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Winter Coal Shortages Reveal Chinese Energy Vulnerabilities

By Elizabeth Chen

Introduction

Amid record-breaking cold winter temperatures in December, provinces across the People's Republic of China (PRC) struggled with the worst electrical blackouts seen in nearly a decade ([OilPrice](#), January 8). More than a dozen cities across Zhejiang, Hunan, Jiangxi, Shaanxi, Inner Mongolia, and Guangdong provinces imposed limits on off-peak electricity usage in early December, affecting city infrastructure and factory production. Analysts expect power shortages to persist through at least mid-February ([SCMP](#), December 23, 2020). Officials have repeatedly assured the public that residential heating would not be affected and that China's electrical supply remained "stable" and "sufficient," even as energy spot prices continued to rise into the new year.



Image: A picture taken of streetlights extinguished along Chouzhou North Road in Yiwu, Zhejiang Province due to temporary power outages on December 17 was widely shared on Chinese social media (Image source: [21st Century Business Herald](#)).

In one concerning sign, coal power plants outside of Beijing restarted production at the end of the year to supply the city's increased winter heating demands after being put into reserve in 2017. China's capital had previously been "coal-free" for three years ([Twitter](#), December 29, 2020). During an executive meeting of the State Council on January 8, Chinese Vice Premier Li Keqiang signaled the central government's prioritization of energy security, declaring, "we must give priority to ensuring the people's safety and warmth through the winter, and intensify efforts to ensure energy security and stability" ([State Council](#), January 9).

The proximate causes for China's electricity shortages differed across provinces. Overall, coal production stoppages and reduced imports combined with higher-than-usual industrial production and seasonal heating needs contributed to restrict the domestic coal supply and send prices skyrocketing ([Caixin](#), December 28, 2020). Coal usually fuels more than half of China's electricity production; this winter, China's coal shortages have put increased pressure on its oil and natural gas supplies as well ([OilPrice](#), January 7). A lack of adequate national gas storage facilities has failed to keep up with demand even as an increasing number of users are planned to transfer their heating needs from coal to gas in order to meet decarbonization goals set under the 13th Five Year Plan (2016-2020) ([Yicai](#), December 24, 2020). In summary, a combination of factors have contributed to stretch China's energy supply this winter, resulting in historic power shortages causing widespread concern. This has come just as the country has tried to establish itself as a "self-reliant" global powerhouse and undermined its narrative of successfully recovering from the ongoing COVID-19 pandemic.

A Variety of Causes

Higher Industrial Output, Seasonal Heating, and Equipment Failures

In November, China reported a startlingly high export growth of 21 percent compared to the previous year, capping off six months of continuous export growth as domestic industrial production benefited from coronavirus lockdowns elsewhere in the world ([SCMP](#), December 7, 2020). The industry group China Electricity Council (CEC) predicted that China's total electricity consumption would increase by 2-3 percent in 2020 even after accounting for the impact of shutdowns earlier in the year ([CEC](#), November 11, 2020). This growth demonstrates the remarkable energy requirements necessitated by Chinese economy recovery from COVID-19, which has been spurred by government investments in so-called "new infrastructure" (新型基础, *xinxing jichu*) and industry ([World Resources Institute](#), September 10, 2020). International energy analysts have observed that the recovery so far has been more "brown" than "green" and could set back national goals for becoming a carbon-neutral state by 2060.[1]

The early onset of an unusually cold winter also contributed to boost energy consumption at the end of the year, with the energy consulting group Wood Mackenzie estimating that China's demand for thermal coal was 12 percent higher year-on-year in December ([AFR](#), January 6). Throughout December, representatives from the National Development and Reform Commission (NDRC) repeatedly attributed the winter surge in electricity demand to the severe cold weather and high industrial growth (Xinhua: [December 16, 2020](#); [December 21, 2020](#)).

Power shortages in southern provinces such as Hunan and Jiangxi followed record high year-on-year monthly industrial output increases of 7.4 and 7.9 percent, respectively, which overloaded local grid capacities. In Hunan, supply was also constricted by the recent shut down of two coal power plants which suffered equipment failures ([The Paper](#), December 21, 2020). Production by hydropower plants was impacted by summer flooding and winter icing, further restricting the province's electricity supply ([China Brief](#), July 29, 2020; [Straits Times](#), December 24, 2020). In Guangdong province, equipment failures at local power plants reportedly affected electricity and water supplies, forcing factories in major industrial cities such as Shenzhen, Zhuhai and Dongguan to scale back production ([RFA](#), December 21, 2020; [Power Magazine](#), December 24, 2020).

In Zhejiang province, power rationing in early December was imposed due to artificial constraints. Multiple city governments instructed public departments to limit electricity use in order to meet annual carbon emissions targets aimed at limiting energy use and improving energy efficiency ([Sixth Tone](#), December 15, 2020). Following rebuke from the central government, provincial authorities walked back restrictions on power usage. A spokesperson from the NDRC took pains to underscore the correction, saying, "There is no shortage of power supply in Zhejiang" ([Caixin](#), December 28, 2020).

Mining Production Shortages and Systemic National Supply Problems

Although China has announced ambitious goals to become a carbon-neutral country by 2060, it currently relies on coal for the majority of its energy consumption ([China Power](#), August 26, 2020). A renewed focus on the need to ensure energy security amid increasing global tensions (most notably with Australia) will likely also drive China to increase its reliance on coal in the near term (see [1]; [IEA](#), June 2020).

Domestic coal mines had their operations impacted by the pandemic and were ill-equipped to deal with the surge in energy demand ([Yicai](#), December 15, 2020). Chinese media reported that some mines hit their annual production caps by the end of October, even as demand for coal continued to rise ([Futures Daily](#), December 24, 2020). Following a series of high-profile mining accidents and anti-corruption probes, national authorities moved to tighten scrutiny over local mining operations and slowed down production ([Bloomberg](#), December 10, 2020; [SCMP](#), December 23, 2020). After the NDRC's intervention to lift national targets for coal production in December, daily output of coal reportedly rose by 16 percent over the year's average production levels ([SCMP](#), January 5).[2]

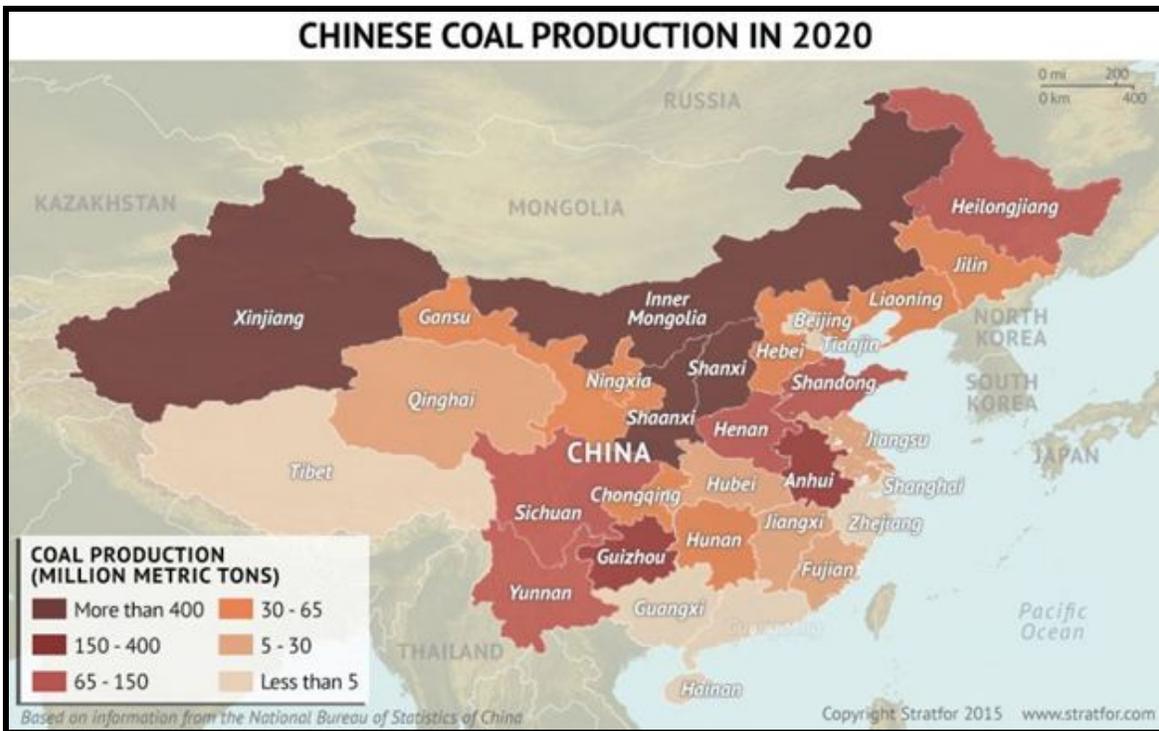


Image: The map shows relative densities of coal production across China's provinces, based on extrapolation from 2015 data (Image source: [Stratfor](#)).

While China's coal industry typically suffers from an overcapacity problem, its eastern and southern industrial base is comparatively undersupplied. The major coal-producing western provinces of Shanxi, Shaanxi, and Inner Mongolia should have been able to produce enough to avoid power shortages nationwide. But the aforementioned supply shortages this year were compounded by China's underdeveloped national electricity transmission systems ([Philip Andrews-Speed](#), December 24, 2020).

Impact of Australian Coal Bans

In November, China reportedly banned Australian coal imports after months of informal import quota restrictions, affecting more than \$540 million in coal shipments stuck off the coast of China since October ([Sydney Morning Herald](#), December 14, 2020). While foreign media reports have frequently tied China's ban on Australian coal to ongoing bilateral tensions, Bloomberg has reported that China's restrictions on coal imports could also have been due to domestic lobbying.[3] Officials from less developed western provinces such as Shanxi, Shaanxi, Inner Mongolia and Xinjiang have long argued that China's domestic coal industry plays a "foundational role" in building energy security and stabilizing power supplies. Their views have gained support as China has grown increasingly isolated this past year.

In combination with continuing coal export restrictions from Mongolia due to Covid-19, the Australian ban caused Chinese coal imports to fall by almost 50 percent in November, representing a seven-month decline ([China Brief](#), November 12, 2020; [Caixin](#), December 15, 2020). Chinese officials have repeatedly denied the impact of the Australian bans on the winter power outages, and analysts have observed that Australian coal in previous years made up less than 7 percent of China's domestic coal supply—and so should have little bearing on the current shortages ([Global Times](#), December 16, 2020; [SCMP](#), December 23, 2020). But it is difficult to believe that there is no connection between the two ([News.com.au](#), January 10).

Conclusion

A white paper titled "Energy in China's New Era" published on December 21 underscored China's continued prioritization of "developing high-quality energy in the new era" and deepening the green reform of China's energy system ([SCIO](#), December 21, 2020). But even as the central government has moved forward with the February launch of a long-awaited emissions trading scheme (ETS) to curb carbon production, it is still grappling with the basic tasks of ensuring energy security ([SP Global](#), January 6) and keeping spot prices for coal, oil, and gas down.

In response to the December power shortages, the NDRC increased coal and gas production quotas, while the NEA ordered state power grids to optimize operating procedures and increase supply ([Gov.cn](#), January 8; [China Daily](#), December 19, 2020). The NDRC also reportedly gave power plants approval to import coal "without clearance restrictions (except for Australia)" in mid-December in an apparent bid to stabilize prices ([Twitter](#), December 12, 2020; [SCMP](#), December 16, 2020). Given that China's power consumption growth is

expected to hit a three-year high in 2021, China's leadership will struggle to prioritize the stabilization of electricity supplies for industrial production and heating amid an unusually severe winter, and its efforts are likely to come into direct conflict with competing political priorities to reduce foreign energy dependence while simultaneously achieving ambitious decarbonization goals ([SX Coal](#), December 22, 2020).

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Notes

[1] In September Xi Jinping declared that China would become carbon neutral by 2060 in a video statement to the UN General Assembly ([Xinhua](#), September 23, 2020). But the National Energy Administration (NEA) relaxed restrictions on expanding coal power capacity this year, and permits were approved for 17 gigawatts (GW) of new coal projects in the first half of 2020. By comparison, 12GW of new construction was permitted in the previous two years combined ([China Dialogue](#), November 25, 2020). See also: "Coronavirus: Tracking how the world's 'green recovery' plans aim to cut emissions," *Carbon Brief*, June 16, 2020, <https://www.carbonbrief.org/coronavirus-tracking-how-the-worlds-green-recovery-plans-aim-to-cut-emissions>; "Economic Research: China's Energy Transition Stalls Post-COVID," *SP Global*, September 22, 2020, <https://www.spglobal.com/ratings/en/research/articles/200922-economic-research-china-s-energy-transition-stalls-post-covid-11651271>.

[2] Following a series of accidents in September and November, all mines in the southwestern city of Chongqing were temporarily shut down. Almost immediately after production restarted, an accident at the Diaoshuidong mine in Chongqing killed 23 people in early December, demonstrating the continued dangers facing China's overextended mines ([Global Times](#), December 6, 2020).

[3] See: "How China's coal industry is fighting to survive in a greener world," *Japan Times*, December 16, 2020, <https://www.japantimes.co.jp/news/2020/12/16/asia-pacific/china-coal-climate-change/>.

Xi Jinping Boosts the Party's Control and His Own Authority

By Willy Wo-Lap Lam

Introduction

Under Xi Jinping, the leadership of the People's Republic of China (PRC) has initiated multi-pronged measures to ensure the success of celebrations marking the centenary of the establishment of the Chinese Communist Party (CCP) in July this year and planning for the 20th CCP Congress, scheduled for the second half of 2022. The accent is on preserving political stability and further consolidating the apparently unassailable authority of President Xi, who is also CCP General Secretary and Chairman of the Central Military Commission (CMC).



Image: CCP General Secretary Xi Jinping laid out China's accomplishments in 2020 during televised remarks on New Year's Eve, ahead of a flurry of new measures designed to centralize and stabilize party control in early January (Image source: [CGTN](#)).

“Be wary of dangers in the midst of stability” was the key theme of a Politburo Standing Committee meeting called on January 7. Xinhua noted that with this year being the centenary of the party's establishment in 1921, cadres and party members must raise their levels of “political judgment, political awareness and [the efficacy of] political execution.” “[We must] in terms of ideology, politics and action maintain a high degree of unison with the party center (党中央, *dangzhongyang*) with Xi Jinping as the core,” Xinhua cited the Politburo communique as saying. It also quoted Xi urging CCP members to “use superior results to celebrate the party's centenary” particularly in the areas of “administering the party with severity, ceaselessly building clean governance ...and maintaining a good spiritual and work attitude” ([People's Daily](#), January 8; [Xinhua](#), January 8).

Censorship of Party Members and the Media

In early January, the CCP passed a “Regulation on Safeguarding the Rights of Chinese Communist Party Members” (中国共产党党员权利保障条例, *zhongguo gongchandang dangyuan quanli baozhang tiaoli*) (hereafter “CCP Regulation”). The CCP Regulation would supposedly contribute to “intra-party democracy” by ensuring that the party center—headed by “core leader” Xi—would respect the individual rights of party members, including their freedom to critique policies and the working style of the leadership. Yet the CCP Regulation also warns that criticism of the party leadership must be made through designated channels. Members exercising their supervision function should do so “through channels of organization [departments]” (应当通过组织管道, *ying dang tongguo zuzhi guandao*) The CCP Regulation adds that party members are forbidden to “openly express views and suggestions that run counter to the theories, lines, objectives and measures of the party or the implementation of major policies of the party center” ([Xinhua](#), January 5).

At the same time, The Cyberspace Administration of China published an updated draft version of its “Regulation on Internet Information Service” (互联网信息服务管理办法 [修订草案征求意见稿], *hulianwang xinxi fuwu guanli banfa [xiuding caoan zhenqiu yijian gao]*) (hereafter “CAC Draft Regulation”), which was first published in 2000. The CAC Draft Regulation clearly defines the proper functioning of an array of products such as search engines, instant messaging, websites, online payments, e-commerce and software downloads. New clauses have been added to target rampant forms of fraud on the internet, including identity theft and fake news ([CAC.gov.cn](#), January 8; [SCMP](#), January 8).

The publication of the updated CAC Draft Regulation coincided with the prosecution of several citizen journalists and professionals who exposed the origin of the Wuhan coronavirus in early 2020. The most famous and effective of these reporters, Zhang Zhan (张展), was recently sentenced to four years in jail for “picking quarrels and provoking trouble.” The unusually hefty sentence drew criticism from the United States and several other countries ([Voachinese.com](#), January 5; [BBC Chinese](#), December 29, 2020). Combined, these new censorship regulations signal that the regime’s control over civil society seems to have been unequivocally strengthened.

Enhanced Anti-Corruption Drive and Crackdown on the “Monopolistic Behavior” of Giant Private Firms

Compared with his first five-year term (2012-2017), when Xi established his reputation as a killer of “tigers” among corrupt officials, the recent anti-graft drive has been relatively quiet. Politburo Standing Committee (PSC) member Zhao Leji (赵乐际), who heads the country’s highest-level anti-corruption agency, the Central Commission on Disciplinary Inspection (CCDI), has assumed a much lower profile than his predecessor, Vice-President Wang Qishan (王岐山). From the last quarter of 2020 onwards, however, several officials and state-owned enterprise (SOE) chiefs with the rank of vice minister or above have been nabbed for taking ill-gotten gains from associates and friends seeking favors. They include the vice-mayor of

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Chongqing Deng Huilin (邓恢林); vice-governor of Qinghai Wen Guodong (文国栋); chairman of the China State Shipbuilding Industry Corporation (CSIC) Hu Wenming (胡问鸣), and chief account of China Oil and Foodstuffs Corporation (COFCO) Luo Jiamang (骆家骧). The four were kicked out of the party at the beginning of this year following investigation for economic crimes ([China Daily](#), January 5; [Caixin](#), October 27, 2020). On January 5, the nation was shocked when Lai Xiaomin (赖小民), former chairman of the state-controlled financial giant China Huarong Asset Management Corporation, was given a death sentence for pocketing bribes totaling 1.8 billion RMB (a little under \$278 million). Since the era of Reform and Opening, Lai's case represents one of the very few instances of a vice ministerial-level cadre being sentenced to death for corruption ([People's Daily](#), January 6; [RTHK](#), January 5).



Image: State television shows video footage of Lai Xiaomin during his sentencing hearing at the Second Intermediate People's Court of Tianjin on January 5 (Image source: [CNN](#)).

Moreover, the State Administration for Market Regulation recently launched its potentially largest-ever anti-monopoly campaign against private enterprises, targeting in particular highly successful internet companies such as the Alibaba Group ([China Brief](#), December 6, 2020). Last month, a commentary in *People's Daily* pointed out that “monopolization impedes fair competition, distorts the distribution of resources, harms the interests of the market [economy] and consumers, [and] snuffs out technological progress.” The party mouthpiece added that China, which is a world leader in the digital economy, has a special need to “fight monopoly and ensure the healthy development of the [IT] sector by laying down regulations for the digital field so as to build a solid foundation for its further development” ([People's Daily](#), December 24, 2020). Yuan Jiajun (袁家军), party secretary of Zhejiang Province, which is the home base of Alibaba and a host of private tech companies, revealed that the anti-monopoly drive was “a policy made by the party center with Xi Jinping as its core.” “Zhejiang is relatively more developed in platform economics,

online economy and fintech,” said Yuan, who is seen as a Xi protégé. “We must on the one hand demonstrate our innovativeness and vigor in these sectors and at the same time be at the front rank in their supervision and administration” ([Zhejiang Daily](#), December 29, 2020; [Apple Daily](#), December 29, 2020).

Intense speculation exists that the Xi leadership favors some form of the integration of SOEs and private enterprises, echoing the kind of “public-private co-management” (公私合营, *gongsihaying*) that was practiced by Mao Zedong in the 1950s ([CGTN.com](#), October 20, 2020). This is partly driven by the increasing levels of debts accumulated by both SOEs and regional administrations. In the past year, Beijing has boosted the number – and power – of party cells in non-state firms ([China Brief](#), September 28, 2020). Central authorities have also forced a number of profitable private firms to invite SOEs to acquire sizable chunks of their shares at below-market prices or at no cost at all. The best-known example took place late last year, when the famous Kweichow Moutai Co. Ltd. gave 4 percent of its shares—worth some 90 billion RMB (\$13.8 billion)—to an SOE in Guizhou Province ([The Paper](#) [Shanghai], December 24, 2020; [Finance.sina.com](#), December 23). Apart from securing a bigger share of the profits of private tech giants, such activities also boost the Xi leadership’s direct control over key sectors of the economy.

Conclusion: Dubious Efficacy of Beijing’s Tactics at Home and Abroad to Boost Nationalism and Party Control

Xi’s insistence on heading off dangers related to instability also includes ways and means to defuse challenges from the U.S., which is purportedly sponsoring an “anti-China containment policy.” Beijing has taken advantage of the partial power vacuum in American politics created during the transition of power from the Trump to Biden presidency to project both hard and soft power. In view of Biden’s widely anticipated strategy of forging a common front among democratic countries and regions such as the EU, Australia and several Asian countries to rein in Chinese expansionism, the CCP administration has quickly consolidated its economic collaboration with a host of nations through multilateral treaties such as the Regional Comprehensive Economic Partnership (RCEP) (China Brief: [December 10, 2020](#); [December 23, 2020](#)). On December 31, 2020, Beijing and the EU concluded final negotiations for a *EU-China Comprehensive Agreement on Investment* (CAI). The CAI, which has yet to be ratified by European parliamentary authorities, is widely seen as an effort to drive a wedge between the U.S. and the EU, particularly in regards to the formation of a common policy against China ([New York Times Chinese Edition](#), January 7; [BBC Chinese Edition](#), December 31, 2020). The RCEP and CAI are also seen as a fillip to China’s potentially joining the Comprehensive and Progression Agreement on the Transpacific Partnership (CPTPP) ([Ming Pao](#), January 3; [Deutsche Wells Chinese Edition](#), December 30, 2020). Beijing’s apparent success in projecting power on the global stage is also geared toward promoting nationalism and pride in the country’s achievement, which is expected to be highlighted during celebrations of the CCP centenary this year as well as the upcoming 2022 Party Congress.

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In the final analysis, however, much depends on the trajectory of the domestic economy, which has been hard hit by the pandemic. Even though the projection for GDP growth in 2020 by international organizations (including rating agencies) is between 1.8 percent to 2.5 percent, persistent unemployment issues coupled with high debt by overleveraged SOEs and local administrations remain a threat to continued recovery ([Guangming Daily](#), December 15, 2020; [Xinhua](#), September 18, 2020). Nearly two years ago, Xi warned in an early 2019 speech against “black swan” events breaking out in the country ([China Brief](#), February 20, 2019). After the COVID-19 pandemic, the propensity for large-scale social unrest remains relatively high. Moreover, Beijing’s ability to invest in global projects like the Belt and Road Initiative, which is a major means for China to boost its international profile, has been badly hit by the country’s depleted central coffers ([Radio French International](#), December 9, 2020; [Ming Pao](#), December 9, 2020). Whether the CCP administration can use major events such as the party’s centenary or the 20th Party Congress to boost its prestige – and the authority of the party center’s “core” – remains a big question mark.

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Trouble Finding Partners: Barriers to China’s Overseas Basing

By Toshi Yoshihara

Introduction

As the People’s Liberation Army (PLA) goes global, it will increasingly need reliable access to overseas bases and dual-use facilities to sustain operations in faraway theaters. Recent U.S. defense and intelligence reports indicate that the People’s Republic of China (PRC) is prospecting for locations where the PLA could obtain access and logistical support. According to the Department of Defense, Beijing has “likely considered” a dozen candidate countries that could play host to “military logistics facilities.”^[1]

As Beijing explores its options, Chinese analysts have begun to pay attention to potential host nations and their suitability for PLA access and use (China Brief: [October 19, 2020](#); [March 22, 2019](#)). This article samples a budding literature on the requirements for China’s overseas military presence. It finds that Chinese observers are realistic about the challenges and costs of obtaining bases and facilities abroad. The literature further demonstrates a keen awareness that capable host nations and adroit Chinese statecraft are both essential to the PLA’s plans to go global.



Image: Chinese People’s Liberation Army personnel attend the opening ceremony of China’s new military base in Djibouti on August 1, 2017 (Image source: [AFP](#)).

Importance of Quality Host Nations

Chinese strategists recognize that the expected performance of foreign logistics support depends in large measure on the host nation's political stability, economic health, and bilateral ties with China. Their assessment of the PLA's first overseas base in Djibouti, established in 2017, is telling. One study acknowledges that Djibouti is among the least developed countries in the world. It lacks natural resources and a well-educated workforce, and its agricultural and industrial foundations are weak.[2] Unable to acquire materials locally, the PLA support base has been compelled to import basic goods, some of which were reportedly 20 times more expensive than equivalent items sourced in mainland China.[3]

Chinese commentators hold similarly dim views of Pakistan, home to one of the PLA's prospective logistics points at Gwadar. As one author notes, Pakistan suffers from political instability, terrorist threats, a separatist movement in Balochistan, an underdeveloped economy, a weak industrial base, poor infrastructure, and socio-cultural obstacles that include local resistance to modernization.[4] These factors have directly contributed to Gwadar port's lackluster performance since its inauguration in 2007. Describing Gwadar as a "bare port" (裸港, *luogang*), the study complains that its supporting facilities and infrastructure have remained woefully inadequate for fulfilling China's needs. These problems bode ill for the PLA's future presence there.



Image: An aerial photo of Gwadar port taken on January 29, 2018, shortly after the inauguration of the first phase of the Gwadar Port Free Trade Zone (Image Source: [Xinhua](#)).

A study comparing Djibouti to Singapore, where the U.S. Navy enjoys access to Changi Naval Base, provides clues about the kinds of host nations that China believes are important for its global plans. The authors

concede that while Djibouti has maintained relative political stability since the late 1990s, its economic weaknesses could prove to be a liability to Chinese basing arrangements there. The authors also express some concerns that the majority Muslim country could potentially raise cultural barriers to working with China, but remain hopeful that Beijing's positive international image could help obtain wide social acceptance of the PLA's presence. They acknowledge that Djibouti may not be able to contribute directly to the development of naval facilities. Instead, China's financial largesse could help to accelerate investments in the African nation's fine deep-water port.[5]

In contrast, Singapore boasts a stable political system and an effective government. It is an advanced economy; a major hub of global finance and trade; a world-class innovation base; and a multicultural, Westernized, and cosmopolitan society. In short, the island-state possesses the right qualities to serve as an exemplary host nation, as it has for years.[6] While the study does not provide an in-depth comparative assessment, it clearly illustrates the profound differences between the two host nations. Left unstated is that its superior sinews of national power make Singapore an ideal partner with which to arrange access and basing.

Another study on Diego Garcia—a British overseas territory that is home to a critical U.S. military facility—shows that America's special relationship with the United Kingdom confers unique value to the island base in the Indian Ocean. The close ties, unrivaled by any other U.S. alliance, ensure the long-term sustainability of U.S. access while allowing for a far more permissive operating environment.[7] The United States regularly deploys politically sensitive weaponry to Diego Garcia, including nuclear-powered submarines and nuclear-capable bombers.

The capabilities of the Djibouti support base and other candidate access points for the PLA are a far cry from the bases such as Changi and Diego Garcia that are available to U.S. forces, much less major forward bases such as Yokosuka naval base and Kadena airbase in Japan. The lesson is that a high-quality strategic partner is essential to obtaining reliable overseas access.

The Costs of Access to Host Nations

Chinese writings exhibit a growing awareness—and wariness—of the complex political, diplomatic, cultural, and religious sensitivities surrounding the use of foreign bases. One study observes that the management of overseas bases is not strictly a military affair. Rather, it encompasses the political, diplomatic, cultural, and religious spheres of host nations as well. As such, basing arrangements require Beijing to adopt an interagency process that draws in the party-state apparatus, law enforcement, security and intelligence agencies, and municipal governments.[8] For example, China must anticipate that host nations would require: 1) agreements that underwrite the legal and jurisdictional basis for PLA presence; 2) protections and safeguards for local communities; 3) efforts to mitigate pollution, noise, and crime; and 4) measures to address the fallout from death and injury of local citizens.[9] One author identifies 21 U.S. treaties and

agreements with counterparts worldwide, each tailored to local circumstances, that govern overseas basing.[10] By implication, Beijing will need to harness considerable diplomatic capital to obtain comparable levels of access.

Chinese observers further acknowledge that future disputes with host nations could increase China's diplomatic liabilities. Basing arrangements perceived as unfair or coercive could sow resentment among local communities, eventually turning them against a PLA presence on their soil. Two authors liken the social dynamics of base politics to that of an active volcano: dormancy is just temporary, but an eruption could do permanent damage.[11] One scholar thus advises Beijing to avoid repeating the mistakes of other great powers, such as the United States, that became overly exposed to the risks of overseas basing. China should avoid power politics and interventionist policies, instead relying primarily on economic and cultural engagement to fulfill its basing ambitions.[12] Given China's relative inexperience, it remains unclear whether Beijing would be nimble enough to successfully manage the messy domestic politics of other nations.

Chinese scholars have also begun to pay more attention to the legal implications of overseas basing.[13] They acknowledge that Beijing needs to do much more to investigate the legal basis upon which jurisdictional disputes and other problems would be resolved with host nations. They recognize that poorly adjudicated decisions about the host nation's sovereignty and territorial rights could have severe and lasting consequences for China's standing abroad.[14] According to two experts, basing arrangements that rest on dubious legal foundations could lend credence to the "China threat theory," heightening antagonisms and triggering counterbalancing behavior abroad.[15] Given Beijing's long history of defending sovereignty's sanctity and opposing outside meddling in other countries' internal affairs, it will need to adroitly balance the operational needs of overseas bases against host nations' political sensitivities.

Conclusion

The open-source literature reviewed here implicitly acknowledges that Beijing could have trouble attracting high quality, dependable partners to fulfill its quest for a world-class PLA that can project power across great distances. Beyond the economic development and political stability of host nations, the nature of Beijing's relationships with its counterparts will be crucial to the reliability of the PLA's overseas presence. Fair-weather friends would likely wilt in times of duress, withdrawing support when Beijing would presumably need access to their facilities most.

America's hard-won experiences in basing and access show that tight bonds do not materialize overnight: they are forged by intangibles such as trust, shared values, institutionalized interactions, and a history of close cooperation during peace and war. Whether Beijing can transform its largely transactional overseas relationships into durable ones that can withstand the stresses of great power competition or even war is uncertain.

The writings further reveal concerns about the multiplying commitments that would accompany a more robust access network. Chinese strategists recognize that each new base or facility and its host nation would generate their own unique political, diplomatic, economic, and legal demands as well as operational requirements. Whether the PLA's future overseas access arrangements could emerge as a significant liability—akin to the costs of empire—remains to be seen. The low quality of host nations and the high price of access could, in turn, constrain and complicate the PLA's expansion overseas.

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Notes

[1] Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China* (Arlington, VA: Department of Defense, 2020), p. 128.

[2] 杨克 高扬 [Yang Ke and Gao Yang], “浅析吉布提保障基地建设的战略价值 [Analysis of the Strategic Value of the Djibouti Support Base Construction],” 石家庄学院学报 [*Journal of Shijiazhuang University*], no. 2, 2018, p. 81.

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Buying Silence: The Price of Internet Censorship in China

By Ryan Fedasiuk

Introduction

On Monday, November 12, 2018, the recently-appointed director of China's Central Cyberspace Affairs Commission (CAC) Zhuang Rongwen (庄荣文) summoned senior executives from WeChat and Sina Weibo for a "discussion" ([Central CAC](#), November 16, 2018). While there is no transcript of the meeting available to the public, one thing is certain: It did not go well. For months, Zhuang had been telegraphing his discontent with the state of censorship in China—and specifically, the role that social media giants had played in undermining it ([New America](#), September 24, 2018). His official statement about the meeting, which was uploaded to the CAC's website a few days later, accused China's largest internet companies of "breeding chaos in the media" and "endangering social stability and the interests of the masses." Under his watch, he vowed that the Central CAC would "strictly investigate and deal with the enterprises that lack responsibility and have serious problems" ([Central CAC](#), November 20, 2018). Rarely do Party officials offer such scathing public admonitions.

The November 12 dressing-down heralded a fundamental change in the mechanisms of censorship in China's New Era. Over the next two years, Chinese Communist Party (CCP) committees at lower echelons of government would stand up their own CACs to absorb the day-to-day censorship responsibilities previously headed up by Propaganda Departments. Recent studies have laid bare the bureaucratic and technical methods by which the Chinese government and Communist Party surveil and censor social media platforms, and the cost such censorship exacts on Chinese netizens.[1] What has been less clear is the literal cost—in yuan and fen—of systematically collecting, analyzing, and deleting web posts from the country's 900 million internet users.



Image: How China's Censors View Themselves (Image source: [Central CAC](#)).

This article synthesizes information from more than 85 budget and expense reports and dozens of supplemental documents from Chinese government and Party offices involved in internet censorship.[2] It finds that these offices were authorized to spend more than \$6.6 billion on tasks related to monitoring and guiding online public opinion (网络舆情, *wangluo yuqing*) in 2020, demonstrating that web censorship is one of the CCP's top priorities.[3]

Meet the Censors

Until 2018, a myriad of Chinese government and CCP offices shared responsibility for internet censorship, resulting in a delicate and often inefficient balance of power ([New America](#), March 26, 2018). But after the Party's reorganization that year, two organizations absorbed the lion's share of internet surveillance and content moderation responsibilities.[4]

- *Cyberspace Affairs Commissions* (CACs; 网络安全和信息化委员会, *wangluo anquan he xinxihua weiyuanhui*) are CCP organizations that double as government offices. The national-level Central CAC runs China's national Online Public Opinion Information Center (网络舆情信息中心, *wangluo yiqing xinxi zhongxin*), which coordinates with local branches and state-owned media to monitor the valence and spread of information on the Chinese internet ([U.S.-China Business Council](#), December 28, 2018). In their own words, CACs' chief responsibilities include "organizing the ecological governance of online public opinion" and "coordinating the disposal of harmful online information" ([Guangzhou Provincial CAC](#), 2019). To do so, they monitor posts on platforms such as WeChat and Weibo, as well as foreign social media, including Facebook and Twitter ([Central CAC](#), April 19, 2019). CACs also employ teams of network commentators (网络评论员, *wangluo*

pinglun yuan)—internet trolls collectively referred to as the “50 Cent Party,” (五毛党, *wumao dang*)—to “guide the trend of public opinion” inside and outside the country ([New York Times](#), January 2, 2019).

- *Network Security Bureaus* (网络安全保卫局, *wangluo anquan baowei ju*) within *Public Security Bureaus* (PSBs; 公安局, *gongan ju*) are government offices responsible for police work. They mete out punishments to netizens found in violation of Chinese internet law, and report to the 11th Bureau of the Ministry of Public Security. PSBs have adopted what they refer to as “slap on the shoulder” internet policing, whereby officers monitor activity on web platforms and can issue warnings to offenders by messaging them directly. In case there were any doubts, the Central CAC clarifies: “The cyber police are right by your side. The eyes of the supervisor are watching you. You will tighten a string, and you will have the necessary scruples. You will exercise restraint and rationality when you post and write messages.” Netizens are advised to consider “what should be said and what should not be said” on the internet ([Central CAC](#), September 28, 2015).

A wide array of other organizations, including internet service providers, data analytics companies, and social media websites also contribute to internet censorship in China—to say nothing of the related work carried out by the CCP’s massive propaganda apparatus ([MacroPolo](#), September 12, 2018; [China Brief](#), May 15, 2020). This article focuses narrowly on spending by the Chinese government and CCP entities responsible for monitoring, removing, and amplifying web content. It therefore reflects only a portion of the resources China spends carefully crafting its online media environment.

Estimating Nationwide Spending on Internet Censorship

This study estimates nationwide censorship spending by examining 85 budget documents from a sample of CACs and PSBs in provinces, municipalities, and counties across China.[5] Specifically, it considers these organizations’ spending on two line items most closely related to censorship: “cyberspace affairs” (网信事务, *wang xin shiwu*) and “informatization construction” (信息化建设, *xinxihua jianshe*).[6]

Several limitations constrain this approach. It is not possible to locate the budget reports of every CAC and PSB in China, and the most important organization involved in censorship—the Central CAC—does not disclose its budget. Moreover, several PSBs classify part or all of their budgets, and therefore may spend more on censorship than their publicly available “informatization construction” line items would indicate. Despite these constraints, this paper arrives at a rough estimate: In recent years, Chinese government and CCP offices engaged in internet censorship likely spent more than \$6.6 billion (nominal USD) annually on related activities. Accounting for purchasing power parity, the number is likely closer to \$13 billion.

Table: Estimated Value of Budget Items Related to Internet Censorship in China (2020 USD)

Level of Governance	Avg. CAC Spending on “Cyberspace Affairs”	Avg. PSB Spending on “Informatization Construction”	Number of Administrative Units (Sealand Securities, January 26, 2016)	Estimated Total Censorship Spending in 2020
Central (中央)	Unknown	\$55,474,326	1	\$55,474,326
Provincial (省/自治区)	\$12,216,436	\$14,141,075	31	\$817,082,839
Municipal (市/州)	\$964,373	\$3,440,023	400	\$1,761,758,428
County (县/区)	\$276,101	\$1,053,847	3,000	\$3,989,845,011
Estimated Nationwide Spending on Internet Censorship				\$6.6 billion

Statistics compiled by author.

How China’s Censors Spend Their Money

Broadly speaking, the Party’s censorship activities fall into one of two categories: first, silencing netizens that stand against its interests—including “‘democracy activists,’ ‘rights lawyers,’ and ‘dissidents’ at home and abroad” ([Central United Front Work Department](#), September 29, 2018)—and second, generating noise to crowd out online discussions of sensitive topics. Because the names and descriptions of censorship tasks do not map perfectly across organizations, it is difficult to calculate how much money the CCP writ large may spend on specific activities, such as deleting web posts. After examining line-by-line expenditures in a few districts, however, it is evident that CACs fund similar projects and share basically the same set of priorities. These include paying subscription fees to social media sentiment analysis companies, training batches of new internet trolls, and paying the salaries of system administrators and web content moderators.[7] The following graph showcases specific line items that appear across multiple county-level CAC budget documents:

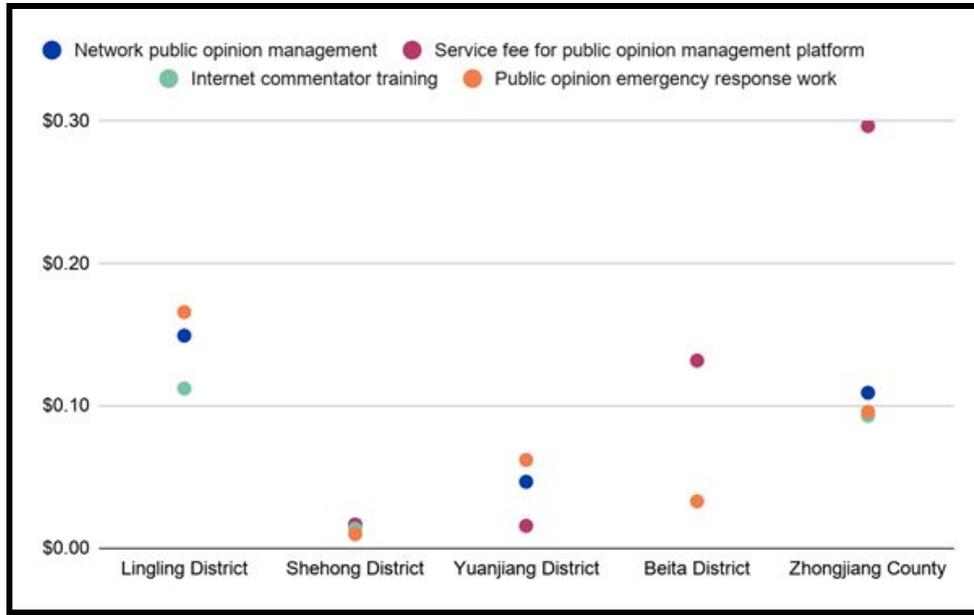


Image: Per-Capita CAC Spending on Specific Censorship Tasks (in 2020 USD) (Image source: Statistics compiled by author).

CACs' chief responsibility is to remove content from social media platforms. In the Fengrun district of Tangshan, Hebei Province, for example, the local CAC states its goal clearly: "Delete bad information" ([Fengrun District CAC](#), 2020). One of its performance targets last year was to report at least 600 "pieces of negative public opinion" to the municipal party committee. In Jincheng, Shanxi, the municipal CAC enumerated 25 responsibilities that variously included "public opinion response and disposal," "online propaganda work," "network civilization construction," and "overseas network public opinion monitoring" ([Jincheng Municipal CAC](#), 2019). A key goal for most CACs is to keep the rate of major online public opinion incidents (重大网络舆情发生率, *zhongda wangluo yuqing fashenglü*) as low as possible ([Midu County Propaganda Department](#), 2020; [Luanzhou Municipal CAC](#), 2020). Nearly every CAC budget document reviewed in this study mentioned "guiding," "managing," or "disposing of" public opinion in some fashion.

"Guiding public opinion" in a country as large as China is an onerous and expensive task. In addition to proactive censorship, CACs across the country solicit reports from Chinese netizens and collectively accepted more than 138 million reports of "illegal and bad information" in 2020.[8] Based on statistics from major cities like Beijing and Guangzhou, the vast majority of deleted content likely consists of spam, fraud, or pornography ([Central CAC](#), September 28, 2015; [Xinhua News](#), May 20, 2019). But an unknown portion comprises what can only be described as political censorship—suppressing outbursts of criticism or emotion while maintaining a steady supply of positive messages about China, its government, and the Communist Party.[9] With the ascendancy of CACs, the CCP has cracked down on "internet rumors"—a euphemism for messages that are sensitive or damaging to its interests; posts that inappropriately feature China's national anthem or the likenesses of Party officials; and those that promote "non-mainstream views on marriage and

love” ([New York Times](#), January 2, 2019; [Xinhua News](#), January 10, 2019).[10] As the following figure indicates, the majority of “illegal and harmful” posts reported to CACs are from Sina Weibo and Baidu.

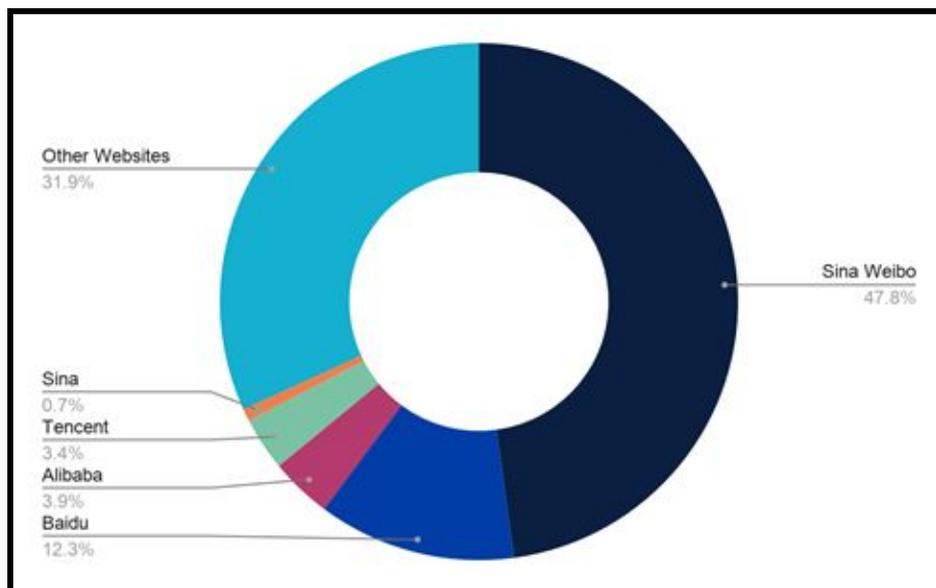


Image: “Illegal and Harmful” Web Posts Reported to CACs, by Platform (138 million posts, Jan–Oct 2020). (Image source: Statistics compiled by author).

Public Security Bureaus also play a major role in deleting web content. For most of the early 2000s, PSBs nationwide worked to construct the “Golden Shield” project (金盾工程, *jinmao gongcheng*), a public opinion monitoring system designed to provide internet police maximum visibility into the habits of China’s netizens ([Human Rights Watch](#), August 18, 2017). Although most work on the project was completed by 2008, some budget documents indicate that PSBs are still purchasing and upgrading Golden Shield equipment in a “Third Phase” of the project designed to merge users’ social media history with other information, such as license plate databases, CCTV camera feeds, and financial records ([Shenzhen Municipal PSB](#), May 18, 2017; [Jianli County PSB](#), June 11, 2020). In 2017, for example, the PSB in Shenzhen planned to spend more than \$6 million on various types of Golden Shield network equipment, including packet switching devices and data storage servers ([Shenzhen Municipal PSB](#), May 18, 2017). Due to increased demand, the value of China’s nationwide market for public security network monitoring equipment has only grown after the completion of Golden Shield, and may now exceed \$12.8 billion ([Sealand Securities](#), January 26, 2016). The Ministry of Public Security budgeted more than \$52 million for “informatization construction” in 2019 alone ([MPS](#), 2019).

Conclusion

Although the Communist Party is working to leverage big data and artificial intelligence to streamline its public opinion monitoring ([State Information Center](#), 2016; China Brief: [May 15, 2020](#), [October 16, 2020](#)), China’s censorship apparatus is primarily sustained by an extensive network of Cyberspace Affairs Commissions,

Public Security Bureaus, and increasingly, content reviewers employed directly by social media platforms ([CitizenLab](#), May 7, 2020). Many Party committees today consider online public opinion to be “the top priority of propaganda and ideological work,” and collectively provided their CACs and PSBs with at least \$6.6 billion in 2020 ([Zhejiang University](#), January 1, 2017). Moving forward, those looking to better understand Chinese censorship should pay special attention to the role of Cyberspace Affairs Commissions, as well as efforts by Chinese internet companies to step up proactive censorship on their platforms.

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Notes

[1] See: Yik Chan Chin, “Internet Governance in China: The Network Governance Approach,” in Wang, Z. & Pavličević, Dragan (eds) *China into the New Era*, Routledge Press, January 17, 2019, <https://ssrn.com/abstract=3310921>; Gary King, Jennifer Pan, and Margaret E. Roberts, “How Censorship in China Allows Government Criticism but Silences Collective Expression,” *American Political Science Review* May 2013, <https://gking.harvard.edu/files/censored.pdf>; and Dahlia Peterson, “Designing Alternatives to China’s Repressive Surveillance State,” Georgetown University Center for Security and Emerging Technology (CSET), October 2020, <https://cset.georgetown.edu/research/designing-alternatives-to-chinas-repressive-surveillance-state/>.

[2] For a related, previous report auditing the Communist Party’s budget for United Front work, see Ryan Fedasiuk, “Putting Money in the Party’s Mouth: How China Mobilizes Funding for United Front Work,” *China Brief*, the Jamestown Foundation, September 16, 2020, <https://jamestown.org/program/putting-money-in-the-partys-mouth-how-china-mobilizes-funding-for-united-front-work/>.

[3] Budget documents were collected for 2020 or the last year available. About three-quarters of budget figures were from 2020, and all others from 2019. All dollar values are in nominal USD as of December 1, 2020.

[4] The Ministry of Industry and Information Technology’s Cyber Security (19th) Bureau (网络安全管理局) is primarily concerned with detecting network vulnerabilities and cyberattacks, but part of its mission is technically still also concerned with monitoring China’s “internet ecology.” It operates a national internet reporting center, which is being gradually phased out in favor of one operated by the Central CAC.

[5] More than three-quarters of budget documents are from 2020; all others were published in 2019. For further details about the documents reviewed for this analysis, please reach out to the author directly.

[6] These line items are the most granular units of analysis afforded by CCP budget documents. While it is unclear how funds are distributed within, for example, “cyberspace affairs,” some localities offer enough detail to confirm that “public opinion guidance” is a key priority.

[7] KnowleSys (乐思) is one of the largest internet surveillance and sentiment analysis companies in China, and holds contracts with the [Ministry of Public Security](#), the Central [Propaganda Department](#) of the CCP, the People’s Armed Police, and major state-owned enterprises and internet service providers.

[8] Statistics compiled by author, based on monthly “Acceptance of National Online Reports” (全国网络举报受理情况) announcements from the Central Cyberspace Affairs Commission, January–October 2020. This figure is surely an underestimate, as it excludes posts removed proactively. See also: Jason Q. Ng, “Politics, Rumors, and Ambiguity: Tracking Censorship on WeChat’s Public Accounts Platform,” University of Toronto CitizenLab, July 20, 2015, <https://citizenlab.ca/2015/07/tracking-censorship-on-wechat-public-accounts-platform/>.

[9] See: Jason Q. Ng, *Blocked on Weibo: What Gets Suppressed on China’s Version of Twitter (And Why)*, The New Press, August 27, 2013, <https://www.amazon.com/Blocked-Weibo-Suppressed-China%C2%92s-Version/dp/159558871X>.

[10] Recent reporting has similarly underscored how the CCP censored content related to the spread of COVID-19 as part of a broader campaign to downplay the threat of the virus. See: Raymond Zhong, Paul Mozur, Jeff Kao and Aaron Krolik, “No ‘Negative’ News: How China Censored COVID-19,” *New York Times*, December 19, 2020, <https://www.nytimes.com/2020/12/19/technology/china-coronavirus-censorship.html>; Jessica Batke and Mareike Ohlberg, “Message Control: How A New For-Profit Industry Helps China’s Leaders ‘Manage Public Opinion,’” *ChinaFile*, December 20, 2020, <https://www.chinafile.com/reporting-opinion/features/message-control-china>.

**Year-End CCP Politburo Meetings Stress Political Loyalty—
and Hint at Potential Shake-Ups in the Party Bureaucracy**

By John Dotson

Introduction

The Chinese Communist Party (CCP) Politburo held two official meetings in December 2020, both of which were publicized after the fact by official summaries presented in government outlets. The first of these was a “collective study” session held in the first half of the month, focused on the theme of correctly handling the various aspects of “national security work.” The second, held in the last week of December, was an annual “democratic life meeting” traditionally convened by the Politburo at the end of each year. In a pattern that has now become a standard component of the cult of personality surrounding CCP General Secretary Xi Jinping, official summaries of these meetings invariably describe Xi as the center of attention and the font of knowledge for his fellow Politburo-level officials: these accounts typically state that Xi “chaired the meeting and gave an important speech” (主持会议并发表重要讲话, *zhuchi huiyi bing fabiao zhongyao jianghua*) to explain the concepts under discussion to more junior Politburo members.

Accounts of the meetings in December adhered to this pattern, reinforcing ideological formulae and slogans advanced by the CCP propaganda apparatus throughout 2020. Particularly prominent themes from the December meetings focused on the importance of “political security,” as well as the need for party members to adhere to “political consciousness” and the correct “political orientation” in performing their duties. These propaganda themes provide further evidence of the Xi leadership circle’s continuing preoccupation with the potential dangers posed by a loss of ideological faith among party members, as well as the ongoing drive to centralize authority ever-more firmly around Xi and the central party leadership ([China Brief](#), December 31, 2019). The year-end meeting also produced oblique language that hinted at a further effort by the central leadership to reinforce control over personnel appointments in the party apparatus from the provincial level on down (*see discussion below*).

The Politburo’s “Collective Study” Session on National Security Work

On December 11, the Politburo convened for its seventh and final “collective study” (集体学习, *jiti xuexi*) session of the year ([CCP Party Member Net](#), undated). The official theme of December’s meeting was the more effective implementation of “New Era National Security Work” (新时代国家安全工作, *Xinshidai Guojia Anquan Gongzuo*). Politburo collective study sessions often include an expert lecturer: in this case, the guest speaker was Yuan Peng (袁鹏), the director of the China Institutes for Contemporary International Relations (CICIR) (中国现代国际关系研究院, *Zhongguo Xiandai Guoji Guanxi Yanjiuyuan*), a branch of the PRC Ministry of State Security that maintains a public face as a government think tank. The specifics of Yuan’s presentation were not provided, other to say that he “offered work suggestions” related to a “comprehensive national security outlook” (总体国家安全观, *zongti guojia anquan guan*) embracing

economic planning, ideology, and both domestic and international security issues ([CCP Party Net](#), December 11).

The official summary of Xi Jinping’s comments noted ten requirements for national security, in which the theme of “political security” (政治安全, *zhengzhi anquan*)—thinly coded language for maintaining the ruling position of the CCP—played a prominent role. The first of Xi’s ten principles was to “insist upon the party’s absolute leadership over national security work” (坚持党对国家安全工作的绝对领导, *jianchi dang dui guojia anquan gongzuo de juegui lingdao*). The second principle was to “adhere to the path of national security with Chinese characteristics... [with] the people’s security as the goal, and political security as the foundation” (政治安全为根本, *zhengzhi anquan wei genben*). The fifth item on the list was the admonition to “insist upon keeping political security in the chief position, upholding regime security and system security” (坚持把政治安全放在首要位置, 维护政权安全和制度安全 / *jianchi ba zhengzhi anquan fang zai shouyao weizhi, weihu zhengquan anquan he zhidu anquan*) ([CCP Party Net](#), December 11).



Image: CICIR Director Yuan Peng speaks at a CICIR-sponsored conference on “The International Strategy and Security Situation” held in Beijing (December 29, 2020). Yuan was the guest speaker at a CCP Politburo “collective study” session on national security held on December 11 (Image source: [CICIR](#)).

The Politburo’s “Democratic Life” Session on “Political Orientation”

On December 24-25, the Politburo convened again for a “democratic life meeting” (民主生活会, *minzhu shenghuo hui*). This meeting is a traditional end-of-year event for the Politburo, normally held in late December. “Democratic life meetings” have a long tradition within the CCP: in theory, they are to function as a mechanism for improving party discipline and governance, in which CCP members undertake self-criticism

and provide constructive criticism of both party practices and other CCP members. In reality, the Politburo-level democratic life meetings have functioned as yet another venue for Xi Jinping to reinforce his position via symbolic displays of fealty offered by other senior-level CCP officials ([China Brief](#), January 29, 2020).

The December 24-25 meeting took as its theme "Seriously Studying Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era" (认真学习习近平新时代中国特色社会主义思想, *Renzhen Xuexi Xi Jinping Xinshidai Zhongguo Tese Shehui Zhuyi Sixiang*). The official summary of the two-day meeting depicted the participation of other Politburo members in obsequious terms, which were richly ironic in consideration of the supposedly "democratic" nature of the event. Per the official account, prior to the meeting Politburo members prepared by having "heart-to-heart talks" (谈心谈话, *tanxin tanhua*) centered around the meeting's themes, and prepared speeches accordingly. The summary stated that:

The comrades of the Politburo connected in regards to Politburo work, touched upon each person's thoughts and practical work experience, [and] connected in regards to setting an example in strictly executing Politburo regulations concerning strengthening and upholding the concentrated and unified leadership of the party center... [They further] connected in regards to setting an example in their practical experience of implementing General Secretary Xi Jinping's important instructions and the party center's policies... [and] implementing rules and regulations and resolving outstanding problems of formalism... [and] conducting self-examination [and] party spirit analysis, [and] engaging in criticism and self-criticism ([PRC Ministry of Civil Affairs](#), December 25, 2020).



Image: An official photo from the CCP Politburo “democratic life meeting” convened on December 24-25, 2020. CCP General Secretary Xi Jinping (center) sits at the head of the central table for members of the Politburo Standing Committee, while more junior members of the full Politburo sit at surrounding tables. The meeting stressed the themes of “political consciousness” and “political orientation”—both coded language for loyalty to the party and its central leadership (Image source: [Xinhua](#)).

Even more than the December 11 meeting, the December 24-25 meeting focused heavily on the theme of political loyalty, with the official account offering repeated admonitions *ad nauseum* regarding the need for senior party members to set an example in displaying the correct “political orientation” (政治方向, *zhengzhi fangxiang*) and “political consciousness” (政治意识, *zhengzhi yishi*) in the performance of their duties. The following excerpts provide a partial list of examples from the official summary:

- “The speeches of the Politburo comrades... [emphasized] setting an example in studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era [and] firmly grasping the correct political orientation... [by] strengthening the 'Four Consciousnesses', [keeping] steadfast in the 'Four Confidences', [and] accomplishing the 'Two Upholds'." [1]
- Party members "must strengthen political consciousness, maintain political concentration, grasp political orientation, undertake political responsibilities, enhance political ability; [and] dare to struggle, be good at struggling..."

- Party members "must strengthen political consciousness, be good at seeing problems from a political perspective, be good at grasping the political situation, [and] unceasingly improve political judgment, political comprehension, [and] political implementation ability."

The official account also provided a summation of Xi's comments to the Politburo. Among the more interesting of these comments was the admonition for Politburo members to thoroughly internalize the correct "political orientation" into their own thinking:

*Xi Jinping pointed out that... concentrating on politics is a distinctive characteristic of a Marxist political party, and is also a political superiority that pervades all aspects of our party. The party leads the people in governing the country, [and] the most important [aspect of this] is maintaining the correct political orientation, from start to finish maintaining our party's political essential nature, [and] from start to finish following the path of Socialism with Chinese Characteristics. Politburo comrades must... be good at examining and solving problems from a political perspective, [and] **take initiative in transforming political discussion from an external requirement into an internal [one].** (emphasis added)*

Demands for Loyalty to the Party Center—and Hints of Further Shake-Ups in the Party Bureaucracy

In case one might somehow miss the underlying message of all of this, the official summary makes it clear that the correct political orientation is one of absolute loyalty to Xi and the "party center" (党中央, *dang zhongyang*). In summarizing Xi's comments, the official account of the "democratic life" meeting indicated the supreme leader's emphasis that "[I]n speaking of politics [one] must heighten political understanding... Leading cadres, especially high-level leading cadres, bear political responsibility [and] must deeply study the spirit of the party center... using the party center spirit to analyze the situation... [and] from start to finish maintain a high level of unity with the party center."

Amid the heavy propaganda jargon surrounding the December 24-25 session, one of the most intriguing aspects of the official summary is a brief passage contained near the very end of the text. Once again citing Xi's speech, this passage indicated that, beginning in 2021, party leadership positions from the provincial level down (i.e., provincial, city, county, and township) would "successively begin centralized term-end leadership changes" (陆续开始集中换届, *luxu kaishi jizhong huanjie*). As part of this, senior cadres were directed to "set an example in adhering to term-end leadership change regulations," and to guide party members in "strictly abiding by political discipline and political rules [and] organizational and personnel regulations."

The meaning of this brief, cryptic passage is unclear. It is possible that this was merely a perfunctory reference to routine, periodic reevaluations and reassignments of provincial and local-level officials. It could also signal national-level CCP leadership intent to enforce the provisions of the *Chinese Communist Party Regulations for Grassroots Organization Elections Work* (中国共产党基层组织选举工作条例,

Zhongguo Gongchandang Jiceng Zuzhi Xuanju Gongzuo Tiaoli), a directive on party organizational affairs issued by the CCP Central Committee in July ([Xinhua](#), July 20, 2020). However, this passage—in the context of repeated demands for loyalty to the central authorities, and the admonition to “abide by political discipline” in the midst of these personnel reassignments—could also portend a more ambitious effort by Xi to further tighten control over (and more vigorously purge) the lower echelons of the nationwide party bureaucracy.

Conclusion

The official accounts of the two Politburo meetings in December are but the latest examples in an intensive and ongoing state propaganda campaign—one intended to reinforce ideological indoctrination among Communist Party members, as well as to support the increasing centralization of power around the “party center.” In this respect, the accounts of these meetings—and in particular, the descriptions of obsequious behavior by Politburo members towards General Secretary Xi during the “democratic life” sessions—fully fit an ongoing pattern. However, the signaling of a potentially wide-reaching shake-up in the party hierarchy is a newer development—and one that could further explain the incessant demands for loyalty to Xi, and obedience to directives from the central party authorities. The methods and outcomes of “centralized term-end leadership changes” within the CCP bureaucratic ranks will be another subject well-worth watching as 2021 unfolds.

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Notes

[1] For an explanation of the meaning behind these ideological slogans, see: John Dotson, “The CCP Politburo Reviews Revised Regulations for Party Affairs” (CACR Blog, November 2020), footnote #1. <https://www.ccpwatch.org/single-post/the-ccp-politburo-reviews-revised-regulations-for-party-affairs>.
