ABOUT US

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DPG China Monitor

DPG China Monitor is compiled by our research team from open source Chinese media. Your comments and feedback can be addressed to Antara Ghosal Singh at antara@dp.org.in

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President Xi Jinping delivered an important speech at the 40th anniversary of reform and opening up in the Great Hall of the People in Beijing, December 18, 2018. Source: Xinhua, http://www.xinhuanet.com/english/2018-12/18/c_137682836.htm

Prime Minister Narendra Modi with Chinese President Xi Jinping in Buenos Aires, Argentina, November 30, 2018. Source: Global Times, http://www.globaltimes.cn/content/1129795.shtml

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# Contents

Abstract

1. Foreign and Security Policy
   - China-US Relations
   - Reviewing Chinese diplomacy in 2018
   - China-India Relations

2. Defence

3. Economy

4. Internal Security

5. The Chinese Communist Party
Abstract

Three broad themes dominated the discourse in China during December, 2018: (i) US-China trade talks and the “90-day ceasefire”; (ii) President Xi Jinping’s speech on the 40th anniversary of China’s reform and opening up; and (iii) pressures building up on China over the human rights situation, particularly in Xinjiang and Tibet.

The month saw major twists and turns in China-US relations. The “90-day ceasefire” initially brought some respite to the Chinese side after months of escalating rhetoric over trade. However, as more details of China-US negotiations at the post-G-20 Xi-Trump summit meeting in Buenos Aires became public, this initial cheer gave way to a somber discourse of “Chengxiazhimeng”（城下之盟, a humiliating peace treaty）and “unequal concessions”.

In economic developments, China celebrated the 40th anniversary of reform and opening up, with President Xi Jinping issuing a “mobilization order” for further deepening reforms and opening-up in the new era. Following Xi’s speech, Chinese state media proclaimed “China’s policies in the new era will be driven more by its own interests than by external pressure. Trade war or not, China will continue with its policy of deepening reform and opening up, because in today’s time it is more beneficial for China to increase import of quality products than maintaining a large trade surplus, and then lending the earned foreign exchange to the United States as a national debt”. In stark contrast to the international media’s interpretation of Xi’s speech as “China’s defiance” or a veiled “warning to the US”, the Chinese state media stressed that “most of the US demands have a fairly high degree of compatibility with China’s reform and opening up process and as China carries out its next round of reform and opening up, it will create an environment more conducive to alleviating Sino-US trade disputes”.

Some concerns were raised about the impact of this new round of reform and opening up on China’s national security. However, it was advocated that China should strengthen its national security by continuously improving “social endurance” and not by closing itself from the outside world.

On the internal security front, the “Tibet Traveling Equivalence Law” enacted by the US, which threatens to punish Chinese officials who restrict access to Tibet, as well as reports in the international media criticizing China’s efforts to replicate the “Xinjiang model” in Ningxia and other provinces in Western China, further added to China’s discomfort. It was advocated that China should
do away with its “monotonous, defensive” stance on Tibet and Xinjiang, and come up with new narratives to beat the ongoing negative publicity.

December also saw a series of high-level CPC meetings, the central theme of which was that given a vitiated external environment and challenging internal situation, there was greater need for China to strengthen the leadership of the Party Central Committee with Comrade Xi Jinping at the core. China’s state media asserted that the CCP led by Xi is most suited and best placed to lead the Chinese people in the new era to the shores of greater success.
1. Foreign and Security Policy

*China-US Relations*


The month began on a somewhat positive note with the successful conclusion of the much-anticipated Trump-Xi meeting, on the sidelines of the G-20 summit in Buenos Aires, Argentina, wherein both sides agreed to a “90-day ceasefire” over trade, pending resolution of differences. Initially the [Chinese media](https://www.chinadailyhk.com/articles/147/12/130/1543721419790.html) welcomed the agreement as a “major breakthrough” and “a turning point” in Sino-US trade relations.¹ However, as uncomfortable details of the

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China-US negotiations began to emerge, China’s state media became increasingly defensive.

Articulating its discomfort, an article in Huanqiushibao argued that the US had only emphasized what China had promised and not how the US would reciprocate. For instance, the US stressed that China will purchase US$1.2 trillion worth of US products and the process will start “immediately”, without mentioning for how long the purchases would last or the nature of the US products that China would buy, or whether these included services. The article wryly mentioned that “Indeed China is willing to buy American products, but those products must be needed by the Chinese people.” The common refrain within the Chinese strategic community this month was that the Chinese people/entrepreneurs should not be misguided by US propaganda and have faith in the government that it will do its utmost to safeguard the interests of China and will never make concessions against the interest of its own people.

Sections within Chinese strategic circles also criticized the agreement as being akin to “Chengxiangzimu ‘城下之盟’ which means a humiliating peace treaty signed under serious threats from the enemy. Addressing such adverse public opinion, a Huanqiushibao commentary argued that China should give up its historic phobia of the term ‘concession’ and understand that in today’s world concessions are necessary in all negotiations.2

To convince the populace, the Chinese media often referred to China’s WTO experience. Commentaries highlighted that many in China had opposed accession to the WTO fearing the impact could lead to collapse of Chinese enterprises and industries. The reality, however, was that the accession proved to be a boon for the Chinese economy. Similarly, it was argued that China should not be afraid that structural reforms such as strengthening intellectual property protection and lowering market access thresholds would weaken China. Instead, they should have confidence that as a more open market, China would have an unprecedented appeal on the entire world, including the United States.

So the new narrative that is being crafted is that “China’s policies (of deepening reform and opening up) are being driven more by its own interests than external pressure”. Trade war or not, China will continue with its policy of deepening reform and opening up of Chinese markets, because under present trade conditions it is more beneficial for China to increase import of quality

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2“中国该做的事，有没有贸易战都要做”, Huanqiushibao, December 3, 2018,
products than maintaining a large trade surplus, and then lending the earned foreign exchange to the United States as a national debt. The Chinese strategic community expressed hope that as China carries out its next round of reforms and opening up, it will create a more conducive environment for alleviating the Sino-US trade dispute, as most of the US demands have a fairly high degree of compatibility with China’s recently launched reform and opening up process.\(^3\)

Even though the month ended on a positive note with Trump-Xi phone call on December 30\(^{th}\), Chinese commentators nevertheless continued to maintain a cautious stand, while highlighting the unpredictability/inconsistency of the Trump administration’s China policies\(^4\) and the uncertainty looming large on future negotiations.

Another big damper in China-US relations this month was the detention of Meng Wanzhou, the Chief Financial Officer of Huawei, by the Canadian government at the request of a US court. This caused a major uproar in China. China refuted all allegations of Huawei collecting intelligence and illegally providing equipment to Iran and instead accused the US of “hooliganism”, of “abusing human rights of Chinese citizens” and “vicious competition” among others. “Huawei is China’s technological crown jewel that is at the forefront in the field of network communication and 5G technology. Suppression of Huawei is an attempt to undermine China’s technological progress”, argued an article in the Chinese media.\(^5\)

Chinese columnists further observed that in the past two years, US pressure on Huawei has begun to escalate and suppressing the brand had become the cornerstone of the technological warfare unleashed by the US on China. China is particularly displeased at the fact that “Washington has not just extended its restrictions on the entry of Huawei products into the US market, but has also encouraged its allies (Australia, New Zealand and Japan) not to use Huawei equipment in the construction of their 5G networks”.\(^6\)


The Huawei incident has put China in a strange dilemma. On the one hand, there is a growing clamour within China to teach its adversaries a lesson and make them pay heavily for harming China’s interests. On the other, there are also concomitant concerns that any strong counter-measures will further isolate China and smear China’s rebranding efforts as a reform minded open society.⁷

**Reviewing Chinese diplomacy in 2018**

Chinese strategists viewed 2018 as a “test year” for Chinese diplomacy. “The unprecedented scale of the US offensive on China has not only left the general Chinese populace in shock but has also shaken the foundation of the 40-year relationship between the two countries”, according to an article in the Chinese media. China seems to be bracing for an even more turbulent year ahead as it expects US policy to remain fixated on its maintaining primacy against China and striving to reverse the trend of China’s catching up with the United States. An article in Huanqiushibao argued that “Sino-US relations have undergone

profound changes in 2018 and cannot be returned to the point before the trade war. This is the reality that China needs to accept. The fundamental reason for this, it argued, is that China has risen to a point that deeply disturbs the United States.\(^8\)

Notwithstanding the downturn in relations with the United States, Chinese commentaries underlined the overall positive trends in China’s regional diplomacy.\(^9\) Several articles in the Chinese press congratulated the government for its success in handling regional hotspots and improving bilateral relations with DPRK, ROK, India and Japan, as also easing the situation in the South China Sea. All these developments, they say, have had a positive impact on China’s regional security environment. Additionally, China’s success in strengthening its partnership with Russia, maintaining friendly relations with Central Asia, nurturing ties with the entire developing world from Africa to Arab nations to Latin America, and also taking the lead in reforming the global governance system, found appreciation in the Chinese media.

Improvements in relations with Japan and India were particularly highlighted in Chinese strategic circles.\(^10\) Several Chinese strategists recommended appropriate management of territorial disputes in both the cases which, they fear, could otherwise create a risk of unwarranted US interference.

Commentaries observed that “China’s diplomacy has multiple facets: major power diplomacy, peripheral/neighbourhood diplomacy, relations with the developing countries, and multilateral diplomacy etc. Among all these, it is only relations with the US which have encountered challenges. Diplomacy in all other spaces has made good progress”. Their inference was that China must have confidence that as long as regional diplomacy is doing well, especially if China’s neighbourhood is stable, the United States will not be able to suppress China’s rise. On the contrary, with a stable and peaceful neighbourhood, “China will have newer and more opportunities for fruitful engagement with the United States”.\(^11\)

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China-India Relations

Prime Minister Narendra Modi with Chinese President Xi Jinping in Buenos Aires, Argentina, November 30, 2018. Source: Global Times, http://www.globaltimes.cn/content/1129795.shtml

There were broadly positive trends in bilateral relations this month. From December 21st to 24th, 2018 Chinese State Councilor and Foreign Minister Wang Yi visited India to co-chair the first meeting of the China-India High-Level Mechanism on Cultural and People-to-People Exchanges. During his visit, Wang Yi met President Ram Nath Kovind and Foreign Minister Sushma Swaraj.

In another development, after a gap of one year, the Chinese and Indian militaries jointly conducted the 7th “Hand-in-Hand” military exercise in Chengdu from December 10th-23rd, with focus on counter-terrorism operations. Last year, the exercise was suspended due to the border standoff. Resumption of the exercise this year symbolised a gradual warming up of bilateral relations.

Earlier, the 21st Meeting of the Special Representatives of China and India, led by Chinese State Councilor Wang Yi and Indian National Security Advisor Ajit Doval, took place in Chengdu on November 24 which also generated positive response from the Chinese side. Also, Prime Minister Modi and President Xi met for the fourth time this year on the side-lines of the G20 summit in Argentina on November 30.
The Chinese media attributed the relatively positive outcomes of these meetings to the Wuhan summit of April 2018, which the Chinese side often proclaims as the turning point in China-India relations in recent times. Looking at the positive trend in bilateral ties, some Chinese analysts were rather hopeful that a stronger and more substantial Sino-Indian relationship is underway. A CIIS commentary argued that “an improvement in Sino-Indian relationship has regional and global significance. Bitterness between the two would lead to a high cost of suspicion, exclusion and even containment. On the contrary, cooperation between the two giants is good for the region, as it will create a positive environment suitable for regional development.” It further highlighted that as representatives of developing countries, China and India should jointly defend the interests of emerging economies in the face of Washington’s unilateralism.

2. Defence

December saw Chinese President Xi Jinping’s forceful message on deepening reform and opening up reverberating through China’s military circles. Welcoming Xi’s directives on the future course of the Chinese economy, articles in the PLA Daily mentioned that “achieving the party’s military goals in the new era and turning the PLA into a world-class army in an all-round way is the biggest revolution for China’s defence forces.” It went on to assert that “it is time to devote all energies in making the PLA a credible military force to achieve the aspirations of the party.”

On the other hand, US FONOPs in the South China Sea came in for much discussion this month. Some Chinese strategists suggested that “if a US warship illegally enters into Chinese territorial waters, two Chinese warships should be sent, one to stop and the other to sink it. We won’t allow US warships to run amok in Chinese waters.” Others argued that since the Chinese stance in the South China Sea dispute is centred on the Nine Dash Line rather than 12 nautical miles around the islands, China should not use the violation of

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14 ‘以改革开放的姿态继续走向来’, PLA Daily, December 26, 2018, [http://www.81.cn/jwgd/2018-12/26/content_9388887.htm](http://www.81.cn/jwgd/2018-12/26/content_9388887.htm)
sovereignty argument against US warships passing through the waters of the South China Sea. They recommended that China should neither enter into a war nor should just restrict itself to only launching protests against the US. They advocated that a controllable non-war military action that is taking limited, low-intensity action that does not cross the threshold of war is the best way to deal with such incidents.

Meanwhile, reports emerged in the international media on China building the most advanced frigate (Type 054A/P) for the Pakistan Navy. Reacting to international criticism on “China expanding military influence in Pakistan under the BRI” Chinese strategists highlighted that “Defence cooperation between China and Pakistan is a normal and necessary practice which should not be linked to the Belt and Road initiative (BRI).”

Another major development was the announcement by the Xinhua News Agency of the construction of China’s third aircraft carrier on November 25. This sparked discussion on Chinese social media on the number of aircraft carriers needed by China in the present security scenario. An article in the China Military Online indicated that the People’s Liberation Army (PLA) Navy would operate five-six aircraft carriers in the near future, including the country’s first two nuclear-powered ones that would likely be launched around 2025.

3. Economy

On December 18, China celebrated the 40th anniversary of the reform and opening up when President Xi Jinping delivered an important speech outlining China’s achievements and experiences of reform and opening up in the last four decades and also threw light on the path ahead for China. The crux of his message was that ‘Reform and Opening up’ is not just a slogan for China, it is the path that China has actually taken in the past 40 years and will continue to follow in the future and there will be absolutely no retreat on this. Some of the key ideas highlighted by Xi in his speech - like “Reform and Opening up as a great revolution in the history of the Chinese people and the Chinese nation”, “a great reawakening of the Communist Party of China”, “a key milestone in

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17 ‘Sino-Pakistan military ties normal: experts’, Global Times, December 21, 2018, [http://www.globaltimes.cn/content/1133086.shtml](http://www.globaltimes.cn/content/1133086.shtml)

18 ‘PLA Navy to have at least 5 carriers: experts’, China Military Online, December 6, 2018, [http://english.chinamil.com.cn/view/2018-12/06/content_9369401.htm](http://english.chinamil.com.cn/view/2018-12/06/content_9369401.htm)


Chinese national rejuvenation”, “its ideological affiliation to Marxism and Socialism with Chinese characteristics”, “its people-centered values”, “its objective to create a community of shared human destiny”, “its allegiance to the principle of Party’s leadership over all work”, and “the need for balancing reform, development, stability” — were studied and analyzed in great depth by the Chinese media.

*President Xi Jinping delivered an important speech at the 40th anniversary of reform and opening up in the Great Hall of the People in Beijing, December 18, 2018. Source: Xinhua, http://www.xinhuanet.com/english/2018-12/18/c_137682836.htm*

A major economic meeting, the Central Economic Work Conference, was held from December 19th to 21st in which top Chinese leaders reviewed the country’s economic work in 2018, analyzed the current economic situation and planned the economic tasks for 2019, a particularly significant year which marks the 70th anniversary of the founding of the People’s Republic of China and the

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penultimate year for meeting China’s goal of building a moderately prosperous society in all respects. While acknowledging that the external environment has turned complicated and difficult and the economy faces downward pressure, Chinese leaders described these problems as part of China’s overall development process and looked forward to turn “pressure into impetus for high-quality development for China”. The meeting concluded on a positive note that “China is still in and will be in an important period of strategic opportunity for development for a long time to come.”

While China’s state media mostly toed the line with “Xiconomics”, some commentaries critically analyzed the dichotomy between the necessity for successful implementation of Xi’s idea of deepening reform and opening up in the new era and the Chinese government’s traditional paranoia about the stability of Chinese society. They argued that China’s vigilance system and standards for factors affecting social stability are too strict and are incompatible with the present task of deepening reform and opening up. Therefore, they urged that social curbs should be appropriately relaxed and a more favorable environment created for deepening reform and opening up, which, they say is the strategic precondition for the long-term stability of the country. Stability, they added, should be realized in the dynamics of reform and opening up. Only such stability is “healthy and sustainable, and worthy of China’s effort”.24

4. Internal Security

Chinese media severely criticized the US Senate for adopting the Equal Access to Tibet Bill of 2018, calling it a gross interference in China’s internal affairs and violation of the basic norms of international relations. Under the new law, the Chinese government must allow American journalists, diplomats and tourists unrestricted access to Tibet; the Secretary of State of the United States must submit annual reports to the Congress to identify Chinese officials involved in relevant restrictive policies, whose entry will later be restricted to the United States. While the US side argued that the act was passed “on the basis of the principle of reciprocity, which has long been lacking in the relationship between the two countries”, China objected to the use of US domestic laws in dealing with international affairs, pointing out that these actions do not conform to the principle of reciprocity in international law. Rather, it only revealed the US’s hegemonic intentions.

It was argued that the “Tibet Traveling Equivalence Law” is yet another public opinion offensive by the United States. While China continues to uphold its

defensive stance on Tibet and Xinjiang, the US and other Western countries always come up with a new narrative, lamented China’s state media.25

On the other hand, Chinese strategists condemned the international media reports that highlighted Ningxia and other Chinese provinces with Muslim populations “replicating” the Xinjiang model and conducting large-scale surveillance of Muslims. They strongly defended the governance model of Xinjiang arguing that Xinjiang’s de-extremism measures including the re-education camps have “delivered well” and have helped to build a stable society, ensured rapid social development and improved living standards for people, while other countries in similar situations are still struggling to find an effective way to deal with extremism and terrorism.26 They asserted that the ‘Xinjiang model’ is not just worthy of emulation in other parts of China, but also needs to be considered by other countries.

Condemning the Western media onslaught on China’s minority policies, an article in Huanqiushibao27 argued that “Contrary to the western hypothesis that China’s political security is derived from its ‘police state’, it is China’s pace of economic and social development and the Chinese government’s commitment to improvement of people’s livelihood which forms the core of China’s stability”.

5. The Chinese Communist Party

December saw a series of high-level CPC meetings. On December 13th, the CPC Central Committee held a collective study on the theme of “deepening the reform of the state supervision system.”28 On December 24th, the Standing Committee of the Central Commission for Discipline Inspection held a meeting on implementing the spirit of Xi Jinping’s speech, as also to study his instructions on disciplinary inspection and supervisory work.29 Both these meetings, which were organised to commemorate the 40th anniversary of the

25 美《西藏旅行对等法》是干涉新招', Huanqiushibao, December 20, 2018, 
26 ‘Xinjiang policies justified’, Global Times, December 13, 2018, 
http://www.globaltimes.cn/content/1115202.shtml
27 ‘批新疆骂宁夏，一些西媒偏执而不自知’, Huanqiushibao, December 24, 2018, 
28 中共中央政治局召开会议，中共中央总书记习近平主持会议’, People’s Daily, December 14, 2018, 
29 ‘中央纪委常委会召开会议，学习贯彻习近平总书记在庆祝改革开放40周年大会重要讲话精神，赵乐际主持’, People’s Daily, December 25, 2018, 
restoration of the Party's disciplinary inspection authority, vowed to keep up China's resolve and tenacity to persevere in the never-ending fight against corruption.\(^{30}\) Other than these, the “Democratic Life” meeting - a long-time CPC tradition where members of the Political Bureau of the CPC Central Committee reflect on their own performance and criticize themselves and each other - was held from December 25th to 26th.\(^{31}\) This year the top leadership once again unanimously upheld Xi Jinping's position at the core of the CPC and it’s Central Committee. On December 28th the CPC National People's Congress Standing Committee held yet another meeting to study the spirit of Xi Jinping's speech both at the 40th anniversary and at the Central Economic Work Conference. The statement issued after the meeting upheld Xi's speech as “a mobilization order for continuing reform and opening-up in the new era”, and instructed lawmakers to make sure that the CPC Central Committee's major decisions concerning reform and opening-up are effectively implemented.

The common theme that reverberated through all these meetings was that the more complicated the external environment and the more challenging the internal situation, the greater the need for China to strengthen the leadership of the Party Central Committee with Comrade Xi Jinping at the core.

Highlighting the central role of the Party in carrying out the new round of deepening reform and opening up, several commentaries in the People’s Daily explained that the reform and opening up is not just a social revolution for the Chinese people but a “self-revolution for the Chinese Communist Party” which tests its self-confidence and its determination/commitment to the idea of China’s national rejuvenation and Chinese people’s well-being.\(^{32}\) Upholding the merits of the Chinese political system of democratic centralism, its socialism with Chinese characteristics and its socialist modernization process, China’s state media asserted that the CCP led by Xi is most suited and best placed to lead the Chinese people in the new era to the shores of greater success.\(^{33}\)


