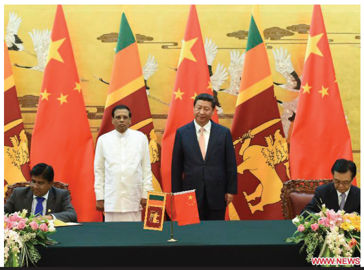
中国简报 China Brief
a journal of analysis and information
The JAMESTOWN FOUNDATION

Volume XV • Issue 10 • May 15, 2015

In This Issue:



Sri Lankan President Maithripala Sirisena meets with Chinese President Xi Jinping during his visit to Beijing in March. (Source: Xinhua)

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 Nathan Beauchamp-Mustafaga.

The JAMESTOWN FOUNDATION

For comments and questions about China Brief, please contact us at
< beauchamp@jamestown.org >

1111 16th St. NW, Suite 320
Washington, DC 20036

Tel: 202.483.8888
Fax: 202.483.8337

In a Fortnight

CHINESE PROVINCES AIM TO FIND THEIR PLACE ALONG NEW SILK ROAD

By Nathan Beauchamp-Mustafaga

As Chinese President Xi Jinping's New Silk Road initiative continues to build momentum, provincial governments are looking for ways to integrate their own economic plans with the national strategy and thus provide local companies and workers the benefits touted by Beijing. Xi's promotion of the Silk Road Economic Belt and 21st Century Maritime Silk Road, also known as the "One Belt, One Road," has been met with the rollout of the $40 billion Silk Road Fund and $50 billion Asian Infrastructure Investment Bank, plus many other smaller mechanisms for financial support. Capitalizing on this funding and related trade and business opportunities is on the minds of provincial leaders as they work to ensure continued economic growth and employment during China's economic slowdown.

The long-awaited official plan for the "One Belt, One Road"—*Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*—was released on March 28 by the National Development and Reform Commission

(NDRC), the Ministry of Foreign Affairs and the Ministry of Commerce with State Council approval (NDRC, March 28). The nearly 9,000-word document had a specific section detailing the role to be played by China's regions, listing 18 provinces and assigning them a specific title while also providing some examples of how their economic projects fit within the overall New Silk Road framework. Furthermore, CCTV coverage of the report showed the first official map that included the southern part of the MSR to Southeast Asia (*Guancha*, April 13).

The biggest winners are clearly Xinjiang and Fujian provinces, which are referred to as "core areas." Both draw upon their historical roles in the ancient Silk Road and natural geographic advantages to assert their leading status in the current initiative. Whereas Fujian is a natural choice with its strong economy, especially with its ties to President Xi, Xinjiang stands to benefit considerably from the central government's desire to ensure to project's success, on top of preexisting development assistance for the province. One expert said "Xinjiang strives to transform itself into a transport hub, a center of trade and logistics, culture and technology, as well as financial and healthcare services. Infrastructure construction will be carried out to achieve the goal." Returning to the prime concern about Xinjiang, he further added that "Strengthening anti-terrorism cooperation is also a major task for Xinjiang and the Central Asian countries along the Silk Road Economic Belt" (*Global Times*, April 2). In 2014, Fujian's government embarked on a strong pubic relations campaign, with its Party secretary writing in *Seeking Truth* that the province's connections with countries along the route, trade, maritime cooperation and overseas population would drive its participation (*Seeking Truth*, September 1, 2014). This February, Chinese media revealed the province would fund its own $10 billion Renminbi ($1.6 billion) MSR Fund (*China Securities*, February 2). Now that Fujian has claimed leadership of the MSR—defeating Hainan, Guangdong and Guangxi who were also vying for the title—its biggest advantage, according to one Chinese expert, is not central government support but "cash flow" and "credit flow," and Fujian is still negotiating with the central government to determine the specifics of being a "core area" (*Economic Observer*, April 9).

Other provinces have had to be creative in their involvement when they have little new to offer for the country's overall development. Shaanxi, home to Xi'an, the terminus of the ancient Silk Road and current SREB, touts its Bonded Logistics Center, Export Processing Centers and Xi'an National Aviation Town Experimental Area (*Shaanxi Daily*, December 29, 2014). Gansu, a waypoint on the road out of China, aims to "build the province into a 'golden passage' along the Silk Road Economic Belt, an important platform for opening to the West, a regional trade and logistics hub, a demonstrative base for industrial cooperation, and a bridge for cultural exchanges." In tangible terms, this includes its Lanzhou New District, tourism to Dunhuang, a China Silk Road Expo and serving as an ecological protection screen—not much compared to the manufacturing and innovation centers in China's richer provinces (*China Daily*, March 17). Hong Kong officials have said they can be an "investor, mediator and supporter" of the initiative and draw on their overseas network of citizens, which Fujian has also mentioned (China News, May 8).

Reflecting the Xi administration's effort to include all parts of the country in the plan, the Northeast provinces of Liaoning, Jilin and Heilongjiang were included despite the official "One Belt, One Road" route not transiting the region. Handicapped by its geographic fate, the official "One Belt, One Road" plan mirrors the Northeast's development focus on Russia's Far East, Mongolia and occasionally North Korea (which was finally invited to join the New Silk Road in April) and is linked to the second attempt at the region's revitalization, suggesting an uphill battle for relevance and success (*Yonhap*, May 5). In April, a senior Liaoning official detailed how the province foresees its participation: the MSR can connect to the rest of the region through Dalian port and on to the Russian Far East, and the SREB's Beijing-Moscow high-speed transportation corridor transits the region (China Entrepreneur Club, March 1). Yet local experts realize these official plans do not bode well for the region's development and have begun exploring trade opportunities outside the SREB and MSR, demonstrating the flexibility of the New Silk Road. A Jilin University professor said that Russia's Zarubino port, which blocks Jilin's access to the sea but is part of SREB cooperation with Russia through its economic cooperation zone with border city Hunchun, allows goods to reach the United States in five fewer days (Xinhua, April 1). A Heilongjiang expert suggested the New Silk Road will support the region's growing trade with Japan and South Korea (*Global*

Times, April 2). The Northeast's predicament reveals the challenges some outlying regions face in straining to find a role in the New Silk Road.

Some Chinese provinces fear being left out of this potential economic bonanza. 13 provinces went unmentioned in the March plan, including Jiangsu, whose Party secretary gave a major speech on Jiangsu's contribution to the "One Belt, One Road" at this year's Boao Forum a mere two hours before the report's release (Jiangsu News, March 29). Yet Jiangsu was nowhere to be found, leading one commentator to say the Forum's spotlight made its non-selection even more "awkward," since the Forum has traditionally been a platform for provinces to advance their agenda with the central government since provincial leaders began speaking in 2012 (*Takungpao*, March 31). While this would appear to suggest Jiangsu was blindsided by its exclusion, it is unlikely that the province would have been kept in the dark over such an important document that is rumored to have been completed six months earlier. Chinese experts contend that Jiangsu's role as an "intersection" of the New Silk Road, which President Xi himself coined on a visit to the province in December 2014, hasn't changed. They add that there will likely be more guidance documents released as the decades-long plan unfurls and that Jiangsu is included tangentially through the report's mention of the New Eurasian Land Bridge, which already incorporates the province's Lianyun Port. Other provinces were not named directly but their cities and/or projects were—Shandong's Qingdao and Yantai ports—while Beijing and Tibet have no assigned role, though Tibet is listed for its trade with Nepal and tourism.

Although the New Silk Road is clearly a central government strategy, many operational details will fall to provincial authorities and local companies to adopt, adapt and execute. Chinese provinces have always had to fight for their own interests abroad under the guise of central government initiatives, but as part of the increasing proliferation of actors in China's external relations, especially in foreign policy but also in trade, Chinese provinces are angling to carve out a role amidst heavy competition for central government resources. The dual nature of the New Silk Road as part economic policy and part foreign policy means provincial governments will continue to increase their influence over how China, as a whole, acts abroad. This in turn means Western analysts should watch how the provinces approach their role in the New Silk Road and if they are ultimately satisfied that the reality meets their expectations.

Nathan Beauchamp-Mustafaga is the Editor-in-Chief of China Brief.

***

"One Belt, One Road" Enhances Xi Jinping's Control Over the Economy

By Willy Lam

Much of the world's interest in China's "One Belt, One Road" (OBOR) strategy—a reference to the Silk Road Economic Belt (SREB) and the 21st Century Maritime Silk Road (MSR)—is focused on the geopolitical implications of one of the most ambitious initiatives of Chinese President Xi Jinping. Yet OBOR also has immense significance for the future direction of the economy, especially the partial revival of central planning as well as boosting the pivotal role of state-owned enterprise (SOE) conglomerates. Moreover, the intercontinental megaproject testifies to major shifts in Chinese elite politics. Power has further been concentrated in the hands of Chinese Communist Party (CCP) General Secretary Xi, as well as his cronies and advisors in the Party-state apparatus. Furthermore, Premier Li Keqiang and his relatively liberal ministers in the State Council, or central government, have been increasingly sidelined.

While the SREB and the MSR will substantiate China's global hard-power projection, the infrastructure-based scheme also fits hand-in-glove with President Xi's insistence on the "top-level design" of economic development. Xi has reiterated that the CCP has to have a tight grip over the economy if it is to remain the country's "perennial ruling party." What officials euphemistically call the "macro-economic adjustment and control" of the economy has been enhanced since Xi took power at the 18th Party Congress in November 2012. Despite the removal of tens of high-level SOE managers for corruption and economic crimes, Xi has in Party documents and public speeches reiterated that Beijing must "incessantly strengthen the vitality, control and influence of the state-owned economy" (Xinhua, December 2, 2014; People's Daily, November 16, 2013). The OBOR is an economic planner's delight. While negotiations are on-going with Central Asia and the Caucus states concerning the trajectory of the SREB—and with countries ranging from Indonesia and Malaysia to Pakistan and the Maldives regarding the MSR—Beijing is also mapping out strategies for OBOR-related ventures to be undertaken by at least 18 provinces and dozens of SOE giants (Sl.China.com.cn [Beijing], March 14; Finance.Eastmoney.com [Shanghai], May 29, 2014).

The OBOR megaproject, which the official Chinese media estimates will initially contribute at least 0.25 percent of China's GDP growth, has provided highly lucrative business opportunities for ten-odd infrastructure-focused state-controlled firms (Beijing Morning Post, March 25). One example is the China State Construction Engineering Corporation Limited (CSCEC), a multinational real-estate and civil-engineering conglomerate, which has in the past three decades completed close to 6,000 projects in 116 countries (Finance Sector Net [Beijing], May 4; CSCEC website). Another beneficiary, the mammoth China Communications Construction Company Limited (CCCCL), has ample experience building bridges, highways, commercial ports and container ports on four continents. Also hitting the big time is China CAMC Engineering Co., Ltd. (CAMCE), one of the world's largest engineering and construction contractors. It has worked with governments and major firms in Russia, Africa and Eastern Europe, among other places (Economic Daily [Beijing], May 6; Finance Sector Net, April 7). The stock prices of these and other corporations in the construction and engineering sector have risen dramatically since the spring (Southmoney.com [Xiamen], April 16; *Ta Kung Pao* [Hong Kong], March 24).

The SANY Group stands out among private firms that will benefit from massive OBOB-related infrastructure deals (CS.com.cn [Beijing], April 23; Eastmoney.com [Shanghai], December 26, 2014). SANY, founded by charismatic multi-millionaire Liang Wen'gen, is China's biggest manufacturer of construction and heavy-engineering equipment. This high-profile multinational, which is well-known for its innovative capacity, has close connections to the CCP. Liang, a faithful Party member, was touted as a candidate for the Central Committee in the run-up to the 18th CCP Congress. While he failed to make the ruling council, Liang's intimate ties to the Party elite are strong (BBC Chinese Service, October 3, 2012; Rednet [Changsha] August 24, 2012). Two private telecommunication giants are also tipped to win big contracts along the New Silk Road. They include Huawei—the largest information technology (IT) equipment maker in the world—and ZTE, which are multinationals with sterling connections to the Party-state apparatus (*Ta Kung Pao*, April 4; Shanghai Securities News, February 12).

The OBOR has also enabled Beijing to enforce more effective control over its domestic regions. So far, some 20 provinces and major cities have won central approval for "official participation" in the international scheme. Given that provincial-level companies will have to apply for loans administered by the Party-state headquarters—for example, the recently established Silk Road Infrastructure Fund that is worth $40 billion—the Xi administration has an effective weapon to rein in centrifugal forces (Financial Times, April 15; South China Morning Post [Hong Kong], February 17; 21st Century Business Herald (Guangzhou), May 29, 2014). At the same time, Chinese companies' likely success in nailing down construction, engineering and transportation deals along both silk roads should allow Beijing to curtail excess capacity in sectors ranging from housing construction to high-speed railways. Despite the global reputation of China's high-speed trains, the state-owned China North Railways Corporation and China South Railways Corporation Limited—which have monopolistic control over railway development and are about to merge—have piled up debts of around 3 trillion Renminbi ($484 billion). The two giants, which enjoy hefty subsidies from the central treasury, are expected to win contracts in new markets in Central Asia, East Europe and Africa thanks to the roll-out of the OBOR mega-scheme (China.com.cn, April 1; *New York Times*, September 23, 2013).

The Xi administration's re-emphasis on the time-tested method of using investment—and state planning—to maintain a relatively high GDP growth rate was evidenced by a Politburo meeting on April 30 that was devoted to the economy. The session, which was chaired by President Xi, noted that government stimulus must be increased to guard against serious "downward trends" in economic development. A statement released after the high-level conclave reaffirmed that the government "must develop the critical role of investment in [boosting] the economy and seriously make sure that good investment projects are chosen." Commentaries in the official media noted a "change of focus from economic restructuring to growth stabilization." They added that "the top choice for stabilizing the economy will be boosting investment" (*People's Daily*, May 3; *South China Morning Post* [Hong Kong], May 1).

In an apparent attempt to defuse speculation that the Politburo is putting market-oriented reforms on the backburner, the meeting highlighted the principle of the so-called "three no changes." This was a reference to the fact that Beijing would not shift its policy in three key arenas: reforming SOEs, protecting the assets and interests of private enterprises and upholding the open-door policy, particularly welcoming foreign capital. However, the Party-state leadership has dragged its feet regarding promises made at the historic Central Committee's Third Plenum in late 2013 about providing more opportunities for private and foreign enterprises. For example, only four Free Trade Zones—in relatively small conclaves in Shanghai, Tianjin, Guangdong and Fujian—have been opened where multinationals are supposed to have access to sectors previously reserved for Chinese firms (Xinhua, April 20; The Diplomat, September 20, 2014). By contrast, regional administrators are much more eager to seek Beijing's blessings for taking part in projects related to the New Silk Road.

Yet, the best illustration of the Xi leadership's embrace of a more conservative economic policy is the sidelining of Premier Li Keqiang. Li, the only fluent English speaker in the Politburo, is a keen advocate of market-oriented reforms. The gist of "Likonomics"—a term that appeared for only several months in the official media in 2013—is "letting the market do what it does best" (Gov.cn, July 15, 2014; Finance.qq.com [Beijing], November 28, 2013). Li's sway over policy-making, however, is circumscribed due to the fact that he has to defer to supreme leader Xi. Xi, the Fifth-Generation titan, chairs the two most powerful economy-related organs at the apex of the party: the long-established Central Leading Group on Finance and Economics (CLGFE) and the Central Leading Group on Comprehensively Deepening Reforms (CLGCDR), which was set up two years ago. Previous premiers, including Zhu Rongji and Wen Jiabao, used to head the CLFGE—and had ultimate responsibility for economic matters (see *China Brief*, July 3, 2014).

The OBOR initiative has also confirmed that the seventh-ranked member of the Politburo Standing Committee, Executive Vice-Premier Zhang Gaoli, wields more powers than his putative boss Premier Li. Zhang chairs the recently established Central Leading Group on the Construction of the One Belt One Road (CLGOBOR) (Xinhua, April 6; Securities News [Beijing], February 2). And regarding the division of labor within the central government cabinet, Zhang is in charge of heavyweight ministerial-units, including the National Development and Reform Commission and the Ministry of Finance (Ming Pao [Hong Kong], April 24; China.com.cn, March 22).

Xi has mainly relied on a number of faithful aides and think tank specialists to advise him on different aspects of the economy. Most of them hold senior positions in leading groups at the top echelon of the CCP hierarchy. Highest ranked among this elite is Politburo member and Director of the Central Committee Policy Research Office Wang Huning, who doubles as the Director of the General Office of the CLGCDR as well as Vice-Chairman of the CLGOBOR. While Wang (born 1955) is not an economist by training, he has been a leading advisor to three general secretaries, particularly on grand strategies (Southern Metropolitan Weekly [Guangzhou], November 26, 2013; Inewsweek.cn [Beijing], June 27, 2013).

Xi also relies heavily on senior staff of the General Office of the CLGFE, sometimes deemed the nerve center of national economic decision-making. Director Liu He (born 1952), a Harvard-trained economist who first came to know Xi when they both attended the 101 High School in Beijing, often accompanies Xi during provincial tours. Vice-Director Shu Guozeng (born 1956), was deputy director-general of the General Office of the Zhejiang CCP Committee when Xi served as the Party Secretary of the coastal province from 2002 to 2007 (China Securities Net [Beijing], December 3, 2014; *People's Daily*, December 3, 2014). Other experts who are advisors of Xi include former chief economist of the World Bank Justin Lin, Vice-Directors of the Chinese Academy of Social Sciences (CASS) Cai Fang and Li Yang, and President of the Shanghai Branch of CASS Wang Zhan (Phoenix TV, July 9, 2014; First Financial News [Shanghai] August 29, 2014).

At least in theory, the fact that Xi is using his authority as China's undisputed strongman to push megaprojects such as OBOR could speed up decision-making and curtail bureaucratic delays on the part of local administrations or SOE conglomerates. The Party and state leader's preference for top-level design and tight Party control over economic activities, however, could stifle initiatives coming from the private sector, which is considered more efficient and high technology–driven than the state-owned economy. More significantly, Party-state authorities have for the past decade tried to restructure the economy by playing down the role of state investment in infrastructure and related sectors—and putting more emphasis on areas ranging from consumer spending to innovative industries and services. The Xi leadership's apparent obsession with Soviet-style megaprojects does not seem to bode well for the long-term prospects of economic reform and restructuring.

Dr. Willy Wo-Lap Lam is a Senior Fellow at The Jamestown Foundation. He is an Adjunct Professor at the Center for China Studies, the History Department and the Program of Master's in Global Political Economy at the Chinese University of Hong Kong. He is the author of five books on China, including "Chinese Politics in the Xi Jinping Era: Renaissance, Reform, or Retrogression?," which is available for purchase now.

***

Curing China's Elephantiasis of the Fleet

Ryan Martinson and Takuya Shimodaira

China has placed great faith in the unarmed patrol ship as an instrument with which to realize its maritime ambitions. According to a recent U.S. Office of Naval Intelligence report, Chinese maritime law enforcement (MLE) agencies collectively operate over 200 oceangoing ships, giving the country by far the largest blue water "coast guard" in the world. **[1]** Although many of these perform legitimate administrative functions—managing fisheries, enforcing safety regulations, protecting the environment—dozens of others exist almost entirely for the purpose of advancing Chinese claims to waters and territories in the East and South China Seas.

To be sure, China's MLE fleet is cause for great concern among other claimants. However, fixating on this dramatic indicator of strength risks neglecting other important dimensions of China's maritime capabilities, including one area of enduring weakness—coast guard aviation. Given the country's lack of advanced, long-range fixed-wing aircraft, China's constabulary forces must operate with only a fragmentary picture of the maritime domain. As a result, its MLE forces are unable to maximize the advantages of their colossal new surface fleet. With new aircraft procurement programs and new aviation facilities in remote sections of the South China Sea, Chinese policymakers seem determined to obtain eyes in the skies where they are needed.

"Rights Protection" From the Skies

The primary focus of many of China's blue water MLE units is performing so-called "rights protection" operations (see *China Brief*, September 10, 2014). These involve patrolling disputed waters to show administrative presence and impose Chinese jurisdictional prerogatives. Common targets include foreign fishing vessels, law enforcement ships and boats as well as oil/gas exploration ships. In this context, Chinese forces seek both to defend "legitimate" Chinese activities and halt "illegal" foreign activities. Tracking foreign military vessels operating in China's Exclusive Economic Zone (EEZ) and discouraging their operations is another important "rights protection" mission for which Chinese MLE forces are responsible.

In "rights protection" operations, both ships and aircraft play important, but distinct, roles. With their ability to directly impact the behavior of foreign mariners, patrol ships are the main lever of China's maritime coercion. They forced a standoff with Philippines forces at Scarborough Reef in April 2012 (see China Brief, April 26, 2012). They underwrote the operations of drilling rig *HYSY 981* in Vietnamese-claimed waters in May–July 2014 (see China Brief, June 19, 2014). They began blockading the Second Thomas Shoal in early 2014. They routinely sail to the Senkaku Islands to challenge Japanese sovereignty.

Like surface ships, Chinese coast guard aircraft patrol disputed areas to demonstrate, or declare, Chinese authority—that is, for political purposes. But their primary "rights protection" function is indirect. They help to build the picture of the maritime environment needed by front line patrol ship skippers and officers on duty at command centers ashore. They are able to swiftly and cheaply patrol large areas of ocean, monitoring it for foreign activities inimical to Chinese interests, information which can guide commanders' decisions on how best to deploy surface ships to perform their policing function.

Force Structure

Great coast guards are great both on the sea and above it. Aside from operating swift motor boats and sleek, white cutters, they fly fixed-wing aircraft that can quickly patrol large swaths of the ocean, looking for violations of domestic and international law and searching for mariners in distress, and helicopters which, with their ability to hover and approach at slow speed, are ideal platforms for search-and-rescue missions. The U.S. Coast Guard (USCG) currently operates over 200 fixed- and rotary-wing aircraft. These range from the MH-65 dolphin, a helicopter embarked on large cutters, to the 100-foot HC-130J Super Hercules patrol plane (USCG). The Japan Coast Guard (JCG) operates a similar collection of platforms with comparable levels of competence. This is the gold standard of coast guard aviation.

China's MLE aviation capabilities are incomparably weaker. At present, the China Coast Guard (CCG)—an amalgamation of four formerly unaffiliated agencies currently subject to some degree of joint control by the State Oceanic Administration (SOA) and the Ministry of Public Security (MPS)—operates fewer than a dozen aircraft (see China Brief, March 28, 2013). Almost all of these are owned by national-level units of China Marine Surveillance (CMS), one of the four agencies integrated into the new CCG in 2013.

CMS has three aviation units (*zhidui*), all set up in the early 2000s. One *zhidui* is located in each geographic region: north (Bohai and Yellow Sea), east (the East China Sea), and south (the South China Sea). Each of these units operates just two fixed-wing aircraft. Thus, the CCG has a mere six airplanes to patrol the entire expanse of three million square kilometers of ocean that China claims (China Ocean News, November 16, 2012), a force entirely incapable of meeting rights protection needs.

The fixed-wing aircraft that it does operate are manifestly inferior platforms. All six are variants of the small, twin-engine turboprop called the Y-12, produced by Hafei Aviation, a subsidiary of Aviation Industry Corporation of China (AVIC). Their maximum range is 1,300 kilometers (~700 nautical miles) (China Ocean News, March 29, 2011). By comparison, Ocean Sentry (HC-144A), the USCG's medium-range surveillance maritime patrol craft, has a range of 2,000 nautical miles, and the HC-130J has a range of over 4,300 nautical miles.

The Y-12s operated by CMS have been fitted with specialized, commercial-grade equipment to help them identify and track surface craft. For instance, crew members operate Automatic Identification System (AIS) receivers that provide them with information on the identity, speed, position and course of ships transiting Chinese-claimed waters, allowing for more tailored surveillance (China Ocean News, July 26, 2013). When close enough in proximity, CMS aircraft are able to transmit imagery to ships below, which can, if needed, forward them on by satellite communications to land-based command-and-control centers (China Ocean News, March 15, 2013). Nevertheless, the classic image of the CMS officer, camera in hand, peering at a vast expanse of blue out the window of a small, cramped cabin remains accurate.

Deployment Patterns

CMS aviation units gradually received delivery of new fixed and rotary wing aircraft in the early 2000s. In the beginning, their deployments in blue water maritime domain awareness (MDA operations were rare and haphazard. In all of 2004, the fixed- and rotary-wing aircraft of CMS East conducted only 49 flights for 154 total flight hours (*China Ocean News*, May 23, 2014).

Patrols later became more systematic. The deployment pattern currently in place can be traced to 2006. In that year, SOA received State Council approval to establish a permanent administrative presence in the East China Sea, to improve China's position in its jurisdictional boundary dispute with Japan. These "regular rights protection law enforcement patrols" (*dingqi weiquan xunhang zhifa*) involved keeping a certain number of cutters and aircraft at sea every day. In 2007 and 2008, patrols expanded to the remaining parts of China's claimed waters in the Yellow Sea and South China Sea (*China Ocean News*, February 22, 2011).

With the advent of the regular rights protection patrol system, aircraft deployments increased dramatically, albeit from a very small base. In 2006, CMS East performed 165 flights, for 664 hours. By 2010, patrols in the East China Sea jumped to 393 flights, for 1,544 hours. This appears to have been peak unit output, for in 2013 the unit recorded 372 total flights, for 1,349 hours. At present, about half of the roughly 30 flights per month are regarded as "rights protection" missions (*China Ocean News*, May 23, 2014). To put this into perspective, fixed-wing CMS aircraft conduct just 3–4 operations per week above China's claimed jurisdictional waters in the East China Sea.

The small numbers of East China Sea missions that do take place are limited in duration and geographic scope. While CMS East aircraft can fly out to the edge of China's claimed continental shelf, their limited range means that they cannot linger. CMS aircraft can fly to the Senkaku Islands, as two notably did in December 2012, but with their short legs they must soon return, having achieved little more than symbolism (*China Ocean News*, April 11, 2014).

If the problem of coverage is difficult in the East China Sea, it is insuperable in the South China Sea. Operating from airports on the mainland, the two fixed-wing aircraft of CMS South simply cannot reach the eastern and southern sections of the South China Sea. The service's cutters do sometimes embark helicopters, which provide additional surveillance capabilities. But in general, China's MLE agencies do not fly in vast sections of waters within the nine-dash line.

The results of this inferiority in maritime aviation is that the CCG must rely heavily on expensive and inefficient means of monitoring the more remote sections of claimed waters. CCG cutters and maritime militia (fishing vessels serving state functions) must constantly remain at sea to, in the words of one CMS officer, "understand what's going on" (YouTube, January 4, 2014). CMS aircraft do serve a function in MDA operations in jurisdictional waters close to the mainland coast. For instance, it was supposedly a CMS aircraft that first spotted the USNS *Impeccable* (T-AGOS-23) operating southeast of Hainan in March 2009. **[2]** However, according to one fairly recent Chinese account, more than 90 percent of foreign surveillance ships operating in the South China Sea are first detected and reported by Chinese fishermen, a sharp indictment of coast guard aviation, even one allows for hyperbole (*Nanfang Zhoumou*, July 22, 2011).

Ready Remedies?

In a March 2011 article in an SOA-run newspaper, two journalists described the feeble state of CMS aviation, but suggested that the future held hope: "It has been revealed that by 2015 CMS aviation will see exponential growth, receiving middle- and long-range fixed-wing aircraft with a range of 4,500 km (more than 2,400 nautical miles)" (*China Ocean News*, March 29, 2011). While this has not happened, there are signs that Chinese policymakers are indeed acting to build and improve the service's fleet of patrol aircraft.

CCG leaders appear to be in the market for new airplanes. In November 2014, Rear Admiral Wang Qiuyu, Director of the CCG's Armaments Department, visited an AVIC subsidiary in Xi'an to discuss purchases of a maritime patrol variant of that firm's MA-60 (AVIC Website, November 21, 2014). This aircraft is already operated by civilian airlines in China and abroad. A coast guard version would have double or triple the range of the current

Y-12 and would likely carry advanced ocean monitoring equipment. While still unconfirmed, it is also possible that the CCG will purchase several of AVIC's enormous AG-600 sea planes, the prototype of which is currently under construction: AVIC executive Huang Lingcai suggested in an interview that the aircraft could be used to protect China's "maritime rights and interests," code for naval and/or coast guard procurement (*China Daily*, April 28). With its 4,500-km range, AG-600 would be able to patrol all of China's claimed waters in the South China Sea from civilian airports on the mainland.

At the same time that they ponder purchases of large patrol craft, China's coast guardsmen await deliveries of more advanced variants of the Y-12. In March 2015, Rear Admiral Yang Juan, Deputy Director of the CCG, visited Hafei Aviation offices in Harbin to receive briefings on that firm's progress toward completion of rotary-and-fixed wing aircraft, including an unspecified number of Y-12Fs. This variant, while still less capable than the patrol craft of the USCG and JCG, supposedly has far greater carrying capacity and range than versions currently in service with CMS (AVIC Website, March 9).

Basing patrol craft closer to disputed waters and territories is another means of keeping more aircraft aloft where they are needed. In 2014, Chinese contractors began large-scale operations to expand island installations on several of the country's seven occupied land features in the Spratly Archipelago. At least one of these features, Fiery Cross Reef, will host a runway. Most analysts focus on the military value of these new facilities, in particular, the likelihood that they will underpin a South China Sea ADIZ (*The National Interest*, April 27). However, this feature, or another like it, may also host aircraft of the CCG, which, if it happens, would enable the service to achieve the MDA it so desperately craves in these waters.

In sum, the CCG, as currently constituted, is a brawny, but half-blind, MLE force. It is capable of maintaining large numbers of cutters at sea, but its lack of advanced, long-range patrol aircraft prevents the service from maximizing the coercive potential of its surface assets. With its new procurement programs and bases in disputed waters, China is striving to remedy this weakness. If it succeeds, it will be a big step closer to actualizing its maritime claims and building the formidable coast guard it thinks it deserves.

Ryan Martinson is research administrator in the China Maritime Studies Institute of the U.S. Naval War College in Newport, Rhode Island. The views represented in these articles are his alone, and do not reflect the policies or estimates of the U.S. Navy or any other organization of the U.S. government.

Takuya Shimodaira, JMSDF Captain, is currently the first JMSDF Liaison Officer assigned as an International Fellow at the Naval War College. He earned an MA in Area Studies from the University of Tsukuba and Ph. D in Political Science from the Kokushikan University, in Tokyo.

Notes

1. *The PLA Navy: New Capabilities and Missions for the 21st Century*, Office of Naval Intelligence, April 2015.

2. *China's Ocean Development Report (2011)*, Ocean Press, Beijing, 2011, p. 490.

***

China and Sri Lanka: In Choppy Waters

By Sudha Ramachandran

Sino–Sri Lankan relations are in a state of flux. Bilateral relations, which had surged significantly during the rule of Sri Lanka's former president, Mahinda Rajapaksa (2005–2015), are strained today. In January, Sri Lanka's new President Maithripala Sirisena suspended the $1.4 billion Colombo Port City (CPC) project, a centrepiece of Beijing-Colombo bonding during Rajapaksa's rule that China's President Xi Jinping inaugurated just months earlier during his visit to the island in September last year.

In the run-up to the January presidential election, Sirisena had targeted the pro-China tilt in Sri Lanka's foreign policy under Rajapaksa. He promised to establish "equal relations" between India, China, Pakistan and Japan. Without naming China, he criticized its role on the island over the past decade. Infrastructure projects built with loans from foreign countries were ensnaring Sri Lanka in a "debt trap," his election manifesto said (Asian Mirror, December 19, 2014). Not surprisingly then, Sirisena's victory in the election was widely interpreted in the Sri Lankan and international media as a "real setback for China" (Times of India, January 9 and Bloomberg, January 9). The suspension of the CPC project accentuated this perception and cast a shadow on other Chinese projects in Sri Lanka. It triggered debate in the Chinese and international media over the future of Chinese investment in the country (Caixin Online, March 10). Sri Lankan perception of China's role on the island is changing, but how substantially will Sino-Sri Lankan relations change? Can Sri Lanka afford to antagonize China? Tough decisions lie ahead for the Sirisena government.

Friendly Ties

Sino–Sri Lankan relations have traditionally been warm since the 1950s. Sri Lanka was among the first countries to recognize the People's Republic of China in January 1950. Support for each other's core concerns—such as territorial integrity, for instance—play an important role in their relationship. While Sri Lanka has consistently endorsed the "One-China" policy and avoided engaging Taiwan, Beijing was unequivocal in its support of the Sri Lankan government in the island's ethno-political conflict. Its robust support of the Rajapaksa government's no-holds barred military offensive against the Liberation Tigers of Tamil Eelam (LTTE) through the supply of weaponry, especially in the final years of the civil war, is widely credited in Sri Lanka for the government's victory over the LTTE. Post-war, Beijing has defended the Rajapaksa government from censure at various international human rights forums (The Hindu, March 23, 2012).

Economic cooperation has cemented bilateral ties. A mutually beneficial rubber-for-rice agreement reached in 1952, which assured Sri Lanka of a large export market for its rubber in return for cheap imports of Chinese rice, set the tone for such co-operation. Economic ties surged during Rajapaksa's presidency; indeed, during his first term as president, China became the second-largest source of Sri Lanka's imports, its largest aid donor and largest foreign investor. China's state-owned Export-Import Bank is reportedly funding 70 percent of Sri Lanka's infrastructure projects (Al Jazeera, August 26, 2014). Among the main Chinese projects in Sri Lanka are the $1 billion Hambantota Development Zone, the $855 million Norochcholai Coal Power Plant project and the $248 million Colombo-Katunayake Expressway, all initiated during Rajapaksa's presidency.

Indian Unease

China's growing profile in Sri Lanka has evoked enormous concern in India. Indian analysts warn that a Chinese presence so close to India's southern coast has implications for India's security. They have drawn attention, for instance, to Sri Lanka's emergence as a possible Chinese "listening post" in the Indian Ocean (South Asia Analysis Group, April 10). More worrying is China's mounting influence in the island via its funding of infrastructure there. India fears that China's building of ports, container terminals and expressways in Sri Lanka are aimed not just at securing lucrative contracts for its companies but at pulling Sri Lanka "closer to its orbit through economic leverage and soft power," thus "aiding its strategic penetration" of the island (Nikkei Asian Review, April 29).

It was China's role in the Hambantota deep-sea port project that set alarm bells ringing in Delhi. Strategically located at the south-eastern tip of the island, near vital international shipping lanes, Hambantota port is perceived as one of the "pearls" in China's 'String of Pearls' strategy, which Delhi believes is aimed at encircling India and facilitating Beijing's power projection in the Indian Ocean. The port project triggered intense discussion in India over the future military potential of this commercial port (Tehelka, May 23, 2009). Would a debt-ridden Colombo, unable to pay back its loans to China, cave in to its demand for a naval base in the island in the future? Sri Lanka giving in to such a demand from China is highly unlikely as it "would be such a clear red line for Sri Lanka to cross regarding India" (Author's Interview, Nilanthi Samaranayake, Strategic Studies analyst at the CNA Corporation in Arlington, Virginia, April 27).

However, fears of a Chinese military presence at Sri Lanka's ports gained credence last year when Chinese submarines docked twice at the new Chinese-built container terminal owned and operated by a consortium of Chinese companies at Sri Lanka's Colombo Harbor (Times of India, November 3, 2014). Added to this was Sri Lanka's enthusiastic embrace of China's Maritime Silk Road (MSR) project (The Island, June 1, 2014). Seen in India as a Chinese attempt at rebranding the "String of Pearls" strategy in "meretriciously benign terms," the MSR project is viewed with suspicion. It is expected to draw Sri Lanka even closer into the Chinese orbit and legitimize Chinese deployment of its warships to guard the harbours along the MSR route (Nikkei Asian Review, April 29). This, it is feared, would bring the Chinese navy closer to the Indian coast.

Sri Lankan Perceptions

Unlike India, Sri Lanka's perception of China's role on the island was largely benign until recently. Seen as a reliable friend, China's funding of Sri Lankan infrastructural development is appreciated on the island, especially in the context of the West's reluctance to do so (Pragati, March 31). Unlike India, which has focused on the geopolitical and strategic implications of China's economic cooperation with Sri Lanka, the latter sees this as development support that will propel the island into a major global trans-shipment hub (Bloomberg, July 13, 2011).

The high visibility of Chinese projects has created a favourable image of Beijing on the island. Although the majority of its projects are commercial, it has also gifted some buildings constructed in the capital. They include the Bandaranaike Memorial Centre and the Lotus Pond open arts theatre. These are massive and grand structures, which impress the public (Author's Interview, Amali Wedagedara, consultant at the Open University in Colombo, April 26).

Although some of the local media has been criticizing the Chinese projects over the years, it was only when the opposition used Rajapaksa's corrupt deals with Chinese companies as an election campaign tool and targeted his loan-dependent development that public opposition to China surged. People became aware that China's financial "assistance" was mainly in the form of loans and at high interest rates, making them "extractive investments" (Author's Interview, Amali Wedagedara). While loans from the World Bank or Asian Development Bank would had attracted interest rates ranging between 0.25 and 2 percent for short- and long-term loans, China's Export-Import Bank charges 3–6 percent for long-term loans and 2 percent for short-term borrowings (Sunday Leader, January 29, 2012). Sri Lankans are increasingly concerned over the likely consequences of their government not being able to repay the loans (Author's Interview, Amali Wedagedara).

Local media reports are drawing attention to uncertainty over ownership of the Chinese projects, the poor quality of construction, gross overpricing and underutilized infrastructure, among other issues (Sunday Leader, January 29, 2012; Sunday Times, October 19, 2014 and Sunday Times, November 30, 2014). The Norochcholai coal power plant, for instance, has broken down dozens of times since it began operation in 2011, and is incurring massive losses. Yet the construction of Phase II of this project was handed over to the same company, China National Machinery Import and Export Corporation, that constructed this plant in the first place, as this was a condition agreed upon in the original contract (Daily FT, January 24, 2014). Of all the Chinese projects in Sri Lanka, the CPC project has attracted the most criticism. Construction went ahead in September 2014 without a comprehensive project feasibility study on technical, socio-economic, environmental and financial aspects. More importantly, it seems that Sri Lanka will have to cede ownership of a significant chunk of the reclaimed land on which the project will be built. Of the 233 hectares of reclaimed land, China is to hold 20 hectares in perpetuity and 88 hectares on a 99-year lease. It could mean an infringement of Sri Lanka's territorial sovereignty, something both countries say they prize (Sunday Leader, February 15 and Colombo Telegraph, March 17).

China has responded swiftly to the surging public anger against its projects in Sri Lanka. Its diplomats and project officials there have sought to clarify issues and highlight project benefits to Sri Lankans (Daily News, March 11). It has adopted a carrot-and-stick approach. While courting Sri Lanka with more funds and signaling a willingness to compromise—during Sirisena's visit to China in March, Beijing pledged $1 billion in new grants and offered to cut the cost of a $520 million road project by $225.73 million—it is also warning Sri Lanka of legal consequences (Reuters, April 1 and Sunday Leader, May 7). In a bid to allay Delhi's anxieties, China has suggested a "triangular cooperative relationship" involving India, China and Sri Lanka (The Hindu, February 28).

Sri Lanka's Dilemmas

Besides suspending the CPC project pending scrutiny, President Sirisena has ordered a review of all Chinese-funded projects in Sri Lanka. He is under multiple pressures to scale down China's role on the island. India, for one, would like to see China's influence in Sri Lanka reduce. Delhi has raised the security implications of several Chinese projects in Sri Lanka for India with the Sri Lankan leadership (Business Line, March 11). There are domestic pressures as well. Political parties, like the nationalist Janata Vimukti Peramuna, which are Sirisena's allies, are protesting the Chinese projects infringing Sri Lanka's sovereignty (Sunday Observer, February 15). Also, the terms of contracts with Chinese companies are loaded against Sri Lanka's interests. After a high-decibel election campaign where public attention was drawn to the negative implications of Chinese projects for Sri Lanka, it would be difficult for Sirisena not to act upon these concerns.

But terminating contracts or canceling the Chinese projects will not be easy as it will have financial, legal and diplomatic implications (Ceylon Today, April 19). Importantly, Sri Lanka needs a massive infusion of funds for infrastructure development, and India is not in a position to meet its needs. It thus "depends on China for infrastructure support" (Author's Interview, Nilanthi Samaranayake, Strategic Studies analyst at the CNA Corporation in Arlington, Virginia, April 27). It needs Beijing's backing in the UN, as well, and is thus unlikely to antagonize China by canceling projects. It will seek more favorable terms in project contracts. It appears that Sirisena's suspension of the CPC project is aimed at gaining leverage to renegotiate the terms of this project and other unfavorable contracts with China. It appears to be "trying to empower itself by possibly renegotiating some loan terms for projects" (Author's Interview, Nilanthi Samaranayake).

However, Colombo cannot ignore India's concerns either. Geographic proximity, ethnic and other ties, and India's significant trade and defense relationship with Sri Lanka make it Colombo's most important partner, which it cannot afford to antagonize. Lessons from the past exist. In May 1987, when India violated Sri Lankan airspace to aerially drop food aid to beleaguered Tamils, the Sri Lankan government protested India's violation of its territorial sovereignty and sought military support from countries like the United States and China. Verbal support came, for instance, from China, which without naming India condemned the "bullying action of big powers." However, little military support for the government materialized. China reminded Colombo that "distant waters do not put out fires on your doorstep." It was proximate countries that were in a position to do so (Author's Interview, Dr. John Gooneratne, retired Sri Lankan diplomat, Colombo, August 10, 2010). Today, even after the end of the civil war, this advice remains relevant "especially for small countries, which might get carried away that the 'distant' big country will come to help against the neighboring 'big' country" (Author's Interview, Dr. John Gooneratne, May 4).

This was wisdom that Rajapaksa ignored while assiduously courting China over the past decade, especially when permitting Chinese submarines to dock in Colombo harbor. It is advice that Sirisena may need to bear in mind as he charts Sri Lanka's moves in the coming months. He has begun by setting out to establish equal relations with Asian powers. He followed up his India visit with trips to China and Pakistan. There is "a sense of balance in the foreign relations under Sirisena, which was lacking earlier." But he will need to follow this up more substantially. In its foreign relations, Sri Lanka would need to "stick to issues of a bilateral nature, and avoid getting mired in the fights, wars and strategies" of other powers. For example, it should support the MSR project but not so as to bottle up India" (Author's Interview, Dr. John Gooneratne, May 4).

Testing Times

Colombo's diplomatic skills will be put to a severe test in the coming months. It will need to conduct its relations with India and China in a way that does not draw China's ire or deepen India's suspicions. Decisions on the fate of suspended projects, especially the CPC project, are pending. These need to be made immediately as their suspension is causing huge losses. China can be expected to agree to soften repayment terms. Sirisena must also stand firm on issues undermining Sri Lanka's sovereignty. This, and the hiring of only local laborers rather than Chinese workers on these projects, could help Sirisena blunt at least some of the domestic opposition to Chinese projects. If Colombo is serious about rebalancing relations and keeping India as a friend, it will need to firmly reject any of Beijing's military-related requests, especially those that will raise doubts over the commercial nature of Chinese-built ports on the island. Responding to India's security and other concerns would be easier for Sri Lanka if, in its interaction with Colombo, Delhi would behave more like a generous giant than a hectoring, big brother.

Dr. Sudha Ramachandran is an independent researcher and journalist based in Bangalore, India. She has written extensively on South Asian peace and conflict, political and security issues for The Diplomat, Asia Times and Geopolitics.

***

China's Two-Track Approach to Christianity: Vatican vs. Wenzhou

By David Volodzko and Thomas Sesin

Beijing and the Holy See are ostensibly as close to establishing diplomatic relations as they have been in over 60 years; yet, little has changed for mainland Chinese Christians. As Beijing turns the screws of ideological authority, those advocating for religious freedom must learn to coax the government out of its defensive stance. If successful, it could change the very nature of what it means to be Christian in China.

Early Prophets

The first missions to China taught an acculturated Christianity. The oldest, Jesus Sutra, refers to God as *fo* (Buddha); Giovanni da Montecorvino preached in local Uyghur, and Matteo Ricci presented his faith as an extension of Confucian virtues (Nanputuo, November 26, 2009; *Internet Medieval Source Book*, April, 1996). These experiments in cultural conformity were so successful Pope John Paul II later praised Montecorvino's "*frutti talmente abbondanti*" (such abundant fruits), and Pope Benedict XVI called Ricci's apostolate "prophetic" (La Santa Sede, September 8, 1994; La Santa Sede, May 6, 2009). Nevertheless, a 1715 papal bull declared Confucian ancestral rites a sin, and Western missionaries were summarily banned. The 1842 Treaty of Nanking secured re-entry, but it was a pyrrhic victory, as it also initiated the *bainian guochi* (century of humiliation). Meanwhile, the Taiping Rebellion (1850–1863), history's bloodiest civil war, proved homegrown Christianity was no less troublesome to Chinese authorities. During the Boxer Rebellion (1899–1901), these events culminated in the nationwide massacre of over 32,000 Christians (*The Spirit Soldiers*, 1973, p. 339). Eager for change, Pope Pius XII decreed in 1939 that ancestral rites were not idolatrous, thus paving the way for relations with Republican China. In 1949, however, he excommunicated all communists, and two years later, after Communist Beijing began arresting Catholics, he issued his encyclical *Evangelii preacones* (Announcers of the Gospel), calling it "imperative" to free nations from the "inimical doctrines" of communism, which "reduce the dignity of the human person almost to zero" (La Santa Sede, June 2, 1951). Three months later, the papal nuncio was expelled on espionage charges.

China-Vatican Political Relations

Beijing has two conditions for diplomatic relations: the Vatican must not interfere in China's internal affairs and it must severe ties with Taiwan. The first is based on Article 36 of the Chinese Constitution, which grants religious freedom but prohibits the "use of religion to [...] disrupt social order" (Constitution of the People's Republic of China, December 4, 1982). Echoing this, the 1997 White Paper states that no organization may threaten the union of the nation (White Paper, October, 1997). The paper quotes the 1981 United Nations Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief: "freedom to manifest one's religion or belief may be subject only to such limitations [...] necessary to protect public safety." The paper then details how religion has historically threatened both national unity and public safety, citing the role of missionaries in the Opium War, their overtaxation of peasants during the Boxer Rebellion and the Vatican's support of Japanese aggression during World War II. In order to "cast off imperialistic influence," the paper concludes, Chinese religions must achieve *sanzi* ("three selfs," i.e. self-administration, self-support and self-propagation).

To this end, episcopal ordination is now handled by the state-sanctioned Chinese Patriotic Catholic Association (CPCA). Beijing increasingly allows Vatican approval of ordination, and the Vatican now recognizes most CPCA bishops, but the issue remains turbulent. In 2012, the Vatican excommunicated Rev. Joseph Yue Fusheng, after he was appointed Bishop of Harbin without Vatican approval, and in 2013, Rev. Thaddeus Ma Daqin disappeared after withdrawing from the CPCA to focus on his new duties as Bishop of Shanghai (*South China Morning Post*, March 17, 2014). Hanoi, which also contests episcopal ordination, recently agreed to Vatican approval of candidates before government confirmation (*Christianity in Wenzhou*, March 14). This could work for China; however, Beijing shows no interest in compromise.

As for Taiwan, the Vatican is currently the only European nation not to recognize China. Adding insult to injury, the day after Pope John Paul II's death, Bishop of Hong Kong Joseph Zen announced the Vatican's readiness to end ties with Taiwan, yet Taiwanese President Chen Shui-bian attended the funeral days later. This allowed Chen to enter Europe for the first time as the president of China, an event Frank Ching describes as a "political coup" (see *China Brief*, April 12, 2005). The Ministry of Foreign Affairs (MFA) claimed Chen hoped to "engage in secessionist activities" (Ministry of Foreign Affairs, April 8, 2005). When Pope Benedict XVI announced his resignation in February 2013, Chinese Foreign Ministry spokesman Hong Lei repeated Beijing's two provisos for relations with the Vatican and said he hoped the Pope's successor would do better (*People's Daily Online*, February 18, 2013). Still, when Pope Francis delivered his inaugural mass the following month, Taiwanese President Ma Ying-jeou attended the event. Once again, China was unrepresented.

The Good News

In spite of these slights, Chinese media coverage of Pope Francis is generally neutral, even when he stirs controversy. His 2013 exhortation *Evangelii gaudium* (Joy of the Gospel), which calls capitalism a "tyranny" that "kills," and his recent description of the Armenian massacre as "genocide," both received balanced reporting—although, given Beijing's professed anti-capitalism, and Turkish President Recep Erdoğan's description of the Xinjiang conflict as "genocide," these events needed no blue-penciling (La Santa Sede, November 24, 2013; The Observer, November 28, 2013; *PLA Daily*, April 13, 2015; The Observer, November 24, 2014). Furthermore, Beijing remains intractable. In August 2014, Pope Francis traversed Chinese airspace en route to Seoul, the closest any pontiff has yet come to visiting China (*Phoenix News*, August 14, 2014). Minutes later, when asked about a future visit, he replied, "ma sicuro: domani" (but sure: tomorrow)—that is, if the Church is free to pursue its mission (*La Santa Sede*, August 18, 2014). Four months later, he declined to meet the Dalai Lama, and Foreign Ministry spokesperson Qin Gang responded that China is "always sincere about improving […] relations," and "willing to continue constructive dialogues […] based on relevant principles" (Ministry of Foreign Affairs, December 15, 2014). After he sent a telegram to Chinese President Xi Jinping in January, Foreign Ministry spokesperson Hua Chunying responded that China is "always sincere in improving […] relations" and "based on the relevant principles, China will continue with the constructive dialogue" (Ministry of

Foreign Affairs, January 22). These wooden replies suggest insincerity, or at best, an unwillingness to compromise.

Domestic Repression and Support

At first blush, such pleasantries contradict Beijing's domestic policy on religious freedom, which has recently been marked by an ongoing crackdown in Wenzhou. However, this contradiction fades when viewed through the prism of the *sanzi* doctrine. The primacy of this doctrine is evident in the name of the nation's largest official Christian group, *Sanzi Aiguo Jiaohui* (Three Selfs Patriotic Movement). Despite its size, almost half of the country's Christians still belong to unregistered "house churches," which are largely run by ethnic Koreans with ties to South Korean affiliates (*People's Daily*, August 5, 2014; Dui Hua, February 22, 2012; *Christianity in Chinese Public Life*, 2014, p. 37).

According to Article 36 in the Chinese constitution, religious groups cannot be "subject to any foreign domination," so *sanzi* has justified a recurring government crackdown. This includes the October 2000 arrest of 37 members of South Korea's World Elijah Evangelical Mission, state official Zhang Jian's 2003 comparison of Korean Christians to Xinjiang and Tibetan separatists, warnings posted on the official website of the city of Yushu in 2011 calling Korean Christian groups a "national security threat" and the April 2011 ban on all outdoor Shouwang Church services, which is an ethnic Korean-led group and Beijing's largest "house church" (Dui Hua, February 22, 2012).

In addition to questions of allegiance, immigration violations are also a concern. In 2002, a South Korean national was arrested for helping nine North Koreans flee to South Korea, and in 2009, an ethnic Korean was sentenced to ten years for helping 61 North Koreans escape to Mongolia. South Korean Christians, on the other hand, consider this God's work, as reflected in a 2014 South Korean film about a missionary who helps North Koreans cross into China, which bore the revealing title *Shinibonaen Saram* (The Apostle).

By contrast, when the *sanzi* doctrine is unchallenged, Beijing has shown patience, and even support. For instance, the church in Cizhong, Yunnan, where roughly 80 percent of the locals are Tibetan, was named a national cultural site by the government in 2006 (*South China Morning Post*, April 6, 2015). "Authorities are generous in sponsoring the local church," says Father Yao Fei, noting how the government built a new bridge over the Lancong River connecting Cizhong with the main road. Recent church renovations were also paid for with government aid, he added.

Epistle to the Chinese

The Vatican's failure to grasp the importance of the *sanzi* doctrine is evident in Pope Benedict XVI's 2007 letter to the consecrated and lay faithful of China. The letter, which makes conciliatory overtures, is now considered a watershed moment in Beijing–Holy See relations (La Santa Sede, May 27, 2007). Yet, it also claims that the Church bases its mission in China "on the power of God," seemingly oblivious to the imperial connotations of such phrasing, particularly since Chinese emperors historically legitimized their rule using the Mandate of Heaven. The letter also closes with a tone deaf prayer to Mary, "Queen of China." Though the Vatican has demonstrated greater cultural sensitivity toward China, the 2007 letter likely only confirms Beijing's need for the *sanzi* doctrine.

Recent Revelations

The *sanzi* doctrine is a bulwark against the destabilizing kind of mission many South Korean Christians desire. And the Cizhong case, which Beijing may simply regard as an instrument of assimilation, is too small and isolated to form the basis of a model for the nation. But there is a way to "expand the pie," as it were. The city of Wenzhou in Zhejiang province (population three million) is home to the highest rates of Christianity in the nation (11 percent, as compared to the national average, 2 percent), earning it the nickname "China's Jerusalem." On February 21, 2013, the Zhejiang provincial government announced a three-year infrastructure and land reform plan known as *sangai yichai* (Three Reforms, One Demolition). According to a leaked directive, the plan did not explicitly target churches for demolition but rather any and all "illegal buildings" (*New York Times*, May 30, 2014). Given that Zhejiang has some of the nation's highest rates of corruption, it is understandable that officials would want to enforce building codes in order to prevent another incident like the 2008 Sichuan earthquake schools corruption scandal, which left 5,000 children dead (10yan, November 8, 2014). But if this were the purpose, one has to wonder why the directive also states that religions are "growing too fast, in too many places, with too much fervor," or why it stresses "careful" implementation in order to avoid attention from foreign media. Driving the point home, it ends with a *chengyu* (four-character idiom) advising officials not to *shouren yibing* (surrender the sword hilt). In other words, stay in control and keep it quiet.

What makes Wenzhou interesting is that it is not only the nation's most Christian city, but also one of its wealthiest (*South China Morning Post*, May 17, 2014). Zhao Xiao, a professor of International Business and Economics at the University of Science and Technology Beijing, and formerly the head of the State Council's Economic Research Center, wrote a 2002 essay entitled "Market Economies with Churches, and Market Economies without Churches," in which he argued that Christianity would help China's economy (Danwei, July 16, 2006). Zhuo Xinping, director of the Institute of World Religions at the Chinese Academy of Social Sciences in Beijing, which is affiliated with the State Council and one of China's most prominent think tanks, wrote a 2005 paper that draws on Max Weber's 1905 *The Protestant Ethic and the Spirit of Capitalism* to conclude that Christianity has played a vital role in Western economic success and could also work in China (Konrad Adenauer Foundation, June 20, 2005). This view is also popular among Wenzhou's *laoban jidutu* (boss Christians), so named because they are literally Christian bosses of companies. A spate of corruption scandals recently hit the city, but if the "Wenzhou model" succeeds, it could be a model for the nation.

Conclusion

Religion, Karl Marx famously opined, is the "*Opium des Volkes*" (opium of the people), and if the Church can sooth the restless masses, it may be a more useful political tool than Party rhetoric. The Vatican may first need to tailor its message, as it has in the past. China will soon have more Christians than any other country, and its Christians will possibly make up enough of the whole to redefine the faith itself. Meanwhile, the MFA has been patient, hopeful and shows no signs of yielding. Ending the stalemate may require the Vatican to minimize ties with Taiwan and require the Chinese government to allow greater Vatican approval of CPCA bishops. If economic success and Christian faith become entwined in China, Pope Francis may need to refine his 2013 exhortation. In the West, prosperity theology is controversial. But the way to Beijing's heart might just be the gospel of success.

David Volodzko is a China correspondent for The Diplomat and a former university lecturer at Soongshil University and at Cheongju National University of Education in South Korea.

Thomas Sesin studied Chinese at Franklin and Marshall College and spent a semester at Beijing Foreign Language Studies University. He is currently writing a book on the origin and evolution of Chinese characters.

*** *** ***