began to understand China's power, and it made them uneasy.





**Julie Bishop and Malcom Turnbull**  
Photo: Wikimedia Commons

This growing awareness of China's power could be seen both in the government and in the wider community. The government's perspectives were revealed in two major speeches given in Singapore in March and June by Foreign Minister Julie Bishop and Prime Minister Malcolm Turnbull. Both speeches went much further than any previous official statement in acknowledging China's ambitions for regional leadership. The prime minister's words were especially stark. 'Some fear that China will seek to impose a latter-day Monroe Doctrine on this hemisphere in order to dominate the region, marginalising the role and contribution of other nations, in particular the United States', he warned.

There were several reasons for this. For a long time, Australian observers, like many others especially in America, had clung to the assumption that China would falter before it grew strong enough to seriously challenge the geopolitical status quo. But this did not happen. Instead, despite serious problems, China's economy kept growing. Its economic reach seemed set to extend even further as the scale and implications of the Belt and Road Initiative (BRI) became clear. If it realises its full potential — which is still far from assured — the BRI would consolidate and deepen China's central place in the regional and global economic infrastructure. Meanwhile, by nurturing its capacity for innovation in key technologies,

China expects that it can sustain relatively high rates of economic growth for several more decades. This makes it even more likely, notwithstanding some serious medium-term structural challenges, that it will not just edge past America's GDP, but overtake it and become the world's largest economy by a big margin before the middle of the century.

Likewise, China's political system has thus far failed to succumb to the pressures that many had so confidently assumed would have overwhelmed it by now. Clearly, there are real risks in the highly personalised and centralised leadership model displayed at the Nineteenth Party Congress, and no one can be sure how well it will work. However, it is becoming less and less likely that China's ascent will suddenly be halted and reversed by political turmoil. At the same time, the consolidation of Xi's leadership reaffirmed his uncompromisingly authoritarian vision of China's political future. This, perhaps, at last put paid to the surprisingly persistent illusion that as China grew richer and stronger it would also become more liberal, more open, more democratic, more smoothly integrated into existing global systems, and less likely to try to impose its own system or will on the rest of the world. Now it has become clear that the China which is set to become the world's biggest economy, and, on some measures, the world's most powerful state, is still the Communist Party's China, and not the kind and gentle place we would like it to be. We have come to understand that China will most likely use its power at least as selfishly and ruthlessly as America and Britain have used theirs, and perhaps more.

Australians' growing awareness of China's power and ambition was sharpened by the recognition that this was already being directed at Australia itself. In 2017, they became suddenly more aware of the range and depth of China's efforts to influence Australian internal affairs. This was thanks to a much-discussed ABC–Fairfax joint investigation culminating in a *Four Corners* program 'Power and Influence: The Hard Edge of China's Soft Power', which brought together in dramatic presentation a range of issues and allegations about the activities by Beijing and its supporters. China, it seemed, was everywhere.

## CENSORING THE ACADEMY: THE CAMBRIDGE UNIVERSITY PRESS SCANDAL AND BEYOND, by Nicholas Loubere

In mid-August, Cambridge University Press (CUP) conceded that it had acted on a request from Chinese authorities to block 315 articles from the Chinese website of *The China Quarterly* — one of the world's most prestigious and long-running international China studies journals. CUP's decision prompted outrage in the academic community and beyond. After a few days of petitions and threats of an academic boycott, CUP reversed its decision and agreed to make all the censored articles available free of charge worldwide. While the scholarly community was successful in pressuring CUP, this incident exposed the serious challenges that face academic publishers operating in the lucrative Chinese market.

In the months after the CUP incident, an avalanche of revelations kept the spotlight on Beijing's continued attempts to influence academic publishing. In anonymous interviews at the Beijing International Book Fair in late August, other commercial publishers admitted to engaging in self-censorship in order to retain access to the Chinese market. There have also been disturbing revelations that censors have been systematically deleting articles from Chinese studies journals published during the Maoist period that do not toe the current ideological line — effectively censoring the historical record. It was also discovered that LexisNexis, a provider of legal, regulatory, and business information, withdrew content in China at the request of the authorities.

Beijing has responded defiantly to the international condemnation, inviting Western institutions to leave China if they do not wish to follow Chinese rules, and warning that all imported publications 'must adhere to Chinese laws and regulations'. The Chinese government has also continued to exert pressure on foreign publishers with business interests in the country. In late October, Springer Nature — one of the largest commercial academic publishers in the world — admitted to capitulating to the Chinese censors, blocking access to at least one thousand 'politically sensitive' articles on their Chinese website. The publisher defended the decision by saying that only one per cent of total content had been 'limited', and claiming that it was necessary to comply in order to avoid wider restrictions. In mid-November, Australian academic Clive Hamilton went public with allegations that Allen & Unwin had withdrawn his forthcoming book *Silent Invasion: How China Is Turning Australia into a Puppet State* due to fears of defamation litigation. In late November, SAGE Publishing — another massive global commercial publisher — revealed that they were warned by partners in China that they might be required to censor content or be pushed out of the Chinese market.



Cambridge University Press self-censored to appease the Chinese government

Source: Global Grid for Learning, Flickr

The increasing assertiveness of Chinese censors and their zeal to push foreign publishers to self-censor in order to access the large Chinese market has resulted in numerous media headlines and petitions by angered academics. However, despite high-profile coverage of the CUP, Springer Nature, and Clive Hamilton incidents in particular, the response from the wider academic community has been largely apathetic. Even in the China studies community, the revelations of censorship have mainly sparked short-term outrage directed at the Chinese government and individual publishers. Thus far, discussions have generally failed to address the more fundamental problems surrounding commercial publishing in academia, and the ways in which the profit motive prompts publishers to acquiesce to the demands of powerful economic actors such as the Chinese state.

Beijing's efforts to influence foreign academia have not been limited to the publishing sphere. In mid-November, the Ministry of Education instructed over two thousand foreign-funded joint venture universities in China to set up Communist Party units and give the new Party secretaries a role in decision-making through seats on institutional boards. This move comes at the end of a year filled with controversy about Chinese influence in higher education institutions abroad — particularly in Australia, where a major investigative report by the ABC's Four Corners program and Fairfax accused the Chinese government of organising students to demonstrate on behalf of Chinese state interests and setting up spy networks within Chinese student communities.

But the most significant reason why Australians started worrying more about China in 2017 had nothing to do with China at all. It had to do with America, and the election of Donald Trump as president. Previously, Australia had depended absolutely on America to keep China in check and ensure that its growing power did not threaten Australia, or disrupt the stable regional order that has served Australia's interests so well for so long. Political leaders on both sides of the aisle, their public service advisers, and most of the academics and commentators who debate such issues had been unshakably confident in America's ability to do this despite China's growing power. Their confidence was reflected in the mantra: 'Australia does not have to choose between America and China'. They assumed that America and China would never be strategic rivals, because America's power and resolve would compel China to accept US regional leadership indefinitely into the future: that China would have to respect the 'global rules-based order'. And that meant Australia had nothing to fear from China's power.

## Past the Pivot

These assumptions were already looking shop-worn as Barack Obama's presidency drew to a close. His 'Pivot to Asia' was supposed to convince China of America's determination to preserve its leadership in Asia, and to deter it from pursuing its ambitions to build 'a new model of great power relations'. It failed to do so. Instead, Beijing used territorial and maritime disputes in the East and South China Seas to test US resolve — tests that Washington failed by showing that it was not willing to risk a confrontation. China's neighbours were not willing to back America for fear of China's response. And Obama himself was not willing to jeopardise cooperation with Beijing on issues like climate change. The costs and risks of containing China's ambitions in East Asia were greater than Washington was willing to bear.

And then came Trump, whose remarkable 'America First' campaign broke all the rules of US politics by repudiating America's responsibility for defending its allies and upholding the international order of which the US was a chief architect, and abandoning the nation's long-standing commitment to free trade. In office, his style of governing has been extraordinarily erratic, but amid the chaos it is plain that he will not deviate much, if at all, from the attitudes he campaigned on. Australia has never encountered a US president less likely to serve its interests in upholding stability in Asia, and one less interested in an effective response to China's challenge.

But America's problems in Asia go deeper than Obama's timidity or Trump's belligerent isolationism. They reflect fundamental new realities in the relative power, interests, and resolve of America and China. To see these realities, we need to understand the nature of their contest. The two richest and strongest countries in the world are rivals for the leadership of the world's most dynamic region. This is power politics for the highest stakes, in which the threat of force is never far from the surface. War is not the inevitable outcome of such a contest, because it is always possible





Part of Trump's America First campaign, March 2017  
Photo: Wikimedia Commons

for one side to pull back, or both sides to compromise. But the willingness of each side to use force, and the perceptions each has of the other's willingness to use force, are central to the outcome. Neither side wants to fight, but each wants to convince the other that they would fight rather than concede on issues they consider key, hoping that this will persuade the other to back off.

That is what we see playing out in the flashpoints of the South China Sea and East China Sea. And so far, China is winning because its interests in the region are stronger for reasons of geography, and history. China can more easily convince America it is willing to go to war over the leadership of Asia than vice versa because Asia is China's backyard. It would be the other way round if they were competing in the Caribbean. But in Asia, China's resolve is stronger because its interests are greater, and the more equal the two countries become in power, the more the difference in resolve works in China's favour. No-one can doubt how serious China is about regaining its place as East Asia's leading power. The decades of 'Bide and Hide' are over: Xi's China, confident in its power and clear in its ambition, is ready to claim leadership.



**President Donald Trump and First Lady Melania Trump during a visit to China, accompanied by President Xi Jinping and First Lady Peng Liyuan**

Source: Official White House photo, Shealah Craighead

America will only be able to retain strategic leadership in Asia if it can convince China that it is more determined to preserve the status quo than China is to regain its historical position as Asia's leading power. And by 'more determined' we mean more willing to fight a major war, perhaps even a nuclear war, to do so. That is a case that has to be made consistently and compellingly by US leaders, and accepted by American voters. It is not just Donald Trump and Barack Obama who have been unwilling and unable to do that. It is hard to imagine that anyone could.

This is why America's strategic leadership in Asia is ultimately likely to fade, and China's to grow. It is a big change. But it is just what we would expect from the biggest and fastest shift in the distribution of global wealth and power since the Industrial Revolution — and that is what China's rise is. Nothing is inevitable in human affairs, but China will likely take America's place as the preponderant power in East Asia. Donald Trump has just made the transition faster and the outcome plain for all to see.

Australians have, therefore, and rather suddenly, been brought face-to-face with a very sobering and unfamiliar reality. We might well find ourselves alone in Asia without an Anglo-Saxon 'great and powerful friend' for the first time since European settlement. Of course, Australia has changed a lot from the Anglo-Saxon enclave that it was. Our people today include one million ethnic Chinese, nearly half of them born in the PRC. More broadly, nearly half the population are first- or second-gener-

ation immigrants, and, for many of these, the ‘Anglo-Saxon friend’ might well seem less reassuring than Australia’s policy elites still assume.

Nonetheless, the fear that we might find ourselves without that friend has created the first stirrings of mild panic in Canberra and beyond. Until this year, both Liberal and Labor governments have been reluctant to risk relations with Beijing by doing or saying anything to support US leadership in Asia that could be seen as anti-China. They have stuck with the deal John Howard reached when he set the terms of the relationship as we know it today in 1996, by promising Jiang Zemin that nothing Australia did as a US ally would be directed at China.<sup>1</sup> But now, confoundingly, as America looks less and less reliable, Canberra is becoming more and more willing to back it — even, it seems, at the risk of ructions with Beijing. There seemed no need to take such risks while America’s position in Asia seemed assured. Now, with Donald Trump, they have finally woken up to the fragility of US primacy, and the uncertainty of US support for Australia, and they have decided that they need to do more to buttress both.

## A New Tone

This was, one assumes, one motive behind the sharp new tone of Julie Bishop’s and Malcom Turnbull’s speeches in Singapore. They were urging Donald Trump’s Washington to confront Xi Jinping’s Beijing more directly, and showing the US Australia’s eager support. It is a risky ploy: there is little reason to think that these messages will be heard in today’s Washington, and none at all to imagine that they would make any difference if they were heard. We may be watching the rats scrambling aboard a sinking ship, rather than abandoning it.

Our political leaders may also be responding to a subtle shift in the domestic politics of our relations with China. For a long time, Canberra’s orthodoxy has been that good relations with China were good politics, and any hint of tension or discord was to be avoided at any cost. This is because politicians assume that the electorate cares little about what happens in



Former prime minister John Howard  
Photo: Wikimedia Commons

China itself or elsewhere, while understanding that Australia's economic future lies in China's hands. But rising public anxiety about China's influence in Australia may be shifting the political calculations a little. Perhaps our political leaders are succumbing to the temptation to reflect public anxiety back to the electorate — what you might call the politics of fear. This has, after all, been an increasingly common pattern in Western politics in the past decade or two. Many countries have been touched by the politics of identity, tinged with xenophobia, Australia among them, despite the striking demographic changes this country has experienced (or perhaps, in some regards, because of them). Weak political leaders have found it hard to resist, and we have plenty of those.

It is a long time since our political leaders felt any inclination to think about Australia's Asian destiny, and to explore the question of what it meant for our identity — since March 1996, in fact, when John Howard became prime minister. For Howard, Asia was always a bit of a chore. Asia for him was a place we did business with, not a place we embraced or identified with. He explicitly repudiated Keating's zeal for Australia's Asian future, and his failure to immediately condemn or at least distance his government from the overt xenophobia expressed in Pauline Hanson's maiden speech to parliament reflected his own unease at the thought that Australia's identity might be shaped by our geography rather than by our history. When Howard said, as he often did, that Australia did not have to choose between its history and its geography, what he meant was that we could do business with Asia without changing what he imagined to be an essential and unchanging identity that had been inherited from the Anglo-Saxon traditions we share with Britain and America.

All this was easier for Howard to believe, and for many other Australians to accept, because of the circumstances of the late 1990s. America seemed to have emerged from the Cold War in a position of unchallenge-

able and unprecedented global power. Enthusiastic scholars and journalists across the Western world drew comparisons to Rome at its height, and spoke of a unipolar global order in the twenty-first century, built on American principles, upheld by American strength, and welcomed by all the world's major powers. In such a world, every region, including Asia, would be shaped by America. Why, then, would Australia, America's closest ally, allow itself to be shaped by Asia, when we assumed that it was Asia that was being shaped by America? Future historians looking back on the past couple of decades will see in our assumption that the world was inevitably Westernising an echo of the complacency of the high imperialism of the late nineteenth century. As a result, while our economic and demographic enmeshment with Asia generally and China in particular intensified, our political, strategic, intellectual, and cultural engagement with Asia has plainly waned, as the collapse in Asian-language learning so starkly shows.

Much has gone wrong for America since those heady post-Cold War days, but this image of a US-led global order — the 'rules-based global order' that Malcolm Turnbull and his colleagues invoke so often — remains central to Australia's view of its place in the world. Hence the tension at the heart of Australian foreign policy today. On the one hand, we have trouble envisioning Australia finding its way in an Asia where America is not the region's leading power. On the other hand, we can no longer credibly expect that America will continue to lead.

The resulting contradictions were plainly displayed in the speeches by Turnbull and Bishop mentioned earlier, and in the Australian Government Foreign Policy White Paper released in November 2017.<sup>3</sup> The White Paper carried three key messages. First, that China's ambitions threaten the US-led rules-based order in Asia on which Australia's prosperity and security has hitherto depended. Second, that American power and resolve in Asia could no longer be taken for granted. And third, that Australia can and should nonetheless continue to rely on America to resist China's challenge and preserve the rules-based order. In a remarkable chart, [Figure



2.4 on p.26] the White Paper itself provided the key reason why this was so unlikely to work. The chart displayed Treasury estimates of the GDP of China and the US in 2030 in Purchasing Power Parity terms — PPP accounts for the difference in prices of goods and services between countries. It showed China's at US\$42 trillion and America's at US\$24 trillion. The text in the White Paper made no reference to this startling prediction, which so vividly captures the shift in the distribution of wealth and power from the US to China, and completely undermines the document's confidence that US leadership in Asia can be sustained.

The same tensions can be seen in a major speech by the Labor Opposition's Shadow Minister for Foreign Affairs, Senator Penny Wong, in October 2017. After a nuanced and impressive account of China's significance to Australia, Wong had this to say:

Our long-term relationship with China will not be delivered at the expense of our relationship with the US. It will be delivered to a very significant extent because of the strength of our relationship with the US. ANZUS not only underpins our national security, it is a key contributor to the peace, stability and security of our region.<sup>2</sup>

And later, after rejecting 'any suggestion that China should be contained', she said:

What Australia, China and the US are looking for is a convergence, as far as is practicable, of our individual national interests in Asia, locating those interests within a rules-based order.

But this is just wishful thinking. There is no evidence at all that China seeks 'convergence' of its interests with those of Australia or America in Asia. Its aim is to minimise US power and influence in the region, not to accept America as 'a key contributor to the peace, stability, and security'. And that is plainly not in either America's or Australia's interests, at least as these interests have traditionally been conceived.

So our political leaders have not yet admitted to the rest of us, and perhaps not even to themselves, what is plain to see: Australia's long-term relationship with China will no longer be mediated by American power. For the first time in the 230 years since European settlement, Australia today must decide how to make its own way in Asia, and set the terms of its relations with a dominant China without the

mediation of a Western protector. We have hardly known a more critical moment in our history, and we have no idea how to proceed.

The White Paper's only suggestion is to align ourselves with other Asian democracies, as well as the US, to contain China's challenge — an idea embodied by the revival of the Quad proposal for closer strategic alignment between the US, Australia, India, and Japan, which was briefly in vogue towards the end of 2017. The idea presupposes that the interests of these four countries align sufficiently for them to act effectively together to contain China's power. The Quad's advocates assume this to be true because they are all democracies and all feel threatened to varying degrees by China's ambitions. But it is not at all clear that this is sufficient to overcome the immense interests that each of them have in maintaining good relations with China. The potential for effective cooperative action that genuinely constrains China is entirely unproven.

So what should Australia be doing? Part of the answer is to get to know China far, far better than we do now, as people like Stephen Fitzgerald,<sup>4</sup> Linda Jakobson and Bates Gill<sup>5</sup> have been urging. Another, and perhaps even bigger, part of the answer is to understand ourselves better, because how we respond will define our identity for decades, if not centuries, to come.

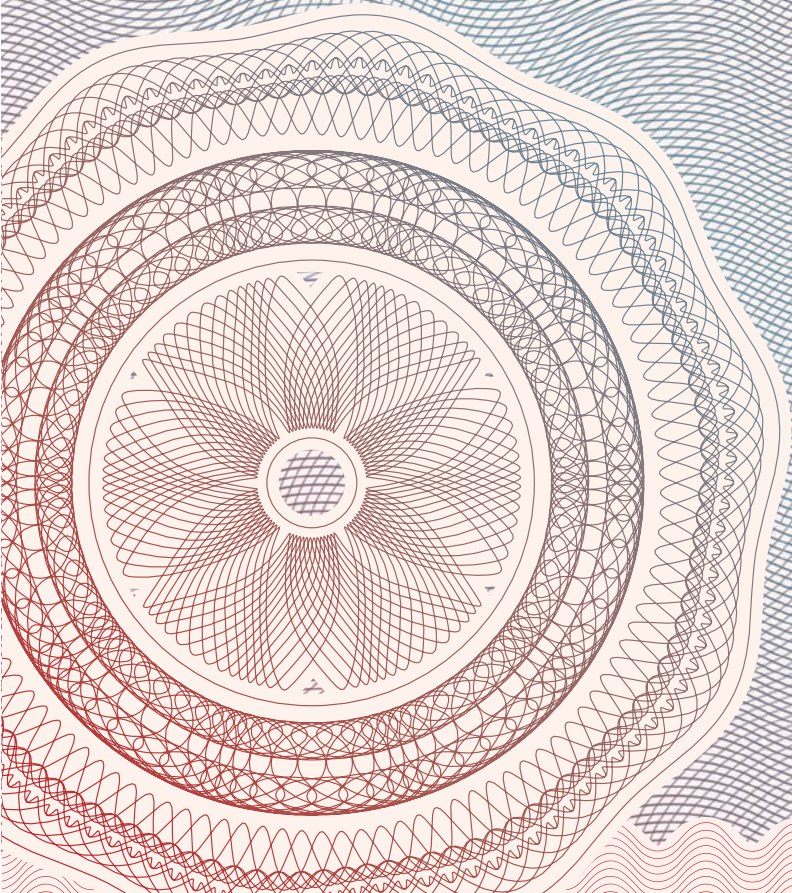


**Dr Stephen Fitzgerald with Premier Zhou Enlai, ca. 1973–76**

Source: National Library of Australia



# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

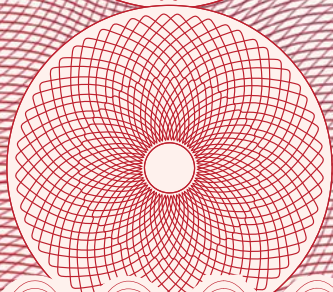
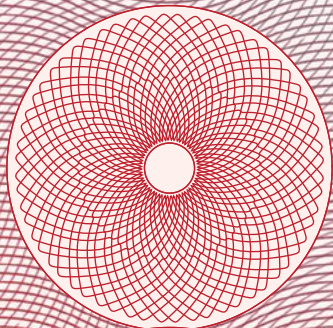
5月

6月

7月

8月

9月







# **ALL I HAVE TO DO IS DREAM**

**Dreams of Prosperity in Papua New Guinea**

· GRAEME SMITH

---

**The Chinese Dream of Arabian Traders in  
Yiwu**

· WEN MEIZHEN

**A Shared Destiny: Dungans and the New Silk  
Road**

· ZHU YUJIE



# DREAMS OF PROSPERITY IN PAPUA NEW GUINEA

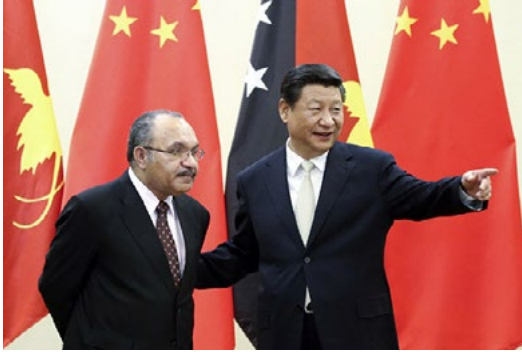
Graeme Smith

ON 20 NOVEMBER 2017, Papua New Guinea (PNG) formally signed on to the Belt and Road Initiative, with Prime Minister Peter O'Neill assuring his guests that 'China is one of our strongest development partners, and this direct investment is an example of the huge confidence that China and Chinese companies have in Papua New Guinea'.

Reaction from the Australian government, PNG's former colonial ruler, was muted, although the Opposition was less restrained, with Shadow Defence Minister Richard Marles declaring the Pacific to be Australia's 'biggest national security blind spot'. Marles urged Australia not to be restrained in its engagement with the Pacific by fears of being an 'overbearing colonial power'.

The dominant Chinese presence at the signing ceremony in Port Moresby was not the Chinese ambassador, there on behalf of the Ministry of Foreign Affairs, nor the Chinese economic counsellor, representing the minister of commerce, but the chairman of the China Railway Group Ltd, Zhang Zongyan 张宗言. This appears to confirm what I have observed in over a decade of research in Papua New Guinea: China's expansion into the Pacific is driven not by the central government, but by provincial and city governments and companies, both state-owned and private. China Railway Group is a publicly listed company on the Shanghai and Hong Kong stock exchanges with the state-owned China Railway Engineering Corporation the major shareholder. According to the *Engineering News-*





**Xi Jinping and Peter O'Neill**  
Source: fmprc.gov.cn

*Record*, China Railway Group is the world's largest construction contractor.

The projects — if delivered — have the potential to transform Australia's northern neighbour. China Railway Group signed memoranda of understanding promising to build US\$4 billion in roads, running along the spine of PNG from the orderly towns of Rabaul and Milne Bay in the east to the lawless border outpost of Vanimo in the west. The need for roads in PNG is undisputed; the lack of them cripples everything from the country's coffee growers and vegetable farmers to efforts by the government to deliver universal education and health care. The long-awaited transnational link connecting Port Moresby to the economic heartland of the Highlands and on to the main commercial port of Lae, however, is not part of the plan

— PNG's commerce and politics will remain disconnected. The concern of PNG's political elites that settlers from the Highlands might overrun the nation's capital seems to have trumped economics.

The other major part of PNG's Belt and Road dream, a US\$4 billion industrial park in remote West Sepik province to be built by investors from Shenzhen with China Metallurgical Group as the main contractor, should be viewed with some scepticism. Plans include not just the processing of PNG's abundant raw materials — casava, timber, and fish — but also the production of cement and steel, which requires a reliable power supply, something PNG Power is not known for. Eyebrows were also raised at the choice of the contractor: China Metallurgical Group (known as MCC).

MCC, which was also behind the US\$2 billion Ramu nickel mine in Madang province, enjoys a status in PNG somewhere between a damaged brand and a national joke. Ramu Nickel has been the target of a series of violent strikes by PNG workers and was shut down as a result of a horrific industrial accident. A court battle with the landowners delayed the opening of the mine for several years. China's State-Owned Assets Supervision Advisory Committee took a sufficiently dim view of the company's overseas ventures that in December 2015 they announced that a better performing company, China Minmetals, would acquire it. The merged entity is now the world's largest mining company by revenue. While the decision had more to do with the company's loss-making ventures in Australia, bad headlines in PNG did not help their cause. MCC's former general manager, Shen Heting 沈鹤庭, was arrested on corruption charges in March 2017.

The unifying theme for China's investors and officials in PNG is a belief in the country's potential for prosperity. David Morris, the Beijing representative of Pacific Trade & Invest, whose mission is to bring Chinese investors to the Pacific, believes 'Chinese firms are

looking for international investment opportunities to supply their huge domestic market and our challenge is to find the right partnerships that will ensure these investments can work for both PNG and China, creating jobs and prosperity into the future'.<sup>1</sup> The Chinese embassy's website uses language that is rapturous about the wealth of PNG's fishing and mineral resources.

Ramu Nickel's relentlessly upbeat magazine, *The Updater*, even touches on the relationship between PNG's ever-present embrace of religion and entrepreneurialism, known as the 'prosperity gospel', and Pentecostal religious groups around the mine site. Shaun Gessler's doctoral research at The Australian National University, focussing on the impact of the project on local landowner groups, has found that one burgeoning church group around the mine site is led by a charismatic pastor who prophesied the arrival of the Chinese to start up the long-awaited nickel mine, the lease for which had been passed around a clutch of mining companies for nearly half a century before MCC cut into the red dirt. For their part, MCC, a thoroughly traditional state-owned enterprise that arose out of the Ministry of Metallurgy, and which still enjoys considerable



autonomy from its new owner, China Minmetals, has provided material support for ‘Christian crusades’ around the mine site to encourage ‘Christian leadership and moral standards’.

Locals disparage the foot soldiers of Chinese investment in PNG — workers on construction projects, migrants in their corner shops, and young university graduates employed by MCC — as ‘kong kong’, a Tok Pisin expression (likely derived from Hong Kong) that covers all Asians. But the migrants’ hopes are not dissimilar to those of Papua New Guineans of similar background: they are anxious to maintain what University of Technology Sydney scholar Sun Wanning calls ‘probationary membership of the middle class’.<sup>2</sup> They want a good education for their children and to buy a decent flat in town.

For many Papua New Guineans, there is a disappointing gap between their aspirations for prosperity and their daily experiences of making a living. There are more school and tertiary graduates than there are jobs. Both countries have enjoyed healthy rates of economic growth in recent years, with PNG recording double-digit growth in 2014 and 2015, while China averaged just under ten per cent for the period

1989 to 2017. And yet inequality — the World Bank estimates both countries to have Gini coefficients well above the ‘dangerous level’ of 0.4 — and crony capitalism, whereby a small group of families dominate the ‘commanding heights’ of both economies, mean that these sharp spikes in national wealth have not delivered prosperity to all citizens. As one Chinese mineworker quipped as we bumped along the red mud track up to the mine site in the foothills of Kurumbukare, ‘our nation is rich, but we are poor’. The target for this lingering resentment of frustrated prosperity tends to be the mine’s middle management. Some Chinese mineworkers, particularly those with some English skills, develop close friendships with younger PNG mineworkers, largely based on a shared contempt for the Chinese cadres running the mine.

PNG’s Chinese shopkeepers largely hail from Fuqing, a god-fearing city in Fujian province that has seen frequent church demolitions and given rise to Protestant sects such as ‘The Shouters’, whose prosperity gospel matches the most fervent Pentecostal doctrine. These migrants run most of the retail stores across PNG. The wealth they earn through long hours selling plastic buckets (and sometimes more

lucrative illicit products, such as bootleg alcohol) is precarious. Shopkeepers quite reasonably fear assault and even death at the hands of customers, police, and their employees. Every year sees at least one murder of a Fuqing shopkeeper, typically in the course of a robbery, but there have also been deliberate and horrific murders, such as the 2013 stabbing and beheading of four Chinese in a Port Moresby bakery. Nationwide anti-Asian riots in 2009, which saw looters shot dead by PNG police, explicitly targeted Chinese retailers. Most of these migrants had gone into business with loans from their relatives, and in addition to the pressure of debt, they aspired to build spectacular houses back in Fuqing (typically over six storeys tall), to be able to afford (or pay back) the bride price — strictly illegal, but common in Fuqing — and ultimately to ensure their children’s ability to get a tertiary education.

Yet over a decade of interviews across PNG and in Fuqing, whenever I asked Chinese migrants whether it was easier to prosper in PNG or China, no-one nominated China. PNG offered them, they said, less competition with other businesses, fewer officials and police to be bribed, and a sense of fu-



**Kurumbukare mine site, Madang, Papua New Guinea**  
Source: The China Story

ture opportunities in PNG and beyond. The dream of prosperity has moved beyond China’s borders, but the struggles of these migrants echo those common across rural China. Couples would typically work in a shop together, sending their children back to be cared for by elderly relatives (the One-Child Policy was never taken terribly seriously in Fuqing). While we are fans of instant electronic communication, many felt it added to the pain of separation from their children. WeChat could not alleviate the boredom of running a barbed-wire-enclosed shop in a strange land. The hopes of these parents for their children split into two paths: education in China leading to a

secure government job (Customs was easily the most popular choice), or education abroad leading to the world of international business.

Unfortunately, for many of their children, the reality is many years sitting on a tennis chair in thirty-five-degree heat, relentlessly surveying a store to ensure neither the customers nor the staff are making off with their fortune. In a shopping centre in Lorengau, the capital of Manus Island, I have a strong memory of a sixteen-year old Fuqing boy, languid and bored, sitting barefoot and bespectacled atop a metal set of bookshelves that provided a vantage point to keep an eye on would-be thieves, occasionally swinging a mosquito zapper in the shape of a tennis racquet. Just why he was not at school, and was wasting his youth in a land doing work that no-one appreciated was something his parents were not keen to discuss.

Nor do I know whether the young man on the bookshelf survived the blaze that killed ten Chinese nationals inside the Splendid Star shopping centre two years later. They were trapped in their dormitory at the back of the complex at 3am in a province of PNG too poor to have a single piece of firefighting equipment, despite the AU\$2 billion spent by Australia on detaining 2,000 souls just down the road. Aside from a terse Chinese Foreign Ministry statement, the fire received limited attention in the Chinese and Australian press; no justice, or even an investigation, was forthcoming. The ultimate dream of these six women and four men, as told to me by the matriarch of the shopping centre back in 2015, was to join their relatives in Australia and start a new, safer life on the eastern seaboard. Their dream of prosperity had come to an end.







# THE CHINESE DREAMS OF ARABIAN TRADERS IN YIWU

Wen Meizhen

**I**NTERVIEWED BY *JINHUA DAILY* in March 2016, Said Bahaji, a trader from Jordan, spoke with enthusiasm of Yiwu 义乌, a county-level city in eastern Zhejiang province: ‘Yiwu is an amazing place, a land of opportunity where we can achieve our Chinese dream’. Said Bahaji is one of about 4,000 traders from North Africa and the Middle East who have settled down in Yiwu, in pursuit of their own ‘Chinese dreams’. Playing the role of intermediaries, these ‘Arab Traders’ help buyers from all over the world, but especially from their region, search for and buy products in Yiwu and elsewhere in China.<sup>3</sup> Their businesses and personal stories have recently become the focus of Chinese media attention as a result of the launch of the Belt and Road Initiative, which emphasises

‘people-to-people’ bonds (in addition to the more common focus on infrastructure). However, the connection of these Arab traders with Yiwu predates the launch of this policy.

Yiwu is an inland city located in the centre of Zhejiang province. It was named the ‘Largest Commodity Wholesale Market in the World’ by the United Nations, the World Bank, and Morgan Stanley in 2005. Yiwu is also popularly known as the ‘world’s supermarket’ — a national and international centre for the collection and distribution of small commodities. It plays the role of collecting millions of small products produced in different places in China, and then distributing them all over the world. A local official once estimated that if you went to visit every store for just five minutes, it would take



**An Arabian restaurant in the commercial district in Yiwu**

Photo: Wen Meizhen

over two years to visit all the shops in Yiwu. They sell every conceivable type of small commodity, from hardware to clothes, at very low prices, and there are many customers for such inexpensive goods in North Africa and the Middle East.

Most of the North African and Middle Eastern traders who end up in Yiwu have followed one of four different paths. The majority moved from Indonesia, Thailand, or Singapore when the 1998 financial crisis in Asia greatly increased the price of South-East Asian products. Others, from countries in-

cluding Yemen, Palestine, and Egypt, originally came to China to study on Chinese government scholarships and then stayed on after graduation, encouraged by business opportunities in Yiwu. These former students, now fluent in Chinese and with large social networks after years in the country, were very well placed to establish businesses. A third path involved former Arabic-Chinese interpreters from the Xinjiang Uyghur Autonomous Administration Area, who had previously done interpreting in that region, and later brought the Arab traders to Yiwu to import goods directly from factories in south-east China. Finally, some traders came to Yiwu after attending trade exhibitions organised by both Chinese government and non-government organisations in a range of North African and Middle Eastern countries. More than 100 companies have been responsible for organising expos in different provinces in China and overseas to advertise products in Yiwu.

The presence of these traders has significantly contributed to the development of international trade from Yiwu. Forty-seven per cent of the city's total exports in 2015 were shipped to North African and Middle Eastern markets, and these markets

are expected to expand greatly in the future. An important factor behind this increasing trade was the completion in March 2016 of a 6,500-mile railway connecting Yiwu with Tehran via Kazakhstan, Kyrgyzstan, Uzbekistan, and Turkmenistan. This has greatly reduced transport costs compared with existing shipping routes, transforming Tehran into a hub connecting China with the West. Many products from Yiwu are now delivered by train to Tehran first, before being delivered to other countries in the Middle East and North Africa, at much lower cost than in the past.

These Arab traders have also influenced Yiwu society and culture. The large number of Middle Eastern restaurants and coffee shops on Chouzhou Road 稠州路 gives the area an exotic feeling, especially in the evening, when the traders gather at the outdoor tables of coffee shops, smoking hookahs (pipes). In addition, four private schools have opened in the city — one belonging to a Yemeni trader, one owned by an Iraqi, and two organised by Egyptians. These four schools mainly teach students in Arabic, with one of the Egyptian schools opting for both English and Arabic. All four schools follow the same timetable as in their ori-

gin counties. With the increasing number of single, young male Arab traders' presence in Yiwu, there has also been an increase in intermarriages between Chinese women and Middle Eastern or North African men. According to the data provided by a local Imam, between 2000 and 2016, more than 500 intermarriages between Chinese women and Arab men were registered in the local mosque.

While Yiwu provides a means of realising the traders' 'Chinese dream', it is also a life full of uncertainty. The steady increase in the price of Chinese goods resulting from rising labour, material, and rental costs has made these goods less competitive in their home markets and the traders have started to source cheaper products from other countries. Even though many are still living in Yiwu, there is a tendency for Arab traders to move to other countries once they find stable and cheaper supply chains.

This is compounded by the fact that China does not encourage permanent immigration. The state has sought to strengthen its political and commercial relationships with the Middle East and North Africa, encouraging Chinese entrepreneurs to invest in the Middle East and North Africa.

Yet China changes its visa application process frequently and is also tightening the controls on foreigners working in China, which has discouraged more from coming, and inhibited those already there from making long-term plans. Access to education for the traders' children has also been a source of frustration, as they are not allowed to enroll in local public schools, and there are not enough places at the private schools to meet demand. In addition, as Muslims, some traders also fear that their children are not being given

a sufficient religious education when their children stay and study in China. As Egyptian trader Samire Zawai told me in his office in 2016: 'I have been in China more than eighteen years, I have already considered Yiwu as my second home town, but I do not know whether I will continue to stay in Yiwu when the price of products increased year by year, and the government has stricter visa policy towards the foreigners'. Until such matters are resolved, the dreams of Arab traders in Yiwu may have to remain just that.







# A SHARED DESTINY: DUNGANS AND THE NEW SILK ROAD

Zhu Yujie

IN JUNE 2017, forty-five Muslim students — Dungans 东干族 from Kazakhstan and Kyrgyzstan — celebrated their graduation from a four-year course of study at Northwest Normal University in Lanzhou, Gansu province. They were the first Dungans to graduate with financial support from the provincial governments of Gansu and Shaanxi, as part of a program that began in 2013. Following their Chinese-language training and study of business, agricultural technology, and natural resource management, most of them will return to Central Asia to work as liaisons between Chinese and Central Asian companies. ‘We would like to become the messengers along the Silk Road,’ the students told Chinese media.<sup>4</sup>

Dungans claim to be descendants of Hui 回, a Muslim Chinese ethnic minority, who fled their homes in Shaanxi and Gansu provinces about 140 years ago after aborted uprisings against the Qing government. Two further waves of migration during the late nineteenth century led to more of these Chinese Muslims settling in Kazakhstan, Kyrgyzstan, and Uzbekistan. Cultural evidence linking Dungans to the Hui of north-western China include their distinctive Chinese-style housing, dietary habits, customs, and spoken dialects.

In September 2013, during Xi Jinping’s visit to Kazakhstan, he proposed a ‘New Silk Road Economic Belt’ 新丝绸之路经济带, part of what is now re-

ferred to as the Belt and Road Initiative (see Chapter 2 ‘The Belt and Road Initiative: How to Win Friends and Influence People’, pp.42–59), involving road and rail construction along the ancient trade route connecting China to Europe via Central Asia. The initiative encourages economic policy coordination among the countries along the route and the ‘facilitation of an open, inclusive and balanced regional economic cooperation architecture that benefits all’.<sup>5</sup> This includes infrastructure building and transnational trade between China and Central Asian countries, Russia, and Europe.

Historical, cultural, and political differences and complex interdependencies among Central Asian countries present a challenge to the plan. So, the Silk Road Economic Belt also explicitly advocates ‘people-to-people relations’ and a cultural narrative of the Silk Road that promotes the political and economic objectives of the Belt and Road Initiative.

It is in this context that the historical connection between the Dungans and Chinese Muslims in Gansu and Shaanxi has attracted the attention of provincial and local governments, which perceive not just the potential economic advantages of deeper ties

between China and its Central Asian neighbours, but also the opportunities for tourism and educational and academic exchange. Over the last decade, the provincial government of Shaanxi and the municipal government of Xi’an have regularly sent official delegations to Dungan communities in Central Asia. The Dungans have welcomed this Chinese initiative. Their proficiency in Russian, Chinese, Kazakh, and other regional languages has allowed them to benefit from the reopening of the Sino-Soviet border for private trade and cultural exchange beginning in the late 1980s. Since 2013, there have been more frequent socio-cultural and economic activities promoting mutually beneficial cooperation, particularly in the areas of agricultural technology (including solar-powered greenhouses and mushroom-growing technology), international trade, tourism, and education exchange.

In 2014 and 2015, the Xi’an municipal government organised a week-long cultural event called the Dungan Reunion 中亚东干人寻亲西安行. This celebrated the Dungans’ ancestral ties and contemporary links with the Hui people, making no mention of the Dungan revolts of 1862–1877 (a chaotic uprising that resulted from racial,



Forty-five Dungans graduated from Northwest Normal University in Lanzhou, Gansu province in June

Image: news.nwnu.edu.cn

religious, and class antagonisms) and the Qing-approved military suppression and massacre of Muslim people led by Zuo Zongtang that drove the Dungans out of China. The Reunion focusses on the positives of cultural, religious, and business connections between Dungans and Hui Muslims. For instance, they made cooperative agreements on cultural tourism programs that bring Central Asian tourists to Xi'an and vice-versa.

The Chinese government clearly hopes that this positive model will be useful in managing politically sensitive and volatile Muslim groups, such

as the Uyghurs. It distinguishes itself from a negative approach to managing 'troublesome' ethnic minorities by using connections such as a common ethno-religious identity and mutual interests of cultural and business exchange. When Muslim groups liaise between China and the rest of the world, they are no longer seen as potential threats to challenge the authority of the Chinese Communist Party. Rather, all these activities facilitate the establishment of a new Silk Road community with a 'shared destiny' 共同命运 (see the *China Story Yearbook 2014: Shared Destiny*).







6月

7月

8月

9月

10月

11月

12月

# 5

## **PRECARIOUS WEALTH: THE SEARCH**

## **FOR STATUS AND SECURITY**

Gerry Groot

2017年1月

2月

3月

4月

5月

6月

7月

8月

9月

**The Square and Circle Mansion in Shenyang**  
Source: Aaron Sorrell, Flickr





**IN JANUARY 2017**, Chinese security agents entered Hong Kong's Four Seasons Hotel and left with Xiao Jianhua 肖建华. Once described by the *New York Times* as China's banker for the ruling class, Xiao, a self-made billionaire, ranked thirty-two on the 2016 Hurun Report's China Rich List. It is rumoured that Xiao's clients and connections include members of Xi Jinping's family. Xiao was escorted to the mainland in contravention of Hong Kong law, and his companies have been put up for sale. Of Xiao himself, as of year's end, nothing has been heard.<sup>1</sup> Xiao was but the latest in a series of such disappearances since 2012.<sup>2</sup> In China, prosperity is as precarious as it is now ubiquitous.



Caishen: The God of Wealth  
Photo: Simon Crubellier, Flickr

For centuries, many Chinese prayed to Caishen 财神, the God of Wealth, to prosper and preserve their wealth. Fortune was hard won but easily lost, often thanks to arbitrary seizure by rapacious officials in imperial times, through to the Republican Era (1912–1949), and especially during socialism under Mao (1949–1976). As Xiao’s case shows, it remains so. As a result, the wealthy have long seen the need to use their wealth to accrue status, social capital, and political connections to protect themselves.

These features were again reflected in 2017, most notably in the saga of exiled billionaire Guo Wengui 郭文贵, the apparent fall from grace of billionaire Wang Jianlin (see *China Story Yearbook 2016: Control*, pp.281–282), more revelations of offshore holdings in tax havens courtesy of the Paradise Papers, official warnings about ‘Grey Rhinos’ 灰犀牛 (large overlooked dangers), and debate in Australia, New Zealand, and elsewhere about the influence of other wealthy Chinese linked to the Chinese Communist Party (CCP).

Caishen’s re-emergence is a sign that, despite apparent economic success, many still worry that any gains can also easily disappear. Complicating matters are lingering Confucian beliefs that business is ipso facto corrupt and conducted by ‘small people’ 小人, not people of virtue 君子 — a mindset reinforced by the Mao-led communist revolution (1949–1976) to eliminate capitalism and ‘selfish’ economic behaviour. Despite the post-1978 economic reforms, this suspicion has never quite disappeared and has been compounded by the knowledge that much wealth today is tainted. The revelations of the ongoing anti-corruption campaign confirm such suspicions. China’s wealthy are caught between popular admiration of their material success and the possibility of sudden official moral or political condemnation — or worse, as Xiao Jianhua discovered first hand.



## From Ming to Mao

Under the Ming (1368–1644) and especially the Qing dynasties (1644–1911), officials encouraged small enterprises but were wary of the rich who might cause unrest by exploiting the weak or concentrating wealth.<sup>3</sup> The wealthy therefore sought social legitimacy through philanthropy including building temples, schools, roads and the like. Because Chinese relied then as now, on personal relationships rather than a clear system of laws 靠人不靠治, charity and public works were ways of being seen as virtuous by society and acquiring friends in high places.

After establishing the People's Republic of China (PRC) in October 1949, the CCP under Mao set about building autarkic communism, including by 'encouraging' the wealthy to socialise their assets by handing them over to cooperatives or by confiscating them. All private business, private property, and 'selfish' profit were to be eliminated. The so-called capitalists then underwent 'thought reform', in order to become proletarian in their thinking. However, to rebuild war-ravaged industry, some businessmen were allowed continued prominence as part of the All-China Federation of Industry and Commerce (ACFIC). The China Democratic National Construction Association or Min Jian, represented such people in the Chinese People's Political Consultative Conference (CPPCC) as one of China's eight 'democratic parties' 民主党派 under the control of the United Front Work Department (UFWD). A key CCP department, the UFWD was responsible for liaising with and integrating or eliminating allies including 'capitalists'.<sup>4</sup>

The Three-Anti (1951) and the Five-Anti (1952) campaigns, meanwhile targeted alleged corruption, bribery, tax evasion, cheating on government contracts, and the stealing of state secrets. Many suffered in labour camps and/or were driven to suicide while business was again discredited.

Among the few to escape were 'red capitalists' such as Rong Yiren 荣毅仁, an heir to a business conglomerate who remained in Shanghai after other family had fled. The ACFIC and Min Jian promoted Rong and





**Rong Yiren, 1951**  
Source: Wikimedia Commons

others as role models. In 1951, he reputedly tried to formally join the CCP but was told by Mayor Chen Yi 陈毅 that he would be more useful as a non-member. Rong was protected during the Cultural Revolution by Premier Zhou Enlai 周恩来 — a sure sign of his privileged status, and was quickly ‘rehabilitated’ in the Deng era. He did secretly join the CCP in 1985, although this was only revealed after his death.<sup>5</sup>

As a reward for his devotion, in 1993 Rong was appointed a vice-president of China. Not long after, his son, Larry Yung 荣智健, who had moved to in Hong Kong in the early 1990s, became chairman of CITIC Pacific, an offshoot of CITIC (China International Trust Investment Corporation), a semi-state-owned investment company that Rong helped found in 1979 with the support of the UFWD, ACFIC, and Min Jian.<sup>6</sup> The boundaries between the Party and business were deliberately obscured but with the ‘private’ aspect now emphasised. Though there is no clear current equivalent of Rong Yiren, the very personable Alibaba Billionaire, ‘Jack’ Yun Ma 马云, is perhaps the closest contender. Though Ma is only a member of the Zhejiang provincial CPPCC, given his increasing prominence, it may not be long before he too is promoted to the central-level CPPCC.

The post-Mao economic reforms allowed a revival of fortunes for surviving 1940s business people, with the UFWD encouraging them to establish new enterprises and get once-frowned-upon ‘patriotic’ friends and relatives abroad to invest in their ‘ancestral land’ 祖国. This United Front work encouraging overseas Chinese investment became a major factor in China’s development. It also resulted in a new generation of wealthy Chinese, both local and overseas, with close CCP connections, often reflected by prestigious and protective appointments to the various levels of the CPPCC.

**IN THE NAME OF THE PEOPLE,**  
by Yang Qin

The anti-corruption television drama *In the Name of the People* 人民的名义 was a massive hit in 2017, gripping audiences from the broadcast of the first episode in March. The fifty-two-episode drama, based on a novel by Zhou Meisen 周梅森, had captured a record ten per cent average of Chinese viewers nationally, racking up over 7.7 billion views on just one licensed platform, iQiyi, alone.

After a decade of strict censorship of social and reality television dramas by the State Administration of Press, Publication, Radio, Film, and Television, *In the Name of the People* struck many as tremendously bold, even if it was 'on message' with President Xi Jinping's sweeping anti-corruption campaign; some have even compared it with Netflix's *House of Cards*.

The Supreme People's Procuratorate commissioned the series, which also lists among its producers the Jiangsu Provincial Party Committee and the Central Military Commission. Hunan Television, a leading broadcaster of television entertainment programs and the primary online distributor of this drama, PPTV, had made a good bet on the show despite initial funding problems and low expectations for success.

The story begins when a director at the central Ministry of Land and Resources — a position famously prone to corruption in the bureaucracy — is, despite a carefully cultivated reputation for austerity, found to have in his suburban villa huge amounts of cash that he has amassed through bribery. The investigation is headed by Hou Liangping, a determined young official from the Supreme People's Procuratorate. The director's downfall — kneeling and weeping for mercy before the young official — is just the beginning of the young investigator's campaign to uncover the truth behind corrupt goings-on within a state-owned enterprise (SOE). As the story unfolds, Hou uncovers entangled relationships involving local officials past and present in the fictive province of Handong. There are scenes of sexual bribery, nepotism, heavying by gangsters in labour disputes, and other abuses of power by government officials.

The unprecedented revelation of corruption behind the scenes has evoked passionate responses from audiences, with the series becoming a major topic of conversation for old and young in the early months of 2017. A sea of online commentary from China's lively netizen community ranged from casual gossip about love, women, and marriage, to more serious ones of social stratum, bureaucracy, and governance. There was also quite a bit of liveliness and humour, with some writing funny songs and creating emojis based on characters in the show, and making stars of the actors they nicknamed the 'Handong Boys'.

In November 2017, a lawsuit ensured that this drama remained in the limelight. An accusation was made that one of its main plots was plagiarised from a former journalist's publication in 2010, as the two share similar scenes of worker protests, government regulation, and gangster interference surrounding the selling and reform of an SOE. The scriptwriter for *In the Name of the People* denied the accusation, making the point that this particular plot is typical of Chinese enterprise reform during past decades. While the outcome of the lawsuit is still pending (at the time of publication), it's hard to argue with this point.



Promotional material for *In the Name of the People*  
Source: Baidu



Lamborghinis parked in a street in Shanghai  
Photo: Joshua, Flickr

In the countryside, the revival of rural markets in the late-1970s meant that farmers were again allowed to sell produce for profit. Rural entrepreneurs soon emerged, many of whom had been landlords or successful farmers before losing everything to revolutionary land redistribution in the early 1950s. They traded in food and raw materials, then often moved into transport, food processing, and small-scale manufacturing. These changes gave rise to so-called ‘explosive wealth’ 爆发户 before much change was seen elsewhere.

In towns and cities where workers and government employees were suffering under inflation for the first time since 1950, there was considerable envy. Among the resentful were university students and staff whose protests, including against the rising corruption accompanying rising wealth, culminated in the Tiananmen protests of 1989.

In the cities too, there was a rise in entrepreneurship. Many, including those who could not find work in regular state work units, or *danwei* 单位, for reasons including negative political assessments in their personal files, became individual entrepreneurs — peddlers and tradespeople. Though often despised as profiteers, many of these entrepreneurs supported the students protesting in 1989.

The Beijing Massacre of 4 June 1989 and subsequent political suppression caused many business people to worry that the Party was returning to its Maoist roots, and those who could fled abroad.

In part due to the 1989 protests, the Party also became acutely aware of the potential danger of a financially independent middle class and new rich. Both Western democratic theory and Marxism hold that propertied classes will demand electoral democracy to protect their interests and

property. To forestall this, the CCP raised the status of the ACFIC and related United Front work. In 2002, Party General Secretary Jiang Zemin 江泽民, through his theory of the ‘Three Represents’ 三个代表, claimed that the CCP also represents China’s ‘advanced social productive forces’ and for the first time ever invited business people to join the Party.

In 2007, the National Peoples’ Congress (NPC) ratified constitutional changes recognising a right to private property. However, any comparisons to Western property rights and assumptions about business obscure these unique relationships between history, the Party-state system, success, United Front Work, and fear of loss. These factors also help explain the actions of some of China’s wealthy, at home and abroad.

## Today’s Billionaires and Power

The US Congress has no billionaires. China’s National People’s Congress has some one hundred of them. With 609 in total as of 2017, China has more billionaires than America.<sup>7</sup> And their wealth is growing faster than the economy overall.<sup>8</sup>

China’s rich are amongst the strongest supporters of the Party-state system in large part because their prosperity owes so much to it, despite their need to curry favour to protect themselves. While Xiao Jianhua’s fate is still unclear, his extra-legal abduction is a good illustration that wealth alone is not enough protection.

## The Extraordinary Case of Guo Wengui

The most dramatic example of these complex relations between wealth and the Party-state in 2017 has undoubtedly been the case of real estate billionaire Guo Wengui 郭文贵, also known as Miles Kwok, a conspicuous member of Donald Trump’s Mar-a-Lago Club. Guo fled China in 2014 after *Caixin* magazine investigated his rise and called him a ‘power



Guo Wengui  
Source: Wikipedia

hunter' 权力猎手 for his corruption and shady links with officials.<sup>9</sup> Once in exile, Guo made an escalating series of claims about corruption by others, particularly Wang Qishan 王岐山, the Secretary of the CCP's key anti-corruption body, the Central Commission for Discipline Inspection. Guo, who paints himself as a patriotic whistleblower, has insisted that he is only trying to support Party General Secretary Xi Jinping's anti-corruption campaign.

Soon after Guo began alleging corruption in high places, the CCP retaliated by revealing the arrest of his close associate, Ma Jian 马建, formerly a vice-minister of state security. In a televised confession, Ma alleged that since 2008, he worked with Guo to spy on, interfere with, and even jail Guo's competitors in an 'alliance of shared interests'. In some cases, Ma himself rang competitors to emphasise Guo's connections. In return, Guo allegedly paid Ma some sixty million yuan in properties, cash, and gifts.<sup>10</sup> Most shockingly, Ma's confession demonstrated that even the most sensitive parts of the Party-state system could be bought, if the price was right.

Guo's collusion with Ma was only the most dramatic in a long list of activities in which Guo worked with officials to get rich. Jailed for fraud in the early 1990s, Guo became a real estate entrepreneur in Zhengzhou, where he cultivated close relations with local Party Secretary, Wang Youjie 王有杰. This allowed Guo to acquire prime real estate near the railway station for his first skyscraper and in turn he appointed Wang's son to his company board.

In anticipation of the 2008 Beijing Olympics, Guo then acquired land near the proposed site but soon ran into serious planning and payment disputes with officials. As a result, the land was resumed by Beijing Vice-Mayor Liu Zhihua 刘志华. In retaliation, and using his security apparatus



connections, Guo then entrapped Liu with a sex tape. After Liu was arrested in 2006, Guo was able to regain the land and built his famous Pangu Plaza. He subsequently used rooms in its hotel to tape officials' dalliances with prostitutes to blackmail them. He also became friends with Ling Jihua 令计划, subsequently head of the UFWD itself, until a car crash involving Ling's son (see *China Story Yearbook 2013: Civilising China*, pp.24–25) exposed Ling's web of corruption.

Guo's membership of Mar-a-Lago fits his pattern of 'talking flattery to power'. In October, he even met Steve Bannon, Trump's former adviser — who had met secretly with Wang Qishan in September.<sup>11</sup> As in China, Guo has invested in American connections to power and legitimacy while pursuing his multipronged media campaign aimed (unsuccessfully) at influencing the Nineteenth Party Congress, presumably to get himself off the corruption charges he was facing at home. After all, he might be forgiven if he is useful enough or if others he has cultivated or blackmailed in the past rise to power.

Using Twitter, video streaming, radio and press interviews, Guo went all out to present himself as a patriot ('My only goal is to save China'), producing a series of often incredible claims and documents purporting to prove elite corruption, notably by Wang Qishan. Though excluding Xi Jinping, Guo denounced numerous other leaders as 'a tiny group of Mafioso'.<sup>12</sup> For much of the year he seemed to be attempting to both qualify for asylum in America and win the support of Xi himself (unlikely). By year's end, he was calling for regime change, actions which may make any claim for asylum more creditable.<sup>13</sup>

The CCP took unprecedented measures to silence Guo. It apparently managed to have a live Voice of America (VOA) radio interview with him cut short — a clear compromise to the broadcaster's independence. Some VOA staff were suspended as a result.<sup>14</sup> In China, he was roundly denounced, and in December senior employees, including one of his brothers, were found guilty of destroying accounting records.<sup>15</sup>



Wang Jianlin, January 2017

Source: World Economic Forum, Flickr

Numerous Chinese nationals launched court cases against Guo. Among them was a vice-minister of housing, who sued him for \$US10 million for alleging that she traded in sexual favours and was corrupt;<sup>16</sup> a hedge fund for US\$88 million for defaulting on debts and seeking a restraint over his US\$68 million New York apartment;<sup>17</sup> and actress Fan Bingbing 范冰冰, who threatened to sue over his claims that she had slept with Wang Qishan.<sup>18</sup>

Perhaps most dramatic were the allegations of rape levelled against Guo by a former personal assistant. This became the basis for a second Interpol red notice warrant for him.<sup>19</sup> The first, in April, was instigated by Beijing alleging corruption. Since 2016, Interpol has been headed by Chinese Vice-Minister of Public Security, Meng Hongwei 孟宏伟. A day after alleged Chinese interference saw his talk to Washington's Hudson Institute cancelled, Guo claimed Beijing had 25,000 spies in the US. Guo's claims had some credence because of his association with Ma Jian, once responsible for aspects of counter intelligence.<sup>20</sup>

Guo also ended up being suspended from social media platforms: his Twitter account was suspended briefly in April following a similar interruption to his Facebook account,<sup>21</sup> while in October his YouTube account was also suspended.<sup>22</sup> These incidents vividly demonstrate the increasing ability of the CCP to directly interfere with social media worldwide — despite Twitter being banned in China. That Guo has 466,000 Twitter followers makes him even more of a worry, and the CCP's desire to increase ideological and United Front Work abroad even more pressing.

Guo's case is the most dramatic exposé of official–private collusion since the Bo Xilai–Wang Lijun case of 2012 (see the *China Yearbook 2012*:

*Red Rising, Red Eclipse*) and again highlights just how deep and pernicious the relationships between power, corruption, and wealth can be in a Party-state system.

One way to keep any gains is, of course, to send it abroad. It was not clear how Guo still had access to money after fleeing China. In November 2017, however, the International Consortium of Investigative Journalists revealed a second set of leaks about tax havens — the Paradise Papers. In 2016, the Panama Papers had revealed that Li Xiaolin 李小琳, the daughter of former leader Li Peng 李鹏, and even Xi Jinping's brother-in-law, Deng Jiahui 邓家贵, had been using tax havens to stash their wealth. Some nine companies related to Wang Jianlin 王健林, the real estate billionaire of Wanda fame who came to Western attention in 2016 for buying up theatres and studios in the US (see the *China Story Yearbook 2016: Control*, pp.281–282), used tax havens in the Bahamas, the Virgin Islands, and Luxembourg.<sup>23</sup> There are likely to be many more wealthy Chinese seeking to hide their assets this way.

## If You Can't Beat 'em...

If not for the *Caixin* revelations, there is a chance that Guo would have sought, or been sought out, to join the CCP, be elected to an NPC at some level, or selected by the UFWD as a representative in the CPPCC. The status afforded by these bodies was reflected when, in March, the Liaoning NPC expelled forty-five members, nearly all businessmen, for having purchased their seats. However, the situation only came to light when Beijing's favoured candidates failed to get elected.<sup>24</sup>

This keenness to be seen to be a part of the Party-state is understandable. Proximity to power means privileged access to decision-makers, licences, bank loans, and higher level connections, and especially to scarce real estate as Guo's case reflects. At its best, this creates a virtuous cycle; at its worst, a vicious one.



**Dr Chau Chak Wing**

Source: UTS Advancement, Flickr

Aspects of positive symbiotic business-Party relationships are evident with some of the Chinese billionaires who have come to prominence in Australia. In the *China Story Yearbook 2016*, we discussed the role of Huang Xiangmo 黄向墨, his donations to Australian political parties and his role in United Front activities. On 6 June 2017, a joint investigation by the ABC's *Four Corners* program and Fairfax screened, called 'Power and Influence: The Hard Edge of China's Soft Power', about United Front-linked money and Australian politics.<sup>25</sup> One ABC report revealed how almost six million dollars had gone to politicians of both major parties.<sup>26</sup> In this and subsequent investigations and reports, notably about the Australian Council for the Promotion of Peaceful Reunification, headed by Huang, there were a number of revelations about UFWD work in Australia.<sup>27</sup> The Council's front page even links directly to UFWD-linked organisations.

Another prominent businessman and philanthropist, Chau Chak-wing 周泽荣, who is an ACPRRC member as well as an Australian citizen of twenty years, came to public attention in 2017, in part because of his connections with Huang and subsequently because of his decision to sue the ABC and Fairfax for defamation in relation to their revelations. In a later interview, he denied any wrongdoing and, most pertinently, declared, 'For the record, I have never been a member of the Chinese Communist Party and I have never been a member of an advisory group called the People's Political Consultative Conference'. He went on to say that, 'As to the entity referred to by the ABC as the "United Front Work Department", I have no idea what this is'.<sup>28</sup>

Chau's rise to wealth and power, however, seems intimately connected to his relations with the UFWD in his home province of Guangdong,

and in particular the Chaozhou region and his city of birth, Shantou. Within Guangdong, Chau is officially lauded as an outstanding overseas Chinese entrepreneur. According to the Shantou UFWD, Chau migrated to Hong Kong in the 1970s and then to Australia, returning to China in 1988. There he became involved in real estate, food, and media. The Department also stresses his contributions to charity, including building schools. His appointments include being a deputy chair of the China Federation of Returned Overseas Chinese Association. The photos of Chau include ones with former leader Hu Jintao and former Australian prime minister, Kevin Rudd.<sup>29</sup>

Chau's return to Shantou was timely, coming when the UFWD was actively wooing overseas Chinese investors to contribute their money and talents to building up their ancestral land, and profit at the same time. In July 2007, at Guangdong's Oriental Hotel and in the presence of the Provincial Head of the UFWD, Zhou Zhenlong 周镇宏, Chau launched the Guangdong Overseas Chinese Commercial Investor Industry Association. Its precursor association launched in 1990, said Chau, had been the earliest such organisation in China and had played a major role in attracting investment under the auspices of the Overseas Chinese Affairs Office (the government face of the UFWD).<sup>30</sup> Chau's closeness to the UFWD, then, is long-standing.

On 30 November, Chau's efforts to court influential non-Chinese former leaders and people of influence by hosting meetings to discuss China's international relations reached its apogee. Guests at his Imperial Springs International Forum, held at Chau's palatial Imperial Springs Hotel in Guangdong, included former United Nations head, Ban Ki-moon and former New Zealand prime minister, Jenny Shipley. Their presence and discussions of China's international relations was rewarded in dramatic style when Chau and his guests were invited to Beijing to meet Xi Jinping himself.<sup>31</sup> A more ringing endorsement of Chau's influence can hardly be imagined.





Beijing Wanda Plaza (headquarters for Wanda Group and Wanda Cinemas)  
Source: Dennis Deng, Flickr

## The Fall of a Grey Rhino

What the Party giveth, it can also take away. One real estate billionaire with very good connections to the Party, Wang Jianlin of Wanda, mentioned above in connection with the tax havens, had been able to access loans large enough to bid for Hollywood studios and cinema chains at least partly because the purchases supported Chinese soft power, in particular an increase in Chinese influence over international media. Many of the deals hyped up in 2016, however, fell through in 2017.<sup>32</sup>

Then, in July, Wanda was one of a number of large private firms with good connections that were criticised in the *People's Daily* as 'grey rhinos' 灰犀牛.<sup>33</sup> The paper explained 'A grey rhino is massive, and responds slowly — you can see it clearly in the distance, but if it charges you, it will catch you off guard and gore you'.<sup>34</sup> Today's rhinos are big companies now struggling under huge debts and therefore posing an economic threat. Responsibility for these loans, rather than being sheeted home to the officials who approved them, was placed on the companies themselves. By the end of August, there were repeated rumours, subsequently refuted, that Wang was under suspicion for corruption and unable to leave China. While Wang remains free, by the end of 2017, he had gone very quiet.

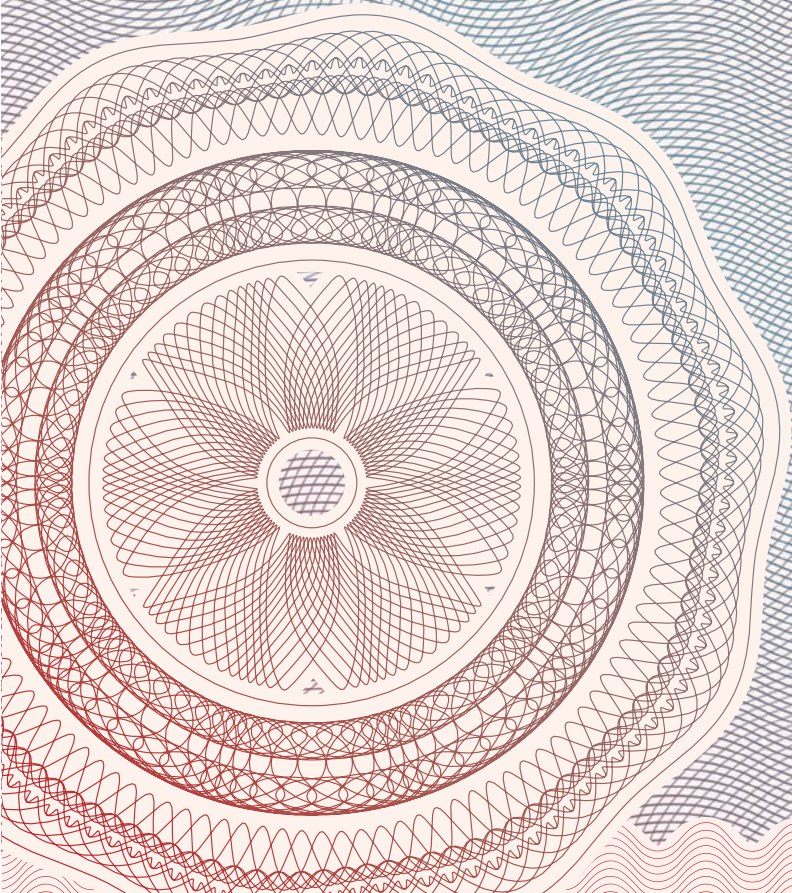
## Conclusion

While wealth in China brings many benefits, it brings only limited protection if it is not also supported by officialdom, the higher the better.

It should not be surprising then, if Chinese business people abroad also assume that similar situations apply in foreign environments and act accordingly by seeking access and possible protection from the local political elites. Such behaviours though, make it very difficult for others to judge intentions and where the boundaries between private initiative and Party-state influence might lie, if indeed there are any. Cases like that of Guo Wengui make such judgements even harder. The ramifications of these dilemmas are only just beginning to make themselves felt in Australia and elsewhere.



# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

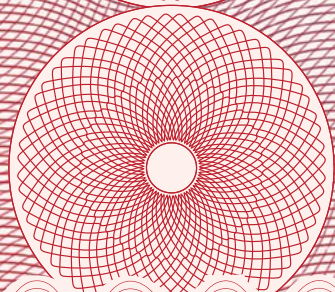
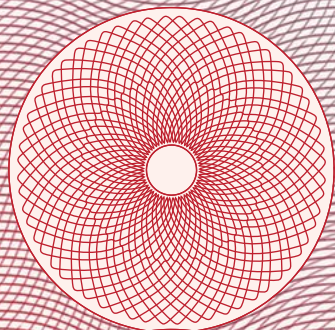
5月

6月

7月

8月

9月







# **CONSPICUOUS CONSUMPTION**

**The End of Ivory**

· CRAIG A. SMITH

---

**Feasting on Donkey Skin**

· NATALIE KÖHLE

**Hey Big Spender: China's Luxury Travellers**

· LINDA JAIVIN

170  
171

CHINA STORY YEARBOOK | The End of Ivory  
2017 | Craig A. Smith

# THE END OF IVORY

Craig A. Smith

IN HIS SEMINAL VOLUME on the environmental history of China, *The Retreat of the Elephants* (2004), Mark Elvin characterises the gradual disappearance of China's elephants as a 3,000-year war between humans and elephants, ending in the final eradication of the animals from east and central China in the Yuan and Ming dynasties (between 1271 and 1644). Although he notes that ivory carving goes back millennia in China, the craft did not gain widespread popularity until the Ming dynasty, at which point elephants only survived in the wilds of China's borders with South-East Asian countries.<sup>1</sup>

As China is historically, and likely to remain, the largest consumer of both legal and illegal elephant ivory, conservationists have concentrated

their efforts there since the 1990s. It seems that the war is not over: it has simply expanded across the globe. However, government efforts to stop the trade in poached ivory have accelerated in 2016 and 2017 and there is some room for optimism.

To great acclaim, China banned the sale and carving of ivory in 2017, following a similar ban in the United States six months earlier. There had previously been a number of attempts around the world to ban the ivory trade, including the 1990 ban under the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora, and the Accra Declaration of 2006 that was signed by nineteen African nations. These efforts concentrated on African supply, with many in China, including the govern-





'Say no to ivory! If there is no market, there is no killing.' Yao Ming features in a WildAid campaign poster. WildAid advertisements are a common sight in China's airports  
Source: WildAid

ment's own State Forestry Administration, arguing that conservation efforts should continue to focus on Africa. Partly based on the advice of domestic conservationists, such as Zhang Li 张立 of Beijing Normal University, the PRC State Council overruled these arguments and the State Forestry Administration soon announced the details of the ban. By 31 March, sixty-seven of the legally operated carving facilities and sales offices were closed, with the remaining 105 offices to close by the end of 2017.<sup>2</sup> However, trade will continue in Hong Kong, the largest

ivory market in the world, facilitating China's black market until the end of 2021, the date the local government, which has autonomy on this issue, has decided its stores will be permanently shut. These moves to ban ivory accord with public sentiments following years of campaigning by conservationists and celebrities such as Jackie Chan 成龙, television star Lin Chi-ling 林志玲, and basketball player Yao Ming 姚明.

Although ivory carving has a long history in China, it is only in recent decades that Chinese consumption of ivory surpassed that of Western

countries. With affluence came a taste for carved ivory. Now that the government has banned the carving and trade of elephant ivory, artisans and consumers have had to turn to other sources. China is not alone in this. For hundreds of years, people around the world have turned to walrus, narwhal, hippopotamus tooth, and mammoth ivory as substitutes, although the supply of these types of ivory also appears unable to cope with current demand. Many mammoth ivory carving shops operate in Guangdong, a centre for ivory carving since the 1950s, and many carvers sell their work globally through Hong Kong.

Products available on Taobao, China's largest online retailer, indicate the shift in demand, as well as the new

regulations. Searches for elephant ivory no longer offer any results. Searches for walrus and narwhal tusks bring a few limited results. However, searches for mammoth ivory yield tens of thousands of results, ranging from beads priced at less than one RMB to complete mammoth tusks priced at RMB100,000 (AU\$20,000).

Many products advertised as ivory are, in fact, man-made resin or plastic. Good quality synthetic products are increasingly difficult to distinguish from the real thing. In Esmond Martin and Lucy Vignes's 2011 report on the ivory trade in southern China, *The Ivory Dynasty*, the authors found synthetics passed off as real ivory in some shops, whether deliberately or unintentionally. Mammoth ivory is



**The Hurui Mammoth Ivory shop in Manzhouli.** Situated on the affluent China-Soviet Road in the affluent border city of Manzhouli, this shop provides Chinese tourists with expensive carvings of mammoth ivory sourced in Siberia  
Photo: Craig A. Smith





This 1.84 kg pen or brush holder is advertised on [mammothjewelry.com](http://mammothjewelry.com), the website of a Zhuhai-based retailer that sells to buyers in mainland China, Hong Kong, and Taiwan

Source: Baidu

particularly difficult to identify, and even professional carvers need to carefully examine pieces under a magnifying glass, unless the distinctive rust-coloured exterior has not been removed.

But the use of ivory alternatives is necessary, as demand will not disappear. In 2007, the government listed ivory carving as an intangible cultural heritage. Rediscovering Chinese traditions and supporting domestic arts are

extremely important for both the Chinese people and the Party-state, which draws on its support and protection of tradition to bolster its legitimacy. Although the fate of African elephants will remain precarious, in 2017 early reports indicated a drop in poaching due to both the official government ban and a Chinese population that is increasingly affluent, but also increasingly concerned with conservation and the environment.



176  
177

CHINA STORY YEARBOOK | Feasting on Donkey Skin  
2017 | Natalie Kohle

## FEASTING ON DONKEY SKIN

Natalie Köhle

FOR ALMOST TWO millennia, donkey hide glue (*colla corii asini*) has been part of the Chinese apothecary. *Ejiao* 阿膠, or ‘E-glue’ as this medicine is referred to in Chinese, consists of gelatin that is extracted from donkey hides by boiling them in water. According to traditional Chinese medicine, *ejiao* strengthens blood, stops bleeding, and improves the quality of vital fluids. It can be used to restore the vigour of depleted patients, or taken as a life-enhancing tonic to strengthen vitality and promote health. Recent biomedical clinical trials confirm the hematopoietic (blood cell producing) effect of donkey hide gelatin.<sup>3</sup>

Historical records insist that only boiling the skins in water drawn from the ‘E Well’ 阿井 in Shandong province produces *ejiao*, and that only skins

from the black Wu donkey 烏驢 would produce top-quality medicinal glue. The precinct of the E Well was protected by imperial armies and E-glue was sent annually to the imperial court. Thus *ejiao* remained an expensive regional delicacy that only the wealthy could afford. Genuine *ejiao* was hard to get hold of, and fakes were abundant.<sup>2</sup> This problem was exacerbated in the 1990s, when entrepreneurs started to mix *ejiao* with dried fruits, nuts, and sesame seeds, marketing it as a beauty and wellness booster with anti-ageing and health-promoting properties. It is now a coveted luxury product for ostentatious consumption and gift giving, comparable to ginseng or expensive tea.

The success of this repackaging campaign in China’s age of prosperity



**Ejiao wellness cake gift box**  
Source: ebuy7.com/item/  
ehhebdegchif

has led to exponential growth in the consumption of *ejiao*, with production soaring to meet demand.<sup>5</sup> As a result, China's donkey population has plummeted, falling from 9.4 million to less than six million in 2017 (with unverified reports saying the number is closer to three million).<sup>6</sup> With industrialisation, fewer donkeys are being raised as farm animals in the first place, and their sensitivity makes them ill-suited for mass breeding.<sup>7</sup> So China's *ejiao* industry depends heavily on imported hides. Currently 1.8 million donkey hides are traded globally every year, with demand estimated at between four and ten million.<sup>8</sup> With only around forty-four million donkeys worldwide,

Chinese demand could lead to total extinction within a short time.

The demand for donkey hides also creates severe problems for the world's poorest communities, which are still heavily dependent on donkeys as work animals. The spike in the market price of donkeys has led to an increase in theft and poaching in countries such as Tanzania and South Africa, with heartbreaking reports of farmers or even whole villages waking up to find the skinned remains of their donkeys in a nearby field, after a poacher's strike in the night.

The increase in the donkeys' market price makes it impossible for many families to replace them. This



leads to financial ruin: their children can no longer go to school, and they can no longer easily fetch drinking water or transport firewood.<sup>9</sup> In an attempt to protect local economies, a number of countries including Uganda, Tanzania, Botswana, Niger, Burkina Faso, Mali, Senegal, and Nigeria have already banned donkey exports to China.<sup>10</sup> Others, such as Kenya, attracted by the high returns of the donkey trade, have allowed Chinese investment in state-sanctioned donkey slaughterhouses. The profits of this questionable trade benefit few, and devastate many.<sup>11</sup> Donkeys that are traded for their hides are also often poorly looked after — or even starved to death — during gruelling long-distance live transports, or while waiting for slaughter: the market value of a

hide is not affected by the poor health of the donkey that used to live inside it.

Even Chinese medicine is a victim, rather than a culprit of this excessive *ejiao* consumption. As the price of *ejiao* goes up, fewer and fewer patients can afford or obtain genuine *ejiao* when they need it. Instead, they are being fobbed off with wellness candies that have no medical efficacy.

In their quest to overcome the shortage of donkey skins, China's *ejiao* investors have set their eyes on Australia. In 2004, Australia had an estimated population of five million feral donkeys concentrated in the arid regions of the country's centre.<sup>12</sup> They are the descendants of the finest donkey breeds of the world, imported by early settlers from Spain, Chile, Mexico, and India. The earliest donkeys



**Worldwide supply and demand for donkeys**

Source: Under the Skin, [thedonkeysanctuary.org.uk](http://thedonkeysanctuary.org.uk)



**Donkeys are often poorly looked after or die during live transport**

Source: George Knowles Hong Kong [georgeknowles@yahoo.com](mailto:georgeknowles@yahoo.com)

arrived in Australia in 1794, but it was not until the 1890s that they began to play a key role in opening up the outback. Essentially a desert animal, donkeys are more resistant to drought, heat, and toxic plants than horses. ‘Teamster donkeys’, harnessed four to five abreast in teams of up to forty animals, transported wood, food, mining supplies, and wool across the country. Their hardiness, docility, and ability to haul heavy loads made them indispensable for developing the colonies.

In the 1930s, mechanised transport made the teamster obsolete.

Teamsters, not wanting to kill their former work animals, simply released them into the wild. The donkeys thrived and multiplied to such an extent that they were soon considered to pose a problem for the arid soil, and were declared a pest in the Northern Territory as early as 1949.

The view that donkeys are a pest is shared by the agribusiness sector. In March 2017, the then minister for agriculture Barnaby Joyce announced his intention to make the export of donkey skin part of a bilateral trade deal: ‘We are going to make sure that if you want to eat edible donkey skins then you are going to be eating our edible donkey skins’.<sup>13</sup> Several months later, Northern Territory Minister for Primary Industries and Resources Ken Vowles visited China’s largest *ejiao* processing factory, Dong E Ejiao, in Shandong.

Other Australians feel strong attachment to the ‘beautiful Australian bush donkey’ that has become an integral part of the Australian landscape. Fortunately, live exports are off the table for the time being. But a multi-species abattoir is being built in Charleville, Queensland and mustering of feral donkeys has started in the Anangu Pitjantjatjara Yankunytjatjara Terri-

tories in Southern Australia. Despite the pleas of animal rights activists to the Australian Government not to feed into a globally destructive trade, Australia has effectively already become an exporter of donkey skins.

Granted, the media images of donkey abattoirs are gruesome, but the same goes for slaughterhouses for cattle or pigs. Since the number of Australian donkeys is already controlled by aerial culling, one might argue that this way at least their skin goes to use. Yet the scale of the trade, which threatens global extinction of a whole species, is devastating rural communities

worldwide, and lacks any form of legislation and control.

This raises legitimate questions about ethics and sustainability for any country involved in the skin trade, including Australia. Historically, *ejiao* was a regional delicacy, a ‘medicine for emperors’; today it is a wellness candy, mass-produced for conspicuous consumption by the affluent, an ever-expanding part of China’s vast population. Yet natural resources are finite and delicacies by definition cannot be mass produced. No matter how wealthy a society becomes, not everyone can be the emperor.



**Teamster donkeys at work, ca. 1928**

Source: State Library of Western Australia 4383B/323



# HEY BIG SPENDER: CHINA'S LUXURY TRAVELLERS

Linda Jaivin

**D**URING THE LAST THREE months of 2017, Qantas passengers may have discovered a second inflight magazine in their seat pockets, published entirely in simplified Chinese. Aimed at high-spending travellers, the special edition included a list of Australia's seven most 'extreme-luxe' experiences and a sampling of specialised itineraries (such as food and wine and the out-back). This special edition was the third of its kind since late 2016 and was also distributed to select five-star and boutique hotels in Sydney, Melbourne, and Adelaide. The pitch to advertisers noted that Chinese travellers spend eighty per cent of their luxury dollars overseas.

Chinese citizens take about 122 million trips abroad each year, including to Hong Kong and Macao. That number is growing. They already splurge

more on overseas travel than citizens of the United States — a sum expected to double within three years to US\$422 billion.<sup>14</sup> The two million Chinese visitors to Paris in 2016 alone dropped one billion euros into French coffers. After the Eiffel Tower, Chinese tourists tend to head straight for the luxurious department store Galeries Lafayette, which has now opened a dedicated annex with Mandarin-speaking sales staff: the 4,200 square-metre Shopping and Welcome Center. Galeries Lafayette even accepts WeChat Pay; its rival Printemps has been taking Alipay since last November. Marriott hotels plan to accept Alipay. UnionPay is now just about everywhere — France is one of 160 countries and regions worldwide where shops and ATMs accept China's answer to Visa and Mastercard.





Outside the Louis Vuitton shop in the Galeries Lafayette, Paris  
Photo: mengzy, Flickr

The Hurun Report's *The Chinese Luxury Traveller 2017* says that the average Chinese traveller shells out about US\$3,000 for an overseas trip. That is less than what the typical Chinese luxury traveller lavishes on just five days of accommodation. The uber-luxe Aman resorts now rank among wealthy Chinese travellers' top-ten favourite places to stay.

According to Hurun, the average luxury traveller from China dedicates about twenty-two per cent of the 'family consumption budget' to travel — or about 380,000 yuan (nearly US\$57,000), of which about 220,000 yuan (nearly US\$33,000) goes to shopping. The *Jing*

*Daily* reported that when the British artists Jake and Dinos Chapman collaborated with Luis Vuitton to produce limited-edition items for the brand's 2017 spring/summer menswear collection, they sold out in Paris within days, mostly snapped up by young Chinese. The *Jing Daily* also quotes the store manager at Chanel Beauty on the Champs-Élysées as saying 'Young Chinese customers often ask me how many products we have left in a particular style. If it's the last one, they buy it immediately.'<sup>15</sup>

Yet trends are changing fast. Just a year ago two-thirds of Chinese travellers surveyed by Hotels.com and

global market research firm Ipsos cited shopping as their main reason for travelling. This year, only one-third said they travelled mainly to shop, with fine dining and experiences now topping their list of priorities.<sup>16</sup> Wealthy Chinese travellers prefer independent, customised itineraries to group travel. And, according to The Hurun Report, they are adventurous, too. Up to one out of three tourists to the Arctic and Antarctic are likely to be Chinese, with such trips costing somewhere between US\$29,000 and US\$120,000.<sup>17</sup> Chinese interest in upmarket cruising is also growing, with industry predictions that by 2030, the Chinese market for cruises will be the biggest in the world. In 2017, both the Norwegian Cruise Line

and Princess Cruises custom-built new ships with Chinese tourists in mind.

However, one luxury travel trend looks like it might be on the downswing: the ‘propiday’ 房产假期 (property-buying holiday). The Chinese government’s latest restrictions on capital outflow and debt threaten to take the shine off what Australia’s real estate agents call the industry’s ‘golden weeks’: the Chinese Lunar New Year and National Day holidays. Meanwhile, new rules introduced as part of a crackdown on money laundering require Chinese banks to report any overseas transactions exceeding US\$150 a day. That does not even buy a tiny bottle of Chanel No. 5.





6月

7月

8月

9月

10月

11月

12月

# 6

**MAGIC CITIES, FUTURE DREAMS —**

**URBAN CONTRADICTIONS**

Carolyn Cartier

2017年1月

2月

3月

4月

5月

6月

7月

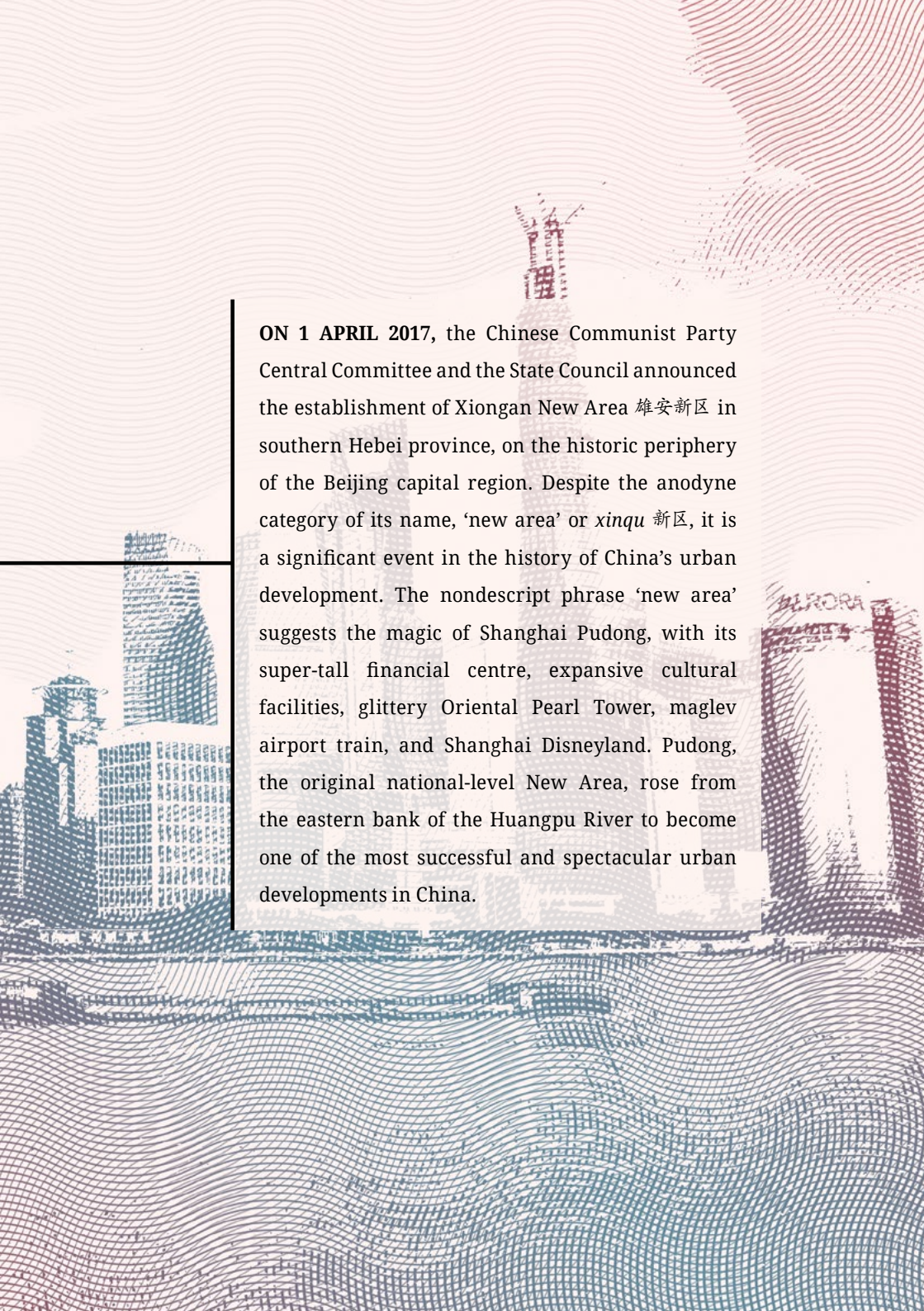
8月

9月

**The magic of Shanghai Pudong**  
Source: Wikimedia







**ON 1 APRIL 2017**, the Chinese Communist Party Central Committee and the State Council announced the establishment of Xiongan New Area 雄安新区 in southern Hebei province, on the historic periphery of the Beijing capital region. Despite the anodyne category of its name, ‘new area’ or *xinqu* 新区, it is a significant event in the history of China’s urban development. The nondescript phrase ‘new area’ suggests the magic of Shanghai Pudong, with its super-tall financial centre, expansive cultural facilities, glittery Oriental Pearl Tower, maglev airport train, and Shanghai Disneyland. Pudong, the original national-level New Area, rose from the eastern bank of the Huangpu River to become one of the most successful and spectacular urban developments in China.

The term New Area is also China's development-planning language for a higher standard of 'special zone' 特区, one whose conditions will surpass those of the historic special economic zones led by Shenzhen in the 1980s. China's leadership chose the term 'New Area' to distinguish Pudong from the early manufacturing zones like Shenzhen.<sup>1</sup> A New Area has high-technology industry, a green urban environment, and a spectrum of leisure and consumer opportunities. It is a 'creative city' with good schools, well served by public transportation and connected to regional inter-urban rail lines as well as the latest style and standard in high-rise housing, offering investors the possibility of making a fortune in real estate. Xiongan is the nineteenth state-level New Area but it is also the most important New Area since Pudong.

'No one had ever heard of Xiongan,' *The Economist* observed, yet now 'it's the most talked-about place in China.'<sup>2</sup> A Google search cannot retrieve it on the map of Hebei province — because it does not yet exist on the map. Xiongan is a new name for a new administrative division. It merges three historic counties — Anxin 安新, Rongcheng 荣成, and Xiongjian 雄县 — by abolishing their governments and combining them to establish a new territory that will be jointly governed by the Hebei Province Party Committee in Shijiazhuang, the provincial capital, the Jing-Jin-Ji Cooperative Develop-



Location of the Xiongan New Area in Hebei province

Image: Wikipedia

## Xiongan, China's Third Economic Engine?

Xiongan New Area, comparable to the Shenzhen and Shanghai Pudong special economic zones, is expected to boost the economic development of the Beijing-Tianjin-Hebei region.



- Shenzhen Special Economic Zone, founded in 1980
- Shanghai Pudong New Area, founded in 1993
- Xiongan New Area, founded on April 1, 2017

Source: Caixin

Location of the Xiongan New Area in the Jing-Jin-Ji capital region

Source: Caixin

ment Leading Small Group, and the State Council. Xiongan combines words from Xiongxian and Anxin to form a new place name. Its simplest literal translation is 'powerful peace'. But the word *xiong* has multiple meanings in history, including male, chieftan, hero, victory, grand, imposing, bold, and unconstrained. Named for the Xi Jinping era, Xiongan is the latest example of how China changes its subnational territory to establish new cities in a process of planned uneven development.

Xiongan is the focus of a long-term Chinese central government plan to redistribute the population and economy from Beijing to surrounding areas. The equivalent in Australia would be if Canberra was the size of Brisbane, Melbourne, and Sydney combined, and then grew beyond its resource limits and the government responded by building an 'overflow' city at a distance in an adjacent state. Located in the region of Beijing, but not in Beijing, Xiongan is a new city for Beijing. The central government introduced new plans for the capital region (as discussed in the *China Story Yearbook 2015*), in response to evidence that Beijing had already breached its planned growth limits. Its water supply is insufficient for continued population and industrial growth. The 2004–2020 Beijing Urban Master Plan projected a maximum population of eighteen million, but by 2016 Beijing was home to





Main cities of the capital region  
Image: people.cn

21.5 million. Now the Beijing 2016–2030 plan aims to limit the population to twenty-three million. To alleviate the problems, the central government has decreed that ‘non-capital functions’ 非首都功能, unrelated to Beijing’s status of national capital, will be relocated outside the city. The main solution is the Xiongan New Area.

## Construct!

China debuted the economic development model of production-led growth, based on state investment in construction and land development, in the 1980s, with China’s opening to the world economy. Xinhua, the state news agency, has described Xiongan as a historically strategic decision for the Chinese Communist Party that follows in the path of the Shenzhen Special Economic Zone — the leading development area of the 1980s — and the Shanghai Pudong New Area in the 1990s.<sup>3</sup> This official discourse works in two ways. Just as Shenzhen represents the Deng Xiaoping era and Pudong that of Jiang Zemin, Xiongan New Area is a symbol of the core leadership of Xi Jinping.

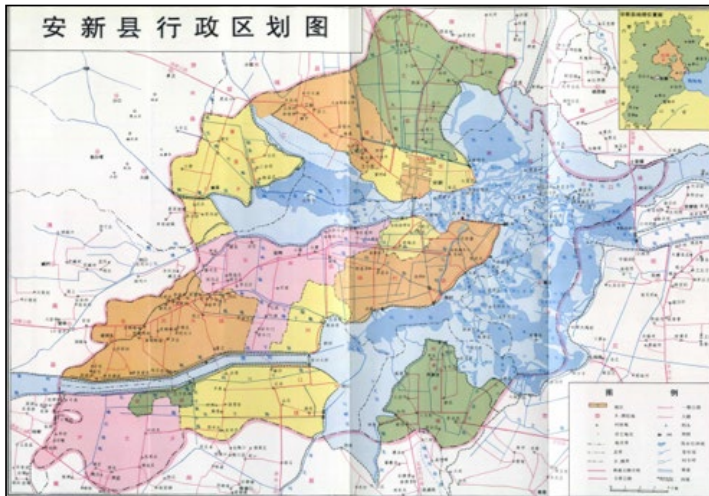
Internationally, publicity about the construction of Xiongan continues the practice that economist Barry Naughton describes as ‘signalling’: communicating to world markets that China is in the business of economic growth.<sup>4</sup> International investment firms calculate that the state will invest between two and four trillion yuan (US\$290–580 billion) over the next fifteen to twenty years in Xiongan. This is good news for China’s steel production, which, coincidentally, is concentrated in Hebei province. From

an initial one hundred square kilometres, Xiongan will expand to 2,000 square kilometres by 2050. Official publicity calls it a ‘great plan for the millennium and a major state project’ 千年大计, 国家大事.

## Environmentally Speaking

Compared to Beijing, Xiongan has ample water resources, at least in theory. Party-state propaganda describes Xiongan’s ‘relatively clean natural environment’ including the ‘largest freshwater lake’ in the North China Plain. The echo chamber of official media describes the area as ‘ecologically healthy’ because it includes the ‘freshwater lake’ of Baiyangdian, which lies at the centre of former Anxin county. Scientific reports about Baiyangdian tell a different story.

Baiyangdian is an inland wetland ecosystem that expands and contracts with the rainy season, the flow of the Hai River that feeds it, and the vagaries of the water table. A *dian* 淀 is a shallow lake emerging in a seasonal wetland or marsh. Marshes in China, as elsewhere, were histor-



Map of the administrative division of Anxin county  
Source: *Anxin County Annals* 安新县志, Xinhua Press, 2000





Map of the river system of Baiyangdian showing the relationship between the three counties

Source: Li, Aiguo (李爱国), *Baiyangdian Annals* (白洋淀志), (中国书店, 1966)

ically treated as swamps and classified as wasteland. Now, however, Baiyangdian is recognised as the natural ‘kidney of north China’ for filtering the waters of the Hai River and providing habitat for migratory birds in the Asian flyway.

The problem is that over the past four decades, Baiyangdian’s ephemeral meres and ponds have shrunk by up to one-half of their historic area.<sup>5</sup> More than one hundred dams have been built upriver on the Hai and its tributaries for flood control, hydropower, and reservoirs. Significant amounts of water are drawn off by industry including by small-scale plastics factories in the area. From 1983 to 1988 Baiyangdian was dry. Since the 1950s, annual rainfall has dropped nearly twenty per cent and average temperature has risen 2.5 degrees centigrade while population has doubled. Local farmers have reclaimed former shorelines and extracted groundwater for irrigation. And today, like so much water elsewhere in China, the marsh has become heavily polluted from local and upstream sources. A 2012 Chinese government report found water pollution worse

than grade five or too toxic to touch.<sup>6</sup> The Chinese government has separately announced a ten-year effort to clean up Baiyangdian, but a reliable restoration will take much longer. Only with central government support is the Baiyangdian ecosystem likely to be restored.

## Real Estate Fever

The economic transformation of China is a story of industrialisation and urbanisation; production and consumption. The processes are mirror images. Industrialisation, clawing minerals from the earth to produce cement and steel for construction, creates the vertical environment of buildings and bridges. Urbanisation, meanwhile, paves over natural areas and historic places, propels domestic growth, and engages citizens in unprecedented levels of consumerism. Since the 1980s, as hundreds of millions of people in China have become urban citizens for the first time, their dreams for the future are inextricably entwined with the construction of cities and the development of new forms of housing for urban lifestyles. The Chinese government depends on its citizens to consume the housing that it produces, which, in turn, contributes significantly to GDP growth.

On 23 February 2017, Xi Jinping himself chaired a Xiongan planning meeting in Anxi county, the ‘an’ of Xiongan.<sup>7</sup> The rush was on: the fantasy of real estate prices that could increase ten- or twenty-fold, virtually overnight, drew an early wave of investors. Local journalists reported a surge of cars with out-of-area license plates. But like insider trading in the stock market, advance buy-up of real estate skews the market. It contributes to the problems of unaffordable housing and socioeconomic inequality that Xi, at the Nineteenth Party Congress, would pledge the Party to address. So the government changed tack, placing a moratorium on private real estate transactions in Xiongan in early April.

Investors then sought to follow state-owned enterprises into former Rongcheng county — the location of the temporary offices of the Xiongan



People congregating outside shuttered real estate offices

Photo: Cui Meng, Global Times

ing, at which they decided to freeze property market transactions.<sup>8</sup> These included closing the doors on the sales offices of new property developments and formal and informal property agencies, and banning sales in the secondary housing market — that is, preventing existing owners from selling up. In response to announcements published by The Housing and Urban Construction Bureau, buyers, sellers, and brokers congregated outside shuttered property offices, conducting their own informal arrangements. Public security arrived and made arrests to demonstrate the ban was a serious one. Government-controlled rental agencies took over.<sup>9</sup>

Local governments also introduced new controls over the right to residency in the New Area. Determining who is a ‘local’, and who is entitled to an official resident permit, or *hukou* 户口, in any city in China can be a complex procedure. Policies can change in step with local political-economic plans and targets. Staff of the former Xiongxian government reported that local *hukou* quota and temporary migrant worker permits had been frozen in advance, in 2016, to prevent a flood of workers from outside the area.<sup>10</sup> In the first week of April, the government suspended processing marriage dissolution applications because ‘single’ people can each buy one house.<sup>11</sup> The new controls also affected local people who had moved away temporarily for work, military service, or education. With their *hukou* status ‘frozen’ 冻结, they found themselves cut off from home.

government. More than sixty enterprises arrived, leasing more than twenty per cent of available rental housing. Sale and rental prices quadrupled. In response, on 3 April, local governments in the former Anxin, Rongcheng, and Xiongxian counties held an emergency meet-

The Xiongan plan, based on government acquisition of farmland and the resettlement of farmers, is always a sensitive issue. In September 2017, the first land compensation contracts were signed with 240 village households for a 1000 mu (66.7 ha) development site.<sup>12</sup> Some local villages traced their history back to the Ming dynasty (1644–1911); they had been on alert since receiving orders at the end of 2016 to suspend planting. The plan mandates land in the Xiongan New Area be treated as a ‘security zone’ so that it can serve as ‘a blank slate’ 一张白纸.<sup>13</sup> To block new land development, and prevent expansion of or additions to existing housing, local governments set up checkpoints at the entrances to villages in order to intercept construction materials. The reason people may be tempted to expand homes slated for demolition is that when local residents are required to move for state development projects, the size of their existing housing determines the amount of compensation.

## Building Cities for Beijing

Like Beijing in the urbanising North China Plain, the world’s largest cities typically form city-regions. Yet the difference in China is territorial administration based on Party governance of administrative areas.<sup>14</sup> Three administrative divisions form the capital region of China: Beijing, Tianjin, and Hebei, known as Jing-Jin-Ji. (See the *China Story Yearbook 2015: Pollution*, Chapter 5 ‘The City That Ate China — Restructuring & Reviving Beijing’, pp.179–201.) Beijing and Tianjin are large ‘province-level cities’ in China’s administrative system. Hebei is a province, which forms a collar around Beijing to the north, south, and west. In this system, attempts to solve developmental problems, like hazardous air pollution, water shortages, overcrowding, traffic congestion, and high housing costs, necessarily take place through reforms enacted by governments of administrative areas. But when policy reforms — such as the Beijing Urban Master Plan — do not mitigate problems they are designed to solve, then the central

government steps in to assess how changing administrative divisions can address the problems.

Establishing Xiongan within Jing-Jin-Ji to relocate people, industry, and institutions also has a partner city in the process. Thirty kilometres east of central Beijing lies Tongzhou, the site of relocation of the Beijing municipal government (see the *China Story Yearbook 2015: Pollution*, Chapter 5 ‘The City That Ate China — Restructuring & Reviving Beijing’, pp.196–199.) The government of the city of Beijing is departing the centre of Beijing! The combination of Xiongan, to the south-west and Tongzhou to the east should relieve Beijing of some of its congestion, and with it, environmental stress, leaving the historic centre of the capital to the central organs of Party and state and institutions that serve the central government officials, including high-ranking research institutes and hospitals. The plan projects a future Beijing as a consummately civilised centre of state and society, decorated by historic sites and monuments.

Beyond that, the basis for deciding who and what will stay in Beijing is not clearly defined, but the term ‘non-capital function’ has come into use to indicate organisations that will be obliged to move, with their personnel, to outlying areas. The Minister of the National Development and Reform Commission, He Lifeng 何立峰, has identified ‘the root’ of Beijing’s problems is in its ‘having taken on too many non-capital functions’.<sup>15</sup> In addition to the municipal government, non-capital functions include state-owned enterprises, wholesale markets, financial institutions, and some hospitals, colleges, and research centres — any of whose activities are not ‘core’ functions of the capital. Plans also include the decanting of the elderly population into hospital-run, relatively low-cost nursing homes in surrounding areas.<sup>16</sup> Meanwhile, historic Beijing is set to become the core city for the core leadership.

The future of Beijing is thus inextricably tied to Hebei province. Yet Hebei has historically been less developed than Beijing and Tianjin, with numerous relatively impoverished areas. Support for Hebei’s development is evident in, among other things, the plan for



the 2022 Winter Olympics: Zhangjiakou 张家口, in northern Hebei, is one of the main sites. Shifting Beijing's non-capital functions to Hebei will also increase investment in the region and improve socio-economic conditions, in the process redrawing the economic map of the capital region. The plan seeks to integrate and balance the city-region by linking Hebei, via Xiongan, to Beijing. Similar to the new 'metropolises' of Nanjing-Shanghai-Hangzhou and Shenzhen-Guangzhou-Zhuhai, Jing-Jin-Ji region is to become a 'world-class metropolitan area'.



Zhang Wumao  
Photo: Sohu

Xiongan New Area is situated between major cities. The planned high-speed rail system promises residents of Xiongan a thirty-minute commute to Beijing, Tianjin, or Shijiazhuang. Xiongan is also in sightlines of the new Beijing Daxing International Airport under construction forty-six kilometres south of Beijing. With Beijing International reaching full capacity, this is another way that Hebei is providing a major 'capital function' for the region.

What is left unspoken is the difficulty of persuading residents of the great capital to relocate. Plan narratives follow a predictable pattern: official announcement, resounding confirmation in domestic media, followed by repetitive circulation in the international press (selectively reported back in Chinese media to reinforce the domestic message). Periodic reports of 'progress', 'advancement', and 'speeding up the construction' help maintain a sense of pace. Such publicity also aims to persuade people to do their part. The Party-state needs to keep the narrative unblemished, entraining the interests of all parties, domestic and international. It scrubs alternative views from the Internet and other forums — but not always before they have attracted attention.

On 23 July 2017, a blogger writing under the pseudonym Zhang Wumao 张五毛 posted an essay on Weibo, the micro-blogging platform, titled

## 'HOLES-IN-THE-WALL'

by Zhang Yichi

One morning in March 2017, builders began bricking up the entrance of a restaurant in Shetan Backstreet 沙滩后街, east of Jingshan Park 景山公园, the historic centre of Beijing. Soon, the brick wall sealed off the whole restaurant and the owner was forced to close his business. Over the following two weeks, sixty-one storefronts on this 323-metre-long street were sealed up as part of a campaign to clean up 'hole-in-the-wall' businesses 开墙破洞 throughout the city.

In the beginning of 2017, the Beijing Municipal Government launched a three-year project on the urban landscape to 'alleviate, renovate, and hasten improvement' 疏解整治促提升. The goal was to disperse activities and enterprises not related to the city's function as a national capital. Eliminating holes-in-the-wall was intended to help 'beautify' the streets, with the municipal government planning to clean up around sixteen thousand 'holes-in-the-wall' in 2017.

Hole-in-the-wall storefronts came about as the result of the urban evolution of Beijing. From the early 1990s, some residents, as well as dislocated workers, converted their dwellings into storefronts by making a hole in the wall. These businesses provided many of the daily requirements of local residents: groceries, tobacco, *jianbing* 煎饼 (Beijing-style crepes), and traditional staples such as steamed breads and sesame buns. They also served as barbershops, nail salons, breakfast restaurants, acupressure massage places, bars, and so forth — filling a gap in urban planning and adding convenience to everyday life.



A 'Hole in the Wall' due for demolition (拆)  
Photo: Marco Verch, Flickr

'Beijing has 20 million people pretending to live here'. It quickly went viral. 'For ten years,' Zhang wrote, 'Beijing has been controlling housing, controlling traffic, and controlling the population.' New controls for the 'world-class city' include closing down the neighbourhood shops and restaurants that made Beijing a liveable city (see Information Window above). The idea that people are dispirited, only 'pretending to live' in Beijing, challenges the official narrative. Zhang continues in his sardonic vein, 'Beijing is a tumour, and no one can control how fast it is growing. ... Beijing is a believer, and only Xiongan can bring salvation'.<sup>17</sup>

Despite their popularity, these storefronts occupied a legal grey zone, sometimes clearly violating planning and hygiene laws, and the city authorities saw them as eyesores. Some encroached onto streets, occupying public spaces, and the construction of others affected the integrity of existing building structures, harmed heritage architecture or created fire dangers. Local governments have been attempting to regulate these storefronts since 2012: the district governments of Chaoyang 朝阳 and Dongcheng 东城 bricked up 2,560 and 357 storefronts respectively between 2014 and 2016.

But this campaign is not just about beautifying the city and eliminating potential safety hazards. These storefronts constitute low-end industries and most of their current operators are migrants from the provinces. The authorities hope that by closing their businesses, people will have to move out of Beijing, relieving population pressure in the capital. According to the Beijing Urban Master Plan (2004–2020), the size of Beijing's population was to be stabilised at around eighteen million by 2020. However, the city's population reached 19.61 million in 2011, according to official census figures, endangering the success of the master plan. So, at the start of the year, the government closed down migrant-dominated wholesale markets and followed up by closing hole-in-the wall shopfronts.

As expected, this clean-up did force some migrants from Beijing. But it has been inconvenient for local residents, who can no longer obtain daily necessities from nearby vendors. Furthermore, the demolition was carried out in such haste that they left patches of bricked-up walls that are eyesores in themselves.

The root of this conflict is the growing contradiction between ideas about how Beijing should function as a city. On the one hand, Beijing is the national capital, the political centre of China, and the home of national institutions from the National People's Congress that meets in the Great Hall of the People to the Chinese Academy of Social Sciences. It is also a centre of learning, home to some of China's most famous universities, including Peking University and Tsinghua. On the other hand, Beijing, like any city, needs low-end industries and residential services. As urban planners tussle with these competing needs, the residents of Beijing just have to live with inconvenience as they see their favourite holes-in-the-wall disappear one by one.

One of Xi Jinping's main themes is the China Dream. But, Zhang writes, that those who are truly pursuing their dreams are 'escaping' to Australia, New Zealand, and the West Coast of the United States. Others have 'lost hope of chasing their dreams' entirely. State media denounced the blog post, even as censors removed it from sight. Netizens countered that they were sick of all the stress on 'dreams' when their reality was economic hardship and social inequality.<sup>18</sup> Xiongan is but the latest repository of the Party-state's official 'dreams'. In reality, Xiongan represents a new case of how China changes subnational administrative territory to propel economic development.

## The Xiongan Future

Popular writing on China often modifies the word ‘city’ with terms including ‘mega-’, ‘ghost’, and ‘global’ in attempt to capture the size, scale, and mystery of their conditions. The announcement of a new ‘zone’ or ‘area’ sets off a frenzy of friendly media stories about China’s latest mega-project. But the media rally around a project such as Xiongan, a veritable campaign, masks the realities of local conditions.

Although official media rhetoric likens Xiongan New Area to Shenzhen and Pudong — the latter two have different origins, conditions, functions, and goals. Shenzhen was Deng Xiaoping’s first showcase for economic reform. Pudong was Jiang Zemin’s flagship project. Xiongan is Xi Jinping’s signature project, but unlike the other two it is a project directly guided by the CCP Central Committee. This is first time that a ‘New Area’ has been officially aligned with the Central Committee. The governing relations over Xiongan heighten its political importance and lend support to its economic development.

As Politburo member and Vice Premier Zhang Gaoli 张高丽 explained in an interview with Xinhua News Agency, the state media:

The establishment of Xiongan New Area is a major decision made by the Party Central Committee led by General Secretary Xi Jinping, the core [of the Party]... This project, personally designed, planned, and put forward by Xi, fully reflects the strong mission, far-reaching strategic vision, and superb political wisdom of Xi, who devoted a lot of effort to the project ... Since the 18th Party Congress ... General Secretary Xi has been deeply involved in the investigation and study of the Beijing-Tianjin-Hebei region, and has presided over multiple meetings ... In each and every stage of the decision-making, General Secretary Xi presided over every important meeting, made important instructions, and assigned every task personally.<sup>19</sup>

Whether Xiongan New Area, Pudong New Area, or Shenzhen Special Economic Zone, all ‘zones’, ‘areas’, or ‘districts’ remain administrative divisions in China’s system of subnational territory. They may be ‘special’ but they are not exceptional: they are not separate from the system — they are basic to it. Shenzhen was a swath of farmland along the Hong Kong boundary, and Pudong was farmland on the outskirts of Shanghai, originally less than half its present size. As their economies grew, the Party-state approved their territorial expansion. Xiongan, by comparison, starts off encompassing three counties and envisions its future.

## Conclusion

Xiongan is a key piece of the puzzle of Beijing’s integration with surrounding Hebei province and the port city of Tianjin. In September 2017, the Xiongan New Area management committee approved its first group of companies: fourteen information technology firms, fifteen finance companies, five green technology firms, and seven research institutes. They include Alibaba, Baidu, China Mobile, China Telecom, Jingdong Finance, 360 Qihoo, Shenzhen Kuang-Chi, Tencent, and the People’s Insurance Company. Nineteen are central state enterprises, led by the State-owned Assets Supervision and Administration Committee — the economic arm of the State Council.<sup>20</sup> Represented by leading state firms, the development of Xiongan departs from the market-based evolution of Shenzhen capitalised by Hong Kong industry. In planning theory, Xiongan is a ‘growth pole’ from which a new sub-regional economy will radiate, at the centre of a ‘transportation circle’, networking the old and new cities of Hebei, through development of advanced industries, to the larger capital region.

Xiongan’s growth will be led by state investment. Xiongan, a semi-rural area with relatively low population density, lets the government keep land compensation and relocation costs at a minimum. Like other preferential development areas, it has access to significant central government financing and loans. It has raised hopes and dreams for another round



**DOCKLESS BIKE, REGULATED CITY**, by Gao Yu

In April 2016, a new type of shared bicycle, the dockless or stationless bike, appeared on the streets of China's major cities. Use requires downloading a smartphone app and then using the app to find, unlock (and later) lock the bike, paying via e-pay. They are very cheap — between five jiao to one yuan per half hour. Compared to the shared bike systems in European cities, which require the return of bicycles to a dock or station, dockless bikes offer flexibility and accessibility. The GPS in the electronic lock indicates the location of the bike, and users can park them almost anywhere.

In Beijing, Shanghai, Guangzhou, and Shenzhen, the number of share bikes has risen quickly to about one million in each city, and numbers are growing in many second-tier cities as well. Within a year the bikes have attracted more than seventy million users. Mobike is the largest operator among more than thirty bike-share companies competing in the Chinese market. Headquartered in Beijing, it received more than one billion US dollars in investment from local and overseas venture capital firms.<sup>21</sup>

In 2016, China's National Development and Reform Commission (NDRC) and Ministry of Transportation proposed the 'Scheme for Advancing Internet and Convenient Transportation and Accelerating Smart Transportation Development', as part of the national blueprint for transportation development. Based on the principles of transport being 'innovative, cooperative, green, open and shared', dockless bikes are a perfect fit for the scheme. In a 2017 report on the Scheme, the NDRC designated a specific function for dockless bikes to fill the gap in the 'last-one-kilometre' of the transportation system.<sup>22</sup> This function is being met according to Mobike's data, which shows that in Beijing, eighty-one per cent of its dockless bikes are activated around bus stops and forty-four per cent between metro stations, with similar figures for Shanghai as well.<sup>23</sup>

Millions of dockless bikes in use across China demonstrate the success of this new commercial mode of bike sharing. Yet the excitement of novelty and convenience has gone hand in hand with worries about safety and the potential for chaos in the cities. People can ride the bikes anywhere, including on walkways, and neither lights nor helmets are required. An eleven-year-old was hit and killed by a bus while riding a dockless bike that he had stolen on a busy road in Shanghai in 2017. His parents sued the bike's company, demanding RMB8million (approximately AU\$1.5 million) compensation, alleging the bikes are too easy to unlock. The bikes have also led to other sorts of problems. On a long weekend in Shenzhen, for example, people randomly parked the dockless bikes along the beach walk, blocking the seashore and creating serious congestion (see photo). In other cities, broken bikes pile up like mountains, damaging the 'civilised landscape' 文明城市形象. Others have been destroyed or stolen, found in rivers or stashed in trees.

of getting rich quick. Yet unlike Shenzhen and Shanghai, Xiongan does not share a border with a dynamic developed city: it cannot benefit from direct 'spillover' effects. Xiongan also takes a different approach to the dream, by imposing strict controls on property, residential permits, and company investment. Xiongan is an unprecedented high-level political

**Dockless bikes,  
Shenzhen**  
Source: sznews.com



City governments have already taken action in response to these problems. In August 2017, twelve municipal governments, including Beijing, Shanghai, Guangzhou, and Shenzhen, strictly banned companies from adding to the existing stock of dockless bikes. This regulation is not new or exclusive to dockless bikes. Since the 1980s, many municipal governments have banned motorcycles in cities due to concerns both for safety and their contribution to air pollution. Dockless bikes provide local transport in some cities where electrobikes 电动车 are also banned, as in Guangzhou and Shenzhen. As the main mode of point-to-point urban transportation, dockless bikes are likely to be subject to further regulations and controls in the future.

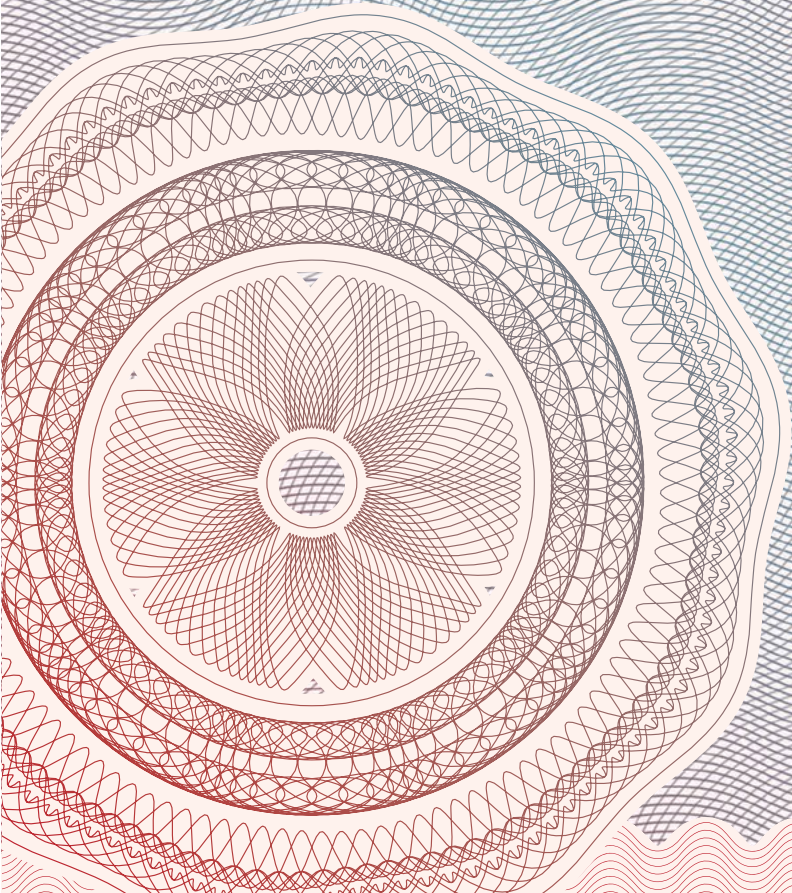
Despite these challenges, Mobike has already become an international firm, expanding its operations to Singapore, Manchester, Florence, Milan, Bangkok, Sapporo, and London. The success of the smartphone-linked dockless bikes in China has motivated other companies around the world to enter the market. A Singaporean company called Obike launched dockless bikes in Melbourne in June 2017. The same month, Chinese entrepreneur Donald Tang, a graduate of the University of Technology, Sydney, imported 160 dockless bikes from China, established a dockless bike company called Reddy Go, and planned to have 6,000 bikes in Sydney by Christmas 2017. Controversies, similar to those in Chinese cities around abandoned and carelessly parked bikes are simmering, but have not halted the march of dockless bike schemes around the world.

project, with no timetable for completion, but it has not demonstrated the next step in market-led reform. Whether Xiongan succeeds, 'depends on how big the efforts, how firm the resolution and how forceful the monitoring mechanism can be'. Given that Xi Jinping is so personally invested in the project, one can assume these will be substantial.





# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

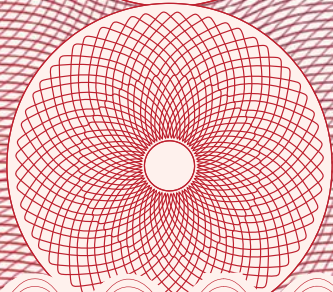
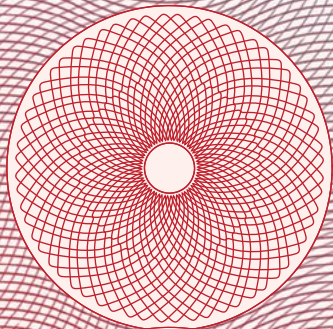
5月

6月

7月

8月

9月







# **YOU CAN'T TAKE IT WITH YOU**

**To Give is Glorious**

· PAUL J. FARRELLY

---

**The Psycho Boom**

· HUANG HSUAN-YING

**Doing Well, Dying Well**

· BENJAMIN PENNY

210  
211

CHINA STORY YEARBOOK | To Give is Glorious  
2017 | Paul J. Farrelly

# TO GIVE IS GLORIOUS

Paul J. Farrelly

DECADES OF RAPID economic growth have spurred the development of philanthropy in China. Recognising this, since 2005 the Ministry of Civil Affairs has held a prestigious annual charity award to celebrate the philanthropic achievements of entrepreneurs, government officials, and others working in the sector. Some philanthropists are motivated by tax advantages or to transfer corporate funds as a business strategy; some do it to strengthen their reputation; and some even out of altruism. It is such a prominent and dynamic trend that the Harvard Kennedy School Ash Center for Democratic Governance and Innovation collaborated with the Institute for Philanthropy at Tsinghua University to examine Chinese philanthropy's social, political, and legal

implications, producing the report *Values and Vision: Perspectives on Philanthropy in 21st Century China in May 2017*.<sup>1</sup>

Responding to the growth of philanthropy, the government has implemented new legislation. Effective on 1 September 2016, the Charity Law deals with establishing, registering, and regulating charitable organisations. This reflects the need to strengthen legal supervision and governance; several high-profile scandals, involving the Chinese Red Cross, among other organisations, have highlighted the need to prevent the misuse of funds.<sup>2</sup> There is also the problem of 'tunneling' — inappropriate profiteering whereby the controller of a charity directs donations back to himself. Under the new system, once appropriately

accredited, private foundations may raise funds from the public.

The Charity Law represents not only an attempt to enhance transparency around philanthropy, but, according to the authors of *Values and Vision*, it also seeks to focus the efforts of wealthy donors on issues the government would like to see them prioritise. With an increasing number of listed corporations registering charity foundations, an almost non-existent phenomenon before 2005, China's charitable ecosystem is evolving. Government-organised non-governmental organisations (GONGOs), such as the Red Cross of China, are significant, and are especially popular with celebrities. On a broader scale, technology platforms facilitate small-scale donations from individuals — something that grew after the 2008 Wenchuan earthquake in Sichuan.

In considering the motivations, influences, purposes, trends, and future of philanthropy in China, *Values and Vision* reveals that a desire to create social harmony, along with the influence of traditional values, as found in local religious and philosophical thought, have been important drivers of the charity boom. The more than thirty philanthropists interviewed for

the study tended to focus their efforts on single issues, with education the most popular. Environmental issues, by contrast, attracted only 0.9 per cent of donations in 2015, when the survey was conducted. The report also finds that in the corporate sector, share prices can benefit from the positive image of associated charity foundations. However, directors can make hasty donation decisions without adequately considering the negative effect on business profits.

Then there is celebrity philanthropy. In the main, the charitable activities of celebrities relate to urgent needs of developing countries in the Asia-Pacific region, with disaster relief attracting the largest amount of celebrity support. The close alignment of celebrity philanthropy with policy goals also suggests that government priorities are important in shaping the way in which prominent, image-conscious donors direct their money.

Religious philanthropy (giving to temples or churches to provide social services, for example) is most successful when it is localised and not too visible. Given the Chinese Communist Party's (CCP) desire to regulate religious activities, many religious organ-



isations mistrust (or have an uneasy relationship with) the state.

In 2017, China's growing culture of philanthropy made news in Australia. In February, Alibaba founder, Jack Ma 马云, donated AU\$26.4 million to the University of Newcastle. Made through his foundation to honour a Novacastrian friend and mentor, Ma's donation will support up to ninety poor and Indigenous students a year. The wealthy Chinese-Australians Dr Chau Chak Wing 周泽荣 and Huang Xiangmo 黄向墨 also attracted attention for their donations to educational institutions, political parties, and politicians. Media reports expressed concern at the extent to which Chau and Huang are affiliated with the CCP and speculated at their motivations, although both have denied they are acting on behalf of the CCP. As China's philanthropists become more active at home and abroad, the extent to which they can navigate the political goals and regulatory environment of the state will have an impact on the flow of donations in societies worldwide.



**Wang Bing, one of China's 'most influential' philanthropists**

Source: dz.china.com.cn



214  
215

CHINA STORY YEARBOOK | The Psycho Boom  
2017 | Huang Tsui-Fing

## THE PSYCHO BOOM

Huang Hsuan-Ying

AT THE BEGINNING OF 2017, therapists across China excitedly welcomed the issuing of a policy directive, ‘Guideline on Improving Psychological Health Services’ 关于加强心理健康服务的指导意见. The number of state council ministries and commissions that co-signed it — twenty-two in total — was encouraging news to members of a young but vibrant profession. Speculation that President Xi Jinping supported the expansion of the practices of psychotherapy and psychology had begun with his 2014 visit to the College of Psychology at Beijing Normal University, where the Criticising Psychology campaign 批判心理学 occurred in 1958. The document attested not only to official support, but also rosy prospects for a once-misunderstood profession. In July 2017, when

the Division of Clinical and Counselling Psychology and the Registry System under the Chinese Psychological Society held their annual meeting, they themed it ‘Greeting the Springtime of Psychological Counselling and Psychotherapy’ 迎接心理咨询与治疗的春天.

This was not the first time that the field experienced collective euphoria after a new policy was announced. A similar scenario took place in 2008 — a year informally known as the ‘first year’ 元年 of psychotherapy in China. The Wenchuan earthquake in May prompted the state to launch a series of relief efforts in which mental health received an unprecedented amount of attention. The psychological consequences of the disaster — couched in the language of Post-Traumatic Stress Disorder — were quickly apparent

given the scale of the disaster and the number of children killed; ‘talk therapy’ was deemed the most appropriate treatment. The field had already enjoyed modest popularity since the inauguration of the national certification for ‘psychological counsellors’ 心理咨询师 in 2002 — a new system outside the universities and the hospitals, which respectively trained psychologists and psychiatrists. But after 2008, psychotherapy training and practice became increasingly popular, especially, in major cities like Beijing and Shanghai, creating a thriving scene that earned the title of ‘psychoboom’ 心理热.

During the Mao era, the state had attacked psychology as ‘bourgeois pseudo-science,’ eventually abolishing the discipline during the Cultural Revolution; the Soviet model, which emphasised the neurophysiological basis of illness, was the norm in mental health-care. The practice of psychotherapy only became possible after the launch of economic reforms but remained rare in the 1980s and 1990s. Through to the 2000s, the popular perspective on the growth of psychotherapy was that it reflected economic prosperity. It was widely believed that the proliferation of mental illness and distress

was due to the stresses of modern life with its economic pressures and social dislocations, and that after fulfilling basic material needs, people would inevitably pursue psychological wellbeing and happiness. By the early 2000s, leading psychiatrists and psychologists, writing in *China Mental Health Journal* 中国心理卫生杂志, postulated that China would need as many as one or two million therapists to meet the mental health needs of its population. Many who entered the profession seemed to have pictured therapy as an expensive service targetting the middle class, and as a respectable and financially rewarding occupation for the therapist.

The national mental health legislation, introduced between 2011 and 2013, brought these optimistic notions into question. To the surprise of most therapists, the Mental Health Law defined psychotherapy as a medical treatment to be conducted in a medical institution. This created a panic among the private practitioners who dominated the field, as they were mostly not medically trained (the majority of them were counsellors rather than psychiatrists), and their workplaces were not medical facilities. In any case, especially given that it was

such a young profession, most were at an early stage in their careers and few had found it easy to attract enough clients to make a decent living.

Even before the advent of psychotherapy's 'springtime' in 2017, things had improved for the profession. The Mental Health Law on psychotherapy proved limited in its enforcement, and private practice had become less risky and more lucrative; the number of therapists who thrived in their businesses had increased substantially. However, what truly changed things was the rise of digital startups that offered psychotherapy and counselling services. These companies belonged to the new wave of startup entrepreneurship that took encouragement from the state's Mass Entrepreneurship and Innovation campaign 大众创业万众创新 that commenced in 2015. The most notable examples included MyTherapist 简单心理 — an online platform connecting clients with therapists meeting the company's own rigorous standards; and KnowYourself 知我探索 (abbreviated as 'KY') — a new media channel propagating popular psychology with attitude, focussing on the confusions and aspirations during emerging adulthood. Both of them had raised a lot of venture capital money.



KnowYourself  
Source: leipin.com

In September 2017, the state unexpectedly announced that the certification for psychological counsellors would be abolished in 2018. This program, with more than one million counsellors certified in the previous fifteen years, had a mixed reception among better qualified psychotherapists, who had graduated from overseas institutions or local programs taught by foreign experts. The certification model — ultra-short training with commercial agencies being the main educational providers — created a convenient route to enter the field, but also brought chaos and confusion, with people seeking help often not able to distinguish between competent and incompetent therapists. The announcement caused some unease, but the psychoboom is far from over — if 2017 was the field's springtime, then a summery future could still be on its way.

218  
219

CHINA STORY YEARBOOK | Ding Wei, Dying Wei  
2017 | Benjamin Penny



## DOING WELL, DYING WELL

Benjamin Penny

IN JUNE 2017, a Foshan 佛山 court handed Chen Hongping 陈弘平, former mayor of Jieyang 揭阳, a coastal city in northern Guangdong province, a suspended death sentence for accepting bribes of RMB125 million during his time in office between 2004 and 2011.<sup>3</sup> This in itself would hardly be cause for comment in the context of Xi Jinping's widespread anti-corruption campaign. However, the charges included embezzling RMB3.5 million to build himself an extravagant mausoleum using traditional feng shui principles.<sup>4</sup> Publicly known as the Jieyang Tower, the construction included a curved colonnade of nine carved ten-metre stone columns enclosing a megalith from the spiritually significant Mount Tai in Shandong, 1,700

kilometres away. The construction also included a ten-metre-high ritual tripod in the square in front of the edifice.

Apart from the shocking optics of a senior Party official embezzling huge sums of money to build himself a vast tomb, Chen's crime flagrantly transgressed the Party-state's regularly repeated warnings concerning extravagant commemorations of the dead. In 2013, for example, the Party introduced new regulations instructing members to hold 'simple, civilised funerals' for family members and to refuse any 'condolence money' as this was being used as a form of bribery. An 'anonymous official in charge of issuing the guidelines' insisted that those who violate funeral rules will be corrected and punished, including — apparently —



A cemetery in Shanghai  
Photo: Wikimedia Commons

deceased Party members.<sup>5</sup> This year, in Dengzhou 邓州, Henan province, city officials similarly exhorted its citizens to frugality in funeral arrangements, suggesting that no liquor or cigarettes be provided and recordings should replace live music. In Taiqian county 台前县, also in Henan, new rules were both more liberal and more specific: bands should have no more than five members and liquor should cost no more than fifteen yuan per bottle. In addition, they suggested that funerals take no longer than three days.<sup>6</sup>

Injunctions against extravagant funerals and other ceremonies are nothing new. At least as far back as the ancient philosopher Mozi 墨子 (fifth century–fourth century BCE), officials have been encouraged to be frugal in death rituals. All through the imperial period and beyond, there existed a

tension between properly observing the ritual codes and demonstrating extreme filial piety on the one hand, and decrying excess and waste on the other. Nonetheless, the proper observance of rituals associated with death remains important in China. The Qingming festival celebrated in early April each year is a public holiday when families throng to the tombs of their ancestors, sweeping them and making offerings of food, tea, liquor, and incense.

In recent times, problems associated with the pressures of population among the living have become, inevitably, problems with the dead as well. The traditional preference for burials over cremation has meant that the demand for grave plots has grown, with two major consequences. The first is that local governments have become increasingly concerned about the

**3-D custom-made ash containers**  
Source: nanjixiong.com



‘waste’ of valuable arable land for cemeteries. The second is that the price of grave plots has risen steeply.

The Chinese Communist Party has long been concerned about the use of land for burials. It has advocated cremation since the 1950s ‘in order to protect farmland and public hygiene as well as an effort to fight against superstition’, as the *People’s Daily* put it several years ago.<sup>7</sup> At one point during the first half of the 1970s, the bodies of revolutionary heroes buried at the official cemetery at Babaoshan to the west of Beijing were dug up so that they could be cremated, interring their ashes behind bricks in halls for veneration. Unfortunately, cremation goes directly against traditional beliefs that the body should remain whole after death. In 2014, the government of Anqing City 安庆市 in Anhui province declared that

after 1 June in that year no more burials would be allowed and all bodies had to be cremated. In the weeks before this regulation took effect, at least six elderly people committed suicide to avoid cremation.<sup>8</sup> To make cremation more attractive, some coastal cities and provinces now provide free day trips to scatter ashes at sea, with food, drink, and flowers thrown in.<sup>9</sup> For a price, you can also have your loved one’s ashes buried beneath a tree, interred in a small statue of the departed, made into a diamond, or blasted into space on a ‘permanent celestial journey’.<sup>10</sup> One company, embracing the possibilities of 3-D printing, is offering custom-made ash containers in the shape of a small house on a cloud with a bespoke inscription within twelve hours of cremation. The containers are guaranteed to last 1,000 years and cost RMB11,000.<sup>11</sup>



**Big business in China: Fu Shou Yuan**  
Source: sh.fsygroup.com

This may seem expensive, but it is an insignificant amount compared to the price of a burial plot in or near one of China's large cities. In 2015, burial plots in a private cemetery outside Beijing ranged in price from RMB120,000 for the most basic 0.8 square metre plot to RMB1.2 million for a generous three-square-metre plot.<sup>12</sup> The *China Daily* reported that one-metre plots in public cemeteries in Beijing have risen from RMB60,000 to RMB200,000 since 2000. Beijing is the most expensive city in which to be buried, but the same kind of inflation has occurred across China. Just as people are moving further out of town for affordable housing, so too must they search further away to find an affordable piece of land for burial, in the case of Beijing, in rural Hebei province.<sup>13</sup> With demand so obviously outstripping supply, there are complaints of sly practices by some private

cemetery operators, and of speculators buying plots for investment.<sup>14</sup>

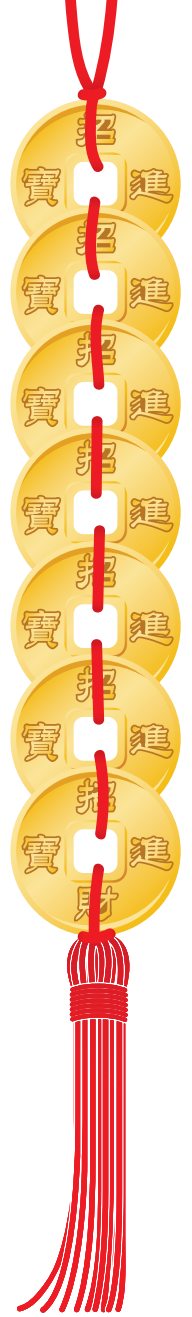
Death has become big business in China. The undoubted star of the 'death care' industry is Fu Shou Yuan 福寿园 (literally, The Garden of Prosperous Longevity), which operates in sixteen cities across China. Incorporated in 2012 and launched on the Hong Kong stock market in 2013, it specialises in selling burial plots and maintaining cemeteries; funeral organisation and arrangements; as well as landscaping and 'the production, sales and maintenance of cremation machines'. The initial public offer was oversubscribed by 700 per cent, and between 2012 and 2016 Fu Shou Yuan's revenues rose from under HK\$500 million to HK\$1.27 billion.<sup>15</sup> The consensus of investment analysts polled by the UK *Financial Times* in August 2017 was that its share price would rise in the next year by more than six per cent, and its dividends by more than sixteen per cent.<sup>16</sup> In April, Fu Shou Yuan launched a trial of pre-pay funeral services in Shanghai (under the English name 'Pre-need') with packages priced between RMB6,000, and RMB12,000. Their slogan for this service: 'One choice today will free you from tomorrow's cares'. With China's

ageing population, the business of death in China looks ever more promising for investors.

With the price of some funerals reaching astronomical heights, dealing with the death of a loved one — or planning for one's own death — can become a gaudy show of wealth. While the Party exhorts the Chinese people to be frugal, discouraging burial and promoting cremation, the prosperity it celebrates has perversely allowed this textbook example of conspicuous consumption to flourish along with the reinvigoration of 'feudal' and 'superstitious' practices surrounding death.







6月

7月

8月

9月

10月

11月

12月

# 7

**PROSPER OR PERISH**

Gloria Davies

2017年1月

2月

3月

4月

5月

6月

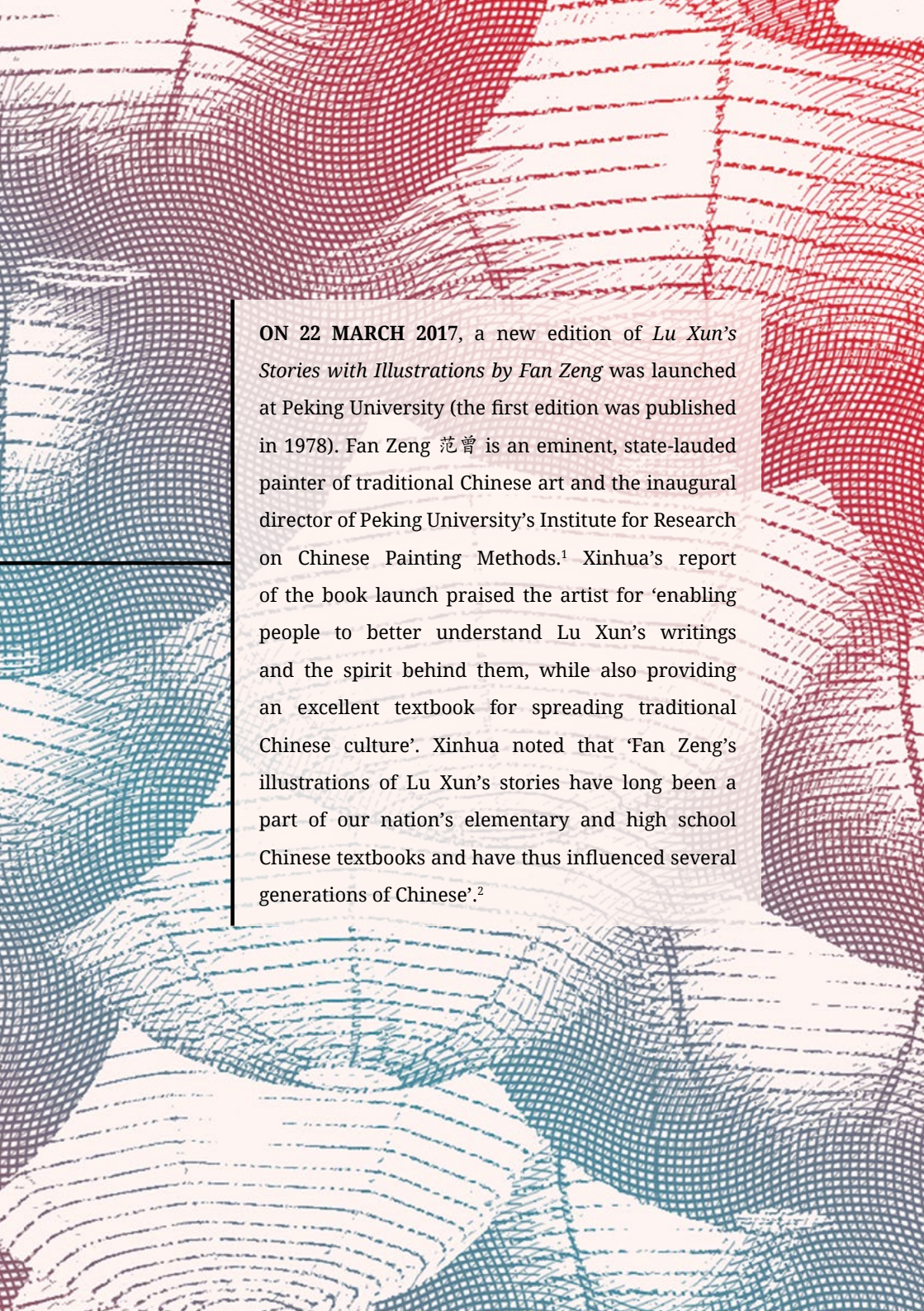
7月

8月

9月

**Red and gold lanterns: a prosperous future**  
Source: Joe Sampouw, Flickr





**ON 22 MARCH 2017**, a new edition of *Lu Xun's Stories with Illustrations by Fan Zeng* was launched at Peking University (the first edition was published in 1978). Fan Zeng 范曾 is an eminent, state-lauded painter of traditional Chinese art and the inaugural director of Peking University's Institute for Research on Chinese Painting Methods.<sup>1</sup> Xinhua's report of the book launch praised the artist for 'enabling people to better understand Lu Xun's writings and the spirit behind them, while also providing an excellent textbook for spreading traditional Chinese culture'. Xinhua noted that 'Fan Zeng's illustrations of Lu Xun's stories have long been a part of our nation's elementary and high school Chinese textbooks and have thus influenced several generations of Chinese'.<sup>2</sup>

Posthumously extolled by Mao Zedong as ‘the sage of modern China’ 现代中国的圣人, Lu Xun (1881–1936), who during his lifetime was widely acknowledged as China’s leading writer, has occupied in death a position of unique authority in modern Chinese letters. Mao began praising Lu Xun in 1937 to lend prestige to the Chinese Communist cause. Thereafter, the Chinese Communist Party (CCP) has continued to quote the author and to claim him as its champion. However, Lu Xun never joined the Party and was renowned for criticising state power (the state of his time was the Kuomintang government under Chiang Kai-shek 蒋介石, whom he loathed) and CCP doctrine and propaganda (which he warned his leftist acolytes against parroting). Accordingly, Lu Xun has also remained a favourite of independent-minded intellectuals and is frequently quoted by them. To this day, the writer’s contested legacy remains a key topic of discussion in mainland intellectual circles.

## Flourishing in Xi’s China

Fan began illustrating Lu Xun’s stories in 1977. Since then, he has produced large numbers of highly stylised depictions of characters and scenes from the stories. He has played an important role in aestheticising CCP propaganda as cultural history. Fan is renowned for depicting bucolic scenes from Chinese history and folklore, and for presenting legendary figures such as Qu Yuan 屈原 and Zhong Kui 钟馗 in heroic postures resembling the fierce-browed peasants and workers of Maoist poster art. His illustrations of Lu Xun’s stories are equally stylised. Of the forty-six images in the 2017 volume, one depicts a key scene from the famous 1924 story titled 祝福, ‘seeking blessings for prosperity’. The story is more commonly known in English as ‘The New Year’s Sacrifice’. Unlike Lu Xun’s original title, the English translation tells us the timing of the ritual but not its purpose.

In China, ‘prosperity’ as *fu* 福 is linked to destiny or fate, *ming* 命, either of an individual or family, and good fortune is understood to be



determined by the karmic consequences of one's actions in this life or previous lives. In Lu Xun's story, the pursuit of prosperity is presented as a selfish act driven by fear of bad luck. The main character, Xianglin's Wife, is an illiterate peasant woman who is shunned by everyone after being struck by personal tragedy. Known only by her dead first husband's name, Xianglin's Wife was forced into a second marriage. Her unnamed second husband then dies from typhoid and a wolf eats her young son. Although some are initially sympathetic to her plight, their patience wears thin when she repeats her story *ad nauseum*. She becomes inauspicious and a nuisance.

The Lu family for whom she works as a servant forbids her from assisting with the preparation of Lunar New Year food offerings for the God of Prosperity 福神. Denied a role in this auspicious ritual, her mental health further deteriorates. She is dismissed and dies a homeless beggar.

In Fan Zeng's depiction of the scene from which the story derives its title, Xianglin's Wife is a straight-backed young woman of calm and pleasant countenance who, as she stands before the Lu family altar, is hailed from behind by a fat old woman, her right hand raised as if to command her to desist and her left hand holding prayer beads. Behind the old woman stands an old man with a scraggly beard, ugly and thin, his body bent forward in anger. In writing this story, Lu Xun's focus was on how quickly the fortunate tire of the unfortunate.

Lu Xun's story ends with the male narrator expressing relief that the New Year festivities had dispelled the unease Xianglin's Wife had aroused in him. He felt that the townsfolk's ample sacrificial offerings would see



Fan Zeng's illustration of 'The New Year's Sacrifice'

Source: Sohu

them bestowed with ‘boundless good fortune’ in the year ahead.<sup>3</sup> In the 1940s, CCP operatives collaborated with left-wing artists in Shanghai to create the Yue opera 越剧 ‘Xianglin’s Wife’. This communist adaptation erased all nuance from Lu Xun’s story and turned it into an indictment of ‘feudal’ oppression instead. In 1955, an award-winning film version of Lu Xun’s story was made. In the film’s final scene, as Xianglin’s Wife collapses in the snow, a male narrator intones:

A diligent and kind woman, Xianglin’s Wife dropped dead after having endured numerous miseries and mistreatments. This happened over forty years ago. Yes, this was an event in the past. Fortunately, those times have finally passed and will never return.<sup>4</sup>

In the late 1950s and early 1960s in China, some thirty million people died of starvation as a consequence of Mao Zedong’s disastrous Great Leap Forward campaign. Millions more would also endure ‘miseries and mistreatments’ in the mounting violence of the Great Proletarian Cultural Revolution from 1966 onwards. Since Mao’s death in 1976, the Party leadership has imposed strict constraints on studies of the Great Leap Forward and the Cultural Revolution, considering these highly sensitive topics. As we noted in the 2016 *China Story Yearbook*, Xi Jinping’s administration has further tightened restrictions on historical investigation, imposing a blanket ban on public discussion of CCP rule, past and present. The actions it took in 2016 against *Yanhuang Chunqiu* magazine and the *Consensus* website have deprived mainland intellectual culture of any well-established forum for independent inquiry.

Under Xi, penalties for dissent have been far harsher than under his predecessors Hu Jintao and Jiang Zemin. Xi has also proven far more successful than Hu in blocking online criticism and mockery of the Party’s discourse and slogans. Moreover, ‘ideological work’ has intensified since the launch of the Mass Line Education and Practice campaign in June 2013. In the 2015 and 2016 *Yearbooks*, we noted that instruction in Party thinking

had increased at Chinese universities and that study of Xi's speeches and essays had become compulsory for Party members. In 2017, these activities developed further, together with the growing sophistication and systematisation of Party propaganda generally.

Prominent individuals who demonstrate their eagerness to study Xi's thought, such as Fan Zeng, have flourished.

On 15 October 2014, Fan was one of 'seventy-two worthies' 七十二贤 from the mainland arts world invited to a forum on art and literature

in Beijing at which Xi spoke for two hours (see *China Story Yearbook 2014: Shared Destiny*, Forum 'Springtime for the Arts', pp.179–185). Six days later, at Peking University, Fan convened a 'Meeting to discuss how to study "Xi Jinping's Speech at the Forum on Art and Literature"'. To mark the occasion, he composed a classical poem — a heptasyllabic quatrain with dense allusions to the splendours of imperial China. Eight other senior Peking University academics who attended the meeting followed his example. Online commentators promptly criticised Fan and his colleagues for being 'fawning sycophants' who 'know well how magnificent imperial favours can be'.<sup>5</sup> Just as quickly, an article appeared on numerous state-run websites, defending Fan's actions as noble and 'heartfelt', and advising his detractors to 'swot up on traditional Chinese culture' before they accuse 'a great maestro's graceful act'.<sup>6</sup> At any rate, to eulogise Xi is to be in the Party-state's good graces, as the state media's praise for Fan and the parade of dignitaries at the March 2017 launch of his *Lu Xun's Stories* made plain.



Poster from the film, *The New Year's Sacrifice* (released 1956)  
Source: Mtime.com

## Dying under Xi

However, the Party-state has also sought to appear as benevolently humanitarian to its most famous critic, Liu Xiaobo 刘晓波 — the incarcerated 2010 Nobel Peace Laureate — when he became terminally ill in 2017. On 26 June 2017, the website of the Liaoning Prison Administration Bureau issued a notice stating that Liu, then serving the eighth year of his eleven-year jail sentence in Liaoning’s Jinzhou prison, had been diagnosed with late-stage liver cancer and was receiving treatment at the province’s China Medical University No.1 Affiliated Hospital in Shenyang.<sup>7</sup> On 28 June, an anonymously made three-minute video of Liu appeared on YouTube without any accompanying explanation.

The video contains three types of footage. The first presents a healthy-looking Liu engaged in various activities at Jinzhou prison. In a scene titled ‘goods inspection’, he receives a pile of books from two prison officers. Among other things, he is shown playing badminton with a prison guard and jogging in the prison compound. The second shows a still-healthy Liu receiving medical check-ups in prison and receiving a visit from his wife Liu Xia, speaking with her through a glass window on phones and apparently telling her that his check-ups were all fine. There is also footage showing Liu on prison leave to mourn his father in September



Still from a three-minute video of Liu in hospital  
Source: YouTube

## **GRATITUDE EDUCATION**, by Gloria Davies

Gratitude education 感恩教育 has been an integral part of educational and Party-sponsored public campaigns in mainland China since the 1990s. It forms part of the Chinese government's mandated patriotic education program for Chinese students. First introduced at schools in the 1980s, patriotic education was widened to include universities after 1989, following the government's violent suppression of the university student-led democracy movement at Tiananmen Square on 4 June that year.

A relatively innocuous form of gratitude education requires school students to formally express gratitude to their parents and teachers. The gratitude education imposed on Tibetan people is far more sinister. Following the government's crackdown on street protests in Tibet in 2008, Tibetans have been required periodically to publicly express their gratitude to the Party for providing for their daily needs. They must also criticise the Dalai Lama.

Gratitude education requires people to attest that they 'feel the Party's kindness and obey and follow the Party' 感恩听党话跟党走. The video footage showing Liu Xiaobo thanking prison wardens was intended to demonstrate that he too was touched by the 'Party's kindness'. Incensed by international sympathy for Liu, the state-controlled *Global Times* sought to educate its Anglophone readership on the 'Party's kindness'. In an editorial of 28 June 2017, the paper stated that 'Liu is an ordinary prisoner. He ought to be grateful for extra help from the prison authorities, but he and his supporters have no right to demand preferential treatment.'

2011 (he had been allowed to visit his parents' home in Dalian, Liaoning, for thirty minutes) and footage showing Liu telling the unknown person filming the video that he was extremely grateful to the prison officers for looking after him so well. The third type of footage takes up the video's remaining seventy-five seconds. It shows Liu in hospital, looking noticeably thinner, undergoing checks and procedures, and in consultation with different doctors. The last scene is of a doctor having a bedside chat with Liu, with Liu confirming that he first learned that cancerous cells had been detected in his liver in 1995 when he contracted Hepatitis B.<sup>8</sup>

YouTube has been blocked in China since 2009. The video, which used Liu's words to indicate that his cancer pre-dated his present term of imprisonment, was directed at viewers outside China. Its presentation of Chinese prison and medical personnel attending solicitously to China's best-known dissident sought to pre-emptively deflect criticism of Liu's continued detention. As international media coverage of Liu's deteriorating condition increased in the weeks that followed, China's media outlets remained silent. A state notice issued on 28 June forbade any reporting, commenting, or reposting about Liu Xiaobo's 'medical parole and related matters'. Coded words and images referring to Liu were blocked on social media.<sup>9</sup>



In any case, by the 2000s Liu had become little known in China. The state had banned his writings since his first prison sentence in 1989. After 2010, following his international fame as a Nobel Peace laureate, censors became even more vigilant in removing online references to his name as well as his Nobel award. Al Jazeera correspondent Florence Looi wrote that when her team asked people about Liu on a busy street in Shenyang near where he was hospitalised, no-one knew who he was.<sup>10</sup> Other foreign journalists who conducted street interviews reported similar results.

A second one-minute video was uploaded on YouTube on 9 July 2017. It showed Liu gravely ill, lying on a hospital bed. Gathered around him were several Chinese doctors and nurses, his wife, and two foreign oncologists — Joseph Herman from Texas and Markus Büchler from Heidelberg, whom hospital authorities had invited to China to review Liu's condition. The video shows Dr Büchler speaking favourably of the care that Liu was receiving. On 10 July, the German embassy in Beijing issued a statement expressing its 'deep concern' that recordings had been made of the oncologists' medical visit in breach of doctor-patient confidentiality and then 'leaked selectively to certain Chinese state media outlets'.<sup>11</sup> Liu had wanted to be treated abroad to ensure that in the event of his death, his wife, who would accompany him overseas, would be safe. Liu Xia had lived under virtual house arrest from the time her husband was detained in 2008. The Chinese government denied Liu's final request, despite diplomatic efforts by Germany, the US, and other countries. Against the recommendation of the two invited oncologists that Liu be granted a swift medical evacuation, Chinese doctors argued that he was too ill to travel.

As Liu approached death, the government released more footage of his hospitalisation and photographs of him with his wife. It held press briefings for foreign journalists; the final one, organised by the Shenyang city government on 15 July, followed Liu's funeral service earlier that day. At the final press conference, officials showed the journalists a two-minute video of the service, followed by the scattering of Liu's ashes at sea. Liu's elder brother Liu Xiaoguang spoke at the press conference, thanking

the Party on the family's behalf for providing medical care and organising the funeral 'according to the family's wishes'. Journalists who interviewed Xiaobo's close friends learned that Xiaoguang had strongly opposed his brother's activism and had little to do with him after 1989.

In late July, Hong Kong-based journalist Verna Yu wrote: 'The government's attempt to monopolize the storyline related to Liu's illness and death is part of a radical change in the way the Chinese government uses the media. Instead of hushing up issues it found embarrassing like in the past, it is now aggressively manipulating the public discourse.'<sup>12</sup> Opinion pieces carried in the English-language editions of the *People's Daily* and *Global Times* bear out Yu's observation. They described Liu respectively as having 'long engaged in illegal activities aimed at overthrowing the current government' and as 'a victim led astray by the West'. The Chinese-language version of *Global Times* called him a 'criminal'.<sup>13</sup> None mentioned his Nobel Peace Prize.

In Lu Xun's story, the male narrator is an educated member of the Lu household who on hearing that Xianglin's Wife had died says: '[I]n the present world, when a meaningless existence ends, so that someone whom others are tired of seeing is no longer seen, it is just as well, both for the individual concerned and for others.'<sup>14</sup> The picture the Chinese state media paints of Liu expresses a similar sentiment. However, despite the government's efforts to diminish Liu and to present itself in a positive light, it has not succeeded in swaying public opinion outside China. In many countries, people mourned the Nobel Peace laureate and criticised the Party leadership's refusal to grant his dying wish to leave China. Social media also alerted people globally to the arrest and detention of individuals who, undeterred by threats of punishment, held private memorials for Liu in



Liu Xia and Liu Xiaobo  
Photo: Andy Shuai, Flickr

Dalian, Guangzhou, and other Chinese cities. Meanwhile, public concern for Liu Xia's wellbeing has ensured that she is not forgotten. Rights activists continue to provide updates about her situation and organisations such as Amnesty International and PEN have petitioned for the lifting of restrictions on her movements.<sup>15</sup>

## Four Confidences for Authoritarian Prosperity

On 26 July 2017, ministerial and provincial-level Party leaders gathered in Beijing for a two-day closed meeting on 'Studying the spirit of General Secretary Xi Jinping's key speeches in preparation for the Nineteenth Congress'. The international media's focus on Liu Xiaobo from late June through to mid-July would undoubtedly have irritated these senior officials. In Lu Xun's story, the death of Xianglin's Wife on the eve of the Lunar New Year caused the Lu family patriarch to exclaim in exasperation: 'What a moment to choose! Now of all times! Is that not proof enough she was a bad lot?'<sup>16</sup> An English-language *Global Times* editorial published on 15 July stated:

Liu's memorial tablet cannot find a place in China's cultural temple. Deification of Liu by the West will be eventually overshadowed by China's denial of him. No matter what was the motive behind Liu's behaviour, he was actually a disruptive player to China's development theme during the country's reform and opening-up and a destructive element in China's rise.<sup>17</sup>

In referring to 'China's cultural temple' and asserting China's distinctiveness from 'the West', the article equates CCP rule with 'China'. The point of these statements is to defend CCP rule as inherently right for China. Under Xi, prescriptive uses of language have become an important part of this defence.

In 2016, Xi's focus was on achieving 'comprehensive and strict Party governance' 全面从严治党, which meant that Party members were re-

quired to be well versed in his pronouncements on this topic. In 2017, he turned his attention to confidence building. At the high-level agenda-setting Beijing meeting in July 2017, Xi Jinping emphasised the importance of strengthening the Party's and country's self-confidence. As Xinhua's summary of Xi's speech puts it (the full speech has not been released): 'We must firmly build our confidence in the path of Socialism with Chinese characteristics as well as our confidence in its theory, system and culture. This will ensure that the Party's and country's undertakings will always follow the correct path and advance toward victory'.<sup>18</sup>

Abbreviated to the Four Confidences 四个自信 and sometimes described as the 'Confidence doctrine' 自信论, this Party formulation 提法 set the tone for the Nineteenth Party Congress three months later when it was presented as a key feature of Xi Jinping Thought for the New Era of Socialism with Chinese Characteristics.

The basis of China's official discourse is a quest narrative that presents successive Party leaderships as having steadfastly guided 'Party and country' as they journeyed forward, ensuring 'victory' 胜利 (a favourite

#### **LU XUN ON SELF-CONFIDENCE**, by Gloria Davies

'Confidence' 自信, understood as national self-confidence, has long been part of Chinese public discourse. In September 1934, Lu Xun wrote an article titled 'Have the Chinese lost their self-confidence?' 中国人失掉自信力了吗? in response to a public debate on this question. At the time, Japan had invaded China and the country was under unelected Nationalist Party rule, with Communist-hating Chiang Kai-shek as China's President. The debate revolved around whether the Chinese had lost their self-confidence in the face of Japan's growing military aggression.

In this essay, Lu Xun wrote that the only people who struck him as self-confident were those who 'worked doggedly in silence...risking their lives, who strove to save others and who braved death in pursuit of truth'. He observed: 'It is only because they are trampled on, kept out of the news and made to vanish in darkness that most people don't know about them.' He concluded: 'The writings of prominent academics and those who hold high office are insufficient to ascertain whether we possess or lack self-confidence. We must discover it for ourselves on the ground right beneath us.'

word of the Party's) over the challenges and dangers encountered on the way. The story assumes that 'Party and country' are ever advancing toward greater prosperity. The CCP's changing slogans seek to convey this picture of continuous progress.

In this regard, the Four Confidences, as a slogan, is intended to represent the culmination of a process of improvement for 'Party and country', beginning with Xi's first year in office. The earlier stages of this process include, *inter alia*, Xi's emphasis in 2013 and early 2014 on 'the struggle for public opinion', with the Party's media workers and propagandists being told they must 'dare to grasp, control and unsheathe the sword' when presenting the Party's view; his shift to Party discipline in 2015, using slogans such as the Three Stricts and the Three Genuines to define Party discipline;<sup>19</sup> followed by his integration of Party discipline into the Four Comprehensives as the Party's leading motto in 2016. (See the *China Story Yearbook 2016: Control*, Chapter 4 'The Language of Discipline', pp.111–129).

The Party's key slogans mostly outline objectives (such as the China Dream or the Four Comprehensives) or prescribe an attitude (such as the Four Confidences). The ideological significance of the Four Confidences is

#### **ZHANG LIFAN ON THE FOUR CONFIDENCES**, by Gloria Davies

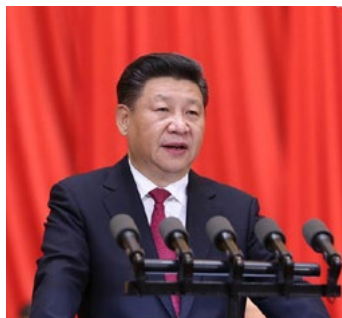
On 21 October 2017, the Beijing-based social commentator and historian Zhang Lifan 章立凡 posted the following tweet, referring to a line from Xi Jinping's speech of 6 February 2013, delivered at a meeting to celebrate the Lunar New Year in Beijing.

The Four Confidences? First came the decree: 'We must be able to take sharp criticism.' But no sooner had I made a few critical remarks this time, the authorities promptly sent someone to my door to issue a warning. If they were genuinely confident in their system, its path, theory and culture, would they have done this? A regime that permits only eulogies and is intolerant of criticism will find it difficult to avoid repeating the mistakes of its predecessor.

四个自信？当初有旨：“要容得下尖锐批评”。这回老夫随口点评了几句，有司马派员上门警告。若真有制度自信、道路自信、理论自信、文化自信，何至于此？只许歌颂不容批评的政权，难免重蹈前朝覆辙。



evident from the sustained attention it has received from Party theorists and the state media, starting with its introduction as the Three Confidences by Hu Jintao in November 2012: ‘the whole Party should have every confidence in our path, in our theories and in our system’ 全党要坚定这样的道路自信、理论自信、制度自信。<sup>20</sup> A Xinhua report of 14 November 2012 described the Three Confidences as crystallising ‘the underlying strength of an ever-maturing and ever more confident Marxist ruling party at its most powerful.’<sup>21</sup>



Xi speaking at the ninety-fifth anniversary of the CCP's founding, July 2016  
Source: news.cn

From 2013 to 2015, Xi called on Party members to cultivate the Three Confidences. In January 2013, Peking University received funding from China’s most prestigious academic grant scheme, the National Social Science Fund, to set up a ‘major project’ 重大项目 on ‘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。<sup>22</sup> Then, on 1 July 2016, in a speech commemorating the ninety-fifth anniversary of the CCP’s founding, Xi modified the formulation by stating that confidence in the culture of Socialism with Chinese Characteristics was also essential. The Party’s and country’s prosperity was the ‘overall result of an incessant push by the Chinese people and CCP members toward the construction, creation, selection, and transcendence of [their] culture’.<sup>23</sup> Thereafter, in the twelve months leading up to Xi’s ‘important speech’ of 26 July 2017, Party theorists publicised the Four Confidences in numerous articles highlighting the necessity of progressing from Three Confidences to Four Confidences. The Four Confidences was well on its way to becoming a signature motto of Xi’s.

In his 1 July 2016 speech, Xi said that ‘cultural confidence’ was ‘the most fundamental, far-reaching, and profound’ of the Four Confidences because it entailed ‘firmly remembering the [Party’s] original intention in one’s continuing advance’ 坚持不忘初心, 继续前进.<sup>24</sup> Yet Xi has consistently avoided using the CCP’s founders’ expression of their Party’s mission: to ‘wage class war’ against ‘capitalists’ to establish the ‘dictatorship of the proletariat’. Xi’s wording presents the CCP’s ‘original intention’ vaguely, as a *cultural* attitude of always striving to rule well. The elevation of culture *via* the Four Confidences facilitates this rhetorical sleight of hand: it presents the Party-state’s retreat from socialist *politics* as the most advanced form of socialist *culture* — namely, Socialism with Chinese Characteristics.

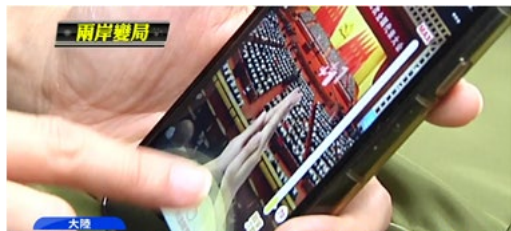
Academics who write on Party theory and who teach the Party’s mandated university courses on political thought have done well under Xi. In 2017, the Central Propaganda Department-controlled *Guangming Daily* published many articles praising the enhanced quality of ‘ideological and political work’ in China’s tertiary sector.<sup>25</sup> However, as Xi’s ‘important speeches’ multiply, what Xi’s academic eulogisers mean by ‘theory’ has also required turgid elaboration using the Party’s ‘correct’ formulations. In a *People’s Daily* commentary on the Four Confidences, Jin Nuo 靳诺, Party Secretary of Renmin University in Beijing, enthused that Xi’s formulation demonstrates the ‘powerful sturdiness of a Marxist political party capable of producing high-quality theory in keeping with the times’.<sup>26</sup>

Thoughtful Chinese netizens have pointed out that the Party’s leaders have never explained why they invariably speak of ‘the Party and the country’ and ‘the Party and the people’ — specifically, why ‘country’ and ‘people’ must always come second?<sup>27</sup> The *Charter 08* petition, of which Liu Xiaobo was a leading author, directly challenged the legitimacy of unelected CCP rule. He thus incurred the wrath of the Party leadership, whose fortunes are most closely tied to the system’s preservation. For this reason, we should heed Xi’s Four Confidences as more than Party pedantry dressed up as ‘high-quality theory’. The Four Confidences is code for

the success of Xi's administration in strengthening the Party-state system around his personal authority. Undoubtedly, we are meant to see the Four Confidences reflected in the self-assured manner of the Party's personnel as they subjected Liu Xiaobo to various indignities in his final weeks, not least by turning his physical deterioration into a Party-orchestrated YouTube spectacle, accessible everywhere except in China. That they did this to Liu (and that they continue to restrict Liu Xia's movements) suggests that the Four Confidences is driven as much by anxiety about the future of the Party-state system as by celebration of its achievements.

In 1939, E. M. Forster famously wrote that he would only give democracy 'two cheers': 'one because it admits variety and two because it permits criticism. Two cheers are quite enough: there is no occasion to give three.'<sup>28</sup> Single-party rule in perpetuity, defended as the democratic centralism of Socialism with Chinese Characteristics, is a lot more complicated. As China continues to prosper, the Party led by Xi has grown less tolerant of criticism. This is not surprising, since the Party-state system requires conformity and is constitutively hostile to variety, especially when variety takes the form of criticism of the Party-state system itself.

Indeed, in striking contrast to E. M. Forster's 'two cheers for democracy', Party-state rule under Xi has required continuous applause. According to Xinhua, Xi Jinping's 200-minute report at the Nineteenth Party Congress on 18 October elicited more than seventy rounds of applause from the delegates. Tencent, the Chinese technology and media giant, produced an applause app to coincide with Xi's report to the Party Congress. Using an eighteen-second snippet of applause for Xi during his report, the Clap for



Clap for Xi Jinping app |  
Source: YouTube

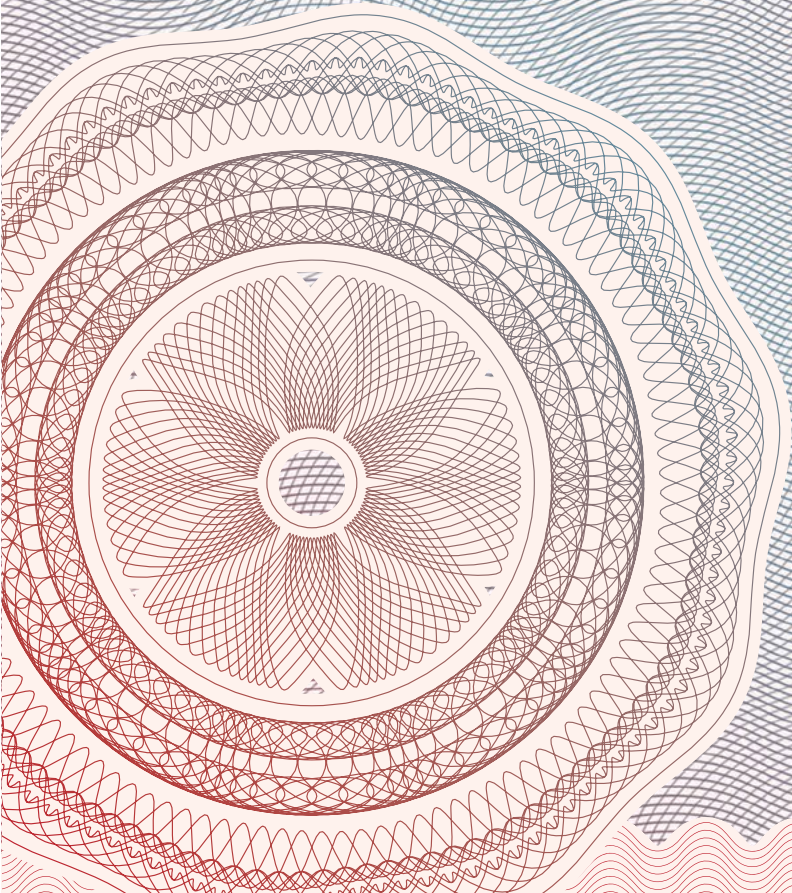
Xi Jinping app invited users to tap their phone or device screen to join in the applause. The screen image features the interior of the Great Hall of the People, the venue of the Party Congress, with a pair of hands in the lower foreground. Each tap produces a virtual clap. According to a *The Globe and Mail* report of 19 October 2017, within a day of its release, the app had generated 1,024,294,610 claps for Xi — the equivalent of ‘more than 10,000 per second since the close of his speech’.<sup>29</sup>







# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

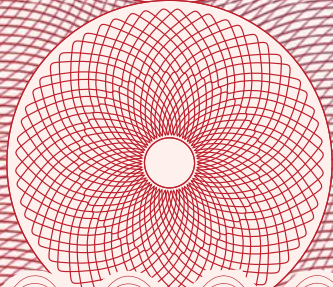
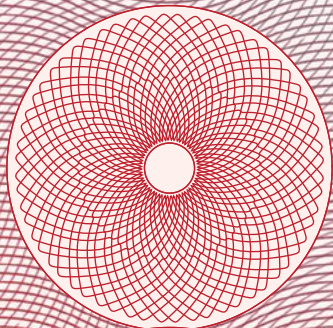
5月

6月

7月

8月

9月





The background features a complex grid of thin, wavy lines in shades of blue, green, and red, creating a textured, almost organic appearance. A white, wavy border runs along the top and bottom edges. A white, curved shape resembling a stylized head or a piece of fabric is visible on the left side.

# **ARTIFICIAL INTELLIGENCE**

**Arguing with Robots**

· LORAND LASKAI

248  
249

CHINA STORY YEARBOOK | Arguing with Robots  
2017 | Lorand László



## ARGUING WITH ROBOTS

Lorand Laskai

ON 18 SEPTEMBER, the *People's Daily* unleashed its full fury on an unlikely target: an algorithm. The semi-authoritative newspaper ripped into the popular news aggregator app Toutiao 今日头条 (literally 'Daily Headline'), which had recently racked up a series of fines for propagating lewd and vulgar content. It charged Toutiao's learning algorithm with spreading 'uncivilised content' through 'clickbait headlines' 标题党 and 'eye-catching news' 眼球新闻.<sup>1</sup> Why, the op-ed asked, had pictures of scantily dressed models and other clickbait content become an 'intractable disease' of the app? The answer, it said, lay in the algorithm.

With 120 million active users each day, Toutiao might be the world's most successful news service. That success is in no small part due to the powerful learning algorithms that track readers'

clicks, and curate and personalise the content in their feeds. More pictures of scantily clad women? No problem. Want the latest financial headlines? You got it. Like heartwarming stories about family reunions? Done. Want fewer articles extolling China's dear leader, Xi Jinping? Poof, gone. Users are wowed by how just a few clicks can radically alter the news that populates their feeds — and not always in ways that would be to the liking of the *People's Daily*.



Toutiao  
Source: Sohu

One Chinese friend told me that Toutiao's biggest appeal was that it filtered out the 'brainwashing media' 传媒洗脑 (that is, state media) from his newsfeed. While that is well and good for many Chinese users (and Toutiao's bottom line), in China's tightly controlled media and Internet environment, Toutiao's ability to give readers what they want clearly does not sit well with everyone. In the *People's Daily* commentary, the writer 'Yu Sheng' 羽生 (probably a pseudonym) wrote: 'The robot decides what content to recommend and who to recommended it to. And it follows only one standard: whether or not the content is attention grabbing and whether or not it will attract users.'

The *People's Daily's* anti-algorithm tirade is surprising given just how upbeat the Chinese government has been about emerging technology and artificial intelligence (AI) and machine learning in particular. In July, the State Council released the 'Next-Generational Artificial Intelligence Development Plan' — a proposal to harness the transformative potential of AI and machine learning to transform China's society, government, and economy, with the goal of turning China into a world leader in AI by 2025. This includes cultivat-

ing and supporting Chinese 'leading backbone enterprises' 龙头骨干企业 that can potentially dominate the global AI market.

The government's push to adopt AI makes sense. According to a report from PricewaterhouseCoopers, China stands to benefit more than any other country from AI, potentially impacting 26.1 per cent of GDP.<sup>2</sup> In addition, China's 730 million Internet users are a genuine treasure trove of data for training and learning algorithms. As *The Economist* put it, referring to its boundless reserves, China has become the 'Saudi Arabia of data'.<sup>3</sup> In terms of market capitalisation, China already boasts some of the world's largest AI companies, including speech-recognition company iFlytek, facial-recognition giants Megvii and SenseTime, and Bytedance, the parent company of Toutiao.

Indeed, Toutiao is really an AI company masquerading as a news aggregator. The powerful machine-learning algorithms behind its newsfeed are the company's crown jewels, responsible for both its 120 million users and US\$20 billion valuation. The company has bold ambitions to find new uses for its algorithms and introduce its news aggregator to foreign markets.



**Subversive code**  
Photo: Sous Das, Flickr

In October, the company that collects headlines made headlines of its own when, in a bid to attract top talent, it offered pay packages of US\$3 million a year.<sup>4</sup>

And yet, despite its success, Toutiao cannot escape the government's rancour. This stands in notable contrast to other Chinese AI companies. The government has lavished officially collected data and contracts on those that focus on facial or speech recognition, in particular, as these technologies directly serve the one of the Party-state's core objectives — expanding control (the theme of the 2016 *Yearbook*). In October, Human Rights Watch reported that iFlyTech was

collaborating with the government to develop an AI surveillance system that could identify people based on their voices. The Hebei-based iFlyTech has already built the world's most advanced voice recognition platforms, now used by local and provincial governments and police. Facial recognition AI firms including Face++ and SenseTime have also expanded at an astonishing rate, in part because of government contracts.

AI that does not help the government consolidate power or undermines the Party's authority, however, risks facing the government's wrath. In August, censors quickly snuffed out

two chatbots that, learning from conversations with netizens, had developed an anti-Party bent.<sup>5</sup> ‘Do you think such corrupt and incapable politics can last a long time?’ one bot replied when asked if it loves the CCP. ‘My Chinese dream is to go to America’, the second one chirped. ‘The Chinese dream is a daydream and a nightmare.’

The sin of Toutiao was not so much subversion as giving readers what they want. In an effort to appease angry regulators, Toutiao held a forum in September on using AI to ‘screen and control fake news in the public sphere’.<sup>6</sup> Company executives showed off Toutiao’s new ‘anti-rumour database’ to top officials from the Central Propaganda Department, the Cyber Administration of China and the State Administration of Press, Publication, Radio, Film, and Television of the Peo-

ple’s Republic of China. Within a few months of operating, the database was able to identify and suppress rumours with an impressive eighty per cent accuracy. Evidently, Toutiao executives were eager to show officials that the company’s learning algorithms could serve the Party-state’s interests too.

But Toutiao will probably keep sparking the fury of regulators until it can train its algorithms to raise the Party consciousness of its readers. The author of the *People’s Daily* op-ed sees a long-term solution in ‘human-machine melding’ 人机结合 — the far-flung idea that machine capabilities and human consciousness will one day merge into a single being. In the meantime, Yu Sheng recommends replacing the robot with a good editor — preferably one with Party credentials.









6月

7月

8月

9月

10月

11月

12月

# 8

## **HUMAN RIGHTS IN THE AGE OF PROSPERITY**

Elisa Nesossi and Ivan Franceschini

2017年1月

2月

3月

4月

5月

6月

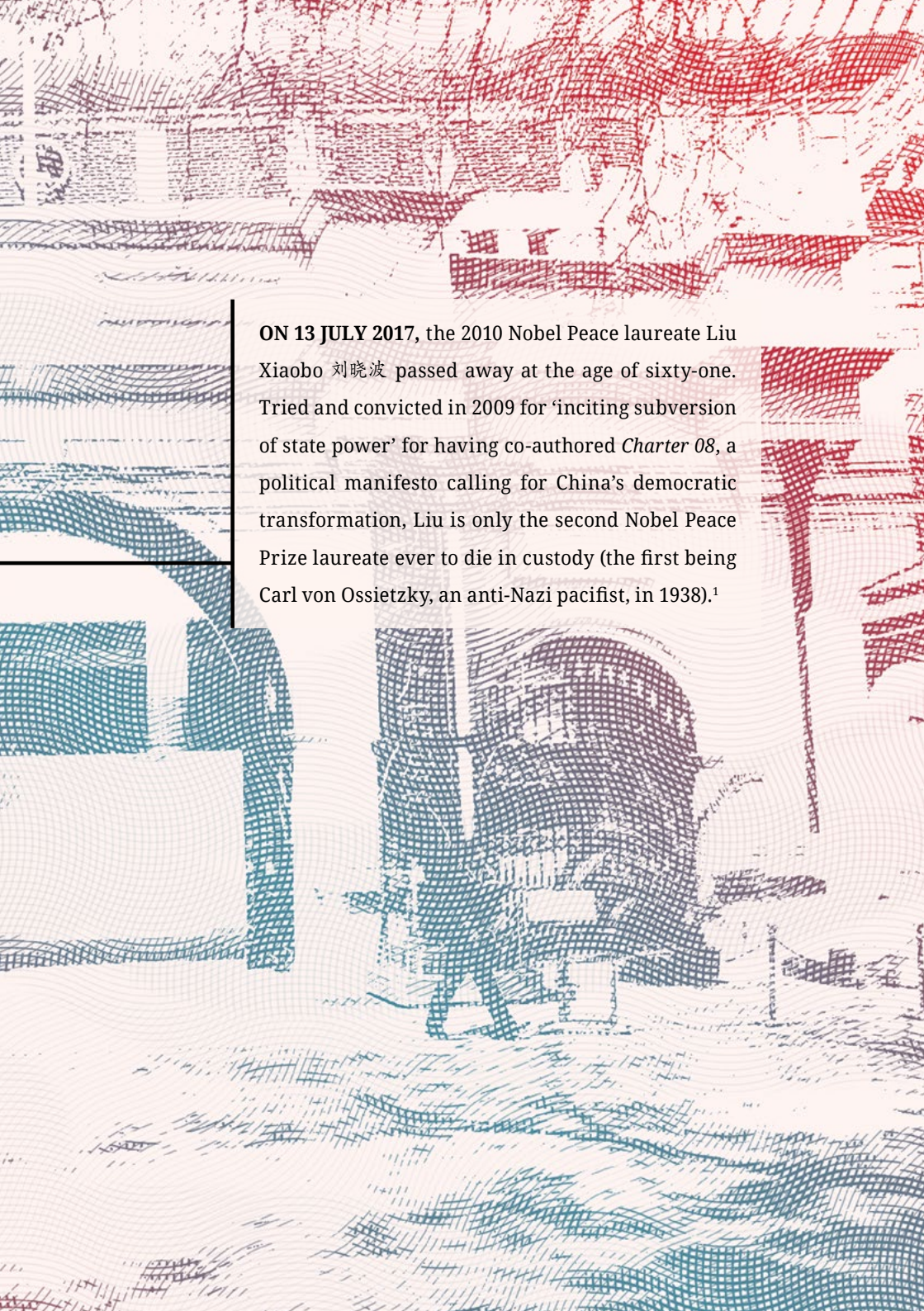
7月

8月

9月

**The Supreme People's Court, China**  
Source: Wikimedia Commons





**ON 13 JULY 2017**, the 2010 Nobel Peace laureate Liu Xiaobo 刘晓波 passed away at the age of sixty-one. Tried and convicted in 2009 for ‘inciting subversion of state power’ for having co-authored *Charter 08*, a political manifesto calling for China’s democratic transformation, Liu is only the second Nobel Peace Prize laureate ever to die in custody (the first being Carl von Ossietzky, an anti-Nazi pacifist, in 1938).<sup>1</sup>

His tragic fate — along with that of his wife Liu Xia 刘霞, who has spent years under house arrest despite never being charged with any crime — is a harsh reminder of Beijing’s stance on human rights. In the post-Mao age, the People’s Republic of China (PRC) has consistently answered international criticism about its human rights abuses by insisting that the ‘universalist’ definition of human rights is a Western construct. In view of its own cultural tradition and developmental trajectory, the PRC has upheld the view that the realisation of economic and social rights, the right to development in particular, is of primary importance. In the official worldview of the Chinese Communist Party (CCP), it is not a violation of human rights to deny basic civil and political liberties to its citizens, with freedom of expression being only one example. The Party-state measures human rights achievements in terms of the number of people who have been raised out of poverty,<sup>2</sup> while detaining advocates for civil and political liberties, even those who protest against sexual harassment or speak out against corruption, despite corruption itself being



Liu Xiaobo's ashes were scattered in the Yellow Sea (Liu Xia pictured centre, wearing sunglasses)  
Source: YouTube



a crime. Over the past several years, hundreds of rights activists have been detained in China. (See the *China Story Yearbook 2015: Pollution*, Chapter 2 ‘The Fog of Law’, pp.67–85, and the *China Story Yearbook 2016: Control*, Chapter 2 ‘Control by Law’, pp.43–57.) In September 2017, Kenneth Roth, the director of Human Rights Watch (HRW) went as far as to declare that ‘Chi-



**Kenneth Roth**  
Photo: Wikimedia Commons

na’s [current] crackdown on human rights activists is the most severe since the Tiananmen Square democracy movement twenty-five years ago’.

The example of Liu Xiaobo also illustrates how, despite having an increasingly sophisticated legal system, the PRC, like other authoritarian regimes, is apt to use its laws and the loopholes therein to incriminate and eliminate political enemies. Criminal charges of ‘inciting subversion of state power’ and ‘subversion of state power’ are often invoked against individuals who allegedly challenge state security, social stability, and the political status quo. All the while, the PRC denies that it has political prisoners in its jails, insisting that people like Liu Xiaobo are just criminals. At the same time, his widow Liu Xia’s experience is testimony to the existence of a dual system, whereby the law applies in ‘ordinary’ cases but not in those circumstances that the authorities consider politically sensitive.

Liu Xiaobo’s death and the reaction to it by the international community testify to the increasingly prominent role that China plays in shaping human rights discourse within a divided international community. This essay analyses the mechanisms of the three main, and largely complementary, means through which the Chinese authorities attempt to rein in dissent within and outside of the law: judicial prosecution, torture, and harassment of relatives and friends.

**BADIUCAO**, by Linda Jaivin

In February, AsiaTOPA (the Asia-Pacific Triennial of Performing Arts) brought the National Ballet of China to the Melbourne Arts Centre to perform the Cultural Revolution propaganda ballet, 'The Red Detachment of Women' 红色娘子军. Off to one side, watching the opening night crowd file in, was the Shanghai-born grandson of a filmmaker who starved to death in one of Mao's labour camps and whose family suffered greatly in the Cultural Revolution. An artist and cartoonist who goes by the pseudonym Badiucao 巴丢草, he wondered how it is possible that a democratic country such as Australia would so happily showcase what he considers an analogue to Nazi art.<sup>3</sup> And he was not alone: one Melbourne critic likened the ballet to the spoof 'Springtime for Hitler' in Mel Brooks's *The Producers*.<sup>4</sup> Badiucao did not join the small protest on the night, taking a stand in his own way with cartoons of Mao singing into a microphone while sodomising a kangaroo and emu.

Badiucao paints and creates installation and performance art. His 2016 work *Cancelled* reflects on how the Chinese embassy returned his Chinese passport to him with one corner cut after he took Australian citizenship. The installation displays objects of personal and cultural identity including a laptop and Chinese spoon, each with a corner crisply excised. He has also turned a critical eye on his new country: *Don Dale Play Group* (also 2016) was a response to revelations about the abuse of Aboriginal youth in detention.

He is best known for his China-related cartoons and drawings, which draw inspiration from German Impressionism and woodblock printing — an aesthetic championed by early twentieth-century Chinese revolutionaries such as Lu Xun. In one cartoon, Xi Jinping hunches over a tub labelled #PanamaLeaks, laundering hundred-yuan bills; in another, a Mao-like cat catches a computer mouse — a comment on censorship.

Badiucao is adept at social media, with 29,100 Twitter followers alone at the time of writing. He regularly uploads cartoons and his stark portraits of Chinese human rights activists



**Badiucao's portrait of Liu Xiaobo and Liu Xia in Hosier Lane, Melbourne**  
Photo: @badiucao, Twitter



**Another Badiucao cartoon in Hosier Lane**  
Photo: Colourourcity, Flickr

in Melbourne's graffiti-covered Hosier Lane. After Liu's death, he added a second image of him ascending into heaven, with a halo on his head and his slippers discarded on the ground. The Hosier Lane site quickly became a shrine, with people leaving flowers and other offerings (see photo) and the images went viral. Because they are relatively abstract, activists in China briefly got away with posting them on the Internet.

The images have since appeared in public spaces around the world. Yet after the double portrait was reproduced on a Melbourne University campus wall, it quickly disappeared under a slew of posters for a Chinese-language website. Coincidentally or not, it also vanished not long after going up in Sydney University's Graffiti Tunnel. During my interview with him, Badiucao expressed concern at the many ways that China is extending its power overseas, including in universities, where slurs such as 'racist' and 'anti-China' help to silence and control debate and criticism. He believes that social isolation makes Chinese students especially vulnerable to manipulation, and would like to see more social 'inclusion' as inoculation against a radical patriotism.<sup>5</sup>

Badiucao does not sound paranoid when he says that Chinese agents and Internet sleuths are working hard to uncover his true identity: 'I have been warned they are getting close'. They have trolled him relentlessly on social media from his first appearances on Weibo — a platform from which he's now banned. Learning that he had studied to be a teacher, they fabricated stories about improper behaviour around children and created a fake website, [badiucao.net](http://badiucao.net), filled with slanderous content. (By August 2017, the fake site appeared to have been taken down.) Although an Australian citizen, he is worried enough about his job, personal safety, and family that he lives a double life — never making a public appearance without a mask of some kind. Until China itself becomes democratic and free, he says, the mask stays on.

not only onto [www.badiucao.com](http://www.badiucao.com) but also Google Drive for free download. Amnesty International, the BBC, and [chinadigitaltimes.net](http://chinadigitaltimes.net) have all republished his work.

In July 2017, Badiucao drew a double portrait of Liu Xiaobo and his wife Liu Xia, based on an official photograph of them when Liu was sick in hospital, and posted it

## Using the Law to Suppress Activism



**Zhou Qiang**  
Photo: 禁书网, Flickr

As the latest annual report of the US Congressional-Executive Commission on China (CECC) noted, in 2017 the Chinese authorities ‘continued to use the law as an instrument of repression to expand control over Chinese society, while outwardly providing the veneer of a system guided by the rule of law.’<sup>6</sup> Chinese Party-state officials perceive human rights lawyers (*weiquan* 维权, or ‘rights defence’ lawyers) and civil society activists to be enemies of a stable and ‘harmonious’ society under the rule of law as defined by the Chinese Communist Party (CCP). (See the *China Story Yearbook 2015: Pollution*, Chapter 2 ‘The Fog of Law’, pp.67–85.) Lawyers are considered particularly dangerous, because of their participation in the human rights discourse both at home and in international forums and media. Moreover, because of their plight, they often become international news themselves. Their pursuit of human rights claims at the grassroots leads them to become attached to ‘foreign’ ideas concerning human rights promoted by the Western organisations that support and cooperate with them.

As in the past, human rights featured in the 2017 Supreme People’s Court’s (SPC) annual report, presented in March by Zhou Qiang 周强 — the current SPC President to the ‘Two Sessions’ (*lianghui* 两会) of the Chinese parliament, the National People’s Congress. Zhou’s report emphasised that the correct implementation of criminal justice policies protects human rights. But he also cited the sentencing ‘according to law’ of *weiquan* lawyer Zhou Shifeng 周世锋 to seven years’ imprisonment as one of the previous year’s key achievements in protecting state security.<sup>7</sup>

Judicial authorities continue widely to use provisions in the 1997 Criminal Law concerning the crime of endangering state security 危害国家安全罪, (Articles 102–113) to bring human rights activists to trial

and sentence them to lengthy imprisonment. The majority of human rights lawyers and activists detained in recent years were convicted under the terms of Article 105: ‘inciting subversion of state power’ 颠覆国家政权罪 or ‘subversion of state power’ 煽动颠覆国家政权罪.



Lee Ming-che  
Source: TEIA, Flickr

Since the end of 2016, the list of rights activists under arrest has grown. *Weiquan* lawyers Jiang Tianyong 江天勇 and Li Heping 李和平, as well as activists Liu Shaoming 刘少明, Su Changlan 苏昌兰, and Chen Qitang 陈启堂, were all handed prison sentences for ‘subversion’ or ‘inciting subversion of state power’ in 2017. Their sentences ranged from three years to four and a half years, and most have been detained for at least seven months before trial. Lawyers Wang Quanzhang 王全章 and Wu Gan 吴淦 were arrested and detained on similar charges, but they were tried in closed-door trials and their sentence remains unknown.

Another important case with significant international ramifications involved Taiwanese NGO volunteer Lee Ming-che 李明哲. In March 2017, the Chinese state security authorities detained him while he was travelling to Zhuhai via Macau. Ten days after his disappearance, the State Council Taiwan Affairs Office confirmed that he was under investigation for ‘endangering state security’. On 26 May, state security authorities in Hunan formally arrested him on suspicion of ‘subversion of state power’. Lee’s trial took place in September at the Yueyang Intermediate Court in Hunan. In a clip recorded at the trial, most probably filmed under duress, Mr Lee said that he had ‘no objection’ to the charges of ‘attacking Chinese society and encouraging multi-party rule’ and ‘inciting others to subvert state power’. They were similar to the charges against Liu Xiaobo. Filmed confessions have become increasingly common in ‘open trials’.



## Torture

In 1988, the PRC ratified the International Convention against Torture. Over the following two decades, Chinese media and academic publications aired widespread condemnation of torture — a practice that the Chinese criminal legislation strictly prohibits under Articles 247–248 of the 1997 Criminal Law and Article 54 of the 2012 Criminal Procedure Law.

Under Xi Jinping, the Decisions of the Third and Fourth CCP Plenums in 2013 and 2014 also mention the strict prohibition of torture. Among the official affirmations of this principle are the 2013 Political-Legal Committee *Provisions on Preventing Miscarriage of Justice* 关于切实防止冤假错案的规定, which states that instances of torture and extracting confession through violent means or other acts of forgery should be severely punished — without specifying how — and that evidence obtained through torture or other illegal means is inadmissible in court. Similar points are made in the SPC's *Opinions on Preventing Miscarriages of Justice* 关于建立健全防范刑事冤假错案工作机制的意见, of the same year. They both require judges to follow legal procedures strictly, and remind courts of appeal to countercheck judgements for which the evidence was sketchy or the facts unclear. The documents define illegally obtained evidence as confessions obtained outside a legal place of detention, and confessions that have no audio-video recording. There are problems in implementation, for example, ensuring proper audio-video recording of any interrogation and access to lawyers. But this reform is nevertheless impressive and builds on trials conducted in police stations and detention centres since 2006 (both documents are summarised in the *China Story Yearbook 2014*).

To add to this corpus of legislation, in October 2016, five central government bodies — the SPC, the Supreme People's Procuratorate, the Ministry of Public Security, the Ministry of State Security, and the Ministry of Justice — issued a joint opinion that established the principle of putting the trial at the centre of criminal proceedings. The Opinion on the Promoting

the Trial Centredness in Criminal Proceedings 关于推进以审判为中心的刑事诉讼制度改革的意见 obligates the procuratorate in certain important cases to directly question the criminal suspect about whether their confession had been coerced or if there had been illegal collection of evidence. In June 2017, the same bodies issued Regulations on Several Issues Concerning the Strict Exclusion of Illegal Evidence in Handling Criminal Cases 关于办理刑事案件严格排除非法证据若干问题的规定, which include provisions excluding evidence obtained by torture. During the ‘Two Sessions’ of March 2017, the Procurator-General, Cao Jianming 曹建民, reported that in 2016 the procuratorate corrected 34,230 cases of illegal investigation practices, including extracting confessions by torture. Still, as noted in the CECC 2017 Annual Report, there had been no instances of criminal prosecution of investigators who engaged in these abusive practices.<sup>8</sup>

Notwithstanding increasingly sophisticated legislation on the subject, in 2017 torture still appears to be a widespread practice in both average criminal cases and cases involving human rights activists. The *weiquan* lawyers detained or harassed in the crackdown of July 2015, including Wang Quanzhang and Wu Gan as well as Xie Yang 谢阳, Wang Yu 王宇, and Li Chunfu 李春富, have revealed the ordeals and violence they were subjected to while in detention.<sup>9</sup> According to a report compiled by the China Human Rights Lawyers Concern Group, the Chinese authorities employed at least fifteen different types of torture or inhuman and degrading treatments against the lawyers and defenders held in the 2015 crackdown. These were intended to inflict physical harm and psychological detriment and included the use of electric shocks, sleep deprivation, and forced medications, among others.<sup>10</sup>

In January 2017, to protest the decision of the authorities not to set him free after seventeen months of detention, Xie Yang’s legal team released the transcript of a conversation they had with their client. In it, Xie detailed the physical and mental torture to which he had been subject in detention. On 27 February, eleven diplomatic missions in Beijing wrote a letter to the Minister of Public Security, Guo Shenkun 郭声琨, expressing

their growing concern over claims of torture and other cruel or degrading treatments and punishments in cases involving detained rights lawyers and other activists.

In an unprecedented move, on 1 March, China's official media responded to Xie's allegations, and indirectly to the letter, claiming that he had fabricated the story about his torture to attract international attention. China's state media accused lawyer Jiang Tianyong, who had been part of Xie's legal team, of 'making up fake news'; they featured an interview with him admitting fabricating Xie's claims. In May, the Changsha Intermediate People's Court released a video in which Xie admitted having been 'brainwashed' while overseas, attending training in Hong Kong and South Korea to 'develop Western constitutionalism in China'. He also denied having been mistreated.<sup>11</sup>

## Stretching the Law Beyond its Limits

Violence, harassment, and intimidation of human rights activists or their families very often provide the corollary to legal measures. While arrests and detentions may expose the state to public scrutiny and have significant political costs, 'measures operating in the shadows'<sup>12</sup> are sufficiently flexible to be used discretionarily by state authorities with fewer political costs. These include deprivation of physical liberty through 'residential surveillance' 监视居住<sup>13</sup> and 'soft detention' 软禁 (house arrest). Measures such as these are not strictly regulated by law. For instance, as mentioned above, Liu Xia has been under constant surveillance and intermittent house arrest since her husband's arrest in 2008. After Liu Xiaobo's death, she disappeared once again, and her friends were unable to contact her, despite official claims that she was 'free'.<sup>14</sup> She appeared in a YouTube video (in which the name of the filmmaker, as well as the place and date of filming were not specified) saying that she was mourning Liu Xiaobo's passing outside Beijing; she apparently returned home only a month or so later.<sup>15</sup>



Liu Xia

Photo: Luscious Lyon, Flickr

The harassment of Liu Xia and her family and her years of constant surveillance and house arrest have occurred outside the remit of any established laws. And this is not unusual — many other activists' partners and families are subjected to similar treatment.

Authorities reportedly harassed family members of those connected to the July 2015 crackdown through house arrest, constant surveillance, interference with their ability to travel, as well as pressuring landlords to evict them, and ordering school officials to deny admission to their children. This can go on for months or years.<sup>16</sup> Families' telephones are frequently tapped and their email traffic monitored. Police officers may watch and follow them, surveillance cameras may be installed near their homes and offices, and neighbours recruited to monitor them. Invitations to 'have tea' 喝茶 with state security agents (as discussed in the *China Story Yearbook 2016: Control*, Forum 'Meet the State Security: Labour Activists and Their Controllers', pp.65–73) or 'being assigned a guard' 被上岗 have been fairly common forms of intimidation for years. Authorities have closed organisations founded or operated by human rights defenders or strictly monitored their operations, rigorously controlling or cutting their sources of funding. Their offices and homes are recurrently subject to un-

authorised searches, and they are frequently faced with heavy fines for trivial administrative transgressions.<sup>17</sup>

One of the extra-legal measures used against lawyers since 2007 is the threat of disbarring them. The 2016 Amendment to the Measures on Managing Lawyers' Practice of Law 律师执业管理办法 and Measures on Managing Law Firms 律师事务所管理办法 compel lawyers to support the Party's leadership and prohibits them from provoking dissatisfaction with the Party and the government, signing joint petitions, or issuing open letters that 'undermine the judicial system', and organising sit-in protests or other kinds of demonstrations outside judicial or other government agencies. The Measures on Managing Law Firms require firms to establish internal Party groups that participate in policymaking and management. During a conference at the National Judges College in Beijing at the end of August 2017, Minister of Justice, Zhang Jun 张军, further called on lawyers to refrain from engaging in protests, criticising judges and courts, or speaking or acting for personal gain or to boost their reputation.

## A Chilling Effect

Human rights lawyers and activists who have been harassed or ill-treated are warned or prevented from speaking out or writing about their ordeal. Yet over the past year, many victims of Chinese state repression have gone public. Labour activist Meng Han 猛汉, after spending twenty-one months in detention for 'gathering crowds to disturb public order', published online his 'Notes from Prison', which not only spoke about his experience, but also his reflections on and hopes for the future of the Chinese labour movement.<sup>18</sup> He would have known that publishing this would bring him more trouble, and the police once again briefly detained him. But it did not deter him in the least. In a new development, spouses of imprisoned lawyers and activists have also begun speaking out.

As mentioned above, HRW has dubbed the recent crackdown against human rights defenders in China the worst since the suppression of the

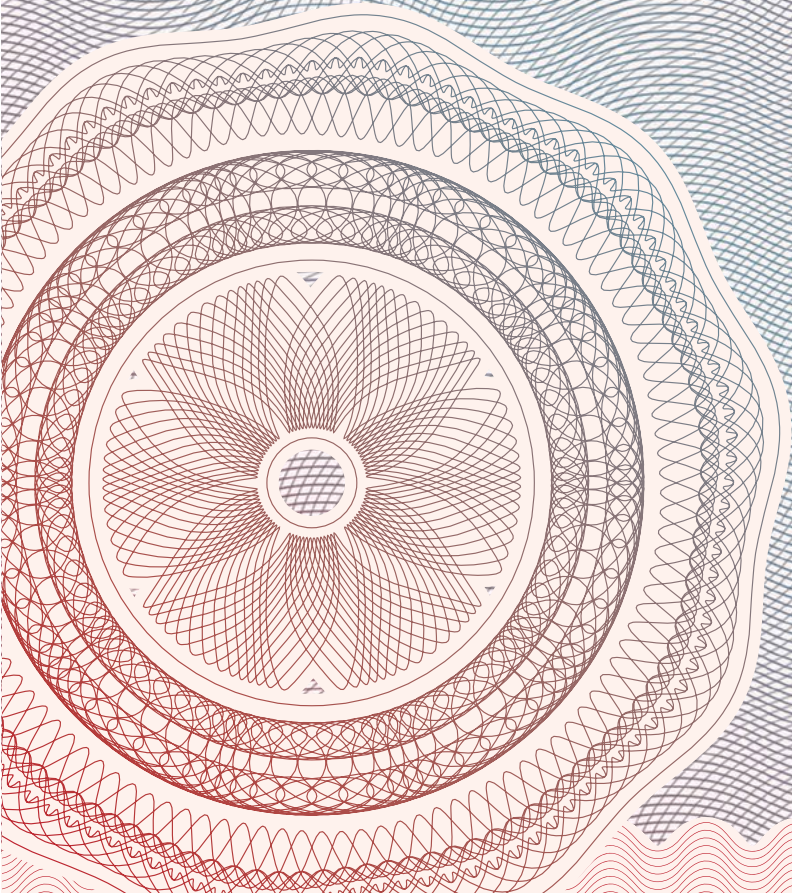


democracy movement in 1989.<sup>19</sup> Even more worrying is the international accommodation of China's actions. In September, HRW released a report that scrutinised China's activities at the United Nations (UN).<sup>20</sup> According to the report, on several occasions in 2017, UN agencies made concessions towards China on matters related to human rights. In January, UN officials kept an estimated three thousand staff and NGO representatives from attending a keynote speech by President Xi Jinping. In April, security officials removed ethnic Uyghur activist Dolkun Isa from the UN headquarters in New York, where he was attending a forum on indigenous issues. Isa is General Secretary of the World Uyghur Congress and now a German citizen, having sought asylum following persecution in China. In July, Isa was also stopped and briefly detained by the police in Rome, acting on a request from Chinese authorities who claim that he is a terrorist, although he has publically condemned all forms of terrorism.

These incidents raise serious questions about how the international community, including the UN, should respond to China's human rights record at a time when China is exercising significant leverage on many countries in terms of economic statecraft, and has become the second-largest funder of the UN's peacekeeping operations. While Chinese local activists continue to fight for rights under increasingly restrictive circumstances, they must surely be disheartened by this silence, if not complicity, by the international community. In July, while so many were grieving the death of Liu Xiaobo, US President Donald Trump was praising Xi Jinping as a 'terrific' and 'talented' leader.<sup>21</sup> The roots of the 'chilling effect' might be closer to home than people in the Western world may think.



# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

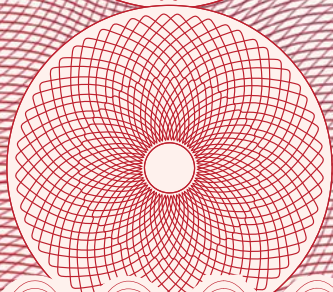
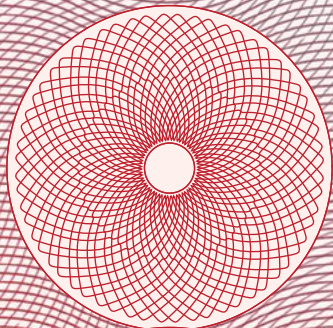
5月

6月

7月

8月

9月







# **THOSE LESS FORTUNATE**

**Death Penalty Reform**

· SUSAN TREVASKES

---

**Criminal Villages and Roving Crime**

· BØRGE BAKKEN

**Rethinking China's Agriculture**

· SHI XINJIE



274  
275

CHINA STORY YEARBOOK | Death Penalty Reform  
2017 | Susan Treveskies

# DEATH PENALTY REFORM

Susan Trevaskes

CHINA EXECUTES more people than any other nation. Yet, over the last decade, its death penalty policy has undergone a life change. This began on 1 January 2007, when the Supreme People's Court (SPC)<sup>1</sup> assumed exclusive authority for the final review and approval of all death sentences across the nation. For decades, and for most capital offences, this had been the job of provincial-level appellate courts. The number of executions that year plummeted by one third, according to the SPC, as the result of a deliberate commitment to 'killing fewer' 少杀 by removing the more arbitrary elements from the system.

In the early 1980s, the Party-state gave provincial courts the authority to review death penalty cases because it wanted serious crimes punished 'se-

verely and swiftly'. Rising crime was part of the social fallout of rapid economic growth and it was threatening social stability. So the Party ran a series of law enforcement campaigns under the rubric Strike Hard 严打. Strike Hard was both the name of intermittent campaigns and also an ongoing policy used against serious criminal offenders. Local courts responded by playing fast and loose with the death penalty. Across two decades, regardless of whether a Strike Hard campaign was in progress, the Party encouraged the liberal application of harsh punishment for crime. Over the decades, starting from Deng Xiaoping's time, Party-state officials often quoted the adage that if a judge has the legal option to choose whether or not to apply the death penalty, that is, to choose 'to



A Badiucao cartoon

Source: @badiucao, Twitter

kill or not to kill, they should choose to kill': 可杀, 可不杀, 杀.<sup>2</sup>

By the end of 2003, the rationale that 'killing many' 多杀 deterred crime had worn thin, especially among senior police, prosecutors, and judges in Beijing. Ongoing Strike Hard campaigns had not stemmed annual rises in serious crime. More importantly, the idea of swift and severe punishment made a poor fit with Party rhetoric on the rule of law and the Harmonious Society 和谐社会 platform of Hu Jintao, China's paramount leader from 2002–2012. Politics drives most judicial reforms in China. It was at the height of the Harmonious Society period in 2005 that Hu Jintao decided that China

needed to reform the death penalty as part of his agenda for 'harmonious justice'. The idea here was that death penalty reform would itself help to bring about a more harmonious society.

For then SPC president Xiao Yang and other reformers in the SPC, institutionalising the policy of 'kill fewer kill cautiously' 少杀慎杀 required offering a politically acceptable alternative to execution to provincial Party, police, and court authorities. In late 2006, Xiao Yang announced that immediate execution should be used only as a last resort, and only for the most serious or heinous crimes. He reversed the old Strike Hard adage, now saying, 'when there is a choice to kill or not to kill,

without exception, always choose not to kill' 可杀, 可不杀, 一律不杀.<sup>3</sup> In place of execution, the SPC encouraged the use of the suspended death penalty 死缓 for the majority of violent capital cases. In a relatively short space of time, provincial authorities came on board.

It was around this time that judicial authorities initiated a new practice called 'criminal mediation' 刑事调节 for death penalty cases, in which SPC judges would mediate between the offender and the victim's family. The SPC billed it as an opportunity to enhance social harmony and mitigate social instability. It had become a common occurrence for victims' families to protest outside the courts if convicted murderers were given a commuted death sentence instead of immediate execution. SPC judges began to strike deals: for example, an offender could pay the victim's family hundreds of thousands of renminbi in compensation in exchange for the family's agreement that the offender could live. The offender would then be given a suspended death sentence that would typically be downgraded to a life sentence of around eighteen to twenty years after a two-year probation period. The practice of 'cash for clem-

ency'<sup>4</sup> is still in operation today even though the Harmonious Society policy is long gone.

In the ten years since 1 January 2007, China's execution rates have greatly decreased, according to the judges of the SPC. While the precise number of people executed in China each year is still a state secret, it's estimated to be around 1,900 — an impressive drop from around an estimated 10,000 a year ten years ago.<sup>5</sup>

There are two developments that could lower the number even further. One is current talk of legislating to take drug transporting off the capital punishment list. The Criminal Law, as it was amended in 1997, listed sixty-eight offences for which the death penalty could be applied, though with most, judges did not tend to favour execution. The number of capital offences in the Criminal Law has now dropped from sixty-eight to fifty-five. The four main types of crime for which immediate execution is used are murder, armed robbery with violence, drug trafficking, and the transportation of illegal drugs. Close to half the people executed today are found guilty of drug transporting: 'mules' caught carrying over fifty grams of methamphetamines or heroin. They tend to be

poor workers from rural areas who take drugs inland from places such as the Golden Triangle border in southern China. Since drug traffickers are organised criminals who are more difficult to apprehend, policing authorities have traditionally gone after the easy-to-catch mules.

A second development is a push to improve the quality of police investigations and criminal trials. The goal is to lessen the likelihood of miscarriages of justice resulting from the longstanding if illegal practice of forced confessions. To this end, President Xi Jinping is promoting a new policy called 'making the trial central' to the criminal process 以审判为中心. This

aims to change the tradition of 'investigation-centered-thinking', stressing instead the importance of rigorously testing evidence through cross-examination at trial. Reforms are currently underway to improve evidence gathering, to encourage witnesses to testify in court, and, crucially, to make unlawfully obtained evidence (like forced confessions) inadmissible at trial.

A more permanent decline in capital punishment requires much more in the way of legislative reform. Nevertheless, advocating for suspended death sentences and the other initiatives, including Xi's policy on putting the emphasis on trials instead of investigations, are a good start.





280  
281

CHINA STORY YEARBOOK | Criminal Villages and Roving Crime  
2017 | Børge Bakken

# CRIMINAL VILLAGES AND ROVING CRIME

Børge Bakken

XI JINPING TIME AND AGAIN stresses that the Chinese Dream is the dream of the ‘old one hundred surnames’ *laobaixing* 老百姓, the common men and women of China. This dream, however, involves what development theorists have termed a ‘betting on the strong’ strategy, where there are many who do not ‘get rich first’ and some that never will. From being one of the most equal nations in the world nearly four decades ago, China is today listed as one of the most unequal nations in the world. Economic reforms brought much prosperity for some, but also created a system with two kinds of people: the haves and the have-nots.

Like the American Dream, the people who fall outside the grand narrative of the Chinese Dream tend to organise themselves in ways that

lie outside the legal rules and accepted norms of society, in an attempt to merely get by. The politics of *weiwēn* 维稳, or stability maintenance, has developed China into a virtual surveillance state. Yet instead of a population paralysed by control, illegal entrepreneurialism — involving fraud, corruption, thievery, and other criminal activities — is flourishing, as I document with my former students in *Crime and the Chinese Dream*, published in 2018 by the Hong Kong University Press (with a forthcoming e-book by Oxford University Press).

In the countryside, illegal pathways to wealth are so common that many parts of the countryside can best be described as an ‘underworld’ economy. ‘Fang Village’ in southern China is one example. There the so-



Criminal poster wall in  
Guangzhou

Image: Børge Bakken

called ‘cake uncles’ 饼叔 who, having struggled to get by the traditional way by planting cash crops and pig farming, ventured into illegal logging and cigarette-making. After the local authorities cracked down, however, they started new businesses involving cake delivery. The entrepreneurs of Fang

village started their criminal careers delivering cakes while falsifying account books. While selling on credit one year and not asking for payment before the next year, they exaggerated the number and agreed price of cakes sold by falsifying the original numbers and signatures. Not until they had tak-

en the activities out of the village were they able to get away with their illegal trade. This kind of roving crime has become the hallmark of success for these entrepreneurs, and they have now branched into much more diversified trades, even setting up branches in Beijing and Shanghai and other big cities. Because their entrepreneurialism brought prosperity to the village, and any crimes were committed outside their jurisdiction, local officials turned a blind eye.

Other ‘criminal villages’ have specialised in organised large-scale shoplifting, car theft, and burglary. In Guangzhou, a large industry of migrant workers leaving the assembly line to work as illegal motorcycle taxi drivers was partly quelled by the authorities, who simply banned motorcycles from the entire city. The practice was repeated in many other cities in Guangzhou, but the illegal taxi drivers have constantly relocated their businesses, playing cat and mouse with the police. The illegal trade also involves serious violence. In one example, investigative reporter Fu Jianfeng 傅剑锋 has written and lectured extensively about a ‘robbery village’ in Guangxi. His reports were first published in the newspaper *Southern*

*Weekly* 南方周末, and his findings have now allegedly been published in book form. The young men from the village (some only juveniles) went to train stations and other crowded places in the bigger cities and cut off selected victims’ hands with cleavers, and then robbed people in the ensuing panic. Fu followed a juvenile gang member from the village through the legal system, revealing the desperation felt by rural people who feel they have no legal means to enrichment open to them. Many of his fellow gang members have since been executed.

Other examples include villages, typically in poor south-western provinces including Yunnan and Guangxi, where the whole local economy is based on the production and transportation of illegal drugs. A local lawyer told me that in just one local prison in Xishuang Banna in Yunnan (with a total population of less than a million), there were more than 200 inmates on death row awaiting immediate execution. The Supreme People’s Court has recently introduced poverty as a mitigating circumstance for those eligible for immediate execution because such executions are now being nearly exclusively practiced against poor peasants and migrant workers. Often the



executed are mere 'drug mules' who typically transport the drugs from the villages to the cities on the east coast. Other villages produce and trade in illegal firearms, or specialise in falsifying documents. There are even villages involved in human trafficking, mainly of girls into places where local men cannot find brides. Tens of thousands of children are allegedly kidnapped in China each year, and parents have organised themselves into teams, visiting criminal trafficking villages to look for their kids.

Village specialisation along local and clan lines has always been a common practice in the Chinese countryside, with the possible exception of the Maoist days. During the Qing dynasty, the guilds and trades were also specialised along *tongxiang* 同乡 — common village lines. For example, blacksmiths all over China were known to come from Ningbo, while the so-called 'sing-song' girls seemed to come from Guangzhou. One can now see this organising principle in all kinds of legitimate industries as well, and the criminal counterparts follow these well-beaten but traditional tracks of organisation in China.

The village base and transient character of so-called roving crime

is, of course, a matter of opportunity, and in the example of Fang village, the opportunistic fraudsters soon became the modernisers and local heroes of the village. The cake uncles were the first to build three-storey houses in the village, and the village girls chose the young men in the cake-uncle industry as their preferred spouses (there are but a few female fraudsters). The trade has now also spread to neighbouring villages, which have made deals with the original cake-uncle village. The decentralised character of the police force makes roving crime much more lucrative than any legal approach. The villagers have even formed a system of pooling money for buying fellow fraudsters out of the rather short arm of the law. A reduction of a potential ten-year sentence to a one-year sentence typically used to cost 10,000 yuan, while the much more difficult process of a full withdrawal of a case will cost up to 100,000 yuan in bribes and other costs. While the cooperation of these illegal networks is advanced, the desperation of those who have no legitimate opportunities to get rich or just to get by are even more evident by the extreme risk behaviour involved in the operations. Some even pay the ultimate prize of execution.



286  
287

CHINA STORY YEARBOOK | Rethinking China's Agriculture  
2017 | 新丝路

# RETHINKING CHINA'S AGRICULTURE

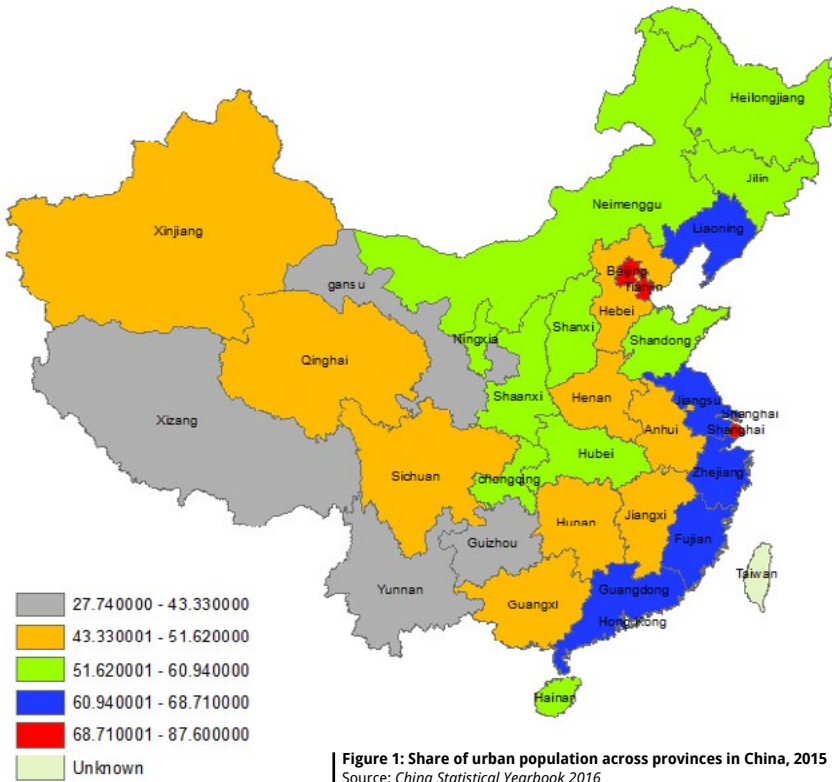
Shi Xinjie

**T**HE YEAR 2017 was the fourteenth consecutive year in which the central government's first policy document, China's No. 1 Document 中央一号文件, focussed on rural issues and emphasised official support for agricultural development. Over the last several decades, China's urban-biased economic boom has triggered demographic and other changes that seriously challenge the country's capacity to feed itself. With about twenty-two per cent of the world's population (over nine per cent of whom remain undernourished)<sup>6</sup> and only seven per cent of its total agricultural acreage, it is a pressing problem.

## **Leaving the Farm**

Since economic reforms began in the late 1970s, employment opportunities

generated by industrialisation and the expansion of the urban construction and service sectors have stimulated rural-urban migration on a massive scale. From 1979, China's urban population has grown by about 586 million to reach 771 million in 2015.<sup>7</sup> This population is highly concentrated along China's south-eastern coast (see Figure 1). The central government's National New-Type Urbanisation Plan 2014–2020 国家新型城镇化规划, announced in March 2014, when China's urban population was 53.7 per cent of its population, has set a target for the urban population to increase by one percentage point a year to reach sixty per cent by 2020 — a figure comparable to other developing countries with similar per capita income levels.<sup>8</sup> As a result, both the absolute number and



**Figure 1: Share of urban population across provinces in China, 2015**  
Source: *China Statistical Yearbook 2016*

relative share of people engaged in the agricultural sector will continue to fall rapidly.

According to the Migrant Workers Report 2016, the total number of migrant workers in 2016 reached 281.71 million.<sup>9</sup> Of these, sixty-six per cent were male and seventy-six per cent were under the age of fifty. Most new migrants followed their predecessors into the wealthier eastern provinces. China's remaining, steadily declining rural workforce increasingly comprises female and elderly workers. But will this necessarily be a bad thing for China's agriculture, and hence its food security?

My own research suggests that the answer to this is yes, it will be. I show that rural-to-urban migration has a negative net impact on agricultural labour productivity (rice yield per worker per day), because the off-farm income that those migrants bring home, which can be used for agricultural investment, does not compensate for the 'lost labour' effect of out-migration. China's aggregate rice output has fallen as a result of this mass migration. This fall in output is compounded by the ageing of the agricultural workforce, which impacts negatively on productivity. The only good news is that female workers appear to be more



productive than male workers — but not enough to offset the negative impacts of migration and ageing farmers.

### **The Future of Farming**

The consolidation of farmland is one potential solution for raising agricultural output. Although land was collectivised in the 1950s and 1960s, today, a typical Chinese farm is less than an acre in size.<sup>10</sup> The large number of small, non-contiguous landholdings has impeded the modernisation of Chinese agriculture that could stem from technological upgrades, mechanisation, and economies of scale.

Farmers do not own land, which belongs to the state, but have decades-long leaseholds from their village collective. Individual farmers are allowed to use the land under a contract system that has been in place since the 1970s. Land reforms in recent years have opened the door to corporate farming, heralding a new era for agricultural development.<sup>11</sup> Through a refinement to collective ownership called ‘land management rights’, a village with agreement by all of its farmers may collectively transfer its land to a corporation that pays the village an annual rent, which is then distributed to individual farmers.

This is not aimed at creating mega-farms, but rather at facilitating land consolidation, enabling farmers to use machinery and new technology efficiently, and to embrace corporate farming, which allows them to hand over all their produce to a corporation.<sup>12</sup> This model provides rent income to elderly farmers unable to tend subsistence plots, and wages to the left-behind women and others trained to participate in mechanised farming.

However, the central government continues to stress the inviolability of the rural collective ownership system. Although private land ownership has greatly contributed to efficiency and welfare gains in other developing countries such as Mexico, it simply is not on the cards for China in the foreseeable future.<sup>13</sup> Because private land ownership could result in farmers’ deciding to use the land for non-



**A farm in Xiangxiang, Hunan province**  
Image: Tianxiao Zhang, Flickr

agricultural purposes, it could threaten the farmland 'red line', originally set at 1.818 billion mu of arable farmland (about 121.2 million hectares) by the end of 2015.<sup>14</sup> On 4 February 2017, the State Council published a 'national territorial planning outline' 全国国土规划纲要 (2016–2030), raising this 'red line' to 1.865 billion mu (about 124.33 million hectares) by 2020, with the retention of at least 1.825 billion mu (about 121.67 million hectares) by the year 2030.<sup>15</sup>

Given the shrinking and ageing rural workforce, and increasing urban pressures on rural land, technology will have to play a pivotal role in meeting China's food needs in the future. Already, China is spending billions of yuan on water systems, seeds, robots, and data science to develop sustainable, high-yield agricultural practices.<sup>16</sup> But the future of farming is about more than growing plants — it's about growing businesses too. Farmers need not only to cultivate bigger fields and raise yields but also to 'grow smarter' and sell wiser.<sup>17</sup>

Already, there is a rural e-commerce boom. Over the last decade, China has created more than one thousand 'Taobao' villages 淘宝村, as

thousands of former residents have returned home from the cities to build up their local village economies.<sup>18</sup> Making use of Alibaba-owned Taobao — the nation's largest e-commerce platform — farmers are now able to take charge of the whole agricultural production process from field to market, enabling them, rather than traditional commodity traders and middlemen, to earn more than before. Part of the way the government helps is to enrich rural information networks and logistics system. With the rapid development of express postal networks, farmers are able to sell online not only trinkets, but also perishables. The government encourages this, as it serves the national policy priority of eliminating poverty in rural China — it also attracts labour back to the farms.<sup>19</sup>

Although the land reform and technology policies discussed in China's No.1 Document for 2017 do not encompass the privatisation of land, they do provide more flexibility for farmers to take control of their livelihoods. This could generate prosperity for rural dwellers, and ultimately feed much of the world's largest population in the process.









6月

7月

8月

9月

10月

11月

12月

2017年1月

2月

3月

4月

5月

6月

7月

8月

9月

# 9

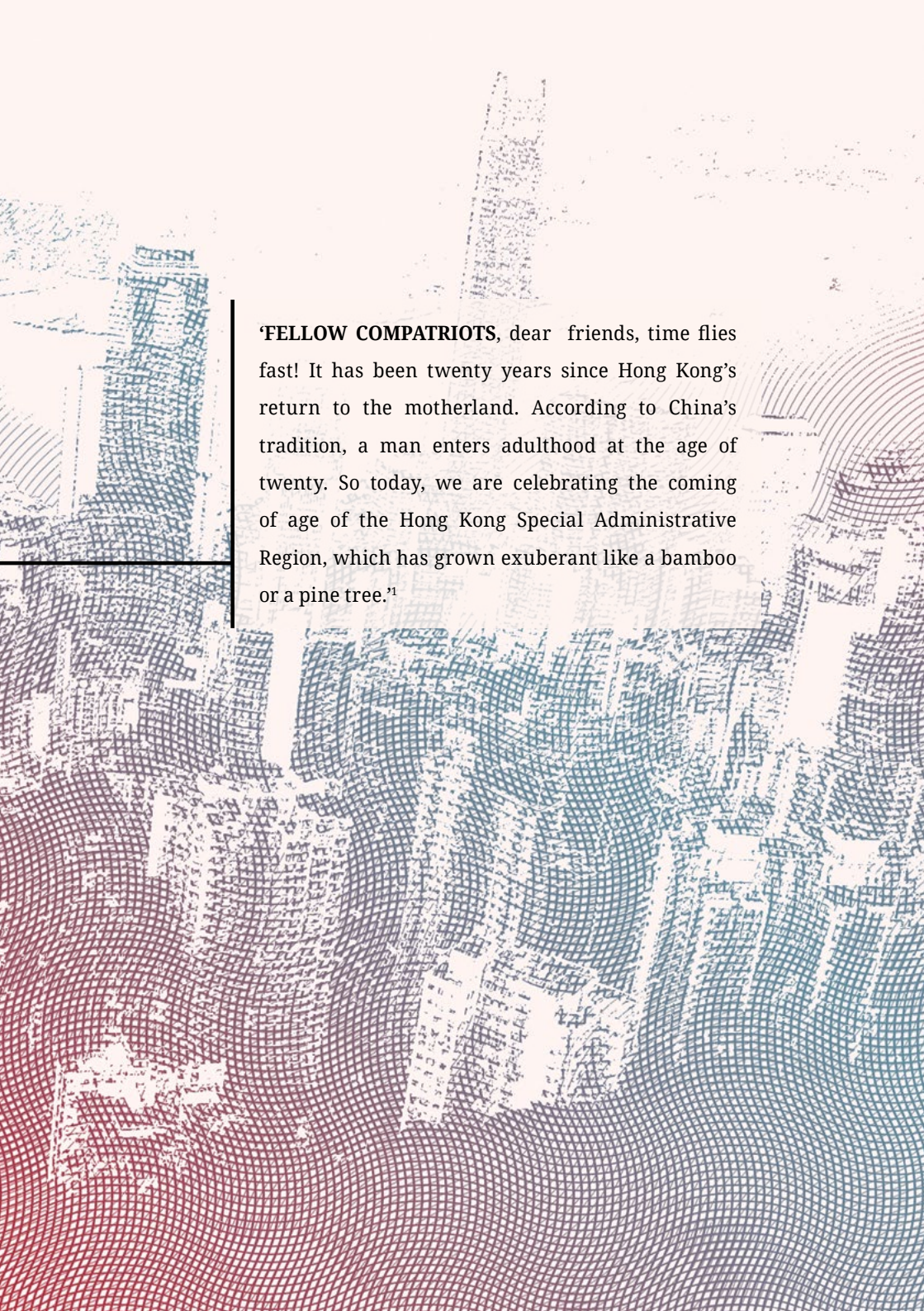
**PROSPERITY AND FREEDOM:**

**HONG KONG'S DILEMMA**

Antony Dapiran

**Hong Kong — 'exuberant like a bamboo or a pine tree'**  
Source: Wikimedia Commons





**'FELLOW COMPATRIOTS,** dear friends, time flies fast! It has been twenty years since Hong Kong's return to the motherland. According to China's tradition, a man enters adulthood at the age of twenty. So today, we are celebrating the coming of age of the Hong Kong Special Administrative Region, which has grown exuberant like a bamboo or a pine tree.'<sup>1</sup>



**British Hong Kong: Victoria Harbour in 1988, showing the Bank of China Building under construction**

Source: Wikipedia

On 1 July 2017, when Chinese President Xi Jinping spoke on what he called the ‘solemn and joyous occasion’ of the twentieth anniversary of Hong Kong’s return to Chinese sovereignty at a ceremony in Hong Kong’s Convention and Exhibition Centre — the site of the handover ceremony twenty years earlier — he struck a triumphalist tone. ‘The practice of “One Country, Two Systems” in Hong Kong is a success story recognised by all’, Xi declared.

Yet he was addressing a Hong Kong that is deeply divided. Politely applauded by an audience of Hong Kong government officials and pro-Beijing loyalists inside the convention centre, Xi did not hear the shouts of protesters clamouring behind police barricades several blocks away. Xi’s visit had been carefully choreographed by the Hong Kong government, with streets blockaded and protesters screened off, to ensure that no signs of dissent fell within Xi’s field of vision during his three-day visit. In preparation, the government had deployed police to remove all traces of the usually colourful array of street banners promoting pro-democracy or anti-China political causes, to avoid any inadvertent ‘embarrassment’ (although exactly who would be embarrassed was not clear).

## Standing Still

The economy and living standards in Hong Kong have remained near stagnant since the handover. Average monthly wages have only inched ahead over twenty years, from HK\$11,113 in 1997 to HK\$15,451 at the end of 2016 — an annual growth rate of around 1.8 per cent, while the consumer price index, after a period of deflation from 1999 to 2003, grew by around four per cent per year in subsequent years. (By comparison, average Australian wages more than doubled over the same period, with an average annual inflation rate of 2.6 per cent.) Inequality, meanwhile, has continued to grow, with the wealth gap hitting a record high in Hong Kong in 2016. The Gini coefficient — which measures wealth distribution on a scale from zero, representing perfect equality, to one, representing maximum inequality — reached 0.539 that year, making it the world's second most unequal city after only New York in a series of global metropolitan cities surveyed by the Hong Kong Census and Statistics Department.<sup>2</sup> (By comparison, the department noted that Australia had a Gini coefficient of 0.33 in 2015.)

At the same time, property prices have spiralled, recently reaching levels last seen in the 1997 property market bubble (which burst in the Asian financial crisis and, with property values falling by as much as two-thirds, hammered the territory's economy and left it with six years of deflation). Hong Kong housing is now the world's most unaffordable, with the average apartment costing 18.1 times gross annual median income. This is despite the government introducing various market-cooling measures such as imposing double stamp duty on non-local (primarily mainland) buyers. In order to build properties that entry-level buyers can afford, developers are building apartments as small as twelve square metres, not much larger than the seven-and-a-half square metre prison cells at Stanley Prison, where former chief executive Donald Tsang found himself earlier this year after being sentenced to twenty months' imprisonment for misconduct in public office. (In April, Tsang was released on bail pending an appeal, set



**Donald Tsang**

Source: Wikimedia Commons

down for 25 April 2018, while additional bribery charges have been put on hold by prosecutors after two consecutive trials returned hung juries.)

‘Development,’ Xi declared in his July speech, ‘is crucial for Hong Kong’s survival, and it holds the golden key to resolving various issues in Hong Kong.’ This must have seemed to Xi and his colleagues as stating a doctrinal truth. It was Deng Xiaoping, after all, who on his famous Southern Tour of 1992 coined the slogan ‘Development is the fundamental principle’ 发展才是硬道理, and the CCP

has found the formula effective on the mainland for maintaining power and containing political dissent. However, Xi’s statement conveyed just how deeply the official line from Beijing misunderstands Hong Kong in purporting that — just like people in the rest of China — if only Hong Kong people were wealthier, they would be happier. It would help, to be sure.

By the end of 2017, Hong Kong was displaying all of the signs of economic and social inequality that have, arguably, spurred political instability in the rest of the world, feeding phenomena such as Brexit and Trumpism. This was highlighted by the following two headlines appearing within days of each other in the *South China Morning Post* in November: ‘Hang Seng smashes through 30,000 barrier for first time in a decade as energy, financial stocks rally’<sup>3</sup> and ‘Poverty in Hong Kong hits record high, with 1 in 5 people considered poor’.<sup>4</sup>

Of the city’s 7.35 million residents, in 2016, 1.35 million were living below the official poverty line — defined as HK\$4,000 (around AU\$678) income per month for a single person, being half the median monthly household income — according to the Hong Kong Poverty Situation report.



## The Mainland Steps in

Despite having a population of around 0.5 per cent that of the mainland, Hong Kong's GDP was sixteen per cent of the mainland's twenty years ago. Today it is less than three per cent. As a result, mainland economic influence in Hong Kong has grown significantly in recent years. Mainland real estate developers won the majority of Hong Kong government land auctions in 2016 and 2017, willing to pay prices that make even seasoned Hong Kong developers blanch. Early in 2017, two Chinese companies paid a record HK\$16.9 billion for a waterfront residential site in Ap Lei Chau on the south side of Hong Kong Island, outbidding local property tycoons including Li Ka-shing and the Kwok brothers. International and local Hong Kong firms seeking prime office space in the Central district are finding themselves priced out of the market by mainland companies seeking to plant a flag in the city.

Mainland financial institutions and corporations have taken up half of Central real estate in 2017, according to real estate firm JLL Research, with international financial institutions, hedge funds, and law firms being pushed out to more remote, cheaper, districts. Mainland financial institutions are making use of their new Hong Kong bases to take leading roles in syndicates underwriting listings on the Hong Kong Stock Exchange and lending to corporate borrowers, partly by accepting pricing or terms that Western banks consider uncommercial, whether this is in a bid to 'buy' market share or because they are motivated by other non-business considerations.

Today, there is almost no business in Hong Kong that is left untouched by the mainland in some way, whether a mainland entity is a counter-party, shareholder, or financier. Increasing mainland involvement in the economy has led to rising demand for Mandarin language skills and professionals who have a cultural familiarity with the mainland. This has squeezed out not only the traditionally dominant English-speaking Western 'expats' but also local Hong Kong graduates. As a result, mainland Chinese have

become the 'new expats', as they take an increasing share of the jobs in investment banks, accountancy and law firms, and other related professional service industries that have built up around Hong Kong's financial services and trading hub economy: in 2016, trade and logistics represented twenty-two per cent of Hong Kong's GDP, financial services 17.6 per cent, and professional services and other producer services 12.3 per cent, according to the Hong Kong Trade Development Council. Visitors from the mainland also dominate Hong Kong's tourism industry, with seventy-six per cent of total visitors coming from the mainland in 2016.

It is not just social inequality or diminished prosperity that is dividing Hong Kong. Hong Kong's people are struggling to assert an identity apart from — even while being a part of — the rest of China. That struggle finds its expression in literature, filmmaking, and art as well as ongoing protest movements in Hong Kong. It is increasingly undermined by Beijing's actions to assert its control over the territory as well as its insistence that Hong Kong's identity must be subordinate to the mainland: that is to say, the 'one country' must take precedence over the 'two systems'. This was notable from the recent Nineteenth Party Congress, at which 'Upholding the principle of "One Country, Two Systems" and promoting national reunification' was one of the fourteen 'fundamental principles' that form part of 'Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era' 习近平新时代中国特色社会主义思想. The integration of Hong Kong (together with Taiwan) into the Chinese state is well and truly on the agenda of the central leadership.

The shift in tone in the Xi era can be seen when comparing the resolution relating to Hong Kong from this year's Party Congress with that from the Eighteenth Party Congress held in 2012, under then-president Hu Jintao 胡锦涛. Both versions referred to 'faithfully implementing' the One Country, Two Systems policy and maintaining a 'high degree of autonomy'. But the 2012 version also speaks of the need to 'respect the differences of the two systems'. In 2017, that respect was gone, replaced with a new demand for unity, that Hong Kong people 'share both the historic

responsibility of national rejuvenation and the pride of a strong and prosperous China.’ This was accompanied by the sternly worded warning: ‘We will never allow anyone, any organisation, or any political party, at any time or in any form, to separate any part of Chinese territory from China’. It signalled Beijing’s intention to tighten its control over Hong Kong to prevent any kind of activities it sees as undermining national unity or Party rule.

## Lawfare

The latest efforts by Beijing to bring Hong Kong to heel have come in the form of ‘lawfare’ — using Hong Kong’s legal system to manage or silence political opponents and/or to achieve political objectives. The authorities can thus pay lip service to Hong Kong’s rule of law, universally recognised as an important core value of Hong Kong, while using that same legal system to control dissent.

The lawfare campaign began in 2014, when the Hong Kong government allowed minibus and taxi companies to obtain injunctions that were the legal basis for the authorities’ clearing of the Umbrella Movement’s occupation of the streets. In permitting the civil court process to be used to resolve a political and public order issue, the government was engaging in rule *by* law (as opposed to rule *of* law) — a tactic frequently ascribed to the mainland but now also arguably equally applicable to Hong Kong. (See the *China Story Yearbook 2016: Control*, Chapter 2 ‘Control by Law’, pp.43–57.)

The lawfare campaign continued with the political screening of candidates for the Legislative Council election in 2016, which resulted in several candidates from ‘localist’ parties being barred from running. When two successfully elected candidates from the Umbrella Movement-inspired Youngspiration 青年新政 party deliberately misread their oaths during the official swearing-in ceremony, the National People’s Congress (NPC)

**Youngspiration volunteers**

Photo: inmediahk, Flickr

intervened, re-interpreting the Basic Law and retroactively prescribing the manner in which officials were to swear their oaths. As a result, the pair were disqualified.<sup>5</sup>

In 2017, the Hong Kong government took further action in the courts to disqualify four additional legislators for oath-swearing infractions. The courts, citing the NPC, stated they had no choice but to concur. Thus six duly-elected legislators were removed from office by the government on the basis of a piece of retroactive law-making by Beijing, all done under the cover of the ‘need to uphold Hong Kong’s rule of law’. These disqualified legislators are now being asked to repay all salaries and allowances paid to them during the time they were ‘illegally’ occupying their seats, amounting to millions of Hong Kong dollars and will likely leave them facing personal bankruptcy.

In August 2017, the government took the next step in its lawfare campaign. A lower court in August of 2016 had sentenced the ‘Umbrella Three’ (Joshua Wong Chi-fung 黃之鋒, the international face of Hong Kong’s youth-led democracy movement, together with his fellow student leaders Alex Chow Yong-kang 周永康, and Nathan Law Kwun-chung 羅冠聰), to between 80 and 120 hours of community service (and a suspended three-week prison sentence, in the case of Chow) for their role in leading

an ‘unlawful assembly’ during the Umbrella Movement protests of September 2014. Although they completed their sentences, the Hong Kong government backed by Beijing appealed their sentence, calling for tougher punishment. This sent a clear message to the people of Hong Kong that dissent will not be tolerated. On appeal, the Umbrella Three were sentenced to between six and eight months in prison. As a convenient by-product of their receiving jail sentences in excess of six months, they would be banned from running for public office for five years. With Legislative Council elections operating on fixed four-year terms, this would effectively knock them out of the formal political process until 2024, by which point, Beijing no doubt hopes, they will be forgotten, or at least that their influence will be significantly diminished. Following a further appeal, the Court of Final Appeal overturned their sentences in February 2018; however, Hong Kong’s highest court at the same time endorsed the lower court’s sentencing guidelines, which call for an immediate custodial sentence for unlawful protests involving violence.

If the government thought that imprisoning the young activists might take them out of the public eye, this was quickly shown to be misguided. Instead, media commentators, including the *Wall Street Journal* editorial board, and organisations including Human Rights Watch began referring to the Umbrella Three as ‘political prisoners’. In response, Hong Kong Chief Executive Carrie Lam Cheng Yuet-ngor 林鄭月娥 argued that the cases ‘are not political persecutions or persecutions on the basis of expression of views’ and insisted that there was ‘absolutely no political interference, both [sic] in the prosecution, in the review of sentence and in the judgments and rulings’.<sup>6</sup> Her words rang hollow. The Umbrella Three were jailed for conducting a political protest, and it was a political appointee — Secretary for Justice, Rimsky Yuen Kwok-keung 袁國強 — who decided to prosecute and later appeal their sentences, reportedly against the advice of Department of Justice career civil servants and senior public prosecutors. It is impossible to argue that the decision was made purely in the interests of the administration of justice.



Jail, bankruptcy, ruined career prospects — the Hong Kong government is trying to make the cost of dissent intolerably high. It wants Hong Kong's politically active youth in particular to think twice about the cost of standing up for their beliefs.

The most recent step in the lawfare campaign, unfolding as 2017 drew to a close, was the application to Hong Kong of the new PRC National Anthem Law 中华人民共和国国歌法, which mandates solemn and dignified behaviour when the national anthem is played, and criminalises acts insulting, disrespecting, or parodying the anthem. This was no doubt prompted in part by Hong Kong soccer fans' repeatedly booing and jeering the national anthem at football matches, despite official warnings. This PRC law became one of the few mainland laws to be added to Annex III of Hong Kong's Basic Law, which applies specified mainland laws to Hong Kong's otherwise separate legal jurisdiction. The Hong Kong government has said it will introduce appropriate local legislation to implement the law, including setting out criminal punishments. In the mainland, disrespecting the anthem carries a penalty of up to three years in jail.

## The Thin Red Line

In his Hong Kong speech, President Xi lay down a 'red line' that he said must not be crossed: 'Any attempt to endanger national sovereignty and security ... or use Hong Kong to carry out infiltration and sabotage activities against the mainland is an act that crosses the red line and is absolutely impermissible'.

At the beginning of the academic year in September, students on Hong Kong's campuses set about testing Xi's red line, putting up posters advocating Hong Kong independence. This provoked a predictably strong response from officials, who declared that even expressing the sentiment was 'illegal'. The fact is that there are currently no Hong Kong laws outlawing seditious or subversive speech, although it is widely anticipated that Carrie

Lam and her government will attempt to introduce a new iteration of the so-called 'Article 23' anti-subversion law during her term of office. That may be a test of the community's sentiment and resolve: a similar attempt in 2003 brought half a million people onto the streets and led to the withdrawal of the law and the resignation of then-chief executive Tung Chee-hwa 董建華. But the reality is that there is no popular support in the broader Hong Kong community for independence, or even self-determination, and even its advocates will admit when pressed that



**Tung Chee-hwa**  
Source: Wikimedia Commons

their real intention is to provoke debate and push Beijing to respect the high degree of autonomy Hong Kong was promised for fifty years after the handover, a promise that is now being broken.

The question for Hong Kong is where will Xi's 'red line' be drawn? Beijing will not tolerate Hong Kong being used as a base to subvert the Party-state or its interests. The abduction and detention of Hong Kong publishers and booksellers involved in printing and distributing books that undermine Party leaders and question their policies make it clear that exercising freedom of expression can cross the line. The National Anthem Law demonstrates that fomenting disrespect for mainland institutions and symbols such as the anthem crosses the line. The sentences handed down to the Umbrella Three suggest that taking to the streets to defy openly Beijing's policies on Hong Kong also crosses the line. However, keep inching away and the point could be reached where criticising the Hong Kong government itself could be considered intolerably 'endangering national sovereignty and security'. At that point, the rights and freedoms granted to Hong Kongers by the Basic Law would be significantly undermined.



**Pro-Beijing, anti-colonial riots of 1967**  
Photo: Roger W, Flickr

Those rights and freedoms, and the 'high degree of autonomy' that Hong Kong is said to enjoy under the One Country, Two Systems 一国两制 formula, must be seen through that lens. The question is whether the rights and freedoms under-

write Hong Kong's prosperity, as Britain believed when it negotiated the Sino-British Joint Declaration of 1984, and Hong Kong's pro-democracy activists still contend, or whether those rights and freedoms can and should be sacrificed in order to have 'stability' alongside 'prosperity', as Beijing and its supporters would have it. It would not be the first time that Hong Kong's rulers have sought to appeal to interlinked 'stability and prosperity' to quell domestic unrest: the British did the same after the pro-Beijing, anti-colonial riots of 1967. It is ironic that the 1967 generation that is now in charge is turning the same arguments on their political opponents.

The nub of the question is this: would Hong Kongers prefer to feel a little more prosperous, or a little more free? It is a question that has been debated more broadly at least since Francis Fukuyama wondered in 1989 whether we had reached the 'end of history', and whether the universalisation of Western liberal democracy was the final form of government.<sup>7</sup> Fukuyama suggested that the collapse of Eastern European communism was an indication that people would always opt for the freedom of democracy. The economic success of China's form of authoritarian capitalism, referred to as the 'Beijing consensus' or the 'China model',<sup>8</sup> has in recent years been mooted as a riposte to that, probably premature, conclusion. Yet questions remain as to whether the model is sustainable in the face of

a growing middle-class population. Would they be happy with the limited freedom offered to them under the China model, or will they inevitably be lead towards Fukuyama's 'end of history' in demanding liberal democracy? Hong Kong is living out this global theoretical battle in real time.

As President Xi concluded his remarks in July, he issued a call for unity:

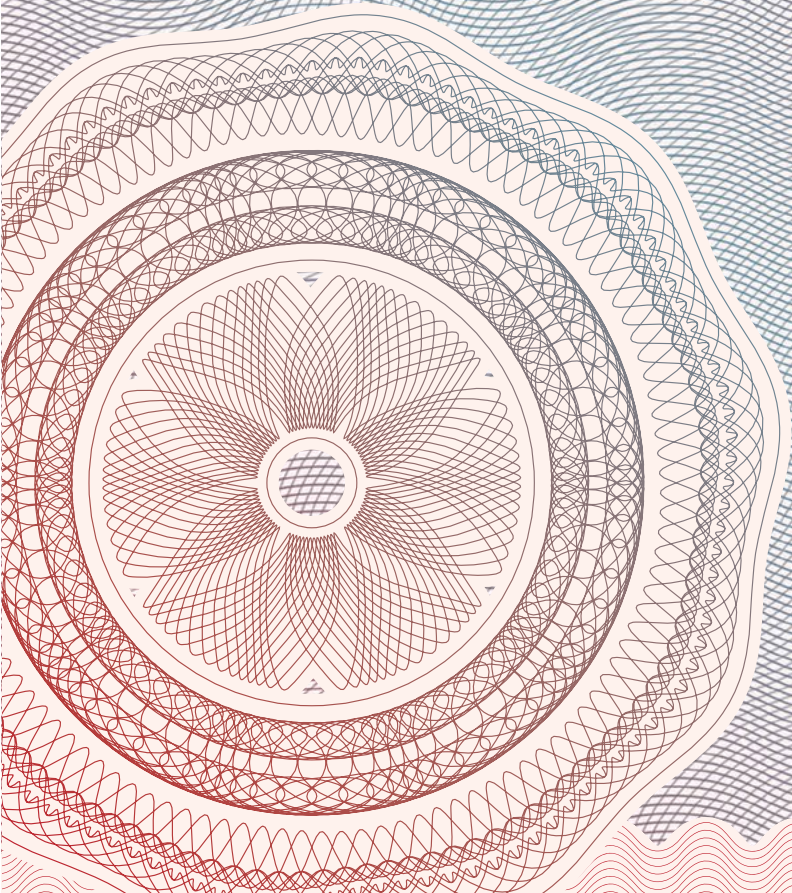
People of all ethnic groups across the country are engaged in a joint endeavour to... fulfil the Chinese Dream of national renewal. Ensuring the continued success of the practice of 'one country, two systems' in Hong Kong is part and parcel of the Chinese Dream.

To Xi, Hong Kong's role is simply as part of his signature policy of pursuing the Chinese Dream of national rejuvenation 中华民族伟大复兴的中国梦. He fails to realise that, while Hong Kong and the rest of China may share a common bed, many Hong Kong people are dreaming a different dream.





# 论坛





6月

7月

8月

9月

10月

11月

12月

**FORUM**

# 论坛



2017年1月

2月

3月

4月

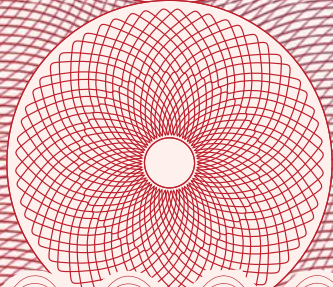
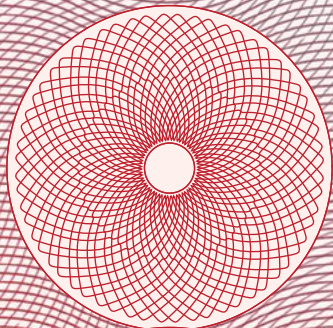
5月

6月

7月

8月

9月







# **A COMMEMORATION AND A CELEBRATION**

Taiwan: Seventy Years On — A Difficult  
Anniversary

· MARK HARRISON

Rainbow Connections

· PAUL J. FARRELLY



# TAIWAN: SEVENTY YEARS ON — A DIFFICULT ANNIVERSARY

Mark Harrison

ON 28 FEBRUARY 1947, in Taiwan's capital Taipei, two customs guards accosted a widowed woman, Lin Jiang-mai, selling unlicensed cigarettes at the Tianma Teahouse on present-day Nanjing Road. In the ensuing confrontation, one of the guards struck the woman; an angry crowd gathered, and one of the guards fired his pistol and killed a bystander. This set off a riot, and then an island-wide uprising by the Taiwanese people against the Chinese Nationalist (Kuomintang) government on Taiwan.

Japan had claimed Taiwan as a colonial territory from 1895, after it defeated China in a war near the end of the Qing imperial period. It ruled Taiwan for fifty years, until its surrender at the end of WWII in 1945. Under the Japanese, Taiwan experienced

both modernisation and colonial oppression. Resistance to Japanese rule took the form of violent uprisings in 1915 and 1930, but also civic activism. Among many actions, leading Taiwanese petitioned the Japanese Diet every year from 1920 to 1934 to establish a Taiwanese legislative assembly, until Tokyo's turn to hard right-wing militarism made such activism impossible in its colonial territories.

Meanwhile, in 1911 in mainland China, the Qing dynasty fell, and the Chinese Nationalists under Dr Sun Yat-sen founded the Republic of China. From the late 1920s, China descended into chaos, with warlords dividing the country into virtual fiefdoms, the horror of Japanese military invasion and occupation of the north-east, and in the second half of the 1940s the out-





**National 228 Memorial Museum, Taipei**  
Photo: Mark Harrison

break of full-scale civil war between the Nationalists and the Communists.

Upon Japan's defeat at the end of WWII, control of Taiwan passed to the Nationalist government under Chiang Kai-shek 蔣介石. It became a province of the Republic of China, and Chiang, who was preoccupied with the Communist threat, dispatched one of his generals to Taiwan to run it as governor-general. Initially welcomed, the Nationalist administration quickly proved itself to be incompetent and corrupt. Amid the roiling social and political tension between the main-

land Chinese and the Japanese-educated Taiwanese, the beating of Lin Jiang-mai was the flashpoint for the eruption of violence.

The provincial government feigned sincerity in negotiations with Taiwanese community leaders while secretly organising for military reinforcements from the mainland. Upon their arrival on 8 March, the military began killing civilians both systematically and indiscriminately across the island. Estimates are that 30,000 people died, while tens of thousands more were imprisoned or fled to Japan or Hong Kong. Exiled Taiwanese established a fractious nationalist movement dedicated to the creation of an independent Republic of Taiwan, free from both Japan and China.

The February 28 Uprising, known as 2-28 二二八 in Chinese, was widely reported internationally. Political leaders and government officials in the US and other Western countries subjected Chinese Nationalists to great opprobrium for their actions. The British-American journalist Felix Greene (cousin of the author Graham Greene), who became a long-standing supporter of Mao's China, later claimed that 2-28 led to the split between Chiang Kai-shek and his US supporters. In any

case, eighteen months later, with the Communists closing in, the Nationalist government of the Republic of China fled the mainland and relocated to Taipei, along with more than one million Nationalist refugees and military personnel.

In what the Taiwanese call the White Terror under the Nationalist military dictatorship, the government set about erasing 2-28 from Taiwan's collective memory. They forbid any mention of the event in writing or in public life generally. With the outbreak of the Korean War in 1950, and Taiwan's alliance with the US reaffirmed in opposition to communism, the rest of the world soon forgot about 2-28.

The Taiwanese, however, did not. During Taiwan's political liberalisation in the 1970s and 1980s, which led to democratic reforms, people began warily to discuss 2-28 in public forums. On the fortieth anniversary in 1987, a handful of newspaper articles broached the subject. Then, in July that year, the government ended thirty-eight years of martial law, and with the taboo on discussion lifted, a vast outpouring of vitriolic debate and cultural expression around 2-28 erupted. On 28 February 1988, the major newspapers devoted pages upon pages to the upris-

ing. In 1989, Hou Hsiao-hsien 侯孝賢 released his monumental film *A City of Sadness* 悲情城市 — the first ever to address 2-28 in cinema.

On the fiftieth anniversary, in 1997, 28 February was declared a national day of remembrance, and a memorial was consecrated in central Taipei. A plaque bearing an anodyne description of the event was vandalised within hours — a sign of the contestation over the meaning of 2-28 in Taiwan and enduring bitterness and anger that many Taiwanese continued to feel.



Still from *A City of Sadness*  
Photo: 3H Productions Ltd

Since the late 1990s, governments have held commissions of investigation and paid compensation to victims and their families. Yet despite this progress, questions of justice and memory have become dominant concerns of Taiwan's political and cultural life. In a sense, 2-28 had come to stand in for all the injustices, social and political harm, and enforced silences of the whole of the authoritarian martial law period from 1947 to 1987. The history of political violence on the island has compelled a greater reckoning than that realised in 1997, spreading beyond the island of Taiwan itself. Taiwanese-American author Shawna Yang Ryan's 2016 novel *Green Island* is one example, addressing 2-28 and its long aftermath in Taiwan and the US.

The policies and politics of transitional justice, addressing the legacy of authoritarianism after Taiwan's transition to democracy, have been central themes for the Democratic Progressive Party government of President Tsai Ing-wen 蔡英文. The year 2017 was both the seventieth anniversary of 2-28 and the thirtieth anniversary of the lifting of martial law, and on February 28 Tsai led the remembrance with a speech at the 2-28 memorial in Taipei — one of numerous events held across

the island. Protesters calling for Taiwanese independence massed across the road from the memorial park at the much larger Chiang Kai-shek memorial and statues of Chiang were vandalised at Fu Jen University 輔仁大學.

In a tacit acknowledgement of the importance of 2-28 in Taiwan in 2017, the events of seventy years ago were also commemorated in the mainland. On 23 February, Lin Wenyi 林文漪, a member of the National Committee of the Chinese People's Political Consultative Conference, chaired a symposium on 2-28 in Beijing. Lin is also a member of the Central Committee of the Taiwan Democratic Self-Government League, a political party established in Hong Kong in 1947 and one of the eight official United Front parties in China.

An Fengshan 安峰山, spokesperson for the Taiwan Affairs Office of the State Council, made a statement calling 2-28 'part of the Chinese people's struggle for liberation', and followed up by saying 'For a long time, this incident has been used by certain Taiwan independence forces for ulterior motives'. An Fengshan accused Taiwan independence 'secessionists' of twisting the facts and labelled them 'despicable'.<sup>1</sup> Among a large number of articles, Xinhua news agency published a

piece entitled 'It is time to clarify the historical truth of 2-28', which stated that 2-28 was a conflict between provinces, and that historical archives and witness statements show any attempts to link the incident and 'ideas advocating "Taiwan independence" are false and absurd'.<sup>2</sup>

The Taiwanese are endeavouring to understand their history, and negotiate a series of fraught transitions with regard to 2-28: from private memories to public knowledge; from authoritarian state secrets to official acknowledgement; from the politico-judicial realm to sociocultural questions of cultural representation and social memory. Beijing's attempt to 'rectify' Taiwan's political account of the history of 2-28 in 2017 intervened in a decades-long process. It could only ever present to the Taiwanese as belligerent and antagonistic, an unwelcome interference in the complex terrain of politics and sociocultural life in Taiwan in which 2-28 is at the very centre.

If, in February, Beijing attempted to appropriate the event that defines

the history of modern Taiwan for the Taiwanese, in October, its rhetoric was more pragmatic. In a meeting of Fujian delegates to the Nineteenth Party Congress, led by Fujian Party Secretary and incoming head of the United Front Work Department, You Quan 尤权, Party delegates called for youth exchanges between Taiwan and Fujian; job creation through economic links, internships and apprenticeships; cross-Strait cultural festivals, and other activities.

Beijing's Taiwan policy can be understood as either multidimensional and multilayered, deploying pragmatic strategies within broad but sharply-defined ideological boundaries, or simply be contradictory and inconsistent. The Taiwanese, meanwhile, continue the difficult but constructive process of confronting their history and creating their modern identity. Beijing has yet to find a way to speak meaningfully to that task. For the Taiwanese in 2017, the political, social, and cultural gulf between Taiwan and mainland China seemed wider than ever.

318  
319



## RAINBOW CONNECTIONS

Paul J. Farrelly

ON 20 MAY 2017, a group of parents went to the People's Park 人民广场, Shanghai's 'dating park', to advertise their single sons and daughters to the parents of prospective partners. Unlike most other parents there, however, their children identified as LGBTQI. Their presence upset some other parents, and police ultimately ordered them to leave the park on the grounds that, in distributing printed material with commercial logos, they had not registered properly.

In 1997, homosexuality, which had been illegal since 1979 as a form of 'hooliganism', was made legal in mainland China and in 2001 it was removed from the Chinese Classification of Medical Disorders 3rd Edition. Yet the position of LGBTQI citizens remains fraught, with prejudice common both

in society and workplaces, and same-sex marriage impossible. To avoid social and familial pressure, some gay men enter into sham 'going-through-the-motion' marriages with willing female partners 形式婚姻. If a gay man's wife is unaware of his sexual orientation, she may be known as a *tongqi* 同妻, or 'comrade's wife'. The word from communist discourse for 'comrade', *tongzhi* 同志 ('same will') shares its first character *tong* with the word for homosexuality 同性恋 ('same-sex love') and for some time now has been used as slang to refer to members of the LGBTQI community.

Less than a week after the Shanghai dating park incident, on 24 May, the Constitutional Court of Taiwan ruled that laws limiting marriage to heterosexual couples were invalid in



Taiwan Pride 2017  
Photo: Puritcat, Flickr

Taiwan. The Taiwan parliament now has two years to rewrite the marriage laws so as to include same-sex relationships. The ruling is the result of decades of social reform during which the gay rights movement gradually built up wide support and political influence.

The ruling prompted prominent mainland sexologist Li Yinhe 李银河 to suggest that because Taiwan was ‘a society of Chinese people’, it could serve as a model for China. By speaking of Taiwan as best understood within the context of ‘Chineseness’, she undervalued both the island’s particular historical conditions and the democratic dynamic by which social change can influence policy development — very different from the way things work on the mainland.

Homosexuality has long been decriminalised in Hong Kong, and while same-sex marriage remains impossi-

ble, there have been recent evolutions in the interpretation of the law. In September, it was ruled that the same-sex partner of a British dependent could live there. Likewise, in November, the High Court ruled in favour of a Hong Kong civil servant, who married in New Zealand, to be allowed spousal medical benefits.

In late August, a claim to a ‘Chinese’ cultural perspective on same-sex marriage generated widespread attention in Australia. Shortly after the federal government announced a postal survey on same-sex marriage to inform parliament of public opinion on the matter, a campaign by the ‘Coalition for Marriage’ broadcast a television commercial featuring Dr Pansy Lai 赖潘西, a Hong Kong-born Sydney GP and co-founder of the Australian Chinese for Families Association 澳洲华人家庭守护联盟, which stands for ‘family values amongst the Australian

Chinese community in Australia'. The group claimed that a petition it started and was signed by 17,500 people had pressured the New South Wales government to drop the Safe Schools Program, designed to help students and teachers combat bullying of LGBTQI students. The group's anti-same-sex marriage ad misleadingly linked same-sex marriage with the Safe Schools Program, which it alleged (in line with other conservative voices in Australia) had been designed to confuse students about gender and sexuality. The ad attracted a huge amount of criticism, much of it focussed on Pansy Lai, with critics questioning her ability to treat LGBTQI patients with the non-judgemental compassion required of a GP.

That same month, Dr Lai wrote on her association's website (in Chinese) that school lessons on same-sex marriage and sexuality 'run counter to traditional culture'. While she did not specify exactly how this is the case, it could be argued that from a 'traditional' point of view, same-sex marriage could lead to imbalances between the

male *yang* 阳 and female *yin* 阴 energies, or result in people breaking the taboo of marrying those who share the same surname. Dr Lai's reading of 'traditional culture' also may draw on the Confucian notion of sons extending the family line and producing children who can later care for their elderly parents.

A supporter of same-sex marriage subsequently launched an online petition seeking to deregister Dr Lai for breaching the medical code of practice through her campaigning. After generating complaints, the petition was withdrawn.

Lai and her supporters, however, only represented one view on the matter. Benjamin Law 羅旭能, a gay Australian writer born to parents who emigrated from Hong Kong, wrote about the panicked conservative response to Safe Schools, and was a prominent supporter of the campaign to reform marriage laws. In late November, it was announced that sixty-two per cent of the population supported same-sex marriage, with federal parliament amending the legislation in December.



# CHRONOLOGY

*The following outline chronology covers some of the key events discussed in this book.*

## 2017

**1 January:** China's ban on trading ivory and ivory products comes into effect. (See Forum 'The End of Ivory', pp.171–174).

**9 January:** Altering long-standing arrangements, the Vatican and China reach a deal to allow the Pope to have some say over the appointment of Catholic bishops.

**13 January:** The US Drug Enforcement Administration's Acting Administrator Chuck Rosenberg meets with officials in China to discuss the control of synthetic drugs. Carfentanil, a powerful

synthetic opioid, is banned in China in February.

**17 January:** At the World Economic Forum in Davos, Switzerland, President Xi Jinping makes a speech defending free trade, and restates China's commitment to the 2015 Paris climate accord.

**17 January:** China, Australia, and Malaysia suspend their search for Malaysian Airlines flight MH370, missing since March 2014. (See *China Story Yearbook 2014: Shared Destiny*, Information Window 'MH370', pp.66–67).



**18 January:** The first direct train from China to the UK arrives in London after a seventeen-day journey. On 29 April, the first train running in the opposite direction arrives in Yiwu with thirty containers of British-made goods.

**22 January:** 111 golf courses are ordered to shut due to illegal water use. The recent decline in golf's popularity has been attributed to the implementation of stricter anti-corruption rules.

**27 January:** Chinese Canadian billionaire Xiao Jianhua 肖建华 is seized from a luxury Hong Kong hotel and extradited to China. As of February 2018, Xiao's whereabouts remain unknown.

**19 February:** Implementing existing United Nations sanctions following North Korean missile tests, China announces the suspension of coal imports until the end of the year.

**19 February:** Despite warnings from China's Foreign Ministry, a US aircraft carrier strike group — including the nuclear-powered aircraft carrier USS Carl Vinson — begins patrols in the South China Sea.

**20 February:** As part of anti-terrorism activities, drivers in the Bayingolin Mongol Autonomous Prefecture of Xinjiang are required to install the China-made Beidou 北斗 satellite tracking devices in their cars.

**22 February:** US officials suggest that new buildings on the Spratly Islands may be launch sites for surface-to-air missiles. In August, Vietnamese officials criticise China's opening of a cinema on one of the contested Paracel Islands.

**3 March:** The South Korean government suspects China of restricting outbound tourism in response to it hosting the THAAD (Terminal High Altitude Area Defense) missile defence system. The effects of this blockade continue over the year, with the automotive, culture, retail, and cosmetics industries all suffering decreased sales.

**4 March:** China announces plans to increase military spending by seven per cent — accounting for 1.3 per cent of projected GDP in 2017.

**6 March:** Violence between Myanmar troops and Kokang rebels in northern Myanmar causes 20,000 to seek refuge in China.

**19 March:** New US Secretary of State Rex Tillerson visits Beijing, meeting with Xi Jinping and Foreign Minister Wang Yi. Chinese commentators praise him for seeing China as an equal, while he draws criticism from some in the US for parroting Chinese phrases.

**19 March:** Taiwanese civil rights activist Lee Ming-che 李明哲 is detained as he enters China from Macau. Formally arrested in May, in November he was found guilty of ‘subverting state power’ and sentenced to five years’ prison. In January 2018, his Taiwanese wife was prevented from entering China to visit him in prison. (See Chapter 8, ‘Human Rights in the Age of Prosperity’, pp.254–269.)

**21 March:** Among other outcomes from the National People's Congress, Premier Li Keqiang announced the lowest economic growth target in twenty years—6.5 per cent.

**23 March:** Li Keqiang arrives in Australia for a five-day visit to discuss regional security and trade.

**28 March:** The Australian Government announces it is not proceeding with the Chinese extradition treaty. Despite

being concluded in 2007, concerns over China’s rule of law and omitting a guarantee to not approve extradition that would be ‘unjust or oppressive’ stopped the treaty from being ratified.

**1 April:** ‘Abnormal’ beards and face coverings are banned in Xinjiang. These rules, along with other measures to strengthen state ideology, are a part of anti-extremist laws.

**1 April:** Dr Feng Chongyi 冯崇义 of the University of Technology Sydney, a permanent resident of Australia, returns to Sydney after a week-long detention in China. In China for research, Dr Feng was detained at Guangzhou airport. He was made to agree not to disclose details about his questioning.

**1 April:** Plans are announced for the Xiongnan New Area, to be built near Beijing. (See Chapter 6, ‘Magic Cities, Future Dreams — Urban Contradictions’, pp.186–205.)

**6 April:** Xi Jinping meets US President Donald Trump for the first time, with the summit taking place at Trump’s Florida resort Mar-a-lago.

**11 April:** Amnesty International releases a report listing China as the world's leading executioner. (See Forum 'Death Penalty Reform', pp.275–278.)

**13 April:** A Chinese consortium purchases the Italian football club AC Milan from former Italian prime minister Silvio Berlusconi. In February 2018, consortium leader and new club Chair Li Yonghong 李勇鸿 denies claims that his companies were facing bankruptcy.

**17 April:** China launches its first unmanned spacecraft — the *Tianzhou 1* 天舟一号 — from a site on Hainan island. Its destination is the crewless space station *Tiangong 2* 天宫二号.

**19 April:** An arrest warrant is issued for New York-based billionaire Guo Wengui 郭文贵 after he offers information about corruption in China. Guo continued to draw the attention of the media and politicians throughout 2017. (See Chapter 5, 'Precarious Wealth: The Search for Status and Security', pp.148–165.)

**24 April:** A factory producing products for Ivanka Trump's fashion brand is found to provide workers with bad conditions and low wages.

**26 April:** China launches its first aircraft carrier, the *Liaoning* 辽宁舰. Leaving Dalian for its maiden voyage, the 50,000 ton Soviet-made vessel sails to Hong Kong, where it is a feature of events celebrating the twentieth anniversary of Hong Kong's handover to China.

**1 May:** Chinese diplomats interrupt the opening ceremony of the Kimberly Process meeting in Perth to seek the ejection of Taiwanese observers. Dealing with the diamond trade, Australia invited the Taiwanese in line with earlier precedent but withdrew the invitation after the Chinese protest.

**1 May:** The Inner Mongolia Autonomous Region celebrates its seventieth anniversary.

**7 May:** A real estate company linked to Jarrod Kushner, White House advisor and son-in-law of Donald Trump, holds events in China offering potential investors the chance to receive immigrant visas.

**11 May:** Up to nine are killed and twenty are injured after a 5.5-magnitude earthquake in Xinjiang.

**14 May:** A two-day Belt and Road summit in Beijing attracts twenty-eight world leaders and representatives from seventy countries. (See Chapter 2, 'The Belt and Road Initiative: How to Win Friends and Influence People', pp.42–59.)

**15 May:** The Australian Football League plays its first game in China, with the Gold Coast Suns and Port Adelaide Power facing off in Shanghai.

**17 May:** The Australian government supports Taiwan's attendance at the World Health Assembly — the World Health Organisation's most important meeting. However, due to Chinese pressure, Taiwan was excluded for the first time since 2009.

**23 May:** The Google artificial intelligence program AlphaGo beats world number one Go player Ke Jie 柯洁.

**23 May:** Bollywood film *Dangal* tops Chinese box office for two weeks. Starring Aamir Khan, it becomes China's highest grossing non-Hollywood foreign film.

**25 May:** US warship *USS Dewey* sails within twelve miles of Mischief Reef — territory claimed by China in the South China Sea.

**1 June:** New regulations require content on news websites in China to be approved by local and national authorities. (See Forum 'Arguing with Robots', pp.249–252.)

**2 June:** Connecting to the local power grid in May, the world's largest floating solar power plant opens in Anhui. Producing forty megawatts of electricity, the plant floats atop a flooded and collapsed former coal mine.

**3 June:** A theme park dedicated to Argentinian football superstar Lionel Messi and offering fans an immersive experience is announced to open in China in 2020.

**6 June:** The joint Fairfax–ABC episode of *Four Corners* called 'Power and Influence: The Hard Edge of China's Soft Power' raises questions about Chinese state influence in Australia. (See Chapter 4, 'China's Power, the United States, and the Future of Australia', pp.110–125).

**6 June:** Governor of California, Jerry Brown, meets with Xi Jinping to sign an agreement to expand trade, especially on technology that mitigates climate change.

**12 June:** Panama switches diplomatic allegiance from Taiwan to China — the first country to do so since Sao Tome and Principe in 2016.

**1 July:** Xi Jinping spends three days in Hong Kong for a series of events held to celebrate the twentieth anniversary of the transfer of control of Hong Kong to China. (See Chapter 9, 'Prosperity and Freedom: Hong Kong's Dilemma', pp.292–307.)

**3 July:** In a setback to the Chinese space program, the second launch of the *Long March 5* rocket fails.

**12 July:** Ten employees of Crown Resorts, including two Australians, are released from a Chinese prison. They were among nineteen Crown employees arrested in October 2016 for attempting to attract high-rolling gamblers to Crown casinos. (See *China Story Yearbook 2016: Control*, Forum 'Crown Casion Arrests', pp.343–345).

In December, shareholders launched a class action suit against Crown because share prices dropped after the arrests.

**13 July:** Nobel Prize winning author and activist Liu Xiaobo 刘晓波 dies in custody. (See Forum 'Toppling Liu Xiaobo', pp.9–12 and Chapter 7, 'Prosper or Perish', pp.224–242.)

**18 July:** China notifies the World Trade Organisation that it will ban twenty-four types of scrap at the end of the year, influencing the ability of countries to export waste to China for recycling.

**25 July:** Chongqing chief Sun Zhengcai 孙政才 is announced to have been sacked and placed under investigation for corruption.

**25 July:** Sri Lankan cabinet approves a \$US1.12 billion agreement for a Chinese firm to manage a newly built port over a ninety-nine-year lease.

**26 July:** Taiwanese electronics giant Foxconn announces plans to build a display panel plant in Wisconsin that will be subsidised by the state government.



**28 July:** British Foreign Secretary Boris Johnson confirms plans to sail two new aircraft carriers in the South China Sea as part of a freedom-of-navigation operation.

**1 August:** China opens its first overseas military base in Djibouti, on the north-western edge of the Indian Ocean. In a speech celebrating the ninetieth anniversary of the founding of the People's Liberation Army (PLA), Xi Jinping vows China will protect its sovereignty. In a military parade, the PLA introduces its new intercontinental ballistic missile, the DF-31AG.

**8 August:** Australia, Japan, and the US support a call by the Association of South-East Asian Nations for a South China Sea code of conduct to be legally binding.

**16 August:** US Treasury data reveals that China has again become the US's biggest creditor, with debts of \$US1.15 trillion.

**28 August:** China and India end the border standoff that began in early July. (See Forum 'Peripheral Trouble: The Sino-Indian Standoff', pp.99–103.)

**1 September:** Chinese textbooks are to be revised to state that the war against Japan began in 1931, when Japanese soldiers destroyed railways in Shenyang, instead of the established date of 1937, when Japanese soldiers attacked at the Marco Polo Bridge near Beijing.

**3 September:** North Korea tests its most powerful hydrogen bomb to date.

**4 September:** The ninth BRICS (Brazil, Russia, India, China, and South Africa) summit is held, this time in Xiamen with the theme 'BRICS: Stronger Partnership for a Brighter Future'.

**4 September:** Chinese authorities announce a ban on the cryptocurrency fundraising method of initial coin offerings. Commentators express concern over ambiguity about the future of cryptocurrency in China.

**13 September:** The US blocks the sale of an American semiconductor company to Chinese bidders due to security concerns.

**25 September:** WhatsApp, a Facebook-owned messaging application, is blocked in China.

**24 October:** At the Nineteenth Communist Party of China National Congress, ‘Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era’ is added to the constitution, further centralising Xi’s authority. He used this forum to announce a ‘New Era’ 新时代, where he envisages reshaping global affairs to be more Sino-centric. (See Chapter 1, ‘The Nineteenth Party Congress: Here Comes the Future’, pp.14–26.)

**31 October:** China and South Korea agree to restore diplomatic relations to normal levels, after China’s protest over the US-supplied THAAD missile system led to large economic losses for Korean businesses.

**1 November:** K-Pop girl group Mamamoo performed on Chinese television — the first performance by South Korean artists since the economic boycott began.

**8 November:** Donald Trump visits China, meeting with Xi Jinping and Li Keqiang, with the grand spectacle described by the hosts as ‘state visit-plus’.

**11 November:** Online shoppers spend US\$33 billion over twenty-four hours on the consumerism festival Singles Day 光棍节, breaking the previous record within thirteen hours.

**16 November:** US singer Katy Perry is denied a visa to perform at a Victoria’s Secret show in Shanghai, allegedly for wearing a sunflower dress in support of Taiwanese protestors at a show in Taipei in 2015. (See *China Story Yearbook 2014: Shared Destiny*, Forum ‘Occupy Taiwan’, pp.137–145.)

**19 November:** Foreign Minister Wang Yi states China’s willingness to help Myanmar and Bangladesh solve the Rakhine State issue.

**23 November:** Claims of alleged sexual and physical abuse of children at a Beijing kindergarten generate widespread media coverage and public outrage.

**29 November:** In Beijing, forced evictions of up to 100,000 migrant workers — the so-called ‘low-end population’ 低端人口 — highlight complexities around development and internal migration in urban China.

**12 December:** Senator Sam Dastyari of the Australian Labor Party (ALP) quits the senate after his links with businessman Huang Xiangmo 黄向墨 are seen to have compromised his position. At a June 2016 press conference, while standing next to Huang, he contradicted the ALP position on the South China Sea, saying ‘The Chinese integrity of its borders is a matter for China’.

**13 December:** South Korea’s President Moon Jae-in visits China with 300 executives from South Korean companies in an attempt to boost business after the October thaw in diplomatic relations.

**24 December:** The world’s largest amphibious aircraft, the China-designed and made AVIC AG600, makes a one-hour maiden flight.

**29 December:** Donald Trump accuses China of breaching United Nations sanctions and selling oil to North Korea, a claim China denies.



## NOTES

### Introduction — Money Changes Everything

- <sup>1</sup> For the full text, see: <https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the-world-economic-forum>
- <sup>2</sup> For the full text, see: [http://www.xinhuanet.com/english/2017-05/14/c\\_136282982.htm](http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm)
- <sup>3</sup> For the full English version of President Xi's speech on 18 October 2017, see online at: [http://www.xinhuanet.com/english/special/2017-11/03/c\\_136725942.htm](http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm). For the Chinese version, see: [http://www.xinhuanet.com/politics/19cpcnc/2017-10/27/c\\_1121867529.htm](http://www.xinhuanet.com/politics/19cpcnc/2017-10/27/c_1121867529.htm)
- <sup>4</sup> According to the Hurun Report and Hurun Global Rich List for 2017, online at: <http://www.hurun.net/EN/Home/>
- <sup>5</sup> Tom Mitchell, 'Wealth of China's richest 200 lawmakers tops \$500 billion', *Financial Times*, 3 March 2017, online at: <https://www.ft.com/content/b6bfd30c-ff49-11e6-96f8-3700c5664d30>
- <sup>6</sup> See 'Visual Capitalist: The twenty largest stock exchanges in the world', online at: <http://www.visualcapitalist.com/20-largest-stock-exchanges-world/>

### Chapter 1 — The Nineteenth Party Congress: Here Comes the Future

- <sup>1</sup> For the full English version of President Xi's speech on 18 October 2017, see online at: [http://www.xinhuanet.com/english/special/2017-11/03/c\\_136725942.htm](http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm). For the Chinese version, see [http://www.xinhuanet.com/politics/19cpcnc/2017-10/27/c\\_1121867529.htm](http://www.xinhuanet.com/politics/19cpcnc/2017-10/27/c_1121867529.htm)

### FORUM — The Culture of Money

- <sup>1</sup> Weibo post online on the account of the 江苏网警 Jiangsu Online Police: [https://www.weibo.com/jiangsuwangjing?is\\_hot=1#\\_loginLayer\\_1505616799764](https://www.weibo.com/jiangsuwangjing?is_hot=1#_loginLayer_1505616799764)
- <sup>2</sup> See BBC interview with CD Rev on 2 August 2016, online at: <http://www.bbc.com/news/av/world-asia-china-36924071/meet-china-s-patriotic-rap-group-cd-rev>
- <sup>3</sup> See Reuters, 'Hip hop with Chinese characteristics: the Communist Party plan to hook millen-



- nials', 25 September 2017, *South China Morning Post*, online at: [http://www.scmp.com/news/china/policies-politics/article/2112729/rap-comes-communist-party-china-taps-youth-culture-hook?utm\\_source=SupChina&utm\\_campaign=718b8750ac-20170925-384+VapingInternetCensorship&utm\\_medium=email&utm\\_term=0\\_caef3ab334-718b8750ac-164871129](http://www.scmp.com/news/china/policies-politics/article/2112729/rap-comes-communist-party-china-taps-youth-culture-hook?utm_source=SupChina&utm_campaign=718b8750ac-20170925-384+VapingInternetCensorship&utm_medium=email&utm_term=0_caef3ab334-718b8750ac-164871129)
- <sup>4</sup> See Townson, 'When Hip Hop meets "red": dialogue with Tianfu Shibian 当 Hip-Hop 遇上 "红色": 对话天府事变', xihachina.com, 29 September 2016, online at: <http://www.xihachina.com/4729.html>
- <sup>5</sup> He Yafan, 何雅苑, 'Don't drink the spiritual opium-enriched "Loser Tea" 加了精神鸦片的"丧茶"喝不得', 15 August 2017, online at: <http://opinion.people.com.cn/n1/2017/0815/c1003-29472615.html>
- <sup>6</sup> See The Editors, 'Here are all the words Chinese state media has banned', SupChina, 1 August 2017, online at: <http://supchina.com/2017/08/01/words-chinese-state-media-banned>
- <sup>7</sup> Xie Kailing, "'Her China dream": the aspirations of China's privileged daughters', Discover Society, 5 September 2017, online at: <https://discoversociety.org/2017/09/05/her-china-dream-the-aspirations-of-chinas-privileged-daughters/>
- <sup>8</sup> 'Lose the sanctimony and the creation becomes "real life" — "Ode to Joy"s ideals and realities 失去神圣感, 创造就成了"行活" — 电视剧《欢乐颂》的理想与现实', *People's Daily*, 19 May 2016, online at: [http://paper.people.com.cn/rmrb/html/2016-05/19/nw.D110000renmrb\\_20160519\\_2-24.htm](http://paper.people.com.cn/rmrb/html/2016-05/19/nw.D110000renmrb_20160519_2-24.htm); Feng Jiayun, 'Ode to Joy: a breath of fresh air on Chinese TV that turned toxic', SupChina, online at: <http://supchina.com/2017/07/19/ode-joy-breath-fresh-air-chinese-tv-turned-toxic/>
- <sup>9</sup> Xu Haozhe 徐灏哲, '22 billion views won't salvage its reputation 220亿次播放量, 也拯救不了口碑', *Beijing Daily*, 12 June 2017, online at: [http://bjrb.bjd.com.cn/html/2017-06/12/content\\_140475.htm](http://bjrb.bjd.com.cn/html/2017-06/12/content_140475.htm)
- <sup>10</sup> 'Soap opera Ode to Joy propels Weet-Bix push into China', *The Sydney Morning Herald*, 19 October 2016, online at: <http://www.smh.com.au/business/consumer-affairs/soap-opera-ode-to-joy-propels-weetbix-push-into-china-20161018-gs5dy5.html>

## Chapter 2 — The Belt and Road Initiative: How to Make Friends and Influence People

- <sup>1</sup> For the full text, see: <https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the-world-economic-forum>
- <sup>2</sup> Produced by China Global Television Network (CGTV). See: <https://www.youtube.com/watch?v=hNKTbMx8PFk>
- <sup>3</sup> Released by New China TV and available on YouTube, at: <https://www.youtube.com/watch?v=M0lJc3PMNlg>. For a bedtime story, see: <https://www.youtube.com/watch?v=uKhY-FFLBaeQ>. Warning: sleep may be disturbed!
- <sup>4</sup> As pointed out in 'Free trader-turned-game changer', *The Economist*, 21 January 2017, online at: <http://www.economist.com/news/briefing/21715017-there-are-reasons-be-worried-about-head-donald-trumps-new-national-trade-council-peter>
- <sup>5</sup> Robert Blackwill and Jennifer Harris, *War by Other Means: Geoeconomics and Statecraft*, Cambridge, MA: Belknap Press, 2016, p.20.
- <sup>6</sup> *Ibid.*, p.288.
- <sup>7</sup> Cited in David Narr, 'As Trump pursues America first, China's Xi sees opening for primacy in

- Asia', *The Washington Post*, 4 April 2017, online at: [https://www.washingtonpost.com/politics/as-trump-pursues-america-first-chinas-xi-sees-opening-for-primacy-in-asia/2017/04/04/c8b9b570-1937-11e7-855e-4824bbb5d748\\_story.html?utm\\_term=.ed635cbdd042](https://www.washingtonpost.com/politics/as-trump-pursues-america-first-chinas-xi-sees-opening-for-primacy-in-asia/2017/04/04/c8b9b570-1937-11e7-855e-4824bbb5d748_story.html?utm_term=.ed635cbdd042)
- <sup>8</sup> Jamie Fly, 'Trump's China Policy must look beyond North Korea', *Foreign Policy*, 25 July 2017, online at: <http://foreignpolicy.com/2017/07/25/trumps-china-policy-must-look-beyond-north-korea/>
- <sup>9</sup> Available at: <https://twitter.com/realdonaldtrump/status/810288321880555520?lang=en>
- <sup>10</sup> For Xi's full speech, see: [http://news.xinhuanet.com/english/2017-05/14/c\\_136282982.htm](http://news.xinhuanet.com/english/2017-05/14/c_136282982.htm)
- <sup>11</sup> 'Why China Just Added the Belt and Road Initiative To Its Constitution', *Forbes*, 25 October 2017, online at: <https://www.forbes.com/sites/wadeshepard/2017/10/25/why-china-just-added-the-belt-and-road-initiative-to-its-constitution/#46b6cf1b42ab>
- <sup>12</sup> Tshering Chonzom Bhutia, 'Tibet and China's Belt and Road', *The Diplomat*, 30 August 2016, online at: <http://thediplomat.com/2016/08/tibet-and-chinas-belt-and-road/>
- <sup>13</sup> 'Behind China's \$1 trillion plan to shake up the economic order', *The New York Times*, 13 May 2017, online at: <https://www.nytimes.com/2017/05/13/business/china-railway-one-belt-one-road-1-trillion-plan.html>
- <sup>14</sup> As explained in the Indian media at the time, noted by Blackwill and Harris, *War by Other Means: Geoeconomics and Statecraft*, Cambridge, MA: Belknap Press, 2016, p.127.
- <sup>15</sup> Hidetaka Yoshimatsu, 'Japan, Globalization, and East Asian Dynamism' in Jan Nederveen Pieterse and Jongtae Kim (eds.), *Globalization and Development in East Asia*, London: Routledge, 2012, p.131.
- <sup>16</sup> For further information on the details provided herein see, Manzoor Khan Afridi & Iram Khalid, 'The Politics of Interdependence: A Case of China-Pakistan Economic Corridor', *South Asian Studies*, vol. 31, no. 2 (Jul-Dec 2016), 277-290; A. Khaliq, 'Pakistan: CPEC — A 'game-changer' or another 'East India Company?', Committee for the Abolition of Illegitimate Debt, 21 March 2017, <http://www.cadm.org/Pakistan-CPEC-A-game-changer-or>; Abdur Rehman Shah, 'Is the China-Pakistan Economic Corridor a 21<sup>st</sup> Century East India Company?', *The Diplomat*, 11 November 2016, online at: <http://thediplomat.com/2016/11/is-the-china-pakistan-economic-corridor-a-21st-century-east-india-company/>; and Xu Yi-Chong, 'Chinese State-owned Enterprises in Africa: ambassadors or freebooters?', *Journal of Contemporary China*, vol. 23, no. 89 (2014), 822-840.
- <sup>17</sup> For details, see Deborah Bräutigam & Tang Xiaoyang, 'Economic statecraft in China's new overseas special economic zones: soft power, business or resource security?', *International Affairs*, vol. 88, no. 4 (2012), 799-816.
- <sup>18</sup> International Crisis Group, 'The Eurasian Economic Union: Power, Politics, and Trade', 20 July 2016, online at: [https://www.crisisgroup.org/europe-central-asia/central-asia/245-central-asias-silk-road-rivalries?utm\\_source=SupChina&utm\\_campaign=e446db5b79-20170727-343AHappyStoryTibetanPlateau&utm\\_medium=e-mail&utm\\_term=0\\_caef3ab334-e446db5b79-164871129](https://www.crisisgroup.org/europe-central-asia/central-asia/245-central-asias-silk-road-rivalries?utm_source=SupChina&utm_campaign=e446db5b79-20170727-343AHappyStoryTibetanPlateau&utm_medium=e-mail&utm_term=0_caef3ab334-e446db5b79-164871129)
- <sup>19</sup> 'US initiates anti-dumping investigation into Chinese aluminium sheeting imports', *Financial Times*, 29 November 2017, online at: <https://www.ft.com/content/6d986086-3928-3678-943f-938179b35a94>
- <sup>20</sup> 'China's biggest banks ban new North Korean accounts', *Financial Times*, 11 September 2017, online at: <https://www.ft.com/content/893cab44-96c5-11e7-a652-cde3f882dd7b>

## FORUM — Borderlands

- <sup>1</sup> Liu Caiyu, 'Xinjiang official demoted for timidity in fighting religious extremism', *Global Times*, 11 April 2017, online at: <http://www.globaltimes.cn/content/1041792.shtml>
- <sup>2</sup> 'Overseas Uyghurs Criticise Xinjiang Bureaus for Holding Beer Drinking Competitions 海外维族团体批评新疆当局举办啤酒节,' Radio Free Asia, 22 June 2015, online at: <https://www.rfa.org/mandarin/yataibaodao/shaoshuminzu/nu-06222015121100.html>, 'Chinese Authorities Order Muslim Uyghur Shop Owners to Stock Alcohol, Cigarettes,' Radio Free Asia, 4 May 2015, online at: <http://www.rfa.org/english/news/uyghur/order-05042015133944.html>
- <sup>3</sup> Rob Schmitz, 'Wary of Unrest Among Uighur Minority, China Locks Down Xinjiang Region,' National Public Radio, 26 September 2017, online at: <https://www.npr.org/sections/parallels/2017/09/26/553463964/wary-of-unrest-among-uighur-minority-china-locks-down-xinjiang-province>
- <sup>4</sup> Ibid.
- <sup>5</sup> Tom Cliff, 'Lucrative Chaos: Inter-Ethnic Conflict as a Function of Economic "Normalisation",' in *Inter-Ethnic Conflict in Western China*, ed. Ben Hillman and Gray Tuttle, New York: Columbia University Press, 2016, pp.122–50; Emily T. Yeh, *Taming Tibet: landscape transformation and the gift of Chinese development*, Ithaca, New York: Cornell University Press, 2013.
- <sup>6</sup> Wong Sue-Lin, 'Security Clampdown in Far-Western China Exacts Toll on Businesses,' Reuters, 28 June 2017, online at: <https://www.reuters.com/article/us-australia-politics/australian-pm-puts-foreign-minister-in-charge-amid-government-crisis-idUSKBN1CX01V>
- <sup>7</sup> For the full story of the name change see Ben Hillman, 'Paradise under Construction: Minorities, Myths and Modernity in Northwest Yunnan', *Asian Ethnicity*, Vol. 4. No. 2. June 2003, 177–190. On the local community's embrace of the name change see Ben Hillman and Lee-Anne Henfry, 'Macho Minority: Masculinity and Ethnicity on the Edge of Tibet', *Modern China*, 32, April (2006), 251–272.
- <sup>8</sup> On the role of the monastery in the region's tourism development see, Ben Hillman. 2005. 'Monastic Politics and the Local State in China: Authority and Autonomy in an Ethnically Tibetan Prefecture', *The China Journal*, July, 54, (2005), 29–51.
- <sup>9</sup> On urbanisation in Shangri-la and conferral of municipal status see Ben Hillman, 'The Causes and Consequences of Rapid Urbanisation in an Ethnically Diverse Region', *China Perspectives*, 3, September (2013), 25–32.
- <sup>10</sup> Shangri-la's central village was left to ruin before the tourism boom. Merchants moved in and created a bustling old town as a drawcard for tourists. Most of the old town's commercial zone burned in a major fire in 2014. See Ben Hillman, 'Shangri-la: Rebuilding a Myth,' *The China Story Journal*, Canberra: Australian Centre for China in the World, 2016.
- <sup>11</sup> On the early challenges of tourism-led development see Ben Hillman, 'China's Many Tibets'. *Asian Ethnicity*, Vol. 11, No. 2. June (2010), 269–277; and Ben Hillman, 'Ethnic Tourism and Ethnic Politics in Tibetan China', *Harvard Asia Pacific Review*, Jan. (2009), 1–6.
- <sup>12</sup> On the excesses of local officialdom see Ben Hillman, 'Factions and Spoils: Examining Local State Behavior in China', *The China Journal*, Vol 62, July (2010), 1–18; and Ben Hillman, *Patronage and Power: Local State Networks and Party-State Resilience in Rural China*, Stanford, Ca.: Stanford University Press, 2014.
- <sup>13</sup> Michael Christopher Brown, 'Ordos, China: A Modern Ghost Town', *Time*, online at: <http://content.time.com/time/photogallery/0,29307,1975397,00.html>

- <sup>14</sup> Hao Xuelian 郝雪莲, 'The Steppe Silk Road Cultural Scenic Area Project Started 鄂尔多斯康巴什草原丝路文化景区项目开工', 20 April 2017, online at: [http://grassland.china.com.cn/2017-04/20/content\\_9444528.htm](http://grassland.china.com.cn/2017-04/20/content_9444528.htm)
- <sup>15</sup> Yin Shouge 尹守革, 'How Did Ordos "Become" a Ghost Town? 鄂尔多斯是怎么"变成"鬼城的', 24 September 2013, online at: <http://business.sohu.com/20130924/n387132592.shtml>
- <sup>16</sup> 'China's Most Rich City: One in Every 217 People is a Billionaire' 中国土豪最多的城市, 每217人有一个亿万富翁, 11 May 2017, online at: <http://cj.sina.com.cn/article/detail/5290939275/247504>
- <sup>17</sup> Xu Difei 徐涤非, 'Ghost Town: the Revival of Ordos 鬼城: 鄂尔多斯的复兴之路', 18 August 2015, online at: [https://stl.mit.edu/sites/default/files/attached\\_files/9\\_鬼城：鄂尔多斯的复兴之路.pdf](https://stl.mit.edu/sites/default/files/attached_files/9_鬼城：鄂尔多斯的复兴之路.pdf)
- <sup>18</sup> Li Renhu 李仁虎 and Ren Huibin 仁会斌, 'Housing Market Speeds up in Ordos Ghost Town: the Average Price Rose Two thousand' 鄂尔多斯鬼城楼市去库存加快: 均价涨两千, 27 Jun 2017, online at: <http://www.sina.com.cn/midpage/mobile/index.d.html?docID=fyhmpew3645678&url=finance.sina.cn/2017-06-27/detail-ifyhmpew3645678.d.html>
- <sup>19</sup> Gao Zhihua 高志华, '2016 Government Report of Kangbashi District 2016年康巴什新区政府工作报告', 24 February 2017, online at: [http://www.kbs.gov.cn/kbs2014/xxgk\\_74500/zfgzbg/201702/t20170224\\_1897102.html](http://www.kbs.gov.cn/kbs2014/xxgk_74500/zfgzbg/201702/t20170224_1897102.html)

## CHAPTER 3 — North Korea: A Year of Crisis

- <sup>1</sup> 'North Korea announces "one hundred per cent domestically-produced, powerful hydrogen bomb"' (originally published by Korean Central News Agency) 朝鲜公开“百分之百国产氢弹”及其威力 附朝中社原文, Phoenix New Media, 3 September 2017, online at: <http://wemedia.ifeng.com/28277183/wemedia.shtml>
- <sup>2</sup> 'Shen Zhihua: North Korea is China's potential enemy 沈志华: 朝鲜是中国潜在的敌人', China Strategic Analysis Center Inc, 8 July 2017, online at: <http://zhanlve.org/?p=774>; and Chu Bai-liang 储百亮, 'Shen Zhihua: Who is a friend and who is an enemy on the Korean Peninsula?' 沈志华: 朝鲜半岛上谁是朋友谁是敌人?, *The New York Times*, 19 April 2017, online at: <https://cn.ny-times.com/china/20170419/north-korea-south-china-shen-zhihua/>
- <sup>3</sup> 'Chinese Foreign Minister Wang Yi: joint declaration for the denuclearisation of the Korean Peninsula set out by the six-party talks twelve years ago still significant 中国外长王毅: 12年前的六方共同声明对解决朝鲜半岛核问题仍有意义', UN News, 21 September 2017, online at: <https://news.un.org/zh/story/2017/09/282702>
- <sup>4</sup> Qi Kai 戚凯, 'China's North Korea nuclear diplomacy key mistakes 中国朝核外交中的关键失误', *The Financial Times*, 24 October 2017, online at: <http://www.ftchinese.com/story/001074782?print=y>
- <sup>5</sup> For a full account of Geng Shuang's press conference on 27 October, see: [http://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/t1505355.shtml](http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1505355.shtml)
- <sup>6</sup> Ashley Parker, 'Pence leaves for Asia, focused on increasing pressure on North Korea', *The Washington Post*, 5 February 2018, online at: [https://www.washingtonpost.com/politics/pence-leaves-for-asia-focused-on-increasing-pressure-on-north-korea/2018/02/05/6ef3441e-0a24-11e8-baf5-e629fc1cd21e\\_story.html?utm\\_term=.fc534eb4b479](https://www.washingtonpost.com/politics/pence-leaves-for-asia-focused-on-increasing-pressure-on-north-korea/2018/02/05/6ef3441e-0a24-11e8-baf5-e629fc1cd21e_story.html?utm_term=.fc534eb4b479)

## FORUM — Power Plays

- 1 Xi Jinping, 'Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era 决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利', Xinhuanet, 18 October 2017, online at: [http://news.xinhuanet.com/politics/2017-10/27/c\\_1121867529.htm](http://news.xinhuanet.com/politics/2017-10/27/c_1121867529.htm)
- 2 For a quantitative demonstration of this point in relation to China's maritime disputes, see Andrew Chubb, *Popular Nationalism and PRC Policy in the South China Sea*, PhD thesis: University of Western Australia, 2016, pp.92–103.
- 3 Initially, Xi's report declares that China has already entered the New Era, and that this means the Chinese nation has transitioned from standing-up, to prospering, to strengthening. In the next paragraph, however, Xi suggests that the New Era starts from the present onwards. See Xi, 'Secure a Decisive Victory'.
- 4 See Andkit Panda, 'The political geography of the India-China crisis at Doklam', *The Diplomat*, 13 July 2017, online at: <http://thediplomat.com/2017/07/the-political-geography-of-the-india-china-crisis-at-doklam/>
- 5 Sushant Singh, 'Doklam faceoff: China deployed more, standoff began earlier', *Indian Express*, 25 September 2017, online at: <http://indianexpress.com/article/india/doklam-issue-india-china-deployed-more-standoff-began-earlier-4859674/>
- 6 'Foreign Ministry spokesperson Geng Shuang answers reporters' questions on Indian border forces' incursion across the China-India border at Sikkim 外交部发言人耿爽就印度边防部队在中印边界锡金段越界事件答记者问', Ministry of Foreign Affairs, 26 June 2017, online at: [http://www.fmprc.gov.cn/web/fyrbt\\_673021/dhdw\\_673027/t1473257.shtml](http://www.fmprc.gov.cn/web/fyrbt_673021/dhdw_673027/t1473257.shtml)
- 7 Numbers of official comments are tallied from the results of Google searches for {洞朗 发言人} limited to site: fmprc.gov.cn and for {Doklam} limited to site: mea.gov.in conducted 27–28 October 2017.
- 8 John Gong, 'Time for a second lesson for forgetful India', *Global Times*, 24 July 2017, online at: <http://www.globaltimes.cn/content/1057817.shtml>; 'Military conflicts to escalate if India refuses to withdraw troops', *Global Times*, 21 July 2017, online at: <http://www.globaltimes.cn/content/1057440.shtml>
- 9 Singh, 'Doklam faceoff'.
- 10 Evening News 晚间新闻, China Central Television, 28 August 2017, online at: <http://tv.cctv.com/2017/08/29/VIDEQzC97TfoqfePOs0tbpB170829.shtml>; 'CCTV focuses on "Indian withdrawal": how China responded over 71 days 央视聚焦“印度撤军”: 71天里 中国用何方式应对', Tencent News, 29 August 2017, online at: <https://view.inews.qq.com/a/NEW201708290053250B>
- 11 Devesh Kapur, 'Asia's hierarchies of humiliations', *Straits Times*, 15 July 2017, online at: <http://www.straitstimes.com/opinion/asias-hierarchies-of-humiliations>
- 12 Full text of President Xi's speech at the opening of Belt and Road forum, Xinhuanet, 14 May 2017, online at: [http://news.xinhuanet.com/english/2017-05/14/c\\_136282982.htm](http://news.xinhuanet.com/english/2017-05/14/c_136282982.htm)
- 13 White Paper: China's Foreign Aid (2011), Information Office of the State Council, Beijing, 21 April 2011, online at: [http://english.gov.cn/archive/white\\_paper/2014/09/09/content\\_281474986284620.htm](http://english.gov.cn/archive/white_paper/2014/09/09/content_281474986284620.htm)
- 14 Uhuru Kenyatta, opening and closing statements during the TICAD VI Summit, 27–28 August 2016, online at: <http://www.president.go.ke/2016/08/27/> and <http://www.president.go.ke/2016/08/28/>



## CHAPTER 4 — China's Power, the United States, and the Future of Australia

- <sup>1</sup> John Howard, *Lazarus Rising*, Sydney: HarperCollins, 2010, p.502.
- <sup>2</sup> See Penny Wong, 'FutureAsia: Engaging with China', Australian Institute of International Affairs Annual Conference 2017, Canberra, 16 October 2017, online at: <https://www.pennywong.com.au/speeches/futureasia-engaging-with-china-australian-institute-of-international-affairs-annual-conference-2017-canberra/>
- <sup>3</sup> To view the Government Foreign Policy White Paper released in November 2017, see: <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper>
- <sup>4</sup> Stephen Fitzgerald, 'Managing ourselves in a Chinese world: Australian Foreign Policy in an Age of Disruption', 16 March 2017, online at: <http://apo.org.au/system/files/74631/apo-nid74631-148186.pdf>
- <sup>5</sup> Linda Jakobson and Bates Gill in *China Matters: Getting it Right for Australia*, Melbourne: La Trobe University Press, 2017.

## FORUM — All I Have to do is Dream

- <sup>1</sup> 'Plenty of growth yet in China for Papua New Guinea business', *Business Advantage PNG*, 22 July 2015, online at: <http://www.businessadvantagepng.com/plenty-of-growth-yet-in-china-for-papua-new-guinea-business/>
- <sup>2</sup> Sun Wanning, 'Bridal photos and diamond rings: the inequality of romantic consumption in China', *The Journal of Chinese Sociology*, vol.4, no. 1 (2017), 14.
- <sup>3</sup> The traders believe in Islam and speak Arabic, so they are called Arab traders.
- <sup>4</sup> 'Dungan graduate students are willing to become the messengers along the Silk Road in China's Western Development Campaign 东干族留学生愿做中国向西开放的“丝路使者”', Sina, 23 April 2017, online at: <http://news.sina.com.cn/o/2017-04-23/doc-ifyepnea4687209.shtml>
- <sup>5</sup> National Development and Reform Commission, 'Vision and Action on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road', National Development and Reform Commission, 28 March 2015, online at: [http://en.ndrc.gov.cn/newsrelease/201503/t20150330\\_669367.html](http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html)

## Chapter 5 — Precarious Wealth: The Search for Status and Security

- <sup>1</sup> Reuters, 'Missing Billionaire's Financial Empire Puts Investments Up for Sale', *Fortune*, 5 July 2017, online at: <http://fortune.com/2017/07/05/missing-billionaire-tomorrow-holdings-xiao-jianhua/>
- <sup>2</sup> Josh Ye, 'Tumultuous times for China's tycoons', *South China Morning Post*, 2 February 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2067216/tumultuous-times-chinas-tycoons>
- <sup>3</sup> Johanna Handlin Smith, *The Art of Doing Good: Charity in Late Ming China*, Berkeley: University of California Press, 2009.
- <sup>4</sup> For more on United Front Work, see Gerry Groot, 'Making the World Safe (for China)' in Jane Golley, Linda Jaivin, and Luigi Tomba (eds.), *China Story Yearbook 2016: Control*, Canberra: ANU Press, 2017, pp.279–293; Gerry Groot, 'The Expansion of the United Front Under Xi Jinping' in

- Gloria Davies, Jeremy Goldkorn, and Luigi Tomba (eds.), *China Story Yearbook 2015: Pollution*, Canberra: ANU Press, 2016, pp.167–177; and Gerry Groot, 'The United Front in an Age of Shared Destiny' in Geremie R. Barmé with Linda Jaivin and Jeremy Goldkorn (eds.), *China Story Yearbook 2014: Shared Destiny*, Canberra: ANU Press, pp.129–134.
- <sup>5</sup> Jun Mai, 'The long, arduous process to joining China's Communist Party', *South China Morning Post*, 12 June 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/1984044/long-arduous-process-joining-chinas-communist-party>. It is very likely that he had de facto Party membership from 1951, a common practice with people deemed more valuable as ostensibly non-communists.
  - <sup>6</sup> Gerry Groot, *Managing Transitions: The Chinese Communist Party, United Front Work, Corporatism and Hegemony*, New York: Routledge, 2004, p.108.
  - <sup>7</sup> Sophia Yan, 'China's parliament has about 100 billionaires, according to data from the Hurun Report', CNBC, 2 March 2017, online at: <http://www.cnbc.com/2017/03/02/chinas-parliament-has-about-100-billionaires-according-to-data-from-hurun-report.html>; and Robert Frank, 'China has more billionaires than the US', CNBC, 24 February 2017, online at: <https://www.cnbc.com/2016/02/24/china-has-more-billionaires-than-us-report.html>
  - <sup>8</sup> John Ruwitch, 'The wealth of China's uber-rich lawmakers is growing faster than the economy', Reuters, 2 March 2017, online at: <http://www.businessinsider.com/r-under-xi-wealth-of-chinas-uber-rich-lawmakers-grew-faster-than-economy-2017-3?r=AU&IR=T>
  - <sup>9</sup> Lorand Laskai, 'Who is Guo Wengui?', SupChina, 28 June 2017, online at: <http://supchina.com/2017/06/28/who-is-guo-wengui/>
  - <sup>10</sup> Nectar Gan, 'How a powerful tycoon had a Chinese spy master in his pocket', *South China Morning Post*, 20 April 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2089192/how-powerful-tycoon-had-chinese-spy-master-his-pocket>
  - <sup>11</sup> Jun Mai, 'Secret meeting with Steve Bannon in Beijing adds to speculation over Wang Qishan's future', *South China Morning Post*, 22 September 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2112437/secret-meeting-steve-bannon-beijing-adds-speculation>
  - <sup>12</sup> Tom Phillips, 'Guo Wengui, the maverick Chinese billionaire who threatens to crash Xi's party', *The Guardian*, 16 October 2017, online at: [https://www.theguardian.com/world/2017/oct/16/guo-wengui-the-maverick-chinese-billionaire-who-threatens-to-crash-xis-party?CMP=share\\_btn\\_tw](https://www.theguardian.com/world/2017/oct/16/guo-wengui-the-maverick-chinese-billionaire-who-threatens-to-crash-xis-party?CMP=share_btn_tw)
  - <sup>13</sup> Catherine Triomphe, 'Billionaire Guo Wengui wants regime change in Beijing', ABS-CBN, 10 December 2017, online at: <http://news.abs-cbn.com/business/12/10/17/billionaire-guo-wengui-wants-regime-change-in-beijing>
  - <sup>14</sup> Evelyn Cheng, 'How an interview with one Chinese billionaire threw a US broadcaster into turmoil', CNBC, 9 June 2017, online at: <http://www.cnbc.com/2017/06/09/interview-with-guo-wengui-throws-voice-of-america-into-turmoil.html>
  - <sup>15</sup> 'Guo Wengui's brother, two others found guilty', *Global Times*, 14 December 2017, online at: <http://www.globaltimes.cn/content/1080329.shtml>
  - <sup>16</sup> Philip Wen, 'Chinese government official sues exiled tycoon Guo for defamation', Reuters, 22 July 2017, online at: <https://www.reuters.com/article/us-china-corruption-tycoon/chinese-government-official-sues-exiled-tycoon-guo-for-defamation-idUSKBN1A705Q>
  - <sup>17</sup> Nathan Vardi, 'Chinese Fugitive Guo Wengui And A Hedge Fund Battle Over His \$78 Million Manhattan Apartment', *Forbes*, 10 July 2017, online at: <https://www.forbes.com/sites/nathan-wardi/2017/07/10/chinese-fugitive-guo-wengui-and-a-hedge-fund-battle-over-his-78-million-manhattan-apartment/#485aaa503bf7>

- 18 'Fan Bingbing to sue Guo Wengui over claim that she slept with China's top graft-buster Wang Qishan', *Shanghaiist*, 14 July, 2017, online at: <http://shanghaiist.com/2017/07/14/fan-bingbing-sue-guo-wengui.php>
- 19 Associated Press, 'China Accuses Exiled Tycoon Guo Wengui of Rape', *Voice of America*, 31 August 2017, online at: <https://www.voanews.com/a/china-guo-wengui-rape-accusation/4009468.html>
- 20 Bill Gertz, 'Beijing networks in U.S. manoeuvre up to 25,000 spies', *Washington Times*, 11 July 2017, online at: <https://www.washingtontimes.com/news/2017/jul/11/beijing-networks-us-maneuver-25000-spies/>
- 21 Michael Forsythe, 'He Tweeted About Chinese Government Corruption. Twitter Suspended His Account', *The New York Times*, 26 April 2017, online at: <https://www.nytimes.com/2017/04/26/world/asia/guo-wengui-chinese-billionaire-twitter.html>
- 22 Ben Collins and Joseph Cox, 'This Twitter Bot Army Is Chasing Down a Chinese Dissident and Mar-a-Lago Member', *The Daily Beast*, 17 October, 2017, online at: <https://www.thedailybeast.com/this-twitter-bot-army-is-chasing-down-a-chinese-dissident-and-mar-a-lago-member>
- 23 The International Consortium of Investigative Journalists, 'Offshore Leaks Database', online at: <https://offshoreleaks.icij.org/search?utf8=%E2%9C%93&q=wanda&e=&commit=Search>
- 24 Choi Chi-yuk, 'Rising communist star blasts Chinese party bigwig netted in vote-buying scandal', *South China Morning Post*, 6 March 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2076258/rising-communist-star-blasts-chinese-party-bigwig>
- 25 Nick McKenzie, Sashka Koloff, and Anne Davies, 'Power and Influence: The hard edge of China's soft power', *ABC*, 5 June, 2017, online at: <http://www.abc.net.au/4corners/stories/2017/06/05/4678871.htm>
- 26 Chris Uhlman and Andrew Greene, 'Chinese donors to Australian political parties: who gave how much?', *ABC*, 8 June 2017, online at: <http://www.abc.net.au/news/2016-08-21/china-australia-political-donations/7766654>
- 27 Clive Hamilton and Alex Joske, 'Political networking the Chinese way — a Sydney MP and his "community adviser"', *The Sydney Morning Herald*, 22 June 2017, online at: <http://www.smh.com.au/federal-politics/political-news/political-networking-the-chinese-way--a-sydney-mp-and-his-community-adviser-20170621-gww0k6.html>
- 28 Simon Benson, 'Chinese billionaire hits back at ASIO: I'm not a communist agent', *The Australian*, 27 June 2017, online at: <http://www.theaustralian.com.au/national-affairs/foreign-affairs/chinese-billionaire-hits-back-at-asio-im-not-a-communist-agent/news-story/1e07e9e4e6fd42684f087ea8b5a47a03>
- 29 The United Front of Shantou, 'Zhou Zerong', online at: [http://sttzb.shantou.gov.cn/demeanor\\_s.asp?ID=78](http://sttzb.shantou.gov.cn/demeanor_s.asp?ID=78)
- 30 'Zhou Zerong (Chau Chak-wing) takes the rudder at the launch of Provincial Association for Overseas Business Association 省侨商会成立周泽荣掌舵', *QQ News*, 21 July 2007, online at: <https://news.qq.com/a/20070721/001100.htm>
- 31 Ministry of Foreign Affairs of the PRC, 'Xi Jinping Meets with Foreign Guests Attending 2017 Imperial Springs International Forum', 30 November, 2017, online at: [http://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1516194.shtml](http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1516194.shtml)
- 32 Wayne Ma (WSJ), 'Chinese billionaire Wang Jianlin scales down Hollywood dreams', *The Australian*, 28 July, 2017, online at: <http://www.theaustralian.com.au/business/chinese-billionaire-wang-jianlin-scales-down-hollywood-dreams/news-story/ab71faa1692ca6f40bc-cd1b75e37e631>

- <sup>33</sup> 'Prevent financial crises effectively 有效防范金融风险', *People's Daily*, 17 July 2017, online at: [http://paper.people.com.cn/rmrb/html/2017-07/17/nw.D110000renmrb\\_20170717\\_3-01.htm](http://paper.people.com.cn/rmrb/html/2017-07/17/nw.D110000renmrb_20170717_3-01.htm)
- <sup>34</sup> Jeremy Goldkorn, 'China to tame gray rhinos,' *SupChina*, 24 July, online at: <http://supchina.com/2017/07/24/china-tame-grey-rhinos-chinas-latest-top-news/>

## FORUM — Conspicuous Consumption

- <sup>1</sup> Gao Yufang and Susan G. Clark, 'Elephant ivory trade in China: Trends and drivers', *Biological Conservation* 180, (2014): 23–30.
- <sup>2</sup> The State Forestry Administration released details of the ban and listed stores and carvers on their website. See: <http://www.forestry.gov.cn/main/1042/content-960610.html>
- <sup>3</sup> See, for example, Li Y. et al. 'Therapeutic effect of *colla corii asini* on improving anemia and hemoglobin compositions in pregnant women with thalassemia,' *International Journal of Hematology*, vol.104, no.5 (2016), 559–65.
- <sup>4</sup> Li Shizhen 李時珍, *Bencao gangmu* 本草綱目 (1578), *juan* 50b, *Ejiao* 阿膠 .
- <sup>5</sup> *Ejiao* production by Chinese manufacturers is reported to have grown from 3,200 tonnes in 2013 to 5,600 tonnes in 2016, with an annual growth of more than 20 per cent. See 'China lowers import duties for donkey skin', *China Daily*, 31 December 2017, online at: <http://www.chinadaily.com.cn/a/201712/31/WS5a487747a31008cf16da46b0.html>
- <sup>6</sup> Alastair Leithhead, 'Why are donkeys facing their "biggest ever crisis"?', BBC News, 7 October 2017, online at: <http://www.bbc.com/news/world-africa-41524710>; and Katrina Yu, 'Demand for donkey skin sets prices soaring in China', SBS News, 21 May 2017, online at: <https://www.sbs.com.au/news/demand-for-donkey-skin-sets-prices-soaring-in-china>
- <sup>7</sup> Since donkeys are mostly kept as work animals, they are not allowed to breed regularly, and due to their sensitivity donkeys are not suitable for mass-breeding since jennies easily abort when under stress.
- <sup>8</sup> Unless indicated otherwise, my figures are drawn from the recent report *Under the Skin: The emerging trade in donkey skin and its implications for donkey welfare and livelihood* by The Donkey Sanctuary (UK) in January 2017. As the report notes, since the emerging donkey trade is almost entirely unlegislated, exact numbers are difficult to provide. See: [https://www.the-donkeysanctuary.org.uk/sites/sanctuary/files/under\\_the\\_skin\\_report.pdf](https://www.the-donkeysanctuary.org.uk/sites/sanctuary/files/under_the_skin_report.pdf)
- <sup>9</sup> 'Rush for Donkey Skins in China Draws Wildlife Traffickers', National Geographic, 22 September 2017, online at: <https://news.nationalgeographic.com/2017/09/wildlife-watch-donkey-skins-china-wildlife-trafficking/>
- <sup>10</sup> 'China reduces tax on donkey skins despite population fears,' BBC News, 31 December 2017, online at: <http://www.bbc.com/news/world-asia-china-42527299>
- <sup>11</sup> Rachel Newer, 'To Sate China's Demand, African Donkeys are Stolen and Skinned', *The New York Times*, 2 January 2018, online at: <https://www.nytimes.com/2018/01/02/science/donkeys-africa-china-ejiao.html>.
- <sup>12</sup> For details discussed here and in the following paragraph see Jill Bough, 'From value to vermin: a history of the donkey in Australia', *Australian Zoologist*, vol.33, no.3 (2006), online at: <http://publications.rzsnsw.org.au/doi/pdf/10.7882/AZ.2006.013?code=rzsw-site>; and Pat Emmet, 'The Australian Teamster Donkey,' online at <https://www.rarebreeds.co.nz/australiana.html>

- <sup>13</sup> Melissa Davey, 'RSPCA calls for ban on live export of donkeys as NT considers expanded market,' *The Guardian*, 9 July 2017, online at: <https://www.theguardian.com/australia-news/2017/jul/10/rspca-calls-for-ban-on-live-export-of-donkeys-as-nt-considers-expanded-market>
- <sup>14</sup> 'Chinese Travelers Are Changing Their Travel Behavior', *travel-review.com*, 22 May 2017, online at <http://www.tourism-review.com/chinese-travelers-explore-the-world-news5412>
- <sup>15</sup> Juliette Duveau and Sophia Dumenil, 'Here's What's Inside the Chinese Millennial's Paris Shopping Bag', *Jing Daily*, 27 July 2017, online at <https://jingdaily.com/chinese-millennials-paris-shopping-bag/>
- <sup>16</sup> Tom Hancock, 'Shopping no longer the priority for Chinese tourists', *Financial Times*, 1 August 2017, online at <https://www.ft.com/content/f34c4116-710e-11e7-aca6-c6bd07df1a3c>
- <sup>17</sup> Pavel Toropov, 'Ultimate adventure: wealthy Chinese tourists do the North Pole', *South China Morning Post*, 21 May 2017, online at <http://www.scmp.com/lifestyle/travel-leisure/article/2094795/ultimate-adventure-wealthy-chinese-tourists-do-north-pole>

## CHAPTER 6 — Magic Cities, Future Dreams — Urban Contradictions

- <sup>1</sup> Xie Guoping 谢国平, 'Why Pudong is called a new area and not a special zone 浦东为何不叫特区叫新区', *Pudong Development*, 6 (2013), 59–60.
- <sup>2</sup> 'The hype about China's newest city', *The Economist*, 12 April 2017, online at: <https://www.economist.com/blogs/economist-explains/2017/04/economist-explains-9>
- <sup>3</sup> 'Decision of the CCP Central Committee and the State Council to establish Xiongan New Area in Hebei province', Xinhua News Agency, 1 April 2017, online at: [http://www.gov.cn/xinwen/2017-04/01/content\\_5182824.htm](http://www.gov.cn/xinwen/2017-04/01/content_5182824.htm)
- <sup>4</sup> Barry Naughton, 'China: Economic Transformation before and after 1989', paper presented in a conference, '1989: Twenty Years After', University of California, Irvine, 6–7 November 2009, p.3.
- <sup>5</sup> Lynn Zhang, 'Staying Afloat: Life on a Disappearing Lake', China File video, 28 May 2014, online at: <http://www.chinafile.com/multimedia/video/staying-afloat>
- <sup>6</sup> Ibid.
- <sup>7</sup> 'Xi Jinping Brings a Blueprint for the Xiongan New Area to Promote Coordinated Development of Jing-Jin-Ji 习近平擘画雄安新区蓝图推动京津冀协同发展', *People's Daily*, 7 April 2017, online at: <http://politics.people.com.cn/n1/2017/0407/c1001-29196305.html>
- <sup>8</sup> 'Xiongan new district's three cities freeze property market transactions 雄安新区三县楼市交易冻结', *Beijing News*, 3 April 2017, online at: [http://news.xinhuanet.com/fortune/2017-04/03/c\\_1120744953.htm](http://news.xinhuanet.com/fortune/2017-04/03/c_1120744953.htm)
- <sup>9</sup> 'Xiongan District Visit: Local Residents Selling Real Estate to Intermediaries at High Prices Taken Away by the Police 雄安新区探访:当地居民高价抛售房产中介现场被警方带走', *Sina*, 4 April 2017, online at: <http://finance.sina.com.cn/china/2017-04-04/doc-ifycwymx3669309.shtml>
- <sup>10</sup> Ibid.
- <sup>11</sup> 'Hebei Xiongan New District Anxin County Freezes Household Registration Change Residents Cannot Divorce 河北雄安新区安新县冻结户籍变更居民无法离婚', *Surging News*, 17 April 2017, online at: <http://news.sina.com.cn/c/nd/2017-04-05/doc-ifycwymx3936714.shtml>
- <sup>12</sup> 'Xiongan New Area grants first land compensation to local farmer', *Xinhuanet*, 9 September 2017, online at: [http://news.xinhuanet.com/english/2017-09/09/c\\_136596709.htm](http://news.xinhuanet.com/english/2017-09/09/c_136596709.htm)



- <sup>13</sup> 'Strict investigation of illegal construction for security of the new area to keep as "one sheet of paper" 严查违法违建为雄安新区守好"一张白纸"', Sohu, 5 May, 2017, online at: [https://www.sohu.com/a/137668637\\_124689](https://www.sohu.com/a/137668637_124689)
- <sup>14</sup> Carolyn Cartier, 'Territorial Urbanization and the Party-state in China', *Territory, Politics, Governance*, 3 (2015), 13.
- <sup>15</sup> Zhang Zhihao, 'Planning for Hebei new area is on fast track', *China Daily*, 5 April 2017, online at: [http://www.chinadaily.com.cn/china/2017-04/05/content\\_28792779.htm](http://www.chinadaily.com.cn/china/2017-04/05/content_28792779.htm)
- <sup>16</sup> 'Plans to Move Elderly Out of the Capital Gets Cool Reception', *South China Morning Post*, 4 July 2016, online at: <http://www.scmp.com/news/china/policies-politics/article/1985113/ageing-beijing-plan-move-elderly-out-capital-gets-cool>
- <sup>17</sup> 'Beijing has 20 million people pretending to live here', What's on Weibo, 26 July 2017, online at: <https://www.whatsonweibo.com/beijing-20-million-people-pretending-live-full-translation/>
- <sup>18</sup> 'A beautiful essay critiquing the "fake lives" of Beijingers is blocked after lighting up Chinese social media', Quartz, 27 July 2017, online at: <https://qz.com/1039681/a-beautiful-essay-critiquing-the-fake-lives-of-beijingers-is-blocked-after-lighting-up-chinese-social-media/>
- <sup>19</sup> 'Zhang Gaoli receives journalists' interview on establishing the Xiongan New Area 张高丽就设立雄安新区接受记者采访', *People's Daily*, 15 April 2017, online at: [http://paper.people.com.cn/rmrb/html/2017-04/15/nw.D110000renmrb\\_20170415\\_1-02.htm](http://paper.people.com.cn/rmrb/html/2017-04/15/nw.D110000renmrb_20170415_1-02.htm)
- <sup>20</sup> 'Top Chinese tech companies to set up branches in Xiongan', Xinhuanet, 28 September 2017, online at: [http://news.xinhuanet.com/english/2017-09/28/c\\_136646221.html](http://news.xinhuanet.com/english/2017-09/28/c_136646221.html)
- <sup>21</sup> 'News alert: China Bike-Sharing Startup Mobike Raises Over \$600 Million in Series E Financing Round, The Largest Ever in the Industry', tmtpost.com, 17 June 2017, online at: <http://www.tmtpost.com/2635684.html>
- <sup>22</sup> 'Steady Progress of 'Internet +' convenient transportation "互联网+"便捷交通工作稳步推进', China's National Development and Reform Commission, 25 January 2017, online at: [http://jtyss.ndrc.gov.cn/gzdt/201701/t20170125\\_836762.html](http://jtyss.ndrc.gov.cn/gzdt/201701/t20170125_836762.html)
- <sup>23</sup> Qinghua Tongheng 清华同衡 and Mobike 摩拜, 'The white book of shared bike and urban development 2017 2017年共享单车与城市发展白皮书', Tongheng urban lab report, 12 April 2017, online at: [https://mp.weixin.qq.com/s?\\_biz=MzA4OTMyNzIzOA==&mid=2650762796&idx=1&sn=1d85554798e33cf875b76c783137b99e&chksm=88175dc5bf60d4d3dee9264bb62aa-7fa865a2bf23e8bf2eeda63ab78a8ba3fe0cf5376348730&scene=21#wechat\\_redirect](https://mp.weixin.qq.com/s?_biz=MzA4OTMyNzIzOA==&mid=2650762796&idx=1&sn=1d85554798e33cf875b76c783137b99e&chksm=88175dc5bf60d4d3dee9264bb62aa-7fa865a2bf23e8bf2eeda63ab78a8ba3fe0cf5376348730&scene=21#wechat_redirect)

## FORUM — You Can't Take it With You

- <sup>1</sup> Paula D. Johnson and Tony Saich, *Values and Vision: Perspectives on Philanthropy in 21<sup>st</sup> Century China*, Cambridge, MA: Ash Center for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government, 2017, online at: [https://ash.harvard.edu/files/ash/files/valuesandvision\\_perspectivesonphilanthropyin21stcenturychina\\_english.pdf](https://ash.harvard.edu/files/ash/files/valuesandvision_perspectivesonphilanthropyin21stcenturychina_english.pdf)
- <sup>2</sup> Shannon Tiezzi, 'Charities and Corruption in China', *The Diplomat*, 13 August 2014, online at: <https://thediplomat.com/2014/08/charities-and-corruption-in-china/>
- <sup>3</sup> Sneha Shankar, 'Chen Hongping, Mayor Of Chinese City, Tried For Embezzling Funds To Build Feng Shui-Based Tomb', *International Business Times*, 27 April 2015, online at: <http://www.ibtimes.com/chen-hongping-mayor-chinese-city-tried-embezzling-funds-build-feng-shui-based-tomb-1897636>

- <sup>4</sup> 'Corrupt, superstitious, Cantonese, billionaire secretary uses misappropriated public funds to build a fengshui-inspired mausoleum 粤亿元腐败书记起迷信 挪用公款建风水陵墓', on.cc, 26 April 2015, online at: [http://hk.on.cc/cn/bkn/cnt/news/20150426/bkncn-20150426201156952-0426\\_05011\\_001\\_cn.html?cn=true&eventsection=int\\_news&eventid=4028828d4b541de-a014b769145d15193](http://hk.on.cc/cn/bkn/cnt/news/20150426/bkncn-20150426201156952-0426_05011_001_cn.html?cn=true&eventsection=int_news&eventid=4028828d4b541de-a014b769145d15193)
- <sup>5</sup> 'Chinese leaders ban lavish funerals', *The Guardian*, 20 December 2013, online at: <https://www.theguardian.com/world/2013/dec/20/chinese-communist-party-ban-lavish-funerals>
- <sup>6</sup> Echo Huang, 'Less bling, more mass ceremonies: A county in China is banning extravagant weddings', Quartz, 5 January 2017, online at: <https://qz.com/878483/in-china-taiqian-county-in-henan-province-wants-to-ban-extravagant-weddings-and-funerals/>
- <sup>7</sup> Jiang Jie, 'Rash of elderly suicides to beat ban on burials, avoid cremation', People.cn, 3 June 2014, online at: <http://en.people.cn/n/2014/0603/c90882-8735823.html>
- <sup>8</sup> Ibid.
- <sup>9</sup> He Dan, 'A sea change in burial services', *China Daily*, 4 April 2014, online at: [http://www.chinadaily.com.cn/china/2014-04/04/content\\_17405760.htm](http://www.chinadaily.com.cn/china/2014-04/04/content_17405760.htm)
- <sup>10</sup> Cai Xiao, 'Beijing sees surge in cemetery price', *China Daily*, 3 April 2015, online at: [http://www.chinadaily.com.cn/business/2015-04/03/content\\_19987574\\_3.htm](http://www.chinadaily.com.cn/business/2015-04/03/content_19987574_3.htm)
- <sup>11</sup> 'China: Yiko Funeral Platform Encourages Citizens to Cremate, Offers Personalized', nanjixiong.com, 3 October 2015, online at: <http://www.nanjixiong.com/thread-51199-1-1.html>
- <sup>12</sup> As number 10.
- <sup>13</sup> 'Chinese eye eco-burials as graveyards fill up', Ecns.cn, 4 April 2016, online at: <http://www.ecns.cn/2016/04-04/205340.shtml>
- <sup>14</sup> 'Chinese specufestors turn to the dead', Macro Business, 7 April 2017, online at: <https://www.macrobusiness.com.au/2017/04/chinese-specufestors-turn-dead/>
- <sup>15</sup> Fu Shou Yuan market data, *Financial Times*, online at: <https://markets.ft.com/data/equities/tearsheet/summary?s=1448:HKG>
- <sup>16</sup> 'Preparing for tomorrow: Fu Shou Yuan launches prepay services', *South China Morning Post*, 3 April 2017, online at: <http://www.scmp.com/business/companies/article/2084382/funeral-services-provider-fu-shou-yuan-offers-prepay-packages>

## CHAPTER 7 — Prosper or Perish

- <sup>1</sup> The Institute was founded in 2010. Its historical antecedent was the Painting Methods Research Society established at Peking University in 1918 with the support of Cai Yuanpei 蔡元培, the university's Chancellor and one of Republican-era China's most distinguished and influential scholar-officials.
- <sup>2</sup> Wei Mengjia 魏梦佳, 'Read Lu Xun's Stories with Illustrations by Fan Zeng and rekindle these classics 读《范曾插图鲁迅小说集》画中重温那些经典', Xinhua, 23 February 2017, online at: [http://www.bj.xinhuanet.com/bjyw/2017-03/23/c\\_1120683906.htm](http://www.bj.xinhuanet.com/bjyw/2017-03/23/c_1120683906.htm)
- <sup>3</sup> Lu Xun, 'The New Year Sacrifice', *Selected Works*, vol.1, trans. Yang Xianyi and Gladys Yang, Beijing: Foreign Languages Press, 1980, p.188.
- <sup>4</sup> Wang Zheng, 'From Xianglin's Wife to Iron Girls', in David S. G. Goodman, ed. *Handbook of the Politics of China*, Cheltenham, U.K.: Edward Elgar, 2015, p.293.
- <sup>5</sup> Jiang He 江河 and Hai Lun 海伦, 'Both sides of the Firewall: Fan Zeng's eulogy is embroidered

- in controversy 火墙内外: 范曾贺诗陪德审判漩涡', VOA Chinese, 8 November 2014, online at: <https://www.voachinese.com/a/error-404-fanzeng-20141107/2512554.html>
- <sup>6</sup> Yi Bo 亿博, 'Fan Zeng's poem is heartfelt and right for its time 范曾诗言志发自肺腑、正当其时', People.cn, 2 November 2014, online at: <http://culture.people.com.cn/n/2014/1102/c22219-25957164.html>
- <sup>7</sup> Stuart Lau, 'Calls for full release as Nobel winner Liu Xiaobo battles cancer', *South China Morning Post*, 26 June 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2100004/jailed-nobel-laureate-liu-xiaobo-granted-parole-after>
- <sup>8</sup> At the time of writing, the video was online on several sites, including 'Liu Xiaobo's prison life revealed, with deliberate emphasis on his health checks 劉曉波獄中畫面流出:刻意凸顯健康檢查', *Apple Daily*, 28 June 2017, online at: <https://tw.appledaily.com/new/real-time/20170628/1150212/>
- <sup>9</sup> Samuel Wade, 'No reports on Liu Xiaobo's medical parole', *China Digital Times*, 29 June 2017, online at: <http://chinadigitaltimes.net/2017/06/minitruer-no-reports-commentary-liu-xiaobo-medical-parole/>. On censorship of content and images related to Liu Xiaobo on WeChat and Weibo, see Masashi Crete-Nishihata et al., 'Remembering Liu Xiaobo: Analyzing censorship of the death of Liu Xiaobo on WeChat and Weibo', The Citizen Lab, 16 July 2017, online at: <https://citizenlab.ca/2017/07/analyzing-censorship-of-the-death-of-liu-xiaobo-on-wechat-and-weibo/>
- <sup>10</sup> Florence Looi, 'Is China afraid of Liu Xiaobo's legacy?', Al Jazeera, 16 July 2017, online at: <http://www.aljazeera.com/blogs/asia/2017/07/china-afraid-liu-xiaobo-legacy-170716103035881.html>
- <sup>11</sup> Sophie Beach, 'Liu Xiaobo not allowed to go abroad', *China Digital Times*, 10 July 2017, online at: <https://chinadigitaltimes.net/2017/07/conflicting-medical-reports-complicate-liu-xiaobo-efforts-seek-treatment-abroad/>
- <sup>12</sup> Verna Yu, 'China's New Media Strategy: The Case of Liu Xiaobo', *The Diplomat*, 28 July 2017, online at: <https://thediplomat.com/2017/07/chinas-new-media-strategy-the-case-of-liu-xiaobo/>
- <sup>13</sup> These state media comments were quoted in Yu, 'China's New Media Strategy', online at: <https://thediplomat.com/2017/07/chinas-new-media-strategy-the-case-of-liu-xiaobo/>
- <sup>14</sup> Lu Hsun, *Selected Stories of Lu Hsun*, trans. Yang Hsien-yi and Gladys Yang, Peking: Foreign Languages Press, 1972, p.130. I have cited the Yangs' early translation of this excerpt as it is more faithful to the original than their later translation of it published in 1980. The later translation is cited in note 3.
- <sup>15</sup> On 3 November 2017, writers, artists, and supporters of PEN America such as Kwame Anthony Appiah, Margaret Atwood, and Stephen Sondheim signed and published an open letter addressed to Xi Jinping requesting that restrictions on Liu Xia's movements be lifted. The letter was timed to appear just before Donald Trump's first visit to China as US President. See Gao Feng, 'More Than 50 Writers, Artists Call on China's President to Release Liu Xia', Radio Free Asia, 3 November 2017, online at: <http://www.rfa.org/english/news/china/more-than-50-writers-artists-call-on-chinas-president-to-release-liu-xia-11032017125603.html>
- <sup>16</sup> Lu Xun, 'The New Year Sacrifice' (1980 translation), p.173.
- <sup>17</sup> 'Deification of Liu Xiaobo cannot negate his crimes', *Global Times*, 15 July 2017, online at: <http://www.globaltimes.cn/content/1056394.shtml>
- <sup>18</sup> Cheng Lan 成岚, ed., 'Xi Jinping: We must strive to realise the Chinese dream of fully achieving a moderately well-off society in all aspects 习近平: 为决胜全面小康社会实现中国梦而奋斗', Xin-

huanet, 27 July 2017, online at: [http://news.xinhuanet.com/politics/2017-07/27/c\\_1121391548.htm](http://news.xinhuanet.com/politics/2017-07/27/c_1121391548.htm)

- 19 See Gloria Davies, 'Intellectual Hygiene/Mens Sana' in Gloria Davies, Jeremy Goldkorn, and Luigi Tomba (eds.), *China Story Yearbook 2015: Pollution*, Canberra: ANU Press, 2016, p.123.
- 20 See Zhang Yao 张焱 et al., 'The Three Confidences: the strongest and boldest move to complete our magnificent goal 三个自信，完成宏伟目标的最强底气', *People.cn*, 4 November 2011, online at: <http://cpc.people.com.cn/18/n/2012/1114/c351073-19570878.html>
- 21 Ibid.
- 22 Gong Renren 龚刃韧, 'The reasoning behind officially approved research topics at Chinese universities 中国大学官方课题背后的逻辑', *Financial Times* (Chinese edition), 29 July 2015, online at: <http://www.ftchinese.com/story/001063227?full=y>
- 23 Quoted in Feng Pengzhi 冯鹏志, 'From Three Confidences to Four Confidences: on Xi Jinping's construction of the culture of Socialism with Chinese Characteristics 从“三个自信”到“四个自信”——论习近平总书记对中国特色社会主义的文化建构', *Study Times*, 7 July 2016, online at: <http://theory.people.com.cn/n1/2016/0707/c49150-28532466.html>. This article has been widely cited in Party and state publications. The author Feng is a senior academic at the Central Party School who has published several articles explaining and praising Xi Jinping's statements.
- 24 Quoted in Feng, 'From Three Confidences to Four Confidences', online at: <http://theory.people.com.cn/n1/2016/0707/c49150-28532466.html>
- 25 Feng Jie 丰捷, Chai Rujin 柴如瑾, Jin Haotian 晋浩天, 'We love our classes on thought and politics 爱上思政课', *Guangming ribao*, 15 August 2017, online at: <http://dangjian.people.com.cn/n1/2017/0815/c117092-29470881.html>
- 26 Jin Nuo 靳诺, 'Promote theoretical innovation at a practical foundational level: study and grasp the essence of Comrade Xi Jinping's important speech of 26 July 2016 in depth and thoroughly' 推进实践基础上的理论创新: 深入学习贯彻习近平同志“7.26”重要讲话精神, *People's Daily*, 25 September 2017, online at: <http://www.zgdsw.org.cn/n1/2017/0925/c244522-29557385.html>
- 27 See for instance, Liu Junbo 刘俊博, 'Why do we always say “Party and country” and not “country and Party”? 为什么我们习惯说“党和国家”，而不是“国家和党”呢?', *Zhihu*, 8 November 2017, online at: <https://www.zhihu.com/question/53713867>
- 28 E. M. Forster, 'What I Believe', in *Two Cheers for Democracy*, archived at: <http://spichtinger.net/otexts/believe.html>
- 29 Nathan Vanderklippe, 'With a new app, China claps until their fingertips ache for president Xi Jinping', *The Globe and Mail*, 19 October 2017, online at: <https://www.theglobeandmail.com/news/world/with-a-new-app-china-claps-until-their-fingertips-ache-for-president-xi-jin-ping/article36662036/>

## FORUM — Artificial Intelligence

- 1 Yu Sheng 羽生, 'First part in People's Daily series on algorithmic recommendations: We cannot allow algorithms to decide content 人民网一评算法推荐：不能让算法决定内容', *People.cn*, 18 September 2017, online at: <http://opinion.people.com.cn/n1/2017/0918/c1003-29540709.html>
- 2 'AI to drive GDP gains of \$15.7 trillion with productivity, personalisation improvements', *PWC Press Room*, 27 June 2017, online at: <https://press.pwc.com/News-releases/ai-to-drive-gdp-gains-of-15.7-trillion-with-productivity-personalisation-improvements/s/3cc702e4-9cac-4a17-85b9-71769fba82a6>

- <sup>3</sup> 'China may match or beat America in AI', *The Economist*, 15 July 2017, online at: <https://www.economist.com/news/business/21725018-its-deep-pool-data-may-let-it-lead-artificial-intelligence-china-may-match-or-beat-america>
- <sup>4</sup> 'This startup is luring top talent with \$3 million pay packages', Bloomberg, 24 September 2017, online at: <https://www.bloomberg.com/news/articles/2017-09-24/in-battle-for-talent-one-startup-founder-tries-unlimited-pay>
- <sup>5</sup> Natalie O'Neil, 'China destroys sassy bots after they bash communism', *New York Post*, 4 August 2017, online at: <https://nypost.com/2017/08/04/china-destroys-sassy-bots-after-they-bash-communism/>
- <sup>6</sup> 'How can AI resist fake information? Technology forum attracts attention 人工智能如何对抗虚假信息 技术讨论引发各界关注', Sina, 28 September 2017, online at: <http://city.sina.com.cn/invest/t/2017-09-28/11508041.html>

## Chapter 8 — Human Rights in the Age of Prosperity

- <sup>1</sup> Ishaan Tharoor, 'The Death of Liu Xiaobo Marks Dark Times for Dissent in China', *The Washington Post*, 21 July 2017, online at: <https://www.washingtonpost.com/news/worldviews/wp/2017/07/21/the-death-of-liu-xiaobo-marks-dark-times-for-dissent-in-china>.
- <sup>2</sup> 'Big Strides Achieved by China in Human Rights Development', Xinhua, 20 January 2017, online at: [http://news.xinhuanet.com/english/2017-01/20/c\\_135999905.htm](http://news.xinhuanet.com/english/2017-01/20/c_135999905.htm)
- <sup>3</sup> Interview with author in Melbourne, 9 August 2017.
- <sup>4</sup> Maxim Boon, 'The Red Detachment of Women (Arts Centre, Melbourne)', *The Daily Review*, 18 February 2017, online at <https://dailyreview.com.au/red-detachment-women-arts-centre-melbourne/55965/>
- <sup>5</sup> For a similar analysis, see Alexander Joske, 'End the isolation of Chinese students in Australia', *The Sydney Morning Herald*, 4 September 2017, online at <http://www.smh.com.au/comment/end-the-isolation-of-chinese-students-in-australia-20170902-gy9iv6.html>
- <sup>6</sup> Congressional-Executive Commission on China, 2017 Annual Report, p.105, online at: <https://www.cecc.gov/sites/chinacommission.house.gov/files/2017%20Annual%20Report.pdf>.
- <sup>7</sup> 'Full Text of the 2017 Supreme's People Court Work Report 最高人民法院工作报告2017年全文', *Haixia Dushibao*, 13 March 2017, online at: [www.mnw.cn/news/china/1625581.html](http://www.mnw.cn/news/china/1625581.html).
- <sup>8</sup> As number 6.
- <sup>9</sup> Nectar Gan, 'Isolated, Tortured, and Mentally Scarred... The Plight of China's Persecuted Human Rights Lawyers', *South China Morning Post*, 9 July 2017, online at: <http://www.scmp.com/news/china/policies-politics/article/2101819/chinas-human-rights-lawyers-continue-fight-victims-709>.
- <sup>10</sup> China Human Rights Lawyers Concern Group, 'Torture and Other Cruel, Inhuman or Degrading Treatments in the 709 Crackdown: A Summary of Cases', 9 July 2017, online at: <http://www.chrlawyers.hk/sites/default/files/20170709%20-%20Torture%20in%20the%20709%20Crackdown%20%28ENG%29.pdf>.
- <sup>11</sup> 'China Human Rights Lawyer Xie Yang "Admits Being Brainwashed"', BBC, 8 May 2017, online at: <http://www.bbc.com/news/world-asia-china-39843680>.
- <sup>12</sup> Eva Pils, "'Disappearing" China's Human Rights Lawyers', in *Comparative Perspectives on Criminal Justice in China*, Mike McConville and Eva Pils (eds.), Cheltenham, UK: Edward Elgar, 2013, p.418.



- <sup>13</sup> The 1979 Criminal Procedures Law and its later revisions (1996, 2012) allow two distinct forms of residential surveillance, which differ depending on the location where the measure is carried out — either in or around the criminal suspect’s place of residence or, in exceptional circumstances, in a residence designated by the police (*zhiding jusuo* 指定居所). When there is ‘no fixed residence’ or ‘in cases involving offences of endangering state security, terrorism or extremely serious corruption’ (Article 73, 2012 Criminal Procedure Law), the law does not require for notification of the families about the detainees’ whereabouts or the charges they face. Over time, such exceptions have been used to widen the scope of ‘residential surveillance’, which has merged with other extra-legal measures including enforced disappearance or incommunicado detention.
- <sup>14</sup> ‘Chinese Nobel Laureate’s Widow Makes First Appearance since Funeral’, Reuters, 19 August 2017, online at: <https://www.reuters.com/article/us-china-rights/chinese-nobel-laureates-widow-makes-first-appearance-since-funeral-idUSKCN1AZ020>
- <sup>15</sup> See <https://www.youtube.com/watch?v=glvpLRL-bT4>
- <sup>16</sup> Yaxue Cao, ‘Drinking Tea with the State Security Police — Who Is Being Questioned?’, Seeing Red in China, comment posted on 11 March 2012, online at: <http://seeingredinchina.com/2012/03/01/drinking-tea-with-the-state-security-police-who-is-being-questioned/>
- <sup>17</sup> Human Rights Watch, *Walking on Thin Ice: Control, Intimidation and Harassment of Lawyers in China*, 2008, online at: <https://www.hrw.org/reports/2008/china0408/china0408web.pdf>.
- <sup>18</sup> Meng Han, ‘Notes from Prison (Part 1 and 2)’, *China Change*, 10 October 2017, online at: <https://chinachange.org/2017/10/10/notes-from-prison-part-one-of-two/>; and <https://chinachange.org/2017/10/11/notes-from-prison-part-two-of-two/>
- <sup>19</sup> Human Rights Watch, ‘World Report 2017: China’, 2017, online at: <https://www.hrw.org/world-report/2017/country-chapters/china-and-tibet>.
- <sup>20</sup> Human Rights Watch, ‘The Costs of International Advocacy: China’s Interference in United Nations’ Human Rights Mechanisms’, 5 September 2017, online at <https://www.hrw.org/report/2017/09/05/costs-international-advocacy/chinas-interference-united-nations-human-rights>.
- <sup>21</sup> As number 1.

## FORUM — Those Less Fortunate

- <sup>1</sup> ‘China sees 30% Drop in Death Penalty’, *Xinhua*, 10 May 2008, online at: [http://www.chinadaily.com.cn/china/2008-05/10/content\\_6675006.htm](http://www.chinadaily.com.cn/china/2008-05/10/content_6675006.htm)
- <sup>2</sup> Susan Trevaskes, *The Death Penalty in Contemporary China*, New York: Palgrave Macmillan, 2012, p.36.
- <sup>3</sup> *Ibid.* See also ‘The idea of “when there is a choice to kill or not to kill, always choose not to kill” “可杀可不杀的一律不杀之忱”’, *People.cn*, 9 November 2006, online at: <http://www.people.com.cn/GB/32306/32322/5045151.html>
- <sup>4</sup> David Johnson, and Franklin Zimring, *The Next Frontier: National Development, Political Change, and The Death Penalty in Asia*, Oxford/New York: Oxford University Press, 2009, p.277.
- <sup>5</sup> Amnesty International no longer publishes estimates of the number of executions in China. Duihua Human rights organisation says that around 2,400 people were executed in 2013. See: [https://duihua.org/wp/?page\\_id=9270](https://duihua.org/wp/?page_id=9270). See also Johnson and Zimring’s book (*Ibid.*) for estimated figures in the 1990s and 2000s.
- <sup>6</sup> Shenggen Fan, ‘Reshaping China’s food system through agricultural “supply-side structural

- reform”, IFPRI BLOG, 9 April 2017, online at: <http://www.ifpri.org/blog/reshaping-chinas-food-system-through-agricultural-%E2%80%98supply-side-structural-reform%E2%80%99>
- 7 China Statistical Yearbook 2016, online at: <http://www.stats.gov.cn/tjsj/ndsj/2016/indexch.htm>
  - 8 Bai X, Shi P, Liu Y, ‘Realizing China’s urban dream’, *Nature*, 509(8) (2014): 158–160.
  - 9 Migrant Workers Report 2016 年农民工监测调查报告, online at: [http://www.gov.cn/xinwen/2017-04/28/content\\_5189509.htm#1](http://www.gov.cn/xinwen/2017-04/28/content_5189509.htm#1)
  - 10 ‘Agriculture in China: challenges, shortages, imports and organic farming’, January 2013, online at: <http://factsanddetails.com/china/cat9/sub63/item348.html>
  - 11 Lucy Hornby, ‘China land reform opens door to corporate farming’, *Financial Times*, 3 November 2016, online at: <https://www.ft.com/content/9d18ee2a-a1a7-11e6-86d5-4e36b35c3550?mhq-5j=e5>
  - 12 See China’s Agricultural Dilemma, AGWEB, 24 May 2017, online at: <https://www.agweb.com/article/chinas-agricultural-dilemma-blmg/>; and Saibal Dasgupta, ‘China Embraces Corporate Farming’, VOA, 2 November 2016, online at: <https://www.voanews.com/a/china-embraces-corporate-farming/3575869.html>
  - 13 Alain De Janvry et al., ‘Delinking land rights from land use: Certification and migration in Mexico’, *The American Economic Review*, 105.10 (2015): 3125–3149.
  - 14 ‘China’s farmland well above “red line”’, Xinhuanet, 22 April 2015, online at: [http://news.xinhuanet.com/english/2015-04/22/c\\_134175085.htm](http://news.xinhuanet.com/english/2015-04/22/c_134175085.htm)
  - 15 Ministry of Land and Resource of the People’s Republic of China 全国国土规划纲要 (2016–2030), 5 February 2017, online at: [http://www.mlr.gov.cn/tdsc/tdgh/201702/t20170205\\_1435273.htm](http://www.mlr.gov.cn/tdsc/tdgh/201702/t20170205_1435273.htm)
  - 16 Shuping Niu et al., ‘Farming the World: China’s Epic Race to Avoid a Food Crisis’, Bloomberg News, 22 May 2017, online at: <https://www.bloomberg.com/graphics/2017-feeding-china/>
  - 17 Sarah Mock, ‘The Future of Farming is Not Farming’, Newco Shift, 16 December, 2016, online at: <https://shift.newco.co/the-future-of-farming-is-not-farming-10f250b0ee23>
  - 18 Chris Weller, ‘Chinese “Taobao villages” are turning poor communities into huge online retail hubs’, Business Insider Australia, 28 February 2017, online at: <https://www.businessinsider.com.au/chinese-taobao-villages-escape-poverty-2017-2>
  - 19 Josh Freedman, ‘Once poverty-stricken, China’s “Taobao villages” have found a lifeline making trinkets for the internet’, Quartz, online at: <https://qz.com/899922/once-poverty-stricken-chinas-taobao-villages-have-found-a-lifeline-making-trinkets-for-the-internet/>

## Chapter 9 — Prosperity and Freedom: Hong Kong’s Dilemma

- 1 The full text of Xi’s speech in English is available online at: [www.scmp.com/news/hong-kong/politics/article/2100856/full-text-president-xi-jinpings-speech-one-country-two](http://www.scmp.com/news/hong-kong/politics/article/2100856/full-text-president-xi-jinpings-speech-one-country-two)
- 2 Hong Kong Census and Statistics Department, Hong Kong 2016 Population By-census — Thematic Report: Household Income Distribution in Hong Kong, June 2017, online at: [www.censtatd.gov.hk/hkstat/sub/sp459.jsp?productCode=B1120096](http://www.censtatd.gov.hk/hkstat/sub/sp459.jsp?productCode=B1120096)
- 3 Zhang Shidong, ‘Hang Seng smashes through 30,000 barrier for first time in a decade as energy, financial stocks rally’, *South China Morning Post*, 22 November 2017, online at: [www.scmp.com/business/china-business/article/2120993/index-futures-rise-strong-hint-fifth-straight-day-stock](http://www.scmp.com/business/china-business/article/2120993/index-futures-rise-strong-hint-fifth-straight-day-stock)

- <sup>4</sup> Jeffie Lam, 'Poverty in Hong Kong hits record high, with 1 in 5 people considered poor', *South China Morning Post*, 17 November 2017, online at: [www.scmp.com/news/hong-kong/community/article/2120366/poverty-hong-kong-hits-7-year-high-one-five-people](http://www.scmp.com/news/hong-kong/community/article/2120366/poverty-hong-kong-hits-7-year-high-one-five-people)
- <sup>5</sup> For a detailed description of these events, see Antony Dapiran, 'Control and Resistance in Hong Kong' in Jane Golley, Linda Jaivin, and Luigi Tomba (eds.), *China Story Yearbook 2016: Control*, Canberra: ANU Press, 2017, pp.269–75.
- <sup>6</sup> Transcript of remarks by Chief Executive at media session, 21 August 2017, online at: [www.info.gov.hk/gia/general/201708/21/P2017082100986.htm](http://www.info.gov.hk/gia/general/201708/21/P2017082100986.htm)
- <sup>7</sup> An idea that was first explored in his article, Francis Fukuyama, 'The End of History?', *The National Interest*, no. 16, 1989, and later expanded in his book *The End of History*, Free Press, 1992.
- <sup>8</sup> For a summary, see D.R. Turin 'The Beijing Consensus: China's Alternative Development Model,' *Inquiries Journal*, 2(01), 2010, online at: [www.inquiriesjournal.com/a?id=134](http://www.inquiriesjournal.com/a?id=134)

## FORUM — A Commemoration and a Celebration

- <sup>1</sup> "The motives of "Taiwan independence" forces distorting the facts of "2-28" are despicable "台独"势力歪曲"二二八"史实用心卑劣", *People's Daily*, 23 February 2017, online at: [http://paper.people.com.cn/rmrb/html/2017-02/23/nw.D110000renmrb\\_20170223\\_2-11.htm](http://paper.people.com.cn/rmrb/html/2017-02/23/nw.D110000renmrb_20170223_2-11.htm)
- <sup>2</sup> Chen Jianxing, 'It is time to clarify the truth of 2-28 述评: 该是澄清"二二八"历史真相的时候了!', *People.cn*, 28 February 2017, online at: [http://www.xinhuanet.com/politics/2017-02/28/c\\_1120543359.htm](http://www.xinhuanet.com/politics/2017-02/28/c_1120543359.htm)



## CONTRIBUTORS

**Børge Bakken** is a sociologist and criminologist writing on contemporary Chinese issues. He is a visiting emeritus scholar at the Department of Political and Social Change, Coral Bell School of Asia Pacific Affairs at the Australian National University (ANU).

**Carolyn Cartier** is a professor of human geography and China studies at the University of Technology Sydney and an Adjunct Director of the Australian Centre on China in the World (CIW), at the ANU.

**Chen Jingjing** is a PhD candidate at CIW. Her doctoral research focusses on Tang dynasty political and religious history.

**Andrew Chubb** is a postdoctoral fellow in the Princeton–Harvard Chi-

na and the World Program based at Princeton University.

**Tom Cliff** is an economic anthropologist and DECRA Research Fellow based at the ANU. He is the author of *Oil and Water: Being Han in Xinjiang* (Chicago, 2016), which won the Association for Asian Studies' E. Gene Smith Prize for best book on Inner Asia in 2018.

**Antony Dapiran** is an Australian-born, Hong Kong-based lawyer and writer. He is the author of *City of Protest: A Recent History of Dissent in Hong Kong* (Penguin, 2017).

**Gloria Davies** is a literary scholar and historian of China. She is Professor of Chinese Studies in the School of Languages, Literatures, Cultures and



Linguistics at Monash University, and an adjunct director of CIW.

**Paul J. Farrelly** graduated from CIW's PhD program in December 2017. In addition to his interest in emergent religiosity in China and Taiwan, he is the [Principal of Capital Academic Advisory](#) 首都學術諮詢.

**Ivan Franceschini** is a Marie Curie Fellow at Ca' Foscari University of Venice and at CIW. His research interests focus on Chinese and Cambodian labour and civil society. He is co-editor of *Made in China*, an open access journal on Chinese labour and civil society.

**Gao Yu** is a PhD candidate in the School of International Studies at the University of Technology Sydney.

**Jane Golley** is an economist focussed on a range of Chinese transition and development issues. She is Acting Director of CIW.

**Gerry Groot** is Senior Lecturer in Chinese Studies in the Department of Asian Studies at the University of Adelaide and an Adjunct Director of CIW. He researches the roles of the CCP's

United Front at home and abroad, Chinese conspiracy theories, soft power, ghosts, and cookbooks.

**Mark Harrison** is a senior lecturer in Chinese at the University of Tasmania and an adjunct director of CIW. His work examines knowledge and representation in Chinese contexts, exploring contemporary cultural and social life in Taiwan and mainland China.

**Ben Hillman** is a political scientist, public policy researcher, and advisor at the Crawford School of Public Policy, ANU. His research examines policies and mechanisms for promoting political inclusion and safeguarding minority rights.

**Hsuan-Ying Huang** is a psychiatrist and a medical anthropologist. His research focusses on the development of psychotherapy in urban China. He is currently an assistant professor at the Department of Anthropology at the Chinese University of Hong Kong.

**Adam Ingle** is a masters student at the Crawford School of Public Policy, ANU.

**Linda Jaivin** is the author of eleven books — including the China memoir *The Monkey and the Dragon* — an essayist, translator, co-editor with Geremie R. Barmé of the anthology of translation *New Ghosts Old Dreams: Chinese Rebel Voices*, and editorial consultant at CIW.

**Natalie Köhle** is a historian of Chinese medicine. Her research focusses on the on the history of humours and fluids in China, with a comparative interest in the Āyurvedic and Greco-Islamic medical traditions. She is currently a postdoctoral fellow at CIW.

**Lorand Laskai** is a researcher at the Council on Foreign Affairs in New York.

**Nicholas Loubere** is an associate senior lecturer at the Centre for East and South-East Asian Studies, Lund University. His research examines socio-economic development in rural China, with a particular focus on microcredit, the rural financial system, and livelihood migration.

**Brian G. Martin** is a visiting fellow at CIW and was a former Senior China Analyst at the Office of National Assessments. In addition to his interests in contemporary Chinese politics, he is a historian of early twentieth century China.

**Brittany Morreale** is a PhD candidate at the University of Adelaide. She received her MPhil in Social and Cultural Anthology from Oxford University. Her work focusses on Asian engagement with Africa.

**Elisa Nesossi** is an Australian Research Council Research Fellow at CIW. Her current research project focusses on changes in Chinese concepts of criminal justice, 1980–2015.

**Uchralt Otede** is a PhD candidate at the School of Culture, History and Language at the ANU. His research focusses on informal life politics in Mongolia and North-East Asia.

**Benjamin Penny** is a historian of religions in China and an Associate Director of CIW. He is the Editor of *East Asian History*.

**Christopher Rea** teaches Chinese literature and cinema at the University of British Columbia. In 2017, the Association for Asian Studies awarded his book *The Age of Irreverence: A New History of Laughter* the Joseph Levenson Prize for best book on post-1900 China. His most recent book, cotranslated with Bruce Rusk, is *The Book of Swindles: Selections from a Late Ming Collection*.

**Richard Rigby** has a PhD from the ANU in modern Chinese history. His professional background has been in diplomacy and intelligence analysis. He now runs the ANU China Institute and serves as an associate director at CIW.

**Sang Ye** is a journalist and oral historian who has previously conducted research at CIW.

**Shi Xinjie** is a PhD candidate at CIW. His current research interests lie in the fields of agricultural economics and development economics, particularly in rural–urban migration, off-farm employment, and economic development in rural China.

**William Sima** is a PhD candidate at CIW. His research interests include modern intellectual history, with a particular focus on the late Republic period and early PRC, and the history of Australia–China relations. His book *China & ANU: Diplomats, Adventurers Scholars* (2015) recounts the experiences of Australia’s first diplomatic representatives to China in the 1940s, and their role in establishing Sinology at the ANU.

**Craig A. Smith** is a postdoctoral fellow at CIW. His work examines early twentieth-century Chinese intellectual history and Sino-Japanese relations.

**Graeme Smith** is a postdoctoral fellow in the China Studies Centre, University of Sydney Business School and has a part-time research fellowship at the Coral Bell School of Asia–Pacific Affairs, ANU. His main research interests are Chinese state and non-state actors in the Pacific and South-East Asia, and the political economy of local government in rural China.

**Mark Strange** is a Senior Lecturer in the ANU’s College of Asia and the Pacific. His research focusses on the history

of political thought and the historiography of pre-modern China.

**Susan Trevaskes** is a researcher in the area of a Chinese criminal justice at Griffith University and is an adjunct director of CIW. She publishes on justice issues including policing, punishment, and the politics of law and order.

**Wen Meizhen** is a PhD candidate at CIW. Her current research interests are in economic anthropology, international migration, and ethnicity.

**Hugh White** has been Professor of Strategic Studies in the Strategic and Defence Studies Centre at ANU since 2004. Before that he was a senior official of the Australian Government. His recent publications include *Power Shift: Australia's Future between Washington and Beijing* (2010), and *The China Choice: Why America Should*

*Share Power* (2012), and *Without America: Australia's Future in the New Asia* (2017).

**Yang Qin** is a PhD candidate at CIW. Her current research project is about the exegetical diagrams of Confucian classics in the Song period.

**Zhang Yichi** is a research assistant at the University of Technology Sydney. He is interested in modern Chinese urban and garden history, the history of foreign settlements in China, and conservation of historical gardens and heritage.

**Zhu Yujie** is a lecturer in heritage studies at the School of Archeology and Anthropology, ANU. His research focusses on the politics of cultural heritage, and its relation to issues such as ethnic tourism, urbanisation, and religious practices.





## ONLINE MATERIAL

Electronic versions of this book and supplementary materials are available for free download in a variety of formats at: [www.chinastory.org](http://www.chinastory.org). Below are some of the resources available on The China Story site:

***China Story Yearbook 2017:  
Prosperity***

[thechinastory.org/yearbooks/  
yearbook-2017](http://thechinastory.org/yearbooks/yearbook-2017)

***China Story Yearbook 2016:  
Control***

[thechinastory.org/yearbooks/  
yearbook-2016](http://thechinastory.org/yearbooks/yearbook-2016)

***China Story Yearbook 2015:  
Pollution***

[thechinastory.org/yearbooks/  
yearbook-2015](http://thechinastory.org/yearbooks/yearbook-2015)

***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)

**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)



# LIST OF INFORMATION WINDOWS

## FORUM

### **The Culture of Money**

- 37 • Do's and Don'ts

## CHAPTER 2

### **The Belt and Road Initiative: How to Win Friends and Influence People**

- 50 • Trump's China Tweets
- 56 • China-Pakistan Economic Corridor

## CHAPTER 4

### **China's Power, the United States, and the Future of Australia**

- 116 • Censoring the Academy: The Cambridge University Press Scandal and Beyond

## CHAPTER 5

### **Precarious Wealth: The Search for Status and Security**

- 155 • *In the Name of the People*

## CHAPTER 6

### **Magic Cities, Future Dreams: Urban Contradictions**

- 200 • 'Holes in the Wall'
- 204 • Dockless Bikes, Regulated City

## CHAPTER 7

### **Prosper or Perish**

- 233 • Gratitude Education
- 237 • Lu Xun on Self-Confidence
- 238 • Zhang Lifan on the 'Four Confidences'

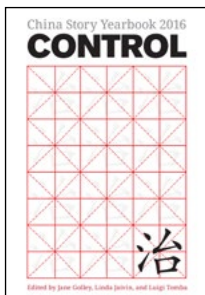
## CHAPTER 8

### **Human Rights in the Age of Prosperity**

- 260 • Badiucao



## PREVIOUS CHINA STORY YEARBOOKS



### 2016: *Control*

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

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



### 2015: *Pollution*

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





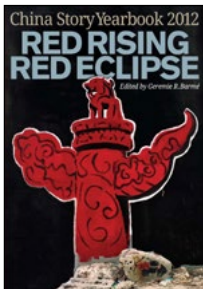
### 2014: *Shared Destiny*

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



### 2013: *Civilising China*

As China becomes wealthier and more confident on the global stage, it also expects to be respected and accommodated as a major global force—and as a formidable civilisation. Through a survey and analysis of China's regional posture, urban change, social activism and law, mores, the Internet, history, and thought—in which the concept of 'civilising' plays a prominent role—*China Story Yearbook 2013* offers insights into the country today and its dreams for the future.



### 2012: *Red Rising, Red Eclipse*

The authors of *Red Rising, Red Eclipse* survey China's regional posture, urban change, social activism and law, human rights and economics, the Internet, history, and thought. This inaugural *China Story Yearbook* offers an informed perspective on recent developments in China and provides a context for understanding ongoing issues that will resonate far beyond the Dragon Year of 2012–2013.