In a Fortnight: China Faces Wintertime Energy Crisis of its Own Making

Northern China is facing an energy crisis this winter due to shortfalls in heating gas. Since mid-December, reports from Hebei, the province that surrounds Beijing and Tianjin, indicate that schools and residential areas are going without natural gas for heating.

In Quyang county (曲阳县), southwest of Beijing and North of Shijiazhuang, schools have not had heating since November 15—though the average temperature during the day has been close-to, or below freezing (China Youth Daily, December 5, 2017; Weather.com [accessed December 20]). These schools were required to remove coal-fired heating ahead of the winter season as part of a larger initiative to reduce smog and CO2 emissions. In August, the National Development and Reform Commission (NDRC), a powerful government agency, announced that the construction of new coal power plants was going to be postponed through 2020 (Xinhua, August 14). At the same time, use of coal was going to be essentially replaced in north central China—primarily with natural gas (Xinhua, July 18).

As the world’s top consumer and producer of coal, this is no easy task (EIA, May 14, 2015). In fact, China consumes four times as much
coal as all of Europe (including Russia) and Central Asia combined.

By contrast, Chinese consumption of natural gas in 2016 was eight times its level in 2000, but China lags behind the U.S., which annually consumes just under four times more of this fuel. [1]

In November Wang Dongfeng (王东峰), Party Secretary of Hebei province demonstrated some awareness of these problems:

"At present, we should pay high attention to ensuring residents have winter heating, while accelerating the replacement of coal with electricity or gas to protect the environment" (Hebei Daily, November 1).

The attempts to smoothly transition from coal to gas ("煤改气") appears to have failed and are the root cause of the current gas shortfall. While manufacturing and coal-burning power stations have periodically been turned off in Hebei and Beijing in advance of major events such as the Olympics or Communist Party Congresses, this more permanent switch is proving to be incredibly disruptive (Sohu, April 27, 2016).

Reportedly, across China, the price of liquefied natural gas (LNG) has risen by 300 percent. This is having significant downstream effects and has led to rationing (Caijing, December 19).

The effects of the shortages are spreading. In Baoding, Hebei, the Hebei University Affiliated Hospital sent a request, on December 1, to the Hebei government asking for natural gas to run the hospital. The notice, which quickly went viral on the Chinese Internet, pleaded with the government for additional supplies due to its need to take care of 3,000 patients (Pengpai News, December 3).

While the central government has acted to redirect natural gas from Xinjiang in the West and Guangdong in the South, the scale of the escalating crisis reveals some important problems with China’s infrastructure, and barriers to ambitious environmental and building programs.

Northern China—particularly Beijing and its surrounding provinces—are some of the biggest consumers of gas in the country. According to the Beijing Municipal Development and Reform Commission, Beijing is China’s largest and the world’s second largest consumer of natural gas (Xinhua, November 22). However, the shortages and accompanying spike in prices are manifestations of a larger problem: China’s infrastructure to support a shift to natural gas lags behind the speed with which it is turning off coal powered plants. As a result, cities in eastern China are now lifting restrictions on coal imports (Caixin, December 22).

The Chinese government has started projects to help alleviate demand. In November, Xinhua reported that massive pipelines are being built to significantly increase the amount of natural gas flowing to Beijing (Xinhua, November 22). Begun in July 2016, after their completion, these four "main arter-
ies” will transport an additional 70 million cubic meters of gas per day to meet Beijing’s growing demand.

In the meantime, the Hebei provincial government has allocated 4.65 billion RMB ($705 million) to subsidize heating costs in rural areas (Yicai, December 20). China’s rural areas lag behind urban areas in education, services, and increasingly jobs. The nationwide sprint to adopt natural gas—which includes eliminating the full range of legacy coal-fired equipment from stoves to power plants—is leaving the countryside without easy replacement for heat or electrical generation capacity.

Abroad, China is investing heavily in natural gas from the Persian Gulf to Russia’s Yamal Peninsula (China Brief, July 7; Nikkei, December 18). A recently opened Liquefied Natural Gas (LNG) terminal in Sabetta, Russia, for example, was only made possible through Chinese investments, and will export up to 4 billion cubic meters of natural gas per year to China.

However, acquiring supplies of natural gas from overseas is only one part of the solution to Chinese energy woes—China must first address its infrastructure problems at home. China is right to attempt to wean itself off coal. The levels of pollution from coal-reliant industries has real effects on people’s lifespans and general health problems.

The Chinese Communist Party’s centralized power is not a magic wand—as some foreign observers of China would like to believe. Directives from above frequently leave out considerations of circumstances at lower levels. Just as China’s GDP growth targets gave rise to inflationary reporting (and ultimately harmful policies), a slew of new government priorities across the range of Belt and Road projects to environmental initiatives have similar potential to backfire.

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United Front Work after the 19th Party Congress
By Gerry Groot

Lost in the sea of political rhetoric and policies laid out during the Chinese Communist Party’s (CCP) 19th Congress in October were references to United Front Work—an important group of policies that the CCP uses to forge consensus at home and exert influence abroad (Xinhua, November 3). Communist Party General Secretary Xi Jinping’s remarks on the United Front deserve particular attention, not only because of the forum in which they were delivered, but also because Xi is the
first leader since Xi Jinping with the political wherewithal and expressed intention to use it effectively.

For many outsiders, the Congress was notable for its elevation of Xi as leader to the status of ‘core’, and what appears to be the creation of a personality cult. There is also a general tendency to downplay the importance of statements made at these congresses as more window dressing than substance. In fact, Party Congresses generally—and this one in particular—will act as a guide for some ninety million Party members and others in governments at all levels for years to come. In this context, guidance regarding the United Front takes on greater significance because it forms the basis of many domestic policies (particularly in relation to religion and ethnic minorities) and foreign business and international relations through its use in building relationships with overseas Chinese communities and foreign politicians.

Congresses such as this are also valuable reminders that China is run as a Party-state system. Understanding the Party’s usually overlooked United Front Work Department is an important part of overcoming these deficiencies.

**United Front Work and the Role of Xi Jinping**

Although united front work is just one small part of Xi’s work report, it deserves more attention because for the first time since Deng Xiaoping, China’s leader has direct and apparently positive experience and recognition of the utility of this work for achieving Party goals. There is also an important family connection as Xi’s father, Xi Zhongxun, was heavily involved in such work between 1940 and 1989 and was one of the people behind its post-Mao revival.

As a result of extensive experience and his roles in Fujian and Zhejiang, Xi is unique in recent decades in having effectively hands-on experience while his keen desire to push unification with Taiwan is also evident. Hong Kong, Macau and Taiwan, had a separate section of the work report devoted to united front work in these areas. Xi’s appointments of key allies and experienced diplomats to related positions highlights the importance he attaches to UFW as a central part of related policy (Xinhua, November 3; *China Brief*, November 10).

Overall, Xi has reemphasized the role of the UFWD within the CCP, expanded its size, raised its status, endorsed it by making his presence at the 2015 United Front Work Conference clear and extended, and appointing himself head of the Small Leading Group in United Front Work. [1]

The consequence of this top-down validation is a renewed emphasis on this work throughout the Party and government systems, often down to local levels. This often occurs in villages in provinces like Fujian or Guangdong where United Front cadres attempt to research the family histories of any visiting Overseas Chinese to find ways of appealing to them for investment and support. It is now dangerous to try to ignore such work or downplay its role lest cadres be criticized or even disciplined. This has long not been the
case and neglect of such work by top officials was a recurrent problem from the 1990s onwards. Under Xi’s emphasis of united front work, key performance indicators (which determine promotion) for cadres dependent on it and UFWD-related careers are now much more desirable. As a result, much more activity is to be expected both domestically and abroad. Moreover, failures or complications with united front work can readily become reasons for dramatic setbacks and unrest as stepped up security in places like Tibet and Xinjiang readily attest.

The recent public extension of the Department’s efforts to any place with a sizeable population of Chinese emigrants, students or even visitors, also mean it is now relevant to many foreign governments.

An increasingly sensitive united front constituency, the established Chinese Diaspora groups around the world and the groups of PRC raised Chinese entrepreneurs, emigrants and students, all subsumed under the label ‘Overseas Chinese’ will be united with through ‘the maintenance of extensive contacts’. In 2017, as result of united front work in places like Australia and New Zealand, the relevance of Xi’s emphasis was starting to become apparent even though the groundwork had often been laid years or even decades before.

While the CCP has been emphatic in rejecting what it calls interference in China’s domestic affairs, if the recent cases of Chinese influence over politicians in Australia and New Zealand are any indication, we might well see a dramatic increase in United Front-related interference elsewhere. However, harsh Party measures in Xinjiang and Tibet and tensions in Hong Kong point to either current failures or sufficient confidence to move beyond united front work to a new stage.

**Building Consensus at Home**

In his Party Work Report in October, Xi who is also the Chair of the Leading Small Group on United Front Work, declared, “Steady progress has been made in enhancing socialist democracy; intraparty democracy has been expanded, and socialist consultative democracy is flourishing. The patriotic united front has been consolidated and developed, and new approaches have been adopted for work related to ethnic and religious affairs.” Socialist democracy in this context means the Chinese People’s Political Consultative Conference (CPPCC) and National People’s Congress systems, the selection of representatives of classes and groups (professional, religious or ethnic) as either individual representatives (democratic personages) or as members of the eight official United Front Work Department-controlled ‘democratic parties’ and the All-China Federation of Industry and Commerce. [2]

This system allows the recruitment and corporatist co-option into the system, of otherwise potentially dangerous elements as well as allow access to their knowledge, skills and connections to both understand and influence particular constituencies but permits a small distance from the Party proper. [3] The CCP constantly uses the expertise in these
bodies to conduct investigations into sensitive issues and pass on suggestions and criticisms, so-called mutual supervision. The frustration for united front ‘allies’ is that their contributions and influence are subsumed by the CCP which takes public credit for all success and rewards allies only behind closed doors or with public plaudits which ordinary Chinese find meaningless.

These approaches are different in emphasis from relatively straightforward promises to allow the democratic parties to control their own expansion or to upgrade the decision making powers of the CPPCC system made in the wake of the 1989 post-June 4 crackdown, promises never realized when the economy recovered rapidly. The failure to deliver reflected the tactical nature of the original concession; when the need receded, so did the promise.

In his speech, Xi reiterates the importance of this consultative system and makes clear that it should be extended to communities and social organizations (Xinhua, November 3). We must, he declared, “uphold and improve the system of people’s congresses, the system of Party-led multi-party cooperation, and political consultation, the system of regional ethnic autonomy, and the system of community-level self-governance; and consolidate and develop the broadest patriotic united front.” These all help constitute the CCP’s “socialist consultative democracy”. The overall success of this work is reflected in part, in the numerous surveys of high levels of urban satisfaction with the political system and China’s ‘democracy.’

In relation to the eight democratic parties, Xi reasserts the principles of long-term coexistence and mutual supervision. In ethnic minority work he stresses the need for more public awareness of ethnic unity and need to create a strong sense of community, likening the minorities to the many seeds of a pomegranate which must nevertheless stick together. In religious affairs, the recent shift to emphasizing the Sinification of religion, i.e. finding ways to allow the CCP to be the highest authority, is now phrased as the principle that they ‘must be Chinese in orientation.’ Moreover, the Party must be active in guiding them as they adapt to socialist society.

The new ‘strata’ (the word ‘class’ must not be used) and interest groups emerging from reform and economic growth are also important. Non-Party individuals and members of these new social groups are to be ‘encouraged to play important roles in building socialism while the Party will also build ‘a new type of cordial and clean relationship’ between government and business.’ Keeping corruption at bay while increasing control over business while increasing dependence on the state when useful, is of course key to preventing it becoming a self-funded source of opposition in the classical Western mode of bourgeois classes seeking to protect themselves from state predations by demanding democratic rights and rule of law. Xi is promising cooperation and rule-by-law along Singaporean lines but his declarations of the importance of improving procedural fairness throughout all levels of government and activities (social services, health and education for example), except suppressing corruption, have to-date borne little fruit.
Conclusion

Xi Jinping’s discussion of how the Party needs to consolidate and develop the Patriotic United Front should be taken at face value. As Xi has declared: “The united front is a way to ensure the success of the Party’s cause and we must maintain our commitment to it long term” (Xinhua, November 3). Observers should take Xi seriously and study the implications—just like thousands of Party cadres and government officials will—and not ignore them as hackneyed or cliché.

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Notes
1. For more information see the author’s contributions to the China Yearbook series (Australian National University Press, Canberra, 2013-2017) https://www.thechinastory.org/
2. In addition to the CCP, China has eight ‘democratic parties’ Revolutionary Committee of the Chinese Kuomintang, China Democratic League, China National Democratic Construction Association, China Association for Promoting Democracy, Chinese Peasants and Workers Democratic Party, China Zhi Gong Dang, Jiu San Society and Taiwan Democratic Self-Government League. The All China Federation of Industry and Commerce now also has equivalent status. All of these parties are subordinate to the CCP’s leadership via the United Front Work Department and do not function in the same way as traditional opposition parties.

China’s Overseas Military Base in Djibouti: Features, Motivations, and Policy Implications

By John Fei

China’s military conducted significant live-fire military exercises in Djibouti at the end of November, marking an important turning point in the People’s Liberation Army’s overseas activities by conducting ground-based exercises in a foreign territory independent of a United Nations command (PLA Daily, November 28; SCMP, December 18). The live-ammunition exercises, employing armored personnel carriers, took place around the time of Djibouti President Ismail Omar Guelleh’s visit to Beijing—a visit that deepened China-
Djibouti ties and inked economic and technical cooperation agreements between the two countries (PLA Daily, November 23).

China’s deepening diplomatic and military inroads into Africa will be made even more sustainable by the July opening of China’s first overseas military base in Djibouti. The base marks an important development in the Chinese military’s ability to provide logistical support to counterterrorism, anti-piracy, and humanitarian assistance and disaster relief operations (China Brief, July 21). While China has often played down the military significance of the base, emphasizing its support and logistics roles instead, the recent live-fire drills, along with reports that the base will host up to 10,000 troops, could indicate an enhanced military role for the Djibouti base (SCMP, July 13).

The Chinese facility is near the U.S.’ sole military base in Africa—Camp Lemonnier—and signals China’s interest in protecting its growing economic and security interests in Africa and the Indian Ocean. While the base reflects China’s growing economic and security ambitions, it is unclear at present whether the facility represents just an effort for China to enhance its peacekeeping and humanitarian and disaster relief capabilities, or suggests greater ambitions. If, as some reports suggest, China does open more military bases in African and the Indian Ocean region, then the Djibouti base would mark the beginning of a sea-change in Chinese naval ambitions in the Indian Ocean region (Sina, December 19).

Features of the Base

In July 2017, a Chinese naval contingent embarked for Djibouti to inaugurate China’s first overseas military base (Xinhua, July 11). Located on the tip of the Horn of Africa, the Djibouti base sits at a strategic point between the Suez Canal and the Gulf of Aden. China’s 36-hectare (approximately 90 acre) facility will likely host several thousand troops, and have repair facilities for ships and helicopters (QQ, March 7). There is some evidence suggesting a large, underground storage facility around 23,000 square meters (Stratfor, July 26). China’s base is situated near the Doraleh Multi-purpose Port area of Djibouti, and lies approximately 7 miles northwest of the U.S. base, Camp Lemonnier. France and Japan have also leased facilities in Djibouti, and those bases are located in the general vicinity of the U.S. and Chinese bases.

Likely Purpose and Motivations of the Base

China’s military base in Djibouti represents both a culmination of years of expanding economic and maritime security interests, and a prelude to deeper levels of strategic engagement in Africa and the Indian Ocean region as part of Beijing’s Maritime Silk Road. To better understand the purpose and uses of the Djibouti base, it is helpful to examine three features of China’s broader foreign policy: migration of Chinese citizens to Africa and Beijing’s growing diplomatic engagement on the continent; a growing emphasis on maritime military power and safeguarding citizens abroad, and; the Belt and Road Initiative (BRI).
China’s base in Djibouti helps to support Chinese diplomatic efforts in Africa and provides an outpost to assist growing numbers of Chinese citizens in Africa. Over the years, China’s economic growth imperative has evolved alongside its global diplomatic ambitions and security needs. These motivations have given rise to a steady increase in the number of Chinese citizens engaged in commerce and living abroad in Africa and South Asia, and the involvement of Chinese state-owned enterprises in these regions. Private enterprises have followed the state companies and a report in June by McKinsey, a consultancy, estimated that over 10,000 Chinese businesses were operating across the African continent. Of these, some 90 percent are believed to be private companies (McKinsey, June 2017). Increased Chinese economic engagement in Africa has been accompanied by enhanced diplomatic efforts—consisting of foreign aid—and over 2,000 Chinese soldiers serving as United Nations peacekeepers in Africa (ECFR, June 2016). China intends the base to serve as a support and logistics facility for peacekeepers, and also as a naval facility to support anti-piracy operations.

The Djibouti base reflects a growing emphasis on maritime military interests. In order to safeguard increasing Chinese equities in Africa and South Asia, the Chinese Communist Party (CCP) and People’s Liberation Army (PLA) began to emphasize maritime power and prioritize the protection of Chinese citizens overseas in recent years. At the end of previous Chinese president Hu Jintao’s term, Beijing “declared the protection of Chinese overseas interests to be a foreign policy pri-

ority” (ECFR, June 2016). Since current president Xi Jinping assumed power at the 18th Party Congress in 2012, China has focused on strengthening its role as a maritime power (Xinhua, July 31, 2013). In its most clear articulation of a shift to prioritizing maritime power, China’s 2015 Defense White Paper noted that China must protect its maritime rights and interests (China Brief, June 19, 2015). Over the years, the PLA Navy has augmented its maritime capabilities, both in terms of rapid shipbuilding, and also operational learning and participation in joint exercises.

The Djibouti base is an important station along the Belt and Road Initiative’s “belt,” which is also referred to as the Maritime Silk Road. China’s BRI is a grandiose undertaking that aims to foster greater regional cooperation and economic development across the Eurasian landmass and connect China and Southeast Asia with the northern Indian Ocean littoral, Africa, and the Mediterranean. In Africa, China has invested in a railway linking Ethiopia with Djibouti, and has plans to construct a natural gas pipeline between the two countries as well (China Brief, November 10; SCMP, November 21). The Chinese government has trumpeted BRI as a peaceful endeavor that will spread economic prosperity, but analysts outside of China view it as a way for Beijing to create new spheres of influence at best, and as a gradual way to increase its military influence at worst. [1]
Probable Uses of the Base Within the Next Five Years

Against the backdrop of China’s increasing equities in Africa, a rising emphasis on maritime power, and BRI, the Djibouti base will likely fulfill several needs. It will provide re-supply and other support to facilitate the People’s Liberation Army Navy’s (PLAN’s) anti-piracy patrols in the Gulf of Aden, and the PLA’s peacekeeping operations in Africa (Xinhua, July 11; Ministry of Defense of China, July 11). The facility should also provide a hub for the PLAN’s naval diplomacy in the region, could assist in future counterterrorism operations, and help with intelligence gathering (ECFR, June 2016). Additionally, it will help expedite evacuations of Chinese nationals in the region. On balance, its primary purpose in the near term will be to support China’s economic interests along the Maritime Silk Road, and assist in military operations other than war (MOOTW). [2]

Unlikely Purposes of the Base Within the Next Five Years

China intends to build additional naval bases and facilities in Africa and the Middle East in the years to come. Although the Djibouti base represents the first step in China’s ambitions to create a network of support facilities, it is unlikely that the Djibouti base will be used to supplant U.S. or Indian naval power in the Indian Ocean region. China’s ability to use the Djibouti base as a springboard to exert naval power across the Indian Ocean will not be at a level equivalent to what the U.S. Navy achieved across the world post 1954. [3] Given that its Djibouti base is located near that of the U.S., Chinese attempts to use the base as an attempt to undermine the U.S. naval presence in the west Indian Ocean and Gulf of Aden would unlikely succeed. More probable is that China uses the base to primarily support its economic engagements in the region, increase its abilities to provide humanitarian assistance and disaster relief, and conduct anti-piracy and counter terrorism operations.

Implications for U.S. Policy Interests

China’s first overseas military base in Djibouti presents U.S. policymakers with both opportunities and risks. The naval base’s primary purposes—that of serving as a platform for Chinese peacekeeping, counter-terrorism, anti-piracy, and humanitarian and disaster relief operations—could increase opportunities for the U.S. military to collaborate and engage in confidence building exercises with the PLA. At the same time, there is the possibility of increased miscommunication at sea. With a long-term presence in Africa, China’s intelligence gathering capabilities will most certainly grow. This presents a risk for U.S. military and intelligence operations in the region, and requires greater vigilance on the part of the U.S. intelligence and national security community.

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Notes
2. This section also draws from Ji, You, “China’s Emerging Indo-Pacific Naval Strategy,” Asia Policy, 22 (July, 2016).
3. These insights draw from Brewster, p. 11.

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Technological Entanglement? — Artificial Intelligence in the U.S.-China Relationship
By Elsa Kania

Artificial intelligence (AI) has become a new arena for engagement and competition between the United States and China. In July, China’s State Council published the New Generation AI Development Plan (新一代人工智能发展规划) which declared, “AI has become a new focal point of international competition. AI is a strategic technology that will lead the future,” articulating China’s ambition to “lead the world” and become the “premier AI innovation center” by 2030 (State Council, July 20). Perhaps recognizing that a new era has begun, the U.S. National Security Strategy (NSS) published in mid-December announced, “To maintain our competitive advantage, the United States will prioritize emerging technologies critical to economic growth and security” (National Security Strategy, December 18). In particular, the NSS highlights that AI is advancing especially rapidly and could present growing risks to U.S. national security going forward, while characterizing China as a “strategic competitor” that unfairly seeks to “unfairly tap into [U.S.] innovation” through the theft of intellectual property and “cyber-enabled economic warfare.” Concurrently, the U.S. and China are pursuing military applications of AI, recognizing its potential to transform the character of future conflict (State Council, July 20; Battlefield Singularity, November 28).

Even as Beijing and Washington highlight international competition in AI, the U.S. and Chinese technology sectors remain more entangled than ever, competing and collaborating by turn. There are high and growing levels of Chinese tech investments in the U.S. and in U.S. tech investments in China, even as concerns grow about the risks of such investment. Indeed, between 2012 and mid-2017, China-based investors bankrolled U.S. tech companies to the tune of $19 billion across 641 different deals, with particular focus on AI, robotics, and augmented or virtual reality (CB Insights, August 1). Increasingly, U.S. investors are also investing in Chinese AI enterprises. For instance, Chinese AI startup ByteDance, which makes the AI-enabled news aggregator Toutiao, has raised at least $3.1 billion with support from prominent U.S. private equity firms (CB Insights, December 12). Major Chinese companies—including Baidu,
Tencent, Huawei, iFlytek, and SenseTime—are establishing AI laboratories and research partnerships in the U.S. and many leading Chinese AI entrepreneurs are graduates of top U.S. universities (South China Morning Post, March 25; Xinhua, April 28; Huawei). While Chinese tech companies are eagerly seeking to poach top talent from Silicon Valley, Google just opened its first AI laboratory in China, seeking to take advantage of top AI talent and future human capital potential (Google, December 13).

Although such engagement can enhance U.S. and Chinese innovation ecosystems to mutual benefit, this level of entanglement can be and has been exploited to advance Chinese state plans and priorities. However, the reality of national and military competition is becoming increasingly apparent as China advances a state-driven agenda for AI development to enhance its economic and military competitiveness. The U.S. and China possess very different political economies in their respective national approaches to AI. Certainly, it is clear that the locus of innovation in AI in the U.S. and China has largely shifted towards the private sector. The dynamism of major Chinese tech companies and a growing number of start-ups has been a key impetus for China’s AI revolution. However, as AI emerges as a national priority at the high levels, the Chinese Party-State is seeking to ensure that the development of AI in China follows Chinese Communist Party (CCP) interests and imperatives.

As China pursues a national strategy of “innovation-driven” economic development and military modernization, AI has emerged as a top-level priority. The first major plan to highlight AI was the May 2016 “Internet Plus” Artificial Intelligence Three-Year Action Implementation Plan (MIIT, May 25, 2016). This plan established objectives for the creation of foundational infrastructure and innovation platforms for AI, along with the creation of an industry amounting to billions of RMB, by 2018 (Xinhua, May 25, 2016). In August 2016, the 13th Five-Year National Science and Technology Innovation Plan (国家科技创新规划) launched fifteen “Science and Technology Innovation 2030 Major Programs” (科技创新2030—重大项目) that included both big data and intelligent manufacturing and robotics (State Council, August 8, 2016).

AI appears to have emerged as a top-level priority in response to AlphaGo’s victory over Lee Sedol, which has been characterized as a “Sputnik moment” for China. and concerns over the U.S. AI agenda that appeared to be emerging in late 2016. The New Generation Artificial Intelligence Development Plan released in July represents an attempt to lead the world in AI by 2030, pursuing a “first-mover advantage” to become the “premier global AI innovation center.” This new multi-billion-dollar initiative will support advantages in next-generation AI technologies that could result in paradigm changes, including brain-inspired neural network architectures and quantum-accelerated machine learning. China’s objectives for advances in AI are divided into three stages, with 2020, 2025, and 2030 for first keeping pace, then reaching a “leading level,” and then becoming the world’s “premier AI innovation center.” The plan incorporates projects that seek to lever-
age synergies between AI and other emerging technologies, including big data, cloud computing, intelligent manufacturing, robotics, quantum computing, quantum communications, and brain science (State Council Information Office, July 21).

Although the trajectory of this ambitious agenda remains to be seen, the Chinese government’s approach to its implementation is starting to take shape. The New Generation Artificial Intelligence Development Plan and its associated offices are meant to promote a whole-of-government effort to develop AI including civilian and military agencies (Xinhua, November 21).

China has also launched a New Generation AI Strategic Advisory Commission to help coordinate. In addition to senior academics, it includes prominent experts from the private sector as well as members from the Chinese military.

Looking forward, a distinct dimension of AI development in China will be the high degree of linkage between civilian and military advances pursuant to an agenda for military-civil fusion (军民融合). Although the concept of civil-military integration (军民结合) or military-civil fusion is not new, it has now been elevated to the level of national strategy, advanced through CCP’s Military-Civil Fusion Development Commission (中央军民融合发 展委员会), established in early 2017 under the leadership of Xi Jinping himself (Xinhua, January 23; Xinhua, June 20, 2017). Unsurprisingly, China’s new AI plan explicitly highlights an approach of military-civil fusion to ensure that advances in AI can be readily leveraged for national defense (State Council, July 20). To achieve this objective, the plan calls for communication and coordination among scientific research institutes, universities, enterprises, and military industry units to ensure that military and civilian resources will be shared. The official involvement of the Central Military-Civil Fusion Development Commission confirms PLA involvement and the inclusion of a focus on military applications of AI within this national agenda.

Given the number of applications for AI disentangling private and state or civilian and military efforts can be difficult. This level of entanglement is deliberate, provoking concerns about the extent to collaboration between the U.S. and Chinese ‘private sectors’ could be exploited to support state or even military objectives. China continues to encourage its own AI enterprises to pursue a “going out” (走出去) strategy to build up indigenous capacity. This approach includes overseas mergers and acquisitions, equity investments, and venture capital, along with the establishment of research and development centers abroad. Beyond investment, such incubators seek to promote the “bringing in” of top enterprises to advance the development of China’s innovation ecosystem (MoST, May 12). Certainly, it would be overly simplistic to characterize all Chinese investment in the U.S. as linked to state or military objectives, but it is equally problematic to fail to recognize and evaluate the risks.
Conclusion

For the U.S. and China, AI will remain a domain of simultaneous cooperation and competition. Chinese state plans and priorities in AI should prompt a reevaluation of technological entanglement that result in cases of exploitation of the openness of the U.S. innovation ecosystem.

Concurrently, it is clear that the playing field is not truly level for U.S. tech companies in China. Even as Baidu plans to tests self-driving cars in the U.S., U.S. tech companies have been banned from doing so in China, due to purported concerns over espionage risks.

While seeking to combat the more predatory aspects of Chinese economic statecraft, it will also be critical to recognize the competitive advantages for the U.S. of sustaining openness, exchange, and collaboration in innovation. For the time being, the U.S.’s ability to attract top talent from around the world means it retains a key advantage in human capital. As strategic competition seemingly intensifies, the U.S. must recognize the complexities of a new age of technological competition and prioritize policies that will support and sustain innovation.

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Putinism with Chinese Characteristics: the Foreign Origins of Xi Jinping’s Cult of Personality

By Kevin Carrico

Since 2012, Chinese Communist Party Chairman Xi Jinping has consolidated more power than any Chinese leader since at least Deng Xiaoping. This consolidation of power has coincided with a growing cult of personality, which portrays Xi as “the right leader at the right time” for China.

Analyses of this cult often make comparisons to that of Mao Zedong, modern China’s founding figure, which dominated political culture in China until the late 1970s (China Brief, March 6, 2015). A reexamination of the evolution of the cult of personality around Xi, however, suggests that a far more appropriate point of comparison is with a more recent figure: Russian leader Vladimir Putin.

Tellingly, during a meeting between the two leaders in 2013, Xi commented to Putin that “I feel that our personalities are very similar” (Sohu News, March 25, 2013). Not only are their personalities similar, but Xi Jinping’s cult of personality and the propaganda around him is in fact largely modeled on Putin, with
little original content of its own. These observations, furthermore, have implications for understanding state and popular nationalism in China today, as well as thinking through the world’s response to China’s rise: the combination of Putin-style bravado with the Chinese surveillance state and military is a potent and potentially dangerous combination.

**Nationalist Politics and Xi Jinping**

Nationalism has been the cornerstone of state legitimacy in China since 1989, projecting simmering frustrations outwards. Although operationalized to rescue the Party-state’s reputation after Tiananmen by representing the Party as the people’s protector, nationalism remains an emotionally charged and unpredictable ideology. There has thus been a longstanding risk that state cultivated nationalism could spin out of state control. When nationalism serves as a primary source of legitimacy, failure to fully embody nationalist ideals can be delegitimizing.

The recent strident turn in domestic and foreign policy, however, removes such risks by placing the Chinese state under Xi at the forefront of nationalist provocation. With the ADIZ in the Senakus and the construction of military bases in the South China Sea, and with border confrontations with India and aggressive pressure campaigns against South Korea and Taiwan, the once seemingly pragmatic Chinese state, carefully biding its time, is now clearly taking the lead in non-pragmatic policy decisions. And reports indicate that many of these provocative decisions have been made directly by one man: Xi Jinping (*Study Times*, July 28).

Even when most international commentators were still caught in a China fantasy of Xi as a closet reformer busily consolidating power to implement political reform, many popular nationalists recognized him and his China dream as one of their own (*Caijing News*, October 16, 2014). Supportive of, yet having a difficult time getting excited about earlier “low-energy” leaders like Hu Jintao, China’s outspoken nationalists have now found their man in Xi.

Yet even as the misplaced vision of Xi as reformer fades away, many commentators are still interpreting Xi primarily in comparison with Mao. Such comparisons, however, provide easy ammunition for apologists eager to normalize Xi’s reign. After all, despite the continual retrogression in the political, cultural, and social fields in China in recent years, we are still far removed from the political terror and mass starvation of the Maoist era.

A far more apt point of comparison, and indeed the main source of inspiration for the cult of Xi, can be found instead in the cult of Putin.

**From Post-Soviet Chaos to Putin’s Power**

“The Soviet Union’s today is our tomorrow.” In the six decades since its first articulation, this Mao-era slogan has served as a source of both promise and anxiety.

From 1991, the collapse of the Soviet Union has been portrayed in China as a tragedy to be avoided: destabilization, uncertainty, and chaos contrast with the stability and rapid
economic growth realized in China during those years under the Party’s leadership (People’s Daily, December 12, 2014). Only with Putin’s rise to power and the attendant return to authoritarianism has the tone of reports shifted, representing Putin as a strong, decisive leader who realizes stability and thus prosperity for his people while also standing up defiantly against “the west” (People’s Daily, September 7, 2005).

Chinese state media narratives of both post-Soviet chaos and Putin’s power serve a common interest– rationalizing authoritarian rule as the right choice. Yet these media portrayals have had broader and unexpected effects on popular opinion in China. Nationalists see Putin as a “real man” who stands up even more strongly against “the west” than China’s own leaders (Global Times, January 11, 2014; Global Times, March 7, 2014; Global Times, December 15, 2017). According to a 2015 Pew poll, China was one of only two nations outside of Russia where a majority of respondents viewed Putin favorably– 54 percent approved of Putin (Pew Global, August 5, 2015). Another poll by In Touch Today, a Chinese online news service, produced jarring results of 92 percent approval for Putin among respondents (In Touch Today, March 22, 2014).

Chinese state media portrayals of Russia’s post-Soviet path, intended to legitimize continued authoritarianism under CCP rule, have had the unintended effect of generating demand for enhanced authoritarianism, in the form of a Putin-style strongman leader at the top of the CCP. The cult of Xi, emerging since 2012, responds to this demand.

Xi Jinping: Shanzhai Putin

Xi Jinping’s consolidation of political power and cult of personality bear telling resemblances to Putin’s.

Putin came to power at a self-described decisive moment, promising to clean up Russia after the wild 1990s, battling corruption and oligarchs’ control. This process enabled a rapid consolidation of power: while corruption was not eliminated, anyone who wanted to continue to have influence needed to pledge their allegiance to him. Xi Jinping also came to power at a self-declared decisive moment, promising to clean up the Party and reinstate order: corruption would “doom the Party and the country” (China Cadre Learning Network, October 28, 2016). This process also enabled a rapid consolidation of power: while corruption still has not been eliminated, anyone who wants to have a political career in China now must vow allegiance to Xi.

These initial parallels could simply be the result of common modes of self-representation among strongmen leaders. Yet with the media firmly under each leader’s control, curious similarities have emerged in the leadership cults of Putin and Xi.

- In 2002, a song “A Man Like Putin” quickly rose to the top of Russia’s charts, bemoaning a boyfriend’s bad behavior and seeking solace in the idea of finding a man like Putin. [1] In 2016, a song entitled “If you’re going to get married, marry a man like Papa Xi” also generated millions of clicks on the internet in China. The song’s lyrics
declare, “If you’re going to get married, marry a man like Xi; A real man who is full of pride, and whose bones are made of iron” (Youtube, February 28, 2016).

- In December of 2013, Xi Jinping famously enjoyed a humble 21 RMB meal of steamed buns at a local restaurant. This seemingly unprecedented stunt generated widespread media reports and even a fawning folk song (Xinhua, December 28, 2013; News 163, January 23, 2014). In 2006, in fact, Putin had engaged in a similar media stunt during a visit to Dresden, Germany, standing alone in the corner of a café with coffee and cake (Kremlin English, October 11, 2006).

- A song of praise for Xi entitled “How Should I Address You?” (Youtube, October 26, 2016) performed by members of the Miao ethnic minority, bears similarities to a Tajik’s song of praise for the Russian leader, entitled “VVP” (Putin’s initials) (Asia Plus, May 3, 2012).

Many of the defining moments in Xi’s cult of personality are in fact directly copied from Putin’s: the real man women want to marry, the man of action who is also a man of the people, the leader loved by people of all ethnicities.

Beyond these common representations, there are a jarring number of parallels between the rule of Putin and Xi:

- Vigilance against the imagined threat of orchestrated “color revolutions” (Putin first weaponized such paranoia in what Robert Horvath has called “preventive counter-revolution”) justifying a crackdown on media and NGOs [2]
- Xi’s penchant for “tough talk,” modeled on Putin-isms, accompanied by a newfound assertiveness in military affairs, demonstrated in the South China and East China Seas, as well as in tensions with South Korea, India, and Taiwan (parallel to Putin’s military aggression)
- Xi’s penchant for long speeches (parallel to Putin’s lengthy television sessions)
- Growing speculation that Xi will not name a successor and will stay in power for decades (comparable to Putin’s endless reign)
- Promotion of a unique China path or “China solution” against “the West” (parallel to the “Russia path” promoted by Putin)

Although Xi is being presented to the Chinese people as the right man at the right time for China, in reality Xi’s leadership persona is largely derived from Putin’s propaganda campaigns. Xi is a shanzhai Putin- a relatively faithful imitation with few unique characteristics.

**Conclusion: Putin, Redux?**

Seeking to legitimize the continuation of Chinese Communist Party rule in a post-com-
munist era, Chinese state media representations have manufactured demand for a Putin-like strongman leader. The cult of Xi responds to this demand, winning the unprecedentedly eager support of political factions as diverse as New Leftists and far-right traditionalist nationalists. The Xi cult’s derivative relationship to the Putin cult has important implications for understanding the Chinese state’s relationship to Chinese society and the wider world.

First, examining the state’s relationship to society, there is an ongoing debate over whether the Chinese Communist Party exercises control over popular nationalist politics or is gradually coming under the influence of said politics. The cult of strongman Xi suggests that both may be true. On the one hand, the cult clearly indicates state responsiveness to popular nationalist imperatives: it is not a purely top-down officially structured phenomenon, but also responds to public opinion and allows space for individuals to act out their own spontaneous expressions of loyalty to Xi, constructed in the vision of the sought after strong leader. Yet this responsiveness to public opinion is always based on the goal of exercising ever-greater political control.

Second, this analysis has broader implications for examining China’s increasingly tense relationship with the outside world. Following his “cleanup” of the political system, vanquishing of opponents, and consolidation of power, Putin’s regime engaged in escalating military adventurism, with the Russia-Georgia war of 2008 and the annexation of Crimea in 2014. Each of these military campaigns further boosted the Russian leader’s already sky-high approval ratings. [3] Considering Xi’s imitation of Putin’s path thus far, these trends highlight the need for increased vigilance from the people of Taiwan, Japan, India, and the Southeast Asian nations adjacent to the South China Sea. True to the derivative nature of Xi’s Putin-play, these nations have already begun witnessing unprecedented threats, militarization, and aggression in recent years.

Despite reliably tough talk on military issues for decades, China’s leaders have generally been known for their relative pragmatism in practice. The new combination of Putin-style bravado with the Chinese surveillance state and military is a potent and potentially dangerous mixture. Putin’s path and Xi’s imitation, explicitly appealing to aggressive popular nationalism to exercise greater popular control, suggests that “pragmatism” in the Xi era already means something very different from previous eras. Democracies in the region and across the world must be prepared for new (but not necessarily original) challenges in what Xi has ironically called “the new era.”

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Notes


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