

Chapter 7

Exporting China's surveillance state through the BRI: a Securitized Information Strategy in support of military-civil fusion and the global re-awakening of the "enlightened" Chinese dragon

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Abstract: China's surveillance state is being exported to the developing world through the Belt and Road Initiative. This geopolitical phenomenon should be understood in the context of China's cultural history which burdens China with the responsibility of establishing a harmonious international order for the benefit of the entire world. It is also according to a Gramscian vision of "counter-hegemony" that China utilizes the communist state as a neo-Marxist vehicle for transporting China to its rightful place in the global hierarchy. Through a global Securitized Information Strategy in combination with a policy of Military-Civil Fusion, the Chinese Communist Party seeks to propagate itself, displace the U.S.-led international liberal order, and ultimately re-assert a more "enlightened" Chinese global hegemony.

Keywords: surveillance, technology, securitized information, militarization, neo-Marxism, Gramsci, Belt and Road Initiative, Military-Civil Fusion, development, trade, geopolitical stability, international security, international liberal order, global hegemony, counter-hegemony, enlightened despotism

Introduction

The exportation of China's surveillance state should be understood in the context of China's cultural history. Part of that history is shaped by the Sino-perception of the Middle Kingdom as being surrounded by a world of barbarians. The logic of such a world view inevitably leads to a justification of cultural superiority. In a treatise which describes China's historical view of international society, Suzuki (2009) explains how "Confucianism was central to this belief system, in particular its emphasis on paternalistic hierarchy, where the powerful behaved with benevolence and righteousness towards those beneath them in the interests of overall social harmony."²¹⁵ In today's world, cultural elitism justifies the imposition of surveillance-driven security through the enlightened despotism of the Chinese Communist Party, charged by history to bring about a more a stable and harmonious international order. Thus, Marxism represents a modern vehicle for transporting the cultural superiority of the Chinese society to its rightful place in the global hierarchy; to its rightful place of global hegemony.

It should be no surprise then that recent first-hand accounts have described the increasing amount of Chinese government surveillance as a tool for ensuring security, good citizenship and productivity for the masses²¹⁶. By invoking these community values, surveillance becomes a central underpinning to China's self-perceived role as the more enlightened and responsible global power in the march towards international development and harmony. But in order to re-establish its place in history after the "Century of Humiliation," the Chinese Communist state must first, and always first, secure its own rule. As a result, China's international exportation of its surveillance technology, in combination with its policy of Military-Civil Fusion, ultimately represents a policy through which the Chinese Communist

²¹⁵ Shogo Suzuki, *Civilization and Empire: China and Japan's Encounter with European International Society* (2009), excerpt reprinted in *The Globalization of Politics*, Eds. John Bayliss, Steve Smith and Patricia Owens (6th Ed. 2014), 47.

²¹⁶ "Inside China: Trade, Growth & Power," *Seminar*, Middlebury Institute of International Studies at Monterey (January 7, 2021).

state seeks to propagate itself, displace the U.S.-led liberal world order, and ultimately re-assert Chinese global hegemony.

The development and exportation of China's Securitized Information Strategy

Like many comforting narratives, the story of China's technology surveillance industry has a humble beginning. For example, a representative account provided by the owner of a manufacturing plant in Shenzhen described how the city has greatly improved over the years²¹⁷. Founded in 1978 as a small fishing village, Shenzhen was one of four special economic zones (SEZs) that were established under Deng Xiaoping in 1979 to attract foreign investment. Today, the SEZ has approximately 20 million inhabitants and migrant workers and is at the center of productivity supporting Guangdong Province's robust \$ 1.7 GDP in 2020²¹⁸. The success story of Shenzhen is built on the globalization of the hi-tech industry. As a result, Shenzhen has come to be known as "China's Silicon Valley" and is the home of such technology surveillance companies like Huawei²¹⁹.

Accompanying the growth in China's high-tech industry, has been the growth of hi-tech surveillance capability. Another change observed by the Shenzhen manufacturer has been the growing proclivity of surveillance cameras throughout the city²²⁰. From the perspective of a Shenzhen businessman, the growth of surveillance is a "good thing" because it contributes to a much more civilized and orderly society²²¹. Other first-hand accounts noted the hyper-legality of the system – describing how it was very important not to drive your car even one kilometer above the speed

²¹⁷ Ibid.

²¹⁸ Sidney Leng, "Two-thirds of China's Provinces beat national GDP growth figure in 2020," *South China Morning Post* (January 30, 2021). Accessed July 5, 2021. <https://www.scmp.com/economy/china-economy/article/3119917/two-thirds-chinas-provinces-beat-national-gdp-growth-figure>.

²¹⁹ Gao Wencheng, "Xinhua Headlines: The rise of China's Silicon Valley," *Xinhuanet* (December 19, 2019). Accessed July 5, 2021. http://www.xinhuanet.com/english/2019-12/19/c_138643548.htm.

²²⁰ "Inside China: Trade, Growth & Power," (January 7, 2021).

²²¹ Ibid.

limit for fear of certain receipt of speeding tickets²²². Another account mentioned that government security personnel have received bonuses for levying citations based on the surveillance²²³. Still, the overriding value of state surveillance was confirmed by the story of a lost dog who was located and returned to his owner within just a few hours²²⁴. In this respect, China's citizens seem to rationalize the imposition of the surveillance state by emphasizing the positive and comforting aspects of the benevolent "Big Brother" in the sky helping to return lost pets to their owners. The warmth and fuzziness of this paternalistic protectorate is grounded in the historical elitism of China's cultural identity which views the powerful leading the hand of society to a place of universal harmony.

But operating behind the curtain, *The Epoch Times* (2018) reports that China's surveillance system is built upon a "cloud data center" established by the "local security bureau" in Shenzhen²²⁵. The data platform was constructed by Huawei and "provides daily real-time storage and analysis of hundreds of millions of data and more than 4TB of images of license plates, face, and other information."²²⁶ It was also reported by *The Washington Post* (2020) that: "Huawei's partnerships reflect the ongoing surveillance in China, where top officials have called for police to use big data to fight crime, under the slogan, 'One Person, One File,' signifying the use of disparate information streams, from surveillance footage to Internet chat history, to better track individuals."²²⁷ As part of this surveillance capability, Huawei has marketed its surveillance products "as being able to identify a person's ethnicity or to help suppress potential protests."²²⁸

²²² "Inside China: Trade, Growth & Power," (January 21, 2021).

²²³ Ibid.

²²⁴ "Inside China: Trade, Growth & Power," (January 7, 2021).

²²⁵ He Jian, "Huawei and the creation of China's Orwellian Surveillance State," *The Epoch Times* (December 24, 2018). Accessed July 5, 2021. https://www.theepochtimes.com/huawei-and-the-creation-of-chinas-orwellian-surveillance-state_2747922.html.

²²⁶ Ibid.

²²⁷ Eva Dou and Drew Harwell, "Huawei worked on several surveillance systems promoted to identify ethnicity, documents show," *The Washington Post* (December 12, 2020). Accessed July 5, 2021. <https://www.washingtonpost.com/technology/2020/12/12/huawei-ughurs-identify/>.

²²⁸ Ibid.

Thus, despite the warmth and fuzziness of returning lost pets to their owners, the growing omnipresence of surveillance cameras also provides a means for controlling the general population. A report from *The Atlantic* (2018) explained how China was “[h]arnessing advances in artificial intelligence and data mining and storage to construct detailed profiles on all citizens... A vast accompanying network of surveillance cameras will constantly monitor citizens’ movements, purportedly to reduce crime and terrorism.”²²⁹ According to former U.S. National Security Adviser H.R. McMaster (2020), the Chinese government is using surveillance to maintain a database of “social credit scores... to determine their friendliness to Chinese government priorities.”²³⁰ For example, a citizen’s social credit score can be improved by downloading the app for “Xi Jinping Thought” and other demonstrations of allegiance to the Chinese Communist Party²³¹. If a citizen’s social score does not demonstrate sufficient loyalty or other community values as determined by the Communist Party, the government can impose restrictions on an individual citizen’s employment, housing, transportation and other basic human needs²³². When a Chinese media figure was asked about the social scoring system, the journalist posited that it was similar to how FICO scores are used in the United States in order to obtain a loan²³³. However, in contrast to FICO scores which are maintained by private companies to assess credit-worthiness, China’s surveillance-based social scores have a security component and are mandated by the government.

In a broader context, Andersen (2020) has noted the importance of surveillance and information technology to government power has played a role in Chinese history for more than 5,000 years²³⁴. Dating back to China’s in-

²²⁹ Anna Mitchell and Larry Diamond, “China’s Surveillance State Should Scare Everyone,” *The Atlantic* (February 2, 2018). Accessed July 5, 2021. <https://www.theatlantic.com/international/archive/2018/02/china-surveillance/552203>.

²³⁰ H.R. McMaster, “How China Sees the World,” *The Atlantic* (May 2020). Accessed July 5, 2021. <https://www.theatlantic.com/magazine/archive/2020/05/mcmaster-china-strategy/609088>.

²³¹ Ibid.

²³² Ibid.

²³³ “Inside China: Trade, Growth & Power,” (January 11, 2021).

²³⁴ Ross Andersen, “The Panopticon is Already Here,” *The Atlantic* (September 2020). Accessed July 5, 2021. <https://www.theatlantic.com/magazine/archive/2020/09/china-ai-surveillance/614197>.

dependent information-recording inventions of writing, paper and wood-block printing, “ancient Chinese emperors well understood the relationship between information flows and power, and the value of surveillance.”²³⁵. Historical examples of government-imposed surveillance systems include the deputization of local police during the 11th century to monitor “China’s elegant walled cities,” the use of self-policing citizens by Chiang Kai-shek during a brief “democratic” period in the early 20th century, and also Mao’s use of local spies as “sharp eyes” to look out for “counterrevolutionary behavior” after the Communist takeover in 1949²³⁶. Mao actually divided Chinese cities into “grids” to facilitate surveillance by the sharp eyes²³⁷.

Expanding upon this government surveillance tradition, *The Atlantic* (2020) reports that “Xi has appropriated the phrase *sharp eyes*, with all its historical resonances, as his chosen name for the AI-powered surveillance cameras that will soon span China.”²³⁸. Assisting in this endeavor are “China’s most prominent start-ups—SenseTime, CloudWalk, Megvii, Hikvision, iFlytek, Meiya Pico—... [all] willing commercial partners.”²³⁹. As this list demonstrates, there are many Chinese companies that “have rushed to stake claim to this vast, lucrative new market.”²⁴⁰. Another firm at the heart of China’s surveillance state is a company called BeiDou, which is “China’s answer to America’s GPS.”²⁴¹. BeiDou is expected to “increase China’s surveillance and its military command-and-control capabilities.”²⁴². However, “Beidou requires a network of ground stations around the world, for which China needs friendly states.”²⁴³. As a result, some analysts believe that China has been attempting to leverage its burgeoning Belt and Road Initiative

²³⁵ Ibid.

²³⁶ Ibid.

²³⁷ Ibid.

²³⁸ Ibid.

²³⁹ Ibid.

²⁴⁰ Dou and Harwell.

²⁴¹ “The digital side of the Belt and Road Initiative is growing,” *The Economist* (February 6, 2020). Accessed July 5, 2021. <https://www.economist.com/special-report/2020/02/06/the-digital-side-of-the-belt-and-road-initiative-is-growing>.

²⁴² Ibid.

²⁴³ Ibid.

("BRI") as a fulcrum to export its surveillance state paradigm. For example, Riikonen (2019) has noted that China's "[i]nformation infrastructure projects increasingly feature in foreign policy projects as well, especially development related projects like the Belt and Road Initiative (BRI)."²⁴⁴.

So while Huawei and other China tech firms are not necessarily engaged in spying in foreign jurisdictions, there is certainly a risk that China may be building "a global surveillance architecture" that is subject to its control²⁴⁵. For example, under China's 2017 National Intelligence Law, state institutions "may demand that relevant organs, organizations and citizens provide necessary support, assistance and cooperation."²⁴⁶. Similarly, China's 2015 National Security Law "mandates companies to allow third-party access to their networks and turn over source code or encryption keys upon request."²⁴⁷. Based on the foregoing, China may require cooperation from companies like Huawei and BeiDou in developing its Securitized Information Strategy worldwide. Part of this global surveillance architecture at China's disposal includes both telecommunications infrastructure, massive networks of cameras equipped with facial recognition technology and ground stations for GPS. As concluded by Riikonen (2019): "With increased worldwide connectivity and the deployment of myriad sensors, states are acquiring access to exponentially more data. AI can leverage that data to generate decision advantage in great power competition and conflict."²⁴⁸.

Such a global surveillance system could be exploited for scaled information advantages by China when positioned abroad through the BRI program. A comprehensive report on the growth of AI surveillance found that

²⁴⁴ Ainikki Riikonen, "Decide, Disrupt Destroy," *Strategic Studies Quarterly*, 13, 4 (Winter 2019), 125. Accessed July 5, 2021. https://www.airuniversity.af.edu/Portals/10/SSQ/documents/Volume-13_Issue-4/Riikonen.pdf.

²⁴⁵ Riikonen, 126.

²⁴⁶ Yi-Zheng Lian, "Where Spying is the Law," *The New York Times* (March 13, 2019). Accessed on July 5, 2021. <https://www.nytimes.com/2019/03/13/opinion/china-canada-huawei-spying-espionage-5g.html>.

²⁴⁷ Steven Feldstein, "The Global Expansion of AI Surveillance," *Carnegie Endowment for International Peace* (September 2019), 15. Accessed July 5, 2021. <https://carnegieendowment.org/2019/09/17/global-expansion-of-ai-surveillance-pub-79847>.

²⁴⁸ Riikonen, 130.

"[t]here is considerable overlap between China's Belt and Road Initiative and AI surveillance—thirty-six out of eighty-six BRI countries also contain significant AI surveillance technology."²⁴⁹ In this respect, Jardine (2019) maintains that: "China's advanced surveillance regime is taking root along the length of the Belt and Road."²⁵⁰ Moreover, "the initiative aims to boost the country's tech giants worldwide, construct China-centric digital infrastructure, and gain a monopoly over the global data supply chain."²⁵¹ It is also known that "Huawei is the leading vendor of advanced surveillance systems worldwide by a huge factor."²⁵²

Thus, it is more and more apparent that China's technology companies are playing a central role in exporting surveillance technology throughout the BRI map. As Polyakova and Meserole (2020) confirm: "The Xi regime has aggressively pushed Chinese information technology as part of its Belt and Road Initiative (BRI)...."²⁵³ Projects include the installation of facial recognition cameras, telecommunications equipment and security services in several Central Asian countries, financed in part by China's National Electronics Import and Export Corporation²⁵⁴. There have also been numerous reports which explain how Chinese technology companies are part of the BRI surveillance roll-out in individual countries. Two recent examples include development projects in Africa and Eastern Europe:

- 1) The *Economist* (2020) reported that: "Without its citizens' consent, Zimbabwe supplies data to China's facial recognition programmes. That is one reason to predict that rivalry over BRI will in the future play

²⁴⁹ Feldstein, 8.

²⁵⁰ Bradley Jardine, "China's Surveillance State has Eyes on Central Asia," *Foreign Policy* (November 15, 2019). Accessed July 5, 2021. <https://foreignpolicy.com/2019/11/15/huawei-xinjiang-kazakhstan-uzbekistan-china-surveillance-state-eyes-central-asia>.

²⁵¹ Ibid.

²⁵² Feldstein., 14.

²⁵³ Alina Polyakova and Chris Meserole, "Exporting digital authoritarianism: The Russian and Chinese models," *The Brookings Institution* (August 27, 2019), 6. Accessed July 5, 2021. <https://www.brookings.edu/research/exporting-digital-authoritarianism>.

²⁵⁴ Jardine.

out more in the digital realm than in the world of the concrete.”²⁵⁵. Another report recounts how: “In Southern Africa, both Zimbabwe and Angola have signed partnerships with Chinese companies to provide AI for their ruling regimes, all under the auspices of the BRI.”²⁵⁶.

- 2) In Belgrade, it has been reported that: “Huawei’s surveillance system includes installing 1,000 high-definition cameras, which use facial and license plate recognition software, in 800 locations across the Serbian capital.”²⁵⁷. Due to recent resistance in Europe to Huawei-based projects based on security concerns, China has focused its efforts on the Balkans where it has “a major presence in the region through its Belt and Road Initiative.”²⁵⁸.

The foregoing examples demonstrate that the BRI represents a major avenue for China to export its surveillance technology to developing regions susceptible to control. Once established in the IT infrastructure of these foreign jurisdictions, the Chinese government has been able to obtain ownership of certain projects by what has been called “debt-trap diplomacy.” Riikonen maintains: “The PRC has used the debt-trap approach not only for physical infrastructure projects but also for digital infrastructure, as in the case of Nigeria’s telecommunications satellites.”²⁵⁹. It has been argued that the risks of debt-trap diplomacy have been exaggerated and require greater responsibilities by the host country to assess viability²⁶⁰. Nevertheless, the fact remains that a Chinese state-owned enterprise was able to obtain a stake in the company that manages Nigeria’s satellite communications for the Nigerian government. Thus, Riikonen concludes that the “PRC information-based development projects pose risks to host

²⁵⁵ “The digital side of the Belt and Road Initiative is growing,” *The Economist*.

²⁵⁶ Polyakova and Meserole, 6.

²⁵⁷ Bojan Stojkovski, “Big Brother Comes to Belgrade,” *Foreign Policy* (June 18, 2019). Accessed July 5, 2021. <https://foreignpolicy.com/2019/06/18/big-brother-comes-to-belgrade-huawei-china-facial-recognition-vucic>.

²⁵⁸ Ibid.

²⁵⁹ Riikonen, 126.

²⁶⁰ “Inside China: Trade, Growth & Power,” (January 20, 2021).

nation governments' control of telecommunications assets."²⁶¹ The control of such telecommunications stations represent a new power center in an age of globalization where the world is more and more dependent on technological connectivity.

In this new global environment, there is a tendency for surveillance technology to be acquired by authoritarian regimes who seek to maintain their power by controlling these new connections upon which modern communications depend. "According to a recent report, 71 percent of Huawei's 'Safe City' agreements are with countries that have a dubious track record on freedom and human rights."²⁶² This surveillance technology, which includes facial recognition capability, is extremely useful for repressive regimes who want to anticipate any protest movement by identifying the organizing individuals at the outset of the movement and eliminate the threat. Moreover, when the surveillance technology companies reside in China, there is little to no recourse via public pressure or otherwise to restrict the technology from misuse. As a result, surveillance technology developed and exported by China effectively assists authoritarian regimes in the maintenance of their power.

Another consideration relating to the exporting of surveillance technology is the amount of control that China has obtained over the data connections that link the world. With growing amounts of data at its fingerprints, China will inevitably obtain more advanced intelligence capabilities. As Riinonen warns: "The invasiveness of this type of surveillance technology would also mean that China's national intelligence network could become an international one."²⁶³

In addition to controlling information through its surveillance technology, the Chinese government has also used "information infrastructure development projects to disseminate information."²⁶⁴ As explained by a Chinese

²⁶¹ Riikonen, 126.

²⁶² Jardine.

²⁶³ Stojkovski.

²⁶⁴ Riikonen, 133.

media figure, one of Beijing's "strategic initiatives" is to expand its global media footprint through Chinese media outlets abroad²⁶⁵. In the "10,000 Villages project," for example, China provided funding to a private company in Africa called StarTimes as part of an upgrade from analog television sets to digital in 30 African states with 10 million subscribers. Riinonen established that the "PRC state media gained advantage through this initiative because StarTimes offers cheaper pricing for television packages, including PRC state-run channels...."²⁶⁶. Thus, not only does China receive the benefit of promoting its world view through its media outlets, there is also the added benefit of access to the digital information streaming to 10 million subscribers throughout the African continent.

China's assertion of control over transborder data flows through surveillance technology represents a strategic determination that information superiority provides a competitive national advantage in maintaining security. This approach by China's leaders is reflective of their cultural history which values the importance of information in the anticipation of any threats to the beneficent ruling order. While the application of this political doctrine based on information superiority was first developed within China itself, it is now being exported to the broader global power structure through the BRI. Other researchers maintain that China's foreign policy has been consistent in this regard, "including an emphasis on strategic information support, information operations, and shaping adversaries' actions below the threshold of open conflict."²⁶⁷. The foreign policy objective is to render the international community amenable to China's authoritarian model for economic development and government stability²⁶⁸. This objective folds into China's goals for the developing world in general, which is to maintain access to resources and markets, expand its geopolitical influ-

²⁶⁵ "Inside China: Trade, Growth & Power," (January 11, 2021).

²⁶⁶ Riikonon, 133.

²⁶⁷ Ibid, 123.

²⁶⁸ Liza Tobin, "Xi's Vision for Transforming Global Governance: A Strategic Challenge for Washington and Its Allies," Texas National Security Review 2, 1 (November 2018). Accessed July 5, 2021. <https://tnsr.org/2018/11/xis-vision-for-transforming-global-governance-a-strategic-challenge-for-washington-and-its-allies>.

ence and reduce the influence of the United States and western democratic and liberal values which may threaten China's ruling elite.

China's combined Securitized Information Strategy and military-civil fusion policy poses a threat to international trade, development and global stability

As stated by President Xi, China's goal is to create a "world class military" by 2049²⁶⁹. This date is symbolically important because it represents the centennial of Chinese Communist Party ("CCP") rule. If China can create a world class military within 100 years of CCP authority, it would validate China's model of governance as the ascendant system for the world to emulate.

To help achieve this goal, China has adopted a policy of Military-Civil Fusion ("MCF"). In June 2017, President Xi defined MCF as a development process designed to harness every element and domain of society towards the advancement of military-civil systems and performance. In Xi's own words: "We must accelerate the formation of a full-element, multi-domain, and high return military-civil fusion, deep development pattern, and gradually build up China's unified military-civil system of strategies and strategic capability."²⁷⁰ President Xi has further explained that MCF is "conducive to the transformation and structural change of China's model for economic growth and development, and is conducive to enhancing the national warfighting capacity and defense capability."²⁷¹ When asked to describe the import of China's vision, an American thinktank specializing

²⁶⁹ M. Taylor Fravel, "China's 'World Class Military' Ambitions: Origins and Implications," *The Washington Quarterly*, 43, 1 (2020), 85–99. Accessed July 5, 2021. <https://taylorfravel.com/documents/research/fravel.2020.TWQ.china.world.class.military.pdf>.

²⁷⁰ Amrita Jash, "China's Military-Civil Fusion Strategy," *CLAWS Journal* (Winter 2020), 45. Accessed July 5, 2021. <https://www.neliti.com/publications/330719/chinas-military-civil-fusion-strategy-building-a-strong-nation-with-a-strong-mil>.

²⁷¹ Alex Stone & Peter Wood, "China's Military-Civil Fusion Strategy: A View from Chinese Strategists," *BluePath Labs* (2020). Accessed July 5, 2021. https://www.bluepathlabs.com/uploads/1/1/9/0/119002711/2021-03-15_mcf_lexicon.pdf.

in Chinese strategy has described MCF as an outline of “China’s path to victory in a global confrontation of systems.”²⁷²

A more benign description of MCF characterizes the policy as a call for “comprehensive planning of the two major systems of military and civilian resources.”²⁷³ According to this view, the intent is to expound “limited social resources into bidirectional and interactive combat power and production power....”²⁷⁴ Conceptually, the policy seeks to leverage a synergy from dual use technologies, industrialization and infrastructure, to create greater innovation and deployment. Politically and socially, the policy mobilizes the general population, whether it be government agencies, businesses, universities or students, to assist in the greater cause of enhancing the state’s military power. “The recruitment of civilians into scientific research by China’s military is part of [this] broader effort to boost civil-military innovation.”²⁷⁵ And as President Xi exclaims, the “great rejuvenation of the Chinese nation” is based on “prosperity, collective effort, socialism and national glory—the ‘China dream’.”²⁷⁶

To help realize the China dream, Chinese businesses and citizens are required to participate in Military-Civil Fusion under China’s National Intelligence Law²⁷⁷. As explained by former U.S. National Security Adviser H.R. McMaster, “Military-Civil Fusion encourages state-owned and private enterprises to acquire companies with advanced technologies... so that technologies can be applied for not only economic but also military and

²⁷² Ibid.

²⁷³ Greg Levesque, “Military-Civil Fusion: Beijing’s ‘Guns AND Butter’ Strategy to become a technological Superpower, *China Brief*, 19, 18 (October 8, 2019). Accessed July 5, 2021. <https://jamestown.org/program/military-civil-fusion-beijings-guns-and-butter-strategy-to-become-a-technological-superpower>.

²⁷⁴ Ibid.

²⁷⁵ Kai Lin Tay, “China’s military looks to civilians to boost innovation,” *The International Institute for Strategic Studies* (May 7, 2020). Accessed July 5, 2021. <https://www.iiss.org/blogs/analysis/2020/05/china-civil-military-innovation>.

²⁷⁶ McMaster; Article 7 of China’s National Intelligence Law provides that: “Any organization or citizen shall support, assist with, and collaborate with the state intelligence work in accordance with the law, and keep the secrets of the national intelligence work known to the public.” Ibid.

²⁷⁷ Ibid.

intelligence advantage. It fast-tracks stolen technologies to the army in such areas as space, cyberspace, biology, artificial intelligence, and energy. In addition to espionage and cybertheft by the Ministry of State Security, the party tasks some Chinese students and scholars in the U.S. and at other foreign universities and research labs with extracting technology.”²⁷⁸. In fact, several researchers from China have been charged with visa fraud in connection with secret research on behalf of the People’s Liberation Army (“PLA”)²⁷⁹.

Thus, in practice, China’s policy of Military-Civil Fusion poses a threat to international order because it **unlawfully** interjects military competition and national security issues into the global trading paradigm. Jenny Bavisotto at the U.S. Bureau of International Security and Nonproliferation explained how such unlawful actions in support of MCF undermine international trading relationships:

[W]hile all nations contract certain defense projects to civilian institutions, the United States and [its] partners around the world have made assurances, through international and bilateral agreements and norms, that dual use technology will not be diverted to military end uses without permission from the country of origin. Military-civil fusion strategy does the exact opposite, deliberately targeting international cooperation to acquire and develop advanced technologies to support military research and development and advanced weapons production²⁸⁰.

For example, in February 2020, the Chinese telecom company Huawei was indicted by the U.S. government on charges of “federal racketeering and conspiracy to steal trade secrets from American companies” relating to

²⁷⁸ Ibid.

²⁷⁹ Nidhi Subbaraman, “U.S. investigations of Chinese scientists expand focus to military ties,” *Nature* (September 4, 2020). Accessed July 5, 2021. <https://www.nature.com/articles/d41586-020-02515-x>.

²⁸⁰ Jenny Bavisotto, “China’s Military-Civil Fusion Strategy Poses a Risk to National Security,” *Bureau of International Security and Nonproliferation* (January 30, 2020). Accessed July 5, 2021. <https://2017-2021.state.gov/chinas-military-civil-fusion-strategy-poses-a-risk-to-national-security/index.html>.

wireless technology and cybersecurity²⁸¹. As one policy researcher concluded: "Huawei, as a 'national champion' involved in developing dual-use technologies, and with longstanding ties to the PLA, is deeply involved in civil-military fusion."²⁸².

Since every Chinese company and citizen are now lawfully required to aid the Chinese military, and are thus *de jure* agents of the PLA, international trade will soon become completely bifurcated due to overriding security concerns. This process is known as "decoupling" in which the international community will face "a binary choice between U.S.-centred and Chinese-centred alternatives for a growing number of high-tech ecosystems, for the end-use products themselves, as well as the education, research and development (R&D) processes, and supply chains that lie behind them."²⁸³. This will inevitably increase costs for the entire world due to lost efficiencies and supply chain disruptions²⁸⁴. It is therefore indisputable that the Chinese policy of Military-Civil Fusion is a threat to international trade and development, because it divides the world into two separate spheres of trading partners and bifurcated development.

Moreover, China's own economic development could only have come about under the global institutions like the WTO and the international system of free trade that have been guaranteed under U.S. hegemony. Consequently, by adopting the Military-Civil Fusion policy, China has undermined the very international trading relationships which have supported its own growth. In so doing, China is killing the goose that laid the golden eggs of its own development over the past four decades. While the conversion of civil resources into a dual-use military footing might seem to superficially enhance efficiencies in the productivity of the state, such a policy

²⁸¹ David McCabe, "U.S. Charges Huawei with Racketeering, Adding Pressure on China, *The New York Times* (February 13, 2020). Accessed July 5, 2021. <https://www.nytimes.com/2020/02/13/technology/huawei-racketeering-wire-fraud.html>.

²⁸² Rick Umback, "Huawei and Telefunken: Communications enterprises and rising power strategies," *Australian Policy Institute* (2019), 9. Accessed July 5, 2021. <https://www.aspi.org.au/report/huawei-and-telefunken-communications-enterprises-and-rising-power-strategies>.

²⁸³ Darren J. Lim and Victor Ferguson, "Conscious Decoupling: The Technology Security Dilemma, In *China Dreams*, Ch. 4 (2019). Accessed July 5, 2021. <https://www.thechinastory.org/yearbooks/yearbook-2019-china-dreams/chapter-4-conscious-decoupling-the-technology-security-dilemma>.

²⁸⁴ Ibid.

imposes real opportunity costs that threaten to undermine international trade and development in the long run. This is true for two reasons.

First, Western governments and companies will be less likely to trust Chinese companies and citizens who have a duty to siphon technology to the PLA. Market intelligence sources have already documented how this lack of trust over security is affecting Huawei in Europe²⁸⁵. Export control laws targeting Huawei and other Chinese companies will also likely preclude such arrangements going forward²⁸⁶. New legal restrictions are exemplified in the U.S. by the adoption of additional requirements for CFIUS review under the recent FIRRMA legislation (2018)²⁸⁷.

Second, as observed by Anja Manuel and Kathleen Hicks (2020), "China's bureaucratic and authoritarian approach to civil-military fusion is likely to waste considerable time and money. By trying to control innovation, Beijing is more likely to delay and even stifle it."²⁸⁸ This is because potentially innovative companies now have to contend with "corporate militias" and MCF alliances that may interfere with and direct the path of innovation towards military ends and away from more viable market objectives. This will no doubt further hamper China's "Economic Freedom" which ranks 107th in the world in the "Mostly Unfree" category between Uganda and Uzbekistan²⁸⁹. The lack of such freedom is inconsistent with long-term innovation and sustainable growth.

²⁸⁵ Saqib Shah, Liz Thomas and Cat Weeks, "Europe lacks a unified approach to Huawei despite yearlong assessments," *S&P Global Market Intelligence* (July 27, 2020). Accessed July 5, 2021. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/europe-lacks-unified-approach-to-huawei-despite-yearlong-assessments-59602291>.

²⁸⁶ Emily Feng, "The Latest U.S. Blow to China's Huawei Could knock out its Global 5G Plans, NPR (May 28, 2020). Accessed July 5, 2021. <https://www.npr.org/2020/05/28/862658646/the-latest-u-s-blow-to-chinas-huawei-could-knock-out-its-global-5g-plans>.

²⁸⁷ Joseph V. Moreno, Jodi L. Avergun, Joshua Apfelroth, Keith M. Gerver, "CFIUS Unbound: Foreign Investor Deals Continue to Draw Intense National Security Scrutiny," *The National Law Review* (August 1, 2019). Accessed July 5, 2021. <https://www.natlawreview.com/article/cfius-unbound-for-foreign-investor-deals-continue-to-draw-intense-national-security>.

²⁸⁸ Anja Manuel & Kathleen Hicks, "Can China's Military Win the Tech War?," *Foreign Affairs* (July 29, 2020). Accessed July 5, 2021. <https://www.foreignaffairs.com/articles/united-states/2020-07-29/can-chinas-military-win-tech-war>.

²⁸⁹ *Index of Economic Freedom* (2021). Accessed July 5, 2021. <https://www.heritage.org/index/ranking>.

These self-inflicted harms which undermine international trade and development are even more confounding because China faces no real security threat. With more than 1.6 million troops in the PLA and its nuclear arsenal intact, China's borders are more than secure despite the recent border spats with India and the disputes over the South China Sea. Upon reflection, the Chinese miscalculation in adopting its Securitized Information Strategy and MCF results from long-standing historical grievances, a national psychology of insecurity and a neo-Marxist interpretation of history.

After the so-called "Century of Humiliation," the modern Chinese communist state was born in 1949, arising from the international liberal order that was created by the United States. It was the United States that defeated Japan in World War II, not China. Nevertheless, on September 3, 2015, China held a great military parade to celebrate the Communist party's claimed victory in "the global anti-fascist and anti-imperialist struggle" against Japan and Germany²⁹⁰. According to President Xi, China upended the "strategic coordination between Japan's fascism and German fascism" and, as a result, "significantly raised China's international position."²⁹¹ Clearly, the deliberate spread of misinformation by China emanates from the top. The reality was that "in 1945, China was a failed state."²⁹² Moreover, it was the United States that ensured China's place in the new international liberal order by insisting that China be made a member of the newly formed U.N. Security Council²⁹³.

In addition to the obvious historical inaccuracies, what is remarkable about China's celebration of victory over Japan and Germany is how the CCP views the international world order that emerged after World War II – not as a liberal world order in which free trade and economic development are guaranteed by the hegemony of the United States – but rather as a stepping stone for the neo-Marxist revolution that is being guided by

²⁹⁰ Sergey Radchenko, "China Lost World War II," *Foreign Policy* (September 3, 2015). Radchenko, Sergey. "China Lost World War II." *Foreign Policy* (September 3, 2015). Accessed July 5, 2021. <https://foreignpolicy.com/2015/09/03/china-lost-world-war-2-china-world-war-ii-victory-parade>.

²⁹¹ Ibid.

²⁹² Ibid.

²⁹³ Ibid.

the surveillance and MCF of the modern CCP. When viewed in this context, China's Securitized Information Strategy and policy of Military-Civil Fusion pose a dual threat to geopolitical stability because they represent a critical step towards the goal of a world-wide authoritarian state policed by the CCP through the PLA.

Ultimately, the CCP intends to utilize its Securitized Information Strategy and Military-Civil Fusion policy to consolidate China's global military power in support of a broader strategy to supplant the current international liberal order guaranteed by U.S. hegemony. President Xi has proclaimed that China's rise over the past 40 years offers the international community "a new model of modernization that other countries should look to and adopt. In effect, this model is one of state-controlled economics and authoritarian dictatorship, and thus one in direct competition with the liberal institutions of the current international system."²⁹⁴

The importance of engaging in "counter-hegemony"²⁹⁵ against the Western fascists and imperialists was first recognized by the neo-Marxist philosopher Antonio Gramsci. Just like the CCP's confrontation with Germany and Japan, Gramsci similarly fought against the fascists in Italy. After being imprisoned by Mussolini in the mid-1920's, Gramsci explained why the communist revolution failed in the West. Gramsci's premise was that power was deprived from a combination of "coercion and consent."²⁹⁶ As a result, Western imperialists maintained power due in part to the consent of the masses that was grounded in the hegemony of the ruling class over the ideas and values of the society, such as free markets and consumerism. Under Gramsci's formulation: "It is hegemony that allows the moral, political and cultural values of the dominant group to become widely dispersed

²⁹⁴ Christopher Ashley Ford, "Technology and Power in China's Geopolitical Ambitions," (June 20, 2019). Accessed July 5, 2021. <https://2017-2021.state.gov/technology-and-power-in-chinas-geopolitical-ambitions/index.html>.

²⁹⁵ Arthur Smith-Windsor, "The People's Republic of China as a Counter-Hegemonic Actor," *Politics Journal*, 6 (August 7, 2020). Accessed July 5, 2021. <https://ojs.library.queensu.ca/index.php/politics/article/view/14318>.

²⁹⁶ Stephen Hobden and Richard Wyn Jones, "Marxist theories of international relations," in *The Globalization of World Politics*, Eds. John Bayliss, Steve Smith and Patricia Owens (6th Ed. 2014), 147.

throughout society and to be accepted by subordinate groups and classes as their own.”²⁹⁷. This hegemony allowed the working class to be manipulated for the benefit of maintaining the power of the ruling elite.

Applying neo-Marxist thinking to today's geopolitical constellation, China has concluded that the hegemony of the Western imperialists led by the United States “is a key element in the perpetuation of its dominance.”²⁹⁸. Thus, the international liberal order guaranteed by U.S. hegemony “can only be transformed if that hegemonic position is successfully challenged.”²⁹⁹. A central component of any challenge to U.S. hegemony necessarily requires a challenge to U.S. military supremacy and the acceptance of the Chinese military as a viable alternative in the eyes of the international community. According to Dr. Christopher Ashley Ford, Assistant Secretary of the U.S. Bureau of International Security and Non-proliferation, China is exporting “its model of authoritarianism through its ‘Community of Common Destiny’ to reshape global governance....”³⁰⁰. The exportation of China's model of authoritarianism is also being accomplished through policies like the “Belt and Road Initiative” and “Military-Civil Fusion.” All of these “overlapping policies” are part and parcel of China's attempt to bring the “China Dream” to the entire world³⁰¹. Unfortunately, given the CCP's penchant for mass surveillance, social control and “maintaining totalitarian rule,”³⁰² this prospect is really a global nightmare for anyone who values liberty³⁰³

²⁹⁷ Ibid.

²⁹⁸ Ibid., 148.

²⁹⁹ Ibid.

³⁰⁰ Ford.

³⁰¹ McMaster.

³⁰² Cai Xia, “The Party that Failed, *Foreign Affairs* (Jan. / Feb. 2021). Accessed July 5, 2021. <https://www.foreignaffairs.com/articles/china/2020-12-04/chinese-communist-party-failed>.

³⁰³ Mitchell and Diamond.

Conclusion

The arguments against viewing China's Securitized Information Strategy and policy of Military-Civil Fusion as a threat to international trade, development and/or geopolitical stability, mainly consist of four general points. First, it is contended that there really does not exist any **international** liberal order guaranteed by American hegemony. This view maintains that most people are unhappy with the inequities of democracy anyway – as a result there is actually a sustained intellectual debate about whether liberal democracy can even survive the current century; second, China contextualizes its Securitized Information Strategy and its MCF policy as merely an adoption of the U.S. model of innovation and the military-industrial complex. This view denies the militarization of China's society by comparing it with the U.S. model of development which has been the standard for advanced countries post-World War II; third, China's diplomats maintain that its military power and spending lags too far behind the U.S. to constitute any threat; and fourth, any characterization of China's Securitized Information Strategy and MCF policy as a threat to geopolitical stability is simply an overreaction by insecure western powers who want to keep China mired in its past "Century of Humiliation."

At the heart of the foregoing arguments is the notion that the "international liberal order" is merely an "American-centric way of thinking" which excludes 90% of the world's population. Such a system must surely be fragile to begin with since it is dependent upon a single country in which most of the citizens are unsatisfied with how their democracy functions. Finally, the argument quips that this must surely be the case in the wake of Trump when Americans have undermined international institutions upon which such order is supposedly based, including the World Trade Organization and the World Health Organization, and even laid siege to the American capitol building itself.

The foregoing critique is certainly not new. The argument has previously been expressed by such scholars as Harvard's Graham Allison in his 2018

article, "The Myth of Liberal Order."³⁰⁴ But even Allison acknowledges that China's model poses a threat to international trade and development because President Xi "heads the most protectionist, mercantilist, and predatory major economy in the world."³⁰⁵ Moreover, as recently confirmed by another scholar, Milan Babic, "most mainstream and critical theoretical perspectives agree on the existence and relevance of some sort of liberal, American-led international order."³⁰⁶

But there is also no doubt that since the global financial crisis in 2008 the international liberal order has been through a turbulent period, highlighted by such illiberal events as Trump's unilateral imposition of tariffs and the rise of neo-populist nationalism and anti-immigrant sentiment. Despite this recent antagonism, the global population still chooses to migrate legally and illegally to American democracy over China by the millions. Every year, the poorest citizens from every country in the world try desperately to migrate to the United States by seeking permanent residency, H-1B worker visas, student visas and regular caravans from Central America. In contrast, "China has almost no migrants coming to the country."³⁰⁷ Even when including residents of Hong Kong and Macao, migrants make up just 0.07% of China's population, "meaning China has the fewest migrants of any country in the world. By comparison, migrants make up 15.6% of the US population."³⁰⁸ Based on the foregoing, it is clear that when the global population has the chance to vote with its feet, it chooses the American system over China.

At the same time, global turbulence does not automatically preclude the rise of additional threats posed by China's authoritarianism through

³⁰⁴ Graham Allison, "The Myth of Liberal Order," *Foreign Affairs* (July / Aug. 2018). Accessed July 5, 2021. <https://www.foreignaffairs.com/articles/2018-06-14/myth-liberal-order>.

³⁰⁵ Ibid.

³⁰⁶ Milan Babic, "Let's talk about the interregnum: Gramsci and the crisis of the liberal world order," *International Affairs*, 96, 3 (2020), 769. Accessed July 5, 2021. <https://academic.oup.com/ia/article/96/3/767/5712430>.

³⁰⁷ Dan Kopf, "In one metric of diversity, China comes in dead last," *Quartz* (December 27, 2017). Accessed July 5, 2021. <https://qz.com/1163632/china-still-has-the-smallest-share-of-incoming-migrants-in-the-world>.

³⁰⁸ Ibid.

its Securitized Information Strategy and policy of Military-Civil Fusion. The view of China's descent is also not restricted to so-called "China hawks." Cai Xia was an esteemed professor at the prestigious Central Party School of the Chinese Communist Party for 15 years. And even Cai Xia admits the growing threat of Chinese authoritarianism: "Once a fervent Marxist,... I had begun to make the case for liberalization. Once a loyal member of the CCP,... the regime has degenerated further into a political oligarchy bent on holding power through brutality and ruthlessness. It has grown even more repressive and dictatorial."³⁰⁹

The opposing argument still maintains that China's Securitized Information Strategy and MCF policy is not a threat because it is geared towards producing consumer products like GPS. Apparently, the irony of relying on such American examples as the global standard of innovation is lost on China's proponents. What is also overlooked is that, unlike China, the United States and other western powers do not mandate their citizens or companies to work with, or on behalf of, their militaries and intelligence agencies³¹⁰. Thus, the innovation flow sought in China is not from the military to the consumer space. Rather, the China's Securitized Information Strategy in combination with its MCF policy imposes the innovation flow from the individual citizen and corporate class to the PLA. This represents a militarization of the general population and industrial base that the world has not seen since the rise of the Nazi's. Just like the Nazi's claim to a Greater Germany after the humiliation of Versailles constituted a threat to global stability in the mid-1930s, so too does the claim to a Greater China after the Century of Humiliation³¹¹.

³⁰⁹ Xia.

³¹⁰ Scott Shane and Daisuke Wakabayashi, "'The Business of War': Google Employees protest Work for the Pentagon," *The New York Times* (April 4, 2018). Accessed July 5, 2021. <https://www.nytimes.com/2018/04/04/technology/google-letter-ceo-pentagon-project.html>.

³¹¹ Salvatore Babones, "What World War II teaches us when it comes to Standing up to China," *The National Interest* (August 10, 2020). Accessed July 5, 2021, <https://nationalinterest.org/feature/what-world-war-ii-teaches-us-when-it-comes-standing-china-166575>.