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IN THIS ISSUE:

**Challenges and Progress in China’s Development of 5G and 6G**

*By Elizabeth Chen*.....pp. 1-5

**Implications of Xi’s Revival of the Maoist Slogan “Common Prosperity”**

*By Willy Wo-Lap Lam*.....pp. 6-10

**How U.S. Banks Push the Caribbean Toward China**

*By Rasheed Griffith*.....pp. 11-17

**The PLA Air Force’s Efforts Toward Agile Combat Employment**

*By Derek Solen*.....pp. 18-22

**Education Reforms Aim to Mold Model Citizens from Preschool in the PRC**

*By Alexandra Grey and Gegentuul Baioud*.....pp. 23-29

**Challenges and Progress in China’s Development of 5G and 6G**

*By Elizabeth Chen*

On July 5, ten central government departments led by the Ministry of Industry and Information Technology (MIIT) released the “5G Application ‘Set Sail’ Action Plan (2021-2023)” ([5G应用 ‘扬帆’ 行动计划 (2021-2023年)], *5G yingyong ‘yangfan’ xingdong jihua*) to promote industrial and social applications of 5G+ “in order to implement the important instructions of [Chinese Communist Party (CCP)] General Secretary Xi Jinping on accelerating the development of 5G” ([State Council](#), July 5). The Action Plan noted that while some 5G adoption indicators had improved—including a 200 percent annual growth rate of 5G users and a 35 percent penetration rate of 5G applications in industry—there was room for further growth in “key industries” such as media, transportation, agriculture, water conservation, energy, mining, smart city, smart education, smart health care and smart cultural tourism. The Plan called for China’s 5G network to achieve a 40 percent penetration rate of personal mobile phone users in the next few years and for the number of 5G users to exceed 560 million by 2023 ([Xinhua](#), July 18).



*Image: Men at work on a 5G base station. Over the past two years, China has accelerated the construction of a national 5G network, building over 600,000 base stations in 2020 (Source: [CGTN](#)), and announcing plans to finish another 400,000 by the end of 2021.*

Less than two weeks later, it was announced that the home-grown Chinese telecommunications equipment provider Huawei Technologies Company had won majorities in three contracts shared between China Mobile and China Broadcasting Network (CBN) to build 700-megahertz (MHz) 5G base stations in mostly rural areas. The contracts, worth an estimated 38.4 billion RMB (\$6 billion) represented roughly 60 percent of a planned 480,297 new 5G base stations, 400,000 of which are scheduled to be finished this year. Media reports noted that Huawei's winning bid demonstrated the Chinese state's continuing loyalty to the telecom company, which has received considerable international backlash for its alleged ties to the PRC national security apparatus and been excluded from numerous foreign 5G networks as a result ([South China Morning Post](#), July 19).

### **Rapidly Building Out a National 5G Network**

Chinese researchers, industry analysts and policymakers have connected the rollout of national 5G networks to economic planners' aims to upgrade the nation's manufacturing base and promote a more technologically advanced economy. As a result, the state's development of 5G has become closely tied to national issues of development and prestige. Applications of 5G technologies were also elevated in response to the ongoing COVID-19 pandemic ([South China Morning Post](#), March 28, 2020; [CGTN](#), July 9, 2020; [Nikkei Asia](#), May 6, 2020). At the same time, there have been some reports that industry adoption of 5G solutions has been slower than hoped for, as well as growing concern about the elevated energy use of 5G base stations (according to one Huawei report, up to 3.5 times more energy than 4G infrastructure) ([IOT OFweek](#), July 14; [South China Morning Post](#), August 27, 2020)—at a time when the central leadership is also driving the country to reduce its energy consumption to meet upcoming carbon neutrality goals. The state's failure to

reform its spectrum monopolies has also precluded the development of more robust private networks, which may have also slowed down enterprises' 5G adoption ([Asia Times](#), June 26; [Light Reading](#), June 23, 2020).

Researchers and policymakers have hung many of their hopes on the successful rollout and adoption of 5G, even though actual networking applications and solutions remain largely experimental. It was announced at the 20th China Internet Conference (中国互联网大会, *Zhongguo hulianwang dahui*) on July 13 that China had completed construction on 916,000 5G base stations, representing 70 percent of the total number of 5G base stations worldwide ([Xinhua](#), July 14). According to MIIT figures, China also more than doubled its number of active 5G connections between December 31, 2020 and June 30, with this number representing about 80 percent of the world's total 5G connections ([Xinhua](#), July 18).

Industry media reported that China's 5G development is expected to drive 1.2 trillion RMB (\$ 185.7 billion) in network construction investment by 2025 ([Yicai](#), May 17). Although this scale and speed is impressive, the national 5G build out has a way to go. Because of the technology's comparatively limited signal coverage, industry analysts have roughly calculated that China's 5G base station network will need to be roughly four to five times denser than its existing 4G network to achieve universal coverage (as of 2019, China had roughly 5.44 million 4G base stations) ([OFweek](#), May 24).

Nevertheless, progress has been swift. Nikkei Asia reported that spending on 5G networks and other infrastructure by the three major Chinese telecom companies (China Mobile, China Unicom, and China Telecom) dropped 25 percent to 137.65 billion RMB (\$21.3 billion) in the first half of 2021, reflecting in part the success of "co-build, co-share" efforts to cut costs by jointly building and sharing 5G infrastructure between different companies. Although the joint sharing programs were able to streamline capital expenditures, a senior executive at China Telecom also noted that the global chip shortage had delayed the delivery of some network equipment, which affected 5G network construction. Despite these supply concerns, industry analysts have remained bullish that China's telecommunications investment is at a peak ([Nikkei Asia](#), August 19).

### **Simultaneous Progress on 6G**

China's telecommunications development strategy is based on the principle of "[simultaneously] use one generation [4G], build one generation [5G], and develop one generation [6G]" (使用一代, 建设一代, 研发一代, *shiyong yi dai, jianshe yid ai, yanfa yi dai*) to ensure continuous innovation and allow China to retain the cutting-edge in both next- and next-next generation telecommunications technologies ([Cac.gov.cn](#), July 3, 2020). In early June, the China Academy of Information and Communications Technology (CAICT) IMT-2030 6G government-backed industry group released the nation's first 6G white paper laying out plans to commercialized 6G by 2030 ([Caict.ac.cn](#), June 2021; [Global Times](#), June 7). IMT-2030 6G, comprising 37 different research bodies and industry representatives, was jointly launched in November 2019 by the PRC Ministry of Science and Technology (MOST), MIIT, the China Academy of Sciences (CAS) and the powerful

National Development and Reform Commission (NDRC), among others, kickstarting a centralized push to drive China's 6G research and development process ([Xinhua](#), July 3, 2020).

Proponents of 6G—broadly defined to encompass higher frequency bands on the electromagnetic spectrum including millimeter wave, terahertz (THz) and visible light to provide higher capacity and lower latency communications (the latter perhaps as low as 1 microsecond)—have argued that if 5G technology represents the “interconnection of everything,” then 6G represents the possibility to realize the “intelligent connection of everything” ([Cac.gov.cn](#), July 3, 2020). Some experts have predicted that 6G will allow the creation of a next-generation “digital twin” (数字孪生, *shuzi luansheng*) world merging the physical and the virtual, roughly analogous to the concept of “extended reality” or XR ([Yicai](#), June 6; [Chinanews.com](#), March 12).

Per the June 2021 white paper, technological solutions related to 6G could also help solve major systemic challenges currently facing the Chinese state including income inequality; demographic issues and labor shortages; social governance and environmental sustainability ([Economic Observer](#), June 6). Chinese analysts also frequently refer to 6G technology as having the potential to realize seamless “air-space-earth-sea integrated systems” (空天地海一体化, *kong tian di hai yitihua*) ([The Paper](#), March 29)—with significant implications for increased digital surveillance, communications, and control capabilities.

In November 2020, China reported that it had launched the world's first so-called 6G satellite, also known as the Tianyan (天雁) -05 ([Xinhua](#), November 6, 2020), and Chinese military-industrial researchers have also been active in researching the possible security applications of terahertz (THz) technology in communications, radar, and other fields ([China Brief](#), November 12, 2020). In April 2021, the State Council Intellectual Property Office released a “6G Communication Technology Patent Development Report” ([6G 同行技术专利发展状况报告], 6G *Tongxing jishu zhuanli fazhan zhuangkuang baogao*), which said that China had taken a global lead in filing 6G patents, representing 35 percent of the world's total number (13,000 out of 38,000 patents) ([C114 Communication Net](#), April 26). This claim has been criticized; one foreign analysis noted that—apart from the uncertainty of determining what constitutes a “6G patent”—only one of the top ten patent applicants is from China, with the rest being U.S., Korean, and Japanese companies. Additionally, Chinese patent filings are dominated by state-backed research institutions, which may be aggressively filing in order to boost their attractiveness to state funders ([Light Reading](#), April 29). In other words, although Chinese sources have trumpeted their status as the world's number one 6G patent filer, this number may not actually correlate to research quality or impact.

Despite the uncertainty over the quality of China's prolific 6G research and development, some milestones are notable. Chinese state media recently reported the first successful connection between low-orbit broadband 6G satellites and 5G equipment on the earth's surface by researchers at the Beijing University of Posts and Telecommunications (北京邮电大学, *Beijing you dian daxue*) ([Communication World Network](#), August 17). Other media reports noted the successful launch of three more experimental communications satellites on August 24 as China aims to maintain its head start in 6G satellite technology, commenting, “The

5G competition is on the ground, and the 6G competition is in the sky. Whoever takes the lead in completing a communications satellite network in the 6G era will have the first-mover advantage in the marketplace and the right to be a leading voice for industry” ([Sohu](#), August 30).

## **Conclusion**

While applications of 5G and 6G telecommunications are still being developed, the Chinese state has prioritized both technologies as a critical factor for future economic development and national competition. Progress towards commercialization has largely been driven by state-backed actors rather than private companies, and policymakers also see achieving supremacy in these next-generation technologies as a means for improving China’s international standards-setting abilities and influence—much in the same way that the United States’ first-mover advantage in internet technologies helped to buttress its position as a global superpower in recent decades. As China entrenches its global dominance in 5G and seeks to develop a similar “generational lead” in 6G, it is likely to leverage its knowledge and know-how for lucrative export to other countries using investment and cooperation vehicles such as the Digital Silk Road. Amid growing strategic competition with the U.S., Chinese industry experts have argued that 6G could help to overcome “bottleneck technologies” which have delayed the 5G buildout (i.e., export controls on Huawei equipment), aiding China to develop a more self-sufficient and resilient economy ([Ecns.cn](#), June 7).

*Elizabeth Chen is the editor of China Brief. For any comments, queries, or submissions, feel free to reach out to her at: [cbeditor@jamestown.org](mailto:cbeditor@jamestown.org).*

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## Implications of Xi's Revival of the Maoist Slogan "Common Prosperity"

*By Willy Wo-Lap Lam*

### Introduction

The Chinese President Xi Jinping has masterminded a major policy shift for the world's second largest economy by underscoring the imperative of "common prosperity" (共同富裕, *Gongtong fuyu*). At a recent meeting of the Central Finance and Economic Affairs Commission (CFEC), which he leads, Xi said that a relatively equal income distribution across disparate sectors of the populace and geographical areas was "an essential requirement of socialism and a key feature of Chinese-style modernization" ([Xinhua](#), August 17). Xi has apparently made seminal revisions to reform-era chief architect Deng Xiaoping's philosophy that "to get rich is glorious." Deng's quasi-capitalist strategy helped to produce 1,058 billionaires in the Greater China Region last year, compared to 696 in the U.S. and 171 in India ([Hurun List 2021](#), March 2). Common prosperity has also been cited by Xi and his fellow ideologues as the "original quintessence" (初心, *chuxin*) of socialism.

As the Central Party School professor Zhang Zhanbin (张占斌) recently noted, "pushing forward common prosperity for all citizens is a bright banner of Marxism." Zhang added that, "It reflects the *chuxin* mission of the CCP and the fundamental demand of socialism" ([People's Daily](#), August 20). This is despite the fact that immediately after the Chinese Communist Party (CCP) took power in 1949, Mao Zedong pursued a kind of rough egalitarianism with Chinese characteristics that included experiments such as the liquidation of capitalists and their properties as well as the establishment of people's communes, resulting in common poverty for all and mass starvation.



*Image: An aerial photo of the construction of a resettlement housing project in the Rongdong area of Xiong'an New District, a "common prosperity" pilot project that is intended to serve as a model for modern urban development, taken by drone on April 8, 2021 (Source: [Xinhua](#)). Progress has reportedly been slower than anticipated, and the project has had difficulty attracting investors and residents.*

### **Concerns about Inequality and Stability**

Xi, who is also CCP General Secretary and chairman of the Central Military Commission (CMC), has revived a quasi-Maoist road map by calling for “common prosperity.” According to a communique of the August 17 CFEC meeting, “We can allow some people to get rich first and then guide and help others to get rich together.” China’s highest decision-making body on economic issues also said that, “We can support wealthy entrepreneurs who work hard, operate legally, and have taken risks to start businesses ... but we must also do our best to establish a ‘scientific’ public policy system that allows for fairer income distribution,” ([Xinhua](#), August 18; [SCMP](#), August 18).

Part of the rationale behind the CCP leadership’s new orientation is to further consolidate Xi’s position as the party’s “second Mao” in the run-up to the 20th Party Congress scheduled for next year. Preparations for the five-year congress will also play up Xi’s qualifications for being the “leadership core” of the CCP for life due to in part to his status as a preeminent “Marxist theoretician” ([BBC Chinese](#), June 28; [Radio Free Asia](#), October 16, 2020). Domestically, Xi realizes that because the Chinese economic miracle ended several years ago, more must be done to pacify the have-nots – the unemployment rate among urbanites is estimated at 15 percent – who could pose a threat to stability ([Radio French International](#), December 19, 2020). Despite Beijing’s claims that it had wiped out absolute poverty by the end of 2020, Premier Li Keqiang also noted in June 2020 that 600 million Chinese subsist on a monthly income of barely 1,000 RMB (about \$150) a month ([Xinhua](#), June 22, 2020; [Finance.sina.com.cn](#), May 29, 2020). As the conservative theorist Wang Ruolei (王若磊) pointed out, “realizing common prosperity is related to the important political issue of [bolstering] the party’s ruling basis (执政基础, *zhizheng jichu*)” ([Cn.reuters.com](#), July 28; [Qstheory.cn](#), June 21).

### **Top-Down Philanthropy and Pilot Programs Unlikely to Offset Systemic Inequality**

Xi also seems to be using the pretext of “common prosperity” to impose tighter party-state control over the nation’s super-rich private enterprises, which range from information technology (IT) and logistics behemoths to huge firms offering education tutoring services. Details of what could be the largest redistribution of wealth since the Mao era have yet to be articulated. Chinese officials, however, have disclosed that there will be a “threefold redistribution” of national income. This involves measures such as increasing taxation for the well-off, boosting social security for the poor, and executing certain types of “transfer payments,” with the goal of firming up the middle class and increasing income for the disadvantaged. Long-delayed property taxes and even inheritance taxes could also be introduced in the foreseeable future ([BBC Chinese](#), August 20; [New.qq.com](#), August 18).

The heaviest burden will likely be borne by the rich, including the bosses of private conglomerates, who will have to underwrite so-called “fiscal transfers” and help to fund a comprehensive social service system. Xi has a tough message for the superrich, whose wealth will be subject to the party-state’s “regulation and adjustment (规范和调节, *guifan he tiaojie*).” “We must reasonably adjust excessive high-income [sectors]

and encourage high-income individuals and companies to make more contributions to society,” Xi said at the CFEC meeting.

Powerful business leaders of several major companies that have recently been targeted by state regulators have signaled their willingness to serve the country. According to recent media reports, Alibaba’s Jack Ma (马云) has donated at least 3.22 billion RMB (\$496.8 million) in the past year to politically expedient causes, including anti-pandemic, poverty alleviation and disaster relief efforts, followed by Evergrande Group’s Xu Jiayin (许家印) (RMB 3.04 billion or \$469 million) and Tencent CEO Pony Ma (马化腾) (RMB 2.6 billion or \$401.1 million) ([Citizen News \[Hong Kong\]](#), July 27; [VOA Chinese](#), July 27). Pressuring the rich to increase their philanthropy may be easier than boosting the paychecks of ordinary workers and farmers; the disposable income for urban residents only grew 1 percent in 2020 ([Deutsche Welle Chinese](#), August 18).

The Xi leadership has designated specific provinces and cities to be models of “common prosperity,” including coastal Zhejiang Province, where Xi served as party secretary from 2004 to 2007. Zhejiang is also the home base of a host of IT conglomerates including Alibaba. The central authorities in July issued a document titled “CCP and State Council Opinion on Supporting Zhejiang’s Development as a High-Quality Common Prosperity Demonstration Zone.” ([中共中央国务院关于支持浙江高质量发展建设共同富裕示范区的意见], *Zhonggong Zhongyang guowuyuan guanyu zhichi Zhejiang gao zhiliang fazhan jianshe gongtong fuyu shifan qu de yijian*). The opinion indicates a goal to create an “olive-shaped society” with a fairer distribution of income that will result in greater earnings and social-welfare entitlements for the middle and underprivileged classes. For example, residents’ per capita disposable income is set to be raised to 75,000 RMB (\$11,581) by 2025. Compensation for workers should account for more than 50 percent of provincial GDP by 2025, with this ration expected to continue increasing. The document also states that while IT and other successful industries in Zhejiang should continue to develop and mature, fair competition should be ensured even as their social responsibility to less well-off sectors should be enhanced ([Zi.gov.cn](#), July 19; [Global Times](#), July 17).

Official media have stated that Xi seeks to innovate the ruling CCP’s ideology and governance systems in the long term. But the recently elevated ideal of common prosperity may be more accurately thought of as a retrogression to the Mao era. Given the fact that “getting rich” has become a commonplace aspiration under the runaway capitalism of modern China, can the better educated and more business-savvy part of the populace be forced to sacrifice their self-interests in order to reinstate Mao-style egalitarianism? The example of the Xiong’an New District (XAND, 雄安新区, *Xiongan xin qu*) in Hebei Province, another common prosperity pilot zone, demonstrates the party-state’s inability to realize successful socio-economic models for common prosperity. Established in 2017, the 1,576 square mile district boasts features including standardized income and social welfare perks such as subsidized housing and generous retirement benefits. After four years, however, the XAND has attracted few domestic or foreign investors. Its population is only slightly more than 1 million and it is full of uninhabited apartment buildings where managers and workers alike enjoy subsidized rentals ([Liberty Times \(Taipei\)](#), August 5; [Radio Free Asia](#), August 3).

There is also the question of supervision over the vast sums that top tycoons have donated. Absent a robust civil society, charitable contributions are often routed through government-controlled organizations, many of which have had previous issues with transparency and efficient resource allocation ([China Development Brief](#), July 8, 2015; [signal.supchina.com](http://signal.supchina.com), August 29, 2019). While the State Council document on Zhejiang said that the central government welcomed a host of non-governmental organizations to aid poverty relief and social welfare, Beijing has simultaneously cracked down on the nation's charity-related civil society units. This has led to concerns that contributions from the super-rich may not necessarily be translated into benefits for the poor ([Xiao Ruoyuan via Youtube](#), August 22).

According to the historian and Tiananmen Square dissident Wang Dan (王丹), “the idea of common prosperity is purely utopian...it may lead to another Great Leap Forward,” referring to the 1958-1962 Maoist campaign that resulted in widespread economic collapse and widespread famine. In addition, Wang said that Xi might want to squeeze and humble the rich to boost his own power—as well as to punish the members of rival political factions who are silent backers of myriad private conglomerates ([Radio Free Asia](#), August 23; [China Brief](#), July 23). Zhou Qiming (周其明), a professor at the Zhongnan Economics and Law University, told Hong Kong reporters that “depending on the rich to donate to the poor is not sustainable” and argued that a better approach would be for Beijing “to expand the economic pie” so that workers can not only find employment but also have the ability to bargain for higher wages ([Citizen News](#), August 18).

### **Conclusion**

Xi's resuscitation of the Maoist ideal of “common prosperity” also has foreign policy implications. If China can ameliorate its inequality issues, more credibility will be accorded to the “China model” or “socialism with Chinese characteristics in the new era.” This is closely tied with Xi's global projection of soft power in the face of the apparent weakening of the Western-led alliance system following the recent crisis in Afghanistan. Following the fall of Kabul on August 15, Chinese Foreign Minister Wang Yi remarked that Afghanistan and other instances of “neo-imperialism” represented the Western tactic of imposing “alien models on countries which have distinctively different history, culture and national conditions will inevitably lead to failure of acclimatization (水土不服, *shuitubufu*)” ([People's Daily](#), August 17). According to the popular Chinese Internet commentator Bu Yidao (补壹刀), the combination of China's economic power and its long-standing official state policy of non-interference would make it a strong partner for “constructive intervention” to help with the future rebuilding of the Afghan state ([3g.China.com](#), August 19). The retired People's Liberation Army (PLA) colonel and international security expert Zhou Bo (周波) made a similar argument in a recent opinion piece for the *New York Times* ([New York Times](#), August 23), indicating popular optimism in the Chinese state's ambitions to develop Afghanistan. China's success in addressing domestic stability concerns including high wealth inequality and diminishing economic growth will go a long way to bolstering its foreign policy.

In the short run, China's image as an egalitarian society could also help to burnish the country's human rights record. In response to foreign criticisms of state policies in Xinjiang and Tibet, CCP propagandists have always emphasized the dramatic increase in living standards in the two autonomous regions ([Gov.cn](#), May 21; [Xinhua](#), July 14). However, given that Xi seems bent on returning to a party-run economy where the authorities are given Maoist powers to regulate the distribution of wealth, frictions will inevitably grow with foreign investors and trading partners as the costs associated with doing business in China increase. Part of the reason why trade talks between China and the United States have stalled is that U.S. presidents Donald Trump and Joe Biden have both insisted that the Chinese party-state beat a retreat from the economy so as to allow market forces to flourish ([Radio French International](#), August 7; [VOA Chinese](#), July 26) While the elevation of the rhetoric on "common prosperity" seems aimed at substantiating Mao's dictum "serve the people," it has also buttressed the party-state's increasing control over all walks of life in the Chinese polity.

*Dr. Willy Wo-Lap Lam is a Senior Fellow at The Jamestown Foundation and a regular contributor to China Brief. He is an Adjunct Professor at the Center for China Studies, the History Department, and the Master's Program in Global Political Economy at the Chinese University of Hong Kong. He is the author of five books on China, including *Chinese Politics in the Era of Xi Jinping* (2015). His latest book, *The Fight for China's Future*, was released by Routledge Publishing in July 2019.*

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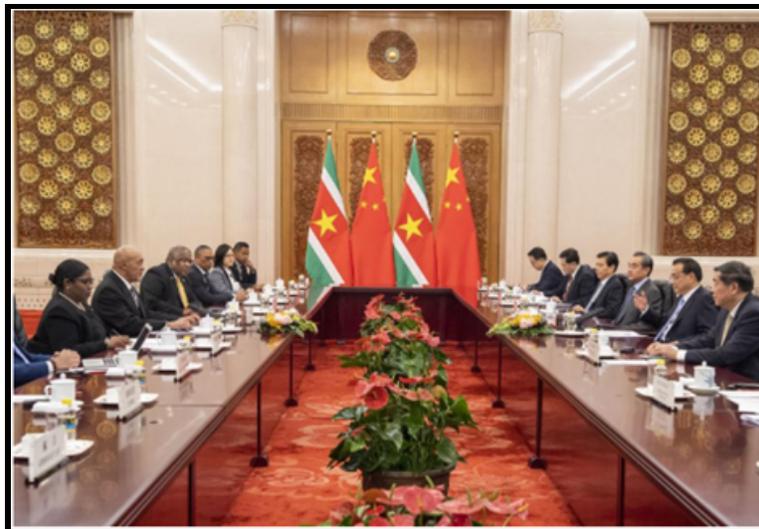
## How U.S. Banks Push the Caribbean Toward China

By Rasheed Griffith

### Introduction

The 14th Five-Year Plan adopted this past March has reaffirmed the significance of Renminbi (RMB) internationalization in China's geopolitical ambitions ([Gov.cn](#), March 13). Global RMB proliferation in cross-border trade would enhance China's domestic financial security, which also makes it a key element of China's "dual circulation" (双循环, *shuang xunhuang*) strategy for economic development ([East Money](#), August 22). As Huang Qifan (黄奇帆), the former Chongqing mayor and renowned authority on Chinese financial policy, has said, "[the] dual circulation strategy will provide a strong opportunity and impetus for the further development of the BRI" ([Sina](#), September 12, 2020). China's financial policy should be understood under the context of the party-state's larger foreign policy ambitions. One region that would readily embrace China's aim to incorporate a greater financial element to the Belt and Road Initiative (BRI) is the Caribbean.

The Caribbean countries are small and import nearly everything to meet the wants and needs of their populations. Since these imports are mostly priced in U.S. dollars (USD), the Caribbean's economic security depends upon its financial relationships with a few large U.S. commercial banks. But following U.S. regulatory changes that took place after the 2008 financial crisis, some Caribbean countries have either lost access to or been restricted from previously existing channels to U.S. banks, putting them in a precarious position. In an effort to build economic resiliency, some Caribbean countries have begun seeking new avenues for international trade finance, including using the RMB, which potentially opens a door to growing Chinese influence in the U.S.' backyard.



*Image: Suriname President Desire Bouterse meets with Chinese Premier Li Keqiang during a state visit to Beijing on November 27, 2019. (Source: [Xinhua](#)).*

## Background

Although the abstract concept of an “international wire transfer” is easy to grasp, the reality involves a messy process to coordinate different domestic transactions. Like all small states, Caribbean countries depend on Correspondent Banking Relationships (CBRs), wherein banks in small countries (respondents) hold accounts in banks of larger ones (correspondents) that enable them to access international financial markets.

Following the 2008 crisis, U.S. regulators increased the stringency of banking compliance requirements for the purposes of anti-money laundering (AML) and countering the financing of terrorism (CFT). This culminated in sweeping reforms including the Dodd–Frank Act of 2010 and the 2013 U.S. Department of Justice Operation Choke Point effort to reduce the risk of money laundering in the U.S. banking system.

Such reforms (particularly the Dodd-Frank Act) increased the fines faced by U.S. banks for the (actual or perceived) risks and procedural failings of their respondent clients ([Baker Institute for Public Policy](#), September 6, 2019). The intent was not to harm small banks in small countries, but, as with many complex financial system reforms, there were negative externalities. U.S. banks were required to design their own internal control policies to manage the risk of doing business with small international banks. Instead, the banks—understandably not willing to increase their costs for no extra profit—restricted or outright terminated their relationships with small banks. The finance industry refers to this process as “de-risking.”

## The Specter of De-Risking

Global de-risking severely impacted the Caribbean in the wake of the 2008 financial crisis ([World Bank](#), November 3, 2015). For example, Belize experienced terminations of Correspondent Banking Relationships (CBRs) that accounted for more than half of their banking assets ([CFATE](#), March-April 2016, accessed August 12).

In 2016, the Honorable Francine Baron, then-Minister of Foreign Affairs of Dominica, focused her speech to the United Nations (UN) General Assembly on what she saw as the greatest developmental threats to Caribbean nations - climate change and de-risking; saying that “today’s interconnectedness of global markets make access to the global financial system a prerequisite to economic development and a sine qua non for sustainable development” ([undocs.org](#), September 24, 2016). Baron’s concerns were echoed across the region. Speaking a year later, the Ambassador to the U.S. from Antigua and Barbuda Sir Ronald Sanders warned that “de-risking is a serious threat to Caribbean security” ([The Tribune](#), March 27, 2017). All of the multilateral finance organizations that operate in the Caribbean also published scathing reports outlining the negative effects of continued de-risking ([Caribbean Development Bank](#), 2016; [Inter-American Development Bank](#), February 2017; International Chamber of Commerce, October 2019; accessed August 12).<sup>[1]</sup>

In a 2019 survey of Caribbean central bankers, 91 percent of respondents indicated that de-risking remains a threat to the operational viability of the banks in their respective jurisdictions.[2] De-risking is not merely an esoteric topic for closed-door financial policy discussions. Since 2010 this has been one of the main animating concerns underlying current Caribbean foreign policy towards the U.S., and it continues unabated.[3] Accordingly, Caribbean governments and central banks have begun planning contingencies including the increasing adoption of the Chinese RMB.

### **Toward the RMB in the Caribbean**

In 2015, the Central Bank of Suriname signed a Bilateral Swap Agreement (BSA), also known as a cross-currency swap agreement, for 1 billion RMB (\$154.34 million) with China ([Centrale Bank van Suriname](#), January 28, 2015). Such agreements give the recipient party (in this case, Suriname) the right to exchange currency with China at a fixed interest rate, reducing the risk of currency conversion fluctuations and lubricating cross-border trade. China has signed 35 BSAs globally, compared to the U.S.'s 14, and has historically used BSAs as a tool for internationalizing the RMB ([The China Guys](#), July 6, 2020).[4] Suriname is currently the only Caribbean country whose currency is tradable directly with the RMB. Reflecting this unique relationship, a Chinese bank called Southern Commercial Bank (南方商业银行, *nanfang shangye yinhang*) issues UnionPay cards in Suriname ([Southcombanknv.com](#), accessed August 12).

Following the example of Suriname, other Caribbean countries could actively seek to attract more Chinese banks to fill the void left from the exodus of their traditional partners. Many U.S. banks have departed the Caribbean as profits dwindled, and the largest banks remaining in the Caribbean are currently Canadian. Many of these are now departing as well due to the rising costs of continuing to operate in the Caribbean. Just this year, the Royal Bank of Canada sold its operations in seven Caribbean countries ([Newswire](#), April 1).

In contrast to the decline of Caribbean-U.S. CBRs, the number of Chinese CBRs increased globally from 65 in 2009 to 2,246 in 2016—representing growth of more than 3,355 percent ([Accuity](#), accessed August 12). The rapid increase is a strong indicator that the trend will continue. Additionally, if the Caribbean can pay for Chinese imports using the international Cross-border International Payments System (CIPS, 跨境银行间支付清算, *kua jing yinhang jian zhifu qingsuan*) ([CIPS](#), accessed August 3), this will lessen the region's reliance on USD for trade. It also follows that if the Caribbean can use the RMB for imports, then it lessens the dependence on U.S. CBRs, improving the region's economic resiliency.

The U.S. remains the Caribbean's largest trading partner according to trade volume. This point is frequently made to demonstrate the strength of regional ties (e.g., [The Hill](#), December 1, 2020). But the size of U.S.-Caribbean trade is the result of measurement constraints, not necessarily economic reality. As with much of the rest of the world, most products sold in the Caribbean are made in China and re-exported through the U.S. If the strength of bilateral trade is calculated based on the manufacturing origin of the goods

consumed, then China could be considered the Caribbean's largest trading partner.[5] The high volume of the U.S.-Caribbean trade is effectively phantom trade. There exists a possible future where goods are shipped directly from China to the Caribbean, circumventing the U.S.' traditional position as a middleman.

Other factors could also lead Caribbean states to increase their trade purchases from China using the RMB. Traditional shipping routes have privileged trade from the U.S. to the Caribbean. But this is changing because of increased Chinese port construction across the Caribbean ([Tearline.mil](#), August 14, 2020). Caribbean businesses in the past have not had easy RMB access and they have not established direct relationships with Chinese suppliers. But if more Caribbean central banks hold RMB reserves (following the example of Suriname) and more businesses develop relationships with Chinese suppliers (as they have been increasingly doing), their ability to bypass the U.S. dollar market grows.

### **RMB Internationalization**

Wide-scale RMB usage in the Caribbean does not currently exist, and skeptics might argue that the RMB is not sufficiently internationalized to be able to replace the dollar's comprehensive regional dominance. The Caribbean Development Bank (CDB) published a report in 2017 titled *Chinese Renminbi in the Caribbean: Opportunities for Trade, Aid and Investment* ([CDB](#), accessed August 12). Most of the discussion centered on the prospects of RMB internationalization and how the Caribbean could potentially tap into this growing benefit in the future.

The Society for Worldwide Interbank Financial Telecommunications (SWIFT) cross-border currency transaction data shows that the share of RMB is currently tiny (1.30 percent) compared to USD dominance in international payments (87.06 percent). The volume of global payments done via RMB is similarly small (2.20 percent) compared to USD (38.43 percent) ([SWIFT](#), accessed August 24). RMB internationalization has not progressed much on a global scale. But Caribbean economies are themselves also small. If all of the Caribbean economies were to conduct all of their international trade payments in RMB, it would merely move the current RMB share of cross-border currency transactions by a few basis points. What matters for Caribbean economies is not aggregates of trade finance or payments throughput but instead sufficient access to RMB exchange, clearing and settlement facilities, which has seen material growth.

The Chinese government has recently signaled that it is willing to assist countries in developing such facilities. In January 2021, the China-Mauritius Free Trade Agreement (FTA) came into effect ([The Mauritius Chamber of Commerce and Industry](#), October 17, 2019). Section 12.8(e) of this FTA stated that China will be "promoting the development of a Renminbi clearing and settlement facility in the territory of Mauritius" by sharing technical expertise and providing financial assistance. China's willingness to assist in similar future endeavors with Caribbean countries should be considered in the context that Chinese banks tend to have higher risk absorption characteristics and would be more tolerant of the higher structural risk in the Caribbean.

Some have argued that large Chinese banks have less mature risk management capacity than their US counterparts, primarily because the rapid growth, marketization and internationalization of Chinese banks has outpaced their ability minimize risk management constraints.[6] But in this case it is necessary to remember that large Chinese banks are state-owned enterprises whose risk capacity has to be contextualized within the broader policy ambitions of the Chinese state. The Chinese economist Cheng Cheng (程诚) has argued that Chinese banks tend to practice “stem cell finance” (造血金融, *zao xue jingrong*) in emerging markets in Africa, making an analogy that—similar to the process of growing new blood cells—international development financing is unavoidably energy intensive and slow but unequivocally essential.[7] According to Cheng’s argument, Chinese banks acknowledge that financial profits can only be achieved after risks are absorbed in the long term.

This July, the central Chinese government announced the “Opinions Advancing a High Level of Reform and Opening Up of the Pudong New Area to Build a Leading Area of Socialist Modernization” [关于支持浦东新区高水平改革开放打造社会主义现代化建设引领区的意见], *Guanyu zhichi Pudong Xinqu gao shuiping gaige kaifang dazao shehui zhuyi xiandaihua jianshe yin lingqu de yijian*), a monumental plan to transform Shanghai into the core financial center of the world ([Gov.cn](#), July 15). In addition to providing a framework for innovation and urban development goals, the plan calls for further liberalizing China’s capital account to enable RMB to trade more effectively on international markets. It envisions a whole-of-government approach to “deeply integrate [China] into global economic development and governance” ([Gov.cn](#), July 15); this is the policy context that Chinese banks are working under. Under such state-driven imperatives, Chinese banks—in contrast to their U.S. counterparts—will strive to widen the correspondent reach of their national currency.[8]

## **Conclusion**

AML and CFT compliance regulations are not typical geopolitical topics unless international sanctions are being discussed. For this reason, one of the most significant economic security threats facing the Caribbean has largely been ignored by U.S. foreign policy analysts. As the regulatory environment of U.S. financial markets continues to corrode the economic security of Caribbean countries, it is inevitable that they will seek to maintain resilience. With no other options available to them, this will likely mean the increased usage of the RMB. Such a development would be significant for several reasons. First, states have been haunted by the prospect of the U.S. weaponizing the dollar for geopolitical ends, but little concern has been placed on the lethal consequences of seemingly benign regulations aimed at addressing money laundering and counter-terrorism issues. The current Caribbean predicament brings this reality to light.

Second, the Caribbean has been colloquially referred to as “America’s backyard” by U.S. policymakers for decades, but the U.S. ineffectual response to its close allies’ worries is concerning and bodes ill for efforts to counter the growing economic security threat from China in further regions. Third, if the RMB takes a foothold

in the Caribbean, it will act as a case study of countries in the Western Hemisphere becoming closer to China not because of China's pull, but rather because they are pushed away by the U.S.

*Rasheed Griffith is a Senior Fellow at the Inter-American Dialogue and Host of the 'China in the Americas' Podcast. His research focuses on China's financial and geoeconomic engagement in the Americas.*

## Notes

[1] For examples, see: "Discussion Paper: Strategic Solutions to 'De-Risking' and the Decline of Correspondent Banking Relationships in the Caribbean," Caribbean Development Bank, 2016, <https://www.caribank.org/publications-and-resources/resource-library/discussion-papers/discussion-paper-strategic-solution-de-risking>; Allan Wright and Bradley Kellman, "De-Risking in the Barbados Context," Inter-American Development Bank, February 2017, <https://publications.iadb.org/publications/english/document/De-Risking-in-the-Barbados-Context.pdf>; De-risking: the hidden issue hindering SDG progress and threatening survival of small island states, October 2019, <https://iccwbo.org/media-wall/news-speeches/de-risking-the-hidden-issue-hindering-sdg-progress-and-threatening-survival-of-small-island-states/>.

[2] See: "De-Risking in the Caribbean Region: A Caribbean Financial Action Task Force Perspective," CFATF, January 30, 2020, <https://www.cfatf-gafic.org/documents/resources>.

[3] After years of vigorously lobbying the U.S., Caribbean countries have achieved only moderate success in turning back the tide of de-risking. It will take years for the tentative support for anti-de-risking in legislation such as the William M. Thornberry National Defense Authorization Act for Fiscal Year 2021 to be presented, debated and implemented. See specifically Section 6215 (b)(2)(c) and Section 6215(c)(4) in the NDAA 2021, <https://www.congress.gov/bill/116th-congress/house-bill/6395/text>.

[4] As of January 2020, a full list of China's currency swap partners includes: Hong Kong, Malaysia, Indonesia, Argentina, South Korea, Belarus, Iceland, Singapore, New Zealand, Uzbekistan, Mongolia, Kazakhstan, Thailand, Pakistan, UAE, Turkey, Australia, Ukraine, Brazil, UK, Hungary, Albania, Eurozone, Switzerland, Sri Lanka, Russia, Qatar, Canada, Suriname, Armenia, South Africa, Chile, Tajikistan, Georgia, Morocco, Serbia, Egypt, Nigeria, Japan, Macao, Laos ([Hindu Business Line](#), December 2020).

[5] See: DeLisle Worrell, "China in the Caribbean's Economic Future," August 6, 2020, <https://ssrn.com/abstract=3668058>.

[6] See: Hu Jiarui (胡佳睿), "Analysis on the Credit Risk Management and Control of [Chinese] Commercial Banks" [浅析我国商业银行信贷风险管理与控制], *Taxation* [纳税] 08 (2018),

<https://kns.cnki.net/kcms/detail/detail.aspx>; Deng Ye (邓野), "Discussion on Commercial Bank Credit Risk Management" [谈商业银行信贷风险管理], Shenyang Chemical Engineering University Economics and Management School, <https://www.xchen.com.cn/tzlw/grxdlw/740646.html>.

[7] Cheng Cheng (程诚), "The 'One Belt One Road' China-Africa New Development Cooperation Model: How 'Stem Cell Finance' Can Fix Africa" ['一带一路'中非发展合作新模式: '造血金融' 如何改变非洲], Renmin University, September 29, 2018, [http://www.cssn.cn/jjx\\_ljix\\_1/ljix\\_blqs/201809/t20180929\\_4663266.html](http://www.cssn.cn/jjx_ljix_1/ljix_blqs/201809/t20180929_4663266.html).

[8] Specifically, the plan calls to "Support Pudong to take the lead in exploring the implementation path of capital account convertibility" (支持浦东率先探索资本项目可兑换的实施路径) (Section 5, Subsection 13), and "Innovate international-facing RMB financial products, expand the scope of overseas RMB [and] domestic financial investment products, promote the two-way flow of cross-border RMB funds" (创新面向国际的人民币金融产品, 扩大境外人民币境内投资金融产品范围, 促进人民币资金跨境双向流动) (Section 5, Section 13), [http://www.gov.cn/zhengce/2021-07/15/content\\_5625279.htm](http://www.gov.cn/zhengce/2021-07/15/content_5625279.htm).

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## The PLA Air Force's Efforts Toward Agile Combat Employment

By Derek Solen

### Introduction

From late June to early July 2021, it was reported that the Western Theater Air Force of the Chinese People's Liberation Army (PLA) Air Force (PLAAF) had "recently" conducted a combat support exercise in northwestern China.[1] Although much of the exercise resembled other combat support exercises, it is notable because of its unusual stated purposes. Those purposes indicate that the PLAAF lacks the capability to operate outside its network of airbases, but they may also indicate that the PLAAF has set about emulating the U.S. Air Force's newest operational concept.



*Image: A Y-20 transport lands at an "unfamiliar" airfield during an unusual combat support exercise (Source: [Chinese Military Online](#)).*

### The Exercise

As usual, details about the exercise are sparse, but it seems to have been relatively small, involving an air defense element as well as some aircraft (at least one Y-20 transport and at least two J-16 fighters) and their crews in addition to a great variety of combat support elements, from engineering to medical and even food service elements ([Chinese Military Television Online](#), June 22; [Chinese Military Online](#), July 14). The exercise began with the participating combat support elements deploying to an unspecified place in northwestern China by road, rail, and air ([Chinese Military Television Online](#), June 22). After assembling at their destination, the participants unloaded materiel from a train and established a bivouac and a motor pool ([Chinese Military Television Online](#), June 22).

“Several” aircraft then landed at an “unfamiliar” (陌生, *mosheng*) airfield that was presumably nearby ([Chinese Military Television Online](#), June 22; [Military Report](#), July 8). The PLA refers to an airfield from which a unit does not ordinarily operate as an “unfamiliar” airfield. The term encompasses civilian as well as military airfields. Immediately after the aircraft landed, the airfield was “attacked” from the air ([Military Report](#), July 8). Elements of an engineering and logistics group removed unexploded ordnance and then worked with a local civilian construction company to repair the runway ([Xinhua](#), July 7). The airfield’s fuel tank farm was also “destroyed” in the attack, so a fuel support element established a new “field fuel farm” ([Chinese Military Television Online](#), June 22).

This much of the exercise resembles other combat support exercises that the PLAAF has conducted before and after ([Chinese Military Television Online](#), August 15, 2019; [Chinese Military Television Online](#), August 27). However, two new subjects were added to this exercise. The exercise marked the first time that maintainers worked in the field with employees of aircraft manufacturers to repair aircraft ([Chinese Military Television Online](#), June 22). More important, “hot support” (热保障 *re baozhang*) was conducted for the aircraft that landed at the airfield, which were apparently unscathed by the “attack” ([Chinese Military Television Online](#), June 22). “Hot support” refers to the refueling and rearming of a just-landed aircraft whose engines are still running ([National Defense Stories](#), June 8).[2] This is a key capability for keeping aircraft aloft longer, thereby sustaining continual air operations and reducing the risk to aircraft from strikes on their airbases.

More anomalous were the stated purposes of the exercise. The first was to explore how combat units could “survive” while conducting operations from “unfamiliar” airfields lacking the materiel and combat support personnel to sustain combat operations ([Chinese Military Television Online](#), June 22; [Xinhua](#), July 7; [Military Report](#), July 8). A second purpose was to study how to organize, deploy, and exercise command and control over various combat support elements sustaining operations from such airfields ([Chinese Military Television Online](#), June 22). The third purpose was to gauge units’ minimum combat support needs in wartime ([Xinhua](#), July 7). Other combat support exercises have focused on deploying units over long distances and practicing various support functions in the field, but they have typically not involved aircraft. This exercise focused on organizing the minimal combat support force to sustain air operations from airfields whose runways may be their only adequacy.

### **Implications of the Exercise**

The exercise is significant for two reasons. First, it suggests that the PLAAF’s capability to employ its combat support units, and to sustain combat operations, outside its current organization and network of airbases is low. The PLAAF does regularly deploy aviation units to participate in large-force employment exercises, but such exercises are conducted at well-appointed airfields like Dingxin (鼎新) Airbase. Throughout the last decade, the PLAAF has worked to reduce the amount of materiel and the number of combat support

personnel accompanying aviation units on these deployments ([Liberation Army News](#), November 6, 2019). This recent exercise indicates that the PLAAF is aware of this deficiency and is addressing it. Second, and more important, the exercise indicates that the PLAAF is grappling with the same threat that has prompted the U.S. Air Force (USAF) to devise the Agile Combat Employment (ACE) concept, which is the potential incapacitation of the PLAAF's air operations through concentrated strikes on its airbases.

There are likely two reasons as to why the PLAAF is grappling with this threat now, which are not mutually exclusive. First, the PLAAF certainly recognizes how absolutely dependent air power is on airfields, and that it cannot afford to gamble on the efficacy of its air defenses, particularly when it is commonly predicted that current missile defense systems will be ineffective against hypersonic missiles, which are being developed by the PLA's adversaries.[3] In the future, the PLAAF may be forced to operate from "unfamiliar" airfields that lack the necessary materiel and facilities, so it is prudent to prepare for that contingency.

In fact, in January the PLA reported that the PLAAF had designated at least one "field station" (场站, *chang zhan*) to develop the techniques and procedures to enable an entire such unit to provide emergency, mobile combat support ([Liberation Army News](#), January 18).[4] A "field station," also known as an "air station," is not a station in the common sense of the term; rather, it is the highest-level combat support unit in the PLAAF. It is roughly equivalent to a group in the USAF and likely consists of several hundred personnel.

The other possible reason is that the PLAAF views the increasing dispersal of forces as an ineluctable trend in military tactics, so it has decided that it, too, must become more agile. It is a basic principle of warfare that dispersal increases survivability, but dispersal also complicates command and control. Advances in information technology, however, should enable commanders to coordinate the actions of widely scattered units, thereby enabling those units to fight together even while they are separated. ACE will take advantage of those advances to employ forces across a distributed network of airfields in order to increase units' survivability. ACE will also increase units' agility and decrease their discoverability by minimizing combat support at each point of dispersal.

It is notable that in its publicly available assessment of ACE, the PLA never criticized the principle of distributed employment ([China Brief](#), July 16). In fact, just before the exercise, the PLA's mouthpiece, *Liberation Army News*, published an article stating that the convergence of strength across dispersed formations is a "basic requirement" for employing forces in future wars in which, due to the application of information technology and artificial intelligence, "exposure means discovery" and "discovery means destruction" ([Liberation Army News](#), May 18). The article and the exercise are probably unconnected; the exercise is likely to have been planned well before the article was published. However, the separate appearance of both suggests the existence in the PLAAF—and in the PLA as a whole—of a prior consensus about how they must adapt to current trends in warfare.[5] The fact that the PLAAF is trying to determine the minimal combat support needs for sustaining combat operations from austere airfields may indicate that the PLAAF has decided to follow the same path as that of the USAF.

## Conclusion

If the PLAAF is considering implementing its own version of ACE, then it will face some of the same challenges as the USAF: primarily the challenge of coordinating the actions of dispersed combat units and of sustaining those units with smaller, nimbler combat support elements operating in austere conditions. Having started earlier, the USAF has made more progress toward meeting those challenges.

However, the PLAAF also has advantages. In a regional war, the PLAAF can operate entirely from China's vast territory. It need not rely on allies for access to the theater of operations. In addition, it can legally commandeer any airstrip and press civilian entities into service ([Standing Committee of the 11th National People's Congress](#), February 26, 2010). Greater reliance on civilian entities for combat support may be a key difference in how the PLA implements its own version of ACE. The participation in the aforementioned exercise of a local construction company as well as employees of aircraft manufacturers highlights this possibility.

Finally, the PLAAF's logistics are less vulnerable, not only because the PLA can freely utilize civilian transportation assets, but also because it can convey men and materiel over land by road and rail, so it has more options for transport as well as transshipment and storage. Those road and rail networks are particularly well-developed in China's coastal provinces. These advantages will not compensate for a lack of agility, but they will significantly augment the PLAAF's capabilities if it can implement its own version of ACE. The PLAAF's becoming more agile will not counteract ACE, but it will make the PLAAF a much more resilient force. By adopting the USAF's own, still developing operational concepts, the PLAAF will force the USAF into a race to implement them so as not to be surpassed. The USAF's lead over the PLAAF may not last, so the USAF should not become complacent about its progress. Nor should it become sanguine about the advantages that implementation will provide.

*Derek Solen is a senior researcher at the U.S. Air Force's China Aerospace Studies Institute. He was a civilian intelligence specialist in the U.S. Army. The views expressed are his own and do not reflect the official policy or position of the U.S. Air Force, the U.S. Department of Defense, or the U.S. government.*

## Notes

[1] The exercise was characterized as a "support" (保障, *baozhang*) exercise. This term for "support" is typically used throughout the PLA as "combat service support" is defined in U.S. joint doctrine. The exercise is here described as a "combat support" exercise in accordance with U.S. Air Force doctrine.

[2] The U.S. armed forces refer to the same as "hot-pit" refueling and rearming.

[3] It was predicted that hypersonic weapons would have just this effect in an article about the future of air strikes that was published in the PLA's official newspaper ([Liberation Army News](#), September 3, 2020).

[4] It is possible that the field station belongs to the Northern Theater Air Force ([Xinhua](#), April 15, 2020).

[5] The PLA similarly negatively assessed the U.S. military's ability to implement the Joint All-Domain Operations concept, but it never criticized the logic behind it, and it seems to have even judged that "multi-domain integrated joint operations" (多域一体化联合作战, *duoyu yitihua lianhe zuozhan*) will be the basic form of warfare in the future ([China Aerospace Studies Institute](#), August 31, 2020; [China Brief](#), May 25). When the PLA does emulate the U.S. military, it does so not out of a copycat impulse, but because it understands and accepts the validity and the effectiveness of the U.S. military's ideas and methods.

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## Education Reforms Aim to Mold Model Citizens from Preschool in the PRC

By Alexandra Grey and Gegentuul Baioud

### Introduction

On July 23, the Ministry of Education of the People’s Republic of China (PRC) published the “Notification on the ‘Children Speak in Unison’ Plan” ( [关于实施儿童普通话教育‘童语同音’计划的通知], *Guanyu shishi ertong Putonghua jiaoyu ‘tongyu tongying’ jihua de tongzhi*, hereafter ‘Plan’) to implement Mandarin Chinese education in preschools across China ([PRC Ministry of Education](#), July 23). Preschool is the non-compulsory year of education for “pre-school children” (学前儿童, *xueqian ertong*), sometimes also translated as kindergarten. While preschool is not currently mandatory in the PRC, universal preschool attendance is an education goal under the Education Modernization 2035 campaign ([中国教育现代化 2035], *Zhongguo jiaoyu xiandaihua 2035*) ([State Council](#), February 23, 2019).



*Image: “The Party [should] rest assured, our strong country has me.” (请党放心 强国有我). The image of a Mongolian preschool’s first class and the quoted caption were published on the Wechat account of the Saikan District in Hohhot, Inner Mongolia, on September 1, 2021 (Source: Baioud’s records).*

The Plan demands that, beginning in the fall semester of 2021, preschools in ethnic and rural areas that are not yet using the nation’s official *Putonghua* language and script, which refers to a standardized variety of Mandarin Chinese, must develop health care (保健, *baojian*), nurture (养育, *yangyu*), and educational (教育, *jiaoyu*) activities—together called *baojiao* (保教). These topics will be taught completely in *Putonghua*.

There is ambiguity about the Plan's effect in terms of actual teaching hours. It seems that for the compulsory grades after preschool, teaching in a local language will still be allowed in addition to any compulsory *Putonghua*, which has long been the way that bilingual education is structured in China for both minority languages and regional areas' Mandarin lingua francas; the 1995 PRC Education Law allows common local languages to be used in schools and this was supported by the "National Outline for Medium and Long-term Educational Reform and Development (2010–2020)" ([China.org.cn](http://China.org.cn), March 8, 1995; [internationaleducation.gov.au](http://internationaleducation.gov.au), July 2010). In practice, it is possible that such languages will now get decreased time and attention in later grades following the *Putonghua*-only year of preschool. Prioritizing *Putonghua* at the expense of local languages has long been the way that bilingual education often works, even though education in local languages is not prohibited.

The Plan has the potential to drastically reduce minority language learning, especially the acquisition of literacy and school subject vocabulary in minority languages. As a result of its implementation, young first-language speakers of minority languages are likely to become less able to undertake elementary school subjects in languages other than *Putonghua* compared to previous years' students. If the Plan disincentivizes or even disables minority language school education, it will further reduce the value that parents and county-level school funders can see in terms of minority languages helping their students one day get university degrees/jobs. Alexandra Grey's research in the Guangxi Zhuangzu Autonomous Region found that such a belief in the low economic value of the Zhuang language already encourages parents not to pass on their minority language to children, lest Zhuang interfere with the acquisition of Mandarin Chinese.[1] Stopping integrational transmission rapidly shrinks a speaker group, even for a language like Zhuang that has some 10-17 million reported speakers (counts vary widely).

Perhaps minority language cessation in the youngest generation is the Plan's intention. Even if it is not, the new *Putonghua* immersion for preschoolers represents an early and influential site of contact between the state and its citizens. The authors will discuss these concerns through a case study of the Inner Mongolia Autonomous Region, an area where bilingual education has been relatively strong and known for its high quality.[2]

### **Bilingual Education in Inner Mongolia**

The PRC's public education system includes a bilingual stream in addition to the main *Putonghua*-medium stream. Regional models vary, but all include some instruction in a language other than *Putonghua*—typically one of the PRC's 55 official minority group (民族, *minzu*) languages, such as Mongolian or Zhuang. Many bilingual schools are actually only bilingual for the first few years, when children are transitioning to learning and using *Putonghua*. This process has been dubbed the "walking stick theory" (拐棍论, *guaigun lun*).[3] Some bilingual schools do not even teach written minority languages, but only use them orally as an aide in the early years. Across the PRC, bilingual schools are already obliged to start teaching at least partly in *Putonghua* from first grade.

Implementing the new Plan will create greater and earlier *Putonghua* exposure for children who are not learning it at home. Improving access to *Putonghua* as a poverty alleviation measure has been a government priority in recent years. It is not clear, however, that beginning *Putonghua* education in preschool is necessary for children to eventually become proficient in it, or that students who undertake preschool in other languages have later been unable to learn *Putonghua* well. In general, Linguistics and Education research shows that childhood bilingualism does not hinder proficiency in the non-home language. Indeed, being introduced to school practices and fundamental concepts in their first language actually helps children do better at school in their second language, as opposed to missing out on fundamentals because they do not fully understand the language of instruction.

At least until 2020, schools in the bilingual stream in the Inner Mongolia Autonomous Region taught subjects in Mongolian through secondary school, with students taking Mongolian-medium university entrance exams (高考, *gaokao*). Mongolian students' successes on such exams is one of the reasons that Chinese politicians have described the Mongolian *minzu* as a model minority (模范少数民族, *mofan shaoshu minzu*) (e.g., [163.com](#), July 26, 2020).

The Plan pushes further than controversial 2020 reforms to bilingual education policy in Inner Mongolia. The 2020 reforms mandated *Putonghua* as the medium of instruction for three core subjects at otherwise Mongolian-medium primary and secondary schools: Chinese Language; Morality and Law (covering politics and ideology); and History ([Inner Mongolia Government](#), February 5, 2020; [China Brief](#), September 28, 2020). Implementation of the 2021 'Children Speak in Unison' Plan in Inner Mongolia thus raises concerns about whether the cohort of children who are exposed to *Putonghua* instruction and caretaking in preschool will be able to master Mongolian sufficiently to learn subsequent school subjects, such as math, in Mongolian.

Moreover, the 2020 bilingual education reform had already triggered a series of lost battles for Mongolian language. From Fall 2021, the University of Inner Mongolia slashed the quota for social science majors taught in Mongolian—including journalism, Mongolian literature and law—by almost half, demonstrated by the abrupt decrease from the recruitment of 420 new students in 2020 to 260 in 2021 ([Inner Mongolia University Admissions Office](#), June 16). In addition, several Mongolian-as-medium-of-instruction majors including Cyrillic Mongolian literature, Japanese and Tourism Management simply disappeared in 2021. The education reforms are already draining symbolic and socioeconomic capital in the sphere of education, and the authors predict the new preschool Plan will aggravate these cuts to Mongolian throughout all stages of education.

## **Voiceless People**

Since the doomed-to-fail protest against the Fall 2020 bilingual education reforms, a deep sense of despair and hopelessness has engulfed many people from the Mongolian minority. It is significant to observe that Mongol individuals and associations are not voicing any objections to this July's Plan, compared to the energized, direct opinions voiced online last year, except for the occasional surfacing of a few oblique and melancholic lines on Mongolian-medium websites. One such verse goes: "Rain is falling on Mount Khan unstoppably; the birds who forgot their languages are flying here and there indifferently; the cows who forgot their words are chewing grass in contentment."<sup>[4]</sup>

Recent mass rectification campaigns such as the "Firmly Casting the Common Consciousness of the Chinese Nation Study Sessions" (铸牢中华民族共同意识专题培训, *Zhu lao zhonghua minzu gongtong yishi zhuanti peixun*) ([Sohu News](#), December 9, 2020), combined with omnipresent digital propaganda campaigns on official media platforms, have also saturated public spaces and contributed to the suppression of dissent against the new Plan.

### **Mongolian as a Private Language**

The 'Children Speak in Unison' Plan may herald a new era wherein the Mongolian language retreats from public to private spaces, and from prestigious activities to lowly valued activities. This happened during and after the Cultural Revolution (1966-1976), but many Mongolians are keen not to see it repeated. The recent strength of bilingual education in Inner Mongolia, and Mongolian language in general, is the outcome of a concerted reaction against that time. Retired Mongolian officials in a regional county of Inner Mongolia recalled in an interview with Grey in 2014 not only that they felt convinced to not have their children learn Mongolian at school, but also told of the ongoing tension and pain that this has caused, as their now-adult children feel disinherited of their language and culture. These older officials thus came to value and support bilingual education.<sup>[5]</sup>

Indeed, bilingual education had renewed government and popular support in many parts of the PRC in the '80s and '90s. Since the early 1990s, however, the PRC's language policy for minority education has gradually shifted from a pluralistic approach that emphasized linguistic and ethnocultural diversity to an integrationist approach that emphasizes assimilation and unity.<sup>[6]</sup> In the last decade, the linguistic element of unity has had increasingly strong political purchase as a national response to domestic security concerns: Grey's work calls this "securitized language policy."<sup>[7]</sup> The 'Speak in Unison' title of the policy announcement reflects this long-standing but now ascendant rationale. Different language speakers coming together as a harmonious single voice is a well-worn metaphor, but there is also a deeply ingrained belief that linguistic difference is indicative of national disloyalty and even separatism. (Such 'One Nation, One Language' ideology is certainly not unique to the PRC). Assimilationist language education policy has been enacted in different regions with different paces and intensities, and these recent education reforms should be seen as connected to that.

Recent decades' increasingly pro-*Putonghua* education policies are closely linked with China's Han-centric racial state-building, which entails a shift in how the state sees minorities. The Inner Mongolian scholar Uradyn E. Bulag points out that this policy overhaul is inseparable from the PRC's political attempt to acquire "a nation for the state," wherein minorities are redefined from nationalities (民族, *minzu*—a political category following the Soviet tradition) to ethnic groups (族群, *zuqun*—a cultural and depoliticized category) and melded into a newly-imagined Chinese national community of shared destiny. Bulag states, "The vehemence and determination shown by the Chinese government in dismantling minority rights indicates that China wants nothing less than to change China's institutional form from a state of many nationalities to a nation consisting essentially of one people."<sup>[8]</sup> Grey's recent work on the Zhuang *minzu* in Southern China notes the same trend emerging after decades of less concerted but effectively assimilatory policies, particularly in urban spaces. Her study suggests that the state's duty to assist in "developing" minority languages (per Article 4 of the PRC Constitution) ([NPC](#), March 14, 2004), is now seen as fulfilled, and notes that minority language policy across the PRC is shifting from use and teaching to recording and archiving under the current Language Protection (语保, *yu bao*) Project. She links this to the Second Generation *Minzu* Policy (第二代民族政策, *di er dai minzu zhengce*) paradigm advocated by prominent Chinese scholars in the early 2010s (examined in [China Brief](#), July 6, 2012). Second Generation advocates proposed dismantling the legal recognition and administrative division of the population into the Han majority and 55 minority *minzu*, and the "death" of minority languages as the *only* way for all Chinese people to gain equal access to educational and economic opportunities.<sup>[9]</sup> The Second Generation nomenclature was never officially approved, but the paradigm shift seems to be happening in practice in education reforms and elsewhere.

Of course, education is a key policy area in many nations, including the PRC, because it is not just about schooling; it is about socializing citizens. The self-serving purpose of socializing young citizens to benefit national goals of harmony and modernization co-exists with what is often described in policy documents as a benevolent purpose of improving and developing the lives and the prospects of minority *minzu* children—in Inner Mongolia and elsewhere—by homogenizing to reduce *minzu* children's perceived disadvantages in education and development compared with the majority.

That is, a better future must come at the cost of minority practices and minority identity resources, including minority languages. Based on this now-dominant view, it is no longer accepted that good students and citizens can be bicultural and bilingual in minority languages.

## Conclusion

It is likely that this Plan will, in practice, further reduce children's ability to learn school subjects in minority languages, leaving schools and parents to make a coerced choice to abandon those languages so as not to disadvantage children when they grow up and compete in nationwide university exams and job applications. This choice is already being made in minority households across the PRC, and now the push factors have increased. Coercing this choice is a quick and effective government maneuver toward stopping inter-generational language transmission, even in very populous *minzu*. The ascendance of assimilationist and securitized language policy and education policy rationales in recent decades suggests that this may be a government intention. Moreover, the introduction of *Putonghua* at preschool not only starts socializing the right kind of citizen for the state at an earlier age than before, but it is framed in prominent government discourses as a benefit delivered by the state to those children.

*Dr. Alexandra Grey is a Chancellor's Postdoctoral Research Fellow in the Law Faculty at the University of Technology Sydney. She is the author of Language Rights in a Changing China: A National Overview and Zhuang Case Study (2021, De Gruyter), free Mandarin extract [here](#). She has lived, worked and studied in China, and publishes frequently about the governance of linguistic diversity in both China and Australia, in academic journals, books and blogs.*

*Dr. Gegentuul Baioud is a postdoctoral research fellow in the Hugo Valentin Centre of History Department at Uppsala University. She received her PhD from Macquarie University, in Sydney. Her research interest lies in languages and cultures in multicultural societies on the periphery. In particular, she is interested in studying linguistic and cultural transformation experienced by Mongolians in China in the context of urbanization and nationalization. She has published journal articles and blogs and presented a wide range of conference and seminar papers on the subject.*

## Notes

[1] Alexandra Grey, *Language Rights in a Changing China: A National Overview and Zhuang Case Study*, 1st edition, De Gruyter, 2021, <https://doi.org/10.1515/9781501512551>.

[2] Naran Bilik and Has Erdene, "Trilingual Education and Mongolian Ethnicity" in *Frontiers of Education in China*, 11(4), 2016, p435–454, <https://doi.org/10.1007/BF03397135>.

[3] Grey's interview with a minority language researcher, Beijing, June 30, 2014. In academic terms, the process is referred to as Transitional Second Language Acquisition.

[4] Original text: *khan ulliin boroon, kharahiin jav ugei ornoo, kheleen martagsan shuvuud, kheneg ch ugei nisuldnee, ugeen martagsan uher, undiikh ch ugei emkhulenee*. The cold rainy Fall of 2020 is associated in this text and similar ones with the memories of pain, failure and demise of Mongolian language transmission. Social media screenshot taken by Baioud, collected August 15.

[5] Grey's interviews with retired Inner Mongolia *minzu* officials, 2014.

[6] Gulbahar H. Beckett, and Gerard A. Postiglione, *China's assimilationist language policy : the impact on indigenous/minority literacy and social harmony*, 1st edition, Routledge, 2012, <https://doi.org/10.4324/9780203804070>.

[7] Grey, *Language Rights in a Changing China*, p5, see further p291.

[8] Uradyn E. Bulag, "Minority Nationalities as Frankenstein's Monsters? Reshaping 'the Chinese Nation' and China's Quest to Become a 'Normal Country,'" *The China Journal (Canberra, A.C.T.)*, 86(1), 2021, p46–67, <https://doi.org/10.1086/714737>.

[9] A comment from Ma Rong cited in He, 2014: 3, authors' emphasis. He Baogang, "The power of Chinese linguistic imperialism and its challenges to multicultural education," In James Leibold & Chen Yangbin (eds.), *Minority education in China: Balancing unity and diversity in an era of critical pluralism*, Hong Kong University Press, 2014, p27–64.

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