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**The PRC and ROC National Day Ceremonies Offer
Starkly Contrasting Views of “One Country, Two Systems”**

By John Dotson

Introduction

Both the People’s Republic of China (PRC), and the Republic of China (ROC) in Taiwan, observe their national holidays in October. For the PRC, October 1 marks the date in 1949 when the Chinese Communist Party, victorious in the country’s civil war, declared China to be reborn as a new socialist state. In Taiwan, October 10 commemorates the date in 1911 when a revolt began that toppled China’s last imperial dynasty—and led to the founding of the Republic of China, from which Taiwan’s government claims direct lineage. For the states on both sides of the Taiwan Strait, these national holidays are traditionally a day for parades, fireworks, and other public celebrations.

This year's ceremonies in both Beijing and Taipei included leadership speeches and symbolic themes that presented starkly contrasting views of the "One Country, Two Systems" (一国两制, *Yi Guo Liang Zhi*) framework. This formula for unification is being pressed forward insistently by the leaders of the PRC—even as it is being increasingly rejected in Taiwan. This has significant implications for the future status of Taiwan, and portends increased tensions ahead in the already strained cross-Strait relationship.

The Theme of "One Country, Two Systems" in the PRC 70th Anniversary Ceremonies

Prior to the massive military parade that served as the centerpiece of the PRC's 70th anniversary ceremonies on October 1, Chinese Communist Party (CCP) General Secretary Xi Jinping presented a brief address of about eight minutes. The speech was largely a recitation of platitudes ("No force can ever shake the status of our great motherland, or stop the Chinese people and nation from marching forward") and familiar propaganda themes ("We must persist [in adhering to] the leadership of the Communist Party... and the road of socialism with Chinese characteristics"). The speech also played upon traditional themes of nationalist grievance, with the CCP presented as China's savior from foreign exploitation ("This great event [Communist victory] completely changed China's miserable fate of being poor and weak, and being bullied and humiliated for over 100 years... and set the Chinese people on the glorious road of realizing our great rejuvenation"). [1]



Images above: The members of the CCP Politburo Standing Committee, as well as retired senior CCP leaders, observe the PRC 70th anniversary ceremonies from a reviewing stand at the Forbidden City. Current CCP General Secretary Xi Jinping stood at the center, flanked by his predecessors Hu Jintao (left) and Jiang Zemin (right). While others on the platform wore Western-style suits, Xi attended the ceremonies in a "Mao suit" evocative of the revolutionary era and earlier years of the CCP regime. (Source: [CNA / Youtube](#))

The speech was most noteworthy for two connected themes. The first of these was Xi's unsubtle effort to link himself with the legacy of Mao Zedong: as Xi stated at the opening of the speech, "It was 70 years ago today that Comrade Mao Zedong stood here and solemnly announced to the world the founding of the People's Republic of China, and that the Chinese people were henceforth standing up." [2] In case anyone might miss the point, Xi appeared at the ceremonies dressed in an old-fashioned Mao suit (also known as a "Zhongshan suit") of the type associated with the PRC's revolutionary generation. This choice of attire produced striking images of Xi standing at the center of other senior CCP leaders, who were all dressed in Western-style business suits (*see image above*).

The second theme was one that Xi has forcefully asserted throughout 2019: the inevitability of China's national reunification under the "One Country, Two Systems" framework originally formulated under Deng Xiaoping in the late 1970s ([China Brief](#), February 15). As Xi stated in his address, "On our journey forward, we must uphold the principles of 'peaceful reunification' and 'one country, two systems,' maintain lasting prosperity and stability in Hong Kong and Macao, promote the peaceful development of cross-Strait relations, unite all Chinese sons and daughters, and continue to struggle (奋斗, *fendou*) for the motherland's complete reunification." [3] To further stress this theme, the official ceremonies included a parade featuring a large "One Country, Two Systems" float and accompanying scripted official commentary (*see image below*).



Image: A "One Country, Two Systems"-themed parade float, which was featured in the October 1st ceremonies in Beijing that commemorated the 70th anniversary of the founding of the PRC. Official media commentary for this part of the parade asserted that that the "One Country, Two Systems" framework is "the cornerstone of reunification," and that "the policy will succeed, as long as it is fully and accurately understood and implemented" in Hong Kong and Macao. (Source: [CGTN / Youtube](#))

As a coda to the messages about unification in his October 1 speech, Xi felt the need to drive the point home in even starker terms during an October 13 visit to Nepal. In a meeting with officials of Nepal's ruling Communist Party government, Xi praised Nepal's adherence to a "One China" policy, and added: "If anyone

schemes to split any part of China, the result will only be that their bodies are torn apart and their bones are smashed (粉身碎骨, *fenshen suigu*); and if any foreign power supports separatism, the Chinese people will only regard this as wishful thinking!" ([Guancha](#), October 13).

Sharply Contrasting Messages in Taiwan's National Day Ceremonies

Despite the efforts of Beijing to promote "One Country, Two Systems," the formula has garnered minimal support in Taiwan ([Taiwan English News](#), January 9; [China Brief](#), September 6). Furthermore, Beijing's steady encroachment upon Hong Kong's traditional freedoms, and the chronic unrest this has produced, have severely tarnished whatever limited appeal the concept may once have held. Against this backdrop, and facing an approaching bid for re-election in January, Taiwan President Tsai Ying-Wen made criticism of the PRC's terms for unification a key theme in her address delivered during the "Double Ten" holiday ceremonies held in Taipei on October 10.



Image Left: Republic of China (Taiwan) President Tsai Ying-Wen delivers an official address during the ROC National Day ceremonies in Taipei on October 10, 2019. (Source: [ROC Foreign Ministry / Youtube](#))

Image Right: A street view of the presidential reviewing platform during Tsai's speech. (Source: [Taiwan Central News Agency / Youtube](#))

In her own National Day speech, President Tsai stated that "Hong Kong is on the verge of chaos due to the failure of 'one country, two systems'... Nevertheless, China is still threatening to impose [this] model for Taiwan." She further asserted that "the overwhelming consensus among Taiwan's 23 million people is our rejection of 'one country, two systems,' regardless of party affiliation or political position ... if we were to accept "one country, two systems," there would no longer be room for the Republic of China's existence" ([ROC Presidential Office](#), October 10).

President Tsai further drew stark comparisons between the PRC and the ROC, stating that the "diplomatic offensives and military coercion [of the PRC] pose a serious challenge to regional stability and peace." By

contrast, she presented Taiwan as a bulwark of freedom in the face of this PRC aggression: “We are witnessing China's rise and expansion, as they challenge free, democratic values and the global order through a combination of authoritarianism, nationalism, and economic might.... Taiwan has become the first line of defense for democratic values” ([ROC Presidential Office](#), October 10).

Conclusion

The CCP leadership under Xi Jinping continues to assert that “One Country, Two Systems” is a viable—and in fact, the *only*—model for the unification of Hong Kong, Macao, and Taiwan with the PRC. It furthermore continues to assert that such a process of unification is inevitable. However, the clear alienation of many Hong Kong citizens from the city administration imposed upon them has severely diminished whatever credibility the concept may once have held. The example of Hong Kong has demonstrated that the “One Country, Two Systems” framework serves as a cover for the gradual subversion by the CCP of any institutions that stand in the way of its exercise of untrammelled authority.

Despite this, the PRC leadership continues to offer repeated assertions of this tired slogan, even as its own demands for unification grow ever more insistent and strident. The contrasting PRC and ROC national holiday events on October 1 and October 10 further brought into relief the fact that the two states remain as far apart as ever on the question of unification in general—and on “One Country, Two Systems” specifically. In light of the increasingly assertive posture of the PRC, and the rapid advancement of its military capabilities, this augurs ill for the future course of relations across the Taiwan Strait.

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Notes

[1] See video of the speech posted at “Chinese President Xi Jinping Delivers Speech to Mark National Day,” CGTN, October 1, <https://www.youtube.com/watch?v=p5qgd1lzWRo>; and the full Chinese text of the speech at “Xi Jinping: No Force Can Ever Shake the Status of Our Great Motherland, or Stop the Chinese People and Nation from Marching Forward,” *Xinhua*, October 9, 2019, http://www.fjnet.com/shishi/tj/201910/t20191009_278569.htm. [Original text: “我们要坚持中国共产党领导... 坚持中国特色社会主义道路” and “没有任何力量能够撼动我们伟大祖国的地位, 没有任何力量能够阻挡中国人民和中华民族的前进步伐” and “这一伟大事件, 彻底改变了近代以后100多年中国积贫积弱、受人欺凌的悲惨命运, 中华民族走上了实现伟大复兴的壮阔道路”)]

[2] *Ibid.* [Original text: “70年前的今天, 毛泽东同志在这里向世界庄严宣告了中华人民共和国的成立, 中国人民从此站起来了。这一伟大事件, 彻底改变了近代以后100多年中国积贫积弱、受人欺凌的悲惨命运, 中华民族走上了实现伟大复兴的壮阔道路。”]

[3] *Ibid.* [Original text: “前进征程上, 我们要坚持“和平统一、一国两制”的方针, 保持香港、澳门长期繁荣稳定, 推动海峡两岸关系和平发展, 团结全体中华儿女, 继续为实现祖国完全统一而奋斗。”]

China's Tactics for Targeting the Uyghur Diaspora in Turkey

By Ondřej Klimeš



Image: At a demonstration held in Istanbul in February 2019, ethnic Uyghurs residing in Turkey hold up photos of family members and prominent Uyghurs who have gone missing in the PRC. (Source: [Reuters](#))

Introduction: Sino-Turkish Relations and the Uyghur Diaspora

Relations between Turkey and the People's Republic of China (PRC) have been strained by the situation in China's northwestern region of Xinjiang (also known as East Turkestan), where the party-state has been subjecting over 14 million Uyghurs, Kazakhs, and other (mostly Turkic) Muslims to heavy-handed policies—including mass incarceration, political reeducation, forced labor, enhanced social control, and technological surveillance, as well as the forced suppression of linguistic, religious, and cultural practices ([China Brief](#), November 5, 2018; [China Brief](#), February 1). Turkey has so far tolerated and offered symbolic support to the 35,000-strong Uyghur diaspora in the country, allowing free operation of Uyghur press outlets, advocacy organizations, public protests, and political lobbying. Earlier this year, rumors about the death of the popular Uyghur musician Abdurêhim Héyit in PRC state custody prompted the Turkish government to condemn China's Xinjiang policy ([Ministry of Foreign Affairs](#), February 9; [Hürriyet](#), 11 February; [UN Web TV](#), 25 February).

Turkey's President Recep Tayyip Erdoğan adopted a more conciliatory tone during his July visit to Beijing ([CCTV](#), 2 July). At the subsequent China-Turkey Trade and Investment Cooperation Forum held in Izmir in September, PRC Ambassador Deng Li (邓励) and Turkish Minister of Trade Ruhsar Pekcan signaled the intent of both countries to improve their economic ties ([Xinhua](#), September 6; [Cumhuriyet](#), September 8). These developments indicate that Turkey's ruling Justice and Development Party (*Adalet ve Kalkınma Partisi*,

AKP) has decided to prioritize economic ties with the PRC over support to Turkey's Uyghurs. This policy will likely complicate the situation of the Uyghur diaspora in Turkey—which has been the target of the PRC's intensified pressure over the past two years, ever since intensified repression in Xinjiang began damaging China's position in global politics.

Tactics of Intimidation and Coercion

The CCP considers the East Turkestani exile movement to be one of the so-called “Five Poisons” (五毒, *Wu Du*), the top political security threats endangering regime stability. [1] While Chinese authorities have engaged in systematic monitoring and harassment of the Uyghur diaspora in the past, PRC security organs have lately increased their pressure against Uyghurs abroad. These steps have been taken in part due to increased political mobilization among the diaspora—which is itself a reaction to the extreme policies of repression initiated after Chen Quanguo (陈全国) took office in August 2016 as the provincial CCP secretary in Xinjiang ([China Brief](#), February 6, 2017; [China Brief](#), September 21, 2017; [Radio Free Asia](#), October 25, 2017).

Due to its size and the scope of its political activism, the Uyghur diaspora in Turkey is a prominent target of PRC intelligence operations. Blackmail by intimidating or holding hostage family members in Xinjiang is a common technique employed by the Chinese security apparatus to suppress the Uyghur diaspora's political activism, to solicit specific information, or to induce long-term collaboration by the target. Several Uyghur persons in Istanbul stated in interviews with the author that they had been directly contacted by Chinese security personnel via remote communications. In some of these incidents, the persons contacted were pressured to return home. In other cases, the person was pressured to provide information about their or other Uyghurs' activities in Turkey: for example, one woman described attempts by PRC security forces to pressure her into supplying information about the diaspora's political life. (Author Interview, May 21)

In some cases, officials attempted to lure the target into cooperation by pretending to be concerned about their well-being, or that of their family. Other times, security personnel contacted the target via landline phone during a “visit” to family members back in the target's home in Xinjiang. Individuals who encountered this practice believed that the purpose of this tactic was to prevent them from ignoring the phone call, while making it obvious that his or her family was effectively held hostage by security personnel. (Author Interviews, May 2019) One Uyghur man described how a Chinese security official attempted to establish contact by sending videos of his detained family members, on whose behalf the target had shortly before posted on social media. (Author Interview, May 25) In other cases, security authorities attempted to persuade the target to return home by threatening to arrest or otherwise persecute their relatives in Xinjiang ([RFA](#), May 27).

The effort by Chinese security organs to pressure or blackmail Uyghurs in Turkey by holding their family members hostage often seeks to establish long-term intelligence cooperation. The Uyghur diaspora shares the general belief that many Uyghurs act as informants for PRC agencies—and indeed, some Uyghur exiles

have come forward to state that they were coerced into spying on other Uyghurs abroad ([RFA](#), February 6). Besides succumbing to pressure and financial motivations, individuals can be driven by their lack of proper residence documents—and thus, their lack of access to legal work, affordable healthcare, and education. Ironically, they may also be pressured with the threat of being labeled as an informant: one Uyghur man claimed that the authorities pressured him into collaboration by subjecting his two detained relatives to physical abuse, and by threatening to spread a rumor within the Uyghur community that he was a spy. (Author Interview, May 11) Another Uyghur man described how during his detention in Xinjiang he was pressured and sent to spy on a member of his family, a person tied to the political circles of the Uyghur diaspora in a particular European country. (Author Interview, June 1)

Legal Instruments Directed Against the Uyghur Diaspora

The PRC also employs legal instruments in an effort to incapacitate the Uyghur diaspora in Turkey. A draft extradition treaty between Turkey and the PRC has been signed, but not ratified. [2] Nevertheless, on a number of occasions the Turkish authorities have apparently complied with PRC requests for detention or extradition targeting Uyghurs. Media sources and the author's own interviews of Uyghurs in Turkey have revealed many such examples:

- A Uyghur man who claimed not to be involved in any political activities said that Turkish authorities held him between October 2017 and November 2018, notifying him verbally that they were responding to a Chinese request. (Author Interview, May 25)
- A Uyghur student related that he was detained for four days in April and May 2019, and that since his release he has been obliged to regularly check in with a local police station. (Author Interviews, May 19, August 15)
- A Uyghur intellectual stated that he had been detained for two months in the fall of 2018, and for a further two months in the spring of 2019. (Author Interview, May 21)
- In July, a Uyghur woman with two children was deported to China via Tajikistan ([Euronews](#), July 28).
- In August, a group of at least nine Uyghurs was held at a Turkish deportation center. One of them stated that he was detained after his relatives in Xinjiang were pressured by Chinese authorities to sign documents demanding his return ([DW](#), August 12).

A significant number of Uyghurs who either live in Turkey illegally or else have expired travel documents are particularly traumatized by the prospect of being detained by Turkish authorities. Yet even when holding valid documents, Uyghurs in Turkey permanently find themselves on the brink of deportation and subsequent imprisonment in China, because Xinjiang authorities consider travel to Turkey a political offense. [3] Such predicaments add to the traumas inflicted on Uyghurs by the plight of their relatives and fellow citizens in Xinjiang.

Conclusion

As the CCP party-state currently seems intent on maintaining its draconian repression and social engineering of the Uyghur, Kazakh, and other ethnic communities in Xinjiang, it is likely that the size and activism of the Uyghur diaspora in Turkey will remain a liability to China's national image and foreign interests. It can be expected that Chinese security agencies will continue to enhance their efforts to intimidate and politically neutralize the Uyghur diaspora. Unless Turkey improves assistance to its Uyghur community in terms of granting legal status—thus protecting them from deportation and improving access to employment, healthcare, and education—China's efforts will complicate the already difficult position of Uyghurs in Turkey.

One factor contributing to future convergences could also be the growing China ties of Turkey's AKP government. This results from the AKP's increasingly complicated domestic political standing—reflected, for instance, by the party's loss of power in Istanbul in June elections. The Erdoğan government is also motivated to vie for Chinese investment and tourism by the economic crisis that has plagued Turkey in recent years. The pro-China (as well as pro-Russia) vector of Turkish foreign policy could further strengthen due to the country's increasingly troubled relations with Western governments—exemplified by Turkey's recent purchase of the Russian S 400 missile system, even at the cost of being excluded from the U.S. F-35 program. Moreover, due to China's wide-ranging cultivation of Turkish political figures and businesspeople, pro-China inclinations might not prove exclusive to the party currently in power. Therefore, the status of the Uyghur diaspora will be indicative of the degree to which Turkish political actors are willing to submit to China's political demands.

Acknowledgments

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Notes

[1] The remaining four “poisons” are pro-democracy activists; supporters of Taiwan or Tibet independence (as defined by the CCP, to include campaigners for greater autonomy and identity preservation); and members of Falun Gong.

[2] The draft bill of an extradition treaty was signed by the two countries at the first BRI forum in Beijing in May 2017. The draft treaty allows for refusal to extradite individuals sought for the purpose of, or when prone to persecution on account of, religion, nationality or political opinion. The draft treaty currently awaits

ratification by the Turkish parliament ([Treaty on Extradition between the Republic of Turkey and the People's Republic of China](#), May 13, 2017; [Grand National Assembly of Turkey](#), accessed October 5, 2019).

[3] “Eradicating Ideological Viruses”: China’s Campaign of Repression against Xinjiang’s Muslims,” [Human Rights Watch](#), September 2018, pp. 4.

**“Expanding China’s Friendship Group”:
The BRI’s Rhetorical Utility Amid the U.S.-China Trade War**

By Johan van de Ven

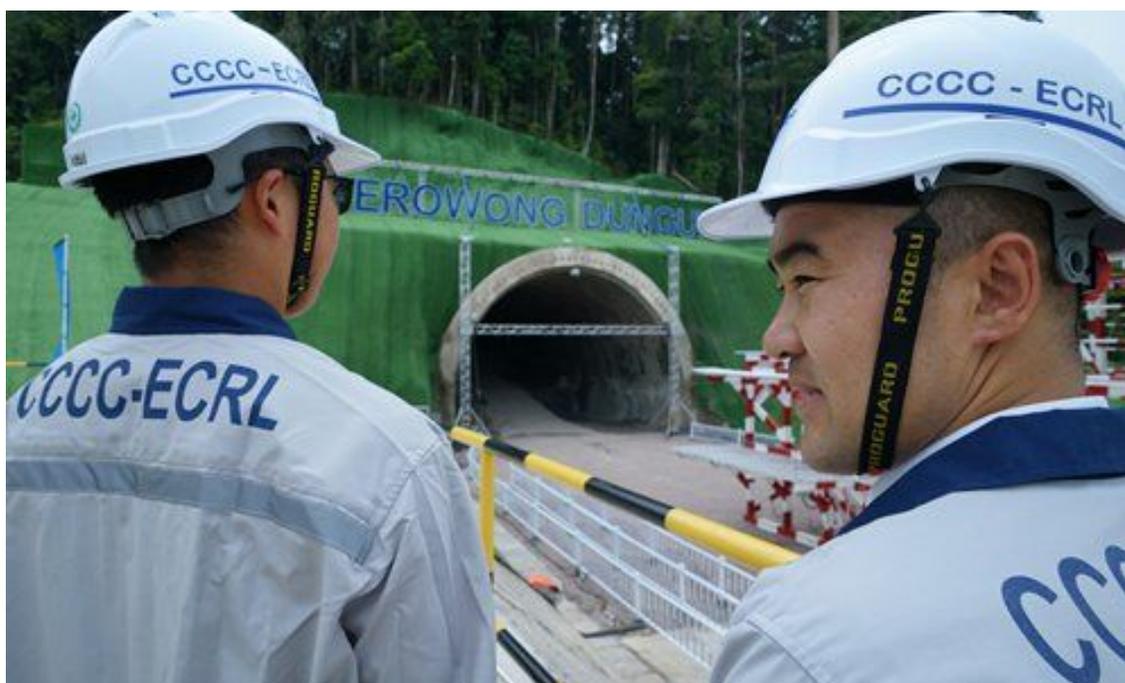
Introduction

Even before the White House applied 25 percent tariffs to \$50 billion worth of Chinese imports in early April 2018, Chinese academics had argued that, in the event of a trade war between the United States and China becoming a reality, enhanced international economic interconnectivity through the Belt and Road Initiative (BRI) would offer some relief from its potential damage. As the trade war has unfolded, this argument has gained the support of Chinese officials and state media. This suggests that, beyond the typical view of BRI as part of China’s pursuit of increased international power and prestige, the initiative has also acquired a defensive political characteristic. The main function ascribed to BRI in mitigating the effects of the trade war is that it generates alternative sources for goods that would otherwise be acquired from the United States. However, there is only weak factual support for this analysis. Instead, BRI’s real utility within the context of the trade war is as a narrative propaganda device to strengthen domestic and international support for the Chinese government.

Scholars and State Media Connect BRI to Trade War Mitigation

The line of thinking that BRI will mitigate challenges raised by the trade war dates back to March 2018, when an adjunct professor at the China South China Sea Institute argued that “China’s BRI trade network will be an important buffer to stabilize the Chinese economy” in the event that “the trade war spreads, causing disruption to the global economy” ([Sina](#), March 23, 2018). It gained further traction in June 2018, when the state news agency *Xinhua* published an unsigned article on how the People’s Republic of China (PRC) should advance its interests during the “long-term, difficult, and complicated struggle” that is the U.S.-China trade war. Alongside a platitudinal reference to “deepening reform”, the article also argued that China “should strengthen economic cooperation with Europe, Japan, South Korea, and ASEAN to ‘broaden its friendship group’—and more broadly, further the expansion of BRI by “establishing closer economic and cultural ties with partner countries to develop new horizons for China’s development” ([Xinhua](#), June 20, 2018). The underlying logic is that a diversified set of trade partners increases China’s ability to absorb the effects of attempts by the United States to exert pressure on the Chinese economy.

The prominence given to this assertion within the state media apparatus was made clear in August, when the “international sharp commentary” (国际锐评, *guoji ruiping*) column in the state media outlet *Global Times* declared that “China’s market diversification strategy has increased the stamina it can draw upon in responding to the trade war” ([Sina](#), August 29). The same day, Wang Zhan, an official with the Shanghai Federation of Social Science Associations, said that using BRI to “broaden China’s friend group” would better position it to respond to the trade war ([People’s Daily](#), August 29). The consistency of this message, along with its prominence in two state media editorials, suggests that this narrative message has been sanctioned by Chinese propaganda authorities.



*Image: Workers of the China Communications Construction Corporation stand near a tunnel for the East Coast Rail Link project in Dungun (Terengganu State, Malaysia). The photo accompanied an August 2019 *Global Times* article touting the idea that such projects were proving successful in mitigating the impacts of the U.S.-China ‘trade war.’ (Source: [Global Times](#))*

The Message Spreads to an International Audience

This message is not intended solely for a domestic audience. Also in August, the English-language edition of the *Global Times* made the case that BRI will not only help China as a country, but also Chinese companies, to mitigate the fallout of the trade war: “The progress of BRI has provided some cushions to companies caught up in the tariff battle.” The article also quoted Wuhan University of Science and Technology Professor

Dong Dengxin, who claimed that “because of the trade war, China will develop a closer and deeper economic relationship with more countries” ([Global Times](#), August 4).

While the *Global Times* is not a widely-read publication outside of China and the China-watching community, the notion that BRI is countering the damage of the trade war was later featured in such outlets as Bloomberg ([Bloomberg](#), August 13), CNBC ([CNBC](#), August 25), and Al Jazeera ([Al Jazeera](#), September 11), illustrating the spreading influence of this idea in more mainstream sources. The impact of this idea has led some foreign officials to reconsider their stance on BRI—including Slovakian State Secretary for Finance Dana Meager, who has stated that “The way out [from the shadow of the trade war] is through further economic integration via BRI” ([Al Jazeera](#), September 11).

Does the Rhetoric Measure Up to Reality?

But has BRI actually offered a way out from the trade war? Since June 2018, the deficit felt by emerging market economies in their trade with China has eased by over \$50 billion ([Council on Foreign Relations](#), August 12). One explanation for this is that China is drawing upon alternative suppliers in emerging markets for goods that it ordinarily buys from the United States. Chinese government officials have identified this as a possibility. In November 2018, Development Research Center Rural Economic Director Ye Xingqing said that “The Sino-U.S. trade conflict, if it becomes long-term, will definitely impact the import origins of some products [and] countries with great trade growth potential will get a larger share in the Chinese market” ([ChinaOils](#), November 15, 2018).

In 2019, Chinese imports of Russian soybeans are on track to triple by year-end, giving credence to Ye’s prediction ([Foodmate](#), June 25). In September, China’s General Administration of Customs also permitted Russian, Brazilian, and Argentine soybean meal to be imported ([Finance World](#), September 12). This diversification of replacement importers points to an underlying risk management strategy. However, as hinted at by Ye’s comments, the ability of a vendor to supply a given good (i.e., to have “great trade growth potential”) supersedes the question of whether they come from a country that has supported the Belt and Road Initiative – and indeed, despite otherwise warm political relations, Brazil continues to withhold declaratory support for the BRI ([South China Morning Post](#), October 25).

Signs also exist that improvements in the trade balance between emerging market economies and China are part of a wider trend that began before China started to look for substitute imports. As found by the State Information Center (affiliated with China’s National Development and Reform Commission), imports from BRI countries outpaced exports in 2017, before the trade war began in earnest ([Xinhua](#), May 7, 2018). This casts doubt on the linkage between China’s increased imports from emerging markets, and its efforts to substitute goods subjected to elevated U.S. tariffs.

Seeking the Moral High Ground

While there is no convincing evidence that BRI has allowed China to find alternative vendors for erstwhile U.S. imports, references to the Belt and Road have been used in attempts to paint China as the more moral and globally-minded of the two combatants in the U.S.-China trade war. Responding to a U.S. criticism of China's trade policy at the United Nations General Assembly in September 2019, the *Global Times* retorted that:

"The vast majority of countries understand China, which advocates mutual respect, equality and mutually beneficial cooperation. It is a China that uses the 'Belt and Road' to jointly build and share with other countries." ([Xinhua](#), September 26)

Similarly, a white paper on "China and the World in the New Era", released by the State Council Information Office on September 27 ahead of the 70th anniversary of the founding of the People's Republic of China, declared that:

"Rather than forming exclusionary blocks, it aims to help China and the rest of the world jointly seize opportunities and pursue common development. It is intended to avoid ideological demarcation, zero-sum games, or any of the 'traps'." ([Xinhua](#), September 27)

In such messages, there is an implicit juxtaposition between the BRI's creation of opportunity and the Trump Administration's supposed imposition of uncertainty. In that sense, the Belt and Road Initiative occupies an important position within the Chinese government's efforts to win hearts and minds amid the trade war.

Conclusion: What Does This Say About BRI?

It is less than clear that BRI has provided China with meaningful economic support amid the trade war—and indeed, other research indicates that BRI investments have placed an increasing financial burden on the Chinese government, particularly in terms of its foreign exchange reserves ([China Brief](#), September 26). As noted above, there is nothing to suggest that BRI itself has enabled China to buy goods that it would otherwise source from the United States. Rather than serving as an "important economic buffer to the Chinese economy" ([Sina](#), March 23, 2018), it is more accurate to describe the Belt and Road Initiative as a rhetorical device. At the time of writing, 138 countries had signed memoranda of understanding related to the BRI. Notwithstanding the lack of clarity regarding its scope or intent, the BRI provides the Chinese government with a tool to persuade both its own citizens and foreign governments that it is not isolated amid the trade war. This rhetorical utility, rather than any transformative economic impact, is the most immediate benefit provided by the Belt and Road Initiative in China's attempts to reduce the impact of U.S. economic pressure.

The development of a narrative linkage between the trade war and the Belt and Road Initiative adds another dimension alongside the prevailing wisdom that the BRI is primarily a tool for China to extend its international

influence. While the BRI predates the trade war, its function in diversifying China's pool of trade partners and routes lends itself naturally to alleviating economic pressure imposed by the United States. In that sense, it fulfills a *defensive* purpose. Likewise, spreading the message that China can withstand the escalation of U.S. economic coercion because of the Belt and Road shows the role it has been given in calming domestic unease—once again pointing to the utility of BRI as an instrument for defensive political propaganda.

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India-China Relations: From the “Wuhan Spirit” to the “Chennai Connect”

By Sudha Ramachandran

Introduction

On October 11-12, the People's Republic of China (PRC) President Xi Jinping and Indian Prime Minister Narendra Modi met for their second informal summit at Mamallapuram, near Chennai in southern India. Xi described his “heart-to-heart” discussions with Modi as “candid,” like those with a “friend”. In turn, Modi said that the “Chennai Connect” would mark the start of a “new era of cooperation” between the two countries ([Scroll](#), October 12). The effusive rhetoric and ambiance at the summit notwithstanding, the Mamallapuram summit was low on visible outcomes.

The biggest outcome of the summit was that India and China agreed on setting up a new high-level mechanism to increase trade and commercial relations, to “better balance the trade between the two countries”. The two sides also agreed to enhance investments in selected sectors “through the development of a manufacturing partnership”. Besides these vague agreements, little else came out which was concrete or substantial. The subject of Kashmir, which had triggered a sharp fraying of the Sino-Indian relationship in the two months preceding the summit, was “not raised or discussed” at Mamallapuram ([The Wire](#), October 12).

It has been evident for some time now that the “Wuhan Spirit”—a mood of rapprochement set in motion by the first formal summit between Xi and Modi at Wuhan in China in April last year—is dissipating ([China Brief](#), July 16). Bilateral relations have frayed considerably, especially in recent months. This, and the rather limited outcomes of the Mamallapuram summit, raises serious doubts over the usefulness of informal summits to address the complex issues that beset relations between India and China—two rising powers that are not only rivals, but also neighbors with an unresolved and decades-old border dispute.



Image: PRC President Xi Jinping and Indian Prime Minister Narendra Modi pose for a photo before the landmark “Arjuna’s Penance” bas-relief sculpture during their October summit in the southern Indian coastal town of Mamallapuram. (Source: [ANI](#))

The Rough Road to Mamallapuram

The Mamallapuram summit was under a cloud of uncertainty in the weeks preceding the event. Strained relations were responsible for the uncertainty over the event. The primary trigger for the bilateral tension was the Indian government’s announcement on August 5 of its decision to revoke Jammu and Kashmir’s autonomy and statehood, and to divide it into two centrally governed union territories: Jammu and Kashmir, and Ladakh. The Modi government’s categorical statement that Ladakh includes Aksai Chin (an icy plateau in eastern Ladakh) raised hackles in Beijing, because the PRC claims the region as its own and has controlled it since the 1962 Sino-Indian War. Consequently, Beijing accused India of violating its territorial sovereignty concerns. Additionally, China has been backing Pakistan’s position in regard to Kashmir policy ([India Today](#), September 10).

Beijing pressed the United Nations Security Council (UNSC) to discuss India’s unilateral decision on Kashmir ([Dawn](#), August 16). Chinese and Pakistani political leaders and military officials have met several times in recent months to coordinate their strategies, and the PRC hosted Pakistani Prime Minister Imran Khan less than two days ahead of Xi’s departure for India. Xi’s statement that China would “continue to firmly support Pakistan on issues concerning its core interests and of major concern to it” [Kashmir], ruffled feathers in India—especially since India’s Minister for External Affairs S. Jaishankar had made it clear to the Chinese

government during his visit to Beijing in August that New Delhi's move would have no implication for either the external boundaries of India or the Line of Actual Control, India's de facto boundary with China ([The Statesman](#), August 13 and [Xinhuanet](#), October 9).

As a result, several high-level bilateral visits were postponed or cancelled, including a planned visit to India by PRC Foreign Minister Wang Yi on September 9-10 for the 22nd round of talks on their disputed border; and another planned visit to Beijing by Lieutenant General Ranbir Singh, the Indian Army's Northern Area Commander ([Hindustan Times](#), September 4). India has also repeatedly flexed its military muscles vis-à-vis China. The Indian armed forces held a massive, high-altitude military exercise for the first time in eastern Ladakh in September; and followed that up with their largest-ever mountain combat military exercise, this time in India's eastern-most state of Arunachal Pradesh, where the PRC claims around 90,000 square kilometers of territory ([Times of India](#), September 18; [India Today](#), October 4).

India has also indulged in some diplomatic signaling. On September 26, Jaishankar participated in a "significantly elevated" meeting in New York of the "Quad", a security dialogue comprising the United States, Japan, Australia, and India. China views the Quad as a grouping set up to contain it ([Deccan Herald](#), September 28). On October 6, the Tibetan government-in-exile in Dharamsala passed a resolution that only the Dalai Lama, and "no nation, government, entity or any individual", would choose the spiritual leader's successor ([Tibet Post](#), October 5). India's growing proximity with the United States, and its use of the Tibet issue to embarrass and pressure Beijing, are two issues that have never failed to draw China's ire. Therefore, Beijing kept Delhi waiting and confirmed Xi's visit less than two days before the summit.

The Run-Up to Wuhan and a Reset in Relations

The mood in the run-up to the 2018 Wuhan summit had been different. The decision to hold an informal summit was a response to the dangerous escalation of tension during the Doklam crisis in 2017: over a 73-day period between June and August in that year, India and China amassed their troops at the strategic Doklam plateau—which lies at the junction of the borders of India, Bhutan, and China—and were on the brink of war. Although Beijing and Delhi reached an agreement in September, tensions did not subside much and mutual suspicion remained high. It was in this context that India and China decided to hold an "informal summit" at Wuhan.

Both sides were keen to defuse tensions in the lead up to the summit. Hence, they signaled sensitivity to each other's concerns through a variety of measures to ensure a favorable setting for the talks. India wound down its use of the "Tibet card" that it had been leveraging frequently since May 2014, when Modi's first term as prime minister began. The Indian government took steps to ensure that Tibetan events marking the 70th anniversary of the Dalai Lama's flight to India were low-key and that officials would not participate in such events. China, which has generally done little to facilitate global action against Pakistan's support to terrorism, lifted its objections to inclusion of Pakistan in the "gray list" of the Financial Action Task Force

(FATF), an intergovernmental terror financing watchdog. India and China's adoption of an accommodating approach paved the way for their decision in February 2018 to hold an "informal summit" between Xi and Modi ([China Brief](#), May 31, 2018).

This first informal summit was held on April 27-28 at Wuhan, where Xi and Modi agreed that they would provide "strategic guidance" to their respective militaries to improve communication, implement various confidence building measures, and strengthen existing institutional mechanisms in order to prevent and manage situations in the border areas. They also decided to work together on a joint economic project in Afghanistan ([Economic Times](#), April 28, 2018).

The "Wuhan Spirit" emerging from the summit did somewhat improve Sino-Indian relations. The disputed border between the two countries has since been relatively calm ([Hindustan Times](#), September 24, 2018). In June 2018, India and China signed two memorandums of understanding: one on Beijing sharing hydrological data on the River Brahmaputra with India; and another on India exporting rice to China, which was aimed at addressing India's concerns over the huge trade deficit between the two sides ([Economic Times](#), June 9, 2018). The two countries also carried out joint training programs for Afghan diplomats ([Xinhuanet](#), October 15, 2018). Additionally, the PRC supported a UNSC resolution to designate the Pakistan-based chief of Jaish-e-Mohammed, Masood Azhar, as a terrorist. Hitherto, Beijing had blocked the Indian attempt to blacklist Azhar ([The Wire](#), May 2).

Whither the "Wuhan Spirit"?

China's positive actions vis-à-vis India may not have been an outcome of either the "Wuhan Spirit" or the result of new-found sensitivity to Indian concerns. The PRC's vote supporting the UNSC resolution blacklisting Azhar, for instance, may have come as part of a deal in return for Washington designating the Baluch Liberation Army, which has been attacking China-Pakistan Economic Corridor projects and Chinese nationals in Pakistan ([China Brief](#), February 15), as a terrorist organization ([Nikkei Asian Review](#), July 6, 2019). As for the relative calm along the disputed India-China border in 2018, there was a congruence of interests between India and China that year. It is likely that China, under pressure from the U.S.-initiated trade war, and Modi, who was preoccupied by a string of elections to state assemblies and the parliament, both wanted to avoid distractions by a revival of tensions along the India-China border ([Money Control](#), December 18, 2018).

In September, there was a day-long standoff between Indian and Chinese troops on the banks of the Pangong Lake (which straddles India's Ladakh region and Aksai Chin), and delegation-level talks successfully prevented the tension from escalating into hostilities ([India Today](#), September 12). However, India's apprehensions over another face-off with China at Doklam or along the disputed border have not decreased since the Wuhan summit—especially since China's road-building activity in Doklam and its deployment of soldiers there, which first triggered the crisis in 2017, continues ([The Print](#), April 2).

The impact of the “cooperative spirit” set in motion by the Wuhan summit has been shallow and transitory. China may have taken steps to address India’s concerns over their massive trade deficit, but this has had little impact: the trade deficit grew from \$51.72 billion in 2017 to \$57.86 billion in 2018 ([The Mint](#), July 10) and remains huge. Furthermore, China’s unease with India’s aspirations to play a larger role in the regional and global arena remains strong. In Afghanistan, the two countries are not on the same page, as China, like Pakistan, is keen to restrict India’s role in the war-ravaged country. The “Wuhan Spirit” has also failed to make itself felt in the Nuclear Suppliers Group, where Beijing continues to block India’s membership ([The Hindu](#), October 5).

Conclusion: Beyond the “Chennai Connect”

Despite the tensions in the run-up to the October 2019 Mamallapuram meeting, the event went off smoothly. It provided the two leaders with an opportunity for “direct communications” where they could assess “each other’s intentions and objectives” ([Deccan Herald](#), October 13). Will the “Chennai Connect” be able to revitalize the fading “Wuhan Spirit”? Can the second informal summit go further than the first one in improving Sino-Indian relations?

If the “Wuhan Spirit,” which emerged from a summit that was considered relatively successful, produced outcomes that were at best superficial and short-lived, even less is likely to come out of the “Chennai Connect.” With China’s relations with the United States likely to worsen in the coming months and Delhi’s ties with Washington getting stronger, Sino-Indian relations are expected to fray further. The “Chennai Connect” is not strong enough to keep Delhi-Beijing ties afloat. Informal summits are useful ice-breakers. They encourage free-wheeling and frank conversations between leaders, unhampered by the presence of officials and delegations or cramped by processes and procedures. Leaders can talk without the added pressure to show the success of the meeting with deliverables. They are useful for deal-making, rather than addressing complex border disputes and issues.

Serious structural problems in India-China relations are preventing the “smooth development of bilateral ties” ([Outlook](#), October 2). Such problems are “unlikely to be resolved by two leaders having ‘informal’ dialogues or meetings without agendas” ([Money Control](#), December 18, 2018). India and China have several dialogues and mechanisms already in place, and Xi and Modi need to push these to produce results. At Wuhan, the two leaders sent out a message to their bureaucracies that they do not want differences to become disputes. They could have used their Mamallapuram meeting to give the mechanisms and dialogues already in place timelines in which to deliver results. They did not do so.

The efficacy of the “Chennai Connect” will be tested soon. India has yet to make a decision whether or not to allow the Chinese telecom company Huawei to participate in upcoming 5G field trials. Beijing has already warned that there would be consequences for Indian companies operating in China should India decide to

block Huawei from doing business in the country. Such a development, alongside the tensions that already exist between the PRC and India, could trigger an early unraveling of the “Chennai Connect.”

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China Focuses on Iran After CPEC Setbacks in Pakistan

By Adnan Aamir

Introduction

At the end of August, Islamic Republic of Iran (IRIN) Foreign Minister Mohammad Zarif visited Beijing for what appeared to be a routine visit. However, soon after the visit, it was reported in the media that the People’s Republic of China (PRC) had agreed to invest a vast sum of \$400 billion in Iran. This would be the biggest investment that China has pledged to any one country as a part of its Belt and Road Initiative (BRI). According to the details of the agreement, China has pledged to invest \$280 billion in the oil, gas, and petroleum sector of Iran. In addition to this, Beijing has also announced an investment of \$120 billion in the transportation infrastructure of Iran. It was further revealed that these amounts will be invested in the first five years of the agreements, and that further investments can also be made if both parties agree. The PRC has also announced its intent to continue importing oil from Iran despite the imposition of sanctions by the U.S Government ([Petroleum Economist](#), September 3).

Per the available details, Chinese companies will be provided the first right of refusal in all of the projects in which China is investing—meaning that Chinese companies will be offered the projects first, and only after their refusal will the projects be made open for bidding by companies from any other country. Another particularly striking aspect of the agreement is that the PRC will reportedly station around 5,000 security personnel in Iran to protect its investments—the first time that China has openly asked for such a large security presence in any agreement with a BRI participant country ([The Nation \(Pakistan\)](#), September 9).

Has the China-Pakistan Economic Corridor Been Shelved?

In April 2015, the PRC signed the China-Pakistan Economic Corridor (CPEC) agreement with Pakistan. CPEC, valued at \$62 billion, was dubbed as the flagship project of the BRI. It started with much fanfare, and China pinned many hopes on the project, expecting CPEC to provide trade connectivity between China and the Arabian Sea, and consequently to the Strait of Hormuz in the Persian Gulf ([Xinhua](#), May 11, 2017). CPEC

was on track until mid-2018, when a transfer of power in Pakistan changed everything: the new government of Pakistan under the leadership of Prime Minister Imran Khan effectively took steps to scale down CPEC ([Nikkei Asian Review](#), June 17).

Chinese officials have taken notice of the change of heart in Pakistan with regards to CPEC. China has reportedly cut down the funding for CPEC projects after cabinet ministers in Pakistan started criticizing CPEC. Due to a lack of funds, the government of Pakistan had to stop working on multiple projects. Now, work on most of the CPEC projects has been suspended and the program has lost its momentum ([The News \(Pakistan\)](#), September 17). This is nothing less than a major shock to the PRC's global Belt and Road machine. Therefore, it is natural that Beijing would look for alternative options to advance its interests in the region.

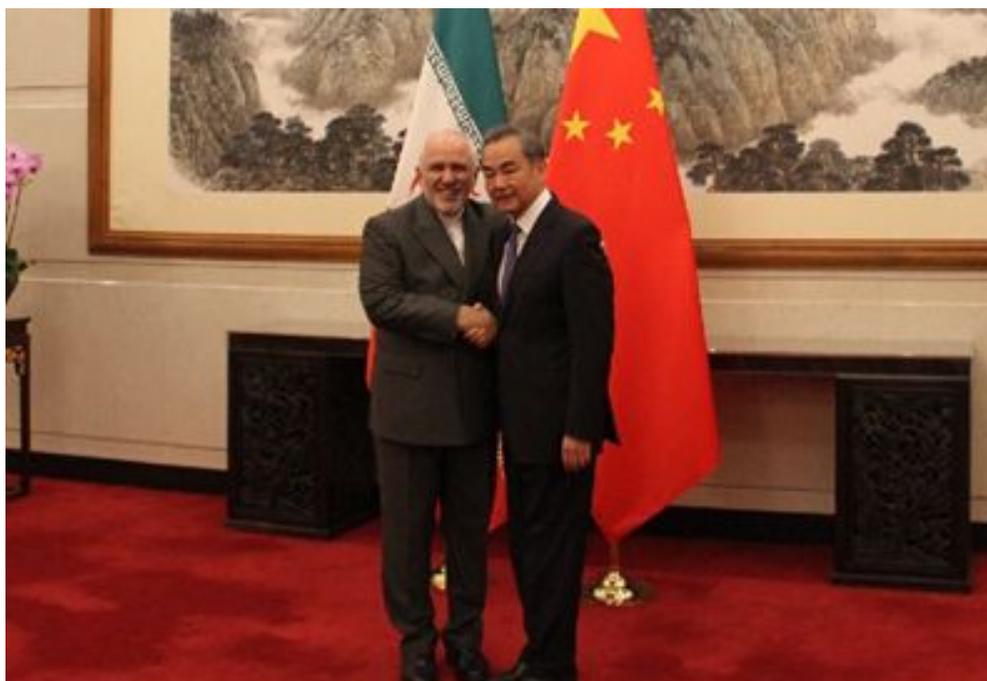


Image: Iranian Foreign Minister Mohammad Javad Zarif (left) and PRC Foreign Minister Wang Yi (right) pose for a photo in the course of meetings held in Beijing on August 26, 2019. Zarif's visit reportedly produced an agreement by the PRC to invest \$400 billion in Iran's hydrocarbon and transportation industries.

(Source: [Iranian Foreign Ministry](#))

An Emerging “China-Iran Economic Corridor”?

Since losing hope in the success of CPEC, China has looked further south to Iran, which enjoys many of the same strategic advantages as Pakistan. Iran has a long coastline in the Persian Gulf, and it controls one part of the coast in the narrow Strait of Hormuz. Furthermore, Iran, like Pakistan, can access transit routes into Central Asia through Afghanistan. From Beijing's perspective, the only negative point to Iran's geography is that the country does not have direct land access to China. However, even this can be compensated for by

Iran's direct land linkages to Central Asia—including routes that could bypass Afghanistan in the event that peace does not return to that troubled country. Therefore, China has decided to place its bets on what might be called a "China-Iran Economic Corridor."

The proposed PRC investments in Iran will serve two purposes. The investments in the oil and gas sector will support the struggling economy of Iran, and provide that major Middle Eastern country with an incentive to cooperate with China. Secondly, the investment in transportation infrastructure will develop the road and railway networks necessary to connect China with the Persian Gulf through the ports of Chabahar and Bandar Abbas.

Another key element to this story is the construction of railway lines connecting Afghanistan with China via the Central Asia states of Uzbekistan and Kazakhstan. The first train with 41 cargo containers successfully traveled from Afghanistan to China in September this year ([Azer News](#), September 6). China can use this connection to transport goods to and from Iran; however, it will first need to develop transport infrastructure connecting Iran with Afghanistan. This requires peace in Afghanistan, and for that purpose the PRC hosted Taliban leaders for September meetings in Beijing to contribute towards attaining peace in the country ([SCMP](#), September 23).

How Realistic is the China-Iran Corridor?

Most of China's BRI projects have been over-ambitious, and there have always been question marks surrounding their ultimate prospects. CPEC is one such example: it was touted as a game-changer for Pakistan, but it did not rise to the high expectations created around it. Therefore, it is important to consider how realistic the proposed China-Iran Corridor might prove itself to be.

First of all, the China-Iran deals are almost seven times bigger than CPEC in terms of valuation. The \$62 billion CPEC has faced a plethora of economic and political problems in the last three to four years. In this context, a \$400 billion project will face even more obstacles than CPEC. It would be a gigantic economic venture, and its timely completion will be a huge challenge for both parties concerned. Secondly, the geopolitical situation of Iran is more volatile than that of Pakistan. Iran is facing sanctions and even the threat of armed conflict with the United States. Iran's government is also heavily invested in sponsoring Shiite groups from Yemen to Lebanon—and in connection with this, Iran has locked horns with the Kingdom of Saudi Arabia, one of the most powerful states in the Middle East. All of this means that Iran has a lot of enemies who may potentially try to sabotage the progress of this over-ambitious economic corridor to China. Therefore, it will be difficult for the PRC to ensure the smooth progress of this project.

The Reaction of Pakistan

The incumbent government of Pakistan has changed the policies of the erstwhile government on CPEC. PM Khan's government has not only scaled CPEC down, but has treated it as a low priority project; in doing so, it not only killed the momentum of CPEC, but also earned the ire of Beijing. Things were going reasonably smoothly for the current government of Pakistan until India's surprise move on August 5, when it suspended the special status of Kashmir and made it union territory ([Xinhua](#), August 5). This put the government of Pakistan on its back foot diplomatically, and made it feel more keenly the need for support from China. However, at that point Islamabad had already shelved CPEC, so it was difficult to convince the PRC to continue providing help to Pakistan.

Against this backdrop, Pakistan started in September to make a fresh push to renew CPEC. The government of Pakistan has used special powers and bypassed the parliament to establish a CPEC authority, which is supposed to fast track the work on CPEC projects while overriding the normal legislative checks ([Dawn](#), October 8). Pakistan also announced a 23-year tax holiday for Chinese companies running the port of Gwadar. These steps have been complemented by a Pakistan government public relations campaign promoting the message that CPEC has been revived. Pakistan has doubled down its efforts to revive CPEC in order to earn back the trust and support of China.

This change of heart by Pakistan is also due in part to the announcement of the China-Iran Corridor. Pakistan's decision-makers have realized that they lost their status as China's favorite client in the region. From 2015 to 2018, Pakistan was the main regional player on which China was betting; now, due to Pakistan's own policies, Iran has entered the picture to the detriment of Pakistan. If Pakistan does not mend fences with China, then it could further lose support from its so-called "Iron Brother". So, the fear of losing its advantageous geopolitical status to Iran made the government of Pakistan up the ante on CPEC. However, the abrupt manner in which the government of Pakistan took this step triggered a domestic political crisis: the opposition in Pakistan has rejected the establishment of the new CPEC authority, and this will further make CPEC controversial ([Dawn](#), October 9). Still, the government will pursue these decisions in order to ensure that Pakistan does not lose its coveted place in the BRI.

Conclusion: What Is the Future of the China-Iran Corridor?

This proposed corridor will likely prove to be very beneficial for Iran. It will provide Iran with diplomatic and economic support at a time when the Trump Administration is making an effort to isolate Iran as an international pariah. This series of projects could not only upgrade the oil and gas sector of Iran, but could also develop transportation infrastructure in the country, which will further develop Iran's overall economy. However, all of these benefits can only be realized if China actually fulfills its commitments; in the past, the PRC has been known to make exaggerated claims regarding its investments in other countries. CPEC is one

example in which there is no documentary proof that China will actually invest the claimed amount of \$62 billion—and therefore, there is no guarantee that China will actually invest \$400 billion in Iran.

Moreover, security could prove to be a major stumbling block for the progress of this corridor. Given Iran's strained relations with Saudi Arabia and the United States, there is no guarantee that Iran will not face military conflict in the near future. In such a scenario, all the investments of China would be endangered, and therefore this point will be carefully considered by Beijing before investing a single yuan. Still, there is no denying the fact that China has decided to take a gamble in Iran—one that could potentially have a dramatic impact on the economic and geopolitical course of the Middle East and South Asia.

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