PM20140508 Press Meeting May 8, 2014

Politics

- 1. Attendants of the Tiananmen Seminar detained
 - Last weekend, a group of academic and activists (参加讨论的有: 崔卫平、郭于华、郝建、胡石根、黎学文、梁晓燕、刘荻、浦志强、秦晖、王东成、吴伟、徐友渔、野夫、张先玲、周枫。因事未能到场的书面发言者有: 陈子明、贺卫方、慕容雪村、王小山) gathered in a seminar, held to commemorate the 1989 crackdown as well as "explore its implications and consequences and call for an investigation into the truth of June 4".
 - i. "与会者认为,虽然对于六四事件的原因、性质、意义的评价 人们或有不同,但现在可以肯定的是,六四不是"暴乱",对 手无寸铁的群众开枪于天理国法所不容,基于"暴乱"所实 施的一切处罚应予取消、纠正和赔偿。一些发言者指出, 六四镇压的暴行埋下了今日社会乱象的祸根,权力的滥用 、对群众的欺压、对贪污腐败的纵容,对公平正义的罔顾 等等,这些中国社会制度固有的弊端都因六四镇压而变本加 厉,不可收拾,中国今日和未来要重振社会风气和德行,必须 深挖六四根源。一些会议参加者强调,我们不需要请求当局为 六四平反,裁决与评判罪与非罪、是非对错的权利,并不掌握 在当权者手中。我们所要求和正在做的,是调查事件真相, 还原历史本来面目,在此基础上实现社会转型正义,弥合 民族创伤。"1
 - Participants have also been detained or questioned. Among them is the human rights lawyer Pu Zhiqiang who was placed in criminal detention since Tuesday. Pu defended various activists in the past, and had participated in the Tiananmen Movement in 1989.
 - CDT comments: "The use of disturbance charges in political cases has become increasingly common in recent months. They may not lead to trial for Pu, however: police appear to have been using 30-day criminal detentions as a convenient means of holding activists and petitioners even in cases where there is no intention of eventual prosecution. Waiting until Tuesday to begin his detention will allow them to hold him until June 5th, the day after the anniversary."
 - The Telegraph's Malcolm Moore described other measures taken by authorities ahead of the anniversary, including the apparent detention

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http://www.chinainperspective.com/ArtShow.aspx?AID=25587

¹ China in Perspective,

² China Digital Times, http://chinadigitaltimes.net/2014/05/rights-lawyer-among-several-held-tiananmen-seminar/

- of founder of Tiananmen Mothers Ding Zilin, film maker He Yang and veteran journalist Gao Yu.³ Fei Chang Dao pointed that Baidu's Wikipedia-like Baike site has no entry for the year 1989⁴, while at PRI's The World, Matthew Bell reported that even **Chinese students** in the U.S. feel they must approach the subject with caution⁵.
- Meanwhile, in Hong Kong, where June Fourth commemoration is an annual event, there is controversy surrounding the official opening of the June 4 Memorial Museum in Tsim Sha Tsui
 - i. The museum is sponsored by the Hong Kong Alliance in Support of Patriotic Democratic Movements of China, who hope the museum will educate young mainlanders, many of whom remain largely unaware of June 4th. The AFP reported last weekend from Tsim Sha Tsui, where tension between pro-Beijing protestors and museum supporters was on display. "The opening was disrupted by more than a dozen pro-China placard-wielding protesters, who call themselves the 6.4 Truth group, who shouted at organisers outside the building, calling them "traitors".6
 - ii. SCMP notes that neighboring property owners in Tsim Sha Tsui's Foo Hoo Centre are seeking a court-ordered closure of **the memorial**. "In a writ, they say the fifth storey of the Foo Hoo Centre, now occupied by the June 4 Museum, is among the floors that cannot be used for memorial or exhibition purposes under the building's deeds. But Alliance spokesman said that "lawyers had advised that the operation of the museum complied with the model of a commercial building", calling the opposition a sign of political suppression.⁷
- 2. Guangzhou railway station stabbing and Xinjiang railway station explosion
 - Six were injured in a knife attack late Tuesday morning outside a railway station in Guangzhou, according to Xinhua News. This marked the third violent stabbing at a major Chinese railway station in recent months. Xinhua's report on the incident didn't attribute the attack to any group or give a possible motive.8 Later, Xinhua has corrected initial reports claiming that multiple attackers were involved, and now

http://www.telegraph.co.uk/news/worldnews/asia/china/10794880/Tiananmen-Square-Chinese-police-try-to-silence-25th-anniversary.html

³ Telegraph,

⁴ Fei Chang Dao, http://blog.feichangdao.com/2014/05/25-years-after-tiananmenbaidus.html

⁵ PRI, http://www.pri.org/stories/2014-05-02/discussing-tiananmen-square-still-riskyafter-25-years-even-chinese-students-us

⁶ The Age, http://www.theage.com.au/world/worlds-first-tiananmen-museum-opensin-hong-kong-20140427-zr0cq.html

SCMP, http://www.scmp.com/news/hong-kong/article/1500034/property-ownersseek-injunction-block-june-4-memorial-museum

Bloomberg, www.bloomberg.com/news/2014-05-06/knife-wielding-attackerswound-six-at-south-china-rail-station.html

- attributes the assault to a single knife-wielding suspect **with no explanation of the inconsistency**. The most recent official report still doesn't identify the attacker's group or ethnic affiliations or region of origin.
- Less than a week before the knife attack, an explosion at the Urumqi, Xinjiang train station killed the two alleged perpetrators, a bystander, and left 79 injured. That attack took place as President Xi Jinping was closing his first official trip to a restive region he labeled as the "frontline against terrorism". In early March, a knife attack at the Kunming, Yunnan railway station left 29 dead and more than 100 injured. Both the Urumqi and Kunming attacks have been labeled "terrorist attacks." Last week Xi Jinping called for "decisive" counterterrorism action, saying that China must prepare itself for a longterm fight against what he called separatist forces in Xinjiang.⁹. He said that "the battle to combat violence and terrorism will not allow even a moment of slackness, and decisive actions must be taken to resolutely suppress the terrorists' rampant momentum." That **social stability should be properly ensured**, Xi said, adding that measures should be taken to safeguard the security of people of all ethnic groups and the order of their normal life and work.¹⁰
 - i. As unrest grows in the Xinjiang, observers, including those from the state media, have noted that Xi Jinping has reoriented the region's policy from one focused primarily on economic development to one that also emphasizes social stability.¹¹
 - ii. The New York Times reports a duality in Xi's demeanor during his Xinjiang trip that **directly mirrors Beijing's policy**: "Photographs and television footage showed Mr. Xi as an amiable figure, chatting with Uighurs and officials around a table sporting baked flatbread and local snacks. They showed him smiling with a group of Uighur schoolchildren. They showed him wearing the distinctive, four-cornered "doppa" cap worn by many Uighur men. Yet they also showed Mr. Xi inspecting security troops in protective helmets and vests. and examining spears, clubs and other weapons." It highlights Beijing's policy on integration, which he calls "ethnic cohesion": "During his visit, Mr. Xi indicated that he saw greater integration of Uighurs as a solution to discontent, **not as its cause.** The Chinese government sees the growing ethnic violence in Xinjiang as emanating from fanaticism sponsored from abroad, not from its own policy failures. Mr. Xi

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⁹ The New York Times, http://sinosphere.blogs.nytimes.com/2014/05/06/another-violent-attack-at-railway-station-in-china/? php=true&_type=blogs&_r=0; China Digital Times, http://chinadigitaltimes.net/2014/04/xi-jinping-visits-xinjiang-frontline-terror/

¹⁰ China Daily, http://usa.chinadaily.com.cn/china/2014-05/01/content_17478522.htm
¹¹ Global Times, http://www.globaltimes.cn/content/836495.shtml#.Us7r9qWTPFJ

- visited a bilingual school, where Uighur children were being taught in Mandarin as well as their own language."
- iii. The Wall Street Journal's coverage of Xi's trip and his antiterrorism posture in the preceding weeks compares the Chinese president to an ex-U.S. president so associated with fighting terrorism: "Xi Jinping is taking a page out of George W. Bush's playbook.... The government must "make terrorists like rats scurrying across a street, with everybody shouting "beat them!" the official Xinhua news agency quoted Mr. Xi as saying ahead of a recent trip to the at-times turbulent city of Kashgar." 12
- iv. The New York Times surveys opinions on the **possible** significance of the attack coinciding with Xi's Xinjiang trip. Most see it as an attack that wished to challenge Xi and the Chinese government. Nicholas Bequelin, a Hong Kong-based senior researcher for Human Rights Watch, thought it was also directed at the presence of Han majority in Xinjiang, as the attack came as a train from Chengdu, the capital of Sichuan Province, in southwest China, carrying migrant workers belonging China's dominant Han majority into Xinjiang, whose presence has stoked resentment among the native Uighurs. He added that "if this is a political act and a deliberate Uighur attack, then it's profoundly significant because that's a direct challenge, and it's also a huge loss of face for Xi Jinping... It completely defeats the purpose — he spent four days beating the drum of counterterrorism, saying the center will be tough, and using very martial, warlike language. And then in the middle of the capital, you have this bomb exploding."13
- New strategies in Xinjiang?
 - i. Aljazeera reports that Chinese authorities in the Xinjiang Uyghur Autonomous Region are now offering financial rewards to those who report on their neighbors' religious or "separatist" activities: "Informants in parts of Xinjiang's Aksu prefecture, an epicenter of the region's ethnic tensions, can earn anywhere from \$8 to \$8,000 for reporting their neighbors' illegal religious or "separatist activity" — which can now include facial hair, according to Chinese newspaper The Global Times. "That's a lot of money for Uighurs in the south [of the region]. There they are very poor. This is an incentive to betray their fellow Uighurs to get some financial

The New York Times, http://www.nytimes.com/2014/05/02/world/asia/chinas-leader-warns-of-long-term-terror-fight-after-blast.html

¹² The Wall Street Journal, http://blogs.wsj.com/chinarealtime/2014/04/29/shades-of-george-w-bush-in-xi-jinpings-anti-terror-campaign/

- gain," Alim Seytoff, spokesman for the Uighur rights advocacy group World Uyghur Congress (WUC), told Al Jazeera."14
- ii. Global Times has more details on the new regulations: "Whistle-blowers can report to the public security department or the county-level commission of political and legal affairs about suspect and illegal activities in order to prevent and combat crimes and maintain social stability [...] Particularly, a reward from 5,000 yuan to 50,000 yuan could be given to whistle-blowers of activities including separatism preaching and training for terror attacks. The reward will also go to those who report intelligence of reactionary organizations overseas or activities to provoke conflicts between religious sects." 15
- iii. The Wall Street Journal quotes an expert who thinks a **new** antiterrorism law will soon be implemented: "Tougher policies are likely on the way, according to Li Wei, an antiterrorism expert with the China Institutes of Contemporary International Relations, who pointed to an antiterrorism law that has been considered since 2005 and would aim to better demarcate responsibilities among security forces." ¹⁶
- Stepping up anti-terrorism effort?
 - i. The first National Security Blue Paper (中国国家安全研究报告(2014)), written by 國際關係學院國際戰略與安全研究中心 and released a few days ago, warned that government agencies, military and police could become likely targets of terrorist attack. The report also said that the infiltration of external forces in religions could be a threat to belief in socialism.¹⁷
 - ii. Public Security Deputy Minister Fu Zhenhua led a number of Beijing public security officials to check security measures in Beijing railway stations, ordering officials to do the same in other cities.¹⁸
- 3. Press censorship and the state of foreign media in China
 - Howard W. French, a former NYT China journalist, tells the story behind Bloomberg's recent censorship of a report that links China's elite politicians to a wealthy Chinese businessman, which dealt a huge blow to Bloomberg's China newsroom. The article talks about how Bloomberg, following the award-winning China reports by the WSJ

http://www.globaltimes.cn/content/856497.shtml?utm_content=buffer5d542&utm_m_edium=social&utm_source=twitter.com&utm_campaign=buffer#.U1pN7F4oe5z

http://online.wsj.com/news/articles/SB10001424052702304831304579544930818400 044?mg=reno64-wsj

¹⁴ Al Jazeera, http://america.aljazeera.com/articles/2014/4/25/china-xinjiang-authoritiesofferthousandstofacialhairinformants.html

¹⁵ Global Times,

¹⁶ The Wall Street Journal,

¹⁷ Caijing, http://politics.caijing.com.cn/2014-05-07/114158494.html

¹⁸ Caijing, http://politics.caijing.com.cn/2014-05-07/114158290.html

and NYT, competed against the other two new agencies for more groundbreaking journalism in China. The team produced a report on the wealth of Xi Jinping's family, which angered the Chinese government and led to the financial company's later censorship of another potentially groundbreaking report, due to its concern over its terminal sales in China. "A step away from Bloomberg's troubles, something far larger is at stake: the ongoing struggle between authoritarian China, an incipient superpower, and the international media over control of news in a country that is not only the world's most populous but will soon be its largest **economy**. ...What may be most critically at issue is the **fate of any** independent muckraking reporting from China, a recent innovation born of intense competition between rival American news organizations just two years ago.... The anticipated prosecution of Zhou will test China's ability to control the narrative about official corruption in the country, particularly if the international media continues to take an investigative approach to coverage." The article express worries that Bloomberg will bow down to Chinese pressure and downsize its investigative work on Chinese corruption in the future.¹⁹

- At Aeon, Leslie Anne Jones recounts her personal experiences with Chinese censorship at a Shanghai "expat rag": "There were obvious things we couldn't write about: Taiwan, Tibet, Tiananmen. Other requirements were subtler. Always Chinese mainland, never mainland China. We weren't allowed even to write 'gay' in a listing for a gay bar, but one competitor had a regular LGBT column (different censors, different rules). This inconsistency works in the system's favour. Lack of definitive guidelines induces self-censorship. Our censors also exhibited periodic paranoia: once we had to modify a fact box that read: '64 Chinese people made the Forbes Billionaires List', because they thought the design of the 6 and the 4 was a coded reference to June 4th, the anniversary of the military crackdown on the prodemocracy demonstrations of 1989 - unmentionable of unmentionables. [...] Anyone who has worked with Chinese censorship long enough knows there's an **implicit contract**. You don't acknowledge your experience was manufactured, and you don't report on the truth that slipped through the PR machine. Censorship doesn't just police a finite set of unmentionables, the point is to control ideas."20
- The trend is summed up by a recent Economist article, which added a
 tweet from a CNN reporter. "The pressure will keep being applied,
 though, and at least some of those who are tempted by the China
 market will respond accordingly. Kristie Lu Stout, a presenter for CNN
 in Hong Kong, tweeted on March 31st about what happened when
 she asked a roomful of MBA students whether they would "spike"

http://www.cjr.org/feature/bloombergs_folly.php?page=all

Aeon, http://aeon.co/magazine/living-together/how-self-censorship-works-in-china/

¹⁹ Columbia Journalism Review,

- a critical China story to secure market access?" The answer, she wrote, was a "resounding yes". "21
- At the China Media Project, Chang Ping examines the implications of the case of Wei Yinin, the deputy chief of the Haikou City Public Security Department, whose name was obscured in the press after he was charged with corruption: "But one thing no media inside China bothered to talk about was the fact that this was a case of corruption in which the power to control the press (舆论监控) was abused and the case should prompt deeper reflection on corruption of the propaganda system itself. The court found that Wei Yining had used "the convenience of his position," with the power to control the internet, to delete more than 280 internet posts in exchange for around 700,000 yuan. The bribe payers were 11 web police from the public security bureaus of 11 local cities in 6 provinces. They were responsible [to their local superiors] for removing posts on two major Haikou-based websites that was detrimental to the image of their local governments. They would pay up, and Wei Yining would send down an order for the posts to be deleted... The Wei Yining case makes clear just how much room there is for corruption in the execution of ostensible official business. It is now routine practice for local governments to pay for the removal of criticism or for the promotion of laudatory coverage."22
- Former New Yorker China correspondent Evan Osnos will have his book "The Age of Ambition: Chasing Fortune, Truth, and Faith in the New China" published next week. At The New York Times, Osnos explains why he decided against publishing his new book in Mainland China: "A foreign author who wants to publish in China can find many reasons to tolerate the demands for censorship. ... As a writer, it is tempting to rationalize the discomfort by emphasizing the percentage of the book that survives the cuts, rather than the percentage that is censored. ... but altering the proportions of a portrait of China gives a false reflection of how China appears to the world at a moment when it is making fundamental choices about what kind of country it will become. In the end, I decided not to publish my book in mainland China. (It will be available to Chinese readers from a publisher in Taiwan.) To produce a "special version" that plays down dissent, trims the Great Leap Forward, and recites the official history of Bo Xilai's corruption would not help Chinese readers. On the contrary, it would endorse a false image of the past and present."23
- Reader's Digest has removed Australian novelist LA Larkin's Thirst from its anthology of condensed novels in order to maintain a cheap publishing deal with a Chinese printing firm that refused to print

²¹ Economist, http://www.economist.com/blogs/analects/2014/03/chinas-censorship-leverage#sthash.S9wO2O1D.dpbs

²² China Media Project, http://cmp.hku.hk/2014/05/02/35286/

²³ The New York Times, http://www.nytimes.com/2014/05/03/opinion/sunday/chinas-censored-world.html?_r=1

Larkin's work due to its reference to Falun Gong and related state oppression: "State oppression in China is not a major theme of a novel set in Antarctica. But Larkin needed to provide a back story for Woo and a link between her and the villains of her drama.... The cost of printing makes up the largest part of the price of book production. Publishers have outsourced manufacturing to China, like so many other industries have done. The printing firm noticed the heretical passages in Larkin's novel. All references to Falun Gong had to go, it said, as did all references to agents of the Chinese state engaging in torture. They demanded censorship, even though the book was a Reader's Digest "worldwide English edition" for the Indian subcontinent, Australia, New Zealand, Malaysia and Singapore – not, you will note, for China."²⁴

4. China's Cyberporn Crackdown

- The National Office Against Pornographic and Illegal Publications, a branch of China's main media regulator, recently announced a **new crackdown on pornographic online content**, called "Cleaning the Web 2014" (扫黄打非·净网2014), that will last from April to November 2014. According to the announcement, the crackdown scope will include:
 - i. The cyberspace raid will **involve thorough checks on websites**, **search engines and mobile application stores**, **Internet TV USB sticks**, **and set-top boxes**. 全面清查网上淫秽色情信息。各地各有关部门对互联网站、搜索引擎、应用软件商店等互联网信息服务提供者和网络电视棒、机顶盒等设备,进行全面彻底清查。凡含有淫秽色情内容的文字、图片、视频、广告等信息,一律立即予以删除。
 - ii. 依法严惩制作传播淫秽色情信息的企业和人员。对制作传播淫秽色情信息问题严重的网站、频道、栏目,坚决依法责令停业整顿或予以关闭,依法依规吊销相关行政许可。对非法网站,一律依法予以关闭或取消联网资格。
- The Global Times notes that this is essential for China's "cyber development, quoting Bu Xiting, an official at the Communication University of China, who "sees the campaign as a sign of the government's determination to create a healthy cyberspace".²⁵
- At Foreign Policy's Tea Leaf Nation, Zhang Jialong warns that this most recent crackdown has little to do with porn, and much to do with bolstering the party's new media influence: "Chinese authorities have put would-be free speech advocates on notice: "Step away from the computer. As an April 14 article in Communist Party-run news portal Seeking Truth avers, from mid-April until November, government offices nationwide will be striking out at online media in a dedicated campaign called "sweep out porn, strike at rumors." An

²⁵ Global Times, http://www.globaltimes.cn/content/854927.shtml#.U08c8uZdWcB

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²⁴ Guardian, http://www.theguardian.com/commentisfree/2014/mar/29/readers-digest-chinese-stooge-censorship

April 16 headline on state news service Xinhua declares the move is in response to "calls from people in all walks of life." But at its core, this is about going after rumors — party parlance for destabilizing falsehoods – in the name of going after porn. In other words, it's about ensuring that party organs, and not the Chinese grassroots, have the loudest voice on the country's Internet. This latest campaign has been months in the making. On Feb. 5, the Central Propaganda Department (CPD), the party organ tasked with censorship and information dissemination, ordered an investigation of "pornographic and vulgar information" — one whose main target was actually a variety of online columns, infographics, and trending or recommended reading. Interpretation of the actual meaning of "pornographic and vulgar information," of course, rests entirely with the CPD. ²⁶

- China Digital Times noted that "while pornography sweeps and antivulgarity operations are not uncommon in China, this most recent one comes amid an ongoing central government campaign to increase control of the Internet. Over the past year, the Xi administration has done much to rein in online public opinion by launching rules to build a "favorable online environment" and punishing violators, publicly humiliating influential social media users, and creating a legal means to punish broadly defined 'rumormongers."
- Another Tea Leaf Nation article said the campaign might be backfiring: "The Chinese government's latest effort to bring the country's social web under control appears to be backfiring. A new phase in a government crackdown on undesirable online content announced March 28 -- called "sweep out yellow, strike at rumors" (the former referring to pornography, the latter including opinion contrary to the Communist Party line) -- has become a hashtag on Sina Weibo, China's Twitter, bearing the same name. It appears to be an astroturf campaign: authorities have encouraged the hashtag, even if they did not generate it, by inviting netizens to get in on the anti-porn action through "joint monitoring and reporting." And join they have, by labeling not-quite-pornographic material with that tag in what looks an awful lot like a bid to taunt censors."
- Recently, state media has published a number of articles regarding the need for "internet management". For example, to mark the 20th anniversary of Internet access in China, Xinhua published an editorial last week commending the coexistence of censorship—termed the "Chinese innovation" of "Internet management"—and thriving ecommerce in the country: "This way of Internet management, itself a Chinese innovation, has not stifled the creativity of the Internet

http://www.foreignpolicy.com/articles/2014/04/16/chinas_new_internet_crackdown_not_about_porn

²⁶ Tea Leaf Nation,

²⁷ China Digital Times, http://chinadigitaltimes.net/2014/04/chinas-new-crackdown-porn-really-porn/

as some had predicted. Innovative Internet products and services are significantly changing the landscape of the Internet."²⁸ People's Daily printed an article defending strict Internet control to protect against the dangers that lurk online: "While ordinary people and governments have enjoyed the conveniences brought by the Internet, they have also in turn experienced the Internet's negative effects and hidden security dangers... If you don't have Internet order, how can you have Internet freedom? Anyone enjoying and exercising their Internet rights and freedoms must not harm the public interest and cannot violate laws and regulations and public ethics."²⁹

- More recently, SAPPRFT, China's state media regulator, announced that online media giant Sina would lose publishing licenses and face heavy fines for distributing lewd content in the anti-vuglarity crackdown. Earlier, SAPPRFT had introduced a "censor first, broadcast later" policy, requiring companies to employ government censors for permission to show films and television programs online. The directive immediately elicited concern that this would be used to ban foreign content, and on April 1 People's Daily attempted to soothe any worry. Last weekend, however, popular American television series (e.g. Big Bang Theory, The Good Wife, The Practice, and NCIS) were removed from Chinese video hosting websites.
- Share prices for many of China's leading Internet companies slid after the popular shows "disappeared." SAPPRFT has given no official statement on its motivation. While Sohu.com founder and CEO Charles Zhang, who holds exclusive rights to show The Big Bang Theory in China, also can't explain the SAPPRFT's reasoning, the New York Times reports that he doesn't think this represent a new industry trend.³⁰ Meanwhile, as the four shows were removed, **CCTV** was airing popular U.S. series Game of Thrones, and an anonymous company insider has hinted that the state broadcaster may soon air The Big Bang Theory.31 Wall Street Journal sees it as a "land grab": "Instead, what could be happening is a simple land grab by state broadcaster China Central Television, or CCTV. Earlier this month, a company formerly associated with Chinese state-run broadcaster China Radio International said on its website it had been hired by CCTV to create a cleaned up translation of "The Big Bang Theory. That could mean that the reason for "The Big Bang Theory" coming down is **more commercial than political**, as CCTV

²⁸ Xinhua, http://news.xinhuanet.com/english/indepth/2014-04/20/c_133276467.htm

The New York Times, http://www.nytimes.com/2014/04/29/business/media/a-websites-chief-plays-down-chinas-curb-on-american-shows.html? r=1

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People's Daily, http://paper.people.com.cn/rmrb/html/2014-04/28/nw.D110000renmrb_20140428_2-03.htm; Reuters, http://www.reuters.com/article/2014/04/28/us-china-internet-idUSBREA3R0G220140428

³¹ SCMP, http://www.scmp.com/news/china-insider/article/1499193/confusion-cctv-airs-game-thrones-amid-ban-other-us-show

may simply be using its political connections to ensure it gets the benefits of being the only one to broadcast the massively popular show."

Economy

- 1. Is China About to Become The World's Largest Economy?
 - According to an updated report from the World Bank's International Comparison Program, China is set to overtake the U.S. as the world's largest economy in terms of purchasing-power parity (PPP)-adjusted GDP before the closing of 2014. Comparing the ICP's new data to standing IMF projections.³²
 - The Economist concurs that China will indeed be the largest economy on the planet by the year's end: "To account for these differences, economists make adjustments based on a comparable basket of goods and services across the globe, so-called purchasing-power parity (PPP). New data released on April 30th from the International Comparison Programme, a part of the UN, calculated the cost of living in 199 countries in 2011. On this basis, China's PPP exchange rate is now higher than economists had previously estimated using data from the previous survey in 2005: a whopping 20% higher. So China, which had been forecast to overtake America in 2019 by the IMF, will be crowned the world's pre-eminent country by the end of this year according to The Economist's calculations. The American Century ends, and the Pacific Century begins."33
 - At the Wall Street Journal, Tom Wright describes the PPP-based methodology in detail, explaining that while it's used by economists to "get at the hidden advantages developing nations have," it comes with many limitations: for example, "China can't buy missiles and ships and Iphones and German cars in PPP currency. They have to pay at prevailing exchange rates. That's why exchange rate valuations are seen as more important when comparing the power of nations."34
- 2. Li Keqiang published major essay on reform in Seeking Truth
 - a. The essay is entitled 关于深化经济体制改革的若干问题³⁵
 - b. Key points³⁶
 - Pushing through deeper economic reforms was a wiser and more courageous approach than relying on government spending and borrowing to produce growth
 - ii. Crucial the government had launched reforms to decentralise decision-making and allow the market to play a bigger role

33 Economist, http://www.economist.com/blogs/graphicdetail/2014/04/daily-chart-19

keqiang-makes-case-deeper-economic-reforms-over-stimulus

³² World Bank, http://icp.worldbank.org/

³⁴ The Wall Street Journal, http://blogs.wsj.com/economics/2014/04/30/chinas-economy-surpassing-u-s-well-yes-and-no/

³⁵ Xinhua, http://news.xinhuanet.com/politics/2014-05/01/c_1110499681.htm#
36 SCMP. http://www.scmp.com/business/economy/article/1502051/premier-li-

- iii. Attributed last year's successes to this "proactive and creative way to macro-manage"
- iv. Government must facilitate more reforms by giving more power to the market. He reiterated his administration's promise to cut the number of permits and initiatives that need government-approval by a third.

Hong Kong

Electoral reform: 2017 Chief Executive election

Timeline

- The five-month consultation period was launched on 4 December 2013 with the publication of the *Consultation Document on the* Methods for Selecting the Chief Executive in 2017. It has ended on 3 May 2014.
- The government will put forward an electoral reform proposal by
- The proposal will be followed the "5-Step Process of Constitutional Development"37:
 - The CE to make a report to the NPCSC as to whether there is a need to amend the two electoral methods,
 - A determination to be made by the NPCSC as to whether the electoral methods need to be amended,
 - The resolutions on the amendments to be introduced by the HKSAR, Government to the LegCo, and be endorsed by a twothirds majority of all the members of the LegCo,
 - Consent to be given by the CE to the motions endorsed by the LegCo, and
 - The relevant bill to be reported by the CE to the NPCSC for approval or for the record.

Major events

- o In late March, Rao Geping, a top Beijing legal scholar visited Hong Kong and explicitly ruled out any idea that would allow voters to put forward chief executive candidates through public nomination including a diluted version previously proposed by a Beijing lovalist legal scholar. Although Rao stressed that he had been stating his personal views, the chief secretary Carrie Lam said his comments set a definitive tone (一錘定音).38
- o In early April, two senior pan-democrats, Anson Chan and Martin Lee, visited the US where they met with a number of politicians, including Democratic Party leader of the US House of Representatives, Nancy

³⁷ Hong Kong Government, http://www.2017.gov.hk/en/liberal/faq.html

³⁸ SCMP, http://www.scmp.com/news/hong-kong/article/1455141/mainland-chineselaw-scholar-rao-geping-rejects-public-nomination

Pelosi³⁹, and vice President Joe Biden (who bumped into the duo). Pro-Beijing newspaper Wen Wei Po ran a one-page article featuring seven Beijing loyalists who condemned the duo for being naïve, inviting external interference and "betraying" Hong Kong with their trip. Beijing's Foreign Ministry representative in Hong Kong has accused the United States of "meddling" in the city's internal affairs and warned Washington not to hamper Sino-US relations.⁴⁰ There are rumours that Washington will reinitiate the "US-HK Policy Act", which was passed in 1992 and required the US Dept of State submit a report to the House of Rep for 10 years after the 1997 handover, together with the dismissed Hong Kong Working Group, which raised opposition among pro-Beijing observers in Hong Kong.⁴¹

- In mid-April, a group of pan-democrats visited Shanghai after a long internal debate, a trip that was seen as the first step in reform debate with Beijing.⁴² As soon as they landed in the Shanghai Airport, "Long Hair" Leung Kwok Hung was denied entry after insisting he keep items related to the June 4 crackdown, including leaflets and a banned book on the Communist Party. Labour Party lawmakers Cyd Ho Saulan and Peter Cheung Kwok-che also returned to Hong Kong in sympathy with Leung. Their withdrawal means that only 10 pandemocrats, along with 42 others, will meet Wang Guangya, director of the State Council's Hong Kong and Macau Affairs Office, Basic Law Committee chairman Li Fei and liaison office chief Zhang Xiaoming for talks on reform⁴³; but it also made the visiting pan-democrats divided. The talks did not draw Beijing and the pan-democrats closer. "The division was on show from the start, as pan-democrats handed over gifts promoting their demand for the 2017 chief executive election. In return, Wang handed out copies of the Basic Law, the city's miniconstitution.⁴⁴ But one moderate pan-democrat points out Beijing's relatively soft stance during the talks, that "Beijing obviously intends to maintain a harmonious atmosphere for further talks with pandemocrats on political reform. Its soft stance can help ease suspicion among the public towards dialogue on political reform.
- Major proposals (comparison of the proposals can be found here⁴⁵)
 - Liberal (public nomination + nomination committee formed by elected Legco and district council members)

³⁹ SCMP, http://www.scmp.com/news/hong-kong/article/1464545/anson-chan-and-martin-lee-meet-us-democratic-leader-nancy-pelosi?page=all

⁴⁰ SCMP, http://www.scmp.com/news/hong-kong/article/1466666/beijing-upset-after-martin-lee-and-anson-chan-meet-joe-biden-white

⁴¹ Takunpao, http://news.takungpao.com.hk/hkol/politics/2014-04/2405662.html
⁴² SCMP, http://www.scmp.com/news/hong-kong/article/1482505/pan-democrats-talks-shanghai-only-first-step-reform-debate-beijing

⁴³ SCMP, http://www.scmp.com/news/hong-kong/article/1479446/long-hairs-aborting-trip-shanghai-lays-bare-pan-democrat-divide

⁴⁴ SCMP, http://www.scmp.com/news/hong-kong/article/1481401/beijing-officials-hong-kong-pan-democrats-no-closer-after-holding

⁴⁵ The House News, http://election-reform.thehousenews.com/

- Scholarism and Hong Kong Federation of Students
- National Education Parents Concern Group
- People's Power
- Moderately liberal
 - Alliance for True Democracy
 - **Democratic Party**
 - 18 Academics
 - HK 2020
 - Legco member Ronny Tong
- Moderately conservative
 - Legal scholar Albert Chen Hung Yi
 - 13 economists and social scientists
 - Liberal Party
 - Silent Majority
- Conservative
 - Federation of Trade Unions
 - Democratic Alliance For the Betterment of Hong Kong
 - Heung Yee Kuk
- Current debates and key issues
 - Nomination Committee: the extent to which the nomination process could be used to "screen out" candidates
 - **Public nomination**: Pan-democrats demand the right of Hong Kong residents to nominate a CE candidate. Student-led group Scholarism in September 2013 called for parties to sign a charter which lists public nomination as a priority.⁴⁶ Under the public nomination proposal, the nominating committee may put forward to run those candidates who receive a quota of nominations from ordinary voters. Secretary for Justice Rimsky Yuen raised legal arguments against public nomination as he claimed it may bypass the nominating committee and "turn it into a plastic stamp "as Article 45 of the Basic Law states that "the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures."47
 - **Organization nomination:** Qiao Xiaoyang mentioned in his speech on 24 March 2013 that "the nominating committee is in fact an organisation. The nomination of CE candidates by the nominating committee is a form of organisational nomination. It is opposed by the pan-democracy camp as the method to screen out the opposition candidates as the pan-democrat candidates would not get a majority support from the nominating committee. The pan-democrat candidates were able to enter the last CE elections by getting just one-eighth of the nomination threshold from the Election Committee. There

⁴⁶ SCMP, http://www.scmp.com/news/hong-kong/article/1313249/public-nominationshouldnt-be-only-way-elect-ce-think-tank
⁴⁷ The Standard,

- were also some interpretations that an organisational nomination would be a breach of the Basic Law.
- Public recommendation: While Beijing openly rejects public nomination, the idea of "public recommendation" stated in the proposal by the 18 academics has not been rejected outright by both Beijing and HK government. The difference of public recommendation from public nomination is that the former does not bind the nomination committee on the choice of candidates, that it should (not must) consider candidate commendations from the public. This allows the nomination committee, which is required by the Basic Law, to "act on its own". Both Chief Secretary Carrie Lam and Secretary for Constitutional and Mainland Affairs Raymond Tam said the proposal by 18 academics announced in early April was worth considering to determine whether or not it violated the intent of Hong Kong's Basic Law constitution.
- Four major sectors: There are also debates on whether the nomination committee should comprise the four sectors as have existed in the Election Committee for previous CE elections. Pro-establishment and pro-Beijing groups tend to support the preservation of the four major sectors (1/Industrial, commercial and financial sectors; 2/ Professions; 3/ Labour, social services, religious and other sectors; 4/ Politicians) as the basis for forming the nomination committee. But pro-democracy groups reject such idea and suggest to replace them by public nomination or other representative groups, such as the democratically elected members of the Legco and district council.
- Hong Kong Bar Association on electoral reform⁴⁸
 - o Rejects public nomination: "The explicit language of Article 45(2) of the Basic Law does not envisage nominating other than by the [committee]. Likewise ... [the clause] rules out a nominating committee consisting of the whole of the electorate or each and every registered voter". Some pan-dem argue that those words do not prevent a system in which the committee would have to approve, or at least consider, candidates with a certain level of public support. But the association says such a system would inhibit the committee's ability to "act on its own". It adds: "The nominating committee cannot be required by legislation to nominate a person who has fulfilled a certain characteristic (whether ... by reason of his being able to demonstrate the support of a certain number of electors or a certain proportion of the electorate). Such an arrangement cannot be reasonably described as the nominating committee acting on its own."
 - Describes as "highly questionable as a matter of law" the idea that candidates must be patriots who "love the country and love Hong

⁴⁸ HK Bar Association, http://hkba.org/whatsnew/misc/2-HKBA-ConstDev%20Submission%20final.pdf

- Kong", as Beijing officials and loyalists have repeatedly asserted. Such a requirement, it said, "cannot possibly be a reasonable restriction".
- Placing a cap on the number of candidates would "infringe the authority and liberty" of the nominating committee.
- O Suzanne Pepper, on her blog pointed out that "the barristers have chosen to adopt a narrow literal interpretation of this article. They argue that public participation could defy the Basic Law's intent by turning the committee into a rubber stamp for public opinion.

 Although they do not cite examples, what they mean to reject is something like the contemporary political party nominating conventions in the United States. These conventions anoint presidential candidates who have already been chosen by voters during the year-long "public nomination" process that includes statewide primary elections and/or caucuses."
- How does HK Government position itself in the electoral debate?
 - HK Government has followed Beijing's line of rejecting public nomination outright, saying that it contravened the Basic Law.
 - Suzanne Pepper points out that Raymond Tam did not hail the proposal just announced by Hong Kong's main pro-Beijing political party, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). This proposal was designed to meet all of Beijing's requirements. Tam tempered his enthusiasm saying public consensus would be difficult to achieve for such a conservative design.... Still, the change is refreshing ... especially in light of hardline DAB orthodoxy ... and the mixed verdict just announced by Hong Kong's Bar Association, regarded as a guardian of judicial independence. Something is going on here. Outsiders for now can only watch and wonder what ... but it looks very much like a carefully choreographed local attempt to absorb and deflect the force of Beijing's advance.⁴⁹
- Occupy Central participants vote for public nomination proposals
 - Occupy Central supporters gathered to select three reform proposals out of 15 on the table that will proceed to a June 20-22 electronic civil referendum, with the final choice receiving OC's official endorsement. The ballot was topped by a joint proposal tabled by the activist group Scholarism and the Federation of Students, with support from 1,142 of the 2,560 supporters present. People Power's public nomination proposal came second with 708 votes, while the Alliance for True Democracy's plan came third with 452 votes. All three winning proposals include the element of public nomination⁵⁰.

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⁴⁹ http://chinaelectionsblog.net/hkfocus/

⁵⁰ SCMP, http://www.scmp.com/news/hong-kong/article/1505877/radicals-urge-public-nomination-choice-deliberation-day-referendum