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Cultural exchanges with developing countries preserve an 'ideologically heterogeneous world,' preventing encirclement by Western values.

In a Fortnight

ARRESTS IN GUANGDONG SPEARHEAD EFFORT TO CLEAN UP INNOVATION SYSTEM—BUT REVEAL COMMITMENT TO STATE-LED RESEARCH

By David Cohen

The firing and arrest of more than 50 officials “from the number one down to the grassroots” in the Provincial Science and Technology Department of Guangdong has been hailed in Chinese official media as a step forward in the fight against corruption—but, as they take pains to emphasize, the crackdown says more about how much is wrong with the system than it does about efforts to repair it (Xinhua, February 18). Official accounts of the arrests suggest that Chinese leaders are profoundly dissatisfied with the results of the centralized system of research financing, supercharged in the wake of the 2008 stimulus by Hu Jintao’s indigenous innovation (*ziben chuangxin*) policy, and reviled by liberal economists for its emphasis on central planning and foreign businesses for encouraging intellectual property theft. But, while Xi has discussed market-led approaches to innovation, most attention seems to be focused on cleaning up and repairing the current, state-led system, which allocates money mainly to government research agencies and state-owned enterprises. In 2013, annual innovation spending passed 1 trillion RMB (about \$165 billion) (Xinhua, February 18).

According to official coverage of the arrests, the current system is simply not working. Many articles have revisited an October speech by Science and Technology Minister Wan Gang in which he condemned the system as massively corrupt, reciting a litany of arrests, calling for more investigations and describing himself as “angry, saddened and shocked” by the state of the system (*People’s Daily*, October

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12). In addition to investigations by Party and government officials, he proposed creating an open database of research projects to invite public oversight, a call that has been echoed in official media in response to the arrests in Guangdong. In an interview given the same day, he also cited air pollution as a barrier to attracting foreign talent to Beijing's research centers. Wan, the only minister in China not to belong to the Communist Party (he is the chairman of the China Zhi Gong Party, one of the "democratic" parties of the United Front), is respected for expertise gained as an engineer at Audi and President of Shanghai's Tongji University, but is widely believed to be ineffectual owing to a lack of Party connections. His speech, given during the runup to the Third Plenum, was largely overshadowed by news about the meeting on economic reform, but his comment about being "angry, shocked and surprised" has since emerged as the watchword of a campaign against research corruption.

Xinhua's coverage of the recent Guangdong case portrayed it as a victory, but also emphasized that it was "Just the tip of the iceberg" of research corruption (Xinhua February 18). The article likened innovation funding to catnip (*Tangsheng rou*) for corrupt officials, quoting a study by the Chinese Association for Science and Technology, which found that only 40 percent of the more than 1 trillion RMB allocated to research last year was actually spent on research projects. A commentary from the Qianjiang Evening News (Qianjiang Wanbao), picked up by Xinhua and People's Daily Online, called the arrests—"cause for more worry than satisfaction." By stealing money intended for scientific research, the article argues, officials are undermining a "fundamental productive force" of the economy (Xinhua, February 18). More liberal outlets have used the arrests to call for a wholesale rethinking of the system of state-directed research, with the *Beijing News* arguing in an editorial that "Marketization is the best medicine for research corruption," proposing a system of competitive grants modeled on international practice (*Beijing News*, February 18).

Chinese President Xi Jinping has taken an interest in innovation. According to Xinhua, he has delivered four "important speeches" on the topic, two marking the launches of the Shenzhou-10 manned mission in July and the Chang'e-3 lunar probe in December, one a during a July inspection tour of the Chinese Academy

of Science (CAS), and one during a September visit to the "Chinese Silicon Valley" in Beijing's Zhongguancun district. The space speeches, likely aimed at the general public, were largely presented in the rhetorical mode of the "China Dream," emphasizing progress and self-reliance. While celebrating the launch of the Chang'e-3, he said that "Innovation is the soul of a people's progress, an inexhaustible wellspring of national prosperity, and it is also the Chinese people's most distinctive national endowment" (Xinhua, January 6).

At CAS, however, Xi called for reform of the existing system. He criticized waste and inefficiency and called for the spirit of the mass line in innovation work (*People's Daily*, July 18, 2013). If this was intended to strike fear into the hearts of Academy officials, it did not—a study session held the following week on the lessons of Xi's speech concluded that the Academy needed more funding and a greater role in political decision-making (CAS website, July 30). At Zhongguancun, however, Xi went further, identifying innovation as a sector in need of "deepening reform" to rectify the relationship between government and the market. While the state should continue to guide innovation and "seize the high ground" using major state projects, and to increase allocations for research, Xi also emphasized the role of private entrepreneurship in innovation. He called for reforms to education, tax policy, capital allocation and—most importantly—intellectual property protection to support innovation (Xinhua, October 1, 2013).

China's leaders appear to recognize that the current system of innovation financing has created little more than a feeding trough for established economic interests to extract money from the state. But the range of solutions on offer—focusing on private entrepreneurship, an ARPA-like system of grant applications, or simply a crackdown inside the state system—suggest that they do not know how to fix it. Dysfunctional as it is, the rapidly-growing 1 trillion RMB a year innovation bureaucracy may simply be too big to dismantle.

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INDIA-CHINA BORDER TALKS SHIFT FROM RESOLVING DISPUTES TO MANAGING THEM

By Rup Narayan Das

The 17th round of India-China Special Representative Talks (SR Talks) on boundary disputes between the two countries concluded in New Delhi on February 11. China was represented by State Councilor Yang Jiechi, and India by National Security Advisor Shivshankar Menon. An anodyne press release issued by the Indian Ministry of External Affairs said that the talks were candid and constructive (<https://www.mea.gov.in/press-releases.htm?dtl/22861/>). It further said the Special Representatives continued their discussions on a framework intended to achieve resolution of the boundary question, the second stage of a three-step process agreed to previously by both sides.

The latest round of the SR Talks between the two countries took place against the backdrop of a major border incursion by China on the Indian side of the Line of Actual Control (LAC) on April 15 last year (See *China Brief*, July 14, 2013). Although the three-week standoff was peacefully resolved on May 5, it exacerbated mistrust between the two countries and exposed the weaknesses of the existing institutional mechanisms and Confidence-Building Measures (CBMs) intended to prevent and defuse border incursions. It is no wonder, therefore, that the focus and thrust of the border talks in recent times have shifted to effective border management rather than seeking resolution of the issue.

Sino-Indian economic ties and border have grown simultaneously in recent years, prompting both sides to make managing tensions a priority. During Chinese Premier Li Keqiang's visit to India in May last year, Prime Minister Dr. Manmohan Singh very directly stated, "The basis for continued growth and expansion of our ties [with China] is peace and tranquility on our borders" (*The Times of India*, May 21, 2013). Later the two countries signed the Border Defense Cooperation Agreement (BDCA) during the visit of Prime Minister Dr. Manmohan Singh to China in October last year. It was yet another CBM between the two countries, which attempted to address the lacunae of the earlier CBMs, including the *Working Mechanism for Consultation and Coordination on India-China Border Affairs*, which the two countries had signed in January 2012 (<http://www.mea.gov.in/bilateral-documents.htm?dtl/17963/>).

In order to address the issue of border incursions, the two sides agreed in the BDCA that they shall not follow or tail patrol of the other side in areas where there is no common understanding of the Line of Actual Control. It further

urged both sides to open additional meeting points for flag meetings and border personnel meetings to respond to and defuse incidents. It also proposed establishing telephone and telecommunication links at mutually agreed locations along the Line of Actual Control, and a hotline between the military headquarters of the two countries.

When the recent SR Talks took place, the fifth meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs also took place earlier in the day on February 10. While the two institutional mechanisms complement each other, the SR Talks also addressed a wide range of non-border issues. The two top diplomats discussed at length other issues such as the Chinese concept of the New Silk Road, trans-border river management, the stapled visa issue, Chinese support to Indian insurgent groups in the North-East region of India, and other regional issues (*The Hindustan Times*, February 15, 2014). This suggests that neither side expects to reach agreement on the border; the inclusion of other issues dilutes the urgency and primacy of the settlement of territorial issue between the two countries.

Paradoxically, Beijing is more proactive in initiating the CBMs with India, while most of the border incidents are also initiated by the Chinese side. Frequent border incursions and at times standoffs between the two armies, and their reportage in the media, hardens Indian popular perceptions of China, which in turn casts a shadow on the relationship between the two countries. It is also a matter of speculation whether the border incursions by the PLA on the Indian side of the LAC is part of a wider strategy, or is closer to "freelancing" by local border commanders. Be that as it may, China cannot afford to strain its relationship with India in view of the growing bilateral trade and economic engagement between the two countries and their people, and in the context of overall relationship between the two countries. In spite of the claims by both sides that the LAC is peaceful and tranquil, the incidence of border incursions continues and the frequency and duration of standoffs have increased. Thus, the situation makes resolution ever less likely, and demands effective border management.

There has been little progress on resolving the border since 2005, when the two countries signed *Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question*. The two countries exchanged maps showing their respective positions in the relatively less complex middle sector in March 2000. Later, in June 2002, maps on the Western sector were shown but not exchanged, due to both sides claiming maximalist territorial positions (*The Hindustan Times*, June 14, 2013). The current Chinese leadership appears resigned to managing a lingering boundary question, as President Xi Jinping expressed in an interview last year. He

said that the boundary dispute between the two sides “won’t be easy. Pending the final settlement of the boundary question, the two sides should work together and maintain peace and tranquility in the border areas and prevent the border question from affecting the overall development of bilateral relations” (*Times of India*, March 19, 2013).

The two sides may, however, be able to accept a permanent settlement using the status quo as defined by the LAC, but that would require strong political will from both sides. While India has to develop a national political consensus, China also has to muster up strong political will to overcome deep-seated nationalism on the same issue. The position on the progress of the border dispute from the Indian side can be summed up in the words of the official spokesperson: “Nothing is agreed until everything is agreed” (*The Hindu*, February 12).

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Beijing’s Fight Against Democracy Activism in Hong Kong

By Mark C. Eades

Nearly seventeen years after handover of Hong Kong from British to Chinese control, tensions with Beijing are higher than ever. Resentment toward Beijing is rising in Hong Kong due to Beijing’s persistent efforts to impose mainland-style policy aimed at limiting democratic rights for Hong Kong residents, silencing critics and assimilating Hong Kong into China. Given the unwillingness of many Hong Kongers to submit to “mainlandization,” these tensions seem destined to continue rising absent significant concessions from Beijing.

This state of affairs has not only pitted Hong Kongers against Beijing, but also the pro-democracy majority in Hong Kong against a vocal and influential pro-Beijing minority, including pro-Beijing leaders in the Hong Kong government and business community. The United States has also given vocal support to Hong Kong democracy, sparking accusations from Beijing and its allies in Hong Kong of U.S. interference in China’s internal affairs,

and conspiracy theories alleging U.S. plots to divide and weaken China.

‘Mainlandization’ and the Democracy Movement in Hong Kong

Following the 1997 handover, Hong Kong was politically re-established as a Special Administrative Region (HKSAR) of the People’s Republic of China (PRC). As such, Hong Kong was guaranteed “a high degree of autonomy” in its internal political, economic, social, and legal affairs under the “one country, two systems” formulation (Basic Law of Hong Kong, Articles 1 and 12). Nonetheless, Beijing has undertaken a subtle program of “mainlandization,” designed to make Hong Kong politically and economically more dependent on the PRC, socially more patriotic toward the PRC and legally more reliant on PRC interpretations of the Basic Law of Hong Kong (*China Post*, September 9, 2011; *The Independent*, October 8, 2012). [1]

Beijing’s program of mainlandization includes persistent efforts to limit voting and nomination rights in Hong Kong elections; restrict civil liberties and press freedom; and culturally assimilate Hong Kong into China. These efforts have met with stiff resistance from Hong Kongers. Polls by the University of Hong Kong (UHK) in 2012 and 2013 found that more than 60 percent of Hong Kong residents—including almost 90 percent in the 18-29 age group—identify themselves as “Hong Kongers” rather than as “Chinese,” angering Beijing (Hong Kong University [HKU] < http://hkupop.hku.hk/english/popexpress/ethnic/eidentity/hkbroad/poll/eid_poll_chart.html >). Trust in the Beijing government has fallen from a high of 59 percent in 2007 to 36.8 percent in December 2013, while trust in the pro-Beijing HKSAR government has dropped from a high of 68.8 percent in 2006 to 43.9 percent (HKU < http://hkupop.hku.hk/english/popexpress/trust/trusthkgov/overall/chart_poll/overall_poll_chart.html >). Like self-identification as “Hong Konger” rather than “Chinese,” distrust of Beijing has been highest in the 18-29 age group, indicating that Beijing’s message of Chinese national unity is not getting through to Hong Kong’s youth (HKU, < <http://hkupop.hku.hk/english/release/release858.html> >).

2012 saw protests in Hong Kong as Beijing sought to impose mainland-style “patriotic education” on Hong

Kong schoolchildren, viewed as “brainwashing” by many in Hong Kong. Pro-Beijing local officials backed down from this effort, demonstrating for Hong Kongers that Beijing can be beaten (*South China Morning Post [SCMP]*, September 8, 2012). In 2013 attacks by pro-Beijing thugs on news organizations and activists raised fears that Beijing is willing to resort to violence to bring Hong Kong under firmer control (See *Epoch Times*, June 21, 2013; *SCMP*, July 1, 2013). Pro-democracy protests have continued, often featuring Hong Kong’s former British colonial flag as a symbol of resistance to mainlandization, further angering Beijing (See *SCMP*, March 7, 2013).

Currently at issue are nomination and voting rights ahead of a planned HKSAR Legislative Council (LegCo) election in 2016 and executive election in 2017. At present, Hong Kong’s chief executive is elected by a 1,200-member Election Committee dominated by Beijing loyalists and highly unrepresentative of the general Hong Kong public. While Beijing has agreed in theory to universal suffrage for the 2017 election, it has rejected calls for open public nomination of candidates, insisting that candidates can be nominated only by a pro-Beijing nominating committee, and that no candidate Beijing considers disloyal can be nominated. A five-month public consultation on voting and nomination rights was launched in December and is currently underway. Future LegCo composition and participation in LegCo elections, as described below, are also under consultation. After public consultation closes in May, its results will be included in a formal proposal which must then be passed by LegCo and approved by Beijing. Beijing’s current attitude is not encouraging (See *Global Times*, November 28, 2013; [HKSAR Government < http://www.2017.gov.hk/en/consult/highlights.html >](http://www.2017.gov.hk/en/consult/highlights.html); *SCMP*, December 4, 2013; *Xinhua*, December 4, 2013; see also [http://www.scmp.com/topics/universal-suffrage >](http://www.scmp.com/topics/universal-suffrage)).

Division and Factionalism in Hong Kong

The “pro-democracy camp” in Hong Kong includes “pan-democratic” parties such as the Hong Kong Democratic Party and Civic Party, popular pro-democracy media such as Next Media and its newspaper *Apple Daily*, and grassroots pro-democracy groups such as Occupy Central, now also known as “Occupy Central with Love and Peace.”

The “pro-Beijing camp” includes current chief executive C.Y. Leung and the pro-Beijing majority in LegCo—including the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) party, which holds the largest number of seats and has close ties to the Chinese Communist Party. Leung’s ties to Beijing are so close as to have drawn criticism even from DAB leadership (*SCMP*, October 15, 2012). This camp also includes a number of pro-Beijing newspapers (see below) and grassroots or “astroturf” pro-Beijing groups, which appear to have strong mainland ties. Among the latter are the Hong Kong Youth Care Association and Caring Hong Kong Power, which are noted for inflammatory rhetoric and have been accused of “Cultural Revolution tactics” including violent attacks on their political opponents (See *Apple Daily*, August 12, 2013; *Epoch Times*, December 19, 2012; *SCMP*, April 27 and June 13, 2013; *Taipei Times*, September 9, 2013).

Pro-Beijing parties currently hold a sizeable majority in LegCo. This legislature has limited powers vis-à-vis the chief executive. Seats are split between geographical constituencies directly elected through universal suffrage, and functional constituencies elected by designated members of Hong Kong’s business community. Functional constituencies enable pro-Beijing parties to hold a majority of seats without winning the majority of popular votes in LegCo elections. As in mainland China, Beijing’s pro-business but anti-democratic policies seem popular among the rich and powerful in Hong Kong, many of whom also have mainland interests. An aim of pan-democrats, along with public nomination and universal suffrage in chief executive elections, is to abolish functional constituencies in favor of universal suffrage for all LegCo seats (See Civic Party, February 19, 2010; Congressional Research Service, September 14, 2012; *SCMP*, August 3, 2013 and February 6). [2]

Beijing’s shared interest with the Hong Kong elite in maintaining the present system was recently expressed in starkly anti-majoritarian statements by the dean of Beijing’s Qinghua University law school, Wang Zhenmin, at a seminar on constitutional reform in Hong Kong. Wang said that the present system of nominating the chief executive and functional constituencies in LegCo were necessary to “maintain the political elite” and to “protect the interests of the business community” from “populism” and “welfarism” (*Apple Daily*, January 20;

Sing Pao, January 19; *Wen Wei Po*, January 19; *World Journal*, January 19).

In the 2012 LegCo Election, pan-democratic parties won 56 percent of the popular vote while pro-Beijing parties won 44 percent. This would have given pan-democrats a majority of seats without functional constituencies, but was still less than expected given the level of dissatisfaction with Beijing following the protests over “patriotic education.” The pan-democrats’ poorer-than-expected showing in the popular vote was blamed on division, infighting and lack of coordination among the various pan-democratic parties, which were up against a well-funded and coordinated pro-Beijing electoral machine (East Asia Forum, October 7, 2012); *SCMP*, September 11, 2012).

With the support of the Democratic Party and Next Media, Occupy Central has taken the lead in grassroots organizing for Hong Kong democracy. Occupy Central is a mass civil disobedience campaign planned for July 2014 in the city’s Central district if democratic demands are not met following the current consultation. The campaign was launched in January 2013 by University of Hong Kong law professor Benny Tai Yiu-Ting with his article, “Civil Disobedience as a Weapon of Mass Destruction” (*Hong Kong Economic Journal*, January 16, 2013; see also DW News Hong Kong-Macao, March 15, 2013). In the article Tai called for a critical mass of demonstrators to descend on Central and force Beijing to change its position on Hong Kong democracy by paralyzing the city’s political and economic center through sustained non-violent civil disobedience. Occupy Central’s activities thus far have concentrated on building public support for the movement and backing from pan-democratic parties in LegCo. Much of Occupy Central’s popular support will likely come from Hong Kong’s youth (See *Apple Daily*, December 5 and 24, 2013; January 14, 20, 26, and 28; see also < <http://www.scmp.com/topics/occupy-central> >).

Beijing and its allies in Hong Kong have worked overtime to discredit the pro-democracy movement in Hong Kong, taking special aim at Occupy Central. PRC representative have warned that the movement threatens to become an “enemy of the state,” accusing its leaders of collaboration with “separatists” in Taiwan. In response, Beijing has threatened “to impose tough measures to maintain Hong Kong’s stability.” The latter statement suggests

a mainland-style crackdown on democracy activists in Hong Kong under the guise of a “state of emergency” (*Global Times*, October 24, 2013; see also July 18 and November 4, 2013; January 2; *Apple Daily*, January 20). Wang Zhimin, deputy director of Beijing’s liaison office in Hong Kong, blamed the city’s youth for the threat to social order posed by Occupy Central, warning young Hong Kongers instead “to treasure and safeguard Hong Kong’s stability and to reject and prevent chaos” (*SCMP*, September 5, 2013)

Pro-Beijing newspapers in Hong Kong have likewise accused Occupy Central of being in league with U.S., British, and Taiwanese “anti-China forces” and of inciting a violent “color revolution” or “jasmine revolution” in Hong Kong to divide and weaken China. These attacks rely heavily on fear of chaos in the streets, Chinese nationalism, links to “Taiwan independence” forces, and xenophobic references to hostile foreign powers—particularly the United States—supposedly anxious for any opportunity to inflict harm on China (See *Sing Pao*, January 8, 2014; *Ta Kung Pao*, May 20 and December 30, 2013; *Wen Wei Po*, July 12 and November 4, 2013).

The U.S. Role

The United States has vocally supported Hong Kong democracy, enraging Beijing and its allies in Hong Kong. Shortly after taking up his post in July 2013, U.S. Consul General Clifford Hart remarked that he looked forward to “genuine democratic suffrage” in Hong Kong. Beijing immediately reacted through its foreign ministry commissioner in Hong Kong, who warned Hart against any further “interference in Hong Kong’s affairs.” This was only the latest of many such warnings to U.S. representatives since the territory’s handover from British to Chinese control (*Global Times*, August 30, 2013; Special Commissioner of the PRC Foreign Ministry in the HKSAR, August 27, 2013; *SCMP*, August 28 and September 11, 2013).

Despite Beijing’s displeasure, Hart re-iterated his previous statement in a September 2013 speech: “The United States Government has repeatedly made clear that it supports Hong Kong’s progress toward genuine universal suffrage as laid out in the Basic Law and the National People’s Congress’s 2007 decision. This U.S. policy is unchanged. We believe that an open society, with the highest possible

degree of autonomy and governed by the rule of law, is essential to maintaining Hong Kong's stability and prosperity.... Let me also be clear that the United States will always stand for our core democratic values" (U.S. Consulate, Hong Kong, September 24, 2013).

Beijing and its allies in Hong Kong reacted to these remarks by Hart with predictable fury. China's foreign ministry lashed out at Hart: "The development of political system [sic] is the internal affair of Hong Kong and China. The Chinese government is firmly opposed to any country's interference in Hong Kong's internal affairs by making irresponsible remarks in this regard" (PRC Foreign Ministry, September 25, 2013).

The pro-Beijing press in Hong Kong reacted with even more vitriol to Hart's remarks. Hart was accused of "sinister" and "malevolent" intentions by one commentator, who called on "all levels of society across Hong Kong [to] stay on their guard while resisting U.S. interference and sabotage of Hong Kong's general elections." This author further accused the United States and Hart of promoting independence from China for both Hong Kong and Taiwan as a means of splitting China in the interests of U.S. imperialism. (*Wen Wei Po*, September 26, 2013).

Pro-democracy media reacted very differently to Hart's remarks. *Apple Daily* ran several articles enthusiastically reporting his remarks and characterizing Beijing's reaction as little but impotent rage. In *Apple Daily*, Hart's pro-democracy statements were extensively quoted and presented as balanced and reasonable, while Beijing's reaction was characterized as overheated, showing a lack of confidence in its ability to manage Hong Kong's political affairs (*Apple Daily*, September 25, 26, 27, 2013).

2014 and Beyond for Hong Kong Democracy

Events to watch in Hong Kong in 2014 include the outcome of the current consultation on voting and nomination rights, actions by Occupy Central and Beijing's response. In the likely event that pro-democracy demands are not met, actions by Occupy Central and its allies will be key to the future of Hong Kong democracy. Given sufficient numbers and sustained strength, Occupy Central may well succeed in forcing concessions from Beijing, just as protesters against "patriotic education"

succeeded in 2012. If the movement falters, Beijing will have the upper hand.

In the longer term, further "mainlandization" efforts by Beijing can be expected, and continued vigilance by the pro-democracy camp in Hong Kong will be necessary. In 2014 and in the longer term, U.S. and international attention and support may also be an important factor. The more global attention and support Hong Kong's democracy movement can raise, the more difficult it may be for Beijing to impose its will on Hong Kong.

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Notes

1. See also Lo, Sonny, "The Mainlandization and Recolonization of Hong Kong: a Triumph of Convergence over Divergence with Mainland China." Joseph Y.S. Cheng (ed.), *The Hong Kong Special Administrative Region in its First Decade*, pp. 179-231. City University of Hong Kong Press, 2007.
2. See also Loh, Christine (ed.), *Functional Constituencies: A Unique Feature of the Hong Kong Legislative Council*. Hong Kong University Press, 2006.

China's Ideological 'Soft War': Offense is the Best Defense

By Nicholas Dynon

Beijing regularly reminds us that its foreign policy eschews the export of ideology and meddling in the political affairs of other countries. According to its concept of "peaceful development," China has no intention of exporting ideology or seeking world hegemony, nor does it seek to change or subvert the current international order. In the same breath, Beijing frequently chides the United States as a serial offender in exporting ideology to shore up its international hegemony as the world's

dominant superpower.

China sees itself as the target of powerful Western political, military and media efforts to pursue neoliberal strategies of ideological world dominance.

Beijing thus purports to maintain a defensive posture in relation to the export of ideology by other actors and the United States in particular. It articulates this in terms of safeguarding its “ideological security” against “ideological and cultural infiltration.”

Beijing characterizes its strategic intentions as mainly “inward-looking” while the United States’ are “outward-looking.” Thus, their strategic intentions do not clash (*China Daily*, September 9, 2013). While this inward versus outward characterisation appears *prima facie* to suggest a non-competitive arrangement, reality suggests otherwise. In addition to its defensive ideological posture—and as much as Beijing might state otherwise—there is an “outward-looking” element to this posture. While there exists no evidence that Beijing is exporting ideology for the purpose of universalizing its political values, there is evidence that it is doing so to safeguard its own ideological security in the face of a US-led “soft war.”

By examining Chinese discourse on the subject, this paper examines the extent to which Beijing is exporting its ideology to shore up support abroad, most notably among non-Western developing nations. To this end, it will be shown that Beijing is maneuvering to put its worldview forward as an alternative to the ideological hegemony of the West.

Defending Against Ideological Infiltration

“Exporting ideology” is used as a pejorative term by Beijing to refer to a state or non-state actor attempting to indoctrinate a country’s government and/or people. The Chinese concept of the export of ideology (*shuchuyishixingtai* (v.); *yishixingtai* (n.)) incorporates notions of hegemony, homogenization and universalism. Beijing conceptualizes “exporting ideology” as a universalizing endeavor in which a state or non-state actor seeks to globalize their ideology by replacing all others.

Thus, it associates Western neoliberalism and religious fundamentalism (such as wahhabi Islamism) with the export of ideology, demonstrated in recent times by

such phenomena as the “color” revolutions, the spread of jihadist violence and the erosion of indigenous cultural values. Western neo-liberalism is described by Chinese political commentator Fu Yong as a form of “postmodern imperialism,” in which the objective is neither land, resources nor direct political control, but rather ideological dominance (*Global View*, June 2006).

China, we are told, does not export ideology but rather promotes its culture and economic cooperation overseas, seeking greater understanding and acceptance with the goal of a multipolar and ideologically heterogeneous world. It is a line regularly invoked in relation to China’s development assistance and trade cooperation with Africa. In relation to its relations with Africa, veteran Chinese diplomat Liu Guijin, states that Beijing “strictly follows the principle of equality and mutual benefit.” Its dealings with the continent are not for the “export of ideology and development mode, not to impose its own social system, not to attach political strings... nor to seek privileges or a ‘sphere of influence’ ” (address given at the *2010 China-Africa Economic Cooperation Seminar*).

Accordingly, socialist countries, including China, are depicted as victims or targets—not perpetrators—of ideological export. China’s experience of receiving ideological export is thus articulated in terms of “ideological infiltration” or “ideological and cultural infiltration” (*sixiang/wenbua shentou*). China, for example, has been the target of ideological infiltration by wahhabi Islamic doctrine in the troublesome autonomous region of Xinjiang. China’s people have as a whole have been victims of infiltration by the Western values of money worship, hedonism and extreme individualism and, in North Korea, Western imperialist ideological and cultural infiltration is reported to be “more vicious than ever” (*China.com*, September 2, 2013).

Cheng Enfu, head of the Institute of Marxism at the Chinese Academy of Social Sciences, notes that, the infiltration of American ideology and values into other countries has accelerated with globalization and technology, with ideological security (*yishixingtai anquan*) facing increasingly severe challenges from information networks (*Global Times*, June 3, 2013). In acknowledgment of this, national ideological security has been elevated as a policy imperative under Xi Jinping. Listing “cultural threats” among its five focuses, China’s new National

Security Committee, announced after the Party's third plenum in November, is the latest in a string of initiatives to shore up ideological security. Colonel Gong Fangbin, a professor at the National Defense University, pinpoints "the ideological challenges to culture posed by Western nations" as a target of the committee (*South China Morning Post*, January 14).

Surviving Cold War 2.0—a 'Soft War'

The Global Financial Crisis is seen by a number of Chinese theorists as emblematic of the declining economic power of the West relative to China and BRICS economies. This decline has precipitated a shift in European and US foreign strategy away from economics to a greater reliance on soft power and a strengthening of ideological exports (*Guangming Daily*, June 27, 2013).

China thus finds itself thrust into an era of ideological "soft war" (*ruanzhan*). Unlike a hot, cold or hard war, a soft war is a contest of soft power in which the purpose of each state is to "protect its own national interests, image and status so as to promote a stable international environment conducive to its development" (*Liberation Daily*, May 10, 2010). In the soft war era, states Zhao Jin, Associate Professor at Tsinghua University's Institute of International Studies, international relations is no longer a hard power scenario in which "might is right," but where "morality" and "justification" become the basis of relative state power (*Liberation Daily*, April 23, 2010).

Originally used by Iranian authorities following the disputed presidential election of 2009, the term "soft war" referred to a climate of opposition that forced the government to crack down on dissent through media controls and propaganda campaigns. Robert Worth, writing for the *New York Times* (November 24, 2009), comments that the term is "rooted in an old accusation [by Iran's leaders]: that Iran's domestic ills are the result of Western cultural subversion." The alleged strategy of soft war, writes University of Pennsylvania professor Munroe Price, "is one of encouraging internal disintegration of support for the government by undermining the value system central to national identity" (*CGCS Mediawire*, October 22, 2012). It undermines a society's values, beliefs and identity to "force the system to disintegrate from within."

Price notes that broadcasters in the West often point to the collapse of the Soviet bloc as a triumphant example of the use of media in "altering opinion and softly preparing a target society to become a more intense demander of democratic change" (*International Journal of Communication*, 6, 2012). Although a desirable model in the West, it is regarded a cautionary tale in Beijing, an example of the West's strategy of "peaceful evolution" (*heping yanbian*). Formulated during the Cold War by former US Secretary of State John Foster Dulles, the strategy pursued "peaceful" transitions from dictatorship to democracy in communist countries. Researchers in China have assessed that the fundamental reason for the collapse of the Soviet Union was a lack of cultural construction, leaving the socialist system without a bulwark against the West's strategy of peaceful evolution (Zhang Ji, Qi Chang'an, *Socialism Studies* 6, 2003).

Thus, the production of culture in China remains firmly controlled by the Party. Within China's domestic political discourse, the terms "ideology" and "culture" are often used together and often interchangeably, and responsibility is placed on the media and cultural workers to correctly guide public thinking. Dissent, as we have seen with Beijing's recent crackdowns on rogue journalism and internet rumors, continues to be stifled (for more on the recent crackdowns, see "The Securitization of Social Media in China" in *China Brief*, February 7). The continuing development of the culture industry to promote ideology and to project China's soft power both at home and abroad is thus intended "to ensure cultural security as well as the nation-state's image." [1]

Shaping a Favorable International Environment: Culture on the Offensive

Delivering a speech at a group study session of members of the Political Bureau of the Party's Central Committee on 30 December 2013, president Xi Jinping called for deeper reform of China's cultural system in order to build a solid foundation for the nation's cultural soft power (*wenhua ruanshili*) (*Xinhua*, January 1). Xi said that "the stories of China should be well told, voices of China well spread and characteristics of China well explained."

Beijing's international cultural charm offensive is, according to official pronouncements, about making China understood so as to minimize uninformed misgivings

over China's rise among international audiences. The objective is perhaps nowhere more clearly articulated than by Minister for Culture, Cai Wu, when addressing Xinhua reporters during an August 2010 interview:

We aim to carry out cultural exchanges with China not to export ideology and mode of development, but through the dissemination of Chinese culture, so our culture can be truly attractive, to impress people, resonate, strike a chord, win respect, enhance communication of the mind, and seek understanding and cooperation so that the outside world gains a comprehensive, accurate understanding of the true face of contemporary China; thereby creating a more favorable international environment for our modernization (Xinhua, August 6, 2010).

But there is clearly a range of views about the role that the international promotion of culture should play in Chinese strategy. In his 1998 *Analysis of China's National Interests*, which won the China Book Prize, Tsinghua University's Yan Xuetong observes that "exporting ideology is a major part of promoting Chinese culture. It is also an important way to raise China's international status." According to Yan, whose views are purported to closely reflect those of Beijing, China's quest to enhance its status and the United States' efforts to maintain its current position is a "zero-sum game." It is the battle for people's hearts and minds that will determine who ultimately prevails, and that the country that displays the most "humane authority" will win.

Yan's zero-sum game echoes the characterization of the soft war era put forward by his junior Tsinghua University colleague Zhao Jin, in which "morality" and "justification" become the basis for a state's relative power. In this sense, we see a link between moral authority and soft power: the more widespread the acceptance of a state's moral authority within the international system, the greater its soft power. The logic of commanding the international moral high ground within a soft war era thus requires that a state achieve moral authority among a more dominant collection of states than do its competitors.

The "favorable international environment" in which Beijing seeks to pursue China's development is one

that requires claiming this high ground, allowing China to rise unencumbered by an international moral consensus dominated by the West. It has required a posture that—despite Beijing's foreign policy rhetoric—is outward looking. It necessitates the recruiting of partners to Beijing's way of thinking and away from the West's. It requires—and results in—the projection of its ideology beyond its borders. Thus, China exports its ideology to markets around the world in direct and targeted competition with Western ideological exports, competition that is being played out most intensively in regions such as Africa, Central Asia and Latin America.

Conclusion

China purports to seek an ideologically heterogeneous world in which differences are respected and ideologies peacefully coexist. It does this in part via its projection of cultural soft power, which ostensibly promotes Chinese culture in pursuit of understanding and a favorable international environment in which to pursue its national interests.

Facing a soft war scenario in which US-led Western ideological infiltration poses an enduring existential threat to the socialist Chinese state, Beijing finds itself locked in a zero-sum soft conflict with the United States. Beijing must therefore thwart Western ideological hegemony within the international system in order to create for itself the favorable international environment it seeks. It does—and will continue to do—so by seeking to "contain" the global ideological footprint of the West within its geographic footprint, and to expand its own.

Neoliberal ideology will thus continue to be seen as an enemy of the Chinese state, in terms of its infiltration both of China and of the non-Western world. China's efforts will focus on (i) pursuing agenda-setting strategies aimed at the West in order to break the perceived dominance of neoliberalism within Western political discourse, media and cultural production; and (ii) defending the non-West against the export of ideology by the West by continuing to cultivate support for Chinese culture and ideology in the developing world. China's soft war is thus a battle on two fronts: domestically in defense against foreign ideological infiltration, and externally in its export of ideology.

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Notes

1. Jiang Fei and Huang Kuo, “Transnational Media Corporations and National Culture as a Security Concern in China,” in V. Bajc and W. de Lint (Eds.), *Security and Everyday Life*. Routledge (2011).

Falling Coal Prices Help China’s ‘New Silk Road’ to Win Over Mongolia

By Alicia Campi

Mongolia’s Minister of Foreign Affairs L. Bold made an official visit January 16–21, 2014 to the PRC at invitation of his counterpart Wang Yi. The most interesting result from the trip may have been the fact that it was widely covered by Chinese media, while in Mongolia there was muted coverage. For example, the Chinese press pointed out that Bold was the first foreign minister to visit Beijing in 2014 and that it was his first overseas trip of the year (China.org.cn, January 17; *China Daily*, January 20), while neither facts were mentioned in Mongolian press accounts. The official Chinese press spun Bold’s comments on Mongolia’s desire to be a conduit to connect the greater Central Asian and North Asian region and link China and Russia, as Mongolia seeking to strengthen “closer integration with China, Russia” (*China Daily*, January 20). Chinese reporting heavily emphasized China’s contribution to Mongolia’s economy but the Beijing press did not mention the Mongolian Foreign Minister’s 2 day trip to Urumqi, which was prominently featured in Mongolian governmental and independent press sources. However, on his visit Minister Bold acknowledged the key role China has played in Mongolia’s growth: “Trade and economic collaboration is the driving engine of the Mongolia-China strategic partnership. We are developing fruitful cooperation in the fields of mining, construction,

road transport and agriculture, and in banking and financial areas” (aisanewsnet.net, January 20).

China has been Mongolia’s leading trade partner and investor for almost 15 years. However, Mongolia is facing a drop in its export income, which was 2.6 percent lower in 2013 than 2012, amid a decline of 41 percent in shipments of coal by value, the nation’s biggest earner. According to the Mongolian National Statistics Office, total export earnings were \$4.27 billion in 2013, compared with \$4.38 billion in 2012. China accounted for 87 percent of these by value, with sales falling to \$3.7 billion last year from \$4.06 billion a year earlier (english.news.mn, January 14). Mongolian coal exports alone fell to \$1.12 billion in 2013 from \$1.9 billion in 2012. Volume fell to 18.3 million metric tons, from 20.9 million tons (Mongolian National Statistics Office website). This trend could possibly continue since on the day of Foreign Minister Bold’s arrival, the Chinese government announced it would increase its own new coal production capacity by more than 100 million tons—six times over 2012 and equal to 10 percent of U.S. annual usage. The vast increase would meet Beijing’s goal of placing 860 million tons of new coal production capacity into operation through 2015—more than India’s entire annual output. The National Development and Reform Commission (NDRC), China’s most powerful planning authority, approved construction of 15 new large-scale coal mines with 101.3 million tons of annual capacity in 2013 projected to cost \$8.9 billion. Nevertheless, despite output expansion, it is thought by foreign experts that Beijing will continue to need to import more coal both to replace 300 million tons of old capacity that has been closed for safety and environmental reasons since 2003, and to meet quickly growing energy demand (*Coal Age*, January 17).

On the first day of the visit, the two foreign ministers shared views on Sino-Mongolian relations and cooperation during this 65th year anniversary of bilateral diplomatic relations and 20th anniversary of the Treaty on Friendly Relations and Cooperation. The Chinese press emphasized that the agreement aims to increase annual two-way trade volume to \$10 billion and explore the feasibility of building a free-trade zone (*Xinhua*, January 17; *People’s Daily Online [English]*, January 17). Wang and Bold signed a memorandum outlining joint commemorative activities to take place throughout

the year, and then held a joint press conference. The Mongolian Ministry of Foreign Affairs has not released its version of the text, but the Chinese Ministry of Foreign Affairs immediately revealed information on four points covered in this memorandum:

1. Strengthening high-level exchanges to improve strategic mutual trust.
2. Deepening practical cooperation by launching the “2 + 2” connectivity joint working group by strengthening cooperation in large-scale projects in infrastructure, energy and mineral resource development, by promoting bilateral trade to the level of \$10 billion annually, and by exploring the feasibility of setting up a free trade zone.
3. Further expanding people-to-people and cultural exchanges to influence public opinion in the two countries, organizing commemorative activities during this China-Mongolia Friendship and Exchange Year, and increasing cooperation in Chinese language teaching and youth and personnel exchanges on both sides.
4. Especially interesting for its potentially anti-Japanese slant: Strengthen multilateral cooperation “as victors of the World War II, both countries should jointly safeguard victorious outcomes of the world Anti-Fascist War, and will jointly hold commemorative activities of the 70th anniversary of the victory of the World War II next year” (fmprc.gov.cn/eng, January 16).

On January 17, Bold met with Chinese Vice-President Li Yuanchao. Li announced that China is making its neighbors a priority, in particular Mongolia, through a trust-building, open-hearted and mutually beneficial policy. In response, Foreign Minister Bold said that “Mongolia’s Government is for closer cooperation with China and deepening bilateral strategic partnership relations with new content” (*The Mongol Messenger*, January 24). Bold also visited Chinese State Councilor Yang Jiechi to discuss a wide range of bilateral, cooperative, regional and global issues.

That same day, Foreign Minister Bold delivered a speech entitled “Together for a Peaceful Future” at the China

Institute of International Studies (CIIS), in front of over 80 people from the PRC Ministry of Foreign Affairs, diplomatic missions and research organizations. He reviewed current Sino-Mongolian relations and introduced the mechanism entitled Ulaanbaatar Dialogue on Northeast Asian Security initiated in April 2013 by Mongolian President Tsakhia Elbegdorj to build confidence and peace in the region through developing Track I and Track II dialogue mechanisms. In a summary of Bold’s speech released only by CIIS, it stated that the Mongolian Foreign Minister stressed that “trade and economic cooperation constitutes an important component of the bilateral relations...particularly in mining and infrastructure that have started to bear concrete results” (ciis.org.cn/english, January 20). After the presentation, Bold answered questions about the structure of the Ulaanbaatar Dialogue, Sino-Mongolian trade cooperation and his view of Japanese Prime Minister Shinto Abe’s visit to Yasukuni Shrine. For Mongols, the Shrine issue does not carry any sensitivity, and Bold was willing to say only that Mongolia “understood” China’s view of the issue, but did not endorse it.

Foreign Minister Bold also gave an interview to China Central Television (CCTV) which covered the Mongolian political and socio-economic issues and recent developments in bilateral ties. *China Daily* quoted him as saying that regional integration of Russia, Mongolia and China will provide enormous business opportunities: “Our common goal is to improve overall regional integration, so we are planning big infrastructure projects and production facilities linking Russia, Mongolia and China. This will improve connectivity in the greater region of Central Asia and North Asia” (*China Daily*, January 20). He seized the chance to visit the Secretary-General of the Shanghai Cooperation Organisation (SCO), Dmitry Mezentsev, and expressed Mongolia’s willingness for further active cooperation with the organization. Minister Bold also received ambassadors from over 40 countries accredited to Mongolia but based in Beijing to introduce the priorities, goals, and current foreign policies of Mongolia, and met with Mongolian diplomats working in the embassy in Beijing (montsame.gov.mn, January 17; montsame.gov.mn, January 19).

Visit to Xinjiang

On January 18–19, Foreign Minister Bold left Beijing

to travel westward to the Xinjiang provincial capital of Urumqi and Khorgos border checkpoint with Kazakhstan. There he held talks with the Vice Chairman of Xinjiang Uygur Autonomous Region, Shi Dagang, on bilateral efforts to increase trade and people-to-people contacts among provinces in the western regions of the two countries. Attending these meetings were Mongolian officials from Khovd province, who presented concrete proposals to stimulate bilateral border check-point activities and ease related regulations. In addition, Bold visited the Qinghua Energy Group, which has built a refined coal chemical industrial zone in Yining County, 90 km away from the Khorgos checkpoint. Qinghua Energy Group's coal-to-natural gas (CTG) project began operations there in 2013 (Mongolian Ministry of Foreign Affairs website, www.mfa.gov.mn, January 21). Mongolia is planning to develop this type of technology in an industrial park in the south Gobi. The Foreign Minister also visited the Urumqi-based Micro Financial Service company, Tian, which was developed by investment from Khas Bank, one of Mongolia's largest banking institutions with a particularly strong presence in countryside areas.

The trip to Xinjiang follows Mongolian Prime Minister Norov Altankhuyag October 2013 visit to Chengdu, Sichuan's 14th Western China International Fair. At that time Altankhuyag suggested that Mongolia is seeking ways to organize demonstration cooperation projects between different Chinese regions as a way of "playing a more active role in the overall development of the strategic partnership between Mongolia and China" (Sichuan Provincial People's Government website, 125.64.4.148:82/gate/big5/www.sc.gov.cn, October 22, 2013). Mongolia now has limited economic ties with Xinjiang, an area with relatively few Mongol ethnics among the population. However, in Mongolia's west there are Mongol Kazaks and other small minority groups which could benefit from increased cross-border trade. Expanding outreach to the western regions of China both strengthens Mongolia's Central Asian connections, and is a potentially troubling message to Beijing that the Mongols will not let relations be entirely defined by PRC central government authorities.

At the end of his official visit, Bold returned to Beijing to speak at the Diplomatic Academy, where he discussed finalized proposals for Mongolia to send its diplomatic personnel for training and shared his experiences from

his Xinjiang visit (*Montsame*, January 22; english.news.mn, January 22).

Conclusion

Mongolia has been faced with a slump in earnings and declining foreign investment as economic growth cooled somewhat in the past two years due to an unstable foreign investment legal environment and continuing disputes with key western and Chinese investors (english.news.mn, January 14). Foreign Minister Bold's China visit clearly indicates that Mongolian policymakers understand the importance of China to the near term development of its economy, even though they are devising strategies to seek out more diversified trade partners. Fall of income from coal exports in 2013 was a warning signal that the Mongols take very seriously. Bold illustrated the very pragmatic approach that Mongolia gives top priority to developing friendly relations with China, acknowledged that China's development was an important opportunity for Mongolia, and vowed "to cement substantial cooperation in various areas and promote common development" (China.org.cn, January 17). Although the Chinese political leadership publicly emphasized the importance of economic relations with Mongolia, the prominence given to discussions with Bold in the media illustrate that it sees an opportunity to turn the successful discussions into actions which could build mutual strategic trust, enhance beneficial regional cooperation, and deepen the bilateral strategic partnership as well as provide prosperity and economic benefit for both countries' citizens.

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