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Themes from the CPPCC Signal the End of Hong Kong Autonomy and the Effective End of the "One Country, Two Systems" Framework By John Dotson

Introduction

The annual meetings of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), known collectively as the "Two Sessions" (两会, *Liang Hui*), are the biggest official events on the annual political calendar of the People's Republic of China (PRC). Usually

convened concurrently in early March of each year, this year's meetings were deferred to the latter half of May due to the COVID-19 pandemic crisis. This year's meeting of the NPC, China's official legislative body, was most noteworthy for passing a new "national security" law intended to facilitate Beijing's tighter control over Hong Kong (see <u>discussion by Dr. Willy Lam</u> separately in this issue).

The Chinese People's Political Consultative Conference (中国人民政治协商会议, *Zhongguo Renmin Zhengzhi Xieshang Huiyi*) functions, per official narratives, as an advisory body for the government—to include providing representation for persons and social groups outside of the ruling Chinese Communist Party (CCP). In reality, the CPPCC is controlled and carefully stage-managed by the CCP United Front Work Department (*Zhongyang Tongzhan Bu*, 中央统战部), or UFWD, and its institutional architecture (existing at both the national and provincial levels) serves three primary functions: first, to provide a veneer of pluralism to the CCP party-state apparatus; second, as a tool for the cooptation of social and business elites in the pursuit of CCP policy goals; and third, as a forum for delegates to parrot prioritized CCP propaganda themes.

In this year's session (the third annual meeting of the 13th CPPCC appointed in 2018) held in Beijing from May 21-27, all of these functions were on display. Although CPPCC meetings promote multiple propaganda themes, some stand out more than others: for example, the 2019 session gave particular prominence to the need for the further "Sinicization" of religion, which serves as coded language for bringing religious practice under tighter state control (China Brief, April 9, 2019). This year's session featured a prominent role for Hong Kong delegates to the CPPCC—who are cultivated and selected by the CCP's united front apparatus—speaking up in support of Beijing's new national security legislation directed at the Hong Kong Special Administrative Region (HKSAR).

In tandem with the developments emerging from the NPC, the messages from this year's CPPCC signal the central government's intent to dramatically tighten the reins on Hong Kong—as well as to further erode any meaningful provisions for regional autonomy within Beijing's long-touted "One Country, Two Systems" (一国 两制, *Yi Guo Liang Zhi*) framework.

Wang Yang's Work Report to the CPPCC

Wang Yang (汪洋) is the member of the CCP Politburo Standing Committee with responsibility for the united front policy portfolio—and as a component of this, serves concurrently as the Chairman of the CPPCC Standing Committee. Wang delivered the committee's official work report to the CPPCC during its opening session on May 21. In the past, the CPPCC has often been used as a forum to reiterate the CCP's "One Country, Two Systems" (OCTS) formula, as in Wang's 2019 work report statement that "We will implement the One Country, Two Systems principle comprehensively and accurately—under which the people of Hong Kong govern Hong Kong, the people of Macau govern Macau, and both regions enjoy a high degree of autonomy" (<u>SCMP</u>, May 21).



Image: Wang Yang, Chairman of the CPPCC Standing Committee, delivers the official work report to the CPPCC during its opening session on May 21. (Image source: <u>CPPCC</u>)

Wang's report this year omitted any reference to autonomy, asserting instead the need to "strengthen the [sense of] political responsibility and mission readiness for Hong Kong and Macao committee members"—with the term "political responsibility" (政治责任, *zhengzhi ziren*) reflecting commonly-used coded language for loyalty to the CCP. The only direct mention of the OCTS framework was of the need to "propagandize about the successful practice of 'One Country, Two Systems' in Macau" (People's Daily, May 22), with that territory apparently held up as a success story for assimilation into the PRC—in contrast to its far more restive cousin Hong Kong.

Wang Yang's work report made only passing mention of Taiwan, asserting the need to continue "cross-Strait grassroots administration exchanges and communication" and to "deepen exchanges and contacts with relevant political party groups, social organizations, and persons from various walks of life on Taiwan Island" (People's Daily, May 22)—an apparent call for continued united front engagement, while ignoring Taiwan's government. This brief treatment was all the more striking in light of the fact that Taiwan President Tsai Ing-Wen (蔡英文) had been inaugurated for a second term the previous day, delivering a speech that forcefully asserted Taiwan's sovereignty and intent to pursue a greater international role—as well as explicitly rejecting Beijing's "One Country, Two Systems" framework for cross-Strait relations (Focus Taiwan, May 20; CNA, May 21).

HKSAR Delegates and Their Role in CCP Propaganda

On May 22, the HKSAR delegates to the CPPCC—all groomed and selected by the CCP's united front system—gathered for a photo op to show support for the new legislation unveiled at the NPC. The spokesman for the group was Henry Tang Ying-yen (唐英年), Chief Secretary of the HKSAR from 2007 to 2011, and a member of the CPPCC Standing Committee. As a current director with the Bank of East Asia (BEA Profile, undated), Tang well embodies the nexus of political and business interests commonly found among the social elites recruited by the CCP's united front system. Reading a prepared statement in support of the NPC legislation for "safeguarding national security," Tang stated that:

We, members of the National Committee [of the CPPCC] from the Hong Kong region, express our firm support for the bill... Since the return [to China], there have been clear legal loopholes for [the HKSAR] in the aspect of maintaining national security... the Hong Kong opposition, in collusion with external forces, has wreaked havoc; Hong Kong radical forces have become increasingly widespread; and violent terrorist activities have steadily escalated. Serious damage has been done to Hong Kong's rule of law and the people's livelihoods, [thereby] threatening national sovereignty, security, and development interests. Without national security, there cannot be prosperity and stability in Hong Kong... it is imperative that the Center take action to solve Hong Kong's outstanding problems in maintaining national security (CGTN Twitter, May 23).

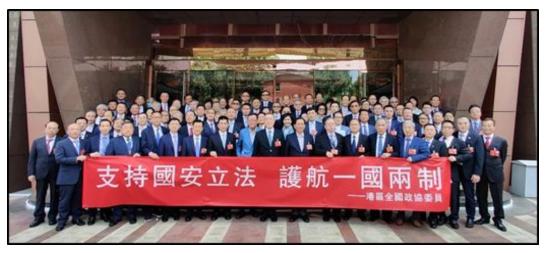


Image: Hong Kong delegates to this year's CPPCC take part in a photo op to show support for Beijing's policies towards the HKSAR, May 22. The banner reads: "Support the National Security Legislation, Keep 'One Country Two Systems' On Course" (支持國安立法, 護航一國兩制 / Zhichi Guoan Lifa, Huhang Yiguo Liangzhi). (Image source: <u>Renmin Zhengxie Bao</u>)



Image: Henry Tang Ying-yen, a Hong Kong delegate and member of the CPPCC Standing Committee, reads aloud a statement in support of the PRC's new "National Security Law" for Hong Kong, May 22. (Image source: <u>CGTN Twitter</u>)

Tang offered assurances that law-abiding citizens of the HKSAR had no cause for concern, as the law would impact only those advocating separatism, terrorism, and collusion with foreign powers. However, such assurances are likely to do little to ease concerns in Hong Kong—particularly in light of some of the language in Tang's statement. Although some English-language sources translated the statement as saying that the "central government" needed to intervene, Tang's statement actually referred to "the Center" (中央, *zhongyang*), which is common PRC media parlance for the top CCP leadership around Xi Jinping. The statement also made explicit mention of the crime of "subverting state power" (颠覆政权, *dianfu zhengquan*), a vague catch-all offense commonly leveled against dissidents in the PRC (<u>CGTN Twitter</u>, May 23; <u>Renmin Zhengxie Bao</u>, May 23).

The choreographed display by the Hong Kong CPPCC delegates has been cited by PRC state media as evidence of broad support in Hong Kong for the national security legislation (<u>China Daily</u>, May 23; <u>CGTN</u> <u>Twitter</u>, May 23). This illustrates a time-honored united front tactic: first, carefully select and cultivate the persons intended to pose as the representatives of a given place or group; and then have these persons perform as the stage-managed mouthpieces for CCP propaganda talking points. It is intended to give the impression of grassroots political representation, while serving in reality as a mechanism for top-down control.

Conclusion

In April, the PRC central government signaled its intent to tighten control over the HKSAR via "national security" measures (<u>China Brief</u>, May 1). Beijing now appears to be making good on these threats. The themes from this month's CPPCC, taken together with similar themes and actions on display at the NPC, bode ill for the HKSAR's fragile state of semi-autonomy. The senior CCP leadership, exasperated about (and likely frightened by) the 2019 unrest in the territory, has evidently decided that cracking down on Hong Kong's opposition movement will be worth the price to be paid in terms of international opprobrium.

These moves also reveal the bankruptcy of Beijing's long-standing framework for dealing with the Chinese-speaking territories on its periphery over which it claims sovereignty. The leadership cohort under Xi Jinping invoked the OCTS formula ever-more insistently throughout 2019: to call both for the closer integration of Hong Kong with the PRC, as well as for concrete steps towards unification with Taiwan, all to be conducted on Beijing's terms (China Brief, February 15, 2019; China Brief, August 14, 2019; China Brief, November 1, 2019). However, the top CCP leadership echelon—apparently blind as to how their own efforts to subvert HKSAR autonomy produced the widespread unrest seen in the territory in 2019, as well as to how those moves have further alienated sentiment in Taiwan—may itself be losing patience with the increasingly hollow slogan of "One Country, Two Systems."

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Beijing Announces Its Intention to Impose a New "National Security" Law on Hong Kong

By Willy Lam

<u>Editor's Note:</u> This article was initially published as a Jamestown "Early Warning Brief" on May 26. It has since been updated for re-publication here.

Introduction: Beijing Introduces Draft "National Security" Legislation for Hong Kong

For many weeks, People's Republic of China (PRC) authorities in Beijing have signaled their intent to seek tighter control over Hong Kong—whether through the imposition of "patriotic education," personnel appointments, or changes to the territory's legal system (China Brief, December 10, 2019; China Brief, February 21; China Brief, May 1). This past week Beijing took a major step in the latter direction when China's National People's Congress (NPC) introduced draft legislation on national security for the Hong Kong Special Administrative Region (HKSAR), without going through the HKSAR legislature. The measure became official after delegates approved it in a vote at the close of the NPC session on May 28.



Image: Wang Chen, Vice Chairman of the NPC Standing Committee, speaks during the opening meeting of the 13th NPC on May 22. Per state media, "Wang read an explanatory document on the draft civil code to deputies... and explained the draft decision on establishing and improving the legal system and enforcement mechanisms for the [HKSAR] to safeguard national security." (Source: Xinhua)

The "National People's Congress Draft Law Concerning Establishing and Strengthening the Safeguarding of National Security for Hong Kong" (全国人大关于建立健全香港维护国家安全法草案, *Quanguo Renda Guanyu Jianli Jianquan Xianggang Weihu Guojia Anquan Fa Cao'an*), which was submitted to the NPC on its opening day on May 22, would proscribe "actions to split the country" (分裂国家的活动, *fenlie guojia de*

huodong), "terrorism" (恐怖主义, kongbu zhuyi), and "subversion of state power" (颠覆政权, dianfu zhengquan). The draft, which could become law in a matter of a few months, would also prevent foreign political organizations from operating in Hong Kong, if such were perceived to be detrimental to Beijing's interests (<u>Caixin</u>, May 22).

"The increasingly notable national security risks in the HKSAR have become a prominent problem," said NPC Vice Chairman Wang Chen (王晨) at the opening meeting of the NPC on May 22. Wang cited activities that have "seriously challenged the bottom line of the 'One Country, Two Systems' principle, harmed the rule of law, and threatened national sovereignty, security and development interests... Law-based and forceful measures must be taken to prevent, stop and punish such activities" (Xinhua, May 22).

The security bill will likely be fleshed out and officially promulgated when the Standing Committee of the NPC meets in the summer. The draft version distributed among the 3,000 deputies on May 22 stressed "taking necessary measures to establish and improve the legal system and enforcement mechanisms for the HKSAR to safeguard national security, as well as to prevent, stop and punish activities endangering national security in accordance with the law." Countermeasures will be taken against foreign and external forces allegedly trying to interfere in HKSAR affairs. Despite the HKSAR's well-established British-style independence of the judiciary, the legislation calls on the executive, legislative, and judicial branches of the Hong Kong government to take more stringent actions to safeguard state security (People's Daily, May 22; Caixin, May 22).

The Implications for Hong Kong's Legal System

In the new law, the HKSAR is directed to establish and improve institutions and enforcement mechanisms for upholding "national security." Moreover, the NPC Standing Committee will be empowered to lay down measures to improve the legal system and establish institutions in Hong Kong to protect state security. "When needed, relevant national security organs of the Central People's Government will set up agencies in the HKSAR to fulfill relevant duties to safeguard national security in accordance with the law," the draft law added. The HKSAR government is also charged with implementing "national-security" and "patriotic" education in Hong Kong's schools (Ming Pao, May 23).

The Basic Law of Hong Kong, the HKSAR's mini-constitution, allows the NPC to make laws applicable to Hong Kong by inserting them into Annex 3. The territory's pro-democracy politicians have reacted to Beijing's sudden move with shock. "This is the saddest day in the history of Hong Kong," said Civic Party lawmaker Tanya Chan. "The rights and freedoms enjoyed by Hong Kong are a problem for the Chinese government... this is why China plans to destroy them." According to Helena Wong, legislator of the Hong Kong Democratic Party, "Hong Kong's law-making powers have been stymied by the National Security Law." She added that the fact that there had been no consultation with HKSAR groups or politicians means that "Beijing has turned

a blind eye" to the wishes and aspirations of the people of Hong Kong (<u>Asia News.it</u>, May 22; <u>Post852</u>, May 22).

One apparent reason behind Beijing's decision to impose a national security law on Hong Kong is the failure of HKSAR authorities to promulgate Article 23 of the Basic Law—a step that Beijing's representatives have been advocating with increasing insistence (<u>China Brief</u>, June 26, 2019; <u>China Brief</u>, May 1). Article 23 states that the Hong Kong SAR "shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the Central People's Government, or theft of state secrets, to prohibit foreign political organizations or bodies from conducting political activities in the Region." An attempt by the Hong Kong legislature to pass the much-feared bill in 2003 resulted in more than 500,000 citizens hitting the streets in protests, and the bill was subsequently withdrawn (<u>South China Morning Post</u>, May 21).

There are reasons to suspect that the Hong Kong National Security Law could be even more draconian and restrictive than the controversial Article 23. For example, the new law could allow state security agencies such as the Ministry of State Security (国家安全部, *Guojia Anquan Bu*) to set up branches in the SAR. "State security agents could carry out tasks such as investigation, intimidation and even secret arrests in Hong Kong," said Bruce Lui, a journalism lecturer at Hong Kong Baptist University. Furthermore, since these agents report directly to Beijing, they may be beyond the control of legal authorities in the HKSAR (<u>Apple Daily</u>, May 22).



Image: Supporters of the Hong Kong Democratic Party demonstrate against the PRC's draft security law for Hong Kong, which was unveiled at the National People's Congress on May 22. (Image source: <u>Asia News.it</u>)

Reactions to the National Security Legislation

While it is debatable as to whether the Hong Kong National Security Law might lead to massive emigration of HKSAR citizens to English-speaking countries, its negative impact on business seems certain. The Hang Seng Stock Index dropped 1,349.89 points (5.56 percent) the day the draft legislation was announced. In a statement, the American Chamber of Commerce (AmCham) in Hong Kong said the legislation "may jeopardize future prospects for international business." "Hong Kong today stands as a model of free trade, strong governance, free flow of information and efficiency," said Robert Grieves, AmCham Chairman. "No one wins if the foundation for Hong Kong's role as a prime international business and financial center is eroded" (Amcham, May 22).

Western governments have reacted to the proposed legislation with alarm. U.S. President Donald Trump said that if the proposal were to be enacted into law, "we'll address that issue very strongly." U.S. Secretary of State Mike Pompeo called the draft legislation "a death knell for the high degree of autonomy" that Beijing had promised the territory, and stated that "the United States strongly urges Beijing to reconsider its disastrous proposal, abide by its international obligations, and respect Hong Kong's high degree of autonomy, democratic institutions, and civil liberties, which are key to preserving its special status under U.S. law." A number of U.S. officials and members of Congress have called upon Washington to abolish the special customs status granted to Hong Kong, which places the territory in a category separate from that of the rest of China (The Standard, May 22; South China Morning Post, May 22). Such criticisms are unlikely to sway Beijing, however: for Chinese Communist Party General Secretary Xi Jinping, doubling down on restrictions on the HKSAR will not only divert attention from the woeful economy in the mainland, but also build up his reputation as a fearless nationalist prepared to thumb his nose at the Americans.

Conclusion

While the semi-autonomous status of Hong Kong has become a bone of contention in the new Cold War between the United States and China, Hong Kong organizations and individuals with a record of opposing Beijing or liaising with foreigners have the most to fear. This is true despite assurances by PRC Vice-Premier Han Zheng (韩正), the CCP Politburo Standing Committee member in charge of Hong Kong affairs, that the national security legislation "only targets a minority of people" who hurt Hong Kong and the mainland's state security (<u>Rthk.hk</u>, May 23). For example, liberal legislators fear that the Hong Kong Alliance in Support of Patriotic, Democratic Movements in China, which is world-famous for organizing a June 4 candlelight vigil every year, may be suppressed. Also prohibited will be their key slogan: "End one-party dictatorship in the mainland" (<u>News Now</u>, May 22). Pro-democracy political organizations such as the Civic Party and the Hong Kong Democratic Party might no longer be able to maintain close contact with members of the U.S. Congress or political non-governmental organizations (NGOs). American journalists, missionaries, and NGO activists originally based in Hong Kong may face frequent harassment from state security agents reporting to Beijing.

According to Amnesty International (AI), China routinely abuses its own national security framework as a pretext to target human rights activists and stamp out all forms of dissent. "This dangerous proposed law sends the clearest message yet that it is eager to do the same in Hong Kong, and as soon as possible," said Amnesty International's Deputy Regional Director for East and South East Asia, Joshua Rosenzweig. "The Hong Kong government has progressively embraced the mainland's vague and all-encompassing definition of 'national security' to restrict freedom of association, expression and the right to peaceful assembly" (<u>Rthk.hk</u>, May 25). After the passage of the National Security Law, it will be doubtful as to whether AI and other human rights NGOs will be able to maintain their operations in Hong Kong.

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Under a COVID-19 Cloud, China's Gig Economy Comes of Age

By Viola Rothschild

Introduction

In late April, as residents of the People's Republic of China (PRC) began to adjust to a new normal in the wake of the COVID-19 epidemic, Ele.me—one of the country's biggest food delivery platforms—unveiled its latest innovation. In a viral post, a delivery man clad in Ele.me's bright blue uniform steps into a steel-reinforced full-body "exoskeleton." Three food crates, weighing over 100 pounds, are strapped to a metal rod that runs the length of his spine. Hiking up his face mask and adjusting his helmet, he takes his first tentative steps, mechanized joints straining. Surrounded by reporters and delighted onlookers, the delivery man's stride grows quicker and more confident as he makes his way across a city square (<u>Baidu</u>, April 23).



Image: A food delivery worker demonstrating an experimental "exoskeleton" unveiled by the Chinese company Ele.me in April. Food delivery workers have acquired greater prominence in the course of China's COVID-19 lockdowns—and have focused increased attention on China's growing number of "gig economy" workers. (Image: <u>Baidu</u>)

The video spurred an outpouring of online commentary. Observing that the delivery person looked "barely human," some netizens deemed the suit "overkill," while others suggested such technology would be better utilized in medical or military capacities. But most remarked favorably on the advanced technology, likening the suit to those worn by characters in the popular new video game *Death Stranding* (Lei Feng Net, April 23; Phoenix Weekly Weibo, April 23).

Ele.me's official social media accounts announced that the suits will allow delivery workers better access to elderly communities notorious for their lack of elevators, as well as neighborhoods that do not allow motorbikes. Touting their partnership with a prominent robotics lab, the company proclaimed that the prototype represents the next step in "inevitable trends of social development" (社会发展的必然趋势, *shehui fazhan de biran qushi*) (Zhihu, April 22). Converging at the intersection of the technology industry and labor markets, this innovation is representative of the rapid transformation of China's explosive gig economy.

The coronavirus epidemic of early 2020 has cast a brighter spotlight on gig workers, particularly couriers and food delivery people. Although people and government have recognized their vital logistic role in the throes of the pandemic, the daily perils they face has brought their plight into clearer resolution. In March, the PRC Ministry of Human Resources and Social Security, the PRC General Administration of Market Supervision, and the PRC National Bureau of Statistics jointly named sixteen official new occupations: among them, "online delivery people" (网约配送员, *wangyuepei songyuan*) (People's Daily, March 4). Though increased recognition from the government and the public are steps in the right direction, without substantive changes to China's labor laws and broader employment landscape, gig work will become both more expected and more dehumanizing.

Human Engines for China's Economic Growth

China's gig economy (零工经济, *linggong jingji*) has grown at a shocking rate in recent years. Confronting slowing economic growth and a looming demographic crisis, China's leaders are striving to transform the economy from a low-cost, low-skill, low-tech manufacturing model to a modern service-based market. To address these challenges, Beijing's top leaders have identified the digital sector as a "new engine for economic development" (<u>State Council</u>, 2015).

The manifestation of top-level directives and global technological advances is conspicuous in Chinese cities. Mobile payments made via WeChat Wallet and AliPay have rendered cash all but obsolete. It is difficult to hail a taxi without ride-sharing app DiDi Chuxing. Sidewalks are strewn with dockless shared bicycles from Mobike and Ofo. Food delivery workers for Meituan and Ele.me weave through traffic to reach their destinations. In rural China, e-commerce platforms such as Taobao and JD have connected remote communities with consumers around the world. The transition to a digitally-driven economy has opened a new, loosely-regulated frontier for the Chinese state, firms, and workers.

The proliferation of short term and freelance jobs has fundamentally changed how workers relate to the workplace. According to Zhaopin.com, China's largest online recruiting firm, demand for part-time or freelance jobs has consistently outpaced growth for full-time work. At present, 20 to 35 percent of the working-age population already make a living through flexible employment—but this number is expected to skyrocket (<u>SCMP</u>, February 26, 2017). A recent report from the Ali Research Institute predicts that as many as 400 million people in China may be gig workers by 2036 (<u>Sohu</u>, June 17, 2019).

But with opportunities come challenges. The explosive growth of the gig economy has raised pressing concerns in China, as in other countries, about workers' access to the benefits—such as social insurance, compensation, pensions, and health care—that come with a formal labor contract. Mistreatment of gig economy workers is well-documented (Hebei Youth Daily, May 13; E-Commerce, May 15). Chronically overworked and underpaid, migrant workers from China's countryside, who lack proper documentation to work and access benefits in cities, have pushed back. Approximately half of all protests in early 2019 occurred in the service, retail, and transportation industries—sectors now heavily dominated by internet companies that offer gig work (China Labor Bulletin, May 15, 2019). Widespread strikes among e-commerce couriers and delivery drivers have, in some cases, seriously disrupted normal business operations (Linyi Hedong Net, February 22, 2019).

China's primary pieces of labor legislation—the Labor Law (1995), Labor Contract Law (2008), Labor Dispute Mediation and Arbitration Act (2008), and Trade Union Law (2001)—have yet to catch up with these seismic shifts. Though "flexible" and "informal" employment were first officially recognized as early as 2001 in the 10th Five Year Plan, real structural changes and protections for gig economy workers have yet to be implemented.

Gig Economy Drivers Go Viral

The COVID epidemic of early 2020 brought the plight of gig economy workers to the fore of China's social and political discourse. As Chinese families quarantined and businesses shuttered, delivery orders soared. Since the outbreak, Ele.me competitor Meituan Dianping has reported recruiting nearly half a million new riders (Zhihu, April 20). E-commerce platform JD.com saw online grocery sales more than triple year-over-year during a 10-day period between late January and early February (Vox, March 25).

In addition to increased work demands and the risk of exposure to illness, China's millions of gig economy drivers have also been forced to adjust to more stringent health and safety protocols. Companies such as Yum China's KFC, Ele.me, Meituan, and JD.com have implemented "contactless delivery," and some meal deliveries come with notes detailing the temperature readings of the workers who prepared and delivered the food (Reuters, February 9). Drivers for ride-sharing company Didi Chuxing must post their body temperature and upload a video to Didi's internal platform each day to show that they have sanitized their car (New York Times, May 12). As public transportation systems shut down, many delivery people faced long and circuitous commutes from the suburbs into the cities they serve. As expectations are raised on both sides and gig work becomes increasingly structured and socially vital, a tacit quid pro quo emerges: if workers are held to higher standards, they also must be afforded certain protections and benefits.

The bravery and sacrifice of delivery drivers has been highlighted in Chinese and international media, with a Meituan driver even appearing on the cover of TIME magazine (<u>TIME</u>, March 19). Tributes to heroic drivers braving the virus to deliver food and medicine to shut-in families have circulated widely (<u>iFeng</u>, March 31;

<u>Tangqi qisheng shenghuo shuo</u>, March 13). These stories have drawn attention to the essential yet precarious role of gig economy drivers, prompting for the first time an outpouring of public support.

In the wake of the epidemic, prominent journalists and public figures have come out as advocates for policy changes around gig economy drivers' employment status. Tu Yongqian, a researcher at the National Development and Strategy Research Institute of Renmin University, argued that: "the employment opportunities provided by the gig economy—especially during the epidemic period—are essential...traditional labor laws passed during the factory era must be appropriately expanded with the development of labor and employment, and the social security law must continue to eliminate the differential treatment workers based on identity" (Peng Pai News, April 28).

Similarly, a *China Youth Daily* columnist wrote that "part-time workers under the impact of the epidemic cannot be ignored...it is necessary to clarify the nature of the labor relationship in the gig economy at the legal level, so that it can be included in the scope of social security and management" (<u>China Youth Daily</u>, April 24). Another state media op-ed called for relevant government departments to provide gig economy workers with "diversified employment services such as vocational training, supply and demand matching, social security services, and commercial insurance" (<u>Beijing Evening News</u>, May 13).

Local governments and organizations have also been spurred to action. In Chongqing, a branch of the municipal government established the first ever legal service group to help delivery drivers navigate licensing and appointment issues (<u>Chongqing Morning Post</u>, May 13). In Hegang (Heilongjiang Province), the local Communist Youth League launched a volunteer program to support delivery workers through online advocacy and by donating supplies (<u>China Youth Daily</u>, May 13). And in Baicheng (Jilin Province), local authorities and company representatives engaged in much-needed conversations about driver safety (<u>Peng Pai News</u>, May 14).

Though these measures mark a step in the right direction, it remains unclear what long-term effect—if any—they will have on the employment status and livelihood of gig economy workers. What is clear is that takeout and delivery services will become increasingly essential as China, and the world, recover from the coronavirus epidemic. Reflecting the mainstream status of gig workers in the hearts and minds of the Chinese public, one netizen opined that "as long as you see the deliverymen still running, you know that life continues" (Sina, April 26).

The Road Ahead

China's food delivery services alone have developed into a \$46 billion industry—the largest in the world and twice the size of that of the United States. More than 400 million people (about half of China's internet users) have ordered food deliveries (Zhihu, April 28). Among young, urban white-collar workers, "delivery brothers"

(外卖小哥, *waimai xiaoge*) are fondly referred to as *yishi fumu* (衣食父母), an idiom that literally translates to "food and clothing parents"—the people one relies on for care and sustenance.

Aside from being a critical means of keeping China's city-dwellers fed and clothed, the gig economy represents an important source of employment in the new, service-based economy that China's leaders are working hard to promote. The gig economy has absorbed millions of laid-off workers from China's manufacturing and industrial sectors, thereby heading off potential labor unrest. Nearly one-third of Meituan's riders used to work in factories, and in 2018 the number of migrant workers engaged in the service industry surpassed the manufacturing industry for the first time (Zhihu, April 28). It is also becoming a more viable profession for young, educated people seeking flexible employment: a recent report released by Alibaba, Ele.me's parent company, showed that around half of their delivery drivers were born post-1990, and identified as "slash youth" (斜杠青年, *xiegang qingnian*)—meaning they have multiple jobs (e.g., delivery driver/student/artist). In a difficult job market, college students comprise about 20% of the drivers (Sina, April 26).

While increased recognition from the public and central and local governments has shone a positive spotlight upon gig economy workers, larger, structural and institutional changes to labor laws and regulations are necessary in order for real change to be affected. The coronavirus epidemic has expedited the urgency of these changes, and China's labor landscape must update to reflect the reality of a post-COVID-19 world. If it does not, the consequences could be dire—not only for gig workers themselves, but also for urban residents dependent on gig economy labor, and for China's broader economic transformation.

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The Belt and Road Initiative: A Domestically-Motivated Program Fueling Global Competition

By Jon (Yuan) Jiang

Introduction

The Belt and Road Initiative (BRI), China's ambitious overseas economic and infrastructure program, is having a significant impact on the world economy. The People's Republic of China (PRC) has pledged \$1 trillion in investment; the extensive geographic scope of the initiative involves more than 150 countries; there are a wide range of international organizations involved; and the initiative has brought China's unpredictable political influence to the forefront of global affairs. Within China, the BRI is widely acknowledged as Beijing's central diplomatic and economic policy.

The project is strongly associated with Chinese Communist Party (CCP) General Secretary and PRC President Xi Jinping, who announced the BRI in Kazakhstan and Indonesia in 2013. The Chinese database of Xi Jinping's important speeches records President Xi as mentioning the BRI 1,653 times between February 7, 2014 and August 23, 2019—on average, once every 1.2 days (<u>CCP News</u>, 2020). Xi has also promoted the expansion of the BRI into areas beyond infrastructure—promoting, for example, construction of an international "Health Silk Road" in the wake of the COVID-19 pandemic (<u>Xinhua</u>, March 16). It could be argued that the future political success of President Xi is tied to the BRI—and that any fiasco of the initiative would ultimately damage Xi's reputation.



Image: CCP General Secretary Xi Jinping stands at the center of representatives attending the Second Belt and Road Forum in Beijing in April 2019. (Source: <u>Belt and Road News</u>)

After several years of implementation, the BRI can be regarded as a constantly evolving and ambiguously-defined program, covering almost every aspect of economic and political life in China. As Jonathan Hillman has stated, the BRI "is so big it is almost impossible for one person to have mastery of it. Sometimes I wonder if China grasps the whole thing." [1] What has led the political leadership of the PRC to invest so much in this program, in terms of both resources and reputation? Foreign observers often discuss the BRI in terms of the PRC's geopolitical ambitions—but in actuality, its primary motivating factors are domestic in origin.

The Domestic Motivations of the BRI

Per the Chinese government's own statements, the BRI meets the internal requirements of China's economic development; contributes to the expansion and deepening of Chinese economic reform; and the further integration of its domestic economy into the world economy, in an attempt to achieve sustainable development (Gov.cn, <u>November 6, 2014</u>; <u>April 30, 2016</u>). Some factors underpinning Chinese economic success over the past 40 years—such as low labor costs—have disappeared, which necessitates greater economic reforms. Without effective reforms, the Chinese economy is likely to meet significant difficulties, such as the dreaded "middle income trap" (<u>China Brief</u>, May 1). The prominent Chinese scholar Wang Jisi (王 缉思), widely-perceived as an intellectual architect of the BRI, argues that:

Chinese manufacturers... are caught between developed countries, which dominate the most profitable ends of the supply chain, possess advanced technology, and are promoting recovery of their manufacturing sectors, and late-developing countries of the South, which are using their low production costs to catch up to their Chinese competitors (<u>Gov.cn</u>, April 30, 2016).

These comments reflect wide-ranging concerns in China regarding the improvement of the division of labor and distribution of industrial chains; the position of Chinese manufacturers in global value chains; and China's domestic economic structural reform. Hu Huaibang (胡怀邦), the former Chairman of the China Development Bank, has stated that the BRI promotes China's economic structural transformation and alleviates the pressure of industrial overcapacity by transferring domestic low-end manufacturing industries to the less developed countries along the BRI route (Opinion.people.cn, July 16, 2018). Meanwhile, the BRI drives the global expansion of construction engineering and high-speed rail, electric power, construction machinery, telecommunications, and other Chinese industries (Opinion.people.cn, July 16, 2018). Another significant motivation is the critical reliance of the Chinese economy "on accessing commodities, energy and raw materials" abroad, and the need "to find constantly growing overseas markets for its exports." [2] The BRI fulfills both of these requirements.

Xi has also asserted that the BRI will drive the development of China's frontier regions, thereby resolving issues of regional imbalance and instability (<u>Gov.cn</u>, April 30, 2016). It is evident that "a key challenge for Beijing since the establishment of the PRC in 1949 has been to integrate its traditional frontiers of Xinjiang,

Tibet, Inner Mongolia, and Yunnan," which have "non–Han Chinese ethnic populations, histories of autonomy, underdevelopment, geopolitically important position[s]," as well as potential issues with separatism. [3] Benefiting from Deng's economic reform in 1978, the coastal regions of eastern China have rapidly advanced their economies, while the aforementioned traditional frontier provinces have significantly lagged behind. To solve these issues, the "Great Western Development Strategy" was put into effect at the end of the 1990s—and many aspects of the BRI are meant to continue those earlier policies.



Image: Wang Jisi, President of the Institute of International and Strategic Studies at Beijing University, speaking at a seminar in April 2016. Wang is often cited as one of the PRC's leading academic theorists for the BRI program. (Source: <u>Center for China and Globalization</u>)

It is conceivable that without the BRI, China might still implement its economic reforms, develop its frontier ethnic minority regions, and gain access to overseas raw materials and markets. However, although integrated into the global economy, the PRC still lacks the tools to project its economic power abroad. Rather than surrendering to the forces of market mechanisms, the BRI is the updated and strengthened version of the "Go Out policy" that was implemented at the end of the 1990s to encourage enterprises to invest overseas. More importantly, as Bruno Maçães argues, "a country will be unable to change its economy in a particular direction without altering the way the world economy is organized," which encourages Beijing to design and formulate a global policy. The BRI is the solution by which China can "increase its control over the way value chains are organized and grant it the power to reorganize them on better terms." **[4]**

The BRI's Role in Security Competition and Ideological Struggle

The BRI offers an alternative economic model to that of Western countries. Due to the design and framework of the initiative, and the central role of state-owned enterprises (SOE) as the main participating corporations, the Chinese BRI model demands that "the state retain control over sectors that are considered strategic," and that the economic development of a developing country should follow in the wake of infrastructure

construction. **[5]** This indicates the "reaffirmation of the Chinese commitment to state capitalism" and an infrastructure-prioritized development path. **[6]**

Furthermore, this model holds that economic success can be achieved by good governance "rather than by the political architecture of Western liberal democracies and free market capitalism." [7] Political entities always prioritize survival, and if the BRI is able to promote the Chinese model, Beijing can more effectively justify its rule to its domestic audience. For the Chinese government, "being active internationally is a matter of domestic political survival and arises because of potential domestic weakness." [8]

Western observers often argue that the BRI was created intentionally to marginalize the United States in Asia, strengthen China's regional influence, and diminish America's global leadership. However, the above logic is an indication of the security dilemma in the region. Jessica Chen Weiss has argued that the PRC promotes defensive policies that seek "to make the world safer for Beijing"—but which have consequences that "threaten the values of liberal democracies overseas" (<u>CSIS</u>, October 21, 2019).

Conclusion: Rival Programs and Future Challenges to the BRI

The dynamic of security competition, and the increasing concern among some states about the BRI, is leading to a Western and Japanese response. In November 2019, the United States launched its "Blue Dot Network" (BDN) in conjunction with Australia and Japan. The declared intent of this project is to "bring together governments, the private sector, and civil society under shared standards for global infrastructure development," and to "promote quality infrastructure investment that is open and inclusive, transparent, economically viable, financially, environmentally and socially sustainable, and compliant with international standards, laws, and regulations" (U.S. Department of State, undated).

Similarly, in September 2019, the European Union and Japan announced the "Partnership on Sustainable Connectivity and Quality Infrastructure" (PSCQI). This new program has the declared intent to promote "cooperation on connectivity and quality infrastructure with partner third countries and coordinate action, notably in the regions of the Western Balkans, Eastern Europe, Central Asia, Indo-Pacific, as well as in Africa," and to "work together to promote openness, transparency, inclusiveness and a level playing field for those concerned... [to include] the ensuring of debt sustainability and the high standards of economic, fiscal, financial, social and environmental sustainability" (Japanese Ministry of Foreign Affairs, undated).

Even without mentioning China, it is not difficult to establish that the BDN and PSCQI projects are the Western strategic responses to Xi's trademark initiative, in both the Indo-Pacific region and beyond. Conspicuously, both projects attempt to compete with the BRI by confronting that project's comparative advantages. The multi-stakeholder approach in the BDN also contrasts with the SOE-centric, state domination of the BRI. The trusted standards, sustainable and principles-based development in the BDN and

PSCQI contrast with the potential economic leverage and debt trap controversies surrounding the BRI. The BDN and PSCQI were created to challenge the BRI, a new form of competition that Beijing will have to face.

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Notes

[1] Bruno Maçães, Belt and Road: A Chinese World Order (Oxford Univ. Press, 2019), p. 8.

[2] Ibid., p. 17.

[3] Michael Clarke, "The Belt and Road Initiative: Chinas New Grand Strategy?" *Asia Policy* 24, no. 1 (2017): 71–79. <u>https://doi.org/10.1353/asp.2017.0023</u>.

[4] Maçães , Belt and Road: A Chinese World Order.

[5] Ibid., p. 42

[6]Matteo Dian and Silvia Menegazz, *New Regional Initiatives in China's Foreign Policy: The Incoming Pluralism of Global Governance* (Palgrave MacMillan, 2018), p. 77.

[7] Li Xing (ed.), "China's Pursuit of the 'One Belt One Road' Initiative: A New World Order with Chinese Characteristics?" (p. 14), in *Mapping China's One Belt One Road Initiative* (Palgrave MacMillan, 2019).

[8] Milanovic, Branko. *Capitalism, Alone: The Future of the System That Rules the World* (Harvard Univ. Press, 2019), chapter 3.

Chinese Incursions Into Vietnamese Waters, Security Implications for the Region, and the Potential Role of India By Rajaram Panda

Introduction: China Renews Its Maritime Sovereignty Claims at the Expense of Vietnam

The outbreak of the global COVID-19 pandemic that began in the Chinese city of Wuhan has not deterred the People's Republic of China (PRC) from pursuing its long-term strategic vision of asserting its sovereignty in the South China Sea (SCS) at the expense of smaller regional countries. The SCS has long been a potential flashpoint, as half a dozen countries make contending sovereignty claims—and China claims almost the entire region. In one of the most recent incidents on April 2, a Vietnamese fishing vessel near Vietnam's Hoang Sa (Paracel) Archipelago was sunk by the Chinese Coast Guard.

What exactly happened? The Vietnamese vessel (number QNg 90617 TS), with eight fishermen onboard, was attacked while fishing near the Paracel Archipelago's Phu Lam Island. Following the incident, Vietnam lodged an official complaint with the PRC (<u>VNA</u>, April 20). To further complicate the matter, China recently sent a survey vessel into Vietnam's exclusive economic zone (EEZ), in a move likely to fuel tensions further. Vietnam responded by sending three ships from the Fisheries Resource Surveillance Agency to closely trail the Chinese vessel. The situation and composition of China's naval incursion is reminiscent of past confrontations between Vietnam and China in the SCS (<u>Global Security</u>, April 14).



Image left: A file photo of the Chinese survey vessel Haiyang Dizhi 8 (undated). (Image source: <u>SCMP</u>) Image right: Tracks of the PRC vessel Haiyang Dizhi 8 as it conducted survey operations near the Spratly Islands (and in Vietnam's exclusive economic zone) in July 2019. (Image source: <u>Indo-Pacific News Twitter</u>)

The Chinese vessel at the center of this incident, the Haiyang Dizhi 8 (海洋地质八号, Haiyang Dizhi Ba Hao) was also involved in a collision at the heart of the tense July 2019 standoff over the Vanguard Bank, a reef in the SCS controlled by Vietnam. The PRC sent the Haiyang Dizhi 8, along with coast guard escorts, to

put pressure on a Russian-owned oil exploration project within Vietnam's EEZ. This prompted Vietnam to send its own coast guard and maritime militia vessels to the area. The standoff did not end until November 2019, and represented the worst flare-up in Vietnam-China relations since the 2014 standoff over the *Hai Yang Shi You 981* oil rig. **[1]**

Of note, *Haiyang Dizhi 8* was the same vessel involved in conducting survey operations in the EEZs of Malaysia and Brunei in mid-April of this year, further reinforcing Beijing's expansive reach across the contested South China Sea (<u>China Brief</u>, May 1). The PRC and Brunei have agreed in the past to joint exploration over energy resources in Brunei's part of the region, but it was not immediately clear if the current activities were part of that deal. Technically, a research vessel would need to request permission before operating within another country's EEZ. It appears that Beijing is exploiting the COVID-19 pandemic to expand its "unlawful claims" in the South China Sea (<u>Japan Times</u>, April 27).

The Regional Implications of Sino-Vietnamese Disputes in the SCS

Vietnam has historically resisted foreign domination, and has not been shy in the past about confronting China. The most recent action by the PRC comes in the wake of a March 30 submission by Vietnam to the United Nations, which reiterated Vietnam's own territorial claims to the Paracel and Spratly Islands (<u>Hanoi Times</u>, April 7). The PRC termed the Vietnamese assertion "illegal and invalid." Today, Vietnam has reason to feel confident in its ability to resist China, due in part to closer ties with regional states—including the members of the Association of Southeast Asian Nations (ASEAN), of which Vietnam holds the chairmanship this year.

The PRC's actions in the SCS have been condemned by many stakeholders. The U.S. Department of Defense issued a press release expressing concern about the April 9 incident, stating that "The PRC's behavior stands in contrast to the United States' vision of a free and open Indo-Pacific region, in which all nations, large and small, are secure in their sovereignty, free from coercion, and able to pursue economic growth consistent with accepted international rules and norms" (U.S. Department of Defense, April 9). This same policy was also articulated by Indian Prime Minister Narendra Modi in his address at the Shangri La dialogue in June 2018 (Indian Ministry of External Affairs, June 1). These principles enjoy widespread support in the region, even though many Southeast Asian states are reluctant to confront Beijing directly.

Beijing has not backed down from the negative international reactions resulting from its actions. On April 21, PRC Foreign Ministry spokesman Geng Shuang stated that "China will take all necessary measures to safeguard its sovereignty, rights and interests in the South China Sea" (<u>China Daily</u>, April 21). In response to the confrontation between China and Malaysia, the United States and Australia sent maritime forces to the area, which the PRC later claimed to have "chased off" (<u>Global Times</u>, April 28).

India's Interests in Relation to the SCS Disputes

During this latest round of tensions in the South China Sea, another rising Asian giant with substantial stakes in the conflict has been conspicuously quiet. India has strong economic and growing defense relationships in the region. What are Indian stakes in the region, and how is it confronting the China challenge in the South China Sea?

India and Vietnam have long-standing historic ties, which continue to grow as a result of the security challenges in the SCS and New Delhi's strategic interest in the region. India has a strategic partnership with Vietnam (which was upgraded to a "comprehensive strategic partnership" during Modi's visit to Vietnam in September 2016), and the country is an important anchor to India's "Act East Policy." India's maritime security posture and national interests demonstrate a strong commitment to align with the ASEAN countries. The Indian Navy's 2007 doctrine defined the SCS as "an area of strategic interest." Despite this, however, India is often caught balancing its legitimate interests with medium- to long-term challenges (Takshashila Institution, March 2016; Financial Express, September 2, 2019). 97 percent of India's trade is conducted by maritime shipping, with 55 percent of the total transiting the Malacca Straits and the SCS (MEA.gov.in, February 9, 2017). Trade with the ASEAN states stands at approximately \$80 billion, and as of 2018 comprised over 10 percent of India's total exports (MEA.gov.in, August 2018).

The PRC is unlikely to replace India as the dominant player in the Indian Ocean in the short term, but China represents a significant challenge to India's long-term interests in the region. Over the past two decades, China has added more than eight times the number of ships and submarines to its navy in comparison to India (<u>Financial Express</u>, May 1). PLAN submarines now regularly traverse the Malacca Straits to patrol the Indian Ocean. New Delhi, for its part, has expressed a commitment to defending its interests in the SCS, and has enacted several policies to begin countering active Chinese influence.

In addition, India has stated in no uncertain terms that it would deploy the Indian Navy to the SCS to defend its energy interests. India's strategic interest clearly lies in maintaining peace and maritime order in the region. Oil Videsh Limited (OVL), the overseas operations branch of India's public sector Oil and Natural Gas Corporation (ONGC), has been engaged in oil exploration activities in Vietnam's EEZ for over 30 years. India is concerned about the energy contracts signed with its Vietnamese partner. At present, OVL is operating two oil blocks in the South China Sea. The first of these, Block 128, is 7,000 square kilometers and was acquired in 2006; in July 2017, Vietnam extended OVL's contract for an additional two years. The second block, Block 06/1, is less than 1,000 square kilometers and lies near the locations of recent Chinese provocations.

Indian concerns lie in fears that the PRC is trying to convert the SCS into its own "territorial sea," thereby blocking or increasing the political and economic costs of any country attempting to trade or transit through the region. Such a possibility would negatively affect India's economic rise. As China's militarization and island reclamation activities in the SCS continue, smaller claimant nations have begun looking to India to

enhance its role as a security provider in the region, as on their own each one is incapable of coping with the China challenge. In 2017's Delhi Dialogue IX, an annual event to promote economic and politico-military discussion between India and ASEAN, Vietnam Deputy Prime Minister Pham Binh Minh said that "ASEAN supports India to play a greater role in the political and security domain...We hope India will continue to partner our efforts for strategic security and freedom of navigation in [the] South China Sea" (The Hindu, July 4, 2017).

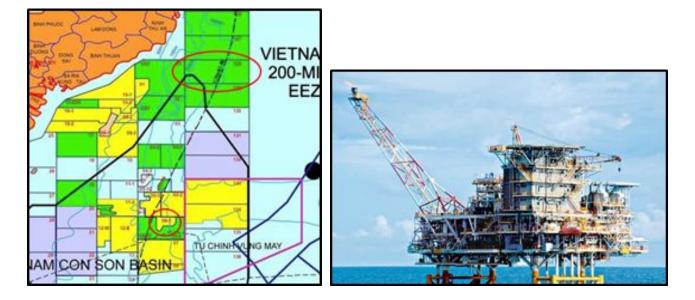


Image left: Oil exploration "block" areas off the coast of Vietnam. India's ONGC Videsh holds a concession contract with Vietnam's government for exploration rights in Blocks 06/1 and 128 (circled in red). (Image source: <u>South China Sea News Twitter</u>)

Image right: A file photo (undated) of an oil platform in Vietnam's offshore Lan Tay field; the platform is co-operated in part by India's ONGC Videsh and Vietnam's state-owned Petro-Vietnam. India's cooperative oil exploration deals with Vietnam are one of the factors that give it a greater direct interest in Sino-Vietnamese territorial disputes in the South China Sea. (Image source: <u>Hindustan Times</u>)

Thus far, the Indian Navy has maintained its focus on the Indian Ocean region, ranging from the Gulf of Aden to the Malacca Straits—but it has an eye on the SCS, as well. In December 2012, then-Indian Naval Chief DK Joshi, in a significant assertion of maritime thinking, remarked on the eve of Navy Day that "Not that we expect to be in [the SCS] very frequently, but when the requirement is there for situations where [India's] interests are involved, for example ONGC Videsh, we will be required to go there and we are prepared for that" (India Today, December 3, 2012).

India has since expanded its position and role in the SCS. From May 19-22 of this year, India conducted bilateral naval drills in the region (Economic Times, May 19). In May 2019, India conducted naval maneuvers

in the sea alongside naval forces from the United States, Japan, and Philippines (<u>TheWeek.in</u>, May 9, 2019). Indian sources have indicated that New Delhi is considering inviting Australia to the upcoming Malabar Exercise (a yearly U.S.-Japan-India naval exercise), which is set to take place in July and August. Should this occur, it would represent a new step in the militarization of the "Quad" relationship of Indo-Pacific democratic powers. India has historically resisted such a security focus for the Quad, due to worries of provoking a negative Chinese reaction. Should Australia join the exercise, it would be the latest signal of New Delhi's increasing willingness to confront Beijing (<u>Times of India</u>, January 29).

Conclusion

China's consolidation of its position in the SCS would inevitably threaten Indian pre-eminence closer to home, in the Indian Ocean. Chinese submarine activity in the Indian Ocean region has become a large security concern for New Delhi. The move by a Chinese state-owned enterprise to attain a 99-year lease to the port of Hambantota in Sri Lanka raised alarms for Indian policymakers, as did reports of a potential Chinese military base being constructed in Cambodia (China Brief, August 14, 2019; China Brief, April 13). Such bases could potentially threaten Indian assets in the Andaman and Nicobar Islands. On December 18, 2019, a Chinese research vessel intruding into Indian waters near Port Blair, in the Andaman and Nicobar Islands, was expelled by the Indian Navy (Times of India, December 18, 2019).

Land-based border confrontations along the unsettled Sino-Indian border also continue to strain relations between the two countries. On May 5, 250 Indian and Chinese troops confronted each other with iron rods, sticks, and stones near the Pangong Tso Lake of Ladakh in the Kashmir Region. Separately, on May 9, 150 Indian and Chinese army personnel faced off near the Naku La Pass of Sikkim in northeast India, resulting in over a dozen injuries (Zee News, May 21). While these border confrontations are not necessarily related to the latest situation in the SCS, it reinforces Indian motivations to increase ties with Western powers and ASEAN members who are also the subject of Chinese coercion.

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[1] In the *Hai Yang Shi You 981* oil rig incident of 2014, China built an oil rig in disputed waters, and dispatched coastguard and maritime militia vessels to act as protection. See: "Vietnam Accuses Chinese Ships of Ramping Up South China Sea Tensions," South China Morning Post, October 4, 2019.<u>https://www.scmp.com/news/china/diplomacy/article/3031603/vietnam-accuses-chinese-ships-ramping-south-china-sea-tensions</u>.