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Professor and Senior Colonel Dai Xu, One of China's "Hawks"

China Brief is a bi-weekly journal of information and analysis covering Greater China in Eurasia.

China Brief is a publication of The Jamestown Foundation, a private non-profit organization based in Washington, D.C. and is edited by David Cohen.

The opinions expressed in China Brief are solely those of the authors, and do not necessarily reflect the views of The Jamestown Foundation.



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In a Fortnight

By David Cohen and Peter Mattis

WHAT TO ASK AT THE THIRD PLENUM: IS XI'S PARTY BUILDING SUFFICIENT FOR REFORM?

On July 30, Xi Jinping oversaw a meeting of the Politburo to discuss economic reform, ahead of the widely-anticipated discussions at Beidaihe leading up to the release of a new economic reform package at the Third Plenum in October (Xinhua, July 30). The official press provides no further detail about the meeting, but Premier Li Keqiang has described the center's economic priorities at great length in recent months. Meanwhile, Xi has been busy consolidating power, gaining hold of what appears to be an unusually strong grasp of the party's central apparatus. It remains unclear, however, what these programs have to do with one another—how Xi and Li plan to enact wide-reaching changes beyond central control. As economic reform plans emerge in the coming months, this will be the critical question to ask.

Li has spoken extensively about economic reform since taking office, and his speeches and documents issued by the State Council have placed a wide range of ambitious goals on the agenda. His definite priorities include urbanization, tackling the enormous debts of local governments and, more vaguely, "returning to the market whatever can best be handled by the market"—a clear response to the Hu Jintao-era trend known as "the state sector advancing while the private sector retreats" (*guojin mintui*) (Xinhua, July 30; *China Daily*, May 15; China News Service, May 15; Xinhua, March 17). Likewise, Xi has spoken extensively about cracking down on corruption. Less clear, but announced by the State Council, are efforts to

reform the household registration system and rural land transfers (Xinhua May 24; April 3).

The success of these reforms will hinge on the ability of the Chinese Communist Party (CCP) and government to oversee their provincial and local branches—a challenge in any large organization and an especially severe weakness of the Chinese state. These policies will be implemented largely on a local level, and they will impact the finances of local governments as well as, in the case of anti-corruption, the personal finances of local officials.

So far, Xi's political activities have focused on the internal management of the party and its bureaucracy. His "mass line" speeches have deployed Maoist language in the service of a Hu-ist campaign to improve the professionalism and oversight of cadres. As Timothy Heath writes in this issue of *China Brief*, the mass line campaign closely tracks the concerns of Hu's early "maintain the advanced nature of CCP members" push, using the methods of a rectification campaign to develop the CCP as a professional institution with strong internal regulations ("Xi's Mass Line Campaign: Realigning Party Politics to New Realities," *China Brief*, August 9). Hu's campaign against corruption and for more moral cadre did not accomplish much. If anything, party leaders' warnings about the issue have become more frequent and more urgent in recent years. Hu returned to the same themes in his outgoing report to the 18th Party Congress (Xinhua, November 17, 2012).

This kind of central power has proved effective for winning ideological debates and kneecapping political opponents, most dramatically Chen Liangyu and Bo Xilai, but not much good for providing oversight to a political party of 80 million ("The Soapbox and the Truncheon: Hu Jintao's Amorphous Power," *China Brief*, July 19, 2012). This forces us to ask how the current administration plans to achieve its goals. If it is taking on challenges that defeated Hu Jintao, what are they doing differently or what position does Xi have that can lead to a different result?

Xi comes into office with several advantages over his predecessor that are obvious, but still warrant mention. First, he has a smaller and more unified Politburo Standing Committee, including seven rather than nine members. Those Chinese officials pegged as reformers

or of Hu Jintao's China Youth League Faction (*tuanpai*) were confined to the Politburo, even the well-credentialed Li Yuanchao who headed the Organization Department. Xi's colleagues are more likely to believe in a strong state with centralized authority ("China's New Leaders to Strengthen the Party-State," *China Brief*, November 30, 2012). Second, Xi does not seem to have the same "party elders" problem that Hu faced, because of Jiang Zemin's continuing service on the Central Military Commission and the presence of his protégés, like Zeng Qinghong, in important positions on the Standing Committee.

In addition to his control over the political apparatus, Xi seems to have succeeded in ensuring the loyalty of the military and security apparatus. Most noticeably, Xi has incorporated the PLA into his major political campaigns, including the "China Dream," mass line activities and anti-corruption (*South China Morning Post*, August 5; *People's Daily*, July 31; *PLA Daily*, July 30, March 5; March 4). He also has promoted a large number of generals, including six just before this year's Army Day (Xinhua, August 1; *South China Morning Post*, July 31). Moreover, Xi reportedly has taken direct control over the civilian security apparatus, which is overseen by the Central Political-Legal Commission, and appears to have made political plans to ensure his control. With Meng Jianzhu as executor, Xi ostensibly directs the paramilitary People's Armed Police, the Ministry of Public Security and the Ministry of State Security, giving him control over internal security and domestic intelligence ("Appraising Xi Jinping's Politicking," *China Brief*, July 12; *South China Morning Post*, July 3; *Ming Pao*, January 30).

Assessing how power gets exercised in the Chinese system is a speculative exercise; however, Xi's political power seems focused on mechanisms that facilitate central decisions and central policy execution, such as national security policymaking. Xi may be able to outmaneuver, persuade or coerce the Politburo into taking his direction, but the 83 million party members and the party bureaucracy are a different matter entirely. The problems facing this Chinese president, if anything, are more daunting than when Hu held office and Xi will be judged on how he pushes the ambitious agenda outlined above. President Xi, however, still faces the difficulty that Hu did in exercising power between the soapbox and the truncheon. The former gives him a far-reaching, but potentially ineffectual, voice. The latter

gives him potent but narrowly-focused coercion, and Xi cannot kneecap all of his opponents—particularly not every recalcitrant party member. The question for Xi Jinping, indeed of Chinese politics writ large, is how well can any leader make substantial changes to the system without becoming, in Xi's words, "China's Gorbachev."

David Cohen is the incoming editor and Peter Mattis is the outgoing editor of China Brief at The Jamestown Foundation.

Xi's Mass Line Campaign: Realigning Party Politics to New Realities

By Timothy Heath

The Chinese Communist Party's (CCP) "mass line" (*qunzhong luxian*) education campaign echoes in content and format a similar effort initiated by Xi's predecessor, Hu Jintao, to improve the party's governance capacity. The current campaign's effort to leverage Mao's authority points to an increased sense of urgency owing to the exhaustion of traditional engines of economic growth and mounting public frustration with party leadership. The mass line education campaign therefore represents a major effort to realign party leadership and theoretical concepts with structural changes in the political economy that is likely to persist through much of Xi's tenure.

On June 18, the CCP senior leadership held a conference to kick off a planned yearlong "educational campaign," or "education activities" (*jiayou huodong*), to promote the "Party's Mass Line Education and Practice." The Politburo followed up with an "ad hoc meeting" from June 22 to June 25. The six half-day meetings focused on three agenda items widely replicated in lower-level work conferences: reports on the implementation of regulations to address problems of work style; speeches on how well cadres have implemented the requirements; and discussion and study of measures, rules and regulations for improving the party's work style. The term "work style" refers to the political loyalty, ethics, integrity and professional competence of party officials

(Xinhua, June 25).

In early July, Hong Kong press reported that forty five high-level supervisory teams oversaw implementation of the campaign (*Ta Kung Pao* [Hong Kong], July 4). Each Politburo Standing Committee member carried out inspection trips to hold symposiums with local officials, hear reports from local party committees and oversee arrangements for mass line education work. Xi visited Hebei province on July 11–12 (Xinhua, July 12).

Similarities with Hu's Advanced Nature Campaign

The mass line campaign shares many similarities with the 18-month-long educational campaign called "Maintain the Advanced Nature of CCP Members" launched by then-General Secretary Hu Jintao in January 2005. Both campaigns began at the beginning of the respective general secretary's tenure and served in part to help the new administration consolidate control of the party apparatus. The two campaigns also drew heavily from the repertoire of "rectification" (*zhengfeng*) campaigns from which they are derived, including study sessions, criticism, self-criticism and lectures.

Both the Hu and Xi campaigns have been carried out in conjunction with other activities to standardize party procedures, curb corruption and enhance the party's overall competence. Following its June work conference, for example, the Politburo issued requirements to standardize procedures and mechanisms for performance evaluations and promotions. It also ordered governments at all levels to standardize cadre entitlements for housing, cars, secretaries, public receptions, guards, social benefits and vacations (Xinhua, June 25).

The two campaigns thus aim in large part at reshaping the CCP into a competent "governing party" (*zhizheng dang*). The CCP's designation of itself as a governing party stems from the 16th Party Congress, held in 2002, and is aimed at increasing the CCP's ability to lead an increasingly complex market economy and pluralistic society. The focus on improving governance capacity has deepened since that time. For example, the Fourth Plenum of the 16th Party Congress in 2004 put forth requirements to "institutionalize, standardize and regularize" party procedures and to govern in accordance with the law and to "serve the public and govern for the

people,” requirements reaffirmed in subsequent party congresses. Similarly, party theorists have focused on outlining a “systematic” and “scientific” approach to ideology—exemplified in Hu’s “scientific development concept”—to support policy analysis that could improve governance. This approach to politics and ideology has facilitated the CCP’s pursuit of a new identity as a stable, competent bureaucratic actor capable of policymaking to realize rationally defined national objectives.

The Search for Political Leverage

On the surface, Xi’s invocation of a concept deeply associated with Mao Zedong, the mass line, thus appears as a striking counter-trend to the general reformist trend of Chinese politics. While Deng and his successors have each provided their own reinterpretation of the concept (as they have with virtually all Maoist concepts), none of them devoted much energy to the topic. The mass line remains closely associated with the Great Helmsman. As if to underscore this point, Xi punctuated the mass line campaign with a visit to Mao’s former home, where he praised China’s revolutionary heritage as the “best nutrition” (Xinhua, July 12). The interest in China’s pre-reform past, however, remains limited. Beyond a few gestures praising revolutionary virtues, the party has made no effort to revive radical politics or the type of “red” theatrics associated with the now-disgraced Bo Xilai.

There are several reasons CCP leaders seek to invoke Mao’s authority through the mass line. Raising Mao’s egalitarian ideals could help blunt criticisms of the inequality generated by the party’s economic policies. Deploying a fundamental Maoist party precept is also a shrewd political tactic to pressure recalcitrant cadres. With Mao as political cover, Xi and his cohorts have put a formidable onus on those who may be tempted to resist such reforms.

Most importantly, harnessing Mao’s authority to the campaign communicates a sense of urgency and seriousness about the need for reform in the face of dramatically changing circumstances, the most important of which is economic. The main engine of China’s spectacular economic growth over the past decades has exhausted itself. In the words of an official press commentary, the current export and investment-led growth model has reached a “dead end” (Xinhua,

December 21). The political situation has changed dramatically as well. A population enriched by decades of rapid growth has raised its expectations of authorities. Popular anger and resentment over innumerable examples of official incompetence and malfeasance—manifested in protests over tainted food scandals, battles over land seizures, local police brutality and corruption—threaten to bubble over into large scale unrest.

Senior leaders have responded to these trends with warnings unusually stark even for a party habituated to routine self-criticism. The 18th Party Congress work report grimly warned of “grave dangers” facing the party, criticizing members as “lacking drive, incompetence, being out of touch with the people, corrupt and malfeasant.” Corruption, it warned, could prove “fatal” to the party and even cause the “collapse of the party and the fall of the state.” The problem goes beyond a few “bad apples.” The leadership has declared that many ideas, notions, policies and political arrangements require an urgent upgrade in the face of changing circumstances. Hu declared in the 18th Party Congress that the CCP must “resolutely discard (*jiejue pochu*) all notions and concepts that hinder scientific development.” Other senior leaders have advocated a similar intellectual and political overhaul. At the annual 2012 economic work conference, Premier Li stated the CCP should “resolutely discard all limiting ideas, concepts, structures and mechanisms which obstruct scientific development” (Xinhua, December 16).

Xi’s Challenge: Structural Reform

The intense pressure to realize major structural reforms in order to sustain economic growth and ensure social stability provides the critical context that explains the sense of urgency surrounding the mass line campaign. The impact of economic globalization, decades of growth and rising public expectations have put profound stresses on China’s society and political system. In many ways, China is experiencing a phenomenon similar to that underpinning the unrest in countries ranging from Egypt to Turkey to Brazil: rapid economic growth has generated demand for improved public goods and services that often exceed the capacity of authorities.

Chinese media have been attuned to this association, as can be seen in official media commentaries. One article,

written by the pseudonymous “Zhong Sheng” (widely viewed as representative of party leader views), noted the “frequent occurrences of social turmoil” and widespread “anxiety” in Egypt, Brazil, Thailand, Turkey and Greece. The article asserted that the turmoil is ultimately traced to a “root cause that is closely related to development issues.” Reiterating a theme common in senior leader speeches, the article pointed to “scientific development” as the key to avoiding such turmoil (*People’s Daily*, July 13).

As the CCP’s traditional Leninist networks of secretive decision-making cells have produced increasingly erratic, economically inefficient and politically damaging results, the party has sought to develop institutions and bureaucratic systems to stabilize and buttress the exercise of CCP authority. The 18th Party Congress stood out in its requirement to consolidate the foundations for the nation’s continued rise and accumulation of national power through the establishment and strengthening of an array of economic, social and political “institutions” (*zhidu*) and “systems” (*tixi*) (“The 18th Party Congress Work Report: Policy Blueprint for the Xi Administration,” *China Brief*, November 20, 2012).

Properly built and resourced, party leaders view institutions and systems as the sturdy backbone that can sustain the steady, balanced economic growth; efficient and fair distribution of public goods; and moderate exercise of judicial and political power, that together compose the essence of the “scientific development” sought by Beijing. The success or failure of Xi’s tenure will likely be judged by China’s leadership against the standard of how well he has performed this task.

Xi Jinping appears well aware of the responsibility entrusted to him and his colleagues. Within the past few months, Xinhua has reported efforts to introduce structural reforms aimed at modifying or building systems and institutions in the economy, government and party:

- *Economy*: At the 2012 Economic Work Conference, Premier Li identified “restructuring of the economic development model” as a top priority for the coming year, focusing on the imperatives to do the following: increase domestic demand; increase independent technological innovation; and change the pattern of economic development. To support this transformation, he outlined a requirement to

centralize key policy decisions through a system of “top level design” (*dingceng sheji*) as a way to resolve structural irrationalities and improve the efficiency of the market economy (Xinhua, December 16, 2012).

- *Government*: In March, the 12th National People’s Congress and Second Plenary of the 18th Party Congress passed the State Council Institutional Reform and Functional Transformation Plan. The plan outlines tasks and timelines over the next three to five years to “accelerate construction of a service oriented government featuring scientific functions, an optimized structure, integrity and high efficiency and producing satisfaction among the people” (Xinhua, March 28, 2013). These aim to reduce permit approval requirements, standardize and streamline procedures in the acquisition and distribution of goods, eliminate redundant bureaucratic offices and procedures, cancel unneeded or revise excessive administrative fees, establish and improve macro-economic controls, improve market mechanisms and improve public and social service functions.
- *Party*: Among an array of regulations to standardize promotion, recruitment and other procedures, the CCP published two comprehensive sets of regulations that regularize some of the most basic party processes. The first set detailed which party organs are authorized to draft, approve, publish, amend and abolish party regulations and which procedures they are expected to follow. The second set detailed how party regulations should be recorded, reviewed, amended or abolished. While based on provisional rules enacted in 1990, the new regulations introduce requirements for the CCP to publish “all” of its regulations, except in a few “special cases”—a significant loophole. It also stipulates the CCP must have both annual and five-year plans for drafting and amending party rules (Xinhua, May 28).

Implications for CCP Politics and Ideology

In the classic 1943 formulation from *Some Questions Concerning Leadership*, Mao explained that the aim of the “mass line” was to “take the scattered and unsystematic ideas of the masses,” turn them into “concentrated and systematic ideas” and then “go to the masses and propagate and explain these ideas until the masses embrace them as their own.” This formulation pointed in

two directions: toward Leninist elitism, in its assumption that the CCP could discern and dictate an agenda that embodied the deepest yearnings of the masses; and yet toward a genuine populism, in the assumption that the people should determine their own affairs.

Xi's formulation bears little resemblance to this classic formulation. As explained by Xi at a Politburo study session, the "main point" of the mass line is for the party to "focus on working for the people" as well as for cadres to be "competent and incorruptible" (Xinhua, April 19). Speeches by senior leaders on the "mass line" similarly have focused overwhelmingly on the topic of improving the overall competence and integrity of CCP cadres so that the regime can provide more effective governance and realize its goals and objectives. In his "investigation" trip to Hebei to model behavior for all officials, for example, Xi focused on topics such as the availability of consumer goods for rural populations, the quality of social services and opportunities for advancement. Under Xi, the mass line thus appears to be less about mobilizing the masses against entrenched elites to realize utopian visions than it is about mobilizing party elites to more effectively manage the masses in support of the national leadership's economic and political objectives.

The reorienting of party leadership toward the provision of goods and services to meet the diversifying needs of an increasingly prosperous, pluralistic society has already become a hallmark of party politics and ideological concepts under Xi. These features are evident in Xi's signature "Chinese Dream" concept. The Chinese dream draws heavily from the collective national ideal of "the rejuvenation of the Chinese people" (*zhonghua minzu de weida fuxing*) refined by generations of party leaders. Xi's contribution has been to highlight how national rejuvenation will benefit the average citizen. In his inauguration speech as President of the People's Republic of China, Xi explained the Chinese dream must remain "close to the people" and "benefit the people" (Xinhua, March 17). Xi similarly has explained that to "meet the people's desire for a better life is precisely our mission" (Xinhua, November 15).

The CCP led by Xi has shown no interest in liberal reforms that could impair the exercise of party rule. Nor does the party appear likely to ease any time soon the extensive surveillance and control so essential to the

regime's survival. Nevertheless, the trends represented by the mass line campaign point to a recognition that the regime's long-term prospects hinge on reforms to accommodate the growing clout of its citizenry. With the collapse of the decades-old export and investment driven growth model, China's future development will depend much more on consumer spending by a large body of prosperous citizens, who are likely to be well educated. With their spending power as leverage, these citizens are likely to demand a far higher level of goods, services and competent governance than authorities have hitherto provided. Through the mass line campaign, institutional and systemic reforms as well as other measures to buttress and improve the regime's performance, Xi and his colleagues are seeking to align the party's politics and ideology to better accord with the new realities. The task is tremendous and probably will take years of work. For this reason, the mass line education campaign represents the fundamental concerns and themes that are likely to dominate political thought and policy through the rest of the Xi administration.

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"Likonomics" Trumped by Harsh Economic and Political Realities

By Willy Lam

The senior cadres currently meeting for their annual brainstorming session at the seaside Beidaihe retreat are putting the finishing touches on a blueprint for seminal reforms to the Chinese economy (Duowei, August 7; *South China Morning Post*, August 5; Xinhua, August 5). Given the signals that have come out of the administration so far, and Xi's grandiose, but amorphous, promise of the "China Dream," expectations are high for the package of economic initiatives, due to be revealed in October at the Third Plenary Session of the Chinese

Communist Party (CCP) Central Committee. Even as so-called “Likonomics” is attracting world-wide attention, signs of deceleration in economic growth are putting immense pressure on the Xi-Li leadership to put stability once again before economic liberalization.

Premier Li has set an overarching goal to “let go of administrative powers and return to the market whatever can best be handled by the market.” (*China Daily*, May 15; China News Service, May 15). The Chinese media have reported that the Central Committee Third Plenum in October will approve overhauls of economic and social policies to address the following key areas: financial, monetary and fiscal policies; creating a fair competitive environment for private enterprises; liberalizing the prices of producer goods and utilities; trimming the number and procedures of bureaucratic reviews; narrowing the income gap between rich and poor; and liberalizing the land ownership and household registration systems so as to speed up urbanization (Caijing, July 12; Xinhua, May 22). This means, among other things, retooling the three-decade-old strategy of injecting government funds into huge projects that are geared toward jacking up the GDP growth rate as well as providing employment. Li also has pledged to create a level playing field for disparate players and stakeholders including privately-owned enterprises (POEs).

The most crucial reform will be ensuring that authorities end their excessive reliance on government investment and stimulus packages to generate growth. While Chinese cadres and official economists have scolded the profligacy of the quantitative easing programs in the United States and Japan, debts owed by all levels of administrations, government financing vehicles and other government entities are estimated at 180–210 percent of GDP (Businessweek, July 13; *Ming Pao* [Hong Kong], April 4). An ongoing audit ordered by Beijing of the amount of debts incurred by county-level and other grassroots administrations—which are expected to be well in excess of the 10.7 trillion yuan figure the auditors established in late 2010—seems indicative of the Li cabinet’s determination to bolster financial discipline (China News Service, July 28; *Hong Kong Economic Journal*, July 28).

On June 20, Li and his finance team signaled their readiness for major surgery by allowing the interbank borrowing rate to spike to an unheard-of 13.44 percent—

the usual rate is around three percent. A State Council statement issued at the time noted “While the economy faces many difficulties and challenges, we must promote financial reform in an orderly way to better serve economic restructuring” (*China Daily*, June 20; People’s Daily Online, June 20). Equally significant were the views expressed by new Finance Minister Lou Jiwei while attending the biannual Strategic and Economic Dialogue (S&ED) in Washington in early July. Lou indicated the central government might be willing to tolerate a growth rate below seven percent. The official media quoted Lou as saying on the sidelines of the S&ED sessions “there is no doubt that China can achieve the growth target, though the seven percent goal should not be considered as the bottom line” (Xinhua, July 12; Reuters, July 12) [1]. Indeed, government fixed-asset investments in urban areas grew by just 20.1 percent in the first six months of this year, the slowest pace since 2001 (*Hong Kong Economic Times*, July 31; Bloomberg, July 30).

Yet the nuance, if not also the substance, of policies has shifted markedly after less-than-satisfactory results for the second quarter of the year were released in early July. China’s GDP grew by an annualized rate of merely 7.5 percent in April to June, down from 7.7 percent for the first quarter of the year. Moreover, exports in June fell year-on-year by 3.1 percent, the biggest drop since the onset of the global financial crisis (China News Service, July 30; *Hong Kong Economic Times*, July 30). A Politburo meeting chaired by President Xi Jinping in late July referred to the imperative of “stabilizing growth”—arresting the recent downward trend of GDP expansion—in the face of “extremely complicated domestic and international conditions.” Citing a statement released after the Politburo meeting, Xinhua noted “The central authorities will continue to coordinate the multiple tasks of stabilizing growth, restructuring the economy and promoting reforms” (Xinhua, July 30; China News Service, July 30). Premier Li apparently contradicted his finance minister, stating after the release of the latest statistics that seven percent would be the “floor” or minimum level of GDP growth. The Beijing media cited Li as telling economists that “the bottom line for economic growth is 7 percent, and this bottom line must not be crossed” (*Beijing News*, July 23; Caixin, July 17). In the last week of July, the People’s Bank of China (PBOC), China’s central bank, pumped 136 billion yuan into markets through reverse bond repurchases and other mechanisms. This was the

first time that the PBOC had injected funds directly into the money markets since February this year (Reuters, August 1; *People's Daily*, July 31).

These developments seem to indicate that the government's current policies of boosting liquidity and pumping investments into select economic sectors will not be reversed significantly even after the Third Plenum. There is a well-understood consensus among the party's top echelons that a seven-percent growth rate is the absolute minimum for *weiwen* or maintaining political stability (Christian Science Monitor, July 31). While the State Council has ordered 1,400 manufacturers in sectors including steel, cement, copper and glass to curtail output because of oversupply, the Li cabinet is set to resume long-stalled investments into the nation's ambitious railway and highway networks (Bloomberg, July 23; *Huaxia Times* [Beijing], July 4). Moreover, while apartment prices have been going through the roof, the State Council has avoided drastic measures to cool the real-estate bubble so as not to upset the delicate socio-economic balance (China.com, July 20; Chinavalue.net [Beijing], July 12).

Some reform measures, however, may be adopted in the fiscal, banking and taxation sectors. Last month, the PBOC liberalized its control over banks' lending interest rates, thereby allowing financial institutions to price loans to customers according to market considerations. This step was seen as a potential lifeline to the country's privately owned small- and medium-sized enterprises (SME), which provide an estimated 80 percent of urban jobs. There have also been talk about granting tax concessions for certain categories of POEs, as well as raising levies on the 110-odd superrich *yangqi* or centrally held state-owned enterprises (SOEs), which enjoy monopolies in sectors ranging from oil and gas to banking and finance (China News Service, July 22; *People's Daily*, July 20).

There are, however, limits to the extent to which the nation's POEs, including the most successful ones, can compete with state-owned enterprises (SOEs or *yangqi*) on the same footing. In tandem with the year-long Rectification Campaign in the CCP, whose goal is to raise the morality and patriotism of party members, a number of eminent CEOs of private enterprises have made ritualistic statements genuflecting to the party. In a controversial interview with a Hong Kong newspaper,

e-commerce giant Alibaba Chairman Jack Ma reportedly praised late patriarch Deng Xiaoping's decision to crack down on student protestors in June 1989 (*Ming Pao*, July 23; *South China Morning Post*, July 13). Chairman of heavy industrial company Sanyi, Liang Wengen, pointed out that his company would "resolutely give top priority to the interests of the party...My properties and even my life belong to the party" (*Apple Daily* [Hong Kong], July 22; *Ta Kung Pao* [Hong Kong] July 18). The fact that even these multi-billionaires have to bend over backwards to curry favor with the leader testifies to the sense of insecurity among non-state-sector businessmen. Part of this loyalty campaign could be due to the party leadership's nervousness about private entrepreneurs giving discreet but substantial support to a range of civil-society actions. For example, dozens of POEs have provided financial help to demonstrators against the establishment of chemical factories and nuclear power facilities in Guangdong and Fujian Provinces (*Hong Kong Economic Times*, July 27; *The Observer* [Beijing] July 22).

And how about new initiatives in social policies such as abolishing the *hukou* or household registration policy. Doing away with this decade-old but increasingly unpopular policy will not only garner the Xi-Li administration a bonanza of good will but also facilitate Beijing's ultra-ambitious urbanization program. The State Council reportedly is considering applying to other provinces experiments being undertaken in cities and regions such as Chongqing and Guangdong, where the distinction between urban and rural *hukou* is being phased out gradually. Li also is tipped to unveil more health and related social-welfare benefits so that members of the "lower classes"—including migrant workers and peasants—will feel confident enough to boost consumer spending (Xinhua, June 29; Sohu.com, May 5).

Whether Premier Li follows through with a large-scale push toward urbanization depends on Beijing's latest thinking about government injections into the economy. A report released last month by the Chinese Academy of Social Sciences estimated that the cost of permanently settling rural workers in the cities could come up to 650 billion yuan (\$106 billion) each year, which is equivalent to 5.5 percent of central government revenue. Peking University Economics Professor Li Yining, who was Li's mentor at the famous institution, also warned that excessive spending by local governments in the name of

urbanization could exacerbate the problem of regional debt (*China Daily*, July 30; Ifeng.com, July 30). Liberal economists, however, have suggested that reform in the rural land ownership system to allow peasants to sell their plots of land would provide rural residents with the financial means to migrate to urban areas even in the absence of massive government subsidies (Chinalawinfo.com [Beijing], July 26; *People's Daily*, March 23).

While the Xi-Li leadership is still in its first year, time is running out for the kind of surgery that is needed to restructure the economy. It is a well-known fact that Beijing can no longer depend on government investment—which accounts for nearly half of GDP—to support growth. China's incremental capital output ratio, the amount of GDP that one unit of investment produces, is declining rapidly. According to one estimate, while each yuan of new credit generated 0.71 yuan of additional GDP from 2005 to 2008, this level has sunk to just 0.3 yuan between 2009 and 2012 (Caixin.com, June 20; *Asian Wall Street Journal*, April 4). Moreover, the perpetuation of the existing growth model will exacerbate deep-seated social contradictions, such as the polarization between rich and poor, which are responsible for tens of thousands of “mass incidents” every year. The Chinese Academy of Social Sciences puts the total number above 100,000 (*People's Daily*, December 18, 2012). The onus is on the Xi-Li administration to demonstrate outside-the-box thinking even as more Chinese seem impatient with grandiloquent slogans such as the “China Dream” and “Likonomics.”

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Notes:

1. Xinhua later amended its report on Lou to say there is no doubt that China can achieve this year's growth target of 7.5 percent.

Major Country Diplomacy with Chinese Characteristics

By Bonnie S. Glaser and Alison Szalwinski

On June 27, China's Foreign Minister Wang Yi gave a speech at the World Peace Forum on the new foreign policy concept called “Major Country Diplomacy with Chinese Characteristics” (Ministry of Foreign Affairs, June 27) [1]. Delivered at Tsinghua University in Beijing, the speech was presented to a domestic audience, but also was intended to communicate to the outside world the evolving contours of Chinese foreign policy under Xi Jinping. Comprehensive statements on Chinese foreign policy are rare; the last major exposition of Chinese policy was penned by former State Councilor Dai Bingguo in 2010 (*Xinhua*, December 6, 2010). Wang Yi's speech reiterated several long-standing positions that suggest elements of continuity; included key concepts that were raised toward the end of the Hu administration; and introduced new themes that suggest potential changes in Chinese foreign policy priorities and style. Notably, Wang emphasized that Chinese diplomacy needs to be “proactive,” which, if not mere rhetoric, would mark a departure from Deng Xiaoping's policy guideline “keeping a low profile” (*tao guang yang hui*).

The concept of major country diplomacy with Chinese characteristics was first mentioned in Chinese media early this year just days after the closing of the National People's Congress. A *Global Times* editorial on March 19 asserted China should have a diplomatic strategy that “fits China's national conditions and national goals. It cannot replicate the experience of any other big countries. It should be major country diplomacy with Chinese characteristics” (*Global Times*, March 19). Two weeks later, the more authoritative *People's Daily* reported Wang Yi's comments that Xi Jinping's choice of Russia for his first trip abroad as president demonstrated the successful practice of “major country diplomacy with Chinese characteristics” (*People's Daily*, March 31). That same month, Wang Yi told reporters at the Boao Forum that the meeting was a good testing ground for the “major country diplomacy with Chinese characteristics”—he did not, however, provide details (*Hainan Daily*, April 9). The June speech is the first major explication of the new concept and, thus, deserves in-depth analysis.

“Major country diplomacy” is the official Chinese translation (“*daguo wajiao*”), but the same characters can also be translated as “great power diplomacy,” which perhaps more accurately describes Beijing’s aspirations. In fact, in other instances, the first two characters *daguo* are translated in Chinese media as “great power,” such as Xi Jinping’s call for a new kind of “great power relationship” (*daguo guanxi*) with nations such as the United States and Russia.

Some of the features of “major country diplomacy with Chinese characteristics” outlined by Wang Yi are familiar, long-standing tenets of Chinese diplomacy. These include practicing the “independent foreign policy of peace,” adhering to the Five Principles of Peaceful Coexistence, opposing hegemony, respecting sovereignty and refraining from interfering in another country’s internal affairs. Also included are building a “harmonious world” and achieving “win-win progress,” concepts introduced by Xi’s predecessor Hu Jintao. These references make clear that core elements of Chinese foreign policy are not being jettisoned by the new administration, even as new concepts and/or rhetoric are adopted.

Wang put special emphasis on the role the developing world plays in China’s global interests and goals. Beijing consistently has touted its status as a friend and partner of the developing world, stressing that, as China grows, developing nations in particular will benefit. Responding to doubts expressed by both Western scholars and leaders in the developing world that China’s involvement in developing countries is benevolent, Wang attempted to reassure these nations that China will continue to aid and support them.

When referring to the maritime disputes China has with several Southeast Asian nations and with Japan, Wang reiterated the proposal that “parties could shelve differences and engage in joint development.” This policy, first put forward by Deng Xiaoping in 1979 and developed throughout the 1980s, signals that intractable disputes should be set aside to avoid undermining good relations between China and its neighbors (Ministry of Foreign Affairs, November 17, 2000). As maritime issues have heated up in recent years, domestic pressure on Chinese leaders has increased to abandon this policy. Many netizens and Chinese scholars would prefer a stronger stance on territorial issues, viewing the policy

as too conciliatory and contrary to China’s interests. Wang’s reiteration of Deng’s stance—along with his commitment to pursue a peaceful solution to the South China Sea disputes and launch discussions for a Code of Conduct, which he conveyed on his May tour of four ASEAN nations—is evidence of a concerted effort to smooth tensions with China’s neighbors.

Wang’s speech also stressed the importance of some issues in Chinese diplomacy that have surfaced in recent years. With the growth of China’s involvement and presence abroad, protecting Chinese nationals overseas has emerged as an urgent priority. The 18th Party Congress Report stated “we have staunchly protected China’s interests and the legitimate rights and interests of Chinese nationals and legal persons overseas.” Wang went even further when discussing the growth of Chinese nationals traveling overseas for tourism, education and work. Wang stated the Chinese government “should give them reliable and strong backing” so that those traveling abroad also can achieve their own “Chinese Dream.” By referencing Xi Jinping’s call for the realization of the “Chinese Dream” of national renewal, Wang integrates the Chinese dream concept into foreign policy goals, encouraging Chinese citizens to strive to achieve their dreams both at home and abroad.

Wang also reiterated Xi Jinping’s call for a “New Type of Great Power Relations” (*xinxing daguo guanxi*)—now officially translated as a “New Type of Relationship among Major Powers”—highlighting both the United States and Russia as countries with which China seeks to establish such ties. He explained the new type of major power relationship between these states will contain elements of “mutual respect, win-win cooperation, no conflict and no confrontation,” applying core tenets of the Hu administration to Xi’s new concept. On the multilateral organizations front, Wang’s speech echoes the 18th Party Congress in identifying the UN, the G20, the Shanghai Cooperation Organization, Asia-Pacific Economic Cooperation (APEC) and BRICS as the organizations China will pay greater attention to in the future, leaving others, such as the East Asia Summit, conspicuously absent.

A few portions of Wang’s speech provided hints of new directions in Chinese foreign policy and are therefore important concepts to watch. As Wang admits in the

opening sentences of his speech, China's rapid growth and change that has prompted "thinking and exploring" about "what kind of foreign policy it will follow and what impacts will it have on the world." While his speech does not offer a definitive answer, there is no doubt that a crucial component of China's new foreign policy will be a more proactive approach to diplomacy. In the official translation of his speech, the phrase "active" or "actively" is used no less than 13 times. China is in a period in which it has dual identities, being both a "developing" nation and a major country or great power. Wang's emphasis on engaging in proactive diplomacy signals a growing desire to move away from China's reactive policies of the past.

One important development linked with this more proactive Chinese diplomacy is an official acknowledgement of rising global expectations for China to assume greater responsibility for addressing regional and global problems. In the past few years, Chinese scholars have called for China to make more contributions to global governance. In 2010, Shanghai Institutes for International Studies Fellow, now President, Chen Dongxiao argued there is a "significant gap between the strategic demand for China to share international responsibility and provide international public goods and our current strategic plans and implementation" [2]. Government officials continued to shy away from acknowledging these calls, however. In his 2010 article detailing China's "Path of Peaceful Development," State Councilor Dai Bingguo focused on reassuring the world that China would be a peaceful, cooperative growing power that would "never seek leadership, never compete for supremacy" (Xinhua, December 6, 2010). The 2011 white paper, *China's Peaceful Development*, allowed that "as its comprehensive strength increases, China will shoulder corresponding international responsibilities and obligations," but did not indicate that it was yet time to do so [3].

Wang's speech signaled that China recognizes it must adopt a more active, rather than simply a prudent and self-focused, foreign diplomacy. He claims "China is ready to respond to the international community's expectations" that it "undertake its due responsibilities and make greater contribution to world peace and common development." Wang states that China is ready and eager to apply Chinese experiences and knowledge to international relations, taking a leadership role by

providing public goods and participating further in global governance. These carefully crafted statements indicate global governance and greater leadership in the international community will be a key part of the policy of major country diplomacy with Chinese characteristics.

A concrete example of greater Chinese contribution to the international community is the first-time deployment of combat troops to a UN peacekeeping mission. While China has been hesitant in the past to make commitments to sending combat troops for fear of being accused of interfering in internal affairs, the arrival of several hundred Chinese peacekeeping troops in Mali this month is a sign of shifting policy. In addition to confirming this decision, Wang noted the larger role Beijing is beginning to play in the Middle East peace process. By championing Xi Jinping's new four-point proposal for the settlement of the Palestinian question, Wang makes it clear that engaging in diplomacy in the Middle East is firmly on China's agenda (Xinhua, May 6).

These expressions of China's interest in participating and shaping the international community are coupled with an explicitly stated belief that the international system is in need of "reform and improvement." Perhaps in response to fears that Beijing will seek to overturn the prevailing global structure and decision making system, Wang pledged China will "continue to maintain the present international order" from which it has benefited enormously. He added, however, that the global community "is going through a deep crisis of thinking and culture in modern civilization" and, therefore, needs to rethink and revise some aspects of the international system. Wang is silent on exactly what changes China seeks and how aggressively Beijing will push for them.

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Notes:

1. Wang Yi, "Exploring the Path of Major Country Diplomacy with Chinese Characteristics," Remarks at the Second World Peace Forum, June

- 27, 2013, Available online <<http://www.fmprc.gov.cn/eng/zxxx/t1053908.shtml>>.
2. Chen Dongxiao, “New Development in Global Politics and Rethinking on China’s Multilateral Diplomacy,” Shanghai Institutes for International Studies, Undated, Available online <<http://en.sis.org.cn/index.php?m=content&c=index&a=show&catid=15&id=104>>.
 3. The September 2011 white paper, *China’s Peaceful Development*, is available at the web portal for the Central Government of the People’s Republic of China <http://english.gov.cn/official/2011-09/06/content_1941354.htm>.

Propaganda as Policy? Explaining the PLA’s “Hawkish Faction” (Part Two)

By Andrew Chubb

If outspoken Chinese military officers are, as Part One suggested, neither irrelevant loudmouths, nor factional warriors, nor yet the voice of the People’s Liberation Army (PLA) on foreign policy, and are instead experts in the PLA-party propaganda system, then what might explain the bad publicity they often generate for China? This article explores how the activities of China’s military hawks may contribute to the regime’s domestic and international goals. On a general level, the very appearance of a hawkish faction—the “opera” that Luo Yuan has described—serves the domestic purposes of promoting national unity (*Global Times*, May 4). By amplifying threat awareness and countering perceived Western plots to permeate the psyche of the Chinese populace and army, the “hawks” direct public dissatisfaction with the policy status quo away from the system as a whole.

In specific crises, such as the standoff at Scarborough Shoal last year or in the wake of the Diaoyu Islands purchase, hard-line remarks from uniformed commentators serve to rally domestic public opinion behind the prospect of military action, instill confidence in the PLA’s willingness to fight over the issue and deter China’s adversary. By

amplifying the possibility of otherwise irrational Chinese military action and inevitable escalation should Beijing’s actions be interfered with, they have contributed to a thus-far successful effort to convince the Philippines and Japan to accept the new status quo around Scarborough Shoal and the Diaoyu Islands.

External Propaganda

The PLA’s external (*duimai*) propaganda work system, which Part One showed most of the “hawks” belong to, has been greatly strengthened in recent years in line with an often-cited “series of important instructions” from Hu Jintao from 2006 onward. This effort has emphasized self-affirming aspects of propaganda—perhaps better translated as publicity and promotion—with particular regard to foreign audiences, aiming to increase understanding of China’s policies, diminish “China threat theories” and shape a good international image for the PLA. The General Political Department (GPD) Propaganda Department’s External Propaganda Bureau was established in 2006 in response to a Xinhua report on the PLA’s image in overseas media. The Xinhua PLA Bureau’s year-long investigation reported in April 2006 that negative reports dominated Western public opinion on the PLA, with word associations of “security threat,” “closed,” “non-transparent” and “backward.” Aside from openness issues, a follow-up investigation led by then-GPD Director Li Jinai found that China’s media were used to using their own linguistic and thought conventions as well as domestic habits in external propaganda with less-than-ideal results (*Xinhua*, March 19, 2010). These themes, and the general emphasis on improving international perceptions of the PLA, have continued throughout the all-military external propaganda push. General Li also said military external propaganda work must “adhere tightly to foreign audiences’ needs for information on our military, adhere tightly to foreign audiences’ habits of thought” (*Xinhua*, November 15, 2010).

Recent writings on the topic emphasize activities including Ministry of Defense news conferences (not known for producing sensational statements), meet-the-press sessions, military open days (such as the recent event at a Xi’an air defense base), white papers, Chinese-foreign military cultural exchange and doing media interviews

(Xinhua, August 2; *PLA Daily*, November 1, 2012; China Military Online, May 18, 2012; *Southern Weekend*, January 10, 2012) [1]. Yet, if military external propaganda activities are aimed solely at creating a positive image of the Chinese military among foreigners, why do specially-appointed “external propaganda experts” like Dai Xu and Luo Yuan make statements that generate negative publicity and stoke foreign perceptions of China as a military threat?

Part of the answer may be that external propaganda experts conduct activities aimed at both domestic and foreign audiences, including other parts of the Chinese government. Although the Chinese Communist Party’s (CCP) central propaganda apparatus has separate systems for domestic and foreign-oriented propaganda, the lines between the two have become increasingly blurred in practice. By 2003, the Central Propaganda Department argued that, due to the number of foreigners reading Chinese media, domestic propaganda should be seen as the same as external work [2]. The all-army external propaganda push appears to reflect a similar dynamic [3]. External propaganda activities such as Ministry of Defense news conferences and military open days are conducted in Chinese and invariably produce stories in the Chinese media. In a state media report on the first “All-Army External Propaganda Backbone Training Class” held in 2009, PLA Nanjing Political Academy Military News Communications Department Director Gu Li referred to external propaganda tasks as “displaying our military’s favorable image to our compatriots and the people of the world” (*International Herald Leader*, April 16, 2009). Likewise, Luo Yuan has spoken of opening a Weibo account as an aspect of external propaganda work (People’s Net, February 25). To the extent that external propaganda is aimed at both domestic and foreign audiences, it needs to balance convincing the world that China poses no military threat with convincing Chinese citizens that the PLA is capable of and committed to defending Chinese interests.

International Deterrence?

Through the early stages of the 2012 standoff between the Philippines and China over Scarborough Shoal, Major General Luo Yuan became the Chinese military’s most prominent face, appearing in the mainland media almost daily. In particular, he attracted great attention for

an article that directly criticized the government for de-escalating the situation, arguing China was being “bullied” and urging for the military to be sent in to occupy the shoal (South Sea Conversations, April 27, 2012; China.org.cn, April 27, 2012; Reuters, April 21, 2012; *Global Times*, April 9, 2012). Luo’s frequent appearances appear to have been part of a state-led effort to focus public attention on the issue. China’s commercially-oriented media were understandably eager to amplify the likelihood of the country going to war, but the discourse of impending conflict was driven by inflammatory central media coverage and escalatory official comments. A case in point was a *Global Times* editorial titled “If Friction Continues, It Will be a Miracle If China and the Philippines Don’t Go To War” (*Global Times*, May 9). The paper’s in-house opinion polling center conducted a hasty survey in late April and, unusually, released the detailed findings for free via the *Global Times*’ website with the headline discovery that nearly 80 percent of Chinese people supported military retaliation to “provocation” in the South China Sea (Shenzhen TV, May 5, 2012; Global Poll Center, May 2, 2012). Dai Xu added his own call for war in early May, arguing that even if the United States was hoping to provoke China into attacking the Philippines, China should do it anyway. Moreover, foreign media reports that that PLA Navy’s South Sea Fleet had entered a state war readiness were introduced into the Chinese media via Xinhua translation, fuelling belief within China that China might be about to go to war if the Philippines did not back down (Xinhua, May 11, 2012; *Global Times*, May 7, 2012). By May 10–11, the prolonged ascendancy of “Chinese Warships Approach Philippine Territory” at the top of the Sina Weibo topic tree highlighted that not only was war with the Philippines an approved topic, but also that it had captured the attention of the public (Sinocism, May 10, 2012).

Along with economic punishment and conventional diplomatic protest, the displays of public war chatter and military outspokenness formed a part of China’s strategy to convince the Philippines to desist from opposing its control of the disputed atoll. The foreign-directed aspects of the Scarborough Shoal media wave are suggested strongly by the choice of articles provided by Chinese state media in translation. For example, a *PLA Daily* piece warning the standoff had become a matter of “national dignity and even social stability” was posted on the Ministry of Foreign Affairs’ website, reinforcing what

Philippines diplomats were hearing from their Chinese counterparts about the pressure they were under from the public (Ministry of Foreign Affairs, May 10, 2012) [4]. The *Global Times* editorial mentioned above was published in English under the title, “Peace Will be a Miracle If Provocation Lasts.” After Luo’s call for the military to be sent in was posted in English on government-run portal China.com.cn, Philippines President Benigno Aquino publicly called his bluff, stating “We think that is more a statement that lacks substance [and is] not indicative of the real intentions” (*Manila Bulletin*, April 29, 2012). Eventually, however, the Philippines’ ships did leave the area, leaving China in control, and they have not challenged the Chinese official presence there since, even as some of its fishing communities being deprived of their livelihoods (*Inquirer Global Nation* [Manila], May 29; ABC News [U.S.], May 22). The exact reasoning behind the Philippines’ decision-making is beyond the scope of this article; certainly it involved much more than simply Luo and Dai’s hawkish comments and the manifestations of “public will” they helped bring forth. Both have stated their earnest belief in the power of *minyi*, Luo calling it “able to overturn ships” (*Global Times Online*, March 18). The point is that their ostensibly warmongering remarks seem to have been designed not to provoke military conflict, but rather to help ensure China achieved its objective while *avoiding* military conflict. The Philippines was deterred from opposing the new status quo, and China subdued its adversary without fighting (*bu zhan er qu ren*).

In the same way, the PLA “hawks” also may have helped China convince the Japanese government not to oppose the frequent entries of China’s maritime patrol vessels in the territorial waters surrounding the disputed Diaoyu/Senkaku Islands. When the Japanese government made its purchase of three of the disputed islands on September 10 last year, China appeared to be ready with an integrated civilian-military response. Almost immediately, the Ministry of Foreign Affairs made an official statement of China’s position and announced territorial baselines for the islands, thus giving surrounding waters out to 12 nautical miles the specific legal status of territorial waters under Chinese law. This was followed by the institution of regular patrols by Chinese official boats within the territorial waters. Since September 2012, this has occurred on well over 50 separate days to date—averaging more

than once a week—giving credence to official media claims that China has “regularized” patrols in the area, and “broken the situation of Japan’s actual control” of the islands (CCTV, November 5, 2012; *People’s Daily*, October 9, 2012). Beijing’s regular official presence in the territorial waters represents a major change to the status quo prior to September 10. Chinese government boats entered the 12 nautical mile zone only twice in the year leading up to September 10, and just once in the three years prior. The media blitz that followed Tokyo’s island purchase mirrored that during Scarborough Shoal, with the public expressions of anti-Japanese outrage and bloodlust working, paradoxically, to create what one Chinese scholar has described as “grassroots deterrence” (Tea Leaf Nation, January 25). Since that time, China has tested Japan’s resolve on several occasions, first with plane flights and then possibly with radar-locking incidents, PLA and CCP voices have warned Japan directly that opposing these new activities could lead to war (“Radar Incident Obscures Beijing’s Conciliatory Turn toward Japan,” *China Brief*, February 15). Major General Peng Guangqian declared any warning shots fired near Chinese planes around the Diaoyu Islands would be “firing the first shot” in a Sino-Japanese war, while the *Global Times* said public opinion would demand war.

Domestic “Indoctri-tainment”

Sensational statements add drama to international issues—such as disputes over distant, uninhabited maritime features—that may otherwise be relatively distant from ordinary Chinese people’s lives. Luo Yuan has spoken frequently of his ambition to increase “national defense education” and engender “imperilment consciousness” (*youbuan yishi*) among China’s population. He also has repeatedly stated that he believes the masses, especially the young, have “patriotic potential”, with appropriate measures required to stimulate and guide it (*Global Times Online*, May 4; *Southern Window*, April 9, 2012; *People’s Daily Online*, February 12, 2012; *Wen Wei Po* [Shanghai], September 30, 2011; China National Radio, March 17, 2009). Dai Xu also has called for *youbuan yishi*, stating that having a “population that is resolute, brave and full of imperilment consciousness” is more important for China than strategists such as himself (*Global Times*, July 5, 2012) [5]. Major General Luo has even taken his defense awareness mission to the gaudy stages of Hunan Satellite

TV, where he has appeared in uniform on variety shows aimed at young viewers. “Using the medium’s universal appeal,” journalist Zhang Jianfeng wrote, “he embedded education within fun” (*Southern Window*, April 9, 2012). Luo Yuan said his dealings with Hunan TV showed him that the young have a patriotic fervor and reverence for military heroes. The problem, he said, was “how to release and mobilize their patriotic potential...simple preaching is no good, boring inculcation doesn’t work, we must move with the times...in short, national defense education should have new content, new formats and new methods” (Global Times Online, May 4). This mirrors an approach that emerged in the Chinese media in the late 1990s that media theorist Wanning Sun described as “indoctrin-tainment” [6].

The hawks may have attracted attention internationally, but their impact on China’s domestic discourse is even more readily apparent. Aside from their prominence in centrally-controlled, commercially-driven media like CCTV and the *Global Times*—whose content is republished widely on China’s major privately-owned commercial online—they also have proven their ability to shape the discourse on largely user-driven social media. Dai Xu and Luo Yuan’s names in particular, are often raised in popular comments, even where they were not mentioned in the corresponding news article (South Sea Conversations, May 28, 2012; May 3, 2012). Luo’s suggestion that the Diaoyu Islands be turned into a target range has been widely repeated by other commentators on blogs, online forums and even a government petition site (Strong China Forum e-Politics, September 10, 2012; blog.ifeng.com, September 3, 2012). A microblog post raising the target range idea became the most-forwarded item on Sina Weibo on August 19—a day when anti-Japan protests took place in more than 10 Chinese cities (Sina Weibo, August 19, 2012). It was forwarded 147,000 times and attracted more than 48,000 comments, but did not mention Luo, who had started making the suggestion at least nine days earlier (Global Times Online, August 10, 2012). According to the Chinese wiki *Baidu Baike*, Dai Xu, meanwhile, was voted one of nine “Internet Persons of the Year” in 2010, alongside iconic figures such as Lang Xianping and Yu Jianrong, in an internet poll that attracted several million votes. Additionally, each of his books has an average five-star average rating on *DangDang*, China’s equivalent of Amazon.

The hawks’ prominence in audience-driven media can be explained partially as a result of the universal news value of conflict, but they also may answer deeper psychological needs. The enormous numbers of responses that their statements generate on mainstream news portals, and their widespread reposting on blogs and in discussion forums, are one illustration of the strength of their market appeal. The existence of such a market does not imply approval or agreement from more a fraction of the China’s population—both Luo Yuan and Dai Xu have been mercilessly lampooned than on Weibo this year, showing that they are viewed as buffoons by many Chinese people (*Sydney Morning Herald*, February 25; Tea Leaf Nation, April 11). Nonetheless, to legions of leftists and military enthusiasts online, however, they are iconic figures: heroes and truth-speakers (“real military men” who “represent the people”) fighting to overcome traitorous enemies-within that are selling out the country’s interests. Public criticism or questioning of these PLA pundits sparks paranoid, conspiratorial reactions from fans online (South Sea Conversations, July 27; April 29). As Luo Yuan recently explained, public expressions of yearning for a military leadership that will show no mercy to any provocateurs on China’s borders is “the citizenry’s hope for the Chinese military, an appeal to a sense of heroism, and even more so, it is a nostalgia for our party and army’s period of suffering and glory.” It is also, according to Luo, an expression of “imperialism consciousness” that both Luo and Dai Xu aim to encourage (Global Times Online, May 4).

The hawks’ warlike public statements, contrasting with official government positions, frequent fierce disagreement with their co-panelists on television and even occasional direct criticisms of the policy status quo, all help perpetuate the narrative that a hawkish faction exists in the military. The rise of the term “hawkish faction” (*ying pai*) in Chinese discourse on international affairs suggests the idea is widespread. Discussion of opposing factions within the party or military might once have been dangerous in the People’s Republic, as it implies division, which the regime has generally sought to hide over the past two decades since the 1989 crisis. Today, however, such theories are flourish in both conventional Chinese media outlets and online. Not only have mainstream published numerous discussions on the “hawkish faction” as a phenomenon, state-run news outlets have even run translations of detailed international discussions on the

PLA's hawks (Global Times Online, July 30; Phoenix Online, July 3; *Global Times*, April 3; ChinaGate, February 26; *World Journal*, February 6; Xinhua, March 10, 2010). Moreover, both Luo Yuan and Dai Xu publicly embrace the label (*Southern Weekend*, January 10, 2012; Chunqiu Military, December 13, 2009). This indicates that public belief in the existence of a PLA hawkish faction fighting for aggressive countermeasures against external enemies is acceptable or desirable from the perspective of military and civilian propaganda and ideological authorities. From a regime legitimacy perspective, it may be useful to maintain the appearance of a powerful faction working to push the country's foreign policy in aggressive directions, so that nationalist desires and hopes for revenge (to some degree a result of the regime's own "patriotic education" agenda) can be focused within the present system.

Conclusion

The hawks' activities may have contributed to the Philippines and Japan's acceptance of the new status quo in a number of ways, though further research is needed to obtain specific indications of which areas in particular the hawks' influence is strongest. Their promotion of "imperilment consciousness" probably has contributed to public demands for hard-line foreign policies, and their combative rhetoric has legitimized and encouraged public criticism of China's current foreign policy. In turn, the narrative of popular nationalist pressure on the government's position, which the Ministry of Foreign Affairs has emphasized to foreign interlocutors for many years, is frequently interpreted outside China as a domestic constraint on the Chinese regime's foreign policy choices—a perception that improves China's position at the international negotiating table by credibly rendering various forms of compromise "impossible." On maritime territorial disputes in particular, the narrative of policy pressure from a hawkish military—or elements within the military as well as an intensely nationalistic public (partially engendered by the military)—has created a widespread perception that an "accident or miscalculation" on the water probably would spiral out of control, which China has wielded to secure acceptance of the advances it has made via non-military means. The PLA's "hawkish faction" appear integral to this combined civil-military approach to international conflict under informatized conditions.

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Notes:

1. These aspects of military external propaganda work are perhaps better understood as "external publicity", rather than "propaganda" in the sense of negative demonization of the enemy and disinformation. In addition, the Chinese term also means "promotion", in the sense of public service messages (health promotion). In Chinese, these are all "xuanchuan," literally "announce [and] pass-on."
2. David Shambaugh, "China's Propaganda System: Institutions, Processes and Efficacy," *The China Journal*, No. 57, January 2007, p. 31; Anne-Marie Brady, *Marketing Dictatorship: Propaganda and Thought Work in Contemporary China*, Lanham, MD: Rowman & Littlefield Publishers, 2008, p. 13.
3. The organizational structure of the GPD traditionally reflected distinctions between propaganda and ideological education work aimed at officers and soldiers (GPD Propaganda Department), mass work aimed at the domestic audience (GPD Mass Work Department) and external propaganda work (GPD Liaison Department). See, David Shambaugh, "The Soldier and the State," *The China Quarterly*, No. 127, September 1991, pp. 545–546.
4. Author's Interview with a Philippine Diplomat, Beijing, November, 2012.
5. As a Strong China Forum writer observed in the wake of Dai Xu's 2010 "dismemberment" lecture, "whether what he says is right or not is secondary." The crucial point is that he is awakening people to the need for national defense construction (Military.china.com, February 24, 2010)
6. Wanning Sun, "Semiotic Over-Determination or 'Indoctrainment': Television, Citizenship, and the Olympic Games," in Stephanie Hemelryk Donald, Michael Keane and Yin Hong, eds., *Media in China: Consumption, Content, and Crisis*, New York: RoutledgeCurzon, 2002, p. 116.
