Introduction

Rumors swirled about a crackdown on the Chinese e-commerce giant Alibaba following an incendiary speech given by its founder Jack Ma in late October, which criticized global banking standards and the Chinese regulatory system (TechNode, November 9). The suspension on November 3 of the IPO for Alibaba’s financial technology (fintech) arm Ant Group—valued at an estimated record-breaking $34.5 billion—was consequently shocking, but not entirely unexpected (Asia Times, November 4). Financial regulators had been working on a regulatory framework for fintech for some time, and had already submitted policy proposals to the government, one unnamed source told the economic paper Caixin: “It was only a matter of timing (for them to) make up their minds” (Caixin, November 9).
Image: Jack Ma criticizes the Chinese state’s regulation of finance technology firms at the Bund Summit on October 24, a little over a week ahead of the suspension of Ant Group’s IPO. (Image Source: Caixin).

The Ant IPO suspension represents a culmination of the Chinese government’s efforts to crack down on digital financial services providers, once seen as filling an important gap in China’s financial system because they underwrote consumer loans to small businesses and individuals that were often overlooked by traditional banks. Since the 2015 stock-market crash, the Chinese government has sought to exert more control over financial technology platforms such as Ant, which are now viewed as a destabilizing liability amid fears of rising default risks and weak banks amid a heavily debt-laden post-pandemic economy.

Xi Jinping’s Theory of Dual Circulation

As leaders of the People’s Republic of China (PRC) sought to guide the economy’s recovery from COVID-19, high level messaging focused on a new dual circulation strategy (DCS) (双循环, shuangxunhuan), seen by analysts as an articulation of China’s strategic approach towards adapting to an increasingly hostile international environment. In short, the DCS represents a two-pronged development strategy which focuses on shoring up the strengths and weaknesses of the domestic market’s “internal circulation” (国内循环) while also balancing against structural shocks in the “international circulation”(国际循环) of the global economy.

The clearest articulation of the DCS comes from a speech given by PRC President and CCP General Secretary Xi Jinping at a meeting of the Central Financial and Economic Affairs Commission in April, which was published in the CCP’s leading political theory journal Qiushi (求是) on October 31. It encompasses a focus on shoring up domestic consumption (especially of China’s growing middle class) as a means of driving overall economic growth; stabilizing key production and supply chains; continuing the urbanization of rural areas; developing the science and technology community in a manner “consistent with China’s national
Some observers have viewed DCS as a defensive response to the U.S.’s decoupling strategy, but it is also an outgrowth of China’s increased emphasis on self-sufficiency (自主能力, zizhu nengli) that motivated policies such as “Made in China 2025” and “China Standards 2035” and predates the U.S.-China trade war by several years (SCMP, November 19). China analysts Jude Blanchette and Andrew Polk have characterized dual circulation as fundamentally being “a strategy to fortify China’s economic resilience in the face of global economic undulations and a general retreat from globalization among Western democracies.” It has been framed as a logical extension of the 2015 “supply side structural reform” (供给侧结构性改革, gongjice jiegouxing gaige) framework that is now enshrined in China’s constitution, and which motivated a financial de-risking campaign that has dominated the economic policy agenda since 2018.[1]

DCS was first unveiled to the public at a May 14 meeting of China’s 25-member Politburo (Xinhua, May 14) The theory was given a prominent role at the May meetings of the “Two Sessions”—annual parliamentary meetings of the National People’s Congress (NPC) and the National Committee of the Chinese People’s Political Consultative Conference (CPPCC), which typically take place in March but were postponed due to the coronavirus pandemic, and the October Fifth Plenum meeting which set the policy guidelines for China’s 14th Five Year Plan (CGTN: May 29, October 30). Xi doubled down on the policy in a July 21 symposium with Chinese entrepreneurs, saying, “…we must gradually form a new development pattern with the domestic cycle as the main body and the domestic and international dual cycles mutually promoting each other” (Xinhua, July 21). At the same meeting, Xi also emphasized the role of China’s “patriotic entrepreneurs” (爱国企业家, aiguo qiyejia) in driving the nation’s economic recovery, and held up the example of past businessmen such as Zhang Jian (张謇), Lu Zuofu (卢作孚), and Rong Yiren (荣毅仁) as model entrepreneurs who served the state well (Xinhua, July 21).[2]
Image: Xi Jinping chairs a symposium on pandemic recovery with private entrepreneurs in Beijing on July 21.
At the meeting, Xi urged efforts to spur the vitality of market entities while also calling for “patriotic entrepreneurs” to take on a larger role and achieve greater development. (Image Source: Xinhua)

Further signs that the party was tightening its control over the private sector were given in September, when the CCP’s released its “Opinions Concerning Strengthening New Era United Front Work In the Private Economy” (关于加强新时代民营经济统战工作的意见, Guanyu Jiaqiang Xinshidai Minying Jingji Tongzhan Gongzuo de Yijian). This document laid out directives for CCP organs to take on closer and more direct supervision of China’s private sector by bolstering the role of the party in private enterprise and recruiting private economic actors into the CCP. It reflected the CCP leadership’s prioritization of “harnessing the potential dynamism and innovative capabilities of private industry” to tackle economic issues laid bare by the pandemic (China Brief, September 28).

2020: New Laws Target Underregulated Fintech Sector

P2P crackdown signals a changing regulatory environment

Until recently, Chinese technology companies such as Alibaba and Tencent had grown under a permissive regulatory atmosphere. China’s relatively late shift away from a cash-driven economy was brought about by the rise of digital payment platforms such as Alipay and Tencent’s WeChat Pay, leapfrogging over the credit and debit revolution that defined advanced economies in the last century. By 2016, China’s digital payments
and peer-to-peer (P2P) lending markets were the largest in the world, and private fintech companies had roughly as many clients as the country’s top banks (Citi GPS, March 2016).

By 2018, Chinese mobile payments had an estimated 890 million users. E-commerce giants Alibaba and Tencent had a combined market share of over 90 percent, allowing their users to make P2P transactions, send “red packets” of virtual cash, and pay for goods and services entirely online (SCMP, August 10, 2018). In the course of a few years, these two internet finance firms had created an alternative payments model that effectively sidelined banks from the consumer payments system, leapfrogging past Western economies’ dependence on credit cards in favor of a near-cashless digitized payments ecosystem.

The rapid development of China’s digital finance system was marked with concern by economic regulators. In 2015, the China Banking and Insurance Regulatory Commission (CBIRC) began strengthening regulations on lenders platforms outside of the traditional banking system, and passed guidelines in the summer of 2016 mandating that P2P lenders fulfill lending requirements within 12 months or risk being shut down. In 2018, over 150 online lending platforms defaulted amid a national P2P rectification campaign (TechNode, August 2, 2018). This November, Chinese authorities announced that the number of P2P lending platforms had fallen to zero from a 2017 peak of over 5,000—notwithstanding the continued operation of massive online microlending platforms operated by Ant Group and Tencent. Still the announcement seemed intended to mark regulators’ triumph over the risky shadow banking sector (Xinhua, November 28).

Last August, the People’s Bank of China (PBOC)—which serves as both a state bank and a financial regulatory authority—released a three year Fintech Development Plan (2019-2021) laying out a development plan to “realize the deep integration and coordinated development of technology and finance,” signaling plans for further regulatory coordination on fintech (People Online, August 23, 2019; Caixin, August 24, 2019). This fall, China’s economic and financial authorities issued a spate of new regulations aimed at controlling and de-risking the fintech industry that aligned with the DCS’s mandate for renewed focus on science and technology and its call to bring private enterprise more directly under the control of the state.

**Micro-loan regulations target Ant**

On November 3, the PBOC and CBIRC jointly released the “(Draft) Provisional Measures on Online Micro-loan Operations” (网络小额贷款业务管理暂行办法(征求意见稿) wangluo xiao e daikuan yewu guanli zhanxing banfa (zhengqiu yijian gao)) (CBRC, November 3; China Banking News, November 3). The new rules placed the oversight of online microlending companies directly under the supervision of national regulators; capped the maximum limit of loans to individuals and businesses; raised requirements for online platforms to contribute a larger share of loans and dramatically increased compliance costs. The publication of this document was heralded by a meeting between Chinese financial regulators and top executives of Ant Group, who reportedly discussed the “health and stability of the financial sector,” with Ant agreeing to implement the meeting’s opinions in-depth (SCMP, November 3).
Ant representatives’ show of cooperation with government regulators was not enough. By the end of the day, the Shanghai Stock Exchange had scuttled Ant’s planned IPO after arguing that the new micro-loan regulations meant it was no longer in compliance with listing requirements. On November 7, the PBOC published its annual China Financial Stability Report (中国金融稳定报告2020, Zhongguo jinrong wending baogao) which signaled the prioritization of stricter regulation of the fintech sector, saying that Chinese financial regulators would “comprehensively upgrade regulatory capabilities” of fintech companies (China Banking News, November 9).

Anti-trust laws expanded to definitively cover fintech

On November 10, the State Administration for Market Regulation (SAMR) issued the “(Draft) Antitrust Guidelines for the [Internet] Platform Economy” (关于平台经济领域的反垄断指南 (征求意见稿), guanyu pingtai jingji lingyu de fan longduan zhinan (zhengqiu yijian gao)), explicitly applying new antitrust regulation under a January Anti-Monopoly Law update to the fintech sector for the first time. This marked a major sea change in Chinese regulators’ willingness to enforce antitrust claims over its tech sector behemoths (SAMR, November 10; China Digital Times, November 10). As recently as August, the semi-independent economic newspaper Caixin had reported that few Chinese internet companies were investigated even after complaints alleging monopolistic behavior were filed: between 2012 and 2019, out of 46 unfair competition cases filed, none were subjected to even cursory investigations (Caixin, August 14).

A day after the new antitrust regulations were published, CBIRC vice chairman Liang Tao made the Chinese government’s new attitudes on fintech clear: speaking at the 21st Century Annual Finance Summit of Asia, Liang said that fintech companies should be regulated like banks (SCMP, November 11). “Special attention must be paid to the new risks brought about by the digital transformation [of financial services],” Liang said. “This is especially true with cyber security, data protection and market monopoly” (Ibid.) Speaking at the Caixin Summit on November 15, Xiao Yuanqi, chief risk officer of the CBIRC, also seemed to implicitly warn his listeners that no company in China was too big to fail, saying that “financial innovation shouldn’t form oligopolies, reap excessive returns, and harm public interests” (Caixin, November 15; The Standard, November 16).

Conclusion

China’s rapid construction of a regulatory framework for fintech culminated this month in a blizzard of new regulations and the surprise IPO suspension of one of the nation’s most valuable companies. Two weeks ago, the Chinese government announced the creation of a new task force to crack down on antitrust enforcement, backed by 17 central government agencies that included the triumvirate financial watchdogs PBOC, CBIRC, and the China Securities Regulatory Commission (CSRC), and led by the powerful SAMR
The creation of this new ministry-level task force demonstrates the seriousness with which the central government is approaching its antitrust crackdown, specifically with regards to fintech.

The speed at which this happened underscores the continued difficulties of doing business that China’s private entrepreneurs face amid a rapidly changing regulatory regime which seems designed to promote “rule by law” (of the party) rather than the more predictable “rule of law” norms that guide governance in liberal western states. Jude Blanchette has called the shift in Chinese state capitalism under Xi Jinping “CCP Inc.,” and described it as encompassing regulatory and policy shifts which have expanded the state’s role both as an active investor in and regulator of a hybrid political economy, “wherein overall political guidance and control is nested within a complex system of industrial planning/guidance and market mechanisms” (China Leadership Monitor, December 1). As the recent experience of Ant Group shows, under this model, no private enterprise is too big to fail, and even the most powerful and innovative firms can still be made to serve the state.

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Notes


[2] Zhang Jian’s name was recently cited again following a series of events in early November that consolidated the CCP’s control over private entrepreneurs; during a public tour, Xi explicitly praised the Qing-era industrialist, saying: “Zhang ran businesses that benefited the nation, developed education, and took part in public welfare activities...[Xi] said Zhang’s work had profound significance in promoting local public welfare” (Xinhua, November 13). This praise could be seen in explicit contrast to the activities of modern entrepreneurs like Jack Ma, who, despite overt displays of philanthropy, gained their wealth through businesses which are now viewed as destabilizing to China’s economic security.

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Huawei's Global Advancement of Alternative Internet Protocols

By Justin Sherman

Introduction

Huawei, the large international telecommunications company headquartered in Shenzhen, China, made headlines in May 2020 with its development of a “NEW IP Framework.” The technical document proposed a new framework for a “future Internet protocol” to address shortcomings of the original Internet Protocol’s (IP) design and to “tackle aforementioned challenges and fulfill the requirements of future applications” (Huawei Technologies, May 2020). Huawei’s proposal for a new IP came amid increased Chinese government and company activity in the international standards-setting space—the forums in which technical experts introduce, develop, and adopt (or reject) voluntary, consensus-driven technical rules governing how the internet operates. Huawei’s NEW IP proposal thus underscores the need to better understand Chinese firms’ global advancement of internet standards, including the push to replace the use of open, interoperable, multi-stakeholder-driven protocols currently in use around the world.

Ongoing global contestation over the internet’s shape, behavior, and regulation does not just involve changes at the content level of the internet stack, even if changes to internet content are a stark example of how the internet’s behavioral functionality and user experience differ from one country to another. To give an example, changes at the content level of the stack could include legal prohibitions on accessing certain websites or technical prohibitions on accessing certain mobile applications in a given country. Technical standards are a central element of this contestation as well. Technical standards inform which internet policies are technologically feasible, and conversely, the alteration of technical standards can influence the feasibility of internet policies and practices. Surveillance, censorship, and internet control are all domains where the Chinese government has advanced repressive policies domestically. It is in this broader context that the Huawei NEW IP proposal, focused on internet standards alteration on the global level, merits further evaluation.
Open and Interoperable Internet Protocols

Internet standards are the technical, consensus-driven, and voluntary rules by which internet systems and devices operate and interact. These rules govern functions and processes like data routing, data formatting, computer interconnection, and traffic encryption. The use of agreed-upon rules by internet hardware vendors around the world—which develop home routers, internet switches, laptops, smartphones, tablets, servers, and other systems and devices—enables interoperability between devices that may otherwise be constructed differently and manufactured in different countries. Multi-stakeholder processes drive agreement on globally used internet protocols far more than specific government mandates or any kind of multilateral agreement. In other words, companies like Huawei play a role alongside academics, government experts, nonprofits, and other groups in formulating internet standards.

The Internet Engineering Task Force (IETF), a nonprofit based in California and formed in 1986, is the primary open standards organization that develops voluntary internet protocols of this kind. IETF’s standards development process is principally guided by five goals: technical excellence; prior implementation and testing; clear, concise, and easily understood documentation; openness and fairness; and timeliness (IETF, undated). Members participating in IETF processes review proposals that, once ultimately agreed upon, can be voluntarily put into place by internet companies around the world. In addition to members from academic, research, and nonprofit communities, internet companies are themselves often heavily involved in IETF standards development processes.
The International Telecommunication Union (ITU), a United Nations agency formed in 1865, is another organization that works on global technology standards. ITU specifically works to coordinate standards development and spectrum allocation for the telecommunications sector (ITU, undated). Its work is carried out across three “sectors” which organize its main areas of activity: radiocommunications, which encompass satellites and wireless broadband; standardization, or developing standards; and development, which includes expanding telecommunications into emerging markets and working to ‘bridge the digital divide’ between populations globally (ITU, undated).

Both bodies promote shared standards used by companies that impact the feasibility of internet interoperability as well as internet control policies in countries around the world. Yet the two bodies are also very different. Principally, IETF involves a range of business and academic stakeholders in the standards development process while the ITU is situated within the United Nations, a fundamentally state-driven and political organization.

Additionally, not all standards need be open and consensus-based. Internet standards can be closed, meaning they are not implementable (or easily implementable) by just any vendor that wants its devices to interoperate with those made by other vendors. With closed standards, a single company might have dominant or virtually exclusive use of a particular protocol. There are some Internet of Things companies now, for instance, which are developing their own proprietary protocols for connecting devices together. This can limit interoperability between hardware systems; consumers looking to switch their hardware from one vendor to another might face increased costs in merging new and old equipment.

The Chinese Government and the Future of the Internet’s Rules

The Chinese government has promoted the development of internet standards specific to the country that contrast with the aforementioned standards, which are voluntary and consensus-driven at the global level. Beijing’s domestic push for unique technology standards has focused in part on issues like the confidentiality of personal data, as addressed through China’s Personal Information Security Specification (TC260, January 30, 2019). However, government-pushed standards have also enabled greater state control over internet data flows and content dissemination through altering the protocols used to route data within China’s borders. These standards modifications have made state censorship and surveillance policies and practices more technologically feasible. Decisions made at the standards level of the internet therefore have important political effects.

The Chinese government has, of late, elevated its focus on a new suite of internet standards, including those to be promoted beyond its own borders. China’s Standardization Administration (SAC) and Ministry of Industry and Information Technology (MIIT) said in March 2019 that China will establish an industrial internet standard system by 2020 which will include internet resource management and industrial big data (China Daily, March 11, 2019). The chairman of Tencent Holdings, one of the most valuable multinational technology
companies incorporated in China, suggested in May 2020 that the Chinese government should accelerate its push for a domestic industrial internet standard set in addition to focusing on information security issues and cultivating an innovation ecosystem (China Daily, May 21). This fits into the continued discussion of “internet sovereignty” by Chinese government officials and thought leaders. Internet sovereignty refers to states’ desires to extend the traditional concept of sovereignty to apply to all aspects of the Internet within their own borders, implicitly paving the way for top-down controls on internet-related activities. [1] Alongside such countries as Russia, Iran, and Vietnam, China has been a forerunner in promoting the internet sovereignty movement worldwide. Its perspectives are exemplified by a “Sovereignty in Cyberspace” paper released in October 2019 by the China Institute of Contemporary International Relations, the Shanghai Academy of Social Sciences, and Wuhan University at the World Internet Conference in Wuzhen (China Daily, October 2019).

Chinese industry leaders and policymakers thus envision a strong role for the state in developing internet standards, relative to the comparatively smaller role that many other countries believe states should play in internet standards development. It’s worth noting, however, that the usage of terms as “sovereignty” do not carry the same meanings and implications in every country, so understanding the particular language used is also important.

NEW IP Framework

Huawei’s NEW IP document proposes a framework for a future internet protocol with three main features: “variable IP address in length to seamlessly support cross-network communication”; “semantic definition of the IP address to identify both physical and virtual objects”; and “user-defined IP header allowing end-users to specify customized functions to be performed on data packets.” This change to the IP is designed to support what Huawei calls “better and efficiently emerging network applications,” such as what it describes as “ManyNets,” and the global internet’s fragmentation into smaller networks “due to both technical and commercial evolutions.” The document notes that it is an initial work from which Huawei will attempt to “realize” and “validate” protocol designs in a network environment (Huawei Technologies, May 2020).

This document was submitted in 2019 to the United Nations ITU. While referencing “technical” and “commercial” reasons for the global internet’s fragmentation into many smaller and somewhat technically distinct networks, it noticeably did not make any mention of the state-driven reasons for so-called internet fragmentation, including the Chinese government’s push to domestically control the internet within its borders. Worth noting as well is a separate Huawei response to Financial Times reporting about NEW IP, stating that “New IP does NEITHER define governance models for the use of those technologies, NOR lead to ‘more centralized, top-down control of the internet’ (Huawei, undated). [2]
Because the United Nations’ ITU relies on state-driven processes with more explicitly geopolitical considerations at play—as opposed to multi-stakeholder processes of the kind used by the IETF—Huawei’s proposal to the ITU situates the new internet standards framework within a state-driven context. This aligns with the Chinese government’s beliefs in a state-centric approach to internet governance and technical development.\[3\] It also diverges from a decades-long multi-stakeholder process to internet standards development which has deliberately preferred a relatively hands-off state approach to internet standards.

RIPE NCC, a nonprofit regional internet registry based in Europe (one of just five regional internet registries globally), publicly opposed Huawei’s proposal for this reason in April 2020, arguing that such a proposal should be made via IETF processes, not via the ITU. RIPE said that “it has been made clear that the proponents envision departing from a number of key components of the current Internet architecture, in particular where it concerns addressing and forwarding.” It added that “[Huawei] depart[s] from the core philosophy behind TCP/IP and the later Internet: an open and flexible system that is much more the result of decades of evolution rather than a single master plan” (RIPE, April 22).

Also in April, the nonprofit Internet Society released a discussion paper that similarly raised concerns with Huawei’s NEW IP proposal to the ITU. It first placed the Huawei proposal in a broader context, referencing a September 2019 proposal by Huawei, China Mobile, and China’s MIIT for a “strategic transformation” of parts of the ITU that was aimed at reorienting standards development towards a future network. Then, it criticized...
the basis in Huawei’s paper for introducing a new IP framework. The Internet Society paper stated that “most of the problems” from internet interconnection agreements are “due to non-technical business, accounting and policy reasons. Defining a new protocol system will not resolve these problems.” Furthermore, “Creating a new protocol system to ‘solve’ a perceived interoperability problem adds another interoperability problem and because of increased complexity likely adds security and resiliency issues as well” (Internet Society, April 24).

Conclusion

All told, there remains debate about the exact nature of the relationship between the Chinese government and Chinese companies such as Huawei with respect to their activities in international standards-setting forums. Analysis of Huawei’s NEW IP Framework merits consideration within the broader context of Chinese government pushes for internet sovereignty domestically; Chinese government promotion of state-centric approaches to internet governance internationally; and future conflict areas between the IETF and the ITU where standards-forming is concerned.

Technical standards influence the feasibility of policy objectives on and around the internet, just as internet policies can influence technical standards that dictate internet systems and devices’ interactions. Political analysis of the internet cannot escape technical realities and vice versa. In light of Huawei’s NEW IP Framework and the Chinese government’s international activities on internet governance, this means that the ways in which internet standards are developed remain an important area for observation and analysis with continually growing political effects.

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Sino-Russian Cooperation in Outer Space: Taking Off?

By Richard Weitz

Introduction

China and Russia are the two most influential space players besides the United States. Whereas in the past NASA was Moscow’s partner of choice, many influential Russians now look to China as their main future partner. Sino-Russian cooperation regarding global positioning and navigation satellites, space exploration, and space security has been growing and will likely continue.

Image: Russian and Chinese delegates in talks in 2018 to cooperate on lunar and deep space exploration (Image source: Moscow Times).

From Fear to Favor

Many of China’s space exploration capabilities are based on former Soviet technologies. For example, China’s space launch vehicles originated from Soviet ballistic missile technologies, and China’s Shenzhou spacecraft resembles the design of the Russian Soyuz. Furthermore, the Soviet Union and, for a while, the Russian Federation provided early help to the PRC’s embryonic civil and commercial space program (Beiwei 40˚, May 3, 2016). For example, Russians trained some early Chinese astronauts, and Russian space launch vehicles launched several Chinese satellites. Nonetheless, for some two decades starting in the mid-1990s, the Russian government grew cautious about cooperating with China’s space program for fear of creating a formidable space competitor as well as antagonizing the United States, Moscow’s then-most important space partner.
In December 2006, the head of Russia's Federal Space Agency, Anatoly Perminov, announced that Russia, while willing to collaborate on scientific exploration missions, would no longer transfer space technology to China. Though Russia was still launching many more space vehicles that year than the PRC or the United States, Perminov observed that, "The Chinese are still some 30 years behind us, but their space program has been developing very fast," and “they are quickly catching up with us” due to enormous spending on the Chinese space program, which even by then had had a higher budget and a larger number of personnel than Russia (Taipei Times, December 28, 2006). As a sign of the seriousness of their concerns, the Russian Federal Security Service (FSB) had in the previous month arrested the general manager of the TsNIIMASH-Export Company for selling unapproved technology to the All China Import-Export Company of Precision Machine Building that China could use to create missile delivery systems (One India, May 25, 2007). In 2014, the Russian state corporation for space activities, Roscosmos, determined that Russia could not supply advanced rocket engines to China due to Beijing’s exclusion from the Missile Technology Control Regime (MTCR), a non-binding framework to restrict advanced missile technology transfers (Pravda, April 19, 2016).

Following the collapse of Russian-Western relations in recent years and Moscow’s resulting need to strengthen ties with China, the Russian government removed many of these restrictions and substantially expanded space collaboration with the PRC. The two governments signed a comprehensive intellectual property protection accord on space technologies on the sidelines of Putin’s visit to Beijing in 2016 as well as other agreements. (Parabolic Arc, June 29, 2016).
Russia and China have since been linking their satellite-based terrestrial navigation systems, the Russian Global Navigation Satellite System (GLONASS, ГЛОНАСС, Глобальная навигационная спутниковая система) and the Beidou (“Big Dipper”) Global Satellite Navigation System (北斗全球卫星导航系统, Beidou Quanqiu Weixing Daohang Xitong). These satellites support civilian and national security functions such as international navigation and communications as well as specific military applications such as precision conventional strikes.

GLONASS, consisting of approximately two dozen satellites, is the world’s second satellite network to provide comprehensive global positioning, navigation, and location services following the U.S. GPS system. Developed during the Soviet era, GLONASS has had its ups and downs since the advent of the Russian Federation. In recent years, the Russian government has faced renewed challenges in maintaining the expensive GLONASS network given the strains on the Russian budget following the imposition of comprehensive Western sanctions in 2014. The United States, Europe, Ukraine, and other countries have also applied further targeted sector sanctions on many of the key high-tech components that Russia used to build its GPS network. Additionally, many GLONASS satellites have exceeded their initially planned design life and will need to be replaced soon (Eurasia Daily Monitor, April 27).

One way Russian officials have sought to overcome these challenges is to integrate GLONASS with the Beidou constellation. In January 2014, the two countries established a senior-level “Russia-China Project Committee on Important Strategic Cooperation in Satellite Navigation” (中俄卫星导航重大战略合作项目委员会 Zhong-E Weixing Daohang Zhongda Zhanlue Hezuo Xiangmu Weiyuanhui) (Beidou Website, August 4, 2019). Although this covers civil cooperation, it is worth noting that global navigation satellite systems (GNSS) can also be used for reconnaissance and guidance of high-precision weapons.[1] Representatives of both countries have deepened their technical cooperation by signing additional data-sharing, joint development, and integrated testing agreements through annual meetings of the Committee and other engagements in subsequent years (China Brief, July 15; Xinhua, September 3, 2019). Russian officials profess to see the two navigation systems as harmonious; Deputy Prime Minister Dmitry Rogozin has stated that, “Our system is more suitable for northern, polar latitudes. The Chinese system is more southern. Their complementariness would result in a biggest and most powerful competitor to any navigation system” (RT, June 6, 2014).

Sino-Russian space cooperation has also extended to renewed scientific projects. In September 2017, Chinese and Russian officials adopted an outline for 2018-2022 China-Russia space cooperation which included moon and deep space development, special materials development, satellite systems cooperation, remote sensing, and spacecraft debris search (People’s Daily, April 17, 2018). Two months later, the two
countries signed an agreement to collaborate on the research of space debris, earth monitoring, and lunar exploration (Aerospace Technology, March 6, 2018). Chinese and Russian scientific bodies and companies have also agreed to cooperate on deep space exploration, create a joint data center, and purchase space technology from each other (CNSA (China), March 7, 2018). The PRC has purchased Russian spacesuits and RD-180 engines, while Russia has trained Chinese astronauts, launched Chinese satellites, and bought PRC micro radio electronics compatible with space travel (Moscow Times, June 8, 2018). In 2019, 15 aerospace project implementation agreements worth a total value of 8 billion yuan were signed under the framework of the Sixth China-Russia Engineering and Technology Forum.[2]

According to Rogozin, “China’s lunar program is practically impossible without certain supplies of equipment from Russia” (TASS, July 13, 2016). In an interview with the Global Times, Wang Yanan, deputy editor of Aerospace Knowledge magazine, also noted the complementarity of the two countries' civil space programs: “Russia’s space industry has faced various problems, especially brain drain and shortage of funds after the collapse of the Soviet Union. Russia could offer previous experience and aeronautic infrastructure and China could contribute new ideas and needed resources, which would also avoid overlapping investment on the same projects” (Global Times, February 8, 2018).

Sino-Russian Space Security Cooperation
For over a decade, PRC and Russian representatives have accused the United States and its allies of “militarizing space” by preparing to place weapons in orbit. For example, Russian Foreign Ministry spokesperson Maria Zakharova said that the establishment of the U.S. Space Force showed that Washington was “hatching plans for putting weapons in space with a view to the possibility of conducting combat operations there,” and warned that, “A military buildup in space, in particular, after the deployment of weapons there, would have destabilizing effects on strategic stability and international security” (TASS, June 20, 2018).

The Director of the Information Bureau of the PRC Ministry of National Defense, Wu Qian, charged Washington with exploiting “so-called military threats from other countries as an excuse” to create the Space Force and pursue “absolute military superiority in space,” which “severely threatens space security and global strategic stability” (PLA Daily, December 26, 2019). Foreign Ministry spokesman Geng Shuang accused the United States of “pushing its space dominance strategy, going further down the path of weaponization of outer space and risking turning it into a new theater of warfare” (MFA China, December 23, 2019). When the United States released its new U.S. Defense Space Strategy this June, Chinese media cited Sergey Savelyev, vice president of the Roscosmos State Corporation for Space Activities, who warned that the move would undermine Russian-U.S. cooperation and lead to a new space arms race. (People.cn, June 24).

Besides their joint denunciations of U.S. space policies, the Chinese and Russian governments have also supported each other’s space security priorities in multinational forums and collaborated to restrict U.S. military space activities through international legal limitations, restrictive norms and codes of conduct, and other arms control initiatives. At the UN Conference on Disarmament in Geneva, Chinese and Russian delegations have for years promoted a treaty banning military activities in space. China and Russia jointly submitted a draft Treaty on the Prevention of the Placement of Weapons in Outer Space and the Threat or Use of Force Against Outer Space Objects (PPWT) in 2008 (MFA China, February 12). Six years later, Beijing and Moscow introduced a revised treaty draft, retitled, ‘The Prevention of Placement of Weapons in Outer Space,’ with clearer definitions and scope and with more specified dispute resolution mechanisms. The text defined a “space weapon” as an object placed into orbit with the intent of harming other space objects (MFA China, June 16, 2014). The PRC and Russian governments later submitted a working paper in September that further explained their proposal and emphasized the importance of “no first placement” of weapons in space.

While Beijing and Moscow have both maintained they would not deploy space weapons first, they assert that they would respond if the United States did so (MFA China, August 28, 2018). The United States has opposed these Sino-Russian initiatives because they lack adequate means of verification; prevent neither R&D nor even the production of weapons as long as they are not placed in space; and have been unbalanced, prohibiting the non-explosive strategic missile interceptors favored by the United States while not constraining the ground-launched direct-ascent or co-orbital ASATs under development in China and Russia.
In October 2019, Russian President Putin revealed a significant upgrade in space security collaboration with China. In a speech at the annual meeting of the Valdai Discussion Club—which included a growing proportion of Chinese scholars and former policymakers—he announced that Russia had begun assisting the PRC in the development of a national means to detect the launch of foreign ballistic missiles: “We are now helping our Chinese partners to create a missile warning system. This is a very serious thing, that will drastically enhance the defensive capacity of the People’s Republic of China. As currently, only the U.S. and Russia have such systems” (TASS, October 3, 2019).

PRC experts praised the announcement as signs of growing mutual Sino-Russian political trust and cooperation (Global Times, October 14, 2019). The precise nature and extent of Russia’s assistance to China regarding missile early warning remains unspecified, but it could involve helping China develop improved space-based sensors, build better ground-based platforms, or the sharing of computer algorithms. Russian experts justify the collaboration as helping to advance international security by decreasing the risk of inadvertent nuclear war. Igor Korotchenko, the Editor-in-Chief of the National Defense journal, has argued that Sino-Russian cooperation “improves transparency and predictability and reduces the risks of wrong actions and mistakes by the Chinese military and political leadership” (TASS, October 4, 2019). Furthermore, since Russia is unlikely to render assistance for free, this new Sino-Russian space security cooperation should also provide another important PRC-related revenue stream for Russia’s military-industrial complex.

**Conclusion**

We might expect China and Russia to expand their satellite partnership beyond the Beidou-GLONASS connection. In December 2019, Putin announced that Russia aimed to build a “high-speed telecommunications system” in geosynchronous orbit (TASS, December 4, 2019). This will prove an expensive and technologically challenging proposition for Russia’s weakened space launch program. Until recently, Russia earned substantial revenue by conveying U.S. astronauts to the International Space Station (ISS), selling rocket engines to the United States, and launching satellites for private companies and other countries, but these markets are being undercut by the rise of U.S. commercial space launch companies. Moreover, due to their limited number of commercial communication satellites (COMSATS) the Russian armed forces have had to launch a much larger number of military COMSATS than China, which has built more Earth-observation satellites (Defense News, April 2). Russia could choose to rely more on Chinese financing, technology, or satellites in the future to compensate for these deficiencies. Ongoing Sino-U.S. tensions in space will likely encourage the PRC to embrace such opportunities. A commentary in People’s Daily said that the Beidou-GLONASS partnership, as well as the broader Sino-Russian collaboration in outer space, bears the potential to “break the U.S. ‘hegemony’ in satellite navigation” (People’s Daily, April 17, 2018).
Russia could also use China’s help in relaunching its civilian space exploration program, which has cancelled or postponed many planned projects. Such collaboration could include Russian participation in China’s planned space stations, super-heavy space launch vehicles, or the PRC’s ambitious lunar and inter-planetary research and resource exploitation program. In July 2020, China and Russia preliminary agreed to construct a joint lunar base (TASS, October 12). It is also possible that the challenge of China surpassing Russia in the number and scale of satellite and space vehicle launches, as well as the revitalization of the U.S. space program, will finally reenergize Russia’s independent space efforts.

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Notes

[1] See: “Sino-Russian Dialogue 2020（中俄对话——2020模式）", Institute of international studies, Fudan University, Russian Commission on international affairs and Russian Academy of Sciences Far East Studies, July 2020, p. 20., (Unofficial Translation), http://www.iis.fudan.edu.cn/b7/b7/c6840a243639/page.htm. This is an annual report published by joint research project team between the two countries.

[2] Ibid.

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Introduction

The People’s Republic of China (PRC) is set to begin construction on a final strategic stretch of railway between Ya’an city in the southern province of Sichuan and Nyingchi (Linzhi) city in the Tibet Autonomous Region (TAR, also commonly referred to as Tibet). The Ya’an-Nyingchi railway line (628 miles) comprises the middle sector of the Sichuan-Tibet railway line project (1,012 miles) which links the prefecture-level provincial capital cities of Chengdu and Lhasa. With the Chengdu-Ya’an section (87 miles) of the railway line complete and operational since December 2018, and the 270 miles of the Lhasa-Nyingchi stretch expected to be ready for use next year, the Ya’an-Nyingchi leg remains the only one left to build. This last phase is also anticipated to be the most difficult, due to complex geological conditions and a fragile ecological environment, Additionally, the Ya’an Nyingchi railway section will run through one of the world’s most active seismic regions (The Tribune, November 8). Construction is expected to take ten years, finishing in 2030 (Global Times, November 8).

Image: A photo from the groundbreaking ceremony for the Ya’an-Nyingchi railroad section, taken November 8. (Image Source: Xinhua)

When completed, the Chengdu-Lhasa railway will hook Tibet onto China’s massive rail network. It will be the second railway line to do so; a railway connecting Qinghai province’s Xining city and Lhasa began operations...
in 2006. Completion of the Chengdu-Lhasa railway project is important for the Chinese government. Speaking ahead of the project’s commencement, Chinese Communist Party (CCP) General Secretary Xi Jinping highlighted the railway’s importance, describing it as “a major step in safeguarding national unity and a significant move in promoting economic and social development of the western region” (Xinhua, November 8). Xi emphasized the key role that the project plays in the CCP’s plans for governance of the TAR and its strategy for securing national unity and stability in the border areas, and accordingly called for workers to speed up work on the Ya’an-Nyingchi line while carrying out construction in a “scientific, safe, and eco-friendly way” (Ibid).

The Sichuan-Tibet railway’s completion will no doubt bring economic benefits to the historically underdeveloped TAR, but it will also heighten already-complex regional tensions. Some Tibetans fear that more railway lines into Tibet will facilitate the plunder of natural resources by Beijing. The increased influx of Han Chinese migrants and tourists into Tibet is also expected to further impact local demography and culture, already under threat by China’s decades-long “Sinicization” policy (Beijing Review, August 31; VOA, September 3; see also China Brief, September 22). There is concern in India that the Chinese trains, which are poised to reach the disputed India-China border region soon, will further inflame the border conflict between the two nuclear powers that was rekindled earlier this year.

**Economic Benefits of Overland Connectivity to China**

The building of overland connectivity infrastructure into and within Tibet has been a central component of China’s strategy in the region that dates back to the 1950s. In the early decades, the Chinese government focused on road construction as a way of opening up the region. Prior to the annexation of Tibet, Chairman Mao Zedong is said (perhaps apocryphally) to have ordered the People's Liberation Army (PLA) to “advance while building roads.” Improving overland connectivity into Tibet was necessary to transport the truckloads of PLA soldiers needed to put down local unrest and consolidate the PRC’s military and administrative control over Tibet. Its importance was seen as being equivalent to combat and undertaken with a similar aggression. [1] By 2018, China had built over 59,000 miles of roadway in Tibet (Xinhua, February 7, 2018). Chinese analysts today continue to highlight the role of infrastructure and road building for preserving China’s national unity (Indian Defence Review, August 6, 2016).

China’s railway building in Tibet began in 2001, and has gathered pace with the successful construction of the Qinghai-Tibet railway line in 2006. This line was subsequently extended to Xigaze (Shigatse) in 2014. In the decade and a half since its completion, the line has reaped economic benefits for both Tibet and the rest of China. China transports water and minerals from the resource-rich TAR to drought-stricken provinces in western and central China. At the same time, the railway has provided increased access to Chinese markets for Tibetan goods. Transport of goods into Tibet by train has become more cost effective, making essential commodities and consumer durables more affordable for many Tibetans. This has contributed to improving living standards overall. The increased ease of train travel has also boosted Tibet’s growing tourism industry.
Between 2006 and 2014, Tibet’s GDP had an annual growth of more than 10 percent (China Daily, August 28, 2015; DNA, August 16, 2016; and Business Standard, December 28, 2016).

Chinese analysts have emphasized the similar benefits promised by the Chengdu-Lhasa line. The Sichuan-Tibet rail link would enable the transport of advanced equipment and technologies from other parts of China to Tibet and put the TAR on a “fast track” to catch up with the economic development of the rest of China—a crucial goal, as the Chinese leadership has prioritized poverty alleviation as a major goal (Xinhua, September 25; Global Times, October 31).[2] Indeed, the Sichuan-Tibet railway line is expected to create even more value than the existing Qinghai-Tibet railway. Qinghai’s economy is among the poorest of China’s 33 provinces; according to the National Bureau of Statistics, its accumulated wealth this year was the second lowest nationally, ahead of only Tibet (National Bureau of Statistics, undated). The new railway will connect Tibet to the central and eastern parts of China, including highly developed and wealthy regions such as the Yangtze River Economic Zone and the Guangdong-Hong Kong-Macao Greater Bay Area (Global Times, October 11, 2018).

Image: An artistic representation of the Qinghai-Tibet rail line (blue) and the Sichuan-Tibet Rail line (dotted red), both shown terminating at Lhasa. (Image Source: World Journal).

Beijing Eyes ‘Border Stability’

Border tensions between China and India were renewed this summer, when violence broke out along the LAC in eastern Ladakh (China Brief, July 15). India is concerned about the strategic motivations that underlay China’s construction and extension of railway lines along the border region, which is de facto marked by the Line of Actual Control (LAC). Chinese analysts have not been shy to point out that in the event of a war with
India, the Chengdu-Lhasa railway line will help with the “delivery of strategic materials” right up to the disputed Sino-Indian border (Global Times, October 31).

Although the summer’s violence has died down, repeated rounds of negotiations have so far failed to yield an acceptable compromise and forces on both sides appear to be digging in for a long winter (The Print (India), September 20; SCMP, October 12). In addition to building up troop numbers along the border, satellite imagery also appears to show continued construction activity by Chinese forces shoring up their position along the LAC (NDTV, November 30; India Today, December 1).

India and China both claim large chunks of territory under the other’s control: in the western sector of the LAC, India claims around 14,670 square miles territory in the province of Aksai Chin and another 1,930 square miles in the Shaksgam Valley of Pakistan Occupied Kashmir (also referred to as the Trans-Karakoram Tract), provisionally put under Chinese control in 1963. China claims a total of around 35,000 square miles of territory along the eastern sector of the LAC, which it considers to be part of the historic territory of Tibet. This territory is currently administered under the Indian state of Arunachal Pradesh.

The Chengdu-Lhasa railway line runs dangerously close to this last contested region. Nyingchi—the terminus city of the railway’s last section to be completed—is located less than 10 miles from the LAC, just north of India’s Tuting sector in the Upper Siang district of Arunachal Pradesh. In the event of a border conflict between China and India in the eastern LAC, the new railway line would allow the PLA to swiftly mobilize trainloads of soldiers directly to the frontline.
Originally a garrison town in southeastern Tibet, Nyingchi is currently home to the PLA’s 52nd and 53rd Mountain Infantry Brigades as well as one of Tibet’s four dual-use airports. Beijing has dedicated substantial resources to building up the connective infrastructure that links the border city with the rest of China. The completion of a 254 mile highway between Lhasa and Nyingchi in 2017 cut travel time between the two cities from eight to five hours (Xinhua, October 1, 2017). Once trains begin arriving at Nyingchi from Lhasa next year, the trip will only take three hours. From the other direction, the trip from Chengdu to Nyingchi will be shortened by roughly two thirds (Business Standard, November 2).

Alongside its construction of connectivity linkages, China has also been beefing up its military infrastructure at Nyingchi. Satellite images reveal that the airport and helipads have been upgraded over the past few years. Barracks and sheds to accommodate large numbers of troops, armored vehicles and other equipment are also being built (India Today, July 1).

In addition to the planned route to Nyingchi, China is also extending its railroads to other border towns in Tibet. In 2018, China and Nepal signed agreements to cooperate on plans to extend the existing Lhasa-Xigaze line to Gyirong, a trading town near the border with Nepal, and to connect this line to Nepal’s capital city of Kathmandu (China Daily, June 22, 2018). There are also plans to extend the Lhasa-Xigaze railway line southwards to Yadong, although these appear to have been delayed (China Daily, June 29, 2006). A trading town near the strategic Nathu La mountain pass that runs between Tibet and India in the eastern sector of the LAC, Yadong is also close to western Bhutan, where China has territorial claims in the Doklam plateau.[3]  

**Economy or Territory?**

Chinese officials have often claimed that the railway lines to the Tibet-Indian border are aimed at developing the economies of remote areas, and the central government has encouraged more prosperous provinces to invest in places like Nyingchi. Guangdong province, for instance, is investing in 51 projects worth $78 million in Nyingchi this year. China has repeatedly touted the economic benefits of such infrastructure building, which is expected to boost local tourism, open up employment opportunities for locals and increase income for farmers and herders (China Daily, June 11). Chinese state media has also frequently portrayed the Lhasa-Xigaze railway link as a means for accessing the Nepalese and Indian markets, overlooking its dual use military purposes and omitting discussions of the negative implications for India-China border security (Global Times, May 24, 2016).

Although Indian analysts recognize that the Chinese railways could boost regional trade, they are skeptical that such trade will actually benefit India (China Brief, September 13, 2016). Additionally, the recent escalation of tensions along the LAC—particularly along its western sector since May this year—has made India more sensitive to the role that railroads would play in the PLA’s mobilization of troops to the border. Indian observers have not overlooked the fact that many of the towns along the LAC where Chinese trains
are planned to arrive have been the site of major crises and face-offs between the PLA and Indian security forces in the past.

Yadong, for instance, is located near Doklam, where Indian and Chinese forces were locked in a 73-day standoff in 2017. Shortly after the Doklam crisis, Chinese soldiers trespassed onto the Indian side of the LAC in Arunachal Pradesh. Nyingchi is not far from where the point of intrusion occurred. Indian media reports characterized this as a Chinese attempt to open a second front against India (Times of India, January 10, 2018). Future Chinese intrusions at these points could be orders of magnitude larger, with the PLA shipping troops to the frontlines by train.

Conclusion

This year has seen renewed Chinese efforts to assert control across a variety of sovereignty issues ranging from the crackdown on political autonomy in Hong Kong to overt clashes with Japan, Malaysia and Vietnam over hydrocarbon exploration and fishing rights in the South China Sea. Some western observers fear that as China is strengthened by a strong economy (contrasted with ongoing global turbulence due to the COVID-19 pandemic), it may be taking advantage of opportunities to assert itself by building infrastructure and "changing facts on the ground," cementing its position in disputes over contested territory while its opponents are distracted.[3] In 1962, the building of roads into Tibet emboldened China to wage a border war against India. There is concern in India now that with its railway network into and within Tibet expanding, and railway lines poised to soon reach the LAC, Beijing may feel emboldened to flex its military muscles more resolutely to unilaterally alter its border with India.

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[2] Since the country’s founding, China’s economic development has been weighted towards its richer east coast. After nine counties in China’s southwestern Guizhou province were declared poverty free, Chinese officials claimed on November 23 that they had successfully eliminated “absolute poverty” nationwide and achieved one pillar of the CCP’s stated aim to build a “moderately prosperous society” ahead of the party’s hundredth birthday in 2021. See: James Ariddy, “China Says It Has Met Its Deadline of Eliminating Poverty,” Wall Street Journal, November 23, 2020, https://www.wsj.com/articles/china-says-it-has-met-its-deadline-of-eliminating-poverty-11606164540.

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China’s Pandemic Public Opinion Warfare Alienates Global Audiences

By TS Allen

Introduction

Leaders of the People’s Republic of China (PRC) recognize that to attain a more prominent position in global affairs, they must be both more feared and more loved. They consider success in international ideological competition critical to achieving their foreign policy aims. As commentary published in the most important Chinese newspaper reminded readers this summer: “The main front of external propaganda is the international public opinion field [which is] dominated by overseas social media” (People’s Daily, August 25).

China has sought to take advantage of the COVID-19 pandemic in order to improve its reputation abroad, presenting its success at controlling the coronavirus as a model for foreign emulation and a validation of the Chinese Communist Party (CCP)’s rule. However, these efforts have backfired. China’s failure to convince global audiences that it has triumphed over COVID-19 highlights the structural weaknesses of its propaganda apparatus, which remains ineffective at shaping global public opinion.

Image: Foreign ministry spokesperson Zhao Lijian gives a press briefing on May 11. Along with his boss, Hua Chunying, Zhao has become one of the most visible and vocal members of a new generation of “wolf warrior” diplomats. (Image source: PRC Ministry of Foreign Affairs).

A Disastrous Year for China’s Global Reputation

The best evidence that China’s propaganda machine is dysfunctional is that it has failed to achieve results in its battle for hearts and minds around the world. A Pew Research Center Survey conducted in June, July and
August of this year found unprecedentedly negative views of China in every one of the fourteen countries studied, with an average of about three-quarters of those surveyed overall having a negative view of China (Pew Research Center, October 6). Official Chinese sources have not discussed the survey in detail, although the Chinese Foreign Ministry publicly responded with whataboutism, reminding journalists in a daily press briefing that the United States was also unpopular according to the survey’s results (PRC Ministry of Foreign Affairs, October 9). Chinese English-language propaganda claimed that the survey accurately reflected global negative attitudes towards China, but dismissed those attitudes as the result of “inherent prejudice” stoked by the U.S. (Global Times, October 8).

Given that China considers overseas social media the “main front” of international public opinion, part of the reason for this global disapproval may be China’s failure to influence foreign social media. This was highlighted in September, when the People’s Liberation Army (PLA) Air Force released a nationalistic propaganda video entitled “The God of War H-6K Goes on the Attack!” which simulated nuclear bombers attacking the U.S. Pacific island of Guam (PLAAF Sina Weibo, September 19). The video provoked international laughter, however, because it included clips stolen from Hollywood films including Transformers and The Rock (BBC, September 21). Chinese propagandists fumbled again in October, when they attacked the hit South Korean boy band BTS for public remarks highlighting the close alliances between the US and South Korea on the anniversary of the Korean War. Global Times accused BTS of “hurting the feelings of the Chinese people,” a stock phrase of Chinese propaganda (Global Times, October 11). China’s social media influence pales in comparison to Kpop’s, however, and BTS’ famously hyperactive fans began harassing netizens until China withdrew the article (Yonhap, October 13; JoongAng Daily, October 13).

Another manifestation of China’s effort to win hearts and minds has been its “wolf warrior diplomacy,” best summarized as an effort by Chinese diplomats to enhance their increasingly coercive and threatening diplomatic efforts by being undiplomatic on social media (Australian Strategic Policy Institute, September 1). The number of Chinese government and diplomatic accounts on Twitter doubled in the first half of 2020, despite Twitter being banned in China (Alliance for Securing Democracy, May 20). Chinese officials have had a field day pushing conspiracy theories, some of which appear to have stepped beyond the authorized Party line. Most infamously, in March the Chinese foreign ministry spokesperson Zhao Lijian, who is one of the loudest “wolf warrior” diplomats, falsely suggested on his personal Twitter account that the U.S. created COVID-19 as a bioweapon (@zlj517, March 12th). Zhao was publicly rebuked by his superiors, then held a press conference to apologize, then had his apology deleted by censors (Sinicism, April 7). While the tea leaves on Zhao’s conspiracizing are hard to read, signs indicate that many of Chinese diplomatic elite consider wolf warrior diplomacy to be counterproductive. Notably, former vice-foreign minister Fu Ying issued a veiled rebuke to China’s wolf warrior diplomats in the People’s Daily, writing: “The international discourse power of a country not only refers to its right to speak in the world, but also refers to the effectiveness and influence of its discourse” (People’s Daily, April 2). Zhao, however, continues to alienate foreign audiences. Last week he tweeted a doctored image portraying an Australian soldier murdering an Afghan child in response to a report on war crimes perpetrated by Australian special forces, which the Australian Prime
China’s so-called “mask diplomacy” has proven equally disastrous throughout the pandemic. China produces most of the world’s personal protective equipment, so it should have had a unique store of leverage to build up goodwill during the pandemic. While China’s initial propaganda related to COVID-19 was haphazard and reactive, in March its messaging coalesced around the central theme that “China’s methods for handling the pandemic are being promoted as a model for other countries of the world to follow” (Zignal Labs, March 24; CCP Watch, April 13). However, the CCP squandered this opportunity by demanding foreign states thank China for the gift of essential medical equipment using absurd language, exaggerating its modest contributions, sending dysfunctional material abroad, and generally taking a transactional approach to aid (BBC, March 30; Formiche, March 30; Axios, April 1). After a flurry of propaganda about China’s generosity in March, Chinese propagandists laid off this message in April, as international audiences were responding negatively (Stanford Internet Observatory, June 16). Chinese diplomats have continued to attempt to push a “China model” for pandemic response, but as the Pew surveys demonstrated, it is not attractive to many (CCP Watch, April 3).

Why Chinese Propaganda Fails

China’s propaganda organs suffer from several structural weaknesses. The root of their problems is that China’s concept for propaganda is a Maoist relic which is unsuited to the information age. Since CCP General Secretary Xi Jinping took power in 2012, China’s approach to propaganda has taken an increasingly hard line and regularly harkens back to Mao Zedong’s renowned 1942 Yan’an Forum on Art and Literature (China Brief, December 5, 2014). The Chinese leadership outlined their current approach to ideological competition most clearly in a leaked 2013 internal memo, “Communiqué on the Current State of the Ideological Sphere,” circulated by the General Office of the CCP Central Committee and commonly referred to as Document 9. It stated in no uncertain terms that all members of the CCP must oppose civil society, universal values and independent journalism, and directed cadres to struggle on the “ideological battlefield,” broadly in line with China’s concept of public opinion warfare and century-old Leninist concepts of ideological struggle (China File, November 8, 2013; see also China Brief, August 22, 2016). Chinese rhetoric about soft power (软实力, ruanshili) and learning foreign stratagems has been merely window dressing around the unyielding Marxist-Leninist approach to information articulated in Document 9, which declares that China must respond to foreign influence with state-controlled propaganda.

Because of their ideological biases, Chinese propaganda writers struggle to produce content which resonates with global audiences. They are divorced from global perceptions of reality by the comprehensive censorship of China’s Great Firewall and further blinkered by China’s totalitarian ideology. The oppressive jargon they use has been characterized as “New China Newspeak” by the sinologist Geremie Barmé, or more simply as “diseased language” by the sociologist Anna Sun.[1] This kind of language is inelegant in Chinese and is
even worse in translation. It is punctuated by inane slogans, exemplified by frequent references to Australia as America’s “running-dog” (美国走狗, *meiguozougou*) and claims that Westerners have “hurt the feelings of the Chinese people” (伤害中国人民的感情, *shanghaimezhongguorenmindeganqing*). It is even inadequate to describe Chinese successes, as demonstrated by awkward headlines such as: “Chinese Embassy’s humorous satirical taste delights social media users” (*Global Times*, May 16). International audiences do not find this language engaging. As a result, fully 80 percent of stories published by China’s flagship English-language propaganda outlet, Global Times, in early 2020 generated zero Facebook engagement, according to an analysis by the Foreign Policy Research Institute (*FPRI*, May 8).

China tries to manipulate social media platforms, but it fails there too. The tactics that work on censored domestic Chinese sites like WeChat and Weibo fail spectacularly on global platforms like Facebook and Twitter, where audiences have different tastes and are less vulnerable to manipulation (*Nikkei Asia*, October 24 2019). As the Stanford Internet Observatory (SIO) noted in a recent report, compared to Russia, China’s ecosystem of patriotic trolls and paid contactors “have resulted in unsophisticated accounts, far less engagement [than Russian efforts], and no clear influencer amplification” (*SIO*, July 20). Networks of Chinese bots taken down by Twitter in 2019 and 2020 mostly consisted of poorly-developed accounts with less than ten followers (*Twitter*, August 19, 2019; *SIO*, June 11). Analyst Jordan Schneider concluded in a meta-analysis of Chinese information operations that “China has no idea how to run a Twitter network,” noting that its work is “hidebound by prescribed talking points” and that most tweets from accounts associated with Chinese trolls generate zero engagement. Schneider added that Chinese botnet managers seem to be corrupt, as they often push porn and cheap merchandise for profit in addition to pro-Chinese propaganda (*ChinaTalk*, October 29). YouTube channels that have been deleted for spreading Chinese propaganda are similarly ineffective, attracting modest audiences with mediocre spam (*Google Threat Analysis Group*, August 5). The largest attributed Chinese influence campaign, named “Spamouflage Dragon” by researchers at social media analytics firm Graphika, spread videos that were “clumsily made, marked by awkward and automated voice overs” and had few followers (*Graphika*, August 12). Earlier this year, Spamouflage Dragon launched an anti-Trump page that demonstrated its clumsiness, attracting zero followers over four months despite grasping at low-hanging fruit (*Graphika*, September 22).
Chinese Propaganda is Still Effective Domestically

In stark contrast to the many failures of China’s international propaganda efforts, Chinese efforts to shape public opinion at home are mostly successful. By censoring discussion of COVID-19 long before they warned the Chinese population about it, lying about the number of pandemic-related deaths in China, and incessantly praising themselves for exaggerated triumphs, the CCP has brainwashed the Chinese people into thinking the “China model” is more effective than it is (Citizen Lab, August 25; Congressional Research Service, May 13). A multi-national survey by Blackbox Research found that 85 percent of mainland Chinese citizens approved of their governments’ handling of pandemic response as of May—a global high (Xinhua, May 6). The clearest evidence that this popularity has more to do with the Communist Party’s words than its deeds is that Hong Kongers, who have access to more varied and accurate information than mainlanders, give the
same government a 27 percent approval rating, representing one of the lowest of any population surveyed (South China Morning Post, May 6).

Conclusion

This increasing disconnect between China and the world is dangerous. It is most risky for the U.S.-China relationship, where misunderstanding and disagreement on basic facts could contribute to escalatory dynamics. Here the outlook is grim: within China, both official and popular views of the U.S. are now unprecedentedly negative (Recorded Future, March 30; Eurasia Group Foundation, April 2020). Meanwhile, American antipathy towards China has reached records highs, with nearly 3 out of 4 Americans blaming the CCP for its role in spreading the pandemic (Pew Research Center, July 30; Morning Consult, May 8). Nonetheless, the Chinese government does not appear to be particularly reflective about the weaknesses and dangers of its propaganda ecosystem. If China continues to prove effective at stirring up nationalism behind the Great Firewall while shouting ineffectively at global audiences, this disconnect is only likely to grow.

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