ABOUT US

Founded in 1994, the Delhi Policy Group is among India's oldest independent think tanks with its primary focus on international and strategic issues of critical national interest. Over the past decades, the Delhi Policy Group has established itself in both domestic and international circles, particularly in the area of national security.

In keeping with India’s increasing global profile as a leading power and the accompanying dynamism of India's foreign and security policy, the Delhi Policy Group has expanded its focus areas to include India's broader regional and global role; India’s initiatives to strengthen its strategic periphery; India’s political, security and connectivity challenges and policies across the Indo-Pacific; and the strategic partnerships that advance India's rise. To support these goals, the DPG undertakes research, publishes policy reports and organises conferences on strategic and geo-political, geo-economic, and defence and security issues.

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@dpg.org.in

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(Photographs top to bottom)

China’s 70th Anniversary celebrations in full swing at the Tiananmen Square, Beijing, October 1, 2019. Source: China Daily, http://global.chinadaily.com.cn/a/201910/04/W55d96e70fa310cf3e3556ec51.html


Protestors facing water cannons outside central government offices in Hong Kong, September 15, 2019, Source: The Frontline, https://frontline.thehindu.com/world-affairs/article29507458.ece

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Abstract

On the eve of the 70th anniversary of the People’s Republic of China, the focus of the Chinese national discourse was on three themes: a) China’s return to the world stage as a key factor influencing international cooperation; b) China’s ‘multi-ethnic unity’ and its ‘determination to fight against separatism’; and c) China’s economic success, particularly in poverty reduction. Even as China basked in the glory of its remarkable achievements in the last 70 years, it emphatically rejected the labels of “economic superpower” and “new advanced economy”, which it believes are a trap to deprive China of its rights as a developing country.

It was anticipated that China’s large scale show of military force during the 70th anniversary celebrations, where it showcased some of its most advance weaponry like the DF-41 ICBM, the DF-17 medium range hypersonic ballistic missile, the Y-18 supersonic cruise missile, unmanned underwater vehicles and GJ-11 strike drones etc., will be met with global reproach. It was nonetheless argued that it is time for China to show some muscle to the world, as a stern warning to external forces that try to sabotage regional peace and development.

Meanwhile, the battle of ideology and values was on full display in the run-up to the anniversary celebrations. The Chinese media hailed the superiority and efficiency of the Chinese system. A strong case was made for China’s political system and the Chinese school of economics as a tried and tested alternative to western democracy and market economy, and a new and reliable choice for the developing world to modernise itself without losing its independence. For the domestic audience, the message was clear: “Without the Communist Party, there would be no new China”.

That apart, China’s primary focus this month remained on internal security issues, particularly developments in Hong Kong and Taiwan. As Hong Kong Protests entered their 100th day this month, there was wider acceptance in China that restoring order in Hong Kong might not be an easy task. A particular concern was about the US proposed Hong Kong Human Rights Act, which if passed as law would require an annual review of the US’s preferential trade and business policy towards Hong Kong. Meanwhile, Taiwan lost two of the states that recognised it, Kiribati and the Solomon Islands, within a week’s time. Beijing bragged that now even US threats cannot help prevent the ongoing process of global isolation of Taiwan.
On the foreign policy front, preparations were on in full swing for the thirteenth round of China-US high-level economic and trade consultations, scheduled to be held in Washington on October 10-11, 2019. Emphasis was on creating a positive environment before the meeting, marked by various goodwill gestures from either side like temporary exemptions of tariff, postponement of new tariff plans and resumption of purchase of US agricultural products.

Premier Li Keqiang’s Russia visit was seen to have further strengthened bilateral ties between Russia and China. In contrast, German Chancellor Angela Merkel’s China visit remained shrouded in controversy, amidst increasing doubts in Europe about China and the rising pressure on Merkel to raise the issue of Hong Kong protests with Beijing.

With delay in the official announcement of Xi-Modi informal summit, speculation were high among Chinese strategic circles about the status of India’s China policy. While some predicted the possibility of a rockier China-India relationship, others issued an advisory to India to think through its strategy of cooperating with the US agenda of balancing China. They argued that no force, external or regional, can stop China’s rise or its development and any such effort by India will only jeopardize its own interests.
1. China at 70


China geared up for the grand celebration of the 70th anniversary of the People’s Republic of China this month. At the prelude to the anniversary celebrations, China’s state media showcased the country’s “great leap forward, from standing up, to getting rich, to becoming strong, and now marching forward towards the bright future of realising the great rejuvenation of the Chinese nation.” The focus of the Chinese discourse was two-fold a) China’s return to the world stage as a key factor influencing international cooperation b) China’s economic success, particularly poverty reduction¹.

On September 27, the State Council Information Office in China published a white paper titled “China and the World in a New Era”², systematically introducing the transition from “China’s China (中国之中国)” to “World’s China (世界之中国)”. The Chinese media called it the first comprehensive government white paper that expounded government’s true aspirations and its solemn


²'强大起来的中国，会这样与世界相处', Huanqiu Shibao, September 27, 2019, https://opinion.huanqiu.com/article/9CaKmKn2EZ
commitments to the world, which were meant to alleviate the tension and discomfort in the global community caused by China’s rise. On the same day, State Councillor and Foreign Minister Wang Yi delivered a speech at the 74th UN General Assembly aimed at presenting a more precise and objective view of China to the world\(^3\). On similar lines, various articles in China’s state media further deliberated upon “China’s deep integration with the world”\(^4\) and upheld the country’s role as the World peace builder, global development contributor, and international order maintainer\(^5\).

Chinese media recounted with pride how from 1952 to 2018, China’s GDP increased 174 times and per capita GDP increased from 119 yuan to 64,600 yuan, as China emerged as the world’s second largest economy and the country with the largest foreign exchange reserves, the second largest service trade, the second largest foreign trade, and became the second largest recipient of foreign investments. Further emphasis was on China’s success in poverty reduction, wherein 700 million people have reportedly been lifted out of poverty in the last 70 years. It was further publicised that in 2020, for the first time in the history of the Chinese nation, China will eliminate absolute poverty. This will also mean that China will achieve the 2030 sustainable development poverty reduction target set by the United Nations 10 years ahead of schedule\(^6\).

Interestingly, even as China basked in the glory of its remarkable economic achievements in the last 70 years, it emphatically rejected the labels of “economic superpower” and “new advanced economy”. One article in the Chinese media explained, “In recent years, Western public opinion likes to promote China as a developed country. One of the most important reasons for this is to deprive China of its rights as a developing country and to pressurise China to assume responsibilities at par with developed countries. In other

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\(^3\)联合国需要中国外长说的这种实话, Huanqiu Shibao, September 29, https://opinion.huanqiu.com/article/9CaKrnKn3Yk


words, they have selfish considerations in defining China's economic development level and we object to that.”

Apart from the above, ahead of the national day celebrations, there was also much discussion in the Chinese media on China’s ‘multi-ethnic unity’ and its ‘determination to fight against separatism’.

2. Foreign and Security Policy

**China-US**

Breaking the deadlock, both China and the US agreed to hold the next round of high-level economic and trade consultations in early October. Efforts were made by both sides to create a positive atmosphere before the meeting. China’s Tariff Commission of the State Council announced on September 11 that it will exempt 16 types of US imports from additional tariffs. This included products such as pesticides, animal feed, lubricants and cancer drugs. This was followed by President Trump’s tweet postponing by two weeks the 5% increase in duties on Chinese products scheduled for October 1. In return, the Chinese side announced on September 13 that it will support the purchase by domestic companies of a certain amount of US soybeans, corn and other agricultural products. Thereafter, following a mid-level trade talk in Washington, the US indicated a temporary exemption of more than 400 types of Chinese products from tariffs. Welcoming the decision, an article in Chinese media argued that such examples of goodwill are of great importance for China and the US to reach substantial outcomes during the forthcoming consultations. It further argued that theoretically, a trade war is a temporary method to put pressure on one’s opponent so as to achieve favourable trade advantage. However, the

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7. 经济超级大国？中国承受不起这个标签, Huanqushibao, September 24, 2019, https://opinion.huanqiu.com/article/9CaKmKn0j1
9. 欢迎美方推迟新关税，支持善意互动, Huanqushibao, September 12, 2019, https://opinion.huanqiu.com/article/9CaKrmKmNt1
trade war turning into a long-term conflict between the US and China is a disturbing development. The length and scale of the trade war is unprecedented and if it becomes a new normal which is ‘legalized’ by the extreme political mentality in the US, it will only turn out to be a big tragedy. For the domestic audience Chinese media advised against falling for the trap of "America paranoia (崇美“恐美”), and urged them to remain vigilant and calm about the dangerous plot hatched by some section of the American elite of creating a "new cold war" between China and the United States.\textsuperscript{13}

\textit{China-Russia}

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Premier Li Keqiang with Russian Prime Minister Dmitry Medvedev during a meeting in St. Petersburg, Russia, September 17, 2019. Source: China Daily, \url{https://www.chinadaily.com.cn/a/201909/18/WS5d816e38a310cf3e3556c093.html}

Premier Li Keqiang visited Russia from September 16-18 for the twenty-fourth regular meeting between the Chinese and Russian prime ministers. This visit is another important interaction after the visit of President Xi Jinping to Russia

\textsuperscript{13} “崇美”“恐美”？切莫掉入一些人设计的“思维陷阱”, China Youth Daily, September 9, 2019, \url{http://views.ce.cn/view/ent/201909/09/t20190909_33109818.shtml}
in June this year. Chinese media upheld the visit as “a milestone and a new starting point.” According to the Chinese Press, the meeting between the prime ministers focused on two goals. The first is to promote implementation of the consensus reached by the two heads of state and consolidate the material basis of bilateral relations. The second is to improve global governance, defend multilateralism, support trade and investment liberalisation and facilitation, and create an open world.

**China-Germany**

![Chinese President Xi Jinping with German Chancellor Angela Merkel in Beijing on September 5, 2019, Source: China Daily,](https://www.chinadaily.com.cn/a/201909/06/WS5d72312ca310cf3e3556a312.html)

German Chancellor Angela Merkel visited China from September 6-7. This was her 12th trip since she assumed office in 2005. As in the past, Merkel was

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17 ‘默克尔访华，香港怎么可能成为议题’, Huanqiu Shibao, September 6, 2019, https://opinion.huanqiu.com/article/9CaKkGmGZy
accompanied by a big trade delegation. The Chinese media hailed the visit as significant, given Europe’s increasing doubt about China and the rising pressure on Merkel to raise the issue of Hong Kong protests with Beijing. Chinese media described Beijing and Berlin as “pragmatic and almost ideal trade partners”\textsuperscript{18}, whose cooperation is crucial in safeguarding multilateralism and the world trade system, as well as international order and rules. They further called the visit an important legacy for future German leaders who “excessively value ideology, are pro-US, or have biased knowledge of China”. However, controversy was courted when in a symbolic move right after the visit, Joshua Wong, one of the familiar faces of the Hong Kong protests, visited Germany, met the German Foreign Minister Heiko Maas and compared Hong Kong to Berlin during the Cold War from the top of the Reichstag building\textsuperscript{19}.

\textbf{China-ASEAN}

There was considerable discussion in Chinese Press about the first joint maritime exercise between ASEAN and the US from September 2-6 at a naval base in Chonburi province, east of Bangkok. It was argued that “ASEAN-US drills need not raise eyebrows”, as “the five-day exercises are not a result of Washington’s whims but show the 10-nation bloc's propensity to strike a balance between great powers.”\textsuperscript{20} With the acrimony between China and the US becoming more prominent, ASEAN members are facing increasing pressure to choose sides. To deal with such a situation and avoid pressures, ASEAN took the opportunity of joint maritime exercises with China and the US so as to promote and consolidate its own neutrality and centrality in the region, argued yet an article in the Chinese media\textsuperscript{21}.

\textbf{China-India}

With the delay in official announcement of Xi-Modi informal summit, speculation was rife in Chinese strategic circles about India’ China policy. One article in CGTN argued that India is increasingly assuming a hard-line approach towards China and that the relations between the two Asian giants


\textsuperscript{19} ‘HK demonstrators banging their heads on a brick wall: China Daily editorial’, September 9, 2019, https://www.chinadaily.com.cn/a/201909/10/WS5d77a711a310cf5e35566ad61.html

\textsuperscript{20} ‘ASEAN-US drills need not raise eyebrows’, Global Times, September 1, 2019, http://www.globaltimes.cn/content/1163343.shtml

\textsuperscript{21} ‘ASEAN war games with US meant to promote centrality of bloc in the region’, Global Times, September 4, 2019, http://www.globaltimes.cn/content/1163659.shtml
are increasingly heading towards a rockier future. Meanwhile, the Chinese media reacted strongly to a Foreign Affairs article titled "The India Dividend: New Delhi Remains Washington's Best Hope in Asia," where the authors Robert D. Blackwill, Henry A. Kissinger and Ashley J. Tellis argued that for the US-Indian partnership to bear fruit, both sides must recognize that their primary shared interest is to balance a rising China - and not expect a close alliance or alignment on all major policy issues. An article in Global Times mentioned, “No force is able to stop the Chinese economy from developing. China’s rising strength will certainly change the structure of the Asia-Pacific region, and cannot be balanced by either outside forces or military powers. India needs to think this through as balancing China will only jeopardize India’s own interests.”

India's Moon Mission also created a buzz in the Chinese media. While appreciating India’s enormous progress in space technology, an article in the Chinese media argued rather condescendingly, “India’s lunar mission was a little premature. The 2008 lunar probe Chandrayaan-1 didn't complete its task perfectly due to certain technological deficiencies. After that launch, India didn't carry out similar projects. However, Chandrayaan-2 directly upgraded the task to “orbiting plus landing,” obviously imposing a heavy burden on the research team and also increasing the mission's risks.”

3. Defence

The military parade held to mark the 70th anniversary of the founding of the People's Republic of China, the 16th of its kind and the biggest ever, showcased China's advanced weaponry like the DF-41 ICBM, DF-17 medium range hypersonic ballistic missile, Y-18 Supersonic Cruise Missile, unmanned underwater vehicles and GJ-11 strike drones among others. While reviewing the armed forces on the National Day, President Xi Jinping delivered a fiery speech, declaring "No force can ever shake the status of China, or stop the Chinese people and nation from marching forward."

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23 ‘Patience required when India is one step away from its moon landing’, Global Times, September 11, 2019, http://www.globaltimes.cn/content/1164326.shtml

China anticipated the international repercussions of such a large scale show of military force and strove to build a case that “China’s show of strength does not have any untoward intentions”. It was argued that only those who bear ill-will toward China will choose to see the parade through their own ideological prisms. “What the event displayed is not aggressive intentions, but the pride China takes in its accomplishments,” mentioned one article in China’s state media. It is meant to show people that China is no longer the ‘sick man of Asia’ and has the ability and the means to safeguard its rejuvenation, highlighted yet another article in the Chinese Press. The more nationalistic Global Times acknowledged that after seven decades, it is time for China to show some muscle to the world, not just as a reliable guarantee of its national

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unity and world peace but also as a strict warning to the forces that try to sabotage regional peace and development.26

4. Economy

Macroeconomic data released by China’s General Administration of Customs for the month of August indicated that China’s total foreign trade in the first eight months rose by 3.6 percent. Calculated in Yuan, its exports in August increased by 2.6 percent while imports dropped by 2.6 percent.27

Chinese economic commentators argued that the data should not be interpreted as a sign of weakening Chinese economy. China's economy, as per their analysis, is undergoing great structural adjustments, transiting from being investment-driven to innovation-driven and from foreign trade-led to consumption-led. Meanwhile, China is continuing infrastructure development and accelerating innovation. Policy support for domestic consumption and willingness to consume are growing stronger. All these, they argue, are going to be the important drivers for the Chinese economy.

A China Economic Daily article further elaborated that much potential remains for the Chinese economy, given the increasing strength of its science and technology, the implementation of policies such as tax cuts and financial reforms, the attractiveness of its huge market and the continuous optimisation of the investment environment. It thus inferred that despite all cataclysmic projections, Chinese economy would continue to realise its huge potential through further deepening of reforms and opening up of its markets.28

Meanwhile, there was news of China opening up six new FTZs, in Shandong, Jiangsu, Hebei, Yunnan and Heilongjiang provinces and the Guangxi Zhuang autonomous region, bringing the total number of FTAs across the nation to 18.29 These are meant to serve as pioneers of the country's reform and opening up by testing new styles of foreign investment management, trade facilitation

and transformation of government functions to better integrate the Chinese economy with the world\(^30\).

5. **Internal Security**

![Protestors facing water cannons outside central government offices in Hong Kong, September 15, 2019, Source: The Frontline, [https://frontline.thehindu.com/world-affairs/article29507458.ece](https://frontline.thehindu.com/world-affairs/article29507458.ece)](https://frontline.thehindu.com)

The Hong Kong protests entered their **100th day** in September\(^31\). The mainland media interpreted the situation as “improved, showing signs of change, but still complex.” They were particularly concerned about how Western public opinion still holds sway over Hong Kong society and how ‘Hong Kongers still cherish their shared values with the West and fail to understand the differences between the interests of Hong Kong society and those of the US and Britain. They infer\(^32\) that although the situation in Hong Kong is not out of control and the HKSAR government and the police force still have more legal measures (like

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\(^30\) ‘China develops new space for free trade zone development’, Renmin Ribao, September 2, 2019, [http://views.ce.cn/view/ent/201909/02/t20190902_33061734.shtml](http://views.ce.cn/view/ent/201909/02/t20190902_33061734.shtml)

\(^31\) ‘香港动荡满100天，反思正当其时’, Huanqushibao, September 16, 2019, [https://opinion.huanqiu.com/article/9CaKrnKmRz0](https://opinion.huanqiu.com/article/9CaKrnKmRz0)

\(^32\) ‘HK situation shows sign of change, but remains complex’, Global Times, September 2, 2019, [http://www.globaltimes.cn/content/1163452.shtml](http://www.globaltimes.cn/content/1163452.shtml)
a special law banning protesters from covering their faces with masks at their disposal, that does not mean that restoring order in Hong Kong will be easy. On the other hand, some Chinese strategists have been striving to attract the government’s attention towards Hong Kong’s deep-seated problems in its social structure which, they believe, have also contributed to the ongoing chaos. “In Hong Kong, the combination of real estate capital and financial capital in particular makes economic restructuring impossible, resulting in housing and employment difficulties, and many young people see no hope for a better future. Western hostile forces and the power of capital have deliberately directed young people’s anger toward the SAR government and the central government,” they argue.

Meanwhile, in a dramatic turn of events, Taiwan lost two of the few countries that still recognise it, Kiribati and Solomon Islands, within a week’s time. A report in Huanqushibao said, “It is a warning that Taiwan independence is at a dead end. Taiwan’s games around independence and sovereignty are delusional and unsustainable.” They further argued that even though the Taiwan authorities have high hopes from the United States, it is now evident that even the US threats cannot help prevent global isolation of the Republic of China.

On the other hand, the news of members of the US House of Representatives’ Committee on Foreign Affairs unaniomously approving the Hong Kong Human Rights Act and its Senate version clearing the committee level on September 26 led to considerable furor in Beijing. The Bill, if passed, would require an annual review of the US’s preferential trade and business policy towards Hong Kong. Further, on the same day, the US Senate Foreign Affairs Committee also passed the “Taipei Act” that urged the US government to help Taiwan consolidate its diplomatic status. The Chinese side denounced the moves as “gross interference” in China’s domestic affairs.

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35 ‘基里巴斯也断交了．台当局应当自省’，Huanqushibao, September 20, 2019, https://opinion.huanqiu.com/article/9CaKrnKmW48

36 ‘干预香港事务，美越激进注定丢丑’，Huanqushibao, September 26, 2019, https://opinion.huanqiu.com/article/9CaKrnKn216
6. Chinese Communist Party

The battle of ideology was on full display as China geared up to celebrate the 70th anniversary of the founding of the PRC. Chinese media hailed the superiority and efficiency of the Chinese political system37.

Socialist deliberative democracy with Chinese characteristics38 - China’s unique political operating system, they argued, is the secret behind China’s incredible success story, its goal orientation and its incredible speed of development. They further argued that the Chinese school of economics39 has not only prevented any major economic crisis in China but has also maintained macroeconomic and structural balance through state-owned enterprises, economic planning, macro-policy, industrial policies, micro-policies, reform policies, and social policies, achieved social harmony, and effectively overcome the weaknesses of the market economy.

In comparison, it pointed out that the West’s democratic system is unstable due to its innate design. It lacked a unified authority to bind different forces together to keep the country moving forward in a consistent direction40. It was further argued that in Western democracies, political power and core objectives of national development are mutually exclusive, and political elites remain mostly disconnected from the interests of the people, so much so that capitalist interests often submerge these interests. Western democracy, they argue, is no longer about solving people's problems, but about electoral politics, values and ideology and other means of 'political idling'. In short, a strong case was made for China's political system as a tried and tested alternative; a new choice for the developing world to modernise itself without losing its independence41.

41‘西方的精英群体越来越脱离群众’, Huanqiu Shibao, September 17, 2019, https://opinion.huanqiu.com/article/9CaKrnKmSvy
For the domestic audience, the message was clear. “Without the Communist Party, there would be no new China.” Under the leadership of the Communist Party of China, the country has moved from closed backwardness to openness and progress, from lack of food and clothing to a comprehensive well-off society, from poverty alleviation to prosperity. History and facts, they argue, prove indisputably that only socialism can save China, that only socialism with Chinese characteristics can develop China. Only by upholding and developing socialism with Chinese characteristics can the great rejuvenation of the Chinese nation be realised. Therefore, to forge a new era and build a new journey of dreams, the Chinese nation should unite more closely around the Party Central Committee with Xi Jinping as the core.


