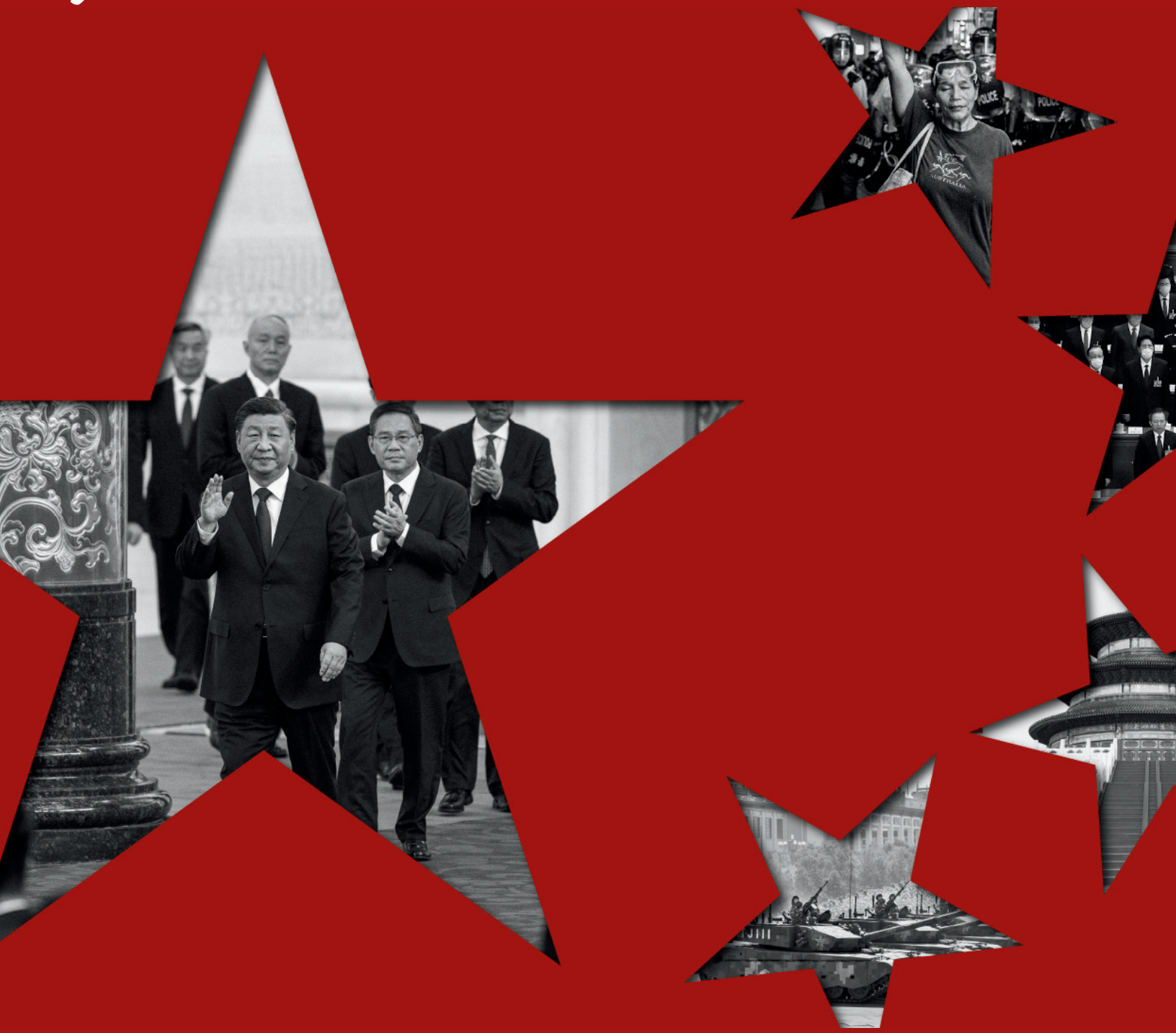
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A Christian worshipper leaves a scheduled Sunday mass at the Xishiku Catholic Cathedral, or the Church of the Saviour, on April 27, 2025 in Beijing. (Photo by Kevin Frayer/Getty Images)

The CCP 'Saturates' Religion with Socialist Values

Jonah Reisboard
October 16, 2026

Executive Summary

- The Chinese Communist Party (CCP) is pushing to "saturate" (浸润) religion with Chinese culture and socialist values. Party organs have used this tactic for more than a decade to wear down the organizational and spiritual independence of religious groups, and it is one of four mechanisms in a framework Party-state scholars use to describe the sinicization of religion.
- "Saturation" creates new Party-aligned norms that must be followed to avoid persecution. It demands surveillance, both through grassroots inspections and through technical means to ensure compliance.
- Local governments have run sinicization campaigns for years following Party guidance alone in the absence of a national statute on religion. However, the Promotion of Ethnic Unity and Progress Law contains some provisions relevant to religion and will lead to renewed efforts.

In a Fortnight

At the opening ceremony of the 2026 Shanghai Religious Community Chinese Culture Week, Shen Bin (沈斌), the bishop of the Catholic Church of Shanghai, introduced the "Initiative on Chinese Culture Saturating Religion" (The Paper, July 17). The term "saturate" (浸润) refers to the integration of Chinese culture—and socialism with Chinese characteristics—into religion, acting as one mechanism for the sinicization of religion. In 2023, Zheng Xiaoyun (郑筱筠), director of the department of world religion research at the Chinese Academy of Social Sciences, characterized the management of religion as consisting of "导" (guidance), "和" (harmonization), "润" (saturation), and "化" (transformation) (Zheng, 2023). **[1]**

Each tactic provides a framework for the Chinese Communist Party (CCP) to sinicize religion through its United Front Work Department (UFWD) and local ethnic and religious affairs (ERA) offices. In many Party-state directives and reports, multiple tactics are cited as the ends or means of the Party's religious work, and Zheng's heuristic is useful in showing that sinicization is multi-faceted. "Saturation" is particularly illustrative of the CCP's mandatory integration between socialism and religion, such that the independence of religious groups is both organizationally and spiritually eroded.

The Party-state's religious affairs work has explicitly followed the path of sinicization since the United Front Work Conference in 2015, when General Secretary Xi Jinping said that religion "must adhere" to this direction (必须坚持中国化方向) (People's Daily, May 21, 2025). The recently enacted Promotion of Ethnic Unity and Progress Law then standardized the sporadic approaches to sinicization across the People's Republic of China (PRC), which will likely lead to renewed efforts (China Brief, March 27, April 2).

The ethnic unity law expands on existing procedure in ways that touch religion, especially regarding mandates on Party alignment in the home and in schools; but provincial, county, and municipal governments do not need a national law to target religion. Party guidance previously sufficed to carry out sinicization efforts in the absence of a wide-ranging national statute, and Party organs have been promoting sinicization through "saturation" for over a decade, with local governments executing their guidance.

Local Documents Show 'Saturation' Efforts

"Saturation" is an attempt to reshape religion and integrate socialism with Chinese characteristics into personal identity. Book donations fill religious libraries with socialist and Party-aligned literature, such as Xi Jinping's Talks on Governance and Regulations on Religious Affairs. ERA committees also install flagpoles and put up propaganda posters. Shenyang City boasted donations of more than 2,000 books and more than 500 national flags in the years leading up to 2020 (Liaoning ERA Committee, December 18, 2020).

Party-guided education in history also plays a role in reshaping identity. In the northeast region, studying the Korean War is cited as helping to "cultivate the patriotism of the religious community, sharpen the ambition of strengthening the country, and practice service to the country" (培养深植宗教界爱国之情、砥砺强国之志、实践报国之行) (Liaoning ERA Committee, December 18, 2020). In Hubei province, the ERA committee celebrated the "Hubei Religious Community 'Red Education' Base," a historical showcase that celebrates the CCP and its sinicization efforts (Hubei ERA Committee, April 24, 2022). The PRC's Patriotic Education Law calls for developing and visiting these sites (China Brief, December 15, 2023).

What the CCP calls "excellent traditional Chinese culture" (中华优秀传统文化) provides yet

another vector for influencing religious identity. In Hubei and elsewhere, religious sites will hold traditional festival celebrations and recitations of the Chinese classics (Hubei ERA Committee, April 24, 2022). Along with legal measures, using traditional culture for religious sinicization establishes that "the nation is greater than religion" (国大于教) (UFWD, May 19). Xu Xiaohong (徐晓鸿), chairman of the National Committee of the Three-Self Patriotic Movement, a state-sanctioned body that oversees Protestant churches in the PRC, put this in a zero-sum context, saying that sinicization is a modern effort to prevent a reality where "one more Christian is one fewer Chinese" (多一个基督徒就少一个中国人) (Xinhua, March 11, 2019). This indicates that the fusion of religion and secular culture is an attempt to maintain a solely "Chinese" identity.

"Saturation" of religion also calls for the Party to influence theology itself. This can occur indirectly from book donations and ideological education, but is achieved more directly by encouraging religious leaders to align their messaging with the CCP. In Zhengzhou, the Protestant liang hui (两会) held a competition soliciting sinicized sermon manuscripts, and reportedly received 461 submissions (Zhengzhou ERA Bureau, July 9, 2024). **[2]** Sinicized sermons have covered themes such as "taking dedication to work as a sacrifice" (以敬业为祭) and "being a patriotic Muslim" (做一名具有爱国情怀的穆斯林) (China Islamic Steering Committee, 2021; The Protestant Church in China, July 1). **[3]** For these religious leaders, contests provided an incentive for alignment, but they also serve the CCP's goal of bringing ideology into churches. The Party-state's tactics of identifying, cultivating, and co-opting willing religious leaders to advance its "saturation" of religion mirrors its work in overseas united front operations (China Brief, February 11).

'Saturation' Demands Grassroots and Technical Surveillance

Governing religion through "saturation" creates ideological norms that must then be upheld by religious followers. In Pengxi county, located in Sichuan province, cadre inspections include "heart-to-heart talks" (谈心谈话) and soliciting opinions before meetings. This is an attempt to increase "ideological contact" (思想碰触), and forces Christians, Muslims, and Buddhists to embrace ideology or be marked as anti-CCP elements (Pengxi County UFWD, July 28, 2023). Sending cadres into religious sites serves as a tool for monitoring religion and identifying the people, ideas, and value systems that threaten the Party's interests. The experience of Uyghurs in the Xinjiang Uyghur Autonomous Region (XUAR), where indicators of religious extremism came to be defined so expansively as to include growing a beard or maintaining foreign contacts, shows how Party narratives shape what is tolerated and what is seen as religious fanaticism (United Nations, August 31, 2022).

The Party-state uses grassroots means to identify areas of interest and concentrate its monitoring efforts. In Jincheng, Shanxi province, the municipal united front work report discussed "targeted surveys and assessments covering villages with concentrated religious populations" and "foreign religious influences," seeking to "fortify defenses against religious infiltration and expansion in key sectors and regarding specific religious groups" by "firmly grasping the city's religious data" (对信教群众聚居村、外来宗教和教育系统开展专项摸排，全面掌握全市宗教数据，筑牢重点领域、重点宗教抵御渗透蔓延的防线) (Taixing Daily, February 28, 2022). In a sub-district of Wuxi City, "grid staff" (网格员) must conduct inspections of religious sites daily and maintain a registration ledger of religious leaders (Wuxi ERA Bureau, January 21). A local government in Anhui province also made reference to inspections by "grid staff" and

"work ledgers," where this refers to a report on investigative findings (Suncun Township Government, June 3, 2020).

The same inspection and monitoring tactics are used to identify "underground" religious sites. In advance of the 100th anniversary of the CCP's founding in 2021, a local government in Huoqiu county, Anhui province, distributed an internal directive to villages and local bureaus. Party branches were ordered to inspect village units, shops, supermarkets, and hotels to identify unauthorized gathering points, including home-based gatherings (Wulong Town Party Committee and Government Office, 2021). The document names "core members" (骨干分子) of "underground" churches that had previously been broken up, both as subjects for long-term monitoring and nodes within continuous investigations to ensure that their organizations do not return. At least during this "Large-Scale Inspection and Rectification Campaign" (大排查大整治行动), village Party officials were to "provide renewed education and guidance" (再次进行教育引导) for these "core members."

Religion-specific indicators are used to determine threats, reinforcing the Party's desire to "saturate" and co-opt religious groups. According to a work plan released by Shiti town, located in Dazhou, Sichuan province, the threats emerging from different religions vary, but all must be "checked and changed" (要边查边改) (Dazhou District People's Government, September 22, 2018). Buddhists and Taoists are identified as constructing unauthorized temples and statues; the supposed threats in Christianity come from private gatherings, self-appointed preachers, and foreign influence; and for Islam, the Party is concerned by the appointment of imams from the northwest, foreign missions, and illegal classes (Dazhou District People's Government, September 22, 2018). These issues are seen as threats because they reflect religion taking on a form that the Party feels is beyond its control. "Saturation" is a way to re-center ideology and Chinese identity.

The Party-state turns to technical surveillance to reinforce cadre inspections. In 2022, Zhejiang province's "religious intelligent patrol" (宗教智巡) used real-time monitoring and early warning to identify three instances of illegal missionary activities, 11 illegal Buddhist events, three illegal renovations, and 49 cases of minors entering religious places (Daishan County Government Office, August 23, 2022). A document from Nantong, a city in Jiangsu province, shows that video surveillance is ubiquitous, with 534 surveillance cameras outfitted to the city's 178 religious sites. All video is fed to the county's "governance command center" (治理指挥中心) that has supposedly "achieved full coverage of site monitoring and no blind spots" (实现场所监控全覆盖、无死角) (ERA Commission of Jiangsu Province, April 25, 2025). Local Public Security Bureaus in Zhejiang also used the social media app Douyin to identify illegal Christian private gatherings (Daishan County Government Office, August 23, 2022).

Local governments rely on technical platforms built by the private sector. Baotou Pasis Network Technology (包头市派司网络科技), for instance, offers a "smart religion management system" (智慧宗教管理系统) that integrates and analyzes data such as personnel, activities, and finances, in part with assistance from artificial intelligence (Pasis, accessed October 4). **[4]** There are also mobile applications intended to facilitate ERA work, as have emerged across departments in the PRC in recent years (China Brief, April 28). One, which is offered on Apple's App Store, is meant to support inspections and assessments (Apple App Store, accessed October 4). Other companies offer similar products. In 2024, Jiangsu Cable Data Network (江苏有线数据网络) won a bid to provide a digitalized platform for the Jiangsu government, writing in the press release that the project would "actively publicize

relevant policies, regulations, and socialist core values through audio and video systems and terminals, and promote the implementation of religious sinicization" (动态宣传相关政策法规和社会主义核心价值观，助力宗教中国化宣贯) (Jiangsu Cable Data Network, April 24, 2024).

Conclusion

The CCP describes the threat it faces from unmitigated religious practice, in part, as foreign "infiltration" (渗透), with sinicization as the response. It is difficult to understand sending cadres into religious sites, shaping sermon rhetoric, cultivating ideology, and other aspects of religious "saturation" as anything other than the "infiltration" of religion by the Party itself. By acting against religious groups in much the same way that it describes the threat, the Party expresses its view that religion offers rival value systems and organizations that cannot remain independent. Zero-sum framing, such as Xu Xiaohong's statement that without sinicization "one more Christian is one fewer Chinese," only underscores this perspective.

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Notes

[1] Zheng Xiaoyun [郑筱筠], "'Guide,' 'Harmonize,' 'Saturate,' 'Transform': Several Theoretical Reflections on Deepening the Sinicization of Religion in China ['导' '和' '润' '化'——深入推进我国宗教中国化的几点理论思考]," Studies in World Religions [世界宗教研究], no. 7 (2023): 1–10.

[2] The term liang hui (两会) refers to the two organizations that manage Protestant churches in the PRC, the Chinese Christian Three-Self Patriotic Movement Committee (中国基督教三自爱国运动委员会) and the Chinese Christian Council (中国基督教协会).

[3] China Islamic Affairs Steering Committee [中国伊斯兰教教务指导委员会], ed., New Collection of Wa'z Sermons, Vol. 7 [新编卧尔兹演讲集（第七辑）] (Beijing: Commercial Press [商务印书馆], 2021), https://archive.ph/DJnEL.

[4] The company also offers similar services for an "ideological management system" (Pasis, accessed October 4).

To read this article on the Jamestown website, click here.



The 2026 China-Russia Joint Emergency Response Exercise for Cross-Border Infectious Disease Outbreaks was held in Fuyuan City in late August, shortly before the Irkutsk plague exposure incident. (Source: Fuyuan Municipal Media Center)

The PRC and Russia Deepen Biosecurity Integration

Matthew Johnson
October 6, 2026

Executive Summary

- **The unexplained death of an employee at Russia's Irkutsk Anti-Plague Research Institute has exposed an unusual gap between extensive bilateral preparedness and public communication.** Russian authorities quarantined a hospital, identified nearly 200 contacts, and dispatched Rospotrebnadzor chief Anna Popova after the employee reportedly became ill following a September 25 laboratory incident.
- **Beijing issued no public warning or travel advisory. The silence follows an unusually intensive period of bilateral preparation for precisely this type of event.** In August, more than 300 personnel from the People's Republic of China (PRC) joined Russian specialists—including Irkutsk institute director Sergey Balakhonov and the People's Liberation Army (PLA) Northern Theater Command Disease Control Center—in an exercise rehearsing imported plague, pathogen identification, epidemic notification, joint risk assessment, and cross-border response; on September 29, bilateral health officials again met to discuss infectious disease prevention and disaster medicine.

Executive Summary (continued):

- **The PRC and Russia have built increasingly institutionalized mechanisms for biological security, pathogen research, and epidemic early warning under direct political guidance from Xi Jinping and Vladimir Putin.** Since 2021, leader-level agreements and the PRC–Russia premiers' mechanism have expanded cooperation from laboratory testing and epidemiological research into border quarantine, biological security early warning, joint emergency exercises, cross-border epidemic control, and regular coordination among the PRC's disease control and customs agencies and Russia's Rospotrebnadzor.
- **The resulting system is ambiguously civilian and military and is spreading beyond the bilateral relationship.** Irkutsk combines a Soviet-era history of biological warfare (BW)-adjacent research with post-Soviet plague genetics cooperation involving the PLA-directed State Key Laboratory of Pathogen and Biosecurity; broader cooperation now encompasses PLA and Russian military medicine, chemical, biological, radiological, and nuclear (CBRN) exercises, Belarusian Collective Security Treaty Organization (CSTO) biological-defense activity and PRC–Belarus infectious disease research, and Shanghai Cooperation Organization (SCO) mechanisms extending surveillance, joint research, and epidemic warning into Central Asia.

Russian authorities have mounted an unusually large containment operation around the death of an employee of the Irkutsk Anti-Plague Research Institute while issuing shifting accounts of the underlying event. According to Russian local reporting, 28-year-old Daria Shipilova was allegedly exposed while working with Yersinia pestis on September 25, developed severe pneumonia, and died in Shelekhov on October. The alleged laboratory exposure has not been officially confirmed (Euronews, October 4). The Shelekhov district hospital had already entered quarantine on October 1, and on October 2 an extraordinary regional sanitary and anti-epidemic commission met with Anna Popova, chief of federal public health agency Rospotrebnadzor; 197 possible contacts were subsequently identified and 189 reportedly placed in medical facilities for observation and treatment (Shelekhov District Administration; IRK.ru, October 2).

Russian public messaging then diverged sharply: the head of the neighboring Republic of Buryatia initially linked the death to plague; authorities in nearby Baikalsk briefly urged residents not to travel to Shelekhov before deleting the warning; and on October 4 Rospotrebnadzor said the employee had died from "pneumonia of unknown etiology," that expanded testing found no microorganism connected to her professional work, and that no pathogenic microorganism incident had occurred at the institute (The Moscow Times, October 2; Euronews; Interfax, October 4). The incident would ordinarily be expected to register quickly with Beijing because Irkutsk is directly connected to multiple cities in the People's Republic of China (PRC) by air. Yet as of October 4, Beijing had issued no public health warning or Russia-related travel advisory, the Chinese consulate in Irkutsk listed no new epidemic notice, and ordinary connectivity continued, with Irkutsk reporting on October 2 that as many as six flights a day continued to link the city with Beijing, Shanghai, Guangzhou, Manzhouli, and Harbin (PRC Consulate General in Irkutsk, accessed October 4; IRK.ru, October 2).

Beijing's silence is particularly incongruous because the incident occurred during the late summer and early autumn plague surveillance season along the PRC's northern border, when disease control authorities routinely intensify monitoring of rodent populations and vectors, alongside health screening of incoming passengers. In 2026, those seasonal measures

coincided with an unusually large expansion of PRC–Russia cross-border infectious disease exercises, even as travel and tourism between the two sides accelerated. Moscow and Beijing held the first stage of their first joint exercises responding to infectious threats in Khabarovsk on June 9–11, followed on August 24–27 by a second, much larger exercise in Fuyuan, Heilongjiang, where more than 300 PRC personnel rehearsed an unknown tick-borne "Disease X", an imported plague outbreak, epidemic notification, joint risk assessment, and coordinated control measures. Irkutsk Anti-Plague Research Institute director Sergey Balakhonov participated personally in the August exercise, while the PRC contingent included the People's Liberation Army (PLA) Northern Theater Command Disease Control Center (Rospotrebnadzor, August 26; Fuyuan Municipal Media Center; Heilongjiang Daily, August 27). From August 24 through September 10, PRC disease control authorities separately conducted rodent and ectoparasite surveillance along the Russia-facing Manzhouli border, a citywide plague response exercise, and a National Disease Control and Prevention Administration inspection of health declarations, temperature screening, vector monitoring, plague surveillance, epidemic early warning, emergency stocks, and information exchange with Russia (Manzhouli Municipal Health Commission, September 1; September 10; September 14).

On September 29—four days after Shipilova's alleged exposure and around the time she was reportedly hospitalized—the 26th PRC-Russia Health Cooperation Subcommittee met with the PRC's National Disease Control and Prevention Administration and CDC present and discussed infectious disease prevention and disaster medicine, but the meeting's public readout made no reference to events in Irkutsk (PRC National Health Commission, September 30). Meanwhile, PRC officials and businesses were actively promoting greater movement through the same region: the PRC consulate hosted Irkutsk governor Igor Kobzev at its September 28 National Day reception, representatives of 11 leading PRC tourism companies toured Irkutsk, Buryatia, and Primorye and signed new cooperation agreements, and on October 2 Irkutsk customs reported that PRC-bound passenger traffic had risen more than 35 percent year-on-year (PRC Consulate General in Irkutsk, September 30; IRK.ru, October 1; October 2). Against that backdrop, the absence of any public PRC reference to the suspected incident at a Russian institution that had participated in bilateral biosecurity exercises only a month earlier is conspicuous.

The Irkutsk Anti-Plague Research Institute itself illustrates the persistent ambiguity—and accompanying secrecy—between civilian disease control and military biosecurity that characterizes PRC–Russia cooperation in this field. During the Soviet period, Irkutsk formed part of the Ministry of Health anti-plague system that was incorporated into the biological warfare defense program known as "Problem 5"; more contemporary histories assess Irkutsk as involved in that program to some degree, while noting that it lacked the direct institutional relationships with core Biopreparat facilities documented for other anti-plague institutes (Alibek and Handelman, 1999; Zilinskas, 2006; Zilinskas and Mauger 2018). **[1]** Its director from 1957–1964, Igor Domaradskij, simultaneously established working contacts with public health authorities in the PRC, Mongolia, and Vietnam and led research on high-risk pathogens and the biochemistry and pathogenesis of plague, before later becoming a senior figure in the secret structure directing Biopreparat's offensive biological weapons work (Carleton J. Phillips et al., 2009; Zilinskas, 2006). **[2]** Former Biopreparat deputy director Ken Alibek (also known as Kanatjan Alibekov) subsequently alleged that Irkutsk was among the Soviet Ministry of Health

anti-plague complexes given special funding for "weapons-oriented genetic research" (Alibek and Handelman, 1999). **[3]** PRC participation became more directly military-linked in the post-Soviet period: in 2008, Irkutsk researchers including Balakhonov coauthored a molecular genetic study of 125 Yersinia pestis strains from the PRC, the former Soviet Union, and Mongolia with Ruifu Yang and other researchers from Beijing's State Key Laboratory of Pathogen and Biosecurity (病原微生物生物安全国家重点实验室), whose publications identify it as part of the PLA Academy of Military Medical Sciences (Cui Yujun et al., July 9, 2008; Hanping Yan et al., August 2008). **[4]**

The resulting mixture of civilian epidemiology, dangerous pathogen research, military medicine, biological defense, and cross-border pathogen and vector surveillance is not peculiar to Irkutsk, but increasingly characteristic of the wider architecture of PRC–Russia biosecurity cooperation.

From Leader-Level Directives to Operational Coordination

General Secretary Xi Jinping and President Vladimir Putin have progressively expanded biological security cooperation from infectious disease preparedness into a broader bilateral security and cross-border response agenda. In their June 28, 2021 joint statement marking the 20th anniversary of the PRC–Russia Treaty of Good Neighborliness and Friendly Cooperation, the two leaders called for expanded cooperation on infectious disease early warning and response, pharmaceuticals, diagnostic reagents, and vaccines (PRC Ministry of Foreign Affairs [MFA], June 28, 2021). On February 4, 2022, Xi and Putin called for a border region joint prevention and control mechanism covering epidemic control, information sharing, and border infrastructure, while separately declaring that alleged U.S. and allied "military-biological activities" (生物军事化活动) posed a serious threat to the national security of both the PRC and Russia (MFA, February 4, 2022). Their May 16, 2024 joint statement went further, calling for cooperation on infectious disease prevention, domestic and cross-border transmission, and "biological disaster early warning and response" (生物灾害预警和应对), while stressing cooperation in the PRC–Russia border region and protection of each country's sovereignty in the biological sphere (MFA, May 16, 2024). By May 21, 2026, the two leaders were explicitly directing their disease control authorities to expand cooperation on "biological security, infectious disease prevention and control, and cross-border transmission" (生物安全、传染病防控及跨境传播), while also endorsing continuing cooperation in disaster medicine and related medical research (MFA, May 21).

Xi and Putin's instructions have been translated into increasingly specific work programs through premier-level meetings and subordinate health cooperation structures. In December 2020, the 25th such regular meeting called for joint vaccine research, infectious disease information exchange at the border, and a bilateral emergency exercise responding to an infectious disease outbreak in 2021 (MFA, December 3, 2020). The communiqué from the mechanism's 26th meeting a year later expanded this agenda to laboratory testing, epidemiological research, border health quarantine, epidemic information exchange, laboratory networks, research bases, and "biological security early warning and emergency response control systems" (生物安全预警应急反应管控系统), while assigning cooperation to the PRC's National Disease Control and Prevention Administration and Russia's Rospotrebnadzor (MFA, December 1, 2021). In December 2022, Li Keqiang (李克强) and Mikhail Mishustin's governments called for specialized disaster medicine exercises in the PRC and Russia, new interagency agreements between the two disease control systems, and a joint action

plan between PRC Customs and Rospotrebnadzor covering border epidemic control and information exchange (MFA, December 2022). By August 2024 and November 2025, the premiers' communiqués were calling respectively for joint operations to identify and eliminate sources of epidemic disease and for regular practical disaster medicine exercises, stronger cooperation among the PRC's National Disease Control and Prevention Administration, General Administration of Customs, and Rospotrebnadzor, and deeper coordination on pandemic preparedness and biological security (MFA, August 22, 2024, November 4, 2025).

These arrangements rest on a longer-running network of joint pathogen research, field surveillance, and cross-border warning procedures. Beyond the July 2008 collaboration between researchers from the PLA-affiliated State Key Laboratory of Pathogen and Biosecurity and those in Irkutsk, in June 2014, Rospotrebnadzor's Amur regional directorate and the PRC's Heihe health inspection and quarantine authorities signed a 2014–2018 program for joint study of rodents and ticks carrying infectious agents along the two countries' shared border. By 2015 they had also agreed on a unified procedure for responding when an infectious patient was detected at a border crossing, and by 2018 were discussing continued joint pathogen surveillance and comparative monitoring of influenza viruses in migratory birds (Rospotrebnadzor Amur Directorate, June 30, 2014, July 20, 2015, January 12, 2018). In December 2022, the PRC's Center for Disease Control (CDC) and its State Key Laboratory for Infectious Disease Prevention and Control convened PRC, Russian, Mongolian, and Kazakh specialists to plan joint investigation of the Altai Mountain natural plague; Balakhonov presented Russia's surveillance work; and participants discussed joint plague research, risk assessment, and a cross-border prevention and control mechanism (China CDC, December 15, 2022).

Military and Regional Biosecurity Networks Expand

The PRC and Russia have also developed a bilateral military channel for epidemic control, military medicine, and chemical, biological, radiological, and nuclear (CBRN) preparedness alongside their civilian public health cooperation. On April 9, 2020, Russia's S.M. Kirov Military Medical Academy and the PLA Military Medical University held a dedicated teleconference on infectious diseases involving Russian military scientists, hospital chiefs, infectious disease specialists, epidemiologists, and PRC military doctors who had worked in Wuhan; the agenda included epidemiology, virology, clinical laboratory diagnosis, treatment of severe disease, and measures to prevent the introduction and spread of COVID-19 infection within military units (S.M. Kirov Military Medical Academy, April 10, 2020). In May 2020, with Central Military Commission approval, the PLA provided epidemic control supplies directly to the Russian armed forces, while the PRC Ministry of National Defense (MND) later described high-level exchanges, epidemic control, and joint exercises as three major components of PRC–Russia military cooperation during the year (MND, May 25, 2020, December 31, 2020). The PRC and Russia have also trained together in Russia's International Army Games "Safe Environment" nuclear, biological, and chemical (NBC) reconnaissance competition, and in 2019, Russian NBC troops used PRC reconnaissance vehicles and detection equipment in the PRC after PRC chemical defense troops had taken the same class of equipment to Russia the previous year (MND, August 13, 2019). Most recently, during the August 2026 Fuyuan cross-border exercise, the PLA Northern Theater Command Disease Control Center, PRC civilian disease control agencies, and Russian public health experts rehearsed responding to an unknown "tick-borne 'Disease X'" (蜱传X疾病), imported

bubonic plague, metagenomic identification of an unknown pathogen, specimen transport, decontamination, and bilateral risk assessment (Heilongjiang Daily, August 27).

Beijing has also gained exposure to Russia's military biological response practices through multilateral exercises and third-party security relationships, particularly in Belarus. At the August 2022 meeting of Shanghai Cooperation Organization (SCO) defense ministers, Russia proposed that the planned Peace Mission-2023 exercise include prevention of terrorist attacks using chemical and biological weapons, though the proposed exercise does not appear to have been held (SCO, August 26, 2022). In September 2023, Belarus hosted the first "Barrier-2023" exercise of the Collective Security Treaty Organization's (CSTO) new joint radiation, chemical, and biological defense and medical support formation, which rehearsed biological reconnaissance, collection and laboratory transfer of samples, examination and evacuation of exposed personnel, deployment of a special treatment center, and elimination and decontamination of a biological threat site. The same CSTO notice stated that the PRC, Iran, Saudi Arabia, and Mongolia had been invited as observers to the Belarus exercise, which also tested the ability of the new radiation, chemical, and biological (RCB) defense and medical teams to respond to the rapid spread of dangerous infectious diseases (CSTO, August 28, 2023). Belarus appears to be developing a similar pattern, with military and biosecurity cooperation with the PRC deepening against the backdrop of Minsk's continued integration into Russia-led CSTO biological defense structures. In August 2026, PRC and Belarusian airborne forces conducted the fourth "Swift Eagle" joint training exercise, using mixed formations and joint command procedures (MND, August 25). In parallel, the PRC Academy of Agricultural Sciences' Shanghai Veterinary Research Institute and Belarus's S.N. Vyshelessky Institute of Experimental Veterinary Medicine established the PRC–Belarus Joint Laboratory for Animal Disease Prevention and Control in May 2025, with research covering rapid diagnostics for major and emerging infectious diseases, vaccine development, and mechanisms for blocking cross-border disease transmission (Chinese Academy of Agricultural Sciences, May 21, 2025).

The PRC–Russia biosecurity relationship is increasingly embedded in wider regional mechanisms that extend epidemic surveillance, research, and response outward through the SCO and overlapping bilateral partnerships. In June 2018, SCO heads of state called for reliable infectious disease information exchange, mobile anti-epidemic groups, stronger national laboratories, new research centers, joint research projects, and coordinated responses to major outbreaks; the November 2020 Moscow Declaration subsequently called for a multilateral mechanism for exchanging signs of infectious disease outbreaks, closer cooperation among research centers, joint development of diagnostics and preventive measures, and an Uzbekistan-proposed permanent SCO platform for responding to cross-border dangerous infections (SCO, June 10, 2018, November 10, 2020). By 2022–2023, the organization had added a Comprehensive Plan of Joint Measures to Counter Epidemic Threats, a Roadmap for Cooperation Between Medical Institutions on Preventing and Treating Infectious Diseases, a formal epidemiological information program, and regular meetings of national health and epidemiological services, while the PRC, Russia, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, and Uzbekistan jointly backed stronger Biological Weapons Convention mechanisms (MFA, July 29, 2022; SCO, October 26, 2023). The PRC has simultaneously built bilateral biosecurity cooperation with Kazakhstan: Xi Jinping and Kassym-Jomart Tokayev agreed in May 2023 to joint biological research and sharing of research results, and their July 2024

statement recorded continuing interagency biosecurity consultations, joint scientific projects, and support for Kazakhstan's proposal for an international biological security agency (MFA, May 17, 2023, July 3, 2024). Military cooperation has begun to expand through the same concentric structure: the MND states that SCO militaries have institutionalized exchanges in military medicine, and in May 2025 the PRC hosted the first SCO Military Medicine Seminar in Xi'an with military health chiefs and experts from Russia and other participating states (MND, July 15, 2024, May 13, 2025).

Conclusion

The Irkutsk episode highlights the gap between the depth of PRC–Russia biosecurity coordination and the opacity surrounding how that coordination functions in practice. As these mechanisms extend through Belarus, the SCO, and Central Asia, they are beginning to form a wider regional architecture for surveillance, research, preparedness, and response. If this trajectory continues, that architecture is likely to develop alongside rather than fully integrate with existing international biosecurity regimes, carrying forward the information-sharing and coordination gaps exposed by the Irkutsk episode and complicating global pandemic monitoring and other countries' biosecurity preparedness.

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Notes

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[3] Alibek & Handelman, 1999.

[4] Cui, Yujun et al. "Insight into microevolution of Yersinia pestis by clustered regularly interspaced short palindromic repeats." PloS one vol. 3,7 e2652. 9 Jul. 2008, doi:10.1371/journal.pone.0002652; Han, Yanping et al. "Physiological and regulatory characterization of KatA and KatY in Yersinia pestis." DNA and cell biology vol. 27,8 (2008): 453-62. doi:10.1089/dna.2007.0657.

[5] Cui, Yujun et al., 2008.

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AI billboard outside the PT Expo China 2026 in Beijing in September 2026. (Source: Getty)

AI Will Deepen Divide Between the PRC's Two Economies

George Magnus
October 13, 2026

Executive Summary

- The economic consequences of artificial intelligence (AI) may be especially marked in the People's Republic of China (PRC) because they will feature a major positive supply shock and negative demand shock in an economy that already presents too much of both.
- The 15th Five-Year Plan places AI in pole position of the "modern industrial eco-system," comprising all manner of manufacturing, technology, infrastructure, and control over global supply chains.
- The very policies that are powering the industrial side of the PRC economy are exacerbating structural weaknesses and flaws in the much larger part of the economy where excessive debt, low productivity, high unemployment, and fiscal and financial failing are becoming more deeply entrenched.

General Secretary Xi Jinping and President Donald Trump discussed artificial intelligence (AI) at their September summit in Washington, D.C. Divergence on views between the People's Republic of China (PRC) and the United States make it hard to see precisely how the two superpowers might collaborate successfully on an AI security and regulatory agenda. Xi in particular needs to pay more attention to both governance and economic issues surrounding AI, which threaten to exacerbate structural issues within the PRC's domestic economy.

The government is already vocal about the risks AI could pose to political and social security. PRC Minister of State Security Chen Yixin (陈一新) recently sent out a warning for the first time on the topic, and Xi Jinping himself addressed AI governance in another "major changes unseen in a century" (百年变局) speech, when he delivered the opening address to the World AI Conference in Shanghai in July (Xinhua, July 18; South China Morning Post, September 14; China Brief, September 18).

The economic consequences of AI, meanwhile, loom ever larger. Notably, a number of Chinese economists took the theme up at the 2026 Inclusion Conference on the Bund (2026 Inclusion·外滩大会) on frontier and financial technology in Shanghai (Caixin Global, September 11). For instance, Jiang Changjun (蒋昌俊), an academician of the Chinese Academy of Engineering, discussed AI risk as being threefold —hallucination, algorithmic black boxes, and data poisoning—while Zhang Jianhua (张健华), an academic at the Tsinghua University PBC School of Finance argued that AI will amplify "the existing weaknesses of third-party reliance, Internet risks, and model governance" (放大第三方依赖、网络风险、模型治理等既有的脆弱性) (Shangguan News, September 10).

Much of the AI debate revolves around whether the PRC or the United States is going to "win the race" that is better described as a continuous struggle of leapfrog and catch up. Yet the far more relevant question for the PRC is not about its technology capacity but about whether its economic model is robust and sustainable enough to deliver the Chinese Communist Party's (CCP) ambitious industrial and geopolitical agenda.

Policy Puts AI in Pole Position

The 15th Five-Year Plan (2026–2030), unveiled earlier this year, gives pride of place to AI. It is mentioned 52 times, compared with just 11 in the previous plan (National Development and Reform Commission [NDRC], March 2026; South China Morning Post, March 5). It has moved from the grid into pole position, and is expected to lead the charge in overcoming bottlenecks in the economy, and realizing strategic initiatives, self-reliance, and national resilience.

AI has shifted from a priority sector among designated "strategic emerging industries" (战略性新兴产业) to the engine behind the CCP's desire to create a "modern socialist nation" (社会主义现代化国家) by 2035 (NDRC, March 2026). While the PRC has been the world's factory and principal assembly platform in the past, the plan seeks to transform it into a designer of new industrial structures and supply chains that integrate industry with the help of AI. This new ecosystem will allow the PRC to become a world leader in modern and traditional manufacturing, smart and green technologies, infrastructure, and industrial services, and it will give the country unprecedented control over global supply chains.

The AI transition is occurring at a highly sensitive time for the PRC, which the plan puts firmly in a geopolitical and industrial policy perspective, and underscores the importance it is expected to have as the country looks to dominate manufacturing and scientific

research, military capability, and cybersecurity, and geopolitical power. As it states in its first chapter discussing the country's development environment, "great changes unseen in a century are accelerating, international power dynamics are being restructured, and a new generation of technological revolution and industrial innovation is accelerating breakthroughs" (世界百年变局加速演进，国际力量对比深刻调整，新一轮科技革命和产业变革加速突破), demarcating the current moment as full of uncertainty but also opportunity for the PRC (NDRC, March 2026).

From an economic standpoint, the Party hopes that AI can be harnessed to produce a "revolutionary productivity leap" (生产力革命性跃迁) (NDRC, March 2026). This is increasingly urgent, as productivity growth has ground to a halt under Xi, and has not risen in lockstep with commensurate advances in industry and technology. Approved commentary, such as that in the People's Tribune, views AI as a possible compensation for likely labor and skill shortages and other demographic headwinds, acknowledging that it could have disruptive effects on jobs that will require government attention (People's Tribune, July 8, 2024). And the 15th Five-Year Plan rightly makes the point that, to be successful, diffusion of AI throughout the economy is everything, and must be rolled out successfully and widely—something it seeks to achieve under the rubric of the "AI+" initiative (China Brief, March 28, 2025, September 21, 2025)

From the crow's nest, the plan's focus on AI amounts to a massive technological bet to steer the PRC toward global economic superiority and domination of the so-called fourth industrial revolution. In other words, it is a doubling down on the Party's long-standing and huge mobilization of resources that underlines existing industrial strategy. The pursuit of AI-led technological transformation, as currently envisaged, will very likely deliver further gains in industry and manufacturing. In so doing, however, it will also exacerbate the dichotomous nature of the PRC economy, or what might be better referred to as its two economies. **[1]**

One economy is the PRC's "strategic emerging industries," guided by Xi's "new quality productive forces" (新质生产力). This accounts for about 13 per cent of GDP, featuring the dynamism of several world class brands (NDRC, December 29, 2025). The other is the rest of the economy, which features problems that have become more evident since the bust in real estate started in 2021, but which have in fact been building steadily for many years. These include a rising burden of predominantly state debt, weak consumption and productivity, population decline and rising unemployment, misallocated capital, and monetary and fiscal policy tools that have lost traction.

Any accomplishments that follow from the PRC's pursuit of AI, therefore, will not constitute a macroeconomic cure for the phenomena that are chipping away at its economic resilience and adaptive capacity. AI will create winners and losers unevenly distributed across the economy, likely exacerbating the "problem of unbalanced and inadequate development" (发展不平衡不充分问题) identified in the 15th Five-Year Plan (NDRC, March 2026). The PRC's already lagging economic development model may be especially vulnerable to AI because it represents a major positive supply shock and negative demand shock in an economy that already features structural oversupply and inadequate demand as parts of a model which the government seems unwilling and unable to reform.

Seeking Economic Truth from Reality

Like other nations, the PRC cannot know the ubiquitous repercussions of AI on the economy, or how the shorter-term economic and labor

market costs and longer-term, hoped-for productivity benefits will fall. Unlike other countries, though, there are few effective forums in which open and unrestrained discussion can occur about how to manage the transition, or institutions of constraint and consensus that can help to frame the agenda. This is especially significant given the dualistic nature of the PRC's economy, itself largely the result of years of large-scale industrial policy.

It is arguable that AI is already bringing some economic benefits. It is leading to higher capital spending at home and demand from overseas—reflected in buoyant exports—for AI supply chain-related goods. With residential and manufacturing investment weak, and infrastructure investment trending lower, AI has stimulated demand for semiconductors, servers, data centers, power equipment, industrial automation, electronics, and advanced machinery. The PRC is also uniquely positioned to harness AI economies of scale due to its massive domestic AI user-base of 700 million users. As a recent article from the Economic Daily notes, "user population is the foundational strategic resource in the AI industrial ecosystem" (用户规模是AI产业生态最基础的战略资产) (Economic Daily, October 5).

The AI boom has been bullish for stock market valuations, at least for the moment, which is helpful given that the privately funded part of the PRC's AI sector is heavily dependent on the equity market (as opposed to the bond market). In the April–June quarter, for example, electronics and IT, which capture most AI activities, contributed over half of the 3.6 percent annualized economic growth compared to the first quarter, and a third of the reported 4.3 percent rise in growth, compared with a year ago (Capital Economics, July 16). Commentary on Sina Finance summed up the effect of the AI boom as twofold: directly creating productivity increases due to automation, and speeding up the pace of innovation to "expand the industrial boundaries of what is possible" (拓展生产可能性边界) (Sina, October 7).

By substituting capital for labor and helping firms move up the value chain, the government hopes AI will boost productivity growth. There is no evidence to date, though, that this is happening, as the International Monetary Fund has explained (IMF, August 2025). While some firms have almost certainly enjoyed an uptick in productivity, it has stalled at the macro level and has been sluggish for much of the last decade. This is largely a result of liberal economic and market reforms grinding to a halt.

There might well be measurement issues, as often happens with new and significant technologies and, importantly, the pace of AI diffusion might still be slow or unaccounted for. It is also probable, however, that AI's benefits at the firm level are being checked or choked in the wider economy by a number of economic drags. These include the effects of high debt and limited debt capacity, weak consumer demand, misdirected resources and capital allocation, the deadweight of overcapacity and over-indebtedness, the real estate bust, too many zombie firms even in modern industries such as electric vehicles and solar manufacturing, a monetary and financial sector that is too beholden to state enterprises and uncommercial lending, along with inadequate credit for small firms, and the broad prioritization of politics over regulation and efficiency (Huxiu, August 12).

A Mixed Picture for the Labor Market

The Party envisions AI taking on many tasks normally performed by people. They hope mass AI adoption will offset the economic impact of contraction in the labor force and in skill availability brought about by rapid population aging. This is a credible position but it might not

be straightforward. Workers with high and low levels of skill may well be less vulnerable to AI-induced job destruction—and the PRC is well endowed with both. Yet the crucial factors that might determine the rate and nature of job losses are likely to be the speed with which jobs are lost before new ones are created and the degree of routine. In this regard, the PRC remains vulnerable because of the preponderance of low skill and routine work in manufacturing, for example, but also higher skill levels in technical and technology services.

In other ways, the PRC labor market may be particularly vulnerable to the AI shock. Professor Zhang Dandan (张丹丹) of Peking University has drawn attention to the predominance of gig or on-demand working (Caixin, February 14, 2025). Li Daokui (李稻葵), Dean of Tsinghua University's Academic Centre for Chinese Economic Practice and Thinking, has argued that the country's unemployment is more than double the official rate (Caixin, July 13). Youth unemployment alone is officially almost 19 percent, although possibly higher (Caixin, September 18). Even the Vice Minister of Human Resource and Social Security, Wu Xiuzhang (吴秀章), has acknowledged that about 200 million people were engaged in "flexible employment"—essentially freelance, platform-based, gig economy jobs without social or employment benefits—equivalent to 27 percent of the employed, and 43 percent of the urban working population (Caixin, March 2).

These caveats matter because for all the economic benefits that AI might bring, it is not going to magically make the macro-economy healthy or address some of the important problems that even the National Development and Reform Commission unusually cited in its annual report to the National People's Congress earlier this year. The normally self-congratulatory and well scripted celebration of the CCP's accomplishments and objectives did not mince its words about the state of the Chinese economy in a brief section, stating:

"The imbalance between strong supply and weak demand is acute; real-estate development investment continues to decline; infrastructure investment growth has turned from positive to negative; manufacturing investment growth has slowed further; overall investment faces mounting downward pressure; consumption growth lacks momentum; and the price level continues to run low" (NDRC March 5).

Nothing of substance has changed since then. Car sales are down 20 percent from a year ago, household consumption is sluggish, and the beleaguered real estate sector, now in its fifth year of decline, still reveals declining sales and transactions volumes (China Brief, April 2; Caixin, July 8; Sina, October 7). Given the basic orientation of economic and industrial polices, the clouds over economic flexibility and adaptive capacity are liable to remain. The PRC could theoretically derive significant benefits from AI-adjacent sectors, including advanced chips. Fully harnessing such benefits, however, requires entrepreneurial incentives; successful diffusion; high-quality, shared, and transferable data and information; and a relatively well-balanced economy in which small firms get adequate and stable funding. These conditions, however, do not currently exist in the PRC.

Conclusion

The essential contradiction is really about the consequences of AI for an economy that possesses a highly sophisticated modern industrial sector but is struggling to adapt to the AI age. There is risk of a turbo-charged, AI-powered version of its wider growth imbalance in which remarkable technological and industrial capability, financed heavily by the government, sitting alongside an economy with too little market demand, inadequate private risk

capital, low employment creation, and too much dependence on investment and potentially fragile foreign demand.

To alleviate the basic supply and demand imbalances in the economy, the government needs to embrace extensive fiscal, monetary, and financial reforms designed to transfer resources from the state to the private sector and write down or write off losses in the state sector. To sustain open and mutually beneficial foreign trade, the government would have to reform the PRC's economic model so the country's massive trade surplus shrinks to a more acceptable size. This would allow imports from other countries to rise steadily, and Chinese exports would no longer threaten their industrialization plans and programs of not just richer nations but many in the Global South.

AI, even in pole industrial position, is not the answer or solution to these trenchant challenges in the wider economy. And it might make them worse.

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George's new book, Peak China? The Battle for Global Economic Supremacy, will be published by Yale University Press in 2027. His previous book, Red Flags: Why Xi's China is in Jeopardy, was published by Yale in 2018. Before this George wrote Uprising: Will emerging markets shape or shake the world? (Wiley, 2011), and The Age of Aging (Wiley, 2008).

George holds a master's degree in economics from SOAS, London, and did further postgraduate research on labour markets at the University of Illinois.

Notes

[1] A growing corpus of voices in the PRC have started to refer to the economy as exhibiting "K-shaped divergence" (K型分化) (Caixin, June 22). Western analysts have picked up on the same phenomenon (Substack/Yasheng Huang, July 29)

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A Huawei retail and experience store with a large illuminated logo displayed on its glass facade, in Shenzhen. (Source: Cheng Xin/Getty Images)

Huawei Becomes Proxy for Public Criticism of Party-State

Christopher Nye
October 16, 2026

Executive Summary

- Beijing has made Huawei the standard-bearer of the high-tech sector in the People's Republic of China (PRC), and content that questions the company is routinely met with complaints and takedowns. Mocking Huawei has therefore become a proxy for public criticism of the Party-state.
- A third-party test published on October 8 showed the brake pedal bracket of the Maextro V800, a car launched by Huawei, breaking under repeated emergency braking. The test video then disappeared from multiple platforms, and online mockery moved from the brakes to censorship and to Huawei's political backers.
- Efforts to shield Huawei have spread the mockery further. Some official accounts have publicly urged the company to accept discussion, indicating that parts of the system regard criticism of Huawei as permissible. Since the brake pedal incident, central state media have declined to come to Huawei's defense, and the central leadership may keep its distance from the company in future propaganda.

On October 8, Dongchedi (懂车帝), a car review platform in the People's Republic of China (PRC), published a video of a brake test, where three new Maextro (尊界) V800s made repeated emergency stops from 100 kilometers per hour. The brake pedal bracket broke on all three (China National Radio, October 8). **[1]** The car, built by Anhui Jianghuai Automobile (JAC; 江淮汽车), was launched by Huawei in August at prices from renminbi (RMB) 766,000 ($114,000) to RMB 1.02 million ($150,000). Its official website advertises the safety design as "multiple redundancies, as stable as Mount Tai" (多重冗余，稳若泰山) and states that the vehicle's architecture includes redundancy in braking, steering, computing, perception, positioning, interaction, communications, and power supply (HIMA, accessed October 9). JAC's shares fell to the circuit-breaker limit during trading that day and again once markets opened the following day (21st Century Business Herald, October 9).

The story quickly turned into one of censorship. From late that night, the test video displayed the message "submission invalid" (稿件失效) on Bilibili, a leading PRC video-sharing platform, while WeChat Channels showed a notice stating that, following user complaints and platform review, the video had been found to contain content that violated the platform rules. The notice left both the complainant and the reason unstated (Xinhuanghe, October 9). By the next day, Internet users found that the original video and many reposts had been removed from Douyin, Bilibili, Weibo, and other platforms. Among comments from users inside the PRC relayed by the X account "Teacher Li Is Not Your Teacher" (李老师不是你老师), one read, "it must be said that Huawei has achieved, on the Party's behalf, strong leadership over the theoretical mouthpieces and the public opinion front" (不得不说，华为替党做到了对理论喉舌舆论阵地的坚强领导) (X/@whyyoutouzhele, October 9). **[2]**

The comment borrows the vocabulary of Party control over the media and applies it to a company, Huawei, that holds special status in the PRC. Officials treat Huawei as the representative of Chinese high-tech firms suppressed by the United States, its critics are often accused of smearing domestic brands, and online content that questions it is frequently taken down by censors. This particular protectiveness on behalf of the authorities, coupled with the difficulties entailed in raising issues of censorship, privilege, and unequal justice directly with the regime, has led to Huawei becoming a proxy for public criticism of the Party-state.

Beijing Makes Huawei a National Symbol

U.S. sanctions turned Huawei into an object of patriotic consumption. In May 2019, the U.S. Department of Commerce added Huawei to the Entity List, restricting sales by U.S. firms to the company (Federal Register, May 21, 2019). Promotions and patriotic sentiment then drove a surge in its smartphone sales at home (Reuters, August 5, 2019). Huawei founder Ren Zhengfei (任正非) remarked wryly at the time that "one cannot say that using Huawei products is patriotic and that not using them is unpatriotic" (不能说用华为产品就爱国，不用就不爱国) (BBC, May 21, 2019).

During the Meng Wanzhou (孟晚舟) affair, officials presented Huawei's plight as the nation's plight. On September 25, 2021, Meng, who is Huawei's chief financial officer and Ren's daughter, returned to Shenzhen after nearly three years of detention in Canada. Xinhua headlined its report with her words at the airport, "If faith has a color, it must be China red!" (如果信念有颜色，那一定是中国红！) (Xinhua, September 25, 2021). Two days later, a Ministry of Foreign Affairs (MFA) spokesperson stated that the case's "purpose was to suppress Chinese high-tech enterprises represented by Huawei" (目的是打压以华为为代表的中国高技术企

业) (MFA, September 27, 2021). Canadian and U.S. authorities had initially arrested her for charges of wire fraud that violated U.S. sanctions on Iran, though these were dismissed once a plea deal had been reached.

The state also backs Huawei with money and political favor. Materials from the U.S. Semiconductor Industry Association reported by Bloomberg indicate that Huawei obtained about $30 billion from the central government and the Shenzhen municipal government (Bloomberg, August 23, 2023). In February 2025, at a symposium on private enterprise chaired by General Secretary Xi Jinping, Ren was listed first among the six business leaders who spoke (Xinhua, February 19, 2025). In recent years, private technology firms in the PRC have generally aligned themselves with national strategy before receiving explicit instructions (China Brief, March 20). Huawei has gone further, however, and has become part of the national narrative itself.

This status also shields Huawei from criticism. One PRC technology commentator has said outright that Huawei long enjoyed a degree of protection in public opinion under the national narrative (HK01, August 6). In late 2025, the well-known internet personality Luo Yonghao (罗永浩) was likewise accused of "smearing national industry" (黑民族产业) after he joked about "far ahead" (遥遥领先), a catchphrase from Huawei's product launches (Sina Finance, January 3). After the brake incident, an industry insider still publicly questioned "certain media outlets that gain traffic at the expense of Chinese brands' reputations" (个别媒体以牺牲中国品牌的口碑获取流量) (JRJ, October 9). In an atmosphere that binds Huawei tightly to patriotism, questioning its products is easily cast as opposing the country.

Pushback Ranges From Parody to Political Satire

Criticizing a company is far safer in the PRC than criticizing the Party or the government. Consumer complaints about product quality are an officially recognized right, and China Central Television (CCTV) devotes a broadcast every March 15 to exposing errant firms. Huawei is at once a company open to consumer complaint and one that officials treat as a representative of the nation. Those who mock it can therefore claim that they are simply discussing product quality.

Public pushback against Huawei falls into roughly three categories. The first is parody, which targets the company's marketing language. For instance, in July, Internet users decided that the "wah-wah" sound a traditional toy, the bamboo cicada (竹知了), makes when shaken resembled both the voice of Huawei executive Yu Chengdong (余承东) at product launches and the gasps of his audiences. Borrowing his description of the Aito (问界) M9 as "the best SUV under RMB 10 million" (1000万以内最好的SUV), they dubbed the toy "the best toy under RMB 10 million" (一千万以内最好的玩具) (21st Century Business Herald, August 7).

Huawei's reaction gave the parody political meaning. Its legal department filed mass complaints with platforms, alleging that the videos used metaphor, homophones, altered audio, and other veiled means to vilify and mock the company and its executives (21st Century Business Herald, August 3). **[3]** The complaints reminded one commentator of an earlier case, in which a Shanghai media professional wrote a poem about cicadas that his employer judged to be an allusion to Xi. His Weibo post was deleted and his account silenced (China Digital Times, August 10).

The second way in which public pushback

occurs is questioning, which targets how Huawei treats ordinary people. In December 2018, Shenzhen police detained former Huawei employee Li Hongyuan (李洪元) after the company reported him. The following August, prosecutors declined to indict him, citing unclear facts and insufficient evidence. He had spent 251 days in custody and later received state compensation. Huawei responded that it "has the right, and also the obligation" (有权利，也有义务) to report suspected illegal conduct to the judicial authorities, adding that it supported him in using legal means to defend his rights and interests, including by suing Huawei (Yicai, December 2, 2019). One outlet summarized a metaphor then circulating online as "the elephant stamps once, and the ant may stamp back. The rights are the same, the damage vastly different" (大象踩一脚，蚂蚁可回踩。权利相同，杀伤迥异) (The Cover, December 3, 2019).

Censorship turned this labor dispute into a protest against speech controls. Internet users flooded the comments beneath an open letter that Meng had published at the time with the string "985, 996, 251, 404." The four numbers refer, respectively, to elite university credentials, the work schedule of 9 a.m. to 9 p.m. six days a week, the days Li spent in custody, and the error code displayed when a web page has been deleted. These comments were subsequently removed as well. The New York Times reported that many people in the PRC were especially outraged by the censorship of news coverage and online responses. They said that they had felt helpless at being unable to criticize the government and now felt that they were "also not able to criticize a giant corporation" (The New York Times, December 4, 2019).

The third category of pushback ties Huawei directly to the Party-state. This includes comments such as those posted after the Maextro video was taken down that Huawei had achieved "strong leadership" on the Party's behalf. On X, one user wrote that blocking and removal across the entire Internet was a concrete expression of "stressing politics" (讲政治), a discipline that the Party requires of cadres and the media (X/@justicefallen20, October 9). Another was blunter, asking "whose company is Huawei? If we cannot deal with the red sun, can we at least deal with you, Huawei?" (华为是谁的企业呀？处理不了红太阳，还解决不了你华为吗？) (X/@Neo_Marici, October 9). The user's meaning is that those who are powerless against Xi can vent their anger on Huawei.

Efforts to Shield Huawei Backfire

In the past, and especially after the Meng Wanzhou affair, propagandists could readily turn measures to protect Huawei to their advantage. In June 2019, Shenzhen police acted on a report from Huawei and placed two people in administrative detention for spreading rumors in WeChat groups, among them a claim that Huawei employees had spied for the United States (Xinhua, June 13, 2019). As the Li Hongyuan case gathered attention, the Global Times asserted that many Internet users had redirected their criticism toward foreign media, believing that the United States was exploiting the case to smear Huawei (Global Times, December 6, 2019).

Today, Huawei more often handles public opinion through legal complaints. **[4]** During the bamboo cicada affair, the Harmony Intelligent Mobility Alliance (HIMA; 鸿蒙智行), Huawei's automotive business, stated on August 4 that it respected normal online expression and well-intentioned criticism. It said that it had filed complaints against only 171 of the more than 56,000 related posts it had monitored, that platforms had removed 144 of them, and that its targets were malicious edits, imitations of executives' voices, and similar content (IT Home, August 4). Some bloggers countered that videos that merely showed the toy had also been

taken down (21st Century Business Herald, August 3). At one point, a Weibo search for "bamboo cicada" came back nearly empty (Storm Media, August 7).

Huawei's heavy-handed approach backfired. The content it complained about spread more widely. Internet users bought bamboo cicadas to film their own versions, captioned with phrases such as "the lingering sound circles the rafters" (余音绕梁), which plays on the character for Yu's surname, and "shaking ahead" (摇摇领先), a pun on Yu's slogan, which was named one of the top ten internet buzzwords of 2023 (The Paper, December 8, 2023; HK01, August 3). One outlet called this Huawei's "Streisand effect," in which an attempt to suppress information spreads it further (Storm Media, August 7). As a Caixin commentary argued, the affair had weakened Huawei's sacred aura in the public mind and brought latent public opinion into the open (Caixin, August 6).

The extent of the backlash became clear when official media ceased to speak with one voice in Huawei's defense. On August 5, the WeChat account of the Zhejiang Provincial Party Committee's propaganda department wrote that the stronger a company is, the more open it should be to discussion (WeChat/Zhejiang Xuanchuan, August 5). A commentary the same day in the official newspaper of the Jiangsu Provincial Party Committee likewise observed that Huawei could hardly avoid giving the impression of overzealous rights protection and of making a fuss over a trifle (Xinhua Daily, August 5). Provincial propaganda organs had stepped in to urge a company to be magnanimous. The space for criticizing Huawei is evidently far wider than that for criticizing Party and government bodies.

The brake incident in October played out as a replay of the bamboo cicada affair. First came efforts to absolve Huawei. Weibo chief executive Wang Gaofei (王高飞) replied to a user that JAC had built the car and that the making of a brake pedal lay outside Huawei's "empowerment" (赋能) role (ITHome, October 8). Next came attacks on the tester. Dongchedi's head of testing said that his phone had been bombarded with text messages (MyDrivers, October 9). Then the video was taken down, and the target of mockery moved from the brake pedal to censorship. One Weibo user wrote that the takedown merely "hammered nails into Maextro's coffin lid" (给尊界的棺材板上钉上钉子) (Weibo, October 9). The official WeChat account of the Xinjiang Uyghur Autonomous Region (XUAR) government then published an article criticizing Maextro for evading the question. It drew more than 100,000 views within half a day and was hidden by the account that evening (Lianhe Zaobao, October 10). Two days later, Zhejiang Xuanchuan weighed in again. It noted that the test video could no longer be viewed on multiple platforms and that many posts discussing it had vanished, and it called the habit of dismissing safety questions as smears against domestic cars an "irrational mentality of shielding one's own" (非理性的护短心态) (Zhejiang Xuanchuan, October 12). On October 13, Maextro published a third-party test report stating that the brake pedal met the industry standard, but the testing institution said that the report applied only to the samples the company had submitted and offered no guarantee for vehicles in mass production (Yicai, October 13). As of this article's publication, the episode is still unfolding.

Conclusion

By making Huawei a national symbol, Beijing has allowed the company to become a target of public discontent, deflecting people's ire from the authorities themselves. Mockery of Huawei uses the same homophones and veiled allusions as mockery of the Party-state. While it also draws complaints and takedowns, it does so at a far lower cost. Huawei is the most prominent

firm in Beijing's narrative of technological self-reliance. As public deference toward it declines, the persuasiveness of that narrative declines with it.

The Party may already have realized that the public is magnifying Huawei's problems as a way of alluding to the Party-state, which is perhaps why central media declined to defend Huawei as they had in 2019. On October 10, the Ministry of Industry and Information Technology (MIIT) and three other departments solicited public comment on a draft notice that tightens the management of automotive research, development, testing, and validation (MIIT, October 10). The next day, the People's Daily named the Maextro V800 and declared that "a car's brake pedal should never 'break' while driving" (一辆汽车的刹车踏板，绝不应该在驾驶中出现'断裂') (People's Daily, October 11). Beijing will continue to hold up Huawei as the standard-bearer of high-tech enterprise, but it may keep the company at a greater distance in its propaganda and defend its privileges less conspicuously.

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Notes

[1] The brackets on the three cars broke on the third, fourth, and second stops, respectively. Dongchedi stated that seven other models with plastic pedal brackets completed six stops intact, and it rejected the charge that it had conducted "violent testing" (暴力测试) (ITHome, October 8).

[2] "Teacher Li Is Not Your Teacher" (@whyyoutouzhele) is run by Li Ying (李颖), a Chinese artist based in Italy who has long compiled submissions and comments from internet users inside the PRC. X is blocked in the PRC. The X users cited here are most likely overseas or using circumvention tools, and both their identities and those of the users who submitted comments remain unverified.

[3] Homophones and veiled allusion are also the techniques that PRC internet users commonly employ to evade censorship and discuss sensitive political topics. Such expression resembles what James C. Scott called the "hidden transcript" of the weak, in which discontent is voiced through rumor, ambiguity, and jokes. See James C. Scott, Domination and the Arts of Resistance: Hidden Transcripts (New Haven: Yale University Press, 1990).

[4] Other large firms also use legal means against critics. In June 2025, BYD said that it was suing 37 "smear accounts" (黑号) and had placed another 126 accounts on a watch list (Jiemian News, June 4, 2025).

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The front facade of the Supreme People's Court in Beijing. (Source: Wikipedia)

Chinese Dispute-Resolution Forums Advance Norm-Shaping Power

Jeremiah May
October 16, 2026

Executive Summary

- Since their start in 2018, the People's Republic of China (PRC) has expanded its international commercial courts and related legal infrastructure in order to support its growing international interests and grow its comprehensive national power.
- These forums now handle significant disputes involving foreign companies, in conjunction with the PRC's expanding trade exports.
- The results of quantitative research into political biases within Chinese dispute-resolution forums are mixed. Chinese forums are not necessarily partial to domestic parties, but U.S.–PRC trade disputes and features such as a legal party having entered into a joint venture with a state-owned entity may affect legal outcomes.

The 6th Maritime Silk Road Legal Affairs Forum (海丝法务区论坛) was held in Xiamen on September 7–8; among its noted achievements was progress made in two local Chinese International Commercial Courts (CICCs) in Xiamen and Quanzhou. Since their introduction in 2022, these courts have handled over 7,000 cases involving parties from over 40 countries and regions, with a cumulative value exceeding renminbi (RMB) 50 billion ($7.5 billion) (Supreme People's Court [SPC], August 5, 2024; Southeast Net, September 8).

CICCs in the People's Republic of China (PRC) are taking on a significant workload. By 2026 the national-level CICC had accepted 46 international commercial cases and concluded 37 since its inception in 2018, involving parties from 21 countries and regions, with a total value of over renminbi (RMB) 13.8 billion ($2 billion). **[1]** Intermediate People's Courts in 18 localities—including Suzhou, Beijing, Xiamen, Chongqing, Shanghai, and Guangzhou—had established local CICCs, which concluded 1,777 foreign-related cases and arbitral reviews during 2025 involving parties from more than 50 countries, with a total value of nearly RMB 40 billion ($6 billion)—representing a year-over-year increase in case volume of more than 24 percent. Across all Chinese courts, foreign-related commercial and maritime cases saw a 44 percent year-over-year increase in case volume (China Business Journal, March 5).

PRC-Styled 'New Legal Hubs'

The development of "new legal hubs" has increased globally, including in Singapore, Kazakhstan, and Dubai, for a variety of—often overlapping—rationales: attracting global talent, supporting domestic industry growth, reducing dependency on Western institutions; and other national interest-related issues, such as information access and the ability to shift the balance of outcomes toward domestic parties (Bookman & Erie, 2021). **[2]** Collectively, much of these efforts can also be understood as increasing each state's "law power," or "a nation-state's ability to use law to affect others to get what it wants"—similar to the way in which the dominance of the U.S. dollar has benefited the United States in the post-World War II period (Jia, 2026). **[3]**

Many of these hubs follow the model of the London Commercial Court or longstanding arbitral forums: procedures are largely conducted in English, English common law is used as a foundation for rules, forums are staffed by judges or arbitrators of various nationalities, and there is a general promise of independence by the host nation. While it is a political decision in itself to favor dispute-resolution forums that prioritize expediency, low cost, judicial independence, or market liberalism, some would argue that there should be stronger government involvement when disputes implicate public concerns. Every nation makes decisions about how to balance commercial predictability, political authority, and public interest.

Chinese forums align with some of these general characteristics but differ partially or wholly on others. Disputes may generally use any governing law or procedural rules that the parties agree to, so long as Chinese choice-of-law rules permit it (SPC, December 18, 2023). **[4]** Chinese arbitration centers are generally more flexible, with the China International Economic and Trade Arbitration Commission (CIETAC), for example, allowing greater flexibility in the selection of rules (CIETAC, September 5, 2023). All judges in the PRC must be Chinese nationals and uphold the Constitution, Party leadership, and the socialist system (People's Daily, July 28, 2019). For CICC judges, English proficiency is an additional selection requirement, and English-language evidence may be submitted without Chinese translation (SPC, December 18, 2023). CIETAC and other arbitral centers generally allow foreign

arbitrators to be selected by the parties—which is in line with most arbitration centers globally (CIETAC, May 1).

PRC Seeks Foreign and Domestic Power

Chinese attempts to build a dispute resolution forum have consistently been linked to successive efforts to aid Chinese firms in expanding globally. The earlier references date back to 2018, when the State Council issued the "Opinions on Establishing an International Commercial Dispute Resolution Mechanism and Institutions for the Belt and Road (OBOR) Initiative" (关于建立"一带一路"国际商事争端解决机制和机构的意见), which established the country's first two CICCs in Shenzhen and Xi'an (Xinhua, June 27, 2018). The State Council envisioned "a convenient, fast, and low-cost 'one-stop' dispute resolution center to provide high-quality and efficient legal services to parties involved in the OBOR" (便利、快捷、低成本的"一站式"争端解决中心，为"一带一路"建设参与国当事人提供优质高效的法律服务) (Xinhua, June 27, 2018).

The 2020 "Guiding Opinions of the Supreme People's Court on People's Courts Serving and Safeguarding Further Opening Up to the Outside World" (最高人民法院关于人民法院服务保障进一步扩大对外开放的指导意见) broadened the focus beyond the OBOR initiative to the newer terminology of "large-scale opening up" (大对外开放). Stated policy goals included "protecting Chinese and foreign investors' lawful rights and interests" (依法维护中外投资者合法权益), "expanding the influence of China's law" (扩大中国法的影响力), and safeguarding national security and economic and social order" (保障国家安全和经济社会秩序) (SPC, September 25, 2020).

Then, at a study session in 2023, General Secretary Xi Jinping emphasized the role of foreign-related legal efforts in "better safeguarding the interests of the nation and the people" (更好维护国家和人民利益) as well as "promoting high-level opening up" (推进高水平对外开放) (People's Daily, November 29, 2023).

Wuhan University professor and former ambassador to Malaysia, Huang Huikang (黄惠康), directly linked the initiatives to expand international dispute-resolution services to the PRC's goal of becoming "a global leader in comprehensive national power and international influence" (我国要实现综合国力和国际影响力领先) at a symposium hosted by the SPC (CICC, November 21, 2024). **[5]** More recently, Wang Shumei (王淑梅), a senior justice with the SPC, linked the efforts to expand Chinese international commercial dispute resolution to "safeguarding national sovereignty, security, and developmental interests" and promoting Chinese influence in the development of new international rules (坚定维护国家主权、安全、发展利益，为国际规则制定提供中国司法实践) (SPC, March 5). **[6]**

By encouraging case settlement in the PRC, Beijing is promoting its ability to shape international norms. In December 2023, the SPC also modified its rules relating to Articles 35 and 277 of the Civil Procedure Law to allow for Chinese courts to exercise jurisdiction over disputes without "requiring a real connection with the PRC" (不要求争议必须与我国有实际联系)—such as a Chinese party being involved—with the goal of expanding the number of foreign parties that choose Chinese forums for their disputes (SPC, December 18, 2023).

Some of these goals, however, appear at times to be contradictory. Policy documents frequently invoke language of equality, fairness, friendliness to foreign firms, and similar. Foreign companies may find it unclear what these forums will prioritize in a situation where the decision is between protecting Chinese national security or Chinese firms versus ensuring fair and consistent treatment of all firms—both foreign and domestic

—under the law.

Local-court actions and SPC policy guidance have both complicated the issue and potentially contributed to fears that Chinese courts are acting to favor or aid domestic firms. In the "Report by the Xiamen Intermediate People's Court on Leveraging Judicial Functions to Serve and Safeguard the Development of the Private Economy" (厦门市中级人民法院关于发挥审判职能服务保障民营经济发展工作情况的报告), the Court describes coordinating with local business councils to establish regular visits to domestic companies, answer their legal questions, and provide compliance guidance; this mechanism was selected as a national exemplary model. (Xiamen Municipal People's Congress, October 23, 2023). The SPC described one of its recently released foreign-related commercial mediation guiding cases as exemplifying "the join efforts of courts at both levels to resolve foreign trade disputes, safeguarding the development of private enterprises in China" (两级法院联动化解外贸纠纷 护航我民营企业扬帆远航) (SPC, March 24).

In April 2026, the State-Owned Assets Supervision and Administration Commission (SASAC) released the "Plan on Further Deepening and Solidifying the Construction of Rule of Law in Central State-Owned Enterprises" (关于推动法治央企建设进一步走深走实的方案). The Plan directs all central enterprises to more closely supervise overseas disputes and better utilize CICCs, arbitral forums, and mediation forums as part of "properly handling overseas legal disputes" (妥善应对处置境外法律纠纷案件). It specifically directs them to "give due attention to drafting dispute resolution clauses in contracts" (重视争议解决合同条款的订立) and "encourage the resolution of overseas legal disputes within the PRC" (鼓励在境内解决境外法律纠纷) (SASAC, April 30).

The attention given to dispute-resolution clauses is not unique to SASAC's guidance. The Xiamen CICC, for example, introduced the nation's first model bilingual jurisdiction clause in mid-2024, which has subsequently been applied in over 200 foreign-related cases (SPC, August 5, 2024; Southeast Net, September 8). Model jurisdiction clauses allow parties to a contract to agree on where they will resolve disputes related to the contract and which rules and laws will apply. The Xiamen CICC's model clause suggests that disputes be handled under PRC law and at one of the forums of Xiamen's Maritime Silk Road Central Legal District (海丝中央法务区) (Xiamen Intermediate People's Court, April 10, 2024).

Reforming Global Dispute Practice Norms

There have also been some hints as to how the PRC might alter extant modes of international dispute resolution toward more desirable procedures. Discussing the bilingual jurisdiction clause promulgated by the Xiamen Courts, for example, Zhai Weikun (翟伟坤), president of the Xiamen CICC, said that the clause "reflected Chinese characteristics" (体现了中国特色) because it would allow the Xiamen CICC to "guide [parties] to choose the most favorable dispute resolution method, such as mediation or arbitration" (我们也可以引导当事人选择对他们最有利的纠纷解决方法，比如调解、仲裁) (SPC, August 5, 2024).

Researchers have noted that the push toward alternative dispute resolution methods—especially mediation—beginning in 2003 was motivated by concerns about social stability and Party control (Minzner, 2011). **[7]** In its 2025 "Opinions on Promoting the High-Quality Development of International Commercial Courts and Supporting High-Level Opening-Up" (关于推进国际商事法庭高质量发展 服务保障高水平对外开放的意见), the SPC advocated for increasing the use of mediation and arbitration, as well as for CICCs to more closely coordinate with government departments and other organizations (SPC, September 25, 2025).

While mediation is increasingly favored globally due to its efficiency, it also invites the appearance of greater political influence being injected into the process. In one instance from 2025 published by the SPC, a dispute originally arbitrated at the London Metal Exchange between Swiss-creditor Gerald Metals and a subsidiary of the Chinese state-owned-enterprise, Henan Shenhuo Coal & Power (河南神火煤电), was brought to the Shenzhen Intermediate People's Court after the Shenzhen-registered subsidiary, Henan Shenhuo International Trading, paid out RMB 83.3 million ($12.4 million), as opposed to the more than RMB 110 million ($16.5 million) it would have owed under the original London Metal Exchange award (Sina Finance, August 19, 2025). **[8]** Shen Hongyu (沈红雨), the presiding judge on the case and head of the Fourth Civil Division of the SPC, related the decision back to the broader effort to promote Chinese-style dispute resolution, saying that "[p]arties from various countries will increasingly recognize the power of China's 'culture of harmony'" (各国当事人将会越来越认可中国'和文化'的力量) (SPC, June 20, 2025).

Although these types of haircut discounts are common in creditor–debtor settlements, this example demonstrates how complex and obscure relationships between Chinese dispute-resolution forums, state-owned or affiliated enterprises, and the Party-state bureaucracy can lead to the appearance that national interest is a motivating factor in outcomes. One interpretation of the above case would be that Gerald Metals came out better than it would have without the CICC's intervention—quickly settling for a reasonable amount. Another might be that a Chinese state-owned enterprise received an undesirable outcome from a voluntary arbitration process in London and then retreated to within Chinese borders, where the process advocated for by the CICC was to abandon enforcement and settle—costing Gerald Metals roughly 25 percent of the original award, as well as a three-year delay from the initial award in London.

Quantitative research on potential domestic biases by Chinese forums has produced varied findings and continues to evolve. A 2018 analysis of some 1,660 patent-infringement cases made public in 2014 found that foreign plaintiffs obtained judgments that infringement occurred in more than 84 percent of cases, compared with just under 80 percent for domestic plaintiffs (Bian, 2018). **[9]** More recent scholarship examining 3,730 litigated cases over the 2002–2017 period found that multinational firms were more likely to win than not, but that the majority did not obtain substantial monetary compensation; firms that entered into joint ventures with domestic Chinese state-owned enterprises were comparatively more likely to obtain significant compensation (Chen & Xu, 2023). **[10]** Lastly, a 2026 investigation of over one million civil cases ranging from 2014–2020 found that win rates for U.S. plaintiffs suing Chinese defendants declined in Chinese cities that were more affected by the ongoing trade disputes (Bo & Liu, 2026). **[11]**

Conclusion

The Chinese international commercial dispute-resolution system is less than a decade into a period of rapid development and change, spurred by focus from the highest levels of government, and shaped by the broader context of the PRC's booming trade exports. What it will develop into remains to be seen, but Chinese authorities have already succeeded in expanding the PRC's comprehensive national power with these efforts.

Chinese courts may develop a reputation for being cheaper, fairer, and faster for all involved —and outcompete their foreign counterparts. Alternatively, foreign firms may come to see

Chinese companies and courts as unfairly collaborating to advance the Party-state's ideological goals and ambitions to shape global legal norms. Recent history has shown just how quickly fears about the weaponized dependencies and government interference can spark reactions. Some scholars argue that the initial cessation of rare-earth exports to Japan in 2010 may not have been centrally directed, but instead the result of grassroots nationalism reacting to perceived Japanese aggression (Xiong & Weiss, 2026). **[12]** Regardless of if this was the case, that was all it took for much of the world to begin seeing Chinese critical-mineral dominance as a threat to be mitigated. Unlike supply chains, contracts can quickly be revised.

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Notes

[1] Previous research on the national CICC has suggested that it is more focused on providing policy guidance than resolving substantial amounts of disputes itself, instead allowing the eighteen local CICCs, or "international commercial tribunals" (国际商事法庭), to handle the bulk of disputes. Susan Finder, "China's International Commercial Court Network: A Work in Progress," U.S.–Asia Law Perspectives 6, no. 6 (2026), https://usali.org/usali-perspectives-blog/chinas-international-commercial-court-network-a-work-in-progress.

[2] Bookman, Pamela K., and Matthew S. Erie. "Experimenting with International Commercial Dispute Resolution," AJIL Unbound 115 (2021): 5–10, https://doi.org/10.1017/aju.2020.78.

[3] Mark Jia, "Law Power," University of Pennsylvania Journal of International Law, forthcoming, June 1, 2026, https://doi.org/10.2139/ssrn.6864920.

[4] Under Articles 4 and 5 of the Foreign-Related Civil Relations Law (涉外民事关系法律适用法), Chinese law preempts the choice of foreign governing laws in cases where existing PRC laws contain mandatory overriding provisions, and a general public-interest exception applies "[w]here the application of foreign law would harm the public interest of the People's Republic of China" (外国法律的适用将损害中华人民共和国社会公共利益的) (CICC, October 28, 2010).

[5] Huang had delivered the keynote lecture to the Politburo Central Committee at the aforementioned study session the previous year.

[6] Ibid.

[7] Carl F. Minzner, "China's Turn Against Law," The American Journal of Comparative Law 59, no. 4 (2011): 935–984, https://ir.lawnet.fordham.edu/faculty_scholarship/4.

[8] A deeper account of the arbitration is discussed by the Connecticut Appellate Court in a linked case involving the insurance underwriters of the original agreement and also by the Hong Kong High Court, Court of First Instance in a later dispute related to the liquidation. Gerald Metals, LLC v. Certain Underwriters at International Underwriting Association of London, AC 46853 (March 25, 2025), https://info.jud.ct.gov/external/supapp/Cases/AROap/AP231/AP231.150.pdf; Henan Shenhuo International Trading Co Ltd v. Registrar of Companies, HCMP 740/2026, [2026] HKCFI 4202 (July 23, 2026), https://web.archive.org/web/20261016070713/https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=183124.

[9] Renjun Bian, "Patent Litigation in China:

Challenging Conventional Wisdom," *Berkeley Technology Law Journal* 33, no. 2 (2018): 413–486, https://doi.org/10.15779/Z382J6846W.

[10] Chen, Frederick R., and Jian Xu. "Partners with Benefits: When Multinational Corporations Succeed in Authoritarian Courts." International Organization 77, no. 1 (2023): 144–78, https://doi.org/10.1017/S0020818322000297.

[11] Shiyu Bo and Wen Liu, "From Trade Protectionism to Legal Protectionism: How the Trump Trade War Harms US Firms in China," Journal of Development Economics 182 (June 2026): 103829, https://doi.org/10.1016/j.jdeveco.2026.103829.

[12] Gloria Xiong and Jessica Chen Weiss, "The Real History of Beijing's Rare-Earth Dominance," Foreign Affairs, August 18, 2026, https://www.foreignaffairs.com/china/how-china-found-most-potent-weapon-xiong-weiss.

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Visitors line-up for a free gift as they wait at a boot in the AI section at the Chinese International Supply Chain Expo (CISCE) on June 26, 2026 in Beijing. (Source: Kevin Frayer/Getty Images)

AI Data Annotation Sector Sees Misaligned Progress

Shijie Wang & Sunny Cheung
October 14, 2026

Executive Summary

- The data labeling sector in the People's Republic of China (PRC) lags U.S. progress despite central calls to support and expand it. The leading "bases" are mostly engaging in labor-intensive training, while industry leaders note the need to transition to knowledge-intensive work that requires expertise primarily found in the United States.
- "Bases" mostly support existing firms, which does not address the government's calls to expand the sector ecosystem. Licensing revenue far exceeds profits from other products, corporate disclosures do not mention information on post-training data for large-language models (LLMs) despite financial incentives to advertise progress. This all suggests slow progress.
- The transition to reinforcement learning (RL), where an autonomous agent learns through trial and error without human intervention, will be even more difficult without the knowledge-intensive backbone that PRC industry is failing to produce.

Hunan Daily recently reported that DeepSeek's founder Liang Wenfeng (梁文锋) regards data annotation as the most important work at this stage in the industry's development, and has half of the company's core researchers working on it (Hunan Daily, September 16). Data annotation is the standardized labeling of raw data that allows machine learning models to read it. The Hunan Daily article noted that data labeling in the People's Republic of China (PRC) is shifting from labor-intensive to knowledge-intensive work. In the data annotation sector, this suggests a lag behind U.S. counterparts.

In August, Forbes reporter Anna Tong brought to public attention Silicon Valley data vendors like Mercor, Surge AI, AfterQuery, and Turing selling standardized, pre-packaged "off-the-shelf (OTS)" training datasets, collections of examples labeled or graded by human annotators to teach a model what a good answer looks like, to frontier artificial intelligence (AI) labs in the PRC (Forbes, August 5). **[1]** The report drew immediate attention in Washington, raising national security concerns (New York Post, August 30; Lawfare, September 8). Well before these purchases took place, Beijing had already designated data labeling a strategic industry and began building domestic alternatives.

PRC AI labs continued to buy U.S. datasets because domestic substitution (国产替代) in the data labeling sector is not advancing in parallel across the board. A review of PRC government documents and of the industry's current condition show that policy objectives, the output of the national data labeling bases, and firm-level capabilities are progressing at different paces. This misalignment keeps parts of the PRC's AI industry reliant on their U.S. counterparts.

Foundational Policies Lead to National 'Bases'

Beijing began laying the groundwork for a data labeling industry two years ago. On December 26, 2024, the National Development and Reform Commission (NDRC), the National Data Administration (NDA), the Ministry of Finance, and the Ministry of Human Resources and Social Security jointly issued the "Implementation Opinions on Promoting the High-Quality Development of the Data Labeling Industry" (关于促进数据标注产业高质量发展的实施意见) (NDRC, January 13, 2025). This marked the first time Beijing issued guidance for the sector. About a year and a half later, the NDA issued the "Implementation Plan for Advancing the Development of High-Quality Sectoral Datasets" (关于推进行业高质量数据集建设行动的实施方案). Where the 2024 document focused on expanding the labeling industry itself, the new plan turns to producing sector-specific datasets that models can actually use, with a goal of "building, by the end of 2028, a batch of application-tested, high-quality sectoral datasets covering key fields" (到2028年底，建成一批覆盖重点领域、经过应用验证的行业高质量数据集) (NDA, June 8).

Data labeling capacity is being developed in designated "bases" (基地). In May 2024, the NDA named Chengdu, Shenyang, Hefei, Changsha, Haikou, Baoding, and Datong as the seven "bases" (NDA, May 25, 2024). By the end of June, labeling volume had passed 119 petabytes and employment had reached 140,000, according to state media (CCTV, July 18).

Policy Documents Show a Technical Lag

The 2024 "Implementation Opinions" listed "chain-of-thought-based expert annotation" (基于思维链的专家标注), the human review process to improve AI reasoning, among the tools requiring further research and development. It was placed in the section on "undertaking breakthroughs in key technologies" (开展关键技术攻关), showing

that expert annotation was regarded as a technical bottleneck to overcome, not as an industrial capability already in hand (NDRC, January 13, 2025).

The "Implementation Plan" is more specific. It opens by calling for "guiding data annotation away from a 'primarily human' model toward a multi-tiered model of 'human–machine collaboration with deep expert involvement'" (引导数据标注从"以人为主"向"人机协同、专家深度参与"的多层次标注模式转变) (NDA, June 8). This characterizes the PRC's data labeling industry as labor-intensive and low in knowledge content, compared to the expert network providing professional judgment within U.S. firms.

In more than one place, the documents' wording concedes that the shift toward expert annotation is incomplete. Beijing knows where the bottleneck is and how far it remains from clearing it. However, industrial implementation is not moving in the right direction to address these issues.

Weak Performance From 'Bases'

The data labeling "bases" are the principal vehicle the PRC has used to expand its data processing volume and its annotation workforce. However, the figures released by "bases" describe only the size of the industry. Information describing the status of expert annotation, logical reasoning data, and evaluation datasets—which policy documents have called for—is unclear.

Datong offers an example of these selective information provisions. The "base" has reported 75 market entities in what it calls the "annotation and call center" category (标注，呼叫类), and over 35,000 jobs created (Shanxi Evening News, September 10).

This framework does not support expert annotation. Organized through crowdsourcing platforms and measured in instances of participation, this is the short-term, project-based work requiring little specialized knowledge that PRC officials call "flexible employment" (灵活就业). In other words, some of the "bases" are expanding on the "primarily human" annotation model that the "Implementation Plan" calls to move past.

"Bases" are also not satisfying the demands for the industry that the central government issued, instead supporting the work of existing large technology firms. Haikou has built its AI foundational data industry base with the help of Baidu AI Cloud (Haikou) (百度智能云（海口)), where several hundred annotators score and rank content generated by large-language models (LLMs) (Baidu AI Cloud, August 28, 2023; Hainan Provincial Government, July 16, 2024). In Hefei, the firm Anhui Feishu Information Technology (安徽飞数信息科技) annotates question-answer and evaluation data for iFlytek's Spark model (讯飞星火), work that extends to reinforcement learning (RL) data construction and expert quality inspection (NDA, April 3, 2025). These cases show that the "bases" are indeed producing post-training data, but the task government documents assigned them was an active "technological innovation and ecosystem cultivation" (技术创新，生态培育) (NDA, May 25, 2024). "Bases" are operating as vendors for large technology firms rather than supporting the expansion of the industry.

After more than two years, "bases" have expanded and secured orders from big technology companies. But their emphasis on headcounts and production volume in their own reports suggests that they have yet to deliver the expert annotation and reasoning data repeatedly mentioned in those central policy documents.

Transition Faces Organizational Challenges

Corporate disclosures show that the transition from labor-intensive processing to expert annotation is more visible in intent than in results. Huizhou Intelligent's (汇洲智能) 2025 annual report stated that its subsidiary Rere Data (热热数据) earned renminbi (RMB) 89.49 million ($12.6 million) in revenue, and a newly launched module recruiting "high-caliber vertical-domain talent" (广纳高阶的垂类人力) has provided the large-scale, high-quality services for the evaluation datasets of multiple AI companies (Cninfo, April 20). Datatang (数据堂), another listed data firm, reported that in the first half of 2026 its "foundational data resource services" (基础数据资源服务), which center on licensing the firm's copyrighted datasets, accounted for 60 percent of revenue at a 63.50 percent gross margin, far above 25.22 per cent for its crowdsourced products (Eastmoney, August 27).

None of these disclosures state how much revenue comes from post-training data for LLMs, despite commercial incentives to do so. In an environment where data annotation has been designated as a strategic industry, local governments provide supporting measures, and private capital is pouring in, firms have no reason to understate what they have achieved. Even Rere Data's claim to have provided services for multiple AI companies does not include the share of annual revenue that these operations constitute. Regardless, its total 2025 revenue of $12.6 million suggests a modest share.

Crowdsourced data processing remains the dominant form of the PRC's data labeling industry today. The transition foreseen by the central government and industry leaders requires the organizational capacity to recruit experts from various fields and translate training requirements into tasks. This is a problem that administrative directives cannot solve by expanding production capacity.

From Expert Datasets to RL Environments

A new U.S. market for specialist RL environments has emerged in the past year (Tech Crunch, September 21, 2025). RL is the process in which an autonomous agent, such as a robot or self-driving car, learns to make decisions through trial and error without human intervention (IBM, accessed October 7). **[2]** Turing says it has built more than 1,000 environments, including replicas of Airbnb, Zendesk, and Excel (The Information, September 16). In July, Mercor acquired Deeptune, a company focused on building RL environments (Mercor, July 9). Although the market remains at an early stage, most environments are closed source and are often supplied to labs under exclusive contracts (SemiAnalysis, January 6).

The PRC is trying to catch up with the United States, where an ecosystem of vendors supplying RL environments for frontier AI labs has emerged. Tencent Cloud (腾讯云), Alibaba Cloud (阿里云), and Mindflow (曼孚科技), have each produced sandboxes for agent training and evaluation—the necessary infrastructure for RL (Tencent Cloud; Aliyun; Mindflow, accessed October 7).

Most important for the PRC's technological development is whether environment content has become a tradable, reusable industrial capability beyond a handful of PRC's frontier labs. The two policy documents on the data industry only describe RL as a training stage requiring annotated data, but neither lists RL environments as a separate goal of development. RL environments that existing large technology firms keep in-house will limit diffusion. These internal RL environments are not automatically available to other labs, industry users, or smaller firms. They may have to rebuild comparable systems themselves. Although the U.S.

environments are often supplied under exclusive contracts, the same data vendors usually serve multiple labs, likely allowing experience accumulated with one customer to carry over to the next.

Conclusion

Assessing PRC progress in this area requires distinguishing between what a small number of frontier labs can build internally and what the broader AI industry can purchase from the data market. Regarding the latter, Beijing's domestic substitution efforts remain limited. As of mid-2026, Beijing's policy documents had not identified the RL environments as a development target, and the domestic market could readily offer little beyond the infrastructure needed to run them. The PRC's data domestic substitution efforts were still filling the gap in expert-annotated datasets, while the U.S. supply chain had begun commercializing the next generation of products.

PRC labs are buying from foreign vendors what domestic supply is missing. Surge may already be serving Moonshot (月之暗面) and Z.ai (智谱), and has speculated that its RL environments may have contributed to capability gains in Kimi K2 Thinking and GLM-4.6 (SemiAnalysis, January 6). If true, this would suggest that PRC domestic data suppliers have not yet demonstrated the ability to replace foreign vendors on either the dataset or environment.

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Notes

[1] The value of these datasets lies in their data specifications and in the rubrics (detailed scoring guides that tell a model what separates a good answer from a mediocre one) written by professional experts. Vendors accumulated these specifications while executing bespoke projects for U.S. frontier labs; PRC buyers can bypass months of trial-and-error by purchasing the finished products from U.S. data vendors.

[2] Trial and error in RL occurs when the model attempts a task, is scored on the result, and adjusts its behavior accordingly. An RL environment is the simulated workspace where this happens, such as a replica of a customer-service system or a spreadsheet program.



CCTV reporting on the establishment of a "life-saving chain" by the People's Liberation Army Joint Logistics Support Force. (Source: CCTV)

Russia's Invasion Spurs PLA Casualty Evacuation Developments

Joaquin Camarena
October 7, 2026

Executive Summary

- The "life-saving chain" developed by the People's Liberation Army (PLA) Joint Logistics Support Force (JLSF) to evacuate and treat casualties is part of the wider lessons it gained from observing the ongoing Russian war in Ukraine.
- Drones and other unmanned platforms provide the JLSF units with an increased capacity to evacuate wounded personnel to field hospitals and other medical sites for treatment.
- The use of intelligent equipment such as electronic casualty tags and telemedicine surgery capabilities enhances the JLSF's ability to effectively treat wounded personnel.
- The JLSF's live-saving chain would likely face some limitations, such as developing an overreliance on unmanned platforms that can be jammed, and which emit substantial electromagnetic signatures that can assist targeting.

In mid-September, Chinese news outlets celebrated the 10th anniversary of the People's Liberation Army (PLA) Joint Logistics Support Force's (JLSF) establishment. State media highlighted how the JLSF has established an integrated joint support capability over the last ten years focused on logistics, medical support, and transportation (CCTV, September 13). It has also expanded the scope of its logistical operations, shown by various exercises that subordinate units, such as the Shenyang Joint Logistics Support Center (JLSC), conducted using drones and other intelligent equipment (CCTV, September 13).

The JLSF's use of drones and intelligent equipment to transport and treat injured soldiers is part of a "life-saving chain" (生命救援链) (CCTV, September 13). The PLA has developed this evacuation process for transport and care at medical facilities as part of wider lessons it gained from observing Russia's war in Ukraine.

Life-Saving Chain Employs Unmanned, Intelligent Equipment

The JLSF's life-saving chain deploys a transportation capability to evacuate wounded soldiers from the battlefield and move them to medical facilities for treatment. The JLSF developed these tactics and procedures to retrieve and treat casualties by leveraging various drones and intelligent equipment, which enhances the effectiveness of evacuations (CCTV, September 13; China Brief, September 15).

Heavy use of unmanned platforms in the chain is also a response to the increased presence of loitering munitions, precision guided munitions, first-person view (FPV) drones, and sensors that now exist on the battlefield. Drones and sensors introduce new risks for medical and support personnel when completing missions behind the frontlines. The PLA views the use of drones to evacuate wounded soldiers as a solution to this obstacle. Tracked and wheeled unmanned ground vehicles (UGV) would have the ability to transport casualties from the frontlines to medical sites located in the rear; robot wolves and unmanned aerial vehicles (UAV) would conduct searches for injured personnel and deliver medical supplies on the battlefield as they wait for evacuation (Xinhua, September 12).

Drones would also conduct resupply missions to deliver medical supplies to medics stationed with frontline units. These auxiliary missions would increase soldiers' chances of survival as they wait for UGVs and unmanned helicopters to bring them to aid stations and other frontline medical facilities (CCTV, September 13). Drones would also be used as supplementary transport to move casualties for follow-on treatment at medical sites with more substantial resources.

Casualty tracking and remote treatment are the successive stages of the JLSF's life-saving chain. The chain uses intelligent equipment such as "wearable smart monitoring systems" (可穿戴智能监护系统), which would allow medical staff to rapidly examine a soldier's vital signs during the triage and treatment processes (CCTV, September 13). It also used improved "dynamic electronic casualty tags" (动态电子伤票) to provide enhanced care for wounded troops (CCTV,September 13). These tags would enable medics to input personal data, injuries, treatments, and other information about casualties, likely using an improved interface compared to the second-generation system. They would also prevent doctors and nurses from administering redundant treatments or tests. Past iterations allowed medical staff to rapidly access the medical history of injured personnel (PLA Daily, June 9, 2009). The system can likely sync with existing electronic casualty tags to continuously upload medical information.

Medical staff would also leverage the PLA's

"military-wide telemedicine information network" (全军远程医学信息网) built upon "5G-plus dedicated long-range Internet line communications technology" (5G+互联网专线远程通信技术) to provide enhanced medical care by remotely conducting surgeries and other procedures at field hospitals and frontlines (The Paper, September 11; CCTV, September 13).

Conclusion

The life-saving chain enhances JLSF evacuation capabilities by providing the branch with the ability to move casualties from the frontlines to receive treatment at field hospitals. Its employment of unmanned platforms and intelligent equipment in the evacuation process enables the PLA to increase the survivability of its troops by reducing the threat posed by FPV drones, loitering munitions, and sensors. Drones would also increase the survivability of troops by providing them with additional medical supplies as they wait for UGVs and unmanned platforms to evacuate them from the battlefield.

Intelligent equipment, such as the smart monitoring systems and electronic casualty tags, would complement drone evacuations by enabling medical personnel to effectively continue treating the wounded soldiers. The chain would be employed at the tactical level by individual brigades to enable their medical units to play a role in the wider process.

The life-saving chain would likely have limitations that decrease its ability to evacuate and care for casualties from the frontlines. One limitation is the potential for drones to be jammed or disabled using electronic warfare techniques. This vulnerability would prevent targeted drones from conducting evacuation operations. Another is that the heavy electromagnetic signatures that drones and intelligent equipment emit could be used by enemy forces to locate field hospitals and other medical sites. This information would be used to locate frontline positions and other viable military sites for targeting by artillery, long-range missiles, and other stand-off weapons.

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Prime Minister of Japan Sanae Takaichi speaks during the 81st session of the U.N. General Assembly September 22, 2026. (Source: Michael M. Santiago/Getty Images)

PRC Launches Campaign to Isolate Japan

Matthew Fulco
October 14, 2026

Executive Summary

- Chinese pressure on Japan has escalated to efforts to diplomatically isolate the country. These efforts are ongoing at a subnational level, in the United Nations, and through attempts to drive a wedge between the United States and Japan.
- In Japan, the People's Republic of China's (PRC) isolation campaign involves cultivating the opposition to establish friendlier relations between the two countries. In the United Nations, the PRC is drawing on post-World War Two language to limit Japanese influence. General Secretary Xi Jinping's visit to Washington was also an attempt to probe weaknesses in U.S.–Japan ties.
- These efforts are failing to isolate Japan, as others have in the past year. Japanese prime minister Takaichi still holds popular support, World War Two narratives are less potent among other UN member states than in the PRC, and President Donald Trump's relationship with Takaichi remains strong.

Nearly a year into its diplomatic spat with Japan, the People's Republic of China (PRC) has shifted from pressuring Japan economically to a multi-faceted campaign that aims to isolate Prime Minister Sanae Takaichi for her pro-Taiwan stance, at home, in the United Nations, and within the U.S.–Japan relationship. While shunning Takaichi's government, Beijing has hosted delegations of pro-PRC Japanese politicians and businesspeople, attempted to discredit Japan in the UN Security Council, and pressed the United States to limit support for Tokyo.

Despite its relentlessness, these PRC efforts are unlikely to succeed. Beijing's preferred diplomatic partners in Tokyo lack political clout, the UN scheme is far-fetched, and the U.S.–Japan alliance has structural staying power reinforced by the warm relationship between President Donald Trump and Takaichi.

PRC Attempts to Cultivate Japanese Opposition

The PRC used the occasion of the 54th anniversary of the normalization of its diplomatic ties with Japan to admonish Takaichi. The PRC Ministry of Foreign Affairs (MFA) said on September 29 that Takaichi had "gravely undermined" the political foundation of bilateral relations with a "blatant challenge to China's national sovereignty" (公然挑战中国国家主权) (Embassy of the PRC in the United States, September 29).

On the same day, PRC Foreign Minister Wang Yi (王毅) met with former Japanese Foreign Minister Takeshi Iwaya, who opposes Takaichi, in Beijing. Wang told Iwaya that Japan must "correct the erroneous words and deeds" of Takaichi on Taiwan (尽快纠正本国领导人在台湾问题上的错误言行) (PRC MFA, September 29). For his part, Iwaya echoed PRC talking points when he called for "a return to the original spirit" (中四个政治文件的初心) of the four political documents between the PRC and Japan (People's Daily, September 29).

The PRC views Iwaya as friendly to its interests. Though a member of Japan's ruling Liberal Democratic Party (LDP), he is not close to Takaichi and stepped down after she was elected last year. Sima Nan (司马南), a prominent Chinese political commentator, compared Iwaya favorably to Takaichi, writing on Guangcha that Takaichi "is constantly creating conflict and closing the door to dialogue abroad, while her party rivals are braving pressure to come to China to break the ice and seek cooperation opportunities" (不断制造矛盾、关闭对话大门，党内对手却顶着压力来华破冰、寻求合作机会) (Guangcha/司马平邦, September 30).

Since July, Iwaya has served as the head of the Beijing-friendly Japan Association for the Promotion of International Trade (JAPIT). He succeeded the late Yohei Kono, a former Speaker of Japan's House of Representatives with close ties to the PRC. Wang told Iwaya that Kono was "a politician of conscience who dared to confront Japan's dark past and bravely reflected on the aggressive crimes of militarism" (一个有良知的政治家，敢于直面日本过去的黑暗历史，勇于反省军国主义的侵略罪责) (PRC MFA, September 29).

The JAPIT delegation is the third such group that has visited the PRC since August. In mid-September, a delegation from the Japan-China Friendship Parliamentarians' Union met with Assistant Foreign Minister Liu Bin (刘彬) in Beijing. They were preceded by a cross-party group of Japanese lawmakers (Global Times, September 27).

None of these delegations have included any prominent Japanese officials in Takaichi's administration or lawmakers with close ties to the prime minister.

Stoking the 'Enemy State' Debate

The PRC is using its UN Security Council seat to resist Takaichi's calls to remove archaic clauses in the UN charter that imply Japan is an "enemy state." The language appears in Articles 53, 77, and 107 of the charter. Article 53 explains that the term "enemy state … applies to any state which during the Second World War has been an enemy of any signatory of the present Charter" (United Nations, accessed October 6). By this definition, Japan, Germany, Italy, Bulgaria, Romania, Hungary, and Finland are "enemy states."

Crucially, Article 53 allows the UN Security Council to take enforcement actions against these "enemy states." The PRC well knows that three permanent Security Council members—the United States, the United Kingdom, and France—would never agree to that and, without unanimity, the Security Council cannot take any formal action against Japan.

Yet the very existence of these clauses serves Beijing's anti-Japan propaganda purposes. On September 2, MFA spokesman Guo Jiakun (郭嘉昆) said at a press conference that the clauses are designed to prevent countries defeated in World War II from posing any threat in the future. He repeated accusations that Japan has embraced a "new-type militarism" (新型军国主义) and emphasized the need for "full compliance" (全面遵守) with the UN Charter need for "enemy state clauses" (China Brief, April 28 [1], [2]; Embassy of the PRC in the United States, September 2).

During Takaichi's first address to the UN General Assembly on September 22, she described Japan as a peace-loving nation and called for the removal of the "enemy state" label in the charter. She noted that the United Nations recognized this language as obsolete in both 1995 and 2005, but that it was never formally removed (Ministry of Foreign Affairs of Japan, September 22).

PRC media responded indignantly. The People's Daily-owned tabloid Global Times accused Takaichi of putting on a "diplomatic performance" (外交表演) and "openly challenging the post-war international order" (公然挑战了战后国际秩序) (Global Times, September 23).

Trying to Drive a Wedge in U.S.–Japan Relations

The third prong of the PRC's campaign to isolate Takaichi aims to drive a wedge between Japan and the United States, its chief security partner. Beijing sees an opportunity because of President Trump's focus on building his personal relationship with Xi Jinping.

Xi has used both of his face-to-face meetings with Trump this year to probe potential weak points in the U.S.–Japan relationship. Trump reportedly pushed back in May (Asahi Shimbun, May 28). Yet during the September summit in Washington, the White House released a fact sheet that said, "[t]he two leaders recalled that United States and China were allies in World War II and fought side by side to win the war" (The White House, September 25).

Though the readout did not name Japan, the PRC still seized the propaganda opportunity, including for international audiences. In an English translation of the readout, state run-Xinhua News Agency said that the two leaders honored the history of a "China-U.S. joint fight against Japanese aggression in WWII" (Xinhua, September 25).

Takaichi has handled the issue well. She told reporters that Trump called her after his summit with Xi and explained the meeting in detail. She said that she told Trump that "Japan and the United States have now become each other's most trusted allies" (Prime Minister's Office of Japan, September 26).

Suggesting promise for Takaichi, she has aligned Japan with key Trump administration priorities —higher defense spending by allies, large investments in the United States, and critical mineral supply chain diversification—while avoiding conflict with the U.S. president. As a result, the U.S.–Japan alliance has deepened operationally and technologically despite Tokyo's concerns about U.S. unpredictability.

Conclusion

Almost one year on from the outbreak of its diplomatic dispute with Japan, the PRC shows no interest in pursuing an off-ramp. Instead, it is trying to undermine Japanese Prime Minister Sanae Takaichi by wooing her domestic political opponents and depicting her within the United Nations and to the United States as the leader of a revanchist militarist movement.

The PRC's campaign no longer appears to be focused on inducing any change in Takaichi's stance on Taiwan or more broadly towards Beijing. Instead, it looks like an attempt to punish her for challenging a PRC "red line" and make an example out of her to other countries.

The pressure is unlikely to relent as the PRC prepares for the 21st Party Congress in the fall of 2027, when Xi Jinping is widely expected to seek a fourth term. Yet Beijing will also be wary of going too far, with the degree of U.S. support for Japan a crucial factor in the PRC's calculations in the months ahead.

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